

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEAUFORT COUNTY SCHOOL DISTRICT
BEAUFORT, SOUTH CAROLINA

FOR THE YEAR ENDED
JUNE 30, 2017

PREPARED BY:
The Finance Department
Jeffrey Moss, Ed.D. Superintendent

INTRODUCTORY SECTION

Beaufort County School District

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Beaufort County School District 2017 Board Members

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BEAUFORT COUNTY SCHOOL DISTRICT

Administrative Office

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Beaufort, South Carolina 29902

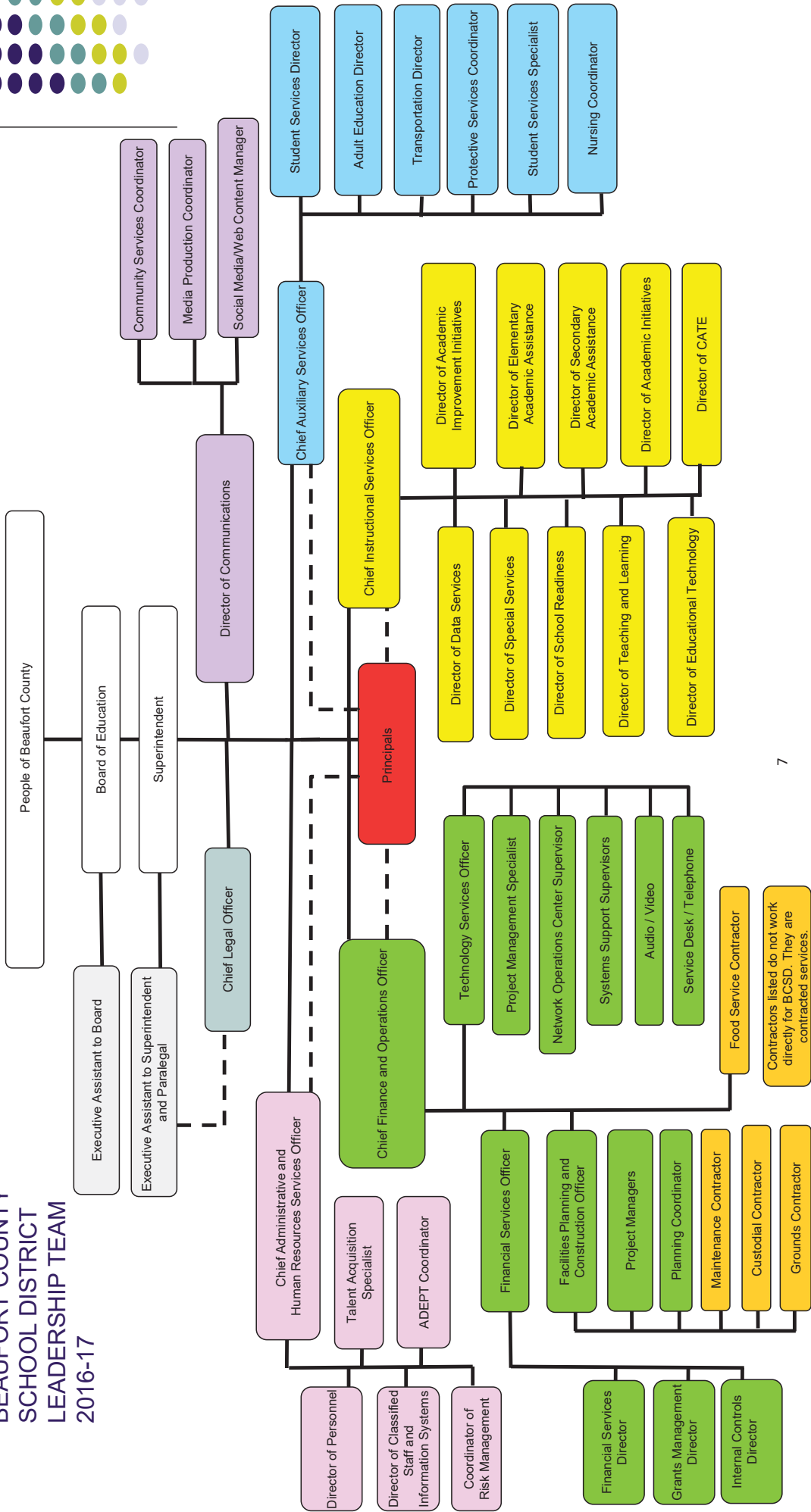
Senior Management

Jeffrey Moss, Ed.D.	Superintendent
Mr. Drew Davis	Chief Legal Services Officer
Dr. Dereck Rhoads	Chief Instructional Services Officer
Ms. Tonya Crosby, CPA, CGFO	Chief Finance and Operations Officer
Ms. Alice Walton	Chief Administrative and Human Resource Services Officer
Dr. Gregory McCord	Chief Auxiliary Services Officer

Officials Issuing Report

Ms. Tonya Crosby, CPA, CGFO, Chief Finance and Operations Officer
Mr. William Saunders, Jr., CPA, Financial Services Officer

BEAUFORT COUNTY SCHOOL DISTRICT LEADERSHIP TEAM 2016-17





November 30, 2017

To the Members of the Beaufort County Board of Education
And Citizens of Beaufort County, South Carolina:

We are pleased to present the Comprehensive Annual Financial Report of the Beaufort County School District ("BCSD" or the "School District") for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of the School District. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management has established a comprehensive internal control framework. Internal accounting controls are designed to provide reasonable assurance that assets are properly safeguarded and accounted for, and to ensure the reliability of accounting information for preparing financial statements in conformity with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The School District's financial statements have been audited by Elliott Davis, LLC, an independent firm of certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report. The School District also is required to undergo a federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. In addition to reporting on the fair presentation of the financial statements, the single audit places special emphasis on internal controls and legal requirements involved in the administration of federal awards. These reports are available in the School District's separately issued Single Audit Report located in the Single Audit Section of this document.

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

Relevant Financial Policies

The majority of the School District's financial policies endorsed by the Board of Education policies and regulations remain unchanged: organize and optimize resources for improved academic results; deliver high academic results at a low student cost; evaluate the use of resources for applicability to goals of the Board of Education's strategic plan; provide financial accountability and transparency to the citizens of Beaufort County; and carefully manage indebtedness and debt service. The Board of Education has a fund balance policy in compliance with Government Accounting Standards Board (GASB) 54.

The School District uses zero-based budgeting as a tool to manage its exposure to rising costs and to assure spending efficiencies. Innovative approaches to continuous improvement are employed to streamline processes and eliminate waste, and to measure process performance in meeting the goals of the Board of Education's strategic plan.

Profile of the School District

Beaufort County School District serves approximately 22,000 students. Located along the Atlantic Ocean, its area covers 587 square miles including 64 major islands and thousands of small islands in the state's southeastern corner. Beaufort County is characterized by isolated small towns, islands, and farming communities.

Beaufort County School District has 17 elementary schools, 2 pre-K-8 schools, 6 middle schools, 6 high schools, 1 charter school, 1 alternative school and 1 career center shared with neighboring Jasper County. It serves students in pre-kindergarten through grade 12 and includes programs such as: Montessori education, alternative education programs, English for Speakers of Other Languages (ESOL), vocational education, adult education, Science Technology Engineering and Math (STEM), Junior ROTC, and aeronautical engineering among others. In addition, two magnet programs, Advanced Math, Engineering and Science (AMES), have been established within two of our elementary schools, as well as a dual high school and college program at Whale Branch Early College High School.

The School District is governed by the Board of Education (the "Board") which consists of eleven members elected from single member districts. The chief executive officer is the Superintendent of Schools, Jeffrey C. Moss, Ed.D., appointed by and responsible to the Board. An updated organizational chart of the management of the School District is included in the Introductory Section.

The School District does not have fiscal autonomy from Beaufort County. The County Council (an eleven member council) reviews our budget requests for reasonableness and levies the mills necessary in compliance with State Act 388 to insure sufficient tax revenue is generated. Funds are appropriated on an annual basis for the general operating fund.

Factors Affecting Financial Conditions

Local Economy - The School District receives approximately 63% of its operating budget from Beaufort County. The remaining 37% is received from the State; 56% of which is funded through sales tax reimbursement as a part of Act 388. Due to a change in the Education Finance Act (EFA) funding formula, as well as our increase in enrollment, School District's state support has increased over the past five years. Prior to the enactment of Act 388 in 2006, our local support was as high as 91%.

According to the 2016 Census estimates, Beaufort County has grown by 12.4% since the 2010 Census, making it one of the fastest growing counties in the state. The other six counties that grew faster during that period were Horry at 19.2%, Berkeley at 17.9%, Lancaster at 16.4%, Jasper at 14.2%, York at 13.9% and Charleston at 12.9%. Since the 2010 Census, the student population has grown by 10% based on enrollment projected for the 2017-2018 school year.

The School District also continues to derive economic benefits from the presence and expansion of military facilities, including the U.S. Marine Corps Recruit Depot, the Marine Corps Air Station and the Beaufort Naval Hospital. The military facilities provide steady employment despite the poor economic times. The U.S. Marine Corps Recruit Depot at Parris Island, the Marine Corps Air Station-Beaufort, and the Beaufort Naval Hospital are all located within the County. Currently, the Marine Corps Air Station-Beaufort consists of more than 700 Marines and Sailors along with 600 civilian personnel who ensure approximately 3,400 personnel of Marine Air Group 31 and its component squadrons and tenant units are readily deployable. In 2009, Beaufort City Council signed a resolution supporting the Department of Defense's proposal to locate up to 11 joint strike fighter jets at the Air Station beginning in 2013.

At the U.S. Marine Corps Recruit Depot, there are over 4,700 military and non-military personnel in our local area supporting the over 20,000 recruits. In 2013, the total economic impact was estimated at approximately \$403 million with more than 976 direct jobs on or near the installation at any given time.

Tourism is the major industry in Beaufort County. In 2015, tourists spent approximately \$1.2 billion in Beaufort County, according to a report by Regional Transactions Concepts, LLC entitled "Estimated Impact of Beaufort County Tourism in 2015." In 2015, tourism was responsible for 13,812 jobs, and approximately \$11.8 million in net revenues for local governments. This figure excludes revenue generated by state and local accommodations tax, local hospitality and recreation taxes. With respect to total expenditures, jobs, and local tax receipts, the County ranked third behind only Horry County (where Myrtle Beach is located) and Charleston County. The County ranked fourth in payroll behind only Horry County, Charleston County and Greenville County. Almost 10% of the total amount spent by tourists in all of South Carolina's 46 counties in 2014 was spent in Beaufort County.

Total retail sales were up 9% in 2016. The number of new commercial businesses decreased by 10% in Beaufort County during 2016. Countywide, the number of residential new construction permits also decreased from 2015 to 2016 by 18%. The number of new permits fell below 500 for the first time since 2012. A large number of residences are currently under construction, particularly in the Bluffton area.

The county's unemployment rate at 4.6% remains below the State of South Carolina's rate of 4.8% as of September 2017. The rate increased by 0.1% from the prior year. The presence of the military bases and the rebound of the tourism business have contributed to this drop.

The list of major taxpayers in the County has remained virtually unchanged, with the exception of Publix Super Markets replacing a local apartment complex. The top ten taxpayers primarily include four local utility companies and a few major resorts.

The most recent available information shows the County has a median family income of \$57,048 for calendar 2015. This income level continually ranks the County as one of the highest in the State and is above national levels.

Despite having a very high median family income, the number of students eligible for free and reduced price meals has increased from 50% to 60% since 2010. To assist families in our community, we applied for and were granted permission from the USDA to declare eight schools Community Eligible Program schools. Under this program, all students in the schools receive free breakfast and lunch meals. Wherever high poverty conditions exist, it puts an increased financial burden on our community and schools.

Long-Term Financial Planning - The Board's fund balance policy requirements are the guide for long-term financial planning. The Board's policy requires our fund balance stay within 13% to 15% of the next year's expenditures. This guidance is a critical component for long-range financial planning.

Five-year operating budget projections are updated each year, used as a starting point for budget discussion and planning, and revised each year to reflect trends and factors affecting enrollment. In addition, ten-year capital and debt plans are updated annually to ensure financial stability while meeting the facility needs of the School District.

Major Initiatives – The top priority for FY 2017 was teacher recruitment and retention. The School District implemented a \$1,000 locality supplement in 2015-16 as an incentive to offset the high cost of living in our county, especially in the area of Hilton Head Island. The goal is to increase this supplement by \$1,000 each year for five years until the starting teacher salary reaches \$40,000.

Continuing as a major focus for FY 2017 was our Connect2Learn program which was a 1:1 technology initiative providing a mobile device for every student. This initiative gives students access to information, allow them to think critically, problem solve, collaborate and create while learning to safely, ethically, and effectively utilize 21st century tools.

Beaufort County School District continues to expand its Career and Technical Education programs for middle and high school students, including culinary arts, public safety, welding, agriscience, aeronautics, automotive technology, and health sciences, among others.

Enrollment - Student enrollment has been on the rise since 2009 after experiencing a year of decline. The growth has been approximately 7.9% over the past four years indicating an improvement in our local economy. Current enrollment has reached over 22,000 students, an increase of 235 students since the prior year.

The face of our community is changing as demonstrated by our demographics. Our Hispanic population has increased from 18.3% to 25.8% of the total student population. This represents a growth of 59% over a ten-year period. Our School District currently has 41% Caucasian, 28% African American, 26% Hispanic and 5% other.

Accomplishments and Awards

Academic Achievements - The School District's on-time high school graduation rate for the Class of 2017 was 84.1 percent, the seventh consecutive improvement and an all-time high, up about 9 percentage points from just five years ago.

The School District's SAT score has improved by 61 points over the past five years, and African-American seniors have reduced the achievement gap with white seniors by improving their scores by 87 points while white students improved by 30 points.

Graduating seniors in the Class of 2017 earned more than \$40 million in college scholarships, the fifth consecutive increase and an all-time high, up from \$23 million five years ago.

Eighty-five percent of School District 11th-graders scored high enough on the 2017 statewide administration of WorkKeys exams to qualify for certificates that they can use to apply for jobs anywhere in the nation. BCSD students outperformed their peers from most other school districts.

The School District has created “schools of choice” in all attendance zones. Parents can apply to send their children to any academic program in the School District, regardless of where they live. For the 2017-18 year, more than 3,500 students are enrolled in schools outside their attendance zones.

The Connect2Learn program has put a mobile computer in the hands of every student.

The School District has added 260 full-day prekindergarten slots, which has allowed schools to reduce or even eliminate waiting lists of at-risk children who need focused attention before they start classes. The School District earned the Champions for Children Award from the Institute of Child Success for its efforts to improve early childhood education.

The School District’s total number of school volunteers has increased from 1,300 to more than 7,200 in the last three years.

Financial Reporting Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Beaufort County School District for its Comprehensive Annual Financial Report for the past twenty-six years. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

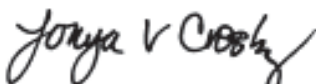
In addition to the award for excellence in financial reporting, the School District has earned the Distinguished Budget Presentation Award from the GFOA for the past ten fiscal years.

Acknowledgements

We wish to express our appreciation to the entire staff of the Finance Department whose dedicated efforts have enabled this report to be prepared on a timely basis.

In closing, sincere gratitude is expressly to the Board of Education for their leadership and dedication to the Beaufort County School District, its taxpayers, employees, and most importantly, its students. To the citizens of the Beaufort County School District, please accept our gratitude for your support of our successful school district.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tonya V. Crosby". The signature is fluid and cursive, with the first name "Tonya" being the most prominent part.

Tonya V. Crosby, CPA
Chief Finance and Operations Officer



Government Finance Officers Association

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

Presented to

**Beaufort County School District
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

Members of the Beaufort County Board of Education
Beaufort County School District
Beaufort, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County School District (the School District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, the statistical section, the other supplementary schedules, as listed in the Table of Contents, and the accompanying 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*, is not a required part of the basic financial statements.

The other supplementary schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
November 30, 2017

Beaufort County School District

Management's Discussion and Analysis

For the fiscal year ended June 30, 2017

As management of the Beaufort County School District (the School District), we offer readers of the Beaufort County School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2017. Management encourages the readers to consider the information presented in this discussion in conjunction with additional information that is presented as part of this report. Readers are directed to the transmittal letter, financial statements, notes to the financial statements and statistical information to enhance their understanding of the School District's financial performance.

Financial Highlights

Net Position - The School District's total net position (as reported on the government-wide Statement of Net Position) as of June 30, 2017, was \$67.4 million. This amount reflects an increase of \$27.8 million which is primarily attributable to an increase in deferred outflows related to pensions.

Revenues, Other Financing Sources and Expenditures - Governmental revenues totaled \$307.7 million, other financing sources/(uses) totaled \$21.7 million, and expenditures totaled \$326.7 million for all Governmental Funds at the fund level. Fund balances increased by \$2.8 million. This is largely attributable to positive budget variances within the general fund. General obligation bonds were issued in FY 2017 to be used for repair and maintenance of School District facilities.

General Fund/Fund Balance - The School District's principal operating fund, the General Fund, had \$221.8 million in revenues and other financing sources and \$214.2 million in expenditures and other financing uses, resulting in a net increase in fund balance of \$7.6 million. This resulted in the General Fund's fund balance increasing from \$28.6 million to \$36.3 million or 16.0% of budgeted FY 2018 general fund expenditures.

General Fund Budget - Local tax collections exceeded the amount budgeted by \$2.6 million. State revenues in the General Fund also exceeded the amount budgeted by \$2.2 million due to an increase in fringe benefits revenue, state retiree insurance and EFA revenue. The original budget was designed with a planned addition to fund balance of \$1,330,981; however, due to a surplus in local property tax collections and state revenue, \$7.6 million was added to fund balance.

Debt - The School District sold \$20.0 million of general obligation bonds in FY 2017 and refinanced \$29.1 million of installment purchase revenue bonds to take advantage of lower interest rates. New bonds were issued to fund the major capital improvements on existing schools. The fund balance of the Debt Service Fund increased by \$2.9 million to a total of \$14.8 million. This increase in fund balance was planned to maintain the debt service fund balance within the desired range for reserves.

Major Capital Additions - The School District's capital assets for governmental activities increased by \$5.2 million or 1.0%. This is largely attributable to the construction or renovation of schools.

Proprietary Funds - The Enterprise Fund, the School District's Food Service Fund, ended the year with an increase in net position of \$105,050. This increase is primarily due to a decrease in supplies and materials expenses. The Internal Service Fund, used as an Insurance Reserve Fund, had an increase in fund balance of \$80,805 to a net position of \$914,812. The increase is attributable to the receipt of insurance proceeds received during the fiscal year.

Beaufort County School District

Management's Discussion and Analysis

For the fiscal year ended June 30, 2017

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The government-wide financial statements (Statement of Net Position and Statement of Activities) are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business. Short-term and long-term information about the School District's overall financial status is provided in these statements. These statements use the economic resources measurement focus and the accrual basis of accounting used by most private-sector companies. This basis of accounting recognizes revenue when earned, and expenses are recorded when an obligation has been incurred.

The government-wide financial statements include not only the School District itself (known as the primary government), but also the component unit Riverview Charter School, a charter school sponsored by the School District. Financial information for the charter school is reported separately from the financial information presented for the primary government itself. Additional information on the School District's component unit can be found on page 42.

The Statement of Net Position and Statement of Activities report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service activities are reported as business activities.

The Statement of Net Position presents information on all of the School District's assets plus deferred outflows, and liabilities plus deferred inflows (except for those related to fiduciary funds), with the difference between the two reported as net position. Over time, increases and 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Beaufort County School District

Management's Discussion and Analysis

For the fiscal year ended June 30, 2017

Both government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include general fund, special revenue fund, EIA fund, debt service, capital projects, and the internal service fund. The business-type activities of the School District include the food service fund.

The government-wide financial statements can be found on pages 31 and 32 of this report.

Fund Financial 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for near-term spending. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which recognizes revenue when it is measurable and available, and expenses are recorded when the related fund liability is incurred. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's education programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds - Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting. The School District's food service fund and the internal service fund are the only proprietary funds.

Fiduciary funds - The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The School District's Student Activities Fund is the only fiduciary fund. Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 to 78.

Other supplemental information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a comparison of the School District's budget for the year and other supplementary information schedules required either by the State Department of Education or the Certificate-of-Excellence program of the Government Finance Officers Association.

Beaufort County School District
Management's Discussion and Analysis
For the fiscal year ended June 30, 2017

Government-Wide Financial Analysis

The condensed statement of net position describes the financial position of the School District on June 30, 2017. In the case of the School District's Primary Government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67.4 million.

The largest portion of the School District's net position reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although net investment in its capital assets is reported, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase in net investment in capital assets of \$27.3 million (14.3%) is due to current year capital expenditures offset by the depreciation for ongoing capital projects, and reductions in long-term debt.

Unrestricted Net Position, the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$460,000 million (less than 0.1%) from a \$168.1 million deficit at June 30, 2016, to a \$167.7 million deficit at June 30, 2017. A summary of the School District's net position for 2017 compared to 2016 is presented below:

Condensed Statement of Net Position							
	Governmental activities		Business-type activities		Total School District		Total percent change
	2016	2017	2016	2017	2016	2017	2016-17
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Current and other assets	\$ 123,808,426	\$ 120,713,126	\$ 1,327,644	\$ 1,435,458	\$ 125,136,070	\$ 122,148,584	-2.4%
Capital assets	515,361,434	520,523,631	2,145,718	2,164,530	517,507,152	522,688,161	1.0%
Deferred outflows of resources	25,156,867	45,671,892	53,959	111,489	25,210,826	45,783,381	81.6%
Total assets and deferred outflows of resources	<u>\$ 664,326,727</u>	<u>\$ 686,908,649</u>	<u>\$ 3,527,321</u>	<u>\$ 3,711,477</u>	<u>\$ 667,854,048</u>	<u>\$ 690,620,126</u>	<u>3.4%</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES							
Long-term debt outstanding	\$ 326,509,210	\$ 293,734,943	\$ 916	\$ 455	\$ 326,510,126	\$ 293,735,398	-10.0%
Other liabilities	80,149,097	79,756,403	478,878	514,561	80,627,975	80,270,964	-0.4%
Net pension liability	215,632,392	245,146,428	662,613	711,752	216,295,005	245,858,180	13.7%
Deferred inflows of resources	4,846,071	3,338,932	14,891	9,636	4,860,962	3,348,568	-31.1%
Total liabilities and deferred inflows of resources	<u>627,136,770</u>	<u>621,976,706</u>	<u>1,157,298</u>	<u>1,236,404</u>	<u>628,294,068</u>	<u>623,213,110</u>	<u>-0.8%</u>
NET POSITION							
Net investment in capital assets	190,512,542	217,792,997	2,145,718	2,164,530	192,658,260	219,957,527	14.2%
Restricted	14,833,180	14,834,791	-	-	14,833,180	14,834,791	0.0%
Unrestricted	(168,155,765)	(167,695,845)	224,305	310,543	(167,931,460)	(167,385,302)	-0.3%
Total net position	<u>37,189,957</u>	<u>64,931,943</u>	<u>2,370,023</u>	<u>2,475,073</u>	<u>39,559,980</u>	<u>67,407,016</u>	<u>70.4%</u>
Total liabilities and net position	<u>\$ 664,326,727</u>	<u>\$ 686,908,649</u>	<u>\$ 3,527,321</u>	<u>\$ 3,711,477</u>	<u>\$ 667,854,048</u>	<u>\$ 690,620,126</u>	<u>3.4%</u>

Beaufort County School District
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The following table presents a summary of the changes in net position for the fiscal year ended June 30, 2017:

Changes in Net Position							
	Governmental activities		Business-type activities		Total School District		Total percent change
	2016	2017	2016	2017	2016	2017	2016-17
REVENUES							
<u>Program revenues</u>							
Charges for sales and services	\$ -	\$ 30,794	\$ 1,937,992	\$ 1,747,524	\$ 1,937,992	\$ 1,778,318	-8.2%
Operating grants and contribut	41,683,182	56,304,680	8,287,106	7,993,920	49,970,288	64,298,600	28.7%
Capital grants and contribution	4,688	1,966,192	-	-	4,688	1,966,192	41841.0%
<u>General revenues</u>							
Property taxes	181,789,897	191,962,980	-	-	181,789,897	191,962,980	5.6%
Federal and state formula aid	55,725,768	56,498,536	-	-	55,725,768	56,498,536	1.4%
Other	2,242,781	1,940,649	8,528	1,349	2,251,309	1,941,998	-13.7%
Total revenues	281,446,316	308,703,831	10,233,626	9,742,793	291,679,942	318,446,624	9.2%
EXPENSES							
Instruction	135,610,851	151,483,408	-	-	135,610,851	151,483,408	11.7%
Support services	112,359,882	116,167,136	-	-	112,359,882	116,167,136	3.4%
Community services	443,619	389,610	-	-	443,619	389,610	-12.2%
Payments to charter schools and other governmental units	4,897,834	5,264,197	92,533	121,461	4,990,367	5,385,658	0.0%
Interest and other charges	9,595,327	7,660,445	-	-	9,595,327	7,660,445	-20.2%
Food service	-	-	10,182,638	9,513,331	10,182,638	9,513,331	-6.6%
Total expenses	262,907,513	280,964,796	10,275,171	9,634,792	273,182,684	290,599,588	6.4%
Excess (deficiency) before transfr	18,538,803	27,739,035	(41,545)	108,001	18,497,258	27,847,036	50.5%
Transfers	(3,189)	2,951	3,189	(2,951)	-	-	0.0%
Increase in net position	18,535,614	27,741,986	(38,356)	105,050	18,497,258	27,847,036	50.5%
Net position, beginning of year	18,654,343	37,189,957	2,408,379	2,370,023	21,062,722	39,559,980	87.8%
Net position, end of year	<u>\$ 37,189,957</u>	<u>\$ 64,931,943</u>	<u>\$ 2,370,023</u>	<u>\$ 2,475,073</u>	<u>\$ 39,559,980</u>	<u>\$ 67,407,016</u>	<u>70.4%</u>

Governmental Activities. Governmental activities increased the School District's net position by \$27.8 million and business-type activities increased net position by \$105,050. Key elements of the increase are as follows:

Capital Assets increased by \$5.1 million due primarily to the excess of new buildings and building improvements over depreciation expense in the period. The completion of the new high school accounts for the majority of the new facilities.

Long-term debt outstanding decreased by \$32.7 million (10.0%). As new construction came to a close, the need for additional bond issuances declined. Bonds issued in prior years were used to fund the new high school. The decrease in debt outstanding resulted from the excess of principal payments made over new debt issued. The School District issued \$20.0 million to fund ongoing capital improvements. Principal payments of \$41.0 million were made, and the School District refinanced \$30.6 million of installment purchase revenue bonds during the fiscal year.

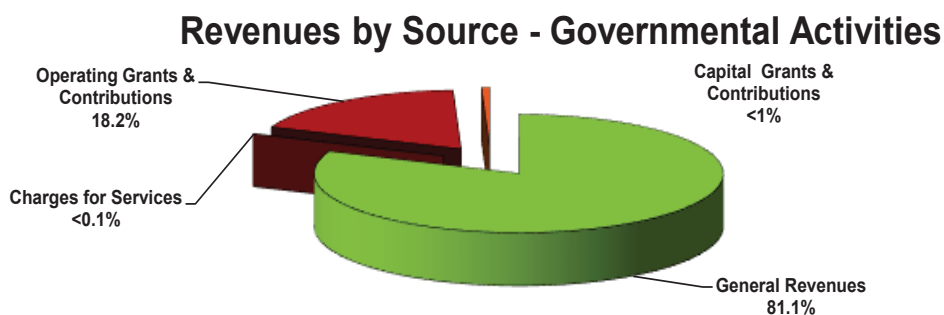
Beaufort County School District

Management's Discussion and Analysis

For the fiscal year ended June 30, 2017

Beaufort County is still considered one of the wealthiest counties in the state since the state's primary funding formula, Education Finance Act (EFA), uses a wealth index based on county real estate values. Beaufort County's close proximity to the coast causes property values to have a higher value thereby providing less state support. The School District's EFA support was \$13.7 million based on the wealth index, up \$6.5 million from the prior year.

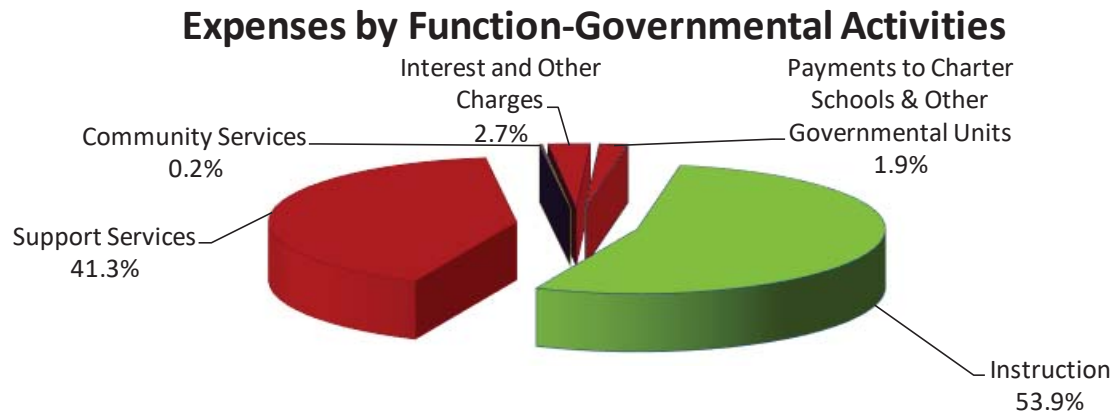
The School District's dependence on local and state tax revenues for government activities is apparent as is demonstrated below. Eighty-one percent of all revenues are provided by general revenues which include local property taxes and federal and state aid, the majority of which is local property taxes.



The total cost of governmental activity programs and services increased 6.8% to \$281 million. Instructional expenses increased \$15.9 million to \$151.5 million, and support expenses combined with payments to charter schools increased by \$4.2 million to \$121.4 million. Changes in instructional costs are attributable to an increase in staff to meet the needs of a growing population of students as well as increases in teacher's salaries and benefits.

Beaufort County School District
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The figure below represents the cost of five major School District activities: instruction, support services, community services, intergovernmental, and interest and other charges.



The table below shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Net Cost of Governmental Activities						
	Total cost of services		Total percent change 2016-17	Net cost of services		Total percent change 2016-17
	2016	2017		2016	2017	
Instruction	\$ 135,610,851	\$ 151,483,408	11.7%	\$ 108,132,710	\$ 114,762,472	6.1%
Support services	112,359,882	116,167,136	3.4%	98,456,543	94,820,910	-3.7%
Community services	443,619	389,610	-12.2%	137,229	155,106	13.0%
Payments to component units and Intergovernmental expenditures	4,897,834	5,264,197	7.5%	4,897,834	5,264,197	7.5%
Interest and other charges	9,595,327	7,660,445	-20.2%	9,595,327	7,660,445	-20.2%
Total	<u>\$ 262,907,513</u>	<u>\$ 280,964,796</u>	<u>6.9%</u>	<u>\$ 221,219,643</u>	<u>\$ 222,663,130</u>	<u>0.7%</u>

The cost of all governmental activities this year was \$281 million.

The federal and state governments subsidized certain programs with grants and contributions (\$56.3 million).

Most of the School District's costs (\$222.7 million), however, were financed by School District and state taxpayers.

This portion of governmental activities was financed with \$192.0 million in property taxes, \$56.5 million from grants and contributions, \$575 thousand of unrestricted investment earnings, and \$1.4 million of miscellaneous revenues.

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For the fiscal year ended June 30, 2017

Business Type Activities. The Net Position of business-type activities increased by \$105,050 from June 30, 2016 to June 30, 2017 to \$2.5 million. Key elements of the increase include:

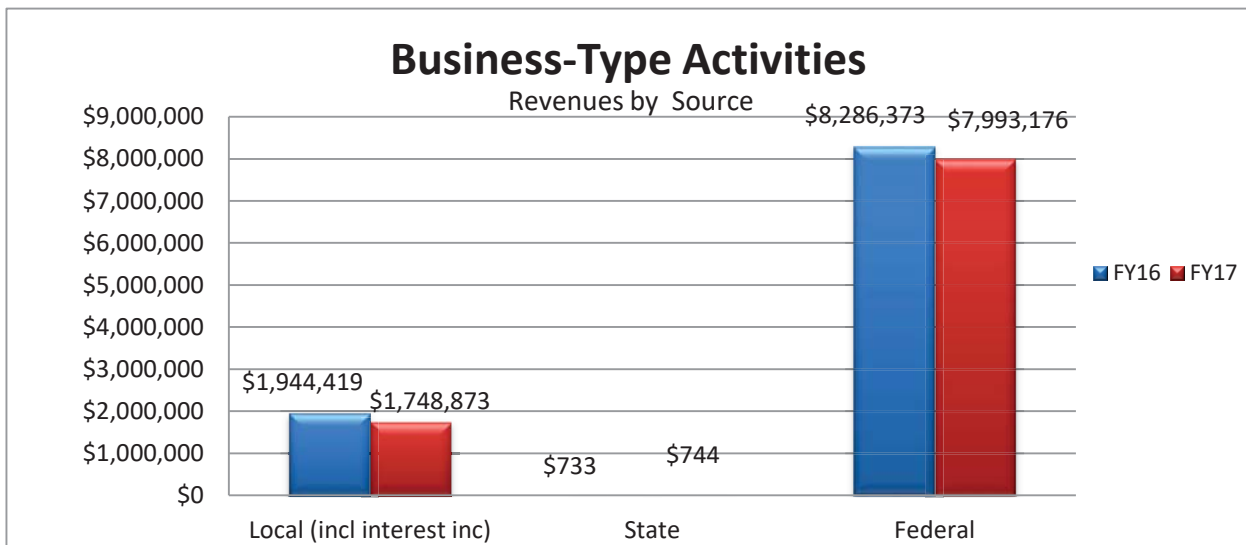
Business-type expenses decreased by 6.2% to \$9.6 million due primarily to a decrease in number of meals served.

Program Revenues - Charges for sales and service, which are primarily proceeds from meal sales, decreased by 9.8% to \$1.7 million.

Program Revenues – Operating Grants and Contributions, which are primarily federal reimbursements for meals served, decreased by 3.5% to \$8.0 million.

Food service operations produced a net gain of \$105,050 compared to the prior year's net loss of \$38,356.

This operation receives no support from local property tax revenues. As demonstrated below, the majority of the revenue received (82%) is from federal sources, a decrease of 4.7% of overall revenue from the prior year.



Financial Analysis of the School District's Funds

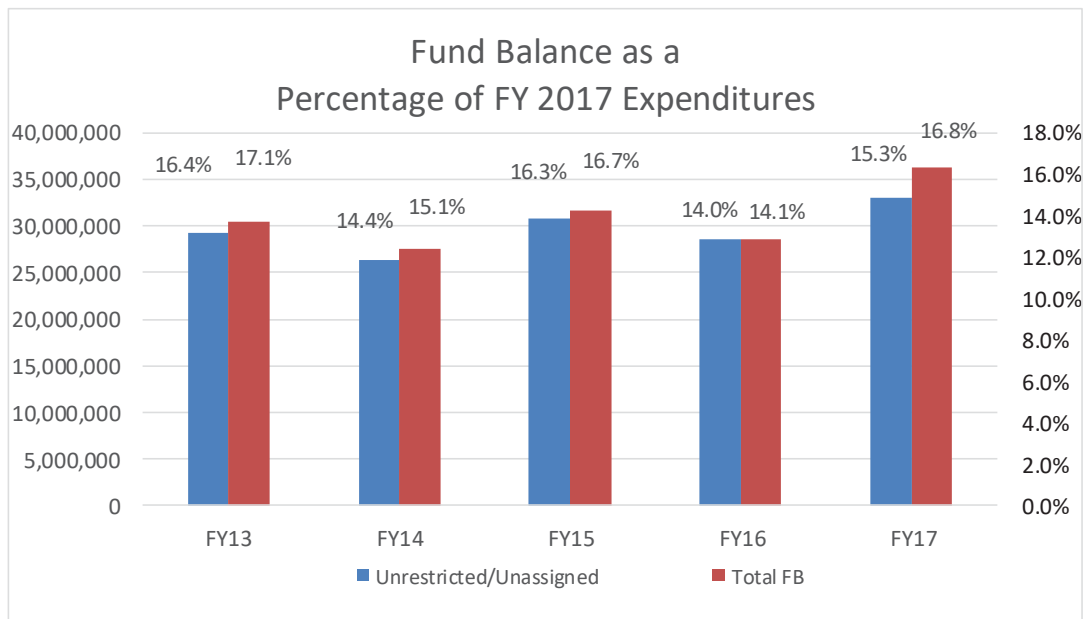
Governmental Funds. Information about the School District's major funds begins on page 33. These funds are accounted for using the modified accrual basis of accounting and include the following funds: General Fund, Special Revenue, Special Revenue-EIA, Debt Service, Debt Service-EFC and Capital Projects. As the School District completed the year, its government funds reported combined fund balances of \$77.7 million; a \$2.8 million increase from last year's ending fund balances. The net change in fund balance was most significant in the general fund (\$7.6 million) and is primarily attributable to a surplus in local property tax collections and state revenue.

Beaufort County School District

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The general fund is the chief operating fund of the School District. The following graph shows the general fund unassigned fund balance as a percentage of current year expenditures and other financing uses. Our Board requires a 13-15% fund balance measured against the next year's expenditure budget.



The graph above can be used to measure the overall financial health of the School District. The General Fund unassigned fund balance of \$33,064,996 at June 30, 2017 represents 15.3% of budgeted FY 2017 expenditures or approximately fifty-six days of operations. The School District has engaged measures to ensure the fund balance is maintained within acceptable levels to meet Board policy. The Board's policy is to maintain a 13% to 15% unassigned fund balance of the next year's projected expenditure budget. Measures to do this include cost containment, seeking alternative revenue sources through grants and lease agreements, as well as a collaborative relationship with County Council who approves the millage rate for general operations. In FY 2017, the School District budgeted for a net increase in fund balance of \$1,330,981. However, due to a surplus in local property tax collections and state revenue, \$7.6 million was added to fund balance.

The School District's Special Revenue Funds and EIA are used to account for revenues derived from the State of South Carolina and the Federal Government. Most Special Revenue Funds do not have fund balances as revenues should be expended, deferred or returned to the grantor. Total revenue for Special Revenue funds and EIA funds increased by \$1.9 million and \$2.1 million respectively. The School District maintains adequate carryover balances to support long-term initiatives and to offset potential reductions in state and federal allocations.

The Debt Service fund shown in the accompanying financial statements of the School District includes the regular School District Debt Service fund and the EFC (Educational Facilities Corporation) Debt Service Fund. Both funds are used to account for the accumulation of funds for debt retirement. The debt millage rate held steady at 31.71 mills in FY 2017, a rate needed to adequately support the School District's scheduled debt payments. The combined fund balance for the regular and EFC debt service funds increased slightly by \$1,611 to \$14.8 million.

Beaufort County School District

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The School District uses Capital Projects Funds to account for school construction and improvement projects which are primarily financed through bond referenda or 8% debt issues. The Capital Projects fund balance decreased by \$4.9 million to a total of \$26.6 million.

Proprietary Funds. The School District's proprietary funds consist of the School District's Food Service operations and the Internal Service Fund. The proprietary funds provide the same type of information found in the government-wide statements but in more detail.

Food Service operations, which are outsourced to an external vendor, are business-type activities, while the other proprietary fund, the Internal Service Fund, is a governmental activity. The Internal Service Fund was established at the end of FY 2006 for insurance and risk management services to include:

- Payment of claims (under \$25,000 deductible per claim),
- Obtain services or programs to enable the School District to maintain insurance or purchase additional coverage,
- Provide services or programs aimed at reducing hazards or exposures thereby reducing the cost of insurance and
- Utilize actuarial or other consulting services related to our commercial insurance programs that will benefit the program.

Net position in the Internal Service Fund increased from \$834,007 at June 30, 2016 to \$914,812 at June 30, 2017. This is the result of insurance proceeds recorded in FY 2017.

General Fund Budgetary Highlights

As always, the School District's budget was developed utilizing a long-term approach. It is essential to consider projected expenditures over the next 5 years, especially for a School District that is experiencing an increase in enrollment. The School District faced \$12.5 million in increased costs primarily due to enrollment growth, state and federally mandated increases, contractual increases and program expansion. In order to minimize the impact of these increases, \$0.6 million of cost reductions were identified causing the School District's FY 2017 general fund expenditure budget to increase by \$11.9 million to \$215.5 million. Beaufort County Council increased the operating millage from 103.5 to 111.5 mills to address the shortfall in local property tax revenue tax that was experienced in FY 2016.

The key revenue highlights for FY 2017 are as follows:

- Total actual property tax revenues for the General Fund of \$134.3 million exceeded the final budgeted revenues of \$131.7 million. This \$2.6 million surplus is primarily due to an underestimation of the value of a mil.
- Market conditions have resulted in a decline in interest on investments over the last several years. Interest income in FY 2017 was \$182,489.
- State revenues exceeded the final budget by \$2.2 million due to an increase in fringe benefits revenue, state retiree insurance and EFA revenue.

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- Federal revenues reflect collections of multi-year E-rate and impact aid reimbursements. These funds represent reimbursements for telecommunications upgrades, wireless access points and other technology infrastructure. The E-rate reimbursements are dependent upon the release of federal funds, therefore, very unpredictable and difficult to budget.
- A tax anticipation note (TAN) in the amount of \$18 million was drawn down in the Fall of 2016 and repaid in February 2017. Since the fund balance is inadequate to support operational costs during periods of low revenue collections of local property taxes, the School District continues to be dependent on short-term borrowing. Once tax collections resume in January, the TAN is repaid.
- Total spending in the General Fund is reported at 99.4% of the \$215.5 million budget. This represents under spending in the amount of \$1.3 million.
- The School District's first charter school opened in FY 2010. Payments to the charter school are allocated using a state required formula involving enrollment and District-wide revenues. Funding increased by \$366,363 from FY 2016 to FY 2017 due to an increase of 38 students.
- Operation and maintenance of plant exceeded the budget by \$236,644 due to damages incurred as a result of Hurricane Matthew.
- Transportation services exceeded the budget by \$124,121 due to enrollment growth and increased numbers of routes for specialized programs.
- TAN interest was budgeted at \$55,000, but expenditures exceeded the amount budgeted by \$23,285 due to an increase in the amount of principal borrowed.

Capital Asset and Debt Administration

Capital Assets - At the end of 2017, the School District had invested \$828.6 million in a broad range of capital assets, including school buildings, athletic facilities, and various types of equipment necessary to operate the School District's 32 schools and an administrative office. This amount represents an increase of \$25.8 million from the prior year (more detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$20.7 million.

Capital Assets (net of accumulated depreciation)					
	Governmental activities		Business-type activities		Percent change
	2016	2017	2016	2017	2016-17
Land	\$ 41,367,170	\$ 41,299,484	\$ -	\$ -	-0.2%
Improvements	130,177,741	131,684,109	-	-	1.2%
Buildings	272,197,152	336,526,990	-	-	23.6%
Equipment	7,202,006	10,190,028	2,145,718	2,164,530	32.2%
Construction in progress	64,417,365	823,020	-	-	-98.7%
Total	<u>\$ 515,361,434</u>	<u>\$ 520,523,631</u>	<u>\$ 2,145,718</u>	<u>\$ 2,164,530</u>	<u>1.0%</u>

Beaufort County School District

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The focus of construction in the 2016-17 school year was addressing the school overcrowding in the Bluffton community. Capital expenditures consisted primarily of construction of a new high school, as well as minor renovations and preventive maintenance of existing facilities. The high school was funded using the School District's 8% debt capacity and opened its doors to over 900 students in August 2016. No new schools are scheduled for construction at this time. The School District also continues to develop and update an annual 5-year capital improvement plan to cover the School District's prioritized capital renewal and new construction needs. Project priorities include the health and safety of children and staff, asset preservation, the adequacy of facilities for effective learning, the reduction of school overcrowding, and the completion of phased renovations and building modifications.

Long-Term Debt - At year-end, the School District had \$306,016,621 in bonds outstanding (excluding short-term debt obligations, deferred charges and unamortized premiums), a decrease of \$22.6 million. Since new schools are not in the plans for the upcoming year, the only additions to debt included \$20.0 million in bonds issued for ongoing capital improvements. More detailed information about long-term debt can be found in Note 10 of the financial statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to eight percent (8%) of its total assessed valuation. The current debt limitation for the School District is \$145.5 million which is in excess of the School District's applicable outstanding debt of \$90.0 million, leaving capacity of \$55.4 million.

Outstanding Long-Term Debt			
	2016	2017	% Change
General Obligation Debt Related to Referenda	\$ 209,962,000	\$ 188,761,000	-10.1%
General Obligation Debt Subject to 8% Limit	88,025,621	90,015,621	2.3%
Installment Purchase Revenue Bonds	30,585,000	27,240,000	-11%
Total Outstanding Debt	<u>\$ 328,572,621</u>	<u>\$ 306,016,621</u>	<u>-6.9%</u>

Bond Ratings - The School District maintains an "Aa1" underlying rating from Moody's Investor Service and an "AA" rating from Standard & Poor's for general obligation debt. Additional security is provided by the South Carolina School District Credit Enhancement Program (Government Obligations Rated Aa1 and AA), which applies to all of the School District's outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

The latest Beaufort County projections indicate low to moderate economic growth across Beaufort County. Discussions with local governments, developers, real estate professionals, planners, etc. and relevant data indicate that the economy has begun to recover and will continue to recover at a slow pace. As the local economy continues to recover, the growth rate of the area will need to be continuously monitored to assess the impact of the growth on the area and how it affects our schools for future needs. According to U.S. Census data for the town of Bluffton, estimated population growth from 2010 to 2016 is 41.3% making it one of the fastest-growing communities in the nation. The population is expected to change from 12,530 in 2010 to 18,897 in 2016, an increase of 5,522 during that period.

Beaufort County School District

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After slowing in 2012, the county-wide growth rate as a percentage of the county population has grown steadily each year. This indicates a positive outlook that the local market is making progress toward returning to pre-recession growth.

Following a year of significant commercial and residential growth, new building permits have slowed during the year. Large amounts of construction continue to occur in the southern area of the county, particularly Bluffton, and it shows signs of continued expansion. Much of the stability in our county can be attributed to the two major military bases, as well as the other governmental organizations. Another major industry is tourism which remains somewhat constant due to the military bases and the resort area of Hilton Head Island.

During tax year 2016 (fiscal year 2017), the Beaufort County Council increased the operating millage from 103.5 to 111.5 mills to address the shortfall in local property tax revenue that was experienced in FY 2016, resulting in a positive variance in the amount of \$2.7 million. This positive variance was a critical component in restoring unassigned fund balance to a level that falls within the 13% to 15% range of budgeted expenditures required by Board policy. The Beaufort County Council increased the operating millage from 111.5 to 113.5 for tax year 2017 (fiscal year 2018).

The Board of Education and County Council continue to work as a team to determine a realistic mill value and set the millage at a level that supports the School District's instructional goals while minimizing the impact on taxpayers.

With the economy showing signs of stabilization, student enrollment continues a pattern of growth. As of the 45th day, the School District grew by 203 students to 21,952 from 21,749 in the prior year, an increase of 0.9%. The School District's student enrollment projections, as well as county growth projections indicate that the majority of the growth is occurring in the southern portion of our county, particularly in the Bluffton area. There are significant building permits for housing approved which are either under construction or stand ready for construction to begin.

The FY 2018 General Fund budget was approved at \$225.8 million, an increase of 4.8% from the FY 2017 budget of \$215.5 million. A portion of the rise in expenditures is state mandated, including \$4.3 million for teacher step increases and a rise in retirement and health insurance costs. Increases due to enrollment growth amounted to \$2.4 million. Increases due to program expansion were \$84,480; operational and other increases totaled \$3.9 million. These increases reflect costs associated with the opening of the new high school. Budget reductions were needed to bring the budget to a level supported by County Council. The administration identified savings in unemployment claims, supply budgets, and was able to move four staff members to Special Revenue Funds, all amounting to \$.34 million in budget reductions.

This FY 2018 budget represents a balance between keeping momentum in student achievement and minimizing tax payer impact. Local tax revenues for FY 2018 are based upon a millage rate of 113.5. This represents an increase of 2 mills from the prior year. This was necessary to fund the mandated teacher salary increase, the continuation of a teacher recruitment and retention incentive, and a 2% increase in the District's share of retirement benefits. The debt millage maintained a rate of 31.71 mills. The School District continues to work with the County staff by preparing long-range plans to maintain continuity of the School District's excellent bond rating which ultimately saves interest costs for the taxpayers of Beaufort County.

Beaufort County School District

Management's Discussion and Analysis

For the fiscal year ended June 30, 2017

Requests for Information

This financial report is designed to provide the School District's citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate 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, Beaufort County School District, 2900 Mink Point Blvd, P.O. Drawer 309, Beaufort, South Carolina 29901. In addition, this Comprehensive Annual Financial Report may be found on the School District's website at <http://www.beaufortschools.net>.

BASIC FINANCIAL STATEMENTS

Beaufort County School District**Statement of Net Position****As of June 30, 2017**

	Primary Government			Component Unit
	Governmental activities	Business-type activities	Total	Riverview Charter School
Assets				
Current assets				
Cash and investments	\$ 17,352,704	\$ 662,316	\$ 18,015,020	\$ 65,252
Deposits with Beaufort County Treasurer	80,224,758	-	80,224,758	-
Receivables				
Taxes, net	12,717,219	-	12,717,219	-
Due from other governmental units	7,061,313	189,195	7,250,508	15,626
Other	75,504	437,392	512,896	5,747
Internal balances	(33,972)	33,972	-	-
Due from agency fund	29,347	-	29,347	-
Inventories	-	112,583	112,583	-
Restricted cash and cash equivalents	67,122	-	67,122	-
Prepaid items	3,219,131	-	3,219,131	3,136
Total current assets	120,713,126	1,435,458	122,148,584	89,761
Non-current assets				
Deposits	-	-	-	10,000
Non-depreciable capital assets	42,122,504	-	42,122,504	-
Depreciable capital assets, net of accumulated depreciation	478,401,127	2,164,530	480,565,657	115,280
Total non-current assets	520,523,631	2,164,530	522,688,161	125,280
Deferred outflows of resources				
Deferred outflows related to pensions	38,412,781	111,489	38,524,270	1,191,639
Deferred charge on refunding	7,259,111	-	7,259,111	-
Total deferred outflows of resources	45,671,892	111,489	45,783,381	1,191,639
Liabilities				
Current liabilities				
Line of credit	-	-	-	35,000
Accounts payable	7,759,675	231,097	7,990,772	200,083
Retainage payable	141,540	-	141,540	-
Due to Beaufort County	-	-	-	60,518
Accrued salaries and benefits	17,245,796	45,572	17,291,368	-
Unearned revenue	6,028,030	237,892	6,265,922	4,888
Accrued interest	4,215,938	-	4,215,938	-
Short-term debt obligations	254,000	-	254,000	-
Long-term liabilities, due within one year	44,111,424	-	44,111,424	-
Total current liabilities	79,756,403	514,561	80,270,964	300,489
Long-term liabilities				
Long-term liabilities, net of current portion	293,734,943	455	293,735,398	-
Pension obligation	245,146,428	711,752	245,858,180	6,243,271
Total long-term liabilities	538,881,371	712,207	539,593,578	6,243,271
Total liabilities	618,637,774	1,226,768	619,864,542	6,543,760
Deferred inflows of resources				
Deferred inflows related to pensions	3,338,932	9,636	3,348,568	186,055
Total deferred inflows of resources	3,338,932	9,636	3,348,568	186,055
Net position				
Net investment in capital assets	217,792,997	2,164,530	219,957,527	115,280
Restricted for:				
Debt service	14,834,791	-	14,834,791	-
Unrestricted	(167,695,845)	310,543	(167,385,302)	(5,438,415)
Total net position	\$ 64,931,943	\$ 2,475,073	\$ 67,407,016	\$ (5,323,135)

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District
Statement of Activities
For the fiscal year ended June 30, 2017

Functions/Programs	Program revenues					Net (expense) revenue and changes in net position			Component Unit Riverview Charter School
	Expenses	Charges for sales and service	Operating grants and contributions	Capital grants and contributions		Governmental activities	Business-type activities	Total	
Governmental activities									
Instruction	\$ 151,483,408	\$ 30,794	\$ 36,690,142	\$ -		\$ (114,762,472)		\$ (114,762,472)	
Support services	116,167,136	-	19,380,034	1,966,192		(94,820,910)		(94,820,910)	
Community services	389,610	-	234,504	-		(155,106)		(155,106)	
Payments to component units	4,919,392	-	-	-		(4,919,392)		(4,919,392)	
Intergovernmental expenditures	344,805	-	-	-		(344,805)		(344,805)	
Interest and other charges	7,660,445	-	-	-		(7,660,445)		(7,660,445)	
Total governmental activities	280,964,796	30,794	56,304,680	1,966,192		(222,663,130)		(222,663,130)	
Business-type activities									
Food service	9,634,792	1,747,524	7,993,920	-			\$ 106,652	106,652	
Total business-type activities	9,634,792	1,747,524	7,993,920	-			106,652	106,652	
Total primary government	\$ 290,599,588	\$ 1,778,318	\$ 64,298,600	\$ 1,966,192		(222,663,130)	106,652	(222,556,478)	
Component unit									\$ (953,707)
Charter school	\$ 6,638,810	\$ 439,659	\$ 5,245,444	\$ -					
General revenues:									
Property taxes levied for:									
General purposes					135,052,712			135,052,712	-
Debt service					56,910,268			56,910,268	-
Federal and state aid not restricted for specific purpose					56,498,536			56,498,536	-
Unrestricted investment earnings					575,147		1,349	576,496	-
Miscellaneous					1,365,502		-	1,365,502	230,817
Subtotal, general revenues					250,402,165		1,349	250,403,514	230,817
Excess of revenues over (under) expenses					27,739,035		108,001	27,847,036	(722,890)
Transfers					2,951		(2,951)	-	-
Change in net position					27,741,986		105,050	27,847,036	(722,890)
Net position, beginning of year					37,189,957		2,370,023	39,559,980	(4,600,245)
Net position, end of year					\$ 64,931,943		\$ 2,475,073	\$ 67,407,016	\$ (5,323,135)

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District**Balance Sheet - Governmental Funds****As of June 30, 2017**

	Special Revenue Funds						Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service - District	Debt Service - EFC	Capital Projects	
Assets							
Cash and investments	\$ 9,565,487	\$ -	\$ -	\$ -	\$ -	\$ 7,787,217	\$ 17,352,704
Deposits with Beaufort County Treasurer	37,415,732	1,343,244	5,562,995	14,456,846	-	21,445,941	80,224,758
Receivables							
Accounts receivable	66,692	8,812	-	-	-	-	75,504
Taxes, net	9,692,111	-	-	3,025,108	-	-	12,717,219
Due from other governmental units	4,598,642	2,397,551	28,622	-	-	36,498	7,061,313
Prepaid items	3,198,133	8,460	12,538	-	-	-	3,219,131
Due from other funds	12,695	-	-	-	-	86,026	98,721
Restricted cash and cash equivalents	-	-	-	-	67,122	-	67,122
Total assets	\$ 64,549,492	\$ 3,758,067	\$ 5,604,155	\$ 17,481,954	\$ 67,122	\$ 29,355,682	\$ 120,816,472
Liabilities							
Accounts payable	\$ 5,187,499	\$ 287,276	\$ 611,354	\$ -	\$ -	\$ 2,588,358	\$ 8,674,487
Retainage payable	-	-	-	-	-	141,540	141,540
Due to other funds	69,055	2,506	22,324	-	-	9,461	103,346
Accrued salaries and benefits	14,806,107	1,304,675	1,106,057	-	-	28,957	17,245,796
Short-term debt obligations	-	-	-	254,000	-	-	254,000
Unearned revenue	-	2,163,610	3,864,420	-	-	-	6,028,030
Total liabilities	20,062,661	3,758,067	5,604,155	254,000	-	2,768,316	32,447,199
Deferred inflows of resources							
Unavailable revenue	8,223,702	-	-	2,460,285	-	-	10,683,987
Fund balances							
Nonspendable	3,198,133	8,460	12,538	-	-	-	3,219,131
Restricted	-	-	-	14,767,669	67,122	26,587,366	41,422,157
Unassigned	33,064,996	(8,460)	(12,538)	-	-	-	33,043,998
Total fund balances	36,263,129	-	-	14,767,669	67,122	26,587,366	77,685,286
Total liabilities, deferred inflows of resources, and fund balances	\$ 64,549,492	\$ 3,758,067	\$ 5,604,155	\$ 17,481,954	\$ 67,122	\$ 29,355,682	\$ 120,816,472

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District

Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position

As of June 30, 2017

Total governmental fund balances	\$ 77,685,286
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$828,599,210 and the accumulated depreciation is \$308,075,579.	520,523,631
Property taxes receivable are not available to pay for current period expenditures and therefore are unavailable in the funds.	10,683,987
The internal service fund is used to fund insurance and risk management of the School District. The assets and liabilities of the internal service fund are included with governmental activities.	914,812
Net pension asset	
Deferred inflows and outflows related to pensions are not reported in governmental funds	35,073,849
Pension obligation	(245,146,428)
Some liabilities and deferred amounts are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(306,016,621)
Acquisition note payable	(3,500,000)
Accrued compensated absences	(1,353,362)
Accrued interest payable	(4,215,938)
Unamortized bond premiums	(26,976,384)
Deferred charge on refunding	7,259,111
Net position of governmental activities	<u><u>\$ 64,931,943</u></u>

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the fiscal year ended June 30, 2017

	Special Revenue Funds					Debt Service - District	Debt Service - EFC	Capital Projects	Total Governmental Funds
	General	Special Projects	Education Improvement Act						
Revenues									
Local									
Property taxes	\$ 135,052,712	\$ -	\$ -	\$ 55,929,194	\$ -	\$ -	\$ -	\$ -	\$ 190,981,906
Interest	182,489	-	-	66,070	101,550	-	-	225,038	575,147
Other	483,731	973,834	-	-	-	-	-	1,363,721	2,821,286
Total local	135,718,932	973,834	-	55,995,264	101,550	-	-	1,588,759	194,378,339
State	79,412,517	4,471,136	13,287,438	1,290,629	-	-	-	-	98,461,720
Federal	924,790	11,989,935	-	-	-	-	-	1,966,192	14,880,917
Total revenues	216,056,239	17,434,905	13,287,438	57,285,893	101,550	-	-	3,554,951	307,720,976
Expenditures									
Current									
Instruction	125,247,518	12,043,752	6,347,134	-	-	-	-	-	143,638,404
Support services	83,124,982	5,183,868	1,618,809	-	-	-	-	-	89,927,659
Community services	-	234,504	-	-	-	-	-	-	234,504
Debt service									
Principal	-	-	-	39,211,000	1,810,000	-	-	-	41,021,000
Interest and fiscal charges	78,285	-	-	12,937,570	1,197,163	-	-	-	14,213,018
Capital outlay	-	-	-	-	-	-	-	32,390,626	32,390,626
Intergovernmental expenditures									
Payments to other governmental units	4,957,898	226,936	79,363	-	-	-	-	-	5,264,197
Total expenditures	213,408,683	17,689,060	8,045,306	52,148,570	3,007,163	-	-	32,390,626	326,689,408
	2,647,556	(254,155)	5,242,132	5,137,323	(2,905,613)	-	-	(28,835,675)	(18,968,432)
Excess (deficiency) of revenues over (under) expenditures									
Other financing sources (uses)									
Transfers in	5,797,400	696,472	-	-	2,255,551	-	-	-	8,749,423
Transfers out	(806,472)	(442,317)	(5,242,132)	(2,255,551)	-	-	-	-	(8,746,472)
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	1,781	1,781
Premium on bonds sold	-	-	-	15,698	-	-	-	475,273	490,971
Proceeds from refunding debt	-	-	-	-	29,050,000	-	-	-	29,050,000
Proceeds of general obligation bonds	-	-	-	-	-	-	-	20,000,000	20,000,000
Payment to refunded debt escrow agent	-	-	-	-	(31,295,797)	-	-	-	(31,295,797)
Acquisition note payable proceeds	-	-	-	-	-	-	-	3,500,000	3,500,000
Total other financing sources (uses)	4,990,928	254,155	(5,242,132)	(2,239,853)	9,754	-	-	23,977,054	21,749,906
Net change in fund balances	7,638,484	-	-	2,897,470	(2,895,859)	-	-	(4,858,621)	2,781,474
Fund balances, beginning of year	28,624,645	-	-	11,870,199	2,962,981	-	-	31,445,987	74,903,812
Fund balances, end of year	\$ 36,263,129	\$ -	\$ -	\$ 14,767,669	\$ 67,122	\$ -	\$ -	\$ 26,587,366	\$ 77,685,286

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the fiscal year ended June 30, 2017

Total net change in fund balance - governmental funds	\$	2,781,474
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital outlays are reported in governmental funds 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 acquisition of capital assets (\$25,962,867) exceeds depreciation expense (\$20,732,984) in the period.		5,229,883
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In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale/disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold or disposed.		(67,686)
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Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of:

Bond principal retirement		41,021,000
Payment to refunded debt escrow agent		
Bonds defeased		30,585,000
Deferred charge on refunding		731,908

Bond proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received from bonds issued.		(49,050,000)
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Premiums on bonds sold		(490,971)
Amortization of bond premiums		7,309,921

Notes payable provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received to acquire buses.		(3,500,000)
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Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues in the governmental funds. Unavailable tax revenues increased by this amount this year.		981,074
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In the Statement of Activities, certain operating expenses - compensated absences (vacation pay) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation used exceeded the amounts earned.		79,954
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Contributions to the pension plan in the current year are not included in the Statement of Activities.		13,744,832
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expense		(20,916,749)
Amortization of deferred amount on refunding		(1,051,863)

An internal service fund is used to fund insurance and risk management of the School District. The net change in net position of the internal service fund is reported with governmental activities.		80,805
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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 when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		273,404
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Change in net position of governmental activities	\$	27,741,986
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The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District
Statements of Net Position - Proprietary Funds
As of June 30, 2017

	Business-type Activities Enterprise Fund- Student Nutrition	Governmental Activities Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	\$ 662,316	\$ 1,400,850
Due from other governmental units	189,195	-
Accounts receivable	437,392	-
Due from other funds	33,972	-
Inventories	112,583	-
Total current assets	1,435,458	1,400,850
Non-current assets		
Equipment and vehicles	5,216,154	-
Less: accumulated depreciation	(3,051,624)	-
Total non-current assets	2,164,530	-
Deferred outflows of resources		
Deferred outflows related to pensions	111,489	-
Total deferred outflows of resources	111,489	-
Liabilities		
Current liabilities		
Accounts payable	231,097	271
Accrued salaries and benefits	45,572	-
Claims payable	-	485,767
Unearned revenue	237,892	-
Total current liabilities	514,561	486,038
Long-term liabilities		
Pension obligation	711,752	-
Accrued compensated absences	455	-
Total long-term liabilities	712,207	-
Deferred inflows of resources		
Deferred inflows related to pensions	9,636	-
Total deferred inflows of resources	9,636	-
Net position		
Net investment in capital assets	2,164,530	-
Unrestricted	310,543	914,812
Total net position	\$ 2,475,073	\$ 914,812

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District**Statements of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds**
For the fiscal year ended June 30, 2017

	Business-type Activities Enterprise Fund- Student Nutrition	Governmental Activities Internal Service Fund
Operating revenues		
Proceeds from sale of meals	\$ 1,324,341	\$ -
Miscellaneous	594,001	1,061,378
Total operating revenues	1,918,342	1,061,378
Operating expenses		
Food costs	724,202	-
Salaries, wages and benefits	500,817	344,025
Supplies	24,212	636,548
Depreciation	236,538	-
Supplies and materials	8,027,562	-
Total operating expenses	9,513,331	980,573
Operating income (loss)	(7,594,989)	80,805
Non-operating revenues (expenses)		
USDA reimbursements	7,131,054	-
Commodities received from USDA	692,048	-
Interest	1,349	-
Payments to charter school	(121,461)	-
Total non-operating revenues (expenses)	7,702,990	-
Transfers in (out), net	(2,951)	-
Change in net position	105,050	80,805
Net position, beginning of year	2,370,023	834,007
Net position, end of year	\$ 2,475,073	\$ 914,812

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District
Statements of Cash Flows - Proprietary Funds
For the fiscal year ended June 30, 2017

	Business-type Activities Enterprise Fund- Student Nutrition	Governmental Activities Internal Service Funds
Cash flows from operating activities:		
Operating cash receipts from customers and users	\$ 1,977,292	\$ -
Charges from other funds	-	1,161,097
Payments to and on behalf of employees	(518,074)	(584,054)
Payments to suppliers for goods and services	(8,762,219)	(864,378)
Net cash used by operating activities	(7,303,001)	(287,335)
Cash flows from noncapital financing activities:		
USDA Reimbursements	7,823,102	-
Advances between funds	(2,951)	-
Payments to charter school	(121,461)	-
Net cash received from noncapital financing activities	7,698,690	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(255,350)	-
Net cash used by capital and related financing activities	(255,350)	-
Cash flows from investing activities:		
Interest on investments	1,349	-
Net cash received from (used by) investing activities	1,349	-
Net change in cash and cash equivalents	141,688	(287,335)
Cash and cash equivalents, beginning of year	520,628	1,688,185
Cash and cash equivalents, end of year	\$ 662,316	\$ 1,400,850
Reconciliation of operating income (loss) to net cash received from (used by) operating activities:		
Operating income (loss)	\$ (7,594,989)	\$ 80,805
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation	236,538	-
Changes in assets and liabilities:		
Accounts receivable	25,847	99,719
Inventories	(51,386)	-
Accounts payable	(16,880)	(227,830)
Accrued salaries and benefits	(2,707)	-
Accrued compensated absences	(904)	-
Claims payable	-	(240,029)
Due to/from other funds	59,413	-
Unearned revenue	55,713	-
Pension related deferred outflows / inflows and liabilities	(13,646)	-
Net cash received from (used by) operating activities	\$ (7,303,001)	\$ (287,335)

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District***Statement of Fiduciary Assets and Liabilities - Agency Fund******As of June 30, 2017******Assets***

Cash	\$	1,889,864
Accounts receivable		7,540
Due from other funds		13,400
Prepaid expenses		1,259
Total assets	\$	<u>1,912,063</u>

Liabilities

Accounts payable	\$	207,460
Accrued salaries and benefits		4,351
Due to general fund		42,747
Due to student organizations		1,657,505
Total liabilities	\$	<u>1,912,063</u>

The accompanying notes are an integral part of these basic financial statements.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies

Beaufort County School District (the School District) operates 17 elementary schools, 2 pre-K through 8th grade schools, 6 middle schools, 6 high schools, 1 special school, a charter school and a career center within the limits of Beaufort County.

A. Reporting Entity

The School District is governed by an eleven member elected Board of Education (the Board). The School District provides regular and exceptional education for students in pre-school through grade twelve and funds two-thirds of the Beaufort Jasper Academy for Career Excellence which provides vocational instruction.

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 following is a summary of the more significant policies:

The School District's financial statements include all funds over which the Board is considered to be financially accountable. The School District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the School District is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by governmental accounting standards. Local board members have decision-making authority.

The School District has determined that there is one support entity that meets the requirements for inclusion as a blended component unit, and one as a discretely presented component unit.

Blended Component Unit - SCAGO Educational Facilities Corporation for Beaufort County School District (EFC) was incorporated on December 11, 2006, for educational and charitable purposes, specifically to undertake certain obligations with respect to the acquisition or sale of real and/or personal property in connection with the design, construction, operation, financing, and refinancing of education facilities to be used by the School District and such other projects located in and for the benefit of the School District as may be permitted by applicable law. The EFC is organized and shall be operated exclusively for the charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The EFC has five board members; three are appointed by the board of directors of the South Carolina Association of Governmental Organizations (SCAGO) and two consist of the Superintendent and the Director of Finance (or their equivalents) of the School District. The board of directors of the EFC may increase from a minimum of five to a maximum of 10; however, in all events, less than 50% of the members of the board of directors shall be representatives of or controlled by the School District. The EFC meets the criteria of a blended component unit and therefore, the operations of the EFC are blended with the operations of the School District as required by accounting principles generally accepted in the United States of America.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

A. Reporting Entity, continued

Discretely Presented Component Unit - Riverview Charter School provides education to students in Kindergarten through eighth grade in an experiential-based learning environment. The school is owned and operated by a non-profit corporation. It operates under an agreement with the Beaufort County School District and began operations August 2009. The agreement is governed by state statutes which, as interpreted by the State Department of Education, require the inclusion of charter schools as discretely presented component units of the sponsoring district. Riverview Charter School is funded by Beaufort County School District and is located within the bounds of the School District. Financial statements of Riverview Charter School may be available at the school's administrative offices at 81 Savannah Hwy, Beaufort, SC 29906.

B. Basis of Presentation

The statements of the School District are presented as follows:

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in part by fees and charged to external parties.

The government-wide statements are prepared using the *economic resources measurement focus*. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the financial statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. *Direct expenses* are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function.

Depreciation expense has been allocated to individual functions in the governmental activities. *Program revenues* include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, including taxes, which are not classified as program revenues are presented as *general revenues* of the School District, with certain limited exceptions. 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.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, continued

Fund Financial Statements - Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of *current financial resources measurement focus*. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of *economic resources measurement focus*. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets cash flow needs of its proprietary activities.

Statements of Cash Flows - For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

C. Measurement Focus and Basis of Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into governmental, proprietary, and fiduciary fund types.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the School District's major governmental funds:

General Fund - to account for all financial transactions not properly accounted for in another fund. The School District uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, continued

Governmental Funds (continued)

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted, committed or assigned to expenditures for specified purposes. The School District has two special revenue funds:

- (1) Special Projects Fund, a budgeted fund used to account for financial resources provided by federal, state, and local projects and grants.
- (2) The Education Improvement Act (EIA) Fund, a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

Capital Projects (Building) Fund - financial resources that are restricted, committed or assigned to account for capital outlay expenditures.

Debt Service Fund - District - a budgeted fund used to account for annual payments of principal and interest on long-term general obligation debt and related costs for non-EFC obligations.

Debt Service Fund - EFC - a nonbudgeted fund used to account for annual payments of principal and interest on long-term general obligation debt and related costs for the EFC.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to provide sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Within proprietary funds, operating revenues and expenses are presented in the Statement of Revenue, Expenses, and Changes in Fund Net Position. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Sales for food service represent the operating revenues of the School District's enterprise fund. Nonoperating revenues consist primarily of contributions of commodities and reimbursements from the United States Department of Agriculture and other state aid. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Nonoperating expenses relate primarily to commodities from the United States Department of Agriculture and other state aid.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. *Measurement Focus and Basis of Accounting, continued*

Enterprise Funds - to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or covered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Student Nutrition Fund is the School District's only enterprise fund and is used to account for the United States Department of Agriculture (USDA) approved school breakfast and lunch programs.

Internal Service Funds - to account for the financing of goods and services provided by one department or agency to other departments or agencies of the School District. When services are rendered, charges are made to the users and revenue is accumulated in the Internal Service Funds to cover costs of operations. The School District has one such fund: Insurance Services. This fund accounts for the insurance and risk management services of the School District and services provided are on a cost reimbursement basis. The assets and related liabilities for the Internal Service Fund are included in the governmental activities column on the government-wide statement of net position.

Fiduciary funds - are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The School District's fiduciary funds consist of agency funds which are custodial in nature and do not involve measurement of results of operation. The agency funds are used to account for amounts held for student and faculty activity organizations. Fiduciary funds are not included in the government-wide financial statements.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. *Measurement Focus and Basis of Accounting, continued*

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 4). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, tuition, grants, student fees, and rentals.

Unearned and unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2017 but which have not met the revenue recognition criteria, have been recorded as unavailable revenue in the governmental funds. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. On the governmental fund balance sheets, receivables that will not be collected within sixty days have also been reported as unavailable revenue.

The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

D. *Assets, Liabilities and Net Position/Fund Balance*

Cash and Investments - South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool (invested in government guaranteed securities), obligations of the U.S. Government, and government agencies unconditionally guaranteed by the U.S. Government. Investments are recorded at fair value.

The Beaufort County Treasurer invests in authorized instruments on behalf of the School District. The Beaufort County Treasurer invests School District and other entity funds on a pooled basis with the Treasurer of the State of South Carolina. The State Treasurer invests in certificates of deposit, insured savings accounts, repurchase agreements, obligations of the United States government, and government agencies guaranteed by the United States government.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities and Net Position/Fund Balance, continued

Receivables and Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as *due from other funds* or *due to other funds* on the balance sheet. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for net residual amounts due between governmental and business-type activities, which are presented as internal balances. Amounts due to and from outside sources are recorded when earned or payable. The School District records its property tax receivables as levied net of an allowance for uncollectible accounts.

Inventories - Under the system of accounting for inventories, materials and supplies are carried in an inventory account at cost using the first-in, first-out method of accounting and are subsequently charged to expense when consumed. Inventories include food, supplies, and commodities. An amount for commodities received from the USDA, but not consumed as of June 30, 2017 has been recorded at fair value as provided by the USDA.

Prepaid Items - Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements 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.

Capital Assets - Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The cost and accumulated depreciation of property sold or retired are removed from the accounts, and gains or losses, if any, are reflected in revenue or expenditures/expenses for the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; 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 expensed.

In the enterprise fund, assets acquired or constructed by grants and shared revenues externally restricted for capital acquisitions and construction are reported as revenue in the period received.

All reported capital assets other than land and construction-in-progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-Type Activities
	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Improvements	15 - 50 years	N/A
Buildings	15 - 50 years	N/A
Equipment	5 - 25 years	3 - 12 years
Vehicles	5 - 10 years	5 - 10 years

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities and Net Position/Fund Balance, continued

Compensated Absences - Vacation leave may be accumulated up to a maximum of forty-five days and is fully vested when earned. The entire compensated absence liability is reported on the government-wide financial statements. Compensated absences will be paid from the fund where the employee's salary is paid; typically this would include the general, special revenue and food service funds.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, unused reimbursable leave still outstanding following an employee's resignation or retirement. In the proprietary funds, compensated absences are recorded as an expense and liability of the fund as the benefits accrue to employees.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

For governmental funds, bond premiums and discounts are recognized during the period in which the underlying debt was issued. 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 debt service expenditures. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred outflows of resources and deferred inflows of resources - Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources.

When debt is refunded, the reacquisition price less the net carrying amount of the previous debt is calculated. The amount is either a gain or loss on refunding that is recognized as a component of interest expense, over the shorter of the new debt's life or the remaining life of the previous debt. The unamortized gain or loss is a deferred outflow/inflow of resources in the Statement of Net Position.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities and Net Position/Fund Balance, continued

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS' fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances and Net Position - Government-Wide Statements - Net position represents the difference between assets and liabilities. 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. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net Position Flow Assumption - Sometimes the School District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as "restricted net position" and "unrestricted net position" in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider "restricted net position" to have been depleted before "unrestricted net position" is applied.

Fund Balance Flow Assumption - Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balances and Net Position - Fund Statements - Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

The nonspendable fund balance classification represent portions of fund balances which are inherently nonspendable because of their form (such as inventory) or which are required to be maintained intact. Fund balance is reported as restricted when there are limitations imposed on its use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities and Net Position/Fund Balance, continued

The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The School District's Board of Education is the highest level of decision-making authority for the government that can, by majority vote, prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as committed. Intent can be expressed by the School District's Board of Education or by an official or body to which the Board delegates its authority. As of June 30, 2017, no such delegation of authority has been made.

The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance includes all amounts not included in other spendable classifications. The General Fund is the only fund that can report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The School District has adopted a minimum fund balance policy for the General Fund which requires the unassigned fund balance at year end to be no less than 10% of next year's budgeted expenditures. The desired target is to maintain an unassigned General Fund fund balance between 13-15% not to exceed 15% of annual operating expenditures for the next fiscal year. At June 30, 2017, the School District's unassigned General Fund fund balance was 15.3% of 2017 budgeted expenditures. Proprietary fund equity is classified the same as in government-wide statements.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS' fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

D. Assets, Liabilities and Net Position/Fund Balance, Continued

Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds and enterprise balances are eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the activities financial statements.

Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues consist of sales of breakfasts and lunches to students and teachers.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the School District's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

E. Adoption of new accounting standards

The GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement provides guidance for disclosing certain tax abatement agreements between local governments and outside enterprises. The School District was not impacted by any tax abatements entered into by Beaufort County.

F. Subsequent Events

In preparing these financial statements, the School District's management has evaluated events and transactions for potential recognition or disclosure through November 30, 2017, the date the financial statements were available for issuance.

G. New Accounting Pronouncements

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The requirements of this Statement are effective for periods beginning after December 15, 2016.

GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. The requirements of this statement are effective for the School District for the year ended June 30, 2018.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, but earlier application is encouraged.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

H. New Accounting Pronouncements, Continued

GASB Statement No. 84, *Fiduciary Activities*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, but earlier application is encouraged.

GASB Statement No. 85, *Omnibus 2017*. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The requirements of this statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87, *Leases*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

Management is evaluating the impact of these recently issued accounting pronouncements on the School District's financial statements.

Note 2. Stewardship, Compliance and Accountability

Budgetary Accounting - State statutes require a budget for operations be approved before any expenditures are made. The Board will usually approve the operating budget in May for the fiscal year beginning July 1. A budget is adopted by July 1 of each fiscal year for the General Fund and Special Revenue Funds on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. Budget and actual comparisons are presented in the required supplementary information accompanying these financial statements.

Note 3. Deposits and Investments

A reconciliation of cash and investments as shown on the Statement of Net Position to total deposits and restricted investments are as follows:

	<u>Fair Value</u>	<u>Rating</u>
Money Market Funds consisting of commercial paper, certificates of deposits, floating/variable rate bonds, time deposits, repurchase agreements, municipal bonds, and short term corporate bonds.	\$ 195,756	AAA
Cash and cash equivalents - governmental funds	<u>22,045,920</u>	
	<u>\$ 22,241,676</u>	

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The School District's recurring fair value measurements as of June 30, 2017 for the \$195,756 in money market funds are valued using quoted market prices (Level 1 inputs).

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 3. Deposits and Investments, Continued

Amounts on Deposit with Beaufort County Treasurer

Amounts on deposit with the Beaufort County Treasurer are not categorized since they cannot be identified by securities that exist in physical or book entry form. These amounts are subject to the same investment authorizations as the School District under state law. The carrying values of these investments approximate the fair values. The Beaufort County Treasurer is responsible for maintaining these investments in accordance with state laws.

Custodial Credit Risk - Deposits:

This is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2017 the carrying amount of the School District's deposits was \$22,377,127 and the bank balance was \$26,490,570. All of these deposits were fully collateralized with securities held by the pledging financial institution's trust department in the School District's name or insured by the Federal Deposit Insurance Corporation. Information was not available regarding the custodial risk of deposits with the Beaufort County Treasurer of \$80,224,758.

Custodial Credit Risk - Investments:

For an investment, this is the risk that, in the event of the failure of the counterparty, the School District 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 a formal investment policy to address custodial credit risk but follows the investment policy strategy of the State of South Carolina.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School District contracts with a banking institution for a guaranteed interest rate. The School District does not have a formal investment policy that limits investment maturities to reduce its exposure to fair value losses arising from increasing interest rates, but follows the investment policy strategy of the State of South Carolina. Information pertaining to the reported amounts, fair values, maturities, credit risk, interest rate risk and concentration risk is disclosed in the CAFR of the State of South Carolina

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 3. Deposits and Investments, Continued

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District has adopted an investment policy in accordance with state statutes, which authorize the School District to invest in the following:

1. Obligations of the United States and agencies thereof;
2. 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 categories, without regard to a refinement or gradation of rating by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
5. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
6. No-load open and 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.

In addition, South Carolina state statutes authorize the School District to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. The fair value of the School District's position in the SCLGIP approximates the same value of the School District's LGIP shares. The SCLGIP is not rated. The SCLGIP's complete financial statements may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 4. Property Taxes

Property taxes attach as an enforceable lien on January 1 on property values assessed as of the same date. The School District's property tax is levied and billed each October on the assessed value listed as of the prior January 1 for all real and business personal property located in the School District. Taxes are delinquent on March 15, the collection date, following the October 1 levy date. If not paid by the following October 1, the property is subject to sale by the delinquent tax office. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is due for renewal. The taxpayer must provide proof of payment to the Highway Department before that agency will renew the vehicle license. Total tax collections, which include delinquent tax collections and penalties, equaled approximately 96% of the current tax levy for the year ended June 30, 2017.

The assessed value of real and other personal property, exclusive of vehicles (valued at \$115,160,100) is \$1,702,983,962. The School District's general operations millage is 111.5 mills (\$11.15 per \$100 assessed valuation), and debt service fund millage is 31.71 mills (\$3.171 per \$100 assessed valuation).

South Carolina Code Section 12-37-251(A) provides a property tax exemption for property classified pursuant to Section 12-43-220(C) (homestead exemption) from property taxes levied for other than bonded indebtedness and payments pursuant to lease purchase agreements for capital construction. The exemption applies against millage imposed for school operations and the amount of fair market value of the homestead that is exempt from such millage must be set by the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund.

Note 5. Receivables

Receivables at June 30, 2017 consisted of taxes, intergovernmental grants, and reimbursements. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal funds. Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Projects	Education Improvement Act	Debt Service- District	Capital Projects	Food Service Program
Receivables						
Property taxes	\$ 13,416,397	\$ -	\$ -	\$ 4,109,601	\$ -	\$ -
Due from other governmental Units	4,598,642	2,397,551	28,622	-	36,498	189,195
Other	66,692	8,812	-	-	-	437,392
Gross receivables	18,081,731	2,406,363	28,622	4,109,601	36,498	626,587
Less allowance for uncollectible property tax	(3,724,286)	-	-	(1,084,493)	-	-
Net receivables	\$ 14,357,445	\$ 2,406,363	\$ 28,622	\$ 3,025,108	\$ 36,498	\$ 626,587

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 6. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016	Additions/ Transfers	Deductions/ Transfers	Balance, June 30, 2017
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 41,367,170	\$ -	\$ 67,686	\$ 41,299,484
Construction in progress	<u>64,417,365</u>	<u>11,990,261</u>	<u>75,584,606</u>	<u>823,020</u>
Total capital assets, not being depreciated	<u>105,784,535</u>	<u>11,990,261</u>	<u>75,652,292</u>	<u>42,122,504</u>
Capital assets, being depreciated				
Improvements	212,239,644	9,144,991	359	221,384,276
Buildings	449,006,828	75,584,606	-	524,591,434
Equipment	<u>35,720,715</u>	<u>4,827,615</u>	<u>47,334</u>	<u>40,500,996</u>
Total capital assets, being depreciated	<u>696,967,187</u>	<u>89,557,212</u>	<u>47,693</u>	<u>786,476,706</u>
Totals at historical cost	<u>802,751,722</u>	<u>101,547,473</u>	<u>75,699,985</u>	<u>828,599,210</u>
Less accumulated depreciation				
Improvements	82,061,903	7,638,623	359	89,700,167
Buildings	176,809,676	11,254,768	-	188,064,444
Equipment	<u>28,518,709</u>	<u>1,839,593</u>	<u>47,334</u>	<u>30,310,968</u>
Total accumulated depreciation	<u>287,390,288</u>	<u>20,732,984</u>	<u>47,693</u>	<u>308,075,579</u>
Total capital assets, being depreciated	<u>409,576,899</u>	<u>68,824,228</u>	<u>-</u>	<u>478,401,127</u>
Governmental activities capital assets, net	<u>\$ 515,361,434</u>	<u>\$ 80,814,489</u>	<u>\$ 75,652,292</u>	<u>\$ 520,523,631</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 753,041
Support services	19,824,837
Community services	<u>155,106</u>
Total depreciation expense	<u>\$ 20,732,984</u>

Beaufort County School District**Notes to Basic Financial Statements****For the fiscal year ended June 30, 2017****Note 6. Capital Assets, Continued**

	Balance, July 1, 2016	Additions	Deductions	Balance, June 30, 2017
Business-type activities				
Equipment	\$ 4,761,662	\$ 255,350	\$ -	\$ 5,017,012
Vehicles	<u>199,142</u>	<u>-</u>	<u>-</u>	<u>199,142</u>
	<u>4,960,804</u>	<u>255,350</u>	<u>-</u>	<u>5,216,154</u>
Less accumulated depreciation				
Equipment	2,684,772	221,106	-	2,905,878
Vehicles	<u>130,314</u>	<u>15,432</u>	<u>-</u>	<u>145,746</u>
	<u>2,815,086</u>	<u>236,538</u>	<u>-</u>	<u>3,051,624</u>
Business-type activities capital assets, net	<u>\$ 2,145,718</u>	<u>\$ 18,812</u>	<u>\$ -</u>	<u>\$ 2,164,530</u>

Note 7. Unavailable/Unearned Revenues and Deferred Inflows of Resources

Governmental funds report unavailable revenue in the fund financial statement in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2017, the various components of unavailable/unearned revenue were as follows:

	Fund Statements	Government wide
Property taxes	\$ 10,683,987	\$ -
Grant revenue	<u>6,028,030</u>	<u>6,265,922</u>
	<u>\$ 16,712,017</u>	<u>\$ 6,265,922</u>

Note 8. Transfers From (to) Other Funds

Transfers from (to) other funds for the year ended June 30, 2017, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 5,797,400	\$ 806,472
Special Projects Fund	696,472	442,317
Education Improvement Act Fund	-	5,242,132
Debt Service Fund - District	-	2,255,551
Debt Service Fund - EFC	<u>2,255,551</u>	<u>-</u>
Total governmental funds	<u>8,749,423</u>	<u>8,746,472</u>
Food Service Fund	<u>110,000</u>	<u>112,951</u>
Total proprietary funds	<u>110,000</u>	<u>112,951</u>
Total transfers	<u>\$ 8,859,423</u>	<u>\$ 8,859,423</u>

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 8. Transfers From (to) Other Funds, Continued

Transfers are used (1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 9. Interfund Receivables and Payables

Interfund balances at June 30, 2017, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 12,695	\$ 69,055
Special Projects Fund	-	2,506
Education Improvement Act Fund	-	22,324
Capital Projects Fund	86,026	9,461
Total governmental funds	98,721	103,346
Food Service Fund	33,972	-
Total proprietary funds	33,972	-
Pupil Activity Fund	13,400	42,747
Total agency funds	13,400	42,747
	\$ 146,093	\$ 146,093

Interfund balances largely result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 10. Long Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2017 were as follows:

	Principal Outstanding July 1, 2016	Additions	Reductions	Principal outstanding June 30, 2017	Amounts due in one year
Governmental activities					
General obligation bonds	\$ 297,987,621	\$ 20,000,000	\$ 39,211,000	\$ 278,776,621	\$ 35,570,000
IPRR bonds	<u>30,585,000</u>	<u>29,050,000</u>	<u>32,395,000</u>	<u>27,240,000</u>	<u>1,965,000</u>
Total bonded indebtedness	328,572,621	49,050,000	71,606,000	306,016,621	37,535,000
Unamortized bond premiums	<u>33,795,334</u>	<u>491,057</u>	<u>7,309,835</u>	<u>26,976,556</u>	<u>5,678,726</u>
Total bonds payable	362,367,955	49,541,057	78,915,835	332,993,177	43,213,726
Note payable	-	3,500,000	-	3,500,000	665,700
Pension obligation**	215,632,392	30,225,788	-	245,858,180	-
Compensated absences	<u>1,433,316</u>	<u>1,024,515</u>	<u>1,104,469</u>	<u>1,353,362</u>	<u>231,998</u>
Total other	217,065,708	34,750,303	1,104,469	250,711,542	897,698
Total governmental activities long-term liabilities	<u>\$ 579,433,663</u>	<u>\$ 84,291,360</u>	<u>\$ 80,020,304</u>	<u>\$ 583,704,719</u>	<u>\$ 44,111,424</u>
Business-type activities					
Compensated absences	<u>\$ 1,359</u>	<u>\$ 2,260</u>	<u>\$ 3,164</u>	<u>\$ 455</u>	<u>\$ -</u>

** The pension obligation additions and reductions are presented net. Amounts due in one year are not readily available.

General Obligation Bonds - The School District issues general obligation bonds to provide funds for the acquisition, construction, and major improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 5 to 20 year serial bonds with principal maturing each year.

Article X, Section 15 of the Constitution of the State of South Carolina, as amended, empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. Each school district may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district.

Bonded indebtedness authorized by a majority vote of the qualified electors of the School District voting in a referendum will not be considered in the computation of the 8% limitation.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 10. Long Term Liabilities, Continued

General obligations bonds payable at June 30, 2017 are comprised of the following:

Date of Issue	Series	Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2017
October 14, 2009	2009D	3.0-5.0*	Sept./Mar.	2024	\$ 62,155,000	\$ 11,475,000
December 1, 2009	2009E	1.05*	Sept./Mar.	2026	10,000,000	10,000,000
May 18, 2010	2010B	3.0-5.0*	Sept./Mar.	2019	21,710,000	11,010,000
March 31, 2011	2011A	5.08	Mar./Sept.	2021	1,553,303	1,503,303
December 22, 2011	2011C	4.19	Sept./Mar.	2021	2,622,318	2,572,318
December 22, 2011	2011D	3.0-5.0*	Sept./Mar.	2020	28,770,000	2,525,000
April 24, 2012	2012B	3.0-5.0*+	Sept./Mar.	2024	16,580,000	11,275,000
November 14, 2013	2013D	2.35	March	2028	22,000,000	20,026,000
March 1, 2014	2014B	1.25	Sept./Mar.	2034	25,000,000	23,150,000
February 19, 2015	2015A	2.0-5.0*-	March	2025	95,945,000	78,630,000
March 31, 2015	2015B	3.5-5.0*/	March	2023	62,500,000	62,500,000
December 3, 2015	2015F	0.85	March	2025	6,788,000	6,775,000
February 2, 2016	2016A	5.0*	March	2024	28,090,000	27,990,000
December 20, 2016	2016D	3.0-5.0*	Sept./Mar.	2018	20,000,000	9,345,000
					<u>\$ 403,713,621</u>	<u>\$ 278,776,621</u>

*Approved in whole or in part by bond referendum; not subject to assessed value issuance restrictions.

+Includes \$5,805,000 of non-referendum debt.

-Includes \$71,370,000 of non-referendum debt.

/Includes \$28,125,000 of 2000/1995 referendum debt and \$34,375,000 of 2006 referendum debt.

During May 2006, a \$43,660,000 bond referendum was passed. In this referendum, the following facilities were approved: an elementary school, a middle school, land for a high school, and additional funding for the completion of a high school. During December 2007, the School District issued \$43,660,000 in general obligation bonds under the referendum, with an annual interest rate ranging from 4.5% to 6.5%. Debt outstanding at June 30, 2017 against these bonds totaled \$34,375,000.

On April 26, 2008, the voters of Beaufort County approved a \$162,700,000 bond referendum. The bonds paid for the construction of two early childhood centers, two elementary schools, several building additions, land for future schools, and a performing arts center. Debt outstanding at June 30, 2017 against the \$162,700,000 in General Obligation Bonds totaled \$92,641,000.

The total debt outstanding against the 2000 referendum general obligation bonds, the 1995 referendum general obligation bonds, the 2006 referendum general obligation bonds, and 2008 referendum general obligation bonds, not subject to the 8% limitation, was \$188,761,000 at June 30, 2017. In addition, the 2016 EFC IPRR refunding bonds referenced below are not subject to the 8% limitation.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 10. Long Term Liabilities, Continued

The December 1, 2006 IPRR Bonds are not an obligation of the School District; however, as the EFC is blended with the operations of the School District, the debt of the EFC is included with the School District's other obligations as required by accounting principles generally accepted in the United States of America. During the year ended June 30, 2017, the School District advance refunded these IPRR Bonds through the issuance of Series 2016 IPRR Bonds.

The EFC executed a trust agreement in connection with the IPRR Bonds and established several accounts as follows. Because these bonds were advance refunded during the year ended June 30, 2017, these accounts were liquidated as part of the advance refunding and deposited. These accounts established by the trust agreement were in compliance with the agreement.

The IPRR Bonds were issued pursuant to a Facilities Agreement between the School District and the EFC and evidence proportionate interests of the owners in certain rental payments be made by the School District under the terms of a Base Lease Agreement between the School District and the EFC. These agreements were authorized by the Board of Education of the School District on December 5, 2006. The School District will purchase the facilities from the EFC pursuant to the Facilities Agreement, which will obligate the School District to make installment payments of purchase price (lease rental payments) to the EFC in amounts calculated to be sufficient to enable the EFC to pay the principal and interest on the outstanding bonds. The refunding bonds bear interest at 1.9% to 3.3%, and are payable in December of each year, maturing in 2028.

The School District's obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the School District in any fiscal year in which funds are not appropriated by the School District to pay the installment payments of purchase price due in such fiscal year. However, the School District would forfeit possession of the facilities for the remainder of the term of the lease if they were to not pay the installment payments.

The annual requirements to amortize all bonds outstanding at June 30, 2017, including interest payments over the life of the debt are summarized as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 35,670,000	\$ 13,357,797	\$ 49,027,797
2019	23,931,000	11,493,591	35,424,591
2020	28,112,000	10,473,475	38,585,475
2021	28,242,621	9,097,741	37,340,362
2022	32,914,000	7,767,806	40,681,806
2023-2027	111,503,000	17,896,233	129,399,233
2028-2032	42,009,000	4,856,334	46,865,334
2033-2034	3,635,000	319,600	3,954,600
	<u>\$ 306,016,621</u>	<u>\$ 75,262,577</u>	<u>\$ 381,279,198</u>

Repayment of the general obligation bonds is funded by the School District Debt Service Fund, while repayment of the IPRR bonds is funded by the EFC Debt Service Fund.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 10. Long Term Liabilities, Continued

Advance Refunding - The School District issued \$29,050,000 in IPRR bonds, series 2016, with an average coupon rate of 3.07%. The proceeds, along with EFC cash totaling \$2,888,013, were used to advance refund \$30,585,000 of outstanding 2006 IPRR bonds which had interest rates ranging from 4.0% to 5.0%. Total costs to issue the 2016 IPRR Bonds totaled \$642,668. The net proceeds of \$31,295,345 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, \$30,585,000 of the 2006 IPRR Bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The acquisition price exceeded the net carrying amount of the previous debt by \$731,908. The School District refunded the bonds to reduce its total debt service payments over 16 years by approximately \$5,200,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$3,500,000.

Acquisition Note Payable – The School District entered into an Acquisition, Use and Security Agreement to acquire school buses on July 1, 2017 at a cost of \$3,500,000, bearing interest at 1.32%. The School District is required to make five annual payments on this note payable beginning December 1, 2016. The balance on this note was \$3,500,000 as of June 30, 2017.

Note 11. Short-Term Obligations

The School District's short-term obligations for the year ended June 30, 2017 consisted of the following activity:

	Principal Outstanding July 1, 2016	Additions	Reductions	Principal outstanding June 30, 2017
Governmental activities				
General obligation bonds	\$ 722,000	\$ 2,252,000	\$ 2,720,000	\$ 254,000
Tax anticipation notes	-	18,000,000	18,000,000	-
Total governmental activities	<u>\$ 722,000</u>	<u>\$ 20,252,000</u>	<u>\$ 20,720,000</u>	<u>\$ 254,000</u>

The School District issued general obligation bonds on May 17, 2016 in the amount of \$722,000, maturing on March 1, 2017, bearing interest at 3.00%, for the purpose of making payments to EFC.

The School District issued general obligation bonds on September 21, 2016 in the amount of \$1,998,000, maturing on March 1, 2017, bearing interest at 2.00%, to fund operations.

The School District issued general obligation bonds on May 17, 2017 in the amount of \$254,000, maturing on September 1, 2018, bearing interest at 3.00%, for the purpose of making payments to EFC.

The School District issued a Tax Anticipation Note on July 22, 2016 in the amount of \$18,000,000, maturing in August 2017, bearing interest at 2.00%, to fund operations.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 12. Fund Balances and Net Position

The fund balances/net position have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balance - Nonspendable - balances that by their nature are unable to be spent.

Fund balances - Restricted - balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed - balances that can only be used for the specific purpose determined by the Board of Education. The Board, as the School District's highest level of decision making authority, may commit fund balances by a formal vote prior to the School District's fiscal year end for that fiscal year. Further modification or rescission of committed funds must also be accomplished by a formal vote of the Board prior to fiscal year-end.

Fund balances - Assigned - balances classified as assigned are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Intent can be expressed by the Board of Education or an official or body to which the Board delegates the authority. As of June 30, 2017, no such delegation of authority has been made.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications.

Government-wide and proprietary fund financial statements

Net investment in capital assets - represents the net cost less accumulated depreciation and outstanding debt less unexpended proceeds attributable to the investment in capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. Detail of net investment in capital assets are as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 520,523,631	\$ 2,164,530
Unspent bond proceeds	29,233,158	-
Deferred charge on refunding	7,259,111	-
Accounts and retainages payable	(2,729,898)	-
Bonds payable	(306,016,621)	-
Acquisition note payable	(3,500,000)	-
Unamortized bond premiums	(26,976,384)	-
	<u>\$ 217,792,997</u>	<u>\$ 2,164,530</u>

Restricted net position - represents net position restricted externally by creditors, grantors, contributors or laws and regulations of other governments; or restrictions imposed by law through constitutional provisions or enabling legislation.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 12. Fund Balances and Net Position, Continued

Unrestricted net position - represents the remainder of the School District's net position in government-wide and business-type activities.

Fund balances of the governmental-fund financial statements are as follows:

	General Fund	Special Revenue- Special Projects	Special Revenue- Education Improvement Act	Debt Service - District	Debt Service - EFC	Capital Projects	Total
Nonspendable:							
Prepaid items	\$ 3,198,133	\$ 8,460	\$ 12,538	\$ -	\$ -	\$ -	\$ 3,219,131
	<u>3,198,133</u>	<u>8,460</u>	<u>12,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,219,131</u>
Restricted for:							
Debt service	-	-	-	14,767,669	67,122	-	14,834,791
Capital projects	-	-	-	-	-	26,587,366	26,587,366
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,767,669</u>	<u>67,122</u>	<u>26,587,366</u>	<u>41,422,157</u>
Unassigned	33,064,996	(8,460)	(12,538)	-	-	-	33,043,998
	<u>\$ 36,263,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,767,669</u>	<u>\$ 67,122</u>	<u>\$ 26,587,366</u>	<u>\$ 77,685,286</u>

Note 13. Food Service

Federal Guidelines

The School District's Food Service Fund administers the lunch programs in accordance with the United States Department of Agriculture (USDA) guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free by the Food Service Program. The type of meal served and classification of students determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. The food service expenditures are inclusive of \$692,048 of commodities provided and consumed during the year ended June 30, 2017.

Administrative Costs

The General Fund performs certain administrative functions and pays for certain costs of the Food Service Fund. The School District's accounting policies for food service operations reflect these expenditures in the General Fund.

Note 14. Retirement Benefits

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFFA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on 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. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan descriptions:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership:

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

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Membership, continued:

State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without 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. A brief summary of benefit terms for each system is presented below.

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

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Benefits, continued:

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

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty- year amortization period; and, this increase is not limited to one-half of one percent per year.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Contributions, continued:

Required employee contribution rates are as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
SCRS		
Employee Class Two	8.66%	8.16%
Employee Class Three	8.66%	8.16%
State ORP		
Employee	8.66%	8.16%
PORS		
Employee Class Two	9.24%	8.74%
Employee Class Three	9.24%	8.74%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
SCRS		
Employer Class Two	11.41%	10.91%
Employer Class Three	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution ²	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	13.84%	13.34%
Employer Class Three	13.84%	13.34%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

² Of this employer contribution, 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.

Of the ORP employer contribution of 11.41% of earnable compensation, 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 SCRS.

Contributions to the SCRS, ORP, and PORS pension plans from the School District were \$12,732,760, \$1,051,997 and \$11,684 for the year ended June 30, 2017, respectively.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Net pension liability:

At June 30, 2017, the School District reported liabilities of \$245,743,607 and \$114,573 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of July 1, 2016, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of that date. The School District's proportionate shares of the net pension liabilities were based on a projection of the School District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the School District's proportionate shares of the SCRS and PORS plans were 1.15049% and 0.00452%.

According to South Carolina Code of Laws 9-1-1180, the State is responsible for contributing the employer contributions related to all publicly funded teachers and the employees of the State's technical colleges. However, as these employer contributions related to the State's teachers and technical college employees are not paid by the State directly to SCRS and PORS, but remitted instead to each school district and technical college for their contribution payments, GASB 68 requires that the school districts and technical colleges recognize the portions of the SCRS and PORS net pension liabilities that relate to their respective employees.

Pension expense:

For the year ended June 30, 2017, the School District recognized pension expense for the SCRS and PORS plans of \$20,942,183 and \$8,134, respectively.

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the respective plans:

	SCRS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 2,547,421	\$ 266,878
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	20,674,934	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,486,272	3,060,230
School District contributions subsequent to the measurement date	13,784,757	-
Total	<u>\$ 38,493,384</u>	<u>\$ 3,327,108</u>

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Deferred inflows of resources and deferred outflows of resources, continued:

	PORS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,700	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	12,991	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	4,511	21,460
School District contributions subsequent to the measurement date	<u>11,684</u>	<u>-</u>
Total	<u>\$ 30,886</u>	<u>\$ 21,460</u>

The \$13,784,757 and \$11,684 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2017 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

<u>Year ended June 30:</u>	<u>SCRS</u>
2018	\$ 4,761,507
2019	3,429,954
2020	8,485,616
2021	<u>4,704,442</u>
	<u>\$ 21,381,519</u>

<u>Year ended June 30:</u>	<u>PORS</u>
2018	\$ 934
2019	1,020
2020	(627)
2021	<u>931</u>
	<u>\$ 2,258</u>

Actuarial assumptions and methods:

Actuarial valuations 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. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Actuarial assumptions and methods, continued:

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report was most recently issued as of July 1, 2015. The June 30, 2016, total pension liability, net pension liability, and sensitivity information were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2015 valuations for the SCRS and PORS plans administered by PEBA.

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2015. 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 beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.85 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 5.10 percent real rate of return and a 2.75 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	43.096%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	100.0%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

Discount rate:

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. 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 total pension liability.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Sensitivity Analysis:

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.50 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 306,558,420	\$ 245,743,607	\$ 16,959,474,388
PORS	150,157	114,573	82,593

Pension plan fiduciary net position:

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. As of June 30, 2016, net pension liability amounts for SCRS and PORS are as follows (amounts expressed in thousands):

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension
SCRS	\$ 45,356,214,752	\$23,996,362,354	\$21,359,852,398	52.9%
PORS	6,412,510,458	3,876,035,732	2,536,474,726	60.4%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS which can be accessed via the contact information provided above.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 14. Retirement Benefits, Continued

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2016 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2016.

Note 15. Post-Employment Benefits Other Than Pensions

A. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental to retired State and school district employees and their covered dependents. The School District contributes to the Retiree Medical Plan (RMP), cost-sharing multiple employer defined benefit postemployment healthcare, and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the South Carolina Budget and Control Board (SBCB).

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 through 24 years of service for 50% employer funding.

Benefits become effective when the former employee retires under a State retirement system. Basic Long-Term Disability (BLTD) benefits are provided to active state, public school district, and participating local government employees approved for disability.

B. Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB, except the portion funded through the pension surcharge and provided from other applicable sources of the EIP, for its active employees who are not funded by state general fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget. The current rate is 5.33% of annual covered payroll. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The School District paid \$6,729,849 and \$4,964,230 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2017 and 2016, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.22 for the fiscal years ended June 30, 2017 and 2016. The School District recorded employer contributions expenses applicable to these insurance benefits for active employees in the amount of approximately \$86,206 and \$77,937 for the years ended June 30, 2017 and 2016, respectively.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 15. Post-Employment Benefits Other Than Pensions, Continued

Effective May 1, 2008, the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The South Carolina Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, South Carolina, 29201.

Note 16. Deferred Compensation Plan

The School District employees may participate in the 457 and/or 401(k) deferred compensation plans available to state and local governmental employees through the state public employee retirement system. These programs are administered by a state approved nongovernmental third party. Contributions by District employees under the 457 and 401(k) programs totaled \$129,348 and \$178,263, respectively, for the year ended June 30, 2017 and 2016.

Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the contributing employee and are not subject to the claims of the School District's general creditors. The plan is administered by the State of South Carolina.

Note 17. 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 for which the School District carries commercial insurance. During the year ended June 30, 2017, the School District obtained its general liability and property insurance through the South Carolina School Boards Insurance Trust (the Trust) which represents the majority of South Carolina school districts joined together in a public entity risk pool. The School District pays an annual premium to the Trust for its general liability and property insurance. The agreement for formation of the Trust provides that the Trust will be self-sustaining through member premiums.

The School District obtains its employee health and life insurance through the South Carolina State Budget and Control Board's Office of Insurance Services which represents all school agencies and most State agencies in South Carolina joined together in a public entity risk pool. The School District pays a portion of monthly premiums based on each participating employee. Life insurance is also obtained through the South Carolina State Budget and Control Board's Office of Insurance Services and the carrier is Met Life.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 17. Risk Management, Continued

The School District is self-insured for Workers' Compensation and the PMA Insurance Group acts as third party administrator. The School District's risk management activities related to workers' compensation insurance are recorded in the Insurance Reserve Fund (Internal Service Fund).

The School District establishes an estimated liability for workers' compensation claims and judgments based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

Claims liability in excess of available financial resources is recorded in the Statement of Net Position as a current liability. The specific stop-loss and aggregate retention provisions for workers' compensation are \$400,000 and \$1,000,000, respectively.

Changes in the balances of liability for claims and judgments during the last two years were as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2016	\$ 655,952	\$ 754,705	\$ (684,861)	\$ 725,796
2017	\$ 725,796	\$ 389,981	\$ (637,119)	\$ 478,658

Prior to July 1, 1978, school districts in South Carolina were exempt from unemployment taxes. Effective July 1, 1978, school districts were no longer exempted from these taxes. As a result, the School District established a limited risk management program for unemployment compensation. The School District reimburses the South Carolina Department of Employment and Workforce for actual claims paid attributable to service in the employ of the School District. Claims paid during the year ended June 30, 2017 were \$637,119 and were reported in the General Fund. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

The School District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 18. Related Party Transactions

Related organizations - Beaufort-Jasper Academy for Career Excellence is a career center that was created by an agreement between the School District and Jasper County School District dated June 13, 1975, under the provisions of legislation enacted by the General Assembly of the State of South Carolina. The Academy operates as a vocational school for high school students in Beaufort and Jasper Counties. The Academy's Board of Directors is comprised of three members from each of the Boards of Education of the respective two School Districts, along with the Superintendent of each School District as ex-officios. Budgetary controls are held by the Board of Education of the respective two School Districts. The agreement states that the responsibility for the Academy's general fund cost of maintenance, support, and operation of the Academy shall be borne jointly and on an enrollment ratio of two to one, respectively. The School District assumes the responsibility for two-thirds of these costs and Jasper County School District assumes the responsibility for one-third of these costs. During the year ended June 30, 2017 the School District's expenses related to this agreement were \$1,822,097 and included in the General Fund instruction (Career and Technology Education) expenditures.

Component unit - Allocated funding from the School District to Riverview Charter School during 2017 amounted to \$5,144,579.

Note 19. Commitments and Contingencies

Construction Commitments

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2017, are as follows:

	Contract Amount	Expended as of June 30, 2017	Remaining Commitment
May River High	\$ 60,761,456	\$ 60,699,553	\$ 61,903
Multiple Schools	6,638,823	4,887,561	1,751,262
Beaufort High School	1,970,000	73,967	1,896,033
Summer 2018 – Amendment #3	5,939,756	334,324	5,605,432
Summer 2018 – Amendment #4	4,917,293	1,096,042	3,821,251
Solar – Amendment #1	1,188,885	511,188	677,697
	<u>\$ 81,416,213</u>	<u>\$ 67,602,635</u>	<u>\$ 13,813,578</u>

Litigation

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

Beaufort County School District

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 19. Commitments and Contingencies, Continued

Grants

The School District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Operating Leases

The School District has entered into non-cancellable operating leases for office machines and exterior lighting at the high schools, which vary in terms from four to ten years. Payments under such leases totaled approximately \$459,094 for the fiscal year ended June 30, 2017.

Annual lease commitments are as follows for the years ending June 30:

2018	\$ 685,381
2019	338,424
2020	175,130
2021	<u>60,402</u>
	<u>\$ 1,259,337</u>

Note 20. Subsequent Events

The School District issued a Tax Anticipation Note on August 8, 2017 in the amount of \$18,000,000, maturing in April 2018, bearing interest at 3.00%, to fund operations.

The School District issued General Obligation Bonds on September 20, 2017 in the amount of \$3,081,000, maturing in March 2018, bearing interest at 3.00%, to make EFC debt payments.

The School District issued General Obligation Bonds on July 13, 2017 in the amount of \$28,570,000, bearing interest at 5.00% to fund construction projects.

REQUIRED SUPPLEMENTARY INFORMATION

Beaufort County School District***Schedule of the School District's Proportionate Share of the Net Pension Liability***

	SCRS			
	2017	2016	2015	2014
School District's proportion of the net pension liability	1.15049%	1.13980%	1.17216%	1.17216%
School District's proportionate share of the net pension liability	<u>\$245,743,607</u>	<u>\$216,168,376</u>	<u>\$201,806,920</u>	<u>\$210,243,511</u>
School District's covered payroll during the measurement period	<u>\$118,268,860</u>	<u>\$113,294,579</u>	<u>\$112,911,730</u>	<u>\$99,991,462</u>
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.78%	190.80%	178.73%	210.26%
Plan fiduciary net position as a percentage of the total pension liability	52.91%	57.00%	59.90%	56.39%
	PORS			
	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00452%	0.00581%	0.00544%	0.00544%
School District's proportionate share of the net pension liability	<u>\$114,573</u>	<u>\$126,629</u>	<u>\$104,144</u>	<u>\$-</u>
School District's covered payroll during the measurement period	<u>\$57,592</u>	<u>\$71,983</u>	<u>\$53,518</u>	<u>\$-</u>
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	198.94%	175.92%	194.60%	100.00%
Plan fiduciary net position as a percentage of the total pension liability	60.44%	64.57%	67.55%	62.98%

Beaufort County School District*Schedule of the School District's Contributions*

	SCRS										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Contractually required contribution	\$ 13,784,757	\$ 12,321,935	\$ 11,648,817	\$ 11,280,173	\$ 10,281,095	\$ 9,298,747	\$ 9,638,450	\$ 9,316,237	\$ 9,365,999	\$ 8,776,499	
Contributions in relation to the contractually required contribution	13,784,757	12,321,935	11,648,817	11,280,173	10,281,095	9,298,747	9,638,450	9,316,237	9,365,999	8,776,499	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered-employee payroll	\$ 126,181,528	\$ 118,268,860	\$ 113,294,579	\$ 112,911,730	\$ 99,991,462	\$ 97,522,255	\$ 102,645,890	\$ 99,714,449	\$ 99,744,399	\$ 95,293,143	
Contributions as a percentage of covered-employee payroll	10.92%	10.42%	10.28%	9.99%	10.28%	9.53%	9.39%	9.39%	9.39%	9.21%	
	PORS										
	2016	2016	2015	2014	2013	2012	2011	2010	2009	2008	
Contractually required contribution	\$ 11,684	\$ 7,913	\$ 9,653	\$ 6,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions in relation to the contractually required contribution	11,684	7,913	9,653	6,872	-	-	-	-	-	-	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered-employee payroll	\$ 82,048	\$ 57,592	\$ 71,983	\$ 53,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions as a percentage of covered-employee payroll	14.24%	13.74%	13.41%	12.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information presented is only for those years which is available.

Beaufort County School District**Budgetary Comparison Schedule - General Fund****For the fiscal year ended June 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local	\$ 133,156,084	\$ 133,156,084	\$ 135,718,932	\$ 2,562,848
State	77,261,805	77,261,805	79,412,517	2,150,712
Federal	900,000	900,000	924,790	24,790
Total revenues	211,317,889	211,317,889	216,056,239	4,738,350
Expenditures				
Current				
Instruction	126,292,724	126,242,201	125,247,518	994,683
Support services	83,594,063	83,644,586	83,124,982	519,604
Intergovernmental expenditures				
Payments to other governmental units	4,745,208	4,745,208	4,957,898	(212,690)
Debt service	50,000	50,000	78,285	(28,285)
Total expenditures	214,681,995	214,681,995	213,408,683	1,273,312
Excess of expenditures over revenues	(3,364,106)	(3,364,106)	2,647,556	6,011,662
Other financing sources (uses)				
Transfers in	5,465,087	5,465,087	5,797,400	332,313
Transfers out	(770,000)	(770,000)	(806,472)	(36,472)
Total other financing sources (uses)	4,695,087	4,695,087	4,990,928	295,841
Net change in fund balances	1,330,981	1,330,981	7,638,484	6,307,503
Fund balances, beginning of year	28,624,645	28,624,645	28,624,645	-
Fund balances, end of year	\$ 29,955,626	\$ 29,955,626	\$ 36,263,129	\$ 6,307,503

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Beaufort County School District**Budgetary Comparison Schedule - Special Projects Fund****For the fiscal year ended June 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local	\$ 915,122	\$ 1,508,588	\$ 973,834	\$ (534,754)
State	3,515,775	6,000,493	4,471,136	(1,529,357)
Federal	12,045,790	12,089,433	11,989,935	(99,498)
Total revenues	16,476,687	19,598,514	17,434,905	(2,163,609)
Expenditures				
Current				
Instruction	10,597,661	12,851,865	12,043,752	808,113
Support services	5,651,947	6,252,460	5,183,868	1,068,592
Community services	319,155	247,108	234,504	12,604
Intergovernmental expenditures				
Payments to other governmental units	117,924	247,081	226,936	20,145
Total expenditures	16,686,687	19,598,514	17,689,060	1,909,454
Excess of expenditures under (over) revenues	(210,000)	-	(254,155)	(254,155)
Other financing sources (uses)				
Transfers in	660,000	650,000	696,472	46,472
Transfers out	(450,000)	(650,000)	(442,317)	207,683
Total other financing sources (uses)	210,000	-	254,155	254,155
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Beaufort County School District**Budgetary Comparison Schedule - Education Improvement Act****For the fiscal year ended June 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State	\$ 11,222,255	\$ 17,151,858	\$ 13,287,438	\$ (3,864,420)
Total revenues	11,222,255	17,151,858	13,287,438	(3,864,420)
Expenditures				
Current				
Instruction	4,574,915	9,954,049	6,347,134	3,606,915
Support services	1,632,253	1,882,847	1,618,809	264,038
Intergovernmental expenditures				
Payments to other governmental units	-	72,830	79,363	(6,533)
Total expenditures	6,207,168	11,909,726	8,045,306	3,864,420
Excess of revenues over expenditures	5,015,087	5,242,132	5,242,132	-
Other financing sources (uses)				
Operating transfers out	(5,015,087)	(5,242,132)	(5,242,132)	-
Total other financing sources (uses)	(5,015,087)	(5,242,132)	(5,242,132)	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Beaufort County School District

Budgetary Comparison Schedule - Account Detail - General Fund

For the fiscal year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Revenues					
1000	Revenue from local sources				
1200	Revenue from local governmental units other than LEAs				
1210	Ad valorem taxes-including delinquent	\$ 131,662,584	\$ 131,662,584	\$ 134,314,364	\$ 2,651,780
1240	Penalties and interest on taxes	800,000	800,000	730,320	(69,680)
1280	Revenue in lieu of taxes	-	-	8,028	8,028
1300	Tuition				
1320	Tuition from other LEAs for regular day	25,000	25,000	129,389	104,389
1500	Earnings on investments				
1510	Interest on investments	50,000	50,000	182,489	132,489
1900	Other revenue from local sources				
1910	Rentals	293,500	293,500	280,760	(12,740)
1950	Refund of prior year's expenditures	-	-	276	276
1999	Revenue from other local sources	325,000	325,000	73,306	(251,694)
	Total local sources	133,156,084	133,156,084	135,718,932	2,562,848
3000	Revenue from state sources				
3100	Restricted state funding				
3131	Handicapped transportation	-	-	88,991	88,991
3132	Home schooling	-	-	588	588
3160	School bus driver's salary	1,304,753	1,304,753	1,433,116	128,363
3162	Transportation workers' compensation	75,000	75,000	78,198	3,198
3180	Fringe benefits employer contributions	5,393,721	5,393,721	5,970,768	577,047
3181	Retiree insurance	3,962,429	3,962,429	4,333,784	371,355
3190	Miscellaneous Restricted State Grants				
3199	Other restricted state grants	-	-	1,287	1,287
3300	Education finance act				
3310	Full-time programs				
3311	Kindergarten	671,044	671,044	689,085	18,041
3312	Primary	2,074,879	2,074,879	2,164,886	90,007
3313	Elementary	3,240,919	3,240,919	3,456,439	215,520
3314	High school	954,756	954,756	1,093,296	138,540
3315	Trainable mentally handicapped	17,529	17,529	23,427	5,898
3316	Speech handicapped	656,183	656,183	730,350	74,167
3317	Homebound	7,616	7,616	9,957	2,341
3320	Part-time programs				
3321	Emotionally handicapped	24,191	24,191	29,824	5,633
3322	Educable mentally handicapped	29,645	29,645	22,600	(7,045)
3323	Learning disabilities	743,414	743,414	722,299	(21,115)
3324	Hearing handicapped	22,803	22,803	25,518	2,715
3325	Visually handicapped	14,599	14,599	17,248	2,649
3326	Ortho -	23,951	23,951	22,301	(1,650)
3327	Vocational	2,023,232	2,023,232	2,068,007	44,775
3330	Miscellaneous EFA programs				
3331	Autism	129,060	129,060	149,194	20,134
3332	High achieving students	264,500	264,500	276,072	11,572
3334	Limited English proficiency	303,824	303,824	343,768	39,944
3351	Academic assistance	215,861	215,861	452,110	236,249
3352	Pupils in poverty	1,288,741	1,288,741	1,362,277	73,536
3353	Dual enrollment	13,433	13,433	15,575	2,142

Beaufort County School District

Budgetary Comparison Schedule - Account Detail - General Fund

For the fiscal year ended June 30, 2017

			Budgeted Amounts			Variance with
			Original	Final	Actual	Final Budget
Revenues, Continued						
3000	Revenue from state sources, continued					
3800	State revenue in lieu of taxes					
	3810	Reimbursement for local residential property tax relief	7,036,261	7,036,261	7,036,261	-
	3820	Homestead exemption	2,000,000	2,000,000	2,045,867	45,867
	3825	Reimbursement for property tax relief	44,216,582	44,216,582	44,202,735	(13,847)
	3830	Merchant's inventory tax	332,079	332,079	332,079	-
	3890	Other state property tax revenues	110,000	110,000	213,238	103,238
3900	Other state revenue					
	3999	Revenue from other state sources	110,800	110,800	1,372	(109,428)
	Total state sources		77,261,805	77,261,805	79,412,517	2,150,712
4000	Revenue from federal sources					
4100	Federally impacted areas					
	4110	Maintenance and Operations, P.L. 81-874	50,000	50,000	30,794	(19,206)
4900	Other federal sources					
	4999	Revenue from other federal sources	850,000	850,000	893,996	43,996
	Total federal sources		900,000	900,000	924,790	24,790
	Total revenue all sources		\$ 211,317,889	\$ 211,317,889	\$ 216,056,239	\$ 4,738,350

Beaufort County School District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Expenditures					
100	Instruction				
110	General instruction				
111	Kindergarten programs				
100	Salaries	5,594,696	5,551,595	5,480,289	71,306
140	Terminal leave	-	-	49	(49)
200	Employee benefits	2,325,868	2,282,399	2,241,990	40,409
300	Purchased services	8,536	194,018	193,306	712
400	Supplies and materials	114,706	123,047	119,373	3,674
		8,043,806	8,151,059	8,035,007	116,052
112	Primary programs				
100	Salaries	19,423,303	15,687,553	15,293,559	393,994
200	Employee benefits	6,534,459	5,645,446	5,638,329	7,117
300	Purchased services	679,423	1,403,690	1,403,585	105
400	Supplies and materials	768,616	2,416,178	2,416,088	90
600	Other objects	259	1,427	1,402	25
		27,406,060	25,154,294	24,752,963	401,331
113	Elementary programs				
100	Salaries	25,703,128	24,783,594	24,678,642	104,952
140	Terminal leave	-	-	2,658	(2,658)
200	Employee benefits	9,300,874	8,902,445	8,898,829	3,616
300	Purchased services	679,910	1,216,670	1,214,936	1,734
400	Supplies and materials	790,471	818,434	785,719	32,715
600	Other objects	8,187	10,570	10,539	31
		36,482,570	35,731,713	35,591,323	140,390
114	High school programs				
100	Salaries	19,365,653	18,357,115	18,337,024	20,091
140	Terminal leave	-	-	1,611	(1,611)
200	Employee benefits	7,182,139	6,591,069	6,537,479	53,590
300	Purchased services	725,878	1,120,405	1,096,231	24,174
400	Supplies and materials	1,034,869	1,289,816	1,263,451	26,365
600	Other objects	33,005	40,979	37,582	3,397
		28,341,544	27,399,384	27,273,378	126,006
115	Vocational programs				
100	Salaries	1,835,193	1,933,193	1,931,672	1,521
200	Employee benefits	580,868	671,897	670,594	1,303
300	Purchased services	1,848,068	1,887,404	1,871,334	16,070
400	Supplies and materials	42,876	37,778	26,430	11,348
600	Other objects	314	1,829	1,745	84
		4,307,319	4,532,101	4,501,775	30,326
117	Driver education program (optional)				
100	Salaries	191,396	189,181	180,524	8,657
200	Employee benefits	64,343	64,343	60,678	3,665
300	Purchased services	31	2,898	2,897	1
400	Supplies and materials	-	1,227	1,196	31
600	Other objects	21	21	-	21
		255,791	257,670	245,295	12,375
118	Montessori programs				
100	Salaries	567,110	576,562	576,424	138
200	Employee benefits	215,833	228,233	227,890	343
300	Purchased services	42,400	48,513	12,878	35,635
400	Supplies and materials	11,500	15,366	13,112	2,254
600	Other objects	-	60	60	-
		836,843	868,734	830,364	38,370
Total general instruction		105,673,933	102,094,955	101,230,105	864,850

Beaufort County School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
 For the year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Expenditures, Continued					
100	Instruction, continued				
120	Exceptional programs				
121	Educable mentally handicapped				
100	Salaries	906,121	942,621	939,729	2,892
200	Employee benefits	370,259	387,259	386,905	354
300	Purchased services	-	28,500	28,439	61
400	Supplies and materials	845	1,373	1,371	2
		1,277,225	1,359,753	1,356,444	3,309
122	Trainable mentally handicapped				
100	Salaries	581,932	598,477	597,363	1,114
200	Employee benefits	194,546	210,546	210,139	407
300	Purchased services	-	5,187	5,118	69
400	Supplies and materials	2,600	2,213	2,055	158
		779,078	816,423	814,675	1,748
123	Orthopedically handicapped				
100	Salaries	185,236	111,876	109,854	2,022
200	Employee benefits	87,407	53,477	52,438	1,039
300	Purchased services	-	142,500	141,557	943
400	Supplies and materials	3,440	5,142	5,099	43
		276,083	312,995	308,948	4,047
124	Visually handicapped				
100	Salaries	78,554	81,575	81,575	-
200	Employee benefits	18,711	19,447	19,285	162
300	Purchased services	-	1,477	1,477	-
400	Supplies and materials	-	110	109	1
		97,265	102,609	102,446	163
125	Hearing handicapped				
100	Salaries	219,658	346,558	341,519	5,039
200	Employee benefits	74,354	106,354	105,568	786
300	Purchased services	-	843	842	1
400	Supplies and materials	300	108	65	43
		294,312	453,863	447,994	5,869
126	Speech handicapped				
100	Salaries	1,366,716	1,021,498	1,016,382	5,116
200	Employee benefits	480,869	391,087	385,005	6,082
300	Purchased services	1,000	528,079	526,470	1,609
400	Supplies and materials	5,533	5,074	4,574	500
		1,854,118	1,945,738	1,932,431	13,307
127	Learning disabilities				
100	Salaries	4,700,453	4,472,562	4,471,234	1,328
200	Employee benefits	1,819,726	1,847,910	1,847,459	451
300	Purchased services	6,311	140,107	139,986	121
400	Supplies and materials	115,454	73,857	72,797	1,060
600	Other objects	2,000	3,273	3,201	72
		6,643,944	6,537,709	6,534,677	3,032
128	Emotionally handicapped				
100	Salaries	914,569	962,379	961,903	476
200	Employee benefits	346,390	357,890	357,831	59
300	Purchased services	-	19,531	19,495	36
400	Supplies and materials	650	950	550	400
		1,261,609	1,340,750	1,339,779	971
	Total exceptional programs	12,483,634	12,869,840	12,837,394	32,446

Beaufort County School District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Expenditures, Continued					
100	Instruction, continued				
130	Preschool programs				
135	Pre-school handicapped-speech (3 & 4 yr. olds)				
100	Salaries	103,905	101,805	101,491	314
200	Employee benefits	40,118	42,625	42,495	130
300	Purchased services	-	3,460	3,458	2
		144,023	147,890	147,444	446
137	Pre-school handicapped-self contained (3 & 4 yr. olds)				
100	Salaries	242,258	254,208	254,185	23
200	Employee benefits	90,036	105,738	105,700	38
300	Purchased services	-	11,893	11,892	1
400	Supplies and materials	2,000	2,880	2,871	9
		334,294	374,719	374,648	71
139	Early childhood programs				
100	Salaries	2,460,191	2,400,691	2,396,761	3,930
200	Employee benefits	941,065	1,001,065	997,517	3,548
300	Purchased services	460	114,676	114,327	349
400	Supplies and materials	55,451	52,409	47,736	4,673
		3,457,167	3,568,841	3,556,341	12,500
	Total preschool programs	3,935,484	4,091,450	4,078,433	13,017
140	Special programs				
141	Gifted and talented - academic				
100	Salaries	1,977,343	1,903,833	1,899,962	3,871
200	Employee benefits	745,516	745,516	716,394	29,122
300	Purchased services	4,600	38,795	38,062	733
400	Supplies and materials	62,125	54,090	34,330	19,760
600	Other objects	1,440	1,513	733	780
		2,791,024	2,743,747	2,689,481	54,266
144	International baccalaureate				
100	Salaries	-	27,697	27,510	187
200	Employee benefits	-	12,716	12,441	275
300	Purchased services	76,800	76,800	75,620	1,180
400	Supplies	12,000	13,070	3,270	9,800
600	Other objects	117,260	38,260	37,471	789
		206,060	168,543	156,312	12,231
145	Homebound				
100	Salaries	110,000	109,000	142,167	(33,167)
200	Employee benefits	26,400	27,100	45,944	(18,844)
300	Purchased services	15,000	12,600	10,430	2,170
		151,400	148,700	198,541	(49,841)
148	Gifted and talented-artistic				
100	Salaries	22,000	5,000	4,682	318
200	Employee benefits	5,289	5,289	1,147	4,142
300	Purchased services	15,000	7,000	6,712	288
400	Supplies	15,000	5,000	4,669	331
600	Other objects	6,000	1,000	135	865
		63,289	23,289	17,345	5,944
149	Other special programs				
100	Salaries	-	2,165	2,160	5
200	Employee benefits	-	829	558	271
300	Purchased services	-	1,065	1,063	2
		-	4,059	3,781	278
	Total special programs	3,211,773	3,088,338	3,065,460	22,878
160	Other exceptional programs				
161	Autism				
100	Salaries	192,297	144,503	142,360	2,143
200	Employee benefits	73,691	63,898	63,688	210
300	Purchased services	-	136,156	135,694	462
400	Supplies and materials	150	90	89	1
		266,138	344,647	341,831	2,816
162	Limited English proficiency				
100	Salaries	-	2,485,000	2,455,542	29,458
200	Employee benefits	-	809,221	801,619	7,602
300	Purchased services	30,500	67,028	63,306	3,722
400	Supplies and materials	18,785	23,518	22,581	937
600	Other objects	-	132	131	1
		49,285	3,384,899	3,343,179	41,720
	Total other exceptional programs	315,423	3,729,546	3,685,010	44,536

Beaufort County School District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Expenditures, Continued					
100	Instruction, continued				
170	Summer school program				
171	Primary summer school				
100	Salaries	-	1,882	1,882	-
200	Employee benefits	-	463	462	1
300	Purchased services	-	2,200	2,111	89
		-	4,545	4,455	90
173	High school summer school				
300	Purchased services	-	56,008	56,008	-
		-	56,008	56,008	-
175	Instructional programs beyond regular school day				
100	Salaries	400,000	94,943	93,996	947
200	Employee benefits	95,787	23,343	22,842	501
300	Purchased services	-	7,482	7,482	-
400	Supplies and materials	5,834	36,792	32,065	4,727
600	Other objects	20,000	13,705	5,226	8,479
		521,621	176,265	161,611	14,654
	Total summer school program	521,621	236,818	222,074	14,744
180	Adult/continuing educational programs				
188	Parenting/family/education programs				
100	Salaries	12,000	11,720	10,726	994
200	Employee benefits	918	1,198	921	277
		12,918	12,918	11,647	1,271
	Total Adult/continuing education programs	12,918	12,918	11,647	1,271
190	Instructional pupil activity				
300	Purchased services	6,652	9,417	9,403	14
400	Supplies and materials	400	4,432	4,403	29
600	Other objects	130,886	104,487	103,589	898
		137,938	118,336	117,395	941
	Total instructional pupil activity	137,938	118,336	117,395	941
	Total instruction	126,292,724	126,242,201	125,247,518	994,683
200	Support services				
210	Pupil services				
211	Attendance and social work services				
100	Salaries	2,196,524	2,226,624	2,209,849	16,775
140	Terminal leave	-	-	7,136	(7,136)
200	Employee benefits	824,442	878,738	877,808	930
300	Purchased services	86,141	49,328	39,597	9,731
400	Supplies and materials	26,730	22,995	17,632	5,363
600	Other objects	810	1,710	745	965
		3,134,647	3,179,395	3,152,767	26,628
212	Guidance services				
100	Salaries	3,180,704	3,159,704	2,914,532	245,172
140	Terminal leave	-	-	299	(299)
200	Employee benefits	1,086,043	1,069,847	1,047,036	22,811
300	Purchased services	34,161	25,006	18,541	6,465
400	Supplies and materials	56,285	52,349	47,205	5,144
600	Other objects	3,964	11,359	11,304	55
		4,361,157	4,318,265	4,038,917	279,348
213	Health services				
100	Salaries	1,110,253	1,064,953	1,038,831	26,122
200	Employee benefits	413,408	413,408	392,875	20,533
300	Purchased services	11,500	50,483	48,916	1,567
400	Supplies and materials	29,100	32,528	30,402	2,126
500	Capital outlay	-	6,201	6,194	7
600	Other objects	2,120	2,106	574	1,532
		1,566,381	1,569,679	1,517,792	51,887
214	Psychological services				
100	Salaries	721,398	754,898	754,859	39
200	Employee benefits	236,499	269,789	269,777	12
300	Purchased services	27,000	25,095	25,045	50
400	Supplies and materials	28,000	27,783	27,692	91
		1,012,897	1,077,565	1,077,373	192
	Total pupil services	10,075,082	10,144,904	9,786,849	358,055

Beaufort County School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
 For the year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Expenditures, Continued					
200	Support services, continued				
220	Instructional staff services				
221	Improvement of instruction - curriculum development				
100	Salaries	4,531,382	4,633,771	4,474,330	159,441
140	Terminal leave	-	-	8,247	(8,247)
200	Employee benefits	1,517,014	1,494,602	1,485,848	8,754
300	Purchased services	386,034	478,945	478,268	677
400	Supplies and materials	341,250	370,388	370,355	33
500	Capital outlay	-	762	761	1
600	Other objects	135,976	99,776	99,308	468
		6,911,656	7,078,244	6,917,117	161,127
222	Library and media services				
100	Salaries	2,538,087	2,451,187	2,417,467	33,720
200	Employee benefits	1,026,654	986,654	980,106	6,548
300	Purchased services	48,913	80,437	79,427	1,010
400	Supplies and materials	320,191	335,071	306,952	28,119
600	Other objects	450	992	795	197
		3,934,295	3,854,341	3,784,747	69,594
223	Supervision of special programs				
100	Salaries	380,579	334,879	332,914	1,965
200	Employee benefits	150,047	144,047	127,687	16,360
300	Purchased services	115,500	80,513	72,318	8,195
400	Supplies and materials	23,000	9,000	8,811	189
600	Other objects	1,000	2,387	1,370	1,017
		670,126	570,826	543,100	27,726
224	Improvement of instruction - inservice training				
100	Salaries	173,500	239,010	238,523	487
200	Employee benefits	40,000	24,762	24,676	86
300	Purchased services	568,336	538,002	498,151	39,851
400	Supplies and materials	43,110	31,023	30,880	143
600	Other objects	8,075	10,307	9,648	659
		833,021	843,104	801,878	41,226
	Total instructional staff services	12,349,098	12,346,515	12,046,842	299,673
230	General administration services				
231	Board of Education				
100	Salaries	160,918	160,918	152,150	8,768
200	Employee benefits	53,057	53,057	49,956	3,101
300	Purchased services	326,000	320,081	260,490	59,591
318	Audit services	55,000	55,000	56,000	(1,000)
400	Supplies and materials	9,650	9,650	3,866	5,784
600	Other objects	51,500	57,419	56,552	867
		656,125	656,125	579,014	77,111
232	Office of the Superintendent				
100	Salaries	260,413	262,813	262,786	27
200	Employee benefits	111,284	108,884	107,683	1,201
300	Purchased services	28,000	15,500	8,799	6,701
400	Supplies and materials	12,500	8,116	5,647	2,469
600	Other objects	7,500	4,384	3,410	974
		419,697	399,697	388,325	11,372
233	School administration				
100	Salaries	10,421,474	10,432,050	10,346,607	85,443
140	Terminal leave	-	-	91,948	(91,948)
200	Employee benefits	3,713,148	3,802,848	3,797,618	5,230
300	Purchased services	211,985	202,975	202,083	892
400	Supplies and materials	343,746	303,414	300,709	2,705
600	Other objects	16,883	16,278	14,209	2,069
		14,707,236	14,757,565	14,753,174	4,391
	Total general administration services	15,783,058	15,813,387	15,720,513	92,874

Beaufort County School District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Expenditures, Continued					
200	Support services, continued				
250	Finance and operations services				
252	Fiscal services				
100	Salaries	1,113,850	1,080,350	1,071,057	9,293
200	Employee benefits	387,880	379,880	370,188	9,692
300	Purchased services	54,550	105,135	104,376	759
400	Supplies and materials	51,100	42,015	40,579	1,436
500	Capital outlay	-	-	-	-
600	Other objects	6,326	6,326	4,084	2,242
		1,613,706	1,613,706	1,590,284	23,422
253	Facilities acquisition and construction				
100	Salaries	5,000	4,830	4,554	276
200	Employee benefits	383	383	348	35
300	Purchased services	9,140	9,140	7,780	1,360
400	Supplies and materials	11,000	10,650	6,260	4,390
600	Other objects	1,500	1,850	1,847	3
		27,023	26,853	20,789	6,064
254	Operation and maintenance of plant				
100	Salaries	360,884	389,644	388,304	1,340
200	Employee benefits	371,173	291,173	193,337	97,836
300	Purchased services	16,352,594	16,319,175	16,238,263	80,912
321	Utilities	406,000	406,000	406,761	(761)
400	Supplies and materials	987,334	937,334	1,370,509	(433,175)
470	Energy	6,409,000	6,409,000	6,409,013	(13)
500	Capital outlay	-	74,583	74,582	1
600	Other objects	265,000	240,386	223,170	17,216
		25,151,985	25,067,295	25,303,939	(236,644)
255	Student transportation				
100	Salaries	3,527,597	3,790,597	3,926,341	(135,744)
140	Terminal leave	-	-	1,164	(1,164)
200	Employee benefits	1,626,777	1,581,777	1,577,191	4,586
300	Purchased services	433,000	310,278	309,845	433
400	Supplies and materials	196,800	210,522	209,485	1,037
500	Capital outlay	70,000	70,000	63,428	6,572
600	Other objects	110,000	1,000	841	159
		5,964,174	5,964,174	6,088,295	(124,121)
256	Food services				
100	Salaries	13,000	13,000	11,000	2,000
200	Employee benefits	994	994	842	152
		13,994	13,994	11,842	2,152
258	Security				
100	Salaries	74,832	77,832	76,861	971
200	Employee benefits	29,479	30,229	30,042	187
300	Purchased services	1,017,901	1,017,901	1,048,093	(30,192)
400	Supplies and materials	12,500	8,750	4,552	4,198
600	Other objects	125	125	50	75
		1,134,837	1,134,837	1,159,598	(24,761)
	Total finance and operations services	33,905,719	33,820,859	34,174,747	(353,888)
260	Central support services				
262	Planning, research, development and evaluation				
100	Salaries	73,768	73,813	73,809	4
200	Employee benefits	29,241	29,366	29,364	2
300	Purchased services	3,550	3,550	2,315	1,235
400	Supplies and materials	750	750	525	225
600	Other objects	500	500	175	325
		107,809	107,979	106,188	1,791

Beaufort County School District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Expenditures, Continued					
200	Support services, continued				
260	Central support services, continued				
263	Information services				
100	Salaries	225,204	220,074	181,288	38,786
140	Terminal leave	-	-	14,878	(14,878)
200	Employee benefits	67,207	67,207	61,057	6,150
300	Purchased services	37,000	32,824	32,787	37
400	Supplies and materials	3,500	11,200	11,141	59
600	Other objects	300	1,906	1,905	-
		333,211	333,211	303,056	30,155
264	Staff services				
100	Salaries	1,484,687	1,484,687	1,655,210	(170,523)
140	Terminal leave	-	-	429	(429)
200	Employee benefits	511,162	511,162	531,061	(19,899)
300	Purchased services	560,700	685,700	685,522	178
400	Supplies and materials	93,850	93,850	86,070	7,780
600	Other objects	12,550	12,550	12,280	270
		2,662,949	2,787,949	2,970,572	(182,623)
266	Technology and data processing services				
100	Salaries	2,280,572	2,280,572	2,134,003	146,569
140	Terminal leave	-	-	3,939	(3,939)
200	Employee benefits	808,722	808,722	771,100	37,622
300	Purchased services	1,823,004	1,473,151	1,453,931	19,220
400	Supplies and materials	210,000	388,000	386,387	1,613
500	Capital outlay	170,000	216,853	216,853	-
600	Other objects	2,000	2,000	1,455	545
		5,294,298	5,169,298	4,967,668	201,630
	Total central support services	8,398,267	8,398,437	8,347,484	50,953
270	Support services pupil activity				
271	Pupil services activities				
100	Salaries	1,408,264	1,438,315	1,438,267	48
200	Employee benefits	346,505	354,948	294,011	60,937
300	Purchased services	11,550	109,780	109,733	47
400	Supplies and materials	316,536	422,652	422,431	221
600	Other objects	999,984	794,789	784,105	10,684
		3,082,839	3,120,484	3,048,547	71,937
	Total support services	83,594,063	83,644,586	83,124,982	519,604
400	Other charges				
410	Intergovernmental expenditures				
412	Payments to other governmental units				
300	Purchased services	25,000	15,000	14,069	931
720	Transits	15,000	25,000	24,437	563
		40,000	40,000	38,506	1,494
416	Payments to Public Charter Schools				
720	Transits	4,705,208	4,705,208	4,919,392	(214,184)
		4,705,208	4,705,208	4,919,392	(214,184)
	Total intergovernmental expenditures	4,745,208	4,745,208	4,957,898	(212,690)
500	Debt Service				
620	Interest	50,000	50,000	78,285	(28,285)
	Total debt services	50,000	50,000	78,285	(28,285)
	Total expenditures	214,681,995	214,681,995	213,408,683	1,273,312
Other financing sources (uses)					
5230	Transfer from Special Revenue EIA Fund	5,015,087	5,015,087	5,242,132	227,045
5280	Transfer from Other Funds Indirect Costs	450,000	450,000	555,268	105,268
421-710	Transfer to Special Revenue Fund	(660,000)	(660,000)	(696,472)	(36,472)
425-710	Transfer to Proprietary Fund	(110,000)	(110,000)	(110,000)	-
	Total other financing sources (uses)	4,695,087	4,695,087	4,990,928	295,841
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses					
		1,330,981	1,330,981	7,638,484	6,307,503
Fund balance, beginning of year					
		28,624,645	28,624,645	28,624,645	-
Fund balance, end of year					
		\$ 29,955,626	\$ 29,955,626	\$ 36,263,129	\$ 6,307,503

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

	Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total
Revenues								
1000 Revenue from local sources								
1900 Miscellaneous local revenue								
1920 Contributions & donations from private sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120	\$ 120
1930 Medicaid	-	-	-	-	-	-	465,056	465,056
1999 Revenue from other local sources	-	-	-	-	16,314	-	492,344	508,658
Total local sources	-	-	-	-	16,314	-	957,520	973,834
3000 Revenue from state sources								
3110 Restricted state funding								
3118 EEDA career specialists	-	-	-	-	-	928,851	-	928,851
3120 General education								
3127 Student health and fitness - P.E. teachers	-	-	-	-	-	170,528	-	170,528
3130 Special programs								
3135 Reading coaches	-	-	-	-	-	1,088,690	-	1,088,690
3136 Student health and fitness-nurses	-	-	-	-	-	604,089	-	604,089
3150 Adult education								
3155 Adult education SNAP	-	-	-	-	6,805	-	-	6,805
3170 State school building aid								
3177 EEDA summer reading program	-	-	-	-	-	223,914	-	223,914
3190 Miscellaneous restricted state grants								
3193 Education license plates	-	-	-	-	-	2,452	-	2,452
3199 Other restricted state grants	-	-	-	-	-	-	70,762	70,762
3600 Education lottery act revenue								
3630 Technology	-	-	-	-	-	201,909	-	201,909
3950 Other state revenue								
3999 Revenue from other state sources	-	-	-	-	-	-	1,173,136	1,173,136
Total state sources	-	-	-	-	6,805	3,220,433	1,243,898	4,471,136

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

<i>Revenues, Continued</i>		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total
4000	Revenue from federal sources								
4200	Occupational education								
4210	Perkins aid, Title I	-	-	-	291,914	-	-	-	291,914
4300	Elementary and Secondary Education Act of 1965								
4310	Title I	6,239,434	-	-	-	-	-	238,426	6,477,860
4341	Language instruction for limited English proficiency and immigrant students, Title III	-	-	-	-	-	-	248,343	248,343
4351	Improving teacher quality	-	-	-	-	-	-	627,562	627,562
4400	Adult education								
4410	Basic adult education	-	-	-	-	239,236	-	-	239,236
4430	State literacy resource	-	-	-	-	8,161	-	-	8,161
4500	Programs for children with disabilities Individuals with Disabilities Education Act (IDEA)								
4510	Individuals with Disabilities Education Act (IDEA)	-	3,445,933	-	-	-	-	-	3,445,933
4520	Pre-school grants	-	-	117,866	-	-	-	-	117,866
4900	Other federal sources								
4999	Revenue from other federal sources	-	-	-	-	-	-	533,060	533,060
	Total federal sources	6,239,434	3,445,933	117,866	291,914	247,397	-	1,647,391	11,989,935
	Total revenues	6,239,434	3,445,933	117,866	291,914	270,516	3,220,433	3,848,809	17,434,905
100	Instruction								
110	General instruction								
111	Kindergarten programs								
100	Salaries	114,976	-	-	-	-	-	45,677	160,653
200	Employee benefits	39,468	-	-	-	-	-	22,335	61,803
300	Purchased services	1,510	-	-	-	-	-	-	1,510
400	Supplies and materials	47,951	-	-	-	-	-	3,349	51,300
112	Primary programs								
100	Salaries	1,397,312	-	-	-	-	77,519	260,402	1,735,233
200	Employee benefits	509,963	-	-	-	-	28,677	92,468	631,108
300	Purchased services	58,965	-	-	-	-	-	28,446	87,411
400	Supplies and materials	493,843	-	-	-	-	15,221	90,115	599,179
500	Capital Outlay	12,619	-	-	-	-	-	-	12,619
600	Other objects	-	-	-	-	-	-	182	182

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

Expenditures, Continued		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total
100	Instruction, continued								
110	General instruction, continued								
113	Elementary programs								
100	Salaries	598,259	-	-	-	-	48,691	473,817	1,120,767
200	Employee benefits	210,069	-	-	-	-	11,948	66,890	288,907
300	Purchased services	18,609	-	-	-	-	-	3,240	21,849
400	Supplies and materials	40,564	-	-	-	-	51,605	28,217	120,386
600	Other objects	24	-	-	-	-	-	426	450
114	High school programs								
100	Salaries	-	-	-	-	-	-	1,321,855	1,321,855
200	Employee benefits	-	-	-	-	-	-	266,324	266,324
300	Purchased services	-	-	-	-	-	-	3,000	3,000
400	Supplies and materials	-	-	-	-	-	125,939	8,923	134,862
600	Other objects	-	-	-	-	-	-	2,878	2,878
115	Vocational programs								
100	Salaries	-	-	-	-	-	-	55,500	55,500
200	Employee benefits	-	-	-	-	-	-	4,246	4,246
300	Purchased services	-	-	-	63,339	-	-	495	63,834
400	Supplies and materials	-	-	-	159,091	-	-	4,505	163,596
120	Exceptional programs								
121	Educable mentally handicapped								
100	Salaries	-	337,974	-	-	-	-	15,000	352,974
200	Employee benefits	-	166,459	-	-	-	-	1,148	167,607
300	Purchased services	-	45,928	-	-	-	-	-	45,928
400	Supplies and materials	-	1,801	-	-	-	-	-	1,801
122	Trainable mentally handicapped								
100	Salaries	-	115,228	-	-	-	-	4,500	119,728
200	Employee benefits	-	48,941	-	-	-	-	344	49,285
300	Purchased services	-	7,650	-	-	-	-	-	7,650
400	Supplies and materials	-	10,897	-	-	-	-	942	11,839
123	Orthopedically handicapped								
100	Salaries	-	44,827	-	-	-	-	68,733	113,560
200	Employee benefits	-	4,812	-	-	-	-	23,862	28,674
300	Purchased services	-	6,320	-	-	-	-	-	6,320
400	Supplies and materials	-	27,903	-	-	-	-	-	27,903

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

Expenditures, Continued		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total
100	Instruction, continued								
120	Exceptional programs, continued								
124	Visually handicapped								
100	Salaries	-	65,564	-	-	-	-	-	65,564
200	Employee benefits	-	23,065	-	-	-	-	-	23,065
300	Purchased services	-	12,039	-	-	-	-	-	12,039
400	Supplies and materials	-	4,840	-	-	-	-	-	4,840
125	Hearing handicapped								
100	Salaries	-	242,455	-	-	-	-	3,000	245,455
200	Employee benefits	-	94,925	-	-	-	-	230	95,155
300	Purchased services	-	16,614	-	-	-	-	-	16,614
400	Supplies and materials	-	22,941	-	-	-	-	-	22,941
126	Speech handicapped								
100	Salaries	-	187,824	-	-	-	-	2,882	190,706
200	Employee benefits	-	69,739	-	-	-	-	707	70,446
300	Purchased services	-	2,549	-	-	-	-	5,342	7,891
400	Supplies and materials	-	3,675	-	-	-	-	-	3,675
127	Learning disabilities								
100	Salaries	-	405,520	-	-	-	-	108,750	514,270
200	Employee benefits	-	155,952	-	-	-	-	8,319	164,271
300	Purchased services	-	23,518	-	-	-	-	-	23,518
400	Supplies and materials	-	52,887	-	-	-	-	-	52,887
128	Emotionally handicapped								
100	Salaries	-	78,558	-	-	-	-	19,500	98,058
200	Employee benefits	-	30,820	-	-	-	-	1,492	32,312
130	Pre-school programs								
132	Preschool handicapped itinerant								
100	Salaries	-	377	-	-	-	-	-	377
200	Employee benefits	-	93	-	-	-	-	-	93
135	Pre-school handicapped-speech (3 & 4 yr. olds)								
100	Salaries	-	-	-	-	-	-	3,000	3,000
200	Employee benefits	-	-	-	-	-	-	230	230
137	Pre-school handicapped-self contained (3 & 4 yr. olds)								
100	Salaries	-	64,490	77,042	-	-	-	7,500	149,032
200	Employee benefits	-	25,336	35,705	-	-	-	574	61,615
300	Purchased services	-	60,928	-	-	-	-	-	60,928
400	Supplies and materials	-	70,321	-	-	-	-	-	70,321

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total
Expenditures, Continued									
100	Instruction, continued								
130	Pre-school programs, continued								
139	Early childhood programs								
100	Salaries	433,448	-	-	-	-	-	4,552	438,000
200	Employee benefits	171,369	-	-	-	-	-	1,125	172,494
400	Supplies and materials	390	-	-	-	-	-	-	390
140	Special programs								
141	Gifted and talented - academic								
100	Salaries	-	-	-	-	-	-	750	750
200	Employee benefits	-	-	-	-	-	-	57	57
144	International baccalaureate								
100	Salaries	-	-	-	-	-	-	750	750
200	Employee benefits	-	-	-	-	-	-	57	57
149	Other special programs								
400	Supplies and materials	-	6,830	-	-	-	-	-	6,830
160	Other exceptional programs								
161	Autism								
100	Salaries	-	30,051	-	-	-	-	-	30,051
200	Employee benefits	-	18,756	-	-	-	-	-	18,756
400	Supplies and materials	-	947	-	-	-	-	-	947
170	Summer school programs								
171	Primary summer school								
100	Salaries	-	-	-	-	-	177,250	11,110	188,360
200	Employee benefits	-	-	-	-	-	46,664	2,617	49,281
172	Elementary summer school								
100	Salaries	-	-	-	-	-	-	7,673	7,673
200	Employee Benefits	-	-	-	-	-	-	1,586	1,586
173	High school summer school								
100	Salaries	-	-	-	-	-	-	4,578	4,578
200	Employee benefits	-	-	-	-	-	-	1,190	1,190
175	Instructional programs beyond regular school day								
100	Salaries	118,499	-	-	-	-	-	93,970	212,469
200	Employee benefits	29,359	-	-	-	-	-	23,008	52,367
300	Purchased services	-	-	-	-	-	-	5,804	5,804
400	Supplies and materials	7,683	-	-	-	-	-	8,044	15,727
600	Other objects	-	-	-	-	-	-	4,013	4,013

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

<i>Expenditures, Continued</i>									
	Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total	
100 Instruction, continued									
180 Adult/continuing educational programs									
181 Adult basic education programs									
100 Salaries	-	-	-	-	61,391	-	-	61,391	
200 Employee benefits	-	-	-	-	15,000	-	-	15,000	
300 Purchased services	-	-	-	-	5,213	-	-	5,213	
400 Supplies and materials	-	-	-	-	10,538	-	-	10,538	
600 Other objects	-	-	-	-	208	-	-	208	
182 Adult secondary education programs									
100 Salaries	-	-	-	-	58,000	-	-	58,000	
200 Employee benefits	-	-	-	-	14,100	-	-	14,100	
300 Purchased services	-	-	-	-	1,268	-	-	1,268	
400 Supplies and materials	-	-	-	-	5,806	-	-	5,806	
600 Other objects	-	-	-	-	1,221	-	-	1,221	
183 Adult English literacy - ESL									
100 Salaries	-	-	-	-	7,780	-	-	7,780	
200 Employee benefits	-	-	-	-	2,090	-	-	2,090	
300 Purchased services	-	-	-	-	40,252	-	-	40,252	
400 Supplies and materials	-	-	-	-	10,191	-	-	10,191	
188 Parenting/family/education programs									
100 Salaries	343,665	-	-	-	-	-	30,720	374,385	
200 Employee benefits	119,840	-	-	-	-	-	7,021	126,861	
300 Purchased services	102,430	-	-	-	-	-	11,326	113,756	
400 Supplies and materials	83,190	-	-	-	63	-	19,366	102,619	
500 Capital outlay	6,856	-	-	-	-	-	6,856	13,712	
600 Other objects	34,480	-	-	-	-	-	307	34,787	
190 Parenting/family/education programs									
600 Other objects	-	-	-	-	-	-	420	420	
Total Instruction	4,995,341	2,590,354	112,747	222,430	233,121	583,514	3,306,245	12,043,752	
200 Support services									
210 Pupil services									
211 Attendance and social work services									
100 Salaries	-	1,208	-	-	-	-	43,816	45,024	
200 Employee benefits	-	297	-	-	-	-	19,118	19,415	
300 Purchased services	-	2,474	-	-	-	-	-	2,474	

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

<i>Expenditures, Continued</i>									
	Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total	
200 Support services, continued									
210 Pupil services, continued									
212 Guidance services									
100 Salaries	6,588	-	-	-	-	690,919	74,053	771,560	
200 Employee benefits	504	-	-	-	-	237,933	24,518	262,955	
300 Purchased services	-	-	-	-	-	-	615	615	
400 Supplies and materials	177	-	-	-	-	-	133	310	
213 Health services									
100 Salaries	-	20,939	-	-	-	414,208	153,257	588,404	
200 Employee benefits	-	9,766	-	-	-	160,847	70,184	240,797	
300 Purchased services	-	-	-	-	-	-	12,063	12,063	
214 Psychological services									
100 Salaries	-	673	-	-	-	-	-	673	
200 Employee benefits	-	261	-	-	-	-	-	261	
220 Instructional staff services									
221 Improvement of instruction - curriculum									
100 Salaries	199,467	117	-	-	-	800,503	109,615	1,109,702	
200 Employee benefits	68,172	29	-	-	-	288,187	42,947	399,335	
300 Purchased services	-	-	-	-	-	-	9,477	9,477	
600 Other objects	-	-	-	-	-	-	105	105	
223 Supervision of special programs									
100 Salaries	57,056	168,858	-	-	-	-	-	225,914	
200 Employee benefits	14,729	69,246	-	-	-	-	-	83,975	
300 Purchased services	27,740	99,015	-	-	9,208	-	-	135,963	
400 Supplies and materials	2,530	217,499	-	-	3,783	-	658	224,470	
500 Capital outlay	-	12,950	-	-	-	-	-	12,950	
600 Other objects	69	-	-	-	92	-	-	161	
224 Improvement of instruction - in-service training									
100 Salaries	9,822	-	-	-	7,100	-	208	17,130	
200 Employee benefits	1,907	-	-	-	1,500	-	51	3,458	
300 Purchased services	471,719	19,950	-	31,294	3,776	-	244,591	771,330	
400 Supplies and materials	25,524	-	-	-	2,000	-	10,666	38,190	
600 Other objects	1,109	-	-	-	178	-	-	1,287	
250 Finance and operations services									
251 Federal student transportation									
100 Salaries	66	-	-	-	-	-	-	66	
200 Employee benefits	16	-	-	-	-	-	-	16	
300 Purchased services	13,460	-	-	-	-	-	1,426	14,886	
254 Operation and maintenance of plant									
300 Purchased services	1,160	-	-	-	-	-	-	1,160	

Beaufort County School District, Beaufort, South Carolina

Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund

For the year ended June 30, 2017

<i>Expenditures, Continued</i>							
	Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs
							Total
200 Support services, continued							
250 Finance and operations services, continued							
255 Pupil transportation services							
100 Salaries	-	-	-	-	-	-	3,434
200 Employee benefits	-	-	-	-	-	-	843
300 Purchased services	-	-	-	-	9,758	-	9,758
256 Food services							
400 Supplies and materials	-	-	-	-	-	-	17,816
600 Other objects	-	-	-	-	-	-	15,499
260 Central support services							
264 Staff Services							
300 Purchased services	-	-	-	-	-	-	2,670
400 Supplies and materials	-	-	-	-	-	-	2,451
600 Other objects	-	-	-	-	-	-	3,453
270 Support services							
271 Pupil service activities							
200 Employee benefits	-	-	-	-	-	-	64
600 Other objects	72,155	-	-	38,190	-	-	133,754
Total support services	973,970	623,282	-	69,484	37,395	2,592,597	5,183,868
300 Community services							
350 Custody and care of children							
100 Salaries	-	-	-	-	-	-	163,858
200 Employee benefits	-	-	-	-	-	-	61,947
300 Purchased services	-	-	-	-	-	-	175
400 Supplies and materials	-	-	-	-	-	-	2,119
600 Other objects	-	-	-	-	-	-	524
370 Non public school services							
300 Purchased services	-	-	-	-	-	-	1,408
390 Other community services							
300 Purchased services	-	-	-	-	-	-	3,654
400 Supplies and materials	-	-	-	-	-	-	749
600 Other objects	-	-	-	-	-	-	70
Total community services	-	-	-	-	-	-	234,504
410 Intergovernmental expenditures							
411 Payments to State Department of Education	-	-	-	-	-	-	79,927
720 Transits							
416 Payments to Public Charter School	-	97,345	-	-	-	-	5,342
720 Transits	-	97,345	-	-	-	-	85,269
Total intergovernmental expenditures	5,969,311	3,310,981	112,747	291,914	270,516	3,220,433	4,513,158
Total expenditures							17,689,060

Beaufort County School District, Beaufort, South Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund
For the year ended June 30, 2017

	Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue Programs	Total
Other Financing Sources (Uses)								
Interfund transfers from (to) other funds								
5210 Transfer from General Fund	-	-	-	-	-	-	696,472	696,472
431-791 Special revenue fund indirect costs	(270,123)	(134,952)	(5,119)	-	-	-	(32,123)	(442,317)
Total other financing sources (uses)	(270,123)	(134,952)	(5,119)	-	-	-	664,349	254,155
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Beaufort County School District***Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund
For the year ended June 30, 2017***

*Adult Education	*Designated Restricted State Grants
243 Adult Education Federal	918 Technology Professional Development
243 English Lit/Civics	919 Education License Plates
243 Continuation	926 EEDA Summer Reading Program
243 Family Literacy Collaboration	928 EEDA Career Specialists
818 Local Program	935 Reading Coaches
819 Partnership for Adult Education Literacy	936 Student Health and Fitness Nurses
955 SNAP Reimbursement	937 Student Health and Fitness
	963 K-12 Technology Initiative
	967 6-8 Enhancement

*** Other Special Revenue Programs**

235 Title I Migrant Education	832 TPAC Donation
237 Title I School Improvement Focus	834 Recycling Grant RCES
238 Title I School Improvement Support	836 School Health Index
264 Language Instruction for Limited English Proficient and Immigrant Students, Title III	838 Tanger Kids Grant CES
267 Improving Teacher Quality, Title II	839 Fuel 60 Grant
286 Medicaid	840 Share Our Strength Grant
287 Medicaid/Health Services	842 Action for Healthy Kids
295 ROTC	843 Level Data Reimbursement
296 Joint Strike	844 Parker Grant
298 SC Gear Up	848 AIE/ABC LIMS
801 Profound. Mentally Disabled	849 AIE/ABC BMS
802 Project Star HHIE	850 AIE/TSI MOES
804 Lowes Charitable Education Fund HHIE	852 AIE/ABC LIES
806 Lowes Charitable Education Fund PVES	855 First Steps
807 Gateway STEM	860 TAP Award BES
808 HOSA - BHS	861 Dollar General Grant BES
809 Back to School Expo	865 Miscellaneous Arts
810 Driving Young America	867 AIE/ABC HHSCA
811 Culinary Scholarships	869 Comprehensive Health Education
812 Peggy May Memorial Performing Arts	871 Summer Camps
813 Robotics HHH	872 Dollar General Grant BLES
815 Child Find Expansion	873 Parenting Family Literacy
816 SREB Grant	875 Traveling Preschool Bus
817 Engineering and Robotics BHS	885 Chamber of Commerce - Homework Center WBES
820 Robotics HHH	886 Special Needs Transportation
822 Cinderella Fella Ball	890 Community Block Grant
827 Teacher Mini Grants	893 Climb Supplement
829 Teacher of the Year - BES	
830 Summer Youth Leadership	
831 Farm to School LIES	

Beaufort County School District*Summary Schedule for Designated State Restricted Grants - Special Projects Fund**For the year ended June 30, 2017*

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers In/(Out)	Other Fund Transfers In/(Out)	Special Revenue Fund Unearned
919	3193	Education License Plates	\$ 2,452	\$ 2,452	\$ -	\$ -	\$ 3,575
926	3177	EEDA Summer Reading Program	223,914	223,914	-	-	282,957
928	3118	EEDA Career Specialists	928,851	928,851	-	-	237,736
935	3135	Reading Coaches	1,088,690	1,088,690	-	-	335,490
936	3136	Student Health and Fitness - Nurses	604,089	604,089	-	-	92,720
937	3127	Student Health and Fitness - PE Teachers	170,528	170,528	-	-	70,798
963	3630	Technology	201,909	201,909	-	-	500,606
			<u>\$ 3,220,433</u>	<u>\$ 3,220,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,523,882</u>

Beaufort County School District, Beaufort, South Carolina

Combined Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2017

Revenues

3000	Revenue from State Sources		
3500	Education Improvement Act:		
3502	ADEPT	\$	34,331
3509	Arts in Education		34,787
3511	Professional Development		103,987
3512	Technology Professional Development		190,552
3518	Formative Assessments		
3519	Grade 10 Assessments		102,815
3525	Career and Technology Education Equipment		306,576
3526	Science Kit Refurbishment		43,865
3528	Industry Certificates		2,064
3532	National Board Certification		1,127,187
3533	Teacher of the Year Awards		1,077
3535	Reading Coaches		8,000
3538	At Risk Funding		2,225,569
3540	Four-Year Old Early Childhood Program		895,001
3550	Teacher Salary Increase		4,575,447
3555	School Employer Contributions		666,685
3556	Adult Ed-State		512,736
3558	Reading		119,079
3571	Palmetto Priority		7,683
3577	Teacher Supplies		467,225
3578	High Schools That Work		56,204
3584	Transition		756,916
3587	IDEA MOE Tier 1		528,312
3592	Work-Based Learning		54,841
3595	EEDA - Supplies and Materials		68,953
3597	Aid to Districts		397,546
	Total revenue state sources	\$	<u>13,287,438</u>

Beaufort County School District, Beaufort, South Carolina**Combined Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs -****Education Improvement Act Fund****For the year ended June 30, 2017****Expenditures**

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries	\$	37,504
200	Employee benefits		9,196
300	Purchased services		9,277
400	Supplies and materials		38,973
			<u>94,950</u>
112	Primary programs		
100	Salaries		1,041,495
200	Employee benefits		364,617
300	Purchased services		119,746
400	Supplies and materials		159,874
			<u>1,685,732</u>
113	Elementary programs		
100	Salaries		594,532
200	Employee benefits		155,475
300	Purchased services		197,852
400	Supplies and materials		153,668
600	Other objects		-
			<u>1,101,527</u>
114	High school programs		
100	Salaries		222,223
200	Employee benefits		60,457
300	Purchased services		102,213
400	Supplies and materials		103,232
			<u>488,125</u>
115	Vocational programs		
300	Purchased services		4,337
400	Supplies and materials		280,695
500	Capital outlay		69,508
600	Other objects		954
			<u>355,494</u>
116	Career and technology education (vocational) programs - middle school		
300	Purchased services		2,439
			<u>2,439</u>
117	Driver education programs		
400	Supplies and materials		825
			<u>825</u>
118	Montessori programs		
400	Supplies and materials		2,750
			<u>2,750</u>
120	Exceptional programs		
121	Educationally handicapped		
400	Supplies and materials		3,025
			<u>3,025</u>
122	Trainable mentally handicapped		
400	Supplies and materials		1,100
			<u>1,100</u>

Beaufort County School District, Beaufort, South Carolina**Combined Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs -****Education Improvement Act Fund****For the year ended June 30, 2017****Expenditures, Continued**

100	Instruction, continued		
120	Exceptional programs, continued		
123	Orthopedically handicapped		
400	Supplies and materials	275	
		<u>275</u>	
124	Visually handicapped		
400	Supplies and materials	275	
		<u>275</u>	
125	Hearing handicapped		
400	Supplies and materials	1,375	
		<u>1,375</u>	
126	Speech handicapped		
400	Supplies and materials	4,950	
		<u>4,950</u>	
127	Learning disabilities		
300	Purchased services	368,627	
400	Supplies and materials	106,435	
		<u>475,062</u>	
128	Emotionally handicapped		
400	Supplies and materials	2,750	
		<u>2,750</u>	
130	Pre-school programs		
135	Early childhood programs		
400	Supplies and materials	550	
		<u>550</u>	
137	Pre-school hand self-cont. (3/4)		
400	Supplies and materials	825	
		<u>825</u>	
139	Early childhood programs		
100	Salaries	544,134	
200	Benefits	254,381	
400	Supplies and materials	108,862	
		<u>907,377</u>	
140	Special programs		
141	Gifted and talented-academic		
400	Supplies and materials	8,250	
		<u>8,250</u>	
160	Other exceptional programs		
162	Limited English proficiency		
400	Supplies and materials	12,375	
		<u>12,375</u>	
170	Summer school program		
171	Primary Program		
100	Salaries	427,348	
200	Benefits	110,311	
400	Supplies and materials	90,276	
		<u>627,935</u>	

Beaufort County School District, Beaufort, South Carolina**Combined Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs -****Education Improvement Act Fund****For the year ended June 30, 2017****Expenditures, Continued**

100	Instruction, continued		
170	Summer school program, continued		
172	Elementary summer school		
100	Salaries	48,685	
200	Benefits	12,658	
		<u>61,343</u>	
173	High school summer school		
100	Salaries	76,252	
200	Benefits	19,527	
		<u>95,779</u>	
175	Instructional programs beyond regular school day		
100	Salaries	14,319	
200	Benefits	3,552	
		<u>17,871</u>	
180	Adult/continuing educational programs		
181	Adult basic educational programs		
100	Salaries	93,245	
200	Benefits	25,561	
300	Purchased services	3,675	
400	Supplies and materials	870	
		<u>123,351</u>	
182	Adult secondary education		
100	Salaries	59,590	
200	Employee benefits	12,405	
300	Purchased services	350	
400	Supplies and materials	1,589	
		<u>73,934</u>	
183	Adult English literacy		
100	Salaries	9,598	
200	Benefits	2,335	
300	Purchased services	1,000	
		<u>12,933</u>	
184	Post secondary educational programs		
100	Salaries	10,870	
200	Benefits	2,692	
		<u>13,562</u>	
188	Parenting/family literacy		
100	Salaries	83,278	
200	Employee benefits	35,266	
300	Purchased services	20,918	
400	Supplies and materials	24,077	
500	Capital outlay	6,856	
		<u>170,395</u>	
	Total Instruction	<u>6,347,134</u>	

Beaufort County School District, Beaufort, South Carolina**Combined Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs -****Education Improvement Act Fund****For the year ended June 30, 2017****Expenditures, Continued**

200	Support services	
210	Pupil services	
212	Guidance services	
300	Purchased services	52,846
400	Supplies and materials	31,757
		<u>84,603</u>
220	Instructional staff services	
221	Improvement of instruction - curriculum development	
100	Salaries	459,094
200	Benefits	161,817
300	Purchased services	4,633
400	Supplies and materials	10,764
		<u>636,308</u>
222	Literacy and media services	
100	Salaries	15,000
200	Benefits	3,678
300	Purchased services	616
400	Supplies and materials	7,975
		<u>27,269</u>
223	Supervision of special programs	
100	Salaries	182,422
200	Benefits	56,337
300	Purchased services	23,247
400	Supplies and materials	18,850
		<u>280,856</u>
224	Improvement of instructional services	
100	Salaries	42,317
200	Benefits	7,278
300	Purchased services	387,338
400	Supplies and materials	2,122
		<u>439,055</u>
250	Finance and operations services	
255	Student transportation	
300	Purchased services	129,790
		<u>129,790</u>
256	Food services	
300	Purchased services	19,121
		<u>19,121</u>
270	Support services pupil activity	
271	Pupil service activities	
600	Other objects	1,807
		<u>1,807</u>
	Total support services	<u>1,618,809</u>

Beaufort County School District, Beaufort, South Carolina

*Combined Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs -
Education Improvement Act Fund
For the year ended June 30, 2017*

Expenditures, Continued

400	Other Charges	
	410 Intergovernmental expenditures	
	416-720 LEA Payment to Public Charter School	79,363
	Total intergovernmental expenditures	79,363
	Total expenditures	8,045,306

Other Financing Sources (Uses)

420-710	Transfer to general fund	(5,242,132)
	Total other financing sources	(5,242,132)
	Excess of revenues over expenditures and other financing uses	-

Fund balance, beginning of year	-
Fund balance, end of year	<u>\$ -</u>

Beaufort County School District**Summary Schedule by Program - Education Improvement Act Fund****For the year ended June 30, 2017**

		Revenues	Expenditures	Other Fund Transfers In/(Out)	Unearned Revenue
3500	Education Improvement Act				
3502	ADEPT	\$ 34,331	\$ 34,331	\$ -	\$ -
3509	Arts in Education	34,787	34,787	-	7,626
3511	Professional Development	103,987	103,987	-	137,943
3512	Technology Professional Development	190,552	190,552	-	33,996
3518	Formative Assessments	102,815	102,815	-	99,224
3519	Grade 10 Assessments	-	-	-	22,185
3525	Career and Technology Education Equipment	306,576	306,576	-	18,139
3526	Science Kit Refurbishment	43,865	43,865	-	26,728
3528	Industry Certificates	2,064	2,064	-	30,585
3532	National Board Certification	1,127,187	1,127,187	-	-
3533	Teacher of the Year Awards	1,077	1,077	-	-
3535	Reading Coaches	8,000	8,000	-	-
3538	At Risk Funding	2,225,569	2,225,569	-	1,891,279
3540	Four-Year Old Early Childhood Program	895,001	895,001	-	696,866
3550	Teacher Salary Increase	4,575,447	-	(4,575,447)	-
3555	School Employer Contributions	666,685	-	(666,685)	-
3556	Adult Ed-State	512,736	512,736	-	310,713
3558	Reading	119,079	119,079	-	96,671
3571	Palmetto Priority	7,683	7,683	-	-
3577	Teacher Supplies	467,225	467,225	-	-
3578	High Schools That Work	56,204	56,204	-	69,690
3584	Transition	756,916	756,916	-	-
3587	IDEA MOE Tier 1	528,312	528,312	-	193,969
3592	Work-Based Learning	54,841	54,841	-	29,772
3595	EEDA - Supplies and Materials	68,953	68,953	-	17,459
3597	Aid to Districts	397,546	397,546	-	181,575
	Total	<u>\$ 13,287,438</u>	<u>\$ 8,045,306</u>	<u>\$ (5,242,132)</u>	<u>\$ 3,864,420</u>

Beaufort County School District***Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund - District
For the year ended June 30, 2017*****Revenues**

1000	Revenue from local sources		
1200	Revenue from local governmental units other than LEAs		
1210	Ad valorem taxes-including delinquent	\$	55,648,944
1240	Penalties and interest on taxes		277,643
1280	Revenue in lieu of taxes		2,607
			<u>55,929,194</u>
1500	Earnings on investments		
1510	Interest on investments		<u>66,070</u>
	Total local sources		<u>55,995,264</u>
3000	Revenue from state sources		
3800	State revenue in lieu of taxes		
3820	Homestead exemption		1,109,966
3830	Merchant's inventory tax		85,988
3890	Other state property tax revenues		94,675
	Total state sources		<u>1,290,629</u>
	Total revenue all sources		<u>57,285,893</u>

Expenditures

500	Debt service		
610	Redemption of principal		39,211,000
620	Interest		12,905,129
630	Discounts on bonds sold		500
690	Other objects		31,941
	Total expenditures		<u>52,148,570</u>
	Excess of revenue over expenditures		<u>5,137,323</u>

Other financing sources (uses)

5110	Premium on bonds sold		15,698
423-710	Transfer to EFC debt service fund		<u>(2,255,551)</u>
	Total other financing sources (uses)		<u>(2,239,853)</u>
	Deficiency of revenues and other financing sources under expenditures		2,897,470

Fund balance, beginning of year	<u>11,870,199</u>
Fund balance, end of year	<u><u>\$ 14,767,669</u></u>

Beaufort County School District***Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund - EFC******For the year ended June 30, 2017******Revenues***

1000	Revenue from local sources	
1500	Earnings on investments	
1510	Interest on investments	\$ 101,550
	Total local sources	101,550
	Total revenue all sources	101,550

Expenditures

500	Debt service	
610	Redemption of principal	1,810,000
620	Interest	579,210
690	Other objects	617,953
	Total expenditures	3,007,163
	Total (deficiency) of expenditures over revenues	(2,905,613)

Other financing sources (uses)

5130	Proceeds from debt refunding	29,050,000
5240	Transfer from debt service	2,255,551
441-720	Payment to refunded debt escrow agent	(31,295,797)
	Total other financing sources	9,754
	Deficiency of revenues and other financing sources under expenditures	(2,895,859)

Fund balance, beginning of year

<i>Fund balance, end of year</i>	2,962,981
	\$ 67,122

Beaufort County School District**Schedule of Revenues, Expenditures and Changes in Fund Balance - School Building Fund****For the year ended June 30, 2017**

		Other Projects	Referenda Projects	Total
Revenues				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 100,149	\$ 124,889	\$ 225,038
1900	Other revenue from local sources			
1950	Refund of prior years expenditures	8,203		8,203
1993	Insurance proceeds	67,500	-	67,500
1999	Revenue from other local sources	1,288,018	-	1,288,018
	Total local sources	1,463,870	124,889	1,588,759
4000	Revenue from federal sources			
4900	Other federal sources			
4999	Revenue from other federal sources	1,966,192	-	1,966,192
	Total federal sources	1,966,192	-	1,966,192
	Total revenues all sources	3,430,062	124,889	3,554,951
Expenditures				
250	Finance and operations			
253	Facilities acquisition and construction			
100	Salaries	493,128	-	493,128
200	Benefits	158,012	-	158,012
300	Purchased services	3,520,243	1,375	3,521,618
400	Supplies	5,758,301	763	5,759,064
500	Capital outlay			
520	Construction services	15,928,891	26,296	15,955,187
530	Improvements other than buildings	1,945,197	-	1,945,197
540	Equipment	140,597	-	140,597
545	Technology, equipment and software	429,282	-	429,282
550	Vehicles	3,873,813	-	3,873,813
600	Other objects			
630	Discount on bonds sold	12,640	-	12,640
690	Other objects	97,475	4,613	102,088
	Total expenditures	32,357,579	33,047	32,390,626
Other financing sources (uses)				
5110	Premiums on bonds sold	475,273	-	475,273
5120	Proceeds of general obligation bonds	20,000,000	-	20,000,000
5300	Sale of capital assets	1,781	-	1,781
5600	Lease proceeds	3,500,000	-	3,500,000
	Total other financing sources (uses)	23,977,054	-	23,977,054
	Deficiency of revenues and other financing sources under expenditures	(4,950,463)	91,842	(4,858,621)
Fund balance, beginning of year		23,961,049	7,484,938	31,445,987
Fund balance, end of year		\$ 19,010,586	\$ 7,576,780	\$ 26,587,366

Beaufort County School District***Schedule of Revenues, Expenditures and Changes in Net Position - Enterprise Fund - Food Service Fund******For the year ended June 30, 2017*****Revenues**

1000	Revenue from local sources		
1500	Earnings on investments		
1510	Interest	\$	1,349
1600	Food service		
1610	Lunch sales to pupils		771,295
1620	Breakfast sales to pupils		67,001
1630	Special sales to pupils		416,887
1640	Lunch sales to adults		49,768
1650	Breakfast sales to adults		2,039
1660	Special sales to adults		17,351
1900	Other revenue from local sources		
1999	Miscellaneous		423,183
	Total revenue from local sources		<u>1,748,873</u>
3000	Revenue from state sources		
3140	School lunch		
3142	Program aid		744
	Total revenue from state sources		<u>744</u>
4000	Revenue from federal sources		
4800	USDA reimbursement		
4810	School lunch and after school snacks program		5,510,507
4830	School breakfast program		1,588,762
4860	Fresh fruits and vegetables		31,785
4900	Other federal sources		
4991	USDA commodities		692,048
4999	Other federal sources		170,074
	Total revenue from federal sources		<u>7,993,176</u>
	Total revenue all sources		<u>9,742,793</u>

Beaufort County School District***Schedule of Revenues, Expenditures and Changes in Net Position - Enterprise Fund - Food Service Fund******For the year ended June 30, 2017******Expenses***

256	Food service	
100	Salaries	356,110
200	Employee benefits	144,707
300	Purchased services	
323	Repairs and maintenance	23,515
325	Rentals	2,622
332	Travel	6,322
345	Technology	24,366
350	Advertising	724
390	Other purchased services	7,930,491
400	Supplies and materials	
410	Supplies +	10,768
445	Technology and software supplies	838
460	Purchased food	32,154
461	USDA commodities	692,048
470	Energy - Gasoline	12,606
500	Capital outlay	
570	Depreciation	236,538
600	Other objects	
640	Dues and fees	130
670	Sales tax	4,094
690	Other	35,298
	Total expenses	<u>9,513,331</u>

Other financing (sources) uses

5210	Transfer from general fund	110,000
416-720	Payments to Charter Schools	(121,461)
432-791	Food service fund indirect costs	(112,951)
	Other financing (sources) uses	<u>(124,412)</u>
	Change in net position	105,050

<i>Net position, beginning of year</i>	<u>2,370,023</u>
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<i>Net position, end of year</i>	<u><u>\$ 2,475,073</u></u>
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Footnote: This schedule is presented in the format prescribed by the South Carolina Department of Education, which varies in presentation from Exhibit 5.

Beaufort County School District***Schedule of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund
For the year ended June 30, 2017*****Revenues**

1000	Revenue from local sources		
1900	Other revenue from local sources		
1993	Receipt of insurance proceeds	\$	87,913
1999	Charges for services		973,465
	Total local sources		<u>1,061,378</u>
	Total revenue all sources		<u>1,061,378</u>

Expenses

100	Instruction		
110	General instruction		
112	Primary programs		
200	Employee benefits		
270	Workers compensation		24,830
113	Elementary programs		
200	Employee benefits		
270	Workers compensation		55,013
114	High school programs		
200	Employee benefits		
270	Workers compensation		42,356
120	Exceptional programs		
122	Trainable mentally handicapped		
200	Employee benefits		
270	Workers compensation		573
127	Learning disabilities		
200	Employee benefits		
270	Workers compensation		219,522
130	Pre-school programs		
139	Early childhood programs		
200	Employee benefits		
270	Workers compensation		1,731
	Total instruction		<u>344,025</u>
200	Support services		
210	Pupil services		
212	Guidance services		
200	Employee benefits		
270	Workers compensation		14,611
213	Health services		
200	Employee benefits		
270	Workers compensation		191
220	Instructional staff services		
221	Improvement of instruction		
200	Employee benefits		
270	Workers compensation		85
230	General administration services		
233	School administration		
200	Employee benefits		
270	Workers compensation		12,541

Beaufort County School District***Schedule of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund
For the year ended June 30, 2017***

200	Support services, continued	
250	Finance and operations services	
253	Facilities acquisition and construction	
500	Capital Outlay	
	520 Construction services	2,987
254	Operation and Maintenance of Plant	
200	Employee benefits	
	270 Workers compensation	44,774
300	Purchased services	
	323 Vehicle repairs	304,038
	324 Property insurance	217,260
	399 Miscellaneous	2,200
255	Student transportation	
200	Employee benefits	
	270 Workers compensation	30,830
260	Central support services	
266	Technology and data processing	
200	Employee benefits	
	270 Workers compensation	6,599
270	Support services - pupil activity	
271	Pupil Services Activities	
200	Employee benefits	
	270 Workers compensation	432
	Total support services	636,548
	Total expenses	980,573
	Change in net position	80,805
	<i>Net position, beginning of year</i>	834,007
	<i>Net position, end of year</i>	<u><u>\$ 914,812</u></u>

Footnote: This schedule is presented in the format prescribed by the South Carolina Department of Education, which varies in presentation from Exhibit 6.

Beaufort County School District**Statement of Changes in Assets and Liabilities - Agency Fund - Pupil Activity****As of June 30, 2017**

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
Assets				
Cash	\$ 1,596,168	\$ 1,838,864	\$ 1,545,168	\$ 1,889,864
Accounts receivable	2,265	7,540	2,265	7,540
Due from other funds	-	13,400	-	13,400
Prepaid expenses	5,632	1,259	5,632	1,259
Total assets	<u>\$ 1,604,065</u>	<u>\$ 1,861,063</u>	<u>\$ 1,553,065</u>	<u>\$ 1,912,063</u>
Liabilities				
Accounts payable	\$ 214,693	\$ 207,460	\$ 214,693	\$ 207,460
Accrued salaries and benefits	15,524	4,351	15,524	4,351
Due to general fund	1,212	41,535	-	42,747
Due to student organizations	1,372,636	1,657,505	1,372,636	1,657,505
Total liabilities	<u>\$ 1,604,065</u>	<u>\$ 1,910,851</u>	<u>\$ 1,602,853</u>	<u>\$ 1,912,063</u>

Beaufort County School District***Schedule of Receipts, Disbursements and Changes in Due to Student Organizations -******Agency Fund - School Activities******For the year ended June 30, 2017*****Receipts**

1000	Receipts from local sources	
1500	Earnings on investments	
1510	Interest on investments	\$ 1,109
1700	Pupil activities	
1730	Pupil organization membership	349,912
1900	Other revenue from local sources	
1920	Contributions and donations	87,942
1999	Revenue from other local sources	2,768,332
	Total receipts all sources	<u>3,207,295</u>

Disbursements

190	Instructional pupil activity	
660	Pupil activity	322,764
270	Support services pupil activity	
271	Pupil service activities	
660	Pupil activity	1,925,216
272	Enterprise activities	
660	Pupil activity	662,067
273	Trust and agency activities	
660	Pupil activity	12,379
	Total disbursements	<u>2,922,426</u>
	Excess of receipts over disbursements	284,869

Due to student organizations, beginning of year1,372,636***Due to student organizations, end of year***\$ 1,657,505

Footnote: This schedule is presented in the format prescribed by the South Carolina Department of Education, which varies in presentation from Schedule G-1.

Beaufort County School District*Detailed Schedule of Due to State Department of Education**As of June 30, 2017*

<u>Program</u>	<u>Project Number</u>	<u>Revenue and Subfund Codes</u>	<u>Description</u>	<u>Amount due to State Department of Education</u>	<u>Status of Amounts Due to Grantors</u>
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No funds are due to state government

Beaufort County School District*Financial Analysis Model Location Reconciliation Schedule**For the fiscal year ended June 30, 2017*

Location ID	Description	Education Level	Cost Type	Expenditures
01	District Office	Non-Schools	Central	\$ 108,398,727
02	District Service Center	Non-Schools	Central	672,235
09	Islands Academy	Alternative School	School	1,864,177
10	Academy for Career Excellence	Other Schools	School	1,840,916
17	Hilton Head Early Childhood Center	Other Schools	School	4,798,022
20	Riverview Charter School	Other Schools	School	11,162,401
33	Beaufort Elementary	Elementary Schools	School	7,970,656
34	Coosa Elementary	Elementary Schools	School	4,807,748
35	Lady's Island Elementary	Elementary Schools	School	4,650,253
37	Mossy Oaks Elementary	Elementary Schools	School	5,044,187
38	Port Royal Elementary	Elementary Schools	School	3,106,072
39	St. Helena Elementary	Elementary Schools	School	4,607,217
40	Broad River Elementary	Elementary Schools	School	5,312,029
42	Shell Point Facility	Elementary Schools	School	60,673
44	Joseph S. Shanklin Elementary	Elementary Schools	School	5,244,899
54	Whale Branch Elementary	Elementary Schools	School	5,922,392
62	Hilton Head Island Elementary	Elementary Schools	School	10,491,560
63	Hilton Head Island School for Creative Arts	Elementary Schools	School	7,026,409
70	Bluffton Elementary	Elementary Schools	School	6,532,507
72	Okatie Elementary	Elementary Schools	School	5,510,120
74	Michael C. Riley Elementary	Elementary Schools	School	7,947,403
76	Red Cedar Elementary	Elementary Schools	School	6,006,588
78	Pritchardville Elementary	Elementary Schools	School	5,830,947
79	River Ridge Academy	PK-8 School	School	8,179,282
80	Beaufort Middle	Middle Schools	School	5,138,079
81	Lady's Island Middle	Middle Schools	School	5,344,814
83	Robert Smalls International Academy	PK-8 School	School	7,486,391
85	Whale Branch Middle	Middle Schools	School	5,444,196
87	Hilton Head Island Middle	Middle Schools	School	7,537,945
88	HE McCracken Middle	Middle Schools	School	7,506,199
89	Bluffton Middle	Middle Schools	School	6,498,515
90	Beaufort High	High Schools	School	12,160,173
92	Battery Creek High	High Schools	School	9,097,060
94	Whale Branch Early College High	High Schools	School	5,695,375
96	Hilton Head Island High	High Schools	School	11,275,887
97	May River High	High Schools	School	13,246,120
98	Bluffton High	High Schools	School	10,687,564
Total expenditures/disbursements for all funds				<u>\$ 340,105,738</u>

Beaufort County School District***Financial Analysis Model Location Reconciliation Schedule******For the fiscal year ended June 30, 2017***

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

Funds Used in Per Pupil Cost Calculation

General Fund (Subfund 100's)	\$ 213,408,683
Special Revenue Fund (Subfunds 200's, 800's, 900's)	17,689,060
Special Revenue EIA Fund (Subfund 300's)	8,045,306
Proprietary Fund (Subfund 600's)	9,513,331
Internal Service Fund (Subfund 650's)	980,573
Agency Fund (Pupil Activity) (Subfund 700's)	2,922,426
Sub-Total	<u>252,559,379</u>

Other funds

Debt Service Fund (Subfund 400's)	55,155,733
Capital Projects Fund (Subfund 500's)	32,390,626
Sub-Total	<u>87,546,359</u>
Grand Total	<u><u>\$ 340,105,738</u></u>

Riverview Charter School, Beaufort, South Carolina**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual****For the year ended June 30, 2017**

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
1000	Revenue from local sources			
1700	Pupil activities			
1740	Student fees	\$ 366,650	\$ 348,105	\$ (18,545)
1900	Other revenue from local sources			
1920	Contributions and donations private sources	262,000	218,148	(43,852)
1999	Revenue from other local sources	5,000	11,889	6,889
	Total local sources	633,650	578,142	(55,508)
2000	Intergovernmental revenue			
2100	Payments from other governmental units	5,275,752	4,919,392	(356,360)
	Total intergovernmental revenue	5,275,752	4,919,392	(356,360)
	Total revenues all sources	5,909,402	5,497,534	(411,868)
Expenditures				
100	Instruction			
110	General instruction			
111	Kindergarten programs			
100	Salaries	343,462	338,062	5,400
200	Employee benefits	124,735	114,376	10,359
400	Supplies and materials	1,000	2,716	(1,716)
		469,197	455,154	14,043
112	Primary programs			
100	Salaries	628,843	613,992	14,851
200	Employee benefits	193,860	230,909	(37,049)
400	Supplies and materials	3,500	6,139	(2,639)
		826,203	851,040	(24,837)
113	Elementary programs			
100	Salaries	1,291,216	1,326,173	(34,957)
200	Employee benefits	588,117	552,133	35,984
300	Purchased services	6,140	9,845	(3,705)
400	Supplies and materials	143,383	141,292	2,091
500	Capital outlay	42,000	41,805	195
600	Other objects	-	3,854	(3,854)
		2,070,856	2,075,102	(4,246)
120	Exceptional programs			
127	Learning disabilities			
100	Salaries	128,652	109,133	19,519
200	Employee benefits	72,575	85,854	(13,279)
300	Purchased services	13,500	-	13,500
400	Supplies and materials	1,750	7,296	(5,546)
		216,477	202,283	14,194
149	Other special programs			
300	Purchased services	-	4,133	(4,133)
		-	4,133	(4,133)
170	Summer school program			
175	Instructional programs beyond regular school day			
100	Salaries	104,851	107,604	(2,753)
200	Employee benefits	31,294	34,161	(2,867)
300	Purchased services	26,600	24,187	2,413
400	Supplies and materials	17,000	7,243	9,757
		179,745	173,195	6,550
190	Instructional pupil activity			
600	Other objects	131,750	127,018	4,732
	Total instruction	3,894,228	3,887,925	6,303

Riverview Charter School, Beaufort, South Carolina

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual

For the year ended June 30, 2017

		Budget	Actual	Variance Favorable (Unfavorable)
Expenditures, Continued				
200	Support services			
210	Pupil services			
212	Guidance			
100	Salaries	48,791	51,521	(2,730)
200	Employee benefits	18,130	14,909	3,221
400	Supplies and materials	350	-	350
		<u>67,271</u>	<u>66,430</u>	<u>841</u>
213	Health services			
100	Salaries	13,665	13,321	344
200	Employee benefits	19,137	14,249	4,888
300	Purchased services	-	450	(450)
400	Supplies and materials	2,500	1,794	706
		<u>35,302</u>	<u>29,814</u>	<u>5,488</u>
215	Exceptional program services			
300	Purchased services	-	9,619	(9,619)
		<u>-</u>	<u>9,619</u>	<u>(9,619)</u>
220	Instructional Services			
221	Improvement of instruction curriculum development			
100	Salaries	145,472	145,647	(175)
200	Employee benefits	51,665	60,642	(8,977)
		<u>197,137</u>	<u>206,289</u>	<u>(9,152)</u>
224	Improvement of instruction inservice and staff training			
100	Salaries	85,664	78,164	7,500
200	Employee benefits	24,407	28,674	(4,267)
300	Purchased services	3,500	-	3,500
		<u>113,571</u>	<u>106,838</u>	<u>6,733</u>
230	General administration services			
231	Board of Education			
300	Purchased services	27,500	22,213	5,287
318	Audit fees	9,500	11,400	(1,900)
400	Supplies and materials	54,000	52,044	1,956
600	Other objects	25,010	26,386	(1,376)
		<u>116,010</u>	<u>112,043</u>	<u>3,967</u>
233	School administration			
100	Salaries	262,004	262,270	(266)
200	Employee benefits	104,124	93,874	10,250
300	Purchased services	24,250	25,219	(969)
400	Supplies and materials	12,000	14,332	(2,332)
		<u>402,378</u>	<u>395,695</u>	<u>6,683</u>
250	Finance and operations			
252	Fiscal services			
300	Purchased services	60,250	61,422	(1,172)
600	Other objects	13,000	14,018	(1,018)
		<u>73,250</u>	<u>75,440</u>	<u>(2,190)</u>
253	Facilities acquisition and construction			
530	Improvements	8,000	6,612	1,388
		<u>8,000</u>	<u>6,612</u>	<u>1,388</u>
254	Operation and maintenance of plant			
300	Purchased services	777,004	766,736	10,268
321	Public utilities	9,875	9,871	4
470	Energy	110,000	113,124	(3,124)
		<u>896,879</u>	<u>889,731</u>	<u>7,148</u>

Riverview Charter School, Beaufort, South Carolina**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual****For the year ended June 30, 2017**

			Budget	Actual	Variance Favorable (Unfavorable)
Expenditures, Continued					
200	Support services, continued				
250	Finance and operations, continued				
255	Student transportation				
300	Purchased services		11,250	-	11,250
600	Other objects		336	-	336
			11,586	-	11,586
258	Security				
300	Purchased services		6,500	6,749	(249)
500	Capital outlay		38,000	37,759	241
			44,500	44,508	(8)
260	Central support services				
263	Information services				
300	Purchased services		12,500	13,316	(816)
			12,500	13,316	(816)
266	Technology and data processing services				
100	Salaries		56,563	56,563	-
200	Employee benefits		16,223	23,186	(6,963)
300	Purchased services		67,249	46,780	20,469
400	Supplies and materials		38,760	34,953	3,807
500	Capital outlay		25,000	24,691	309
			203,795	186,173	17,622
270	Central support services				
271	Pupil service activities				
100	Salaries		6,000	6,800	(800)
300	Purchased services		11,500	6,191	5,309
			17,500	12,991	4,509
	Total support services		2,199,679	2,155,499	44,180
500	Debt service				
620	Interest		-	62	(62)
			-	62	(62)
	Total debt service		-	62	(62)
	Total expenditures		6,093,907	6,043,486	50,421
	Excess (deficiency) of revenues over expenditures		(184,505)	(545,952)	(361,447)
Other Financing Sources					
	Interfund transfers				
	Transfer to food service fund		-	(39,868)	39,868
	Total other financing sources		-	(39,868)	39,868
	Net change in fund balance		<u>\$ (184,505)</u>	(585,820)	<u>\$ (321,579)</u>
Fund balance, beginning of year				382,051	
Fund balance, end of year				<u>\$ (203,769)</u>	

Riverview Charter School, Beaufort, South Carolina**Special Revenue Fund****Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2017**

	IDEA	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Revenues				
1000 Revenue from local sources				
1900 Other revenue from local sources				
1990 Miscellaneous local revenue				
1999 Revenue from other local sources	\$ -	\$ -	\$ 780	\$ 780
Total local sources	-	-	780	780
3000 Revenue from state sources				
3100 Restricted state funding				
3127 Student health and fitness - PE teachers	-	3,693	-	3,693
3130 Special programs				
3136 Student health and fitness - nurses	-	29,034	-	29,034
3600 Education Lottery Act revenue				
3630 K-12 Technology Initiative	-	11,595	-	11,595
3900 Other state revenue				
3999 Revenue from other state sources	-	-	1,798	1,798
Total state sources	-	44,322	1,798	46,120
4000 Revenue from federal sources				
4300 Elementary and Secondary Act of 1965 (ESEA)				
4351 Improving teacher quality	-	-	2,764	2,764
4500 Programs for children with disabilities				
4510 Individuals With Disabilities				
Education Act (IDEA)	97,345	-	-	97,345
Total federal sources	97,345	-	2,764	100,109
Total revenues all sources	97,345	44,322	5,342	147,009
Expenditures				
100 Instruction				
110 General instruction				
113 Elementary programs				
100 Salaries	-	3,693	-	3,693
400 Supplies and materials	-	-	2,578	2,578
120 Exceptional programs				
127 Learning disabilities				
100 Salaries	97,345	-	-	97,345
Total instruction	97,345	3,693	2,578	103,616
200 Support services				
210 Pupil services				
213 Health services				
100 Salaries	-	29,034	-	29,034
220 Support services - instructional staff				
224 Improvement of instructional staff and staff training				
300 Purchased services	-	-	2,764	2,764
230 Support services - general administration				
231 Board of education				
400 Supplies and materials	-	11,595	-	11,595
Total support services	-	40,629	2,764	43,393
Total expenditures	97,345	44,322	5,342	147,009
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

Riverview Charter School, Beaufort, South Carolina**Education Improvement Act Fund****Combined Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs****For the year ended June 30, 2017****Revenues**

3000	Revenue from state sources		
3500	Education Improvement Act		
3518	Formative Assessment	\$	2,900
3532	National Board Certification Salary Supplement		32,500
3538	Students at risk of school failure		25,829
3558	Reading		2,522
3577	Teacher supplies		14,515
3595	EEDA-Supplies and materials-career awareness		692
	Total state sources		<u>78,958</u>
	Total revenue all sources		<u>78,958</u>

Expenditures

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries		5,000
200	Employee benefits		383
400	Supplies and materials		1,100
112	Primary programs		
100	Salaries		15,499
200	Employee benefits		1,186
400	Supplies and materials		4,400
113	Elementary programs		
100	Salaries		28,351
200	Employee benefits		2,359
300	Purchased services		68
400	Supplies and materials		7,090
120	Exceptional programs		
127	Learning disabilities		
400	Supplies and materials		825
	Total instruction		<u>66,261</u>
200	Support Services		
210	Support services - students		
212	Guidance services		
400	Supplies and materials		1,242
220	Instruction staff services		
224	Improvement of instruction - in service and staff training		
100	Salaries		7,500
200	Employee benefits		574
300	Purchased services		2,831
400	Supplies and materials		550
	Total support services		<u>12,697</u>
	Total expenditures		<u>78,958</u>
	Net change in fund balance		-
	Fund balance, beginning of year		-
	Fund balance, end of year	\$	<u>-</u>

Riverview Charter School, Beaufort, South Carolina**Food Service Fund****Schedule of Revenues, Expenditures, and Changes in Net Position****For the year ended June 30, 2017****Revenues**

1000	Revenue from local sources		
1600	Food service		
1610	Lunch sales to pupils	\$	74,738
1620	Breakfast sales to pupils		2,533
1630	Special sales to pupils		5,438
1640	Lunch sales to adults		8,832
1650	Breakfast sales to adults		13
	Total local sources		<u>91,554</u>
4000	Revenue from federal sources		
4800	USDA reimbursement		
4810	School lunch and after school snacks program		<u>100,865</u>
	Total federal sources		<u>100,865</u>
	Total revenue all sources		<u>192,419</u>

Expenditures

256	Food services		
100	Salaries		78,606
200	Employee benefits		41,879
300	Purchased services		8,291
400	Supplies and materials		
410	Supplies		15,295
460	Food purchases		86,589
500	Capital Outlay		
570	Depreciation		<u>1,627</u>
	Total expenditures		<u>232,287</u>
	Deficiency of revenues over expenditures		<u>(39,868)</u>

Other Financing Sources

5210	Transfers from General Fund		<u>39,868</u>
	Total other financing sources		<u>39,868</u>

Net change in fund balance -

Fund balance, beginning of year	<u>(105,722)</u>
Fund balance, end of year	<u><u>\$ (105,722)</u></u>

STATISTICAL SECTION

BEAUFORT COUNTY SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 1

	Fiscal Year										
	2008	2009	2010	2011	2012	2013	2014*	2015	2016	2017	
Governmental Activities											
Net investments in capital assets											
Restricted	\$ 79,323,930	\$ 81,304,754	\$ 95,497,696	\$ 112,669,995	\$ 130,188,153	\$ 133,805,522	\$ 150,154,713	\$ 159,361,786	\$ 190,512,542	\$ 217,792,997	
Unrestricted	14,500,077	28,254,984	27,767,582	27,269,678	18,365,513	18,962,817	15,316,037	22,585,786	14,833,180	14,834,791	
	26,296,797	33,412,017	33,522,994	27,206,206	29,919,171	42,960,903	(166,388,730)	(163,293,229)	(168,155,765)	(167,695,845)	
Total governmental activities net position	\$ 120,120,804	\$ 142,971,755	\$ 156,788,272	\$ 167,145,879	\$ 178,472,837	\$ 195,729,242	\$ (917,980)	\$ 18,654,343	\$ 37,189,957	\$ 64,931,943	
Business-type activities											
Net investments in capital assets											
Unrestricted	\$ 664,927	\$ 741,050	\$ 883,341	\$ 841,301	\$ 1,166,399	\$ 1,570,635	\$ 2,086,574	\$ 2,254,153	\$ 2,145,718	\$ 2,164,530	
	3,129,127	3,102,865	2,847,604	2,603,096	2,087,940	1,519,945	971,046	154,226	224,305	310,543	
Total business-type activities net position	\$ 3,794,054	\$ 3,843,915	\$ 3,730,945	\$ 3,444,397	\$ 3,254,339	\$ 3,090,580	\$ 3,057,620	\$ 2,408,379	\$ 2,370,023	\$ 2,475,073	
Total primary government net position	\$ 123,914,858	\$ 146,815,670	\$ 160,519,217	\$ 170,590,276	\$ 181,727,176	\$ 198,819,822	\$ 2,139,640	\$ 21,062,722	\$ 39,559,980	\$ 67,407,016	

*Restated for GASB 68 implementation

BEAUFORT COUNTY SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 2

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction	\$ 111,501,962	\$ 119,454,645	\$ 124,389,533	\$ 126,985,171	\$ 123,081,889	\$ 122,652,714	\$ 121,231,760	\$ 126,607,032	\$ 135,602,252	\$ 151,483,408
Support services	85,560,395	90,575,634	101,016,114	99,083,949	102,881,123	111,028,257	118,366,308	119,751,308	112,368,481	116,167,136
Community services	320,541	440,693	340,501	300,567	402,698	472,116	241,004	458,345	443,619	389,610
Payments to component units	-	-	-	-	-	-	-	-	4,861,745	4,919,392
Intergovernmental	-	229,465	2,538,634	2,980,553	-	-	-	-	36,089	344,805
Interest on long-term obligations	13,785,018	16,023,049	10,448,790	12,844,112	13,165,550	11,970,192	11,420,726	8,341,909	9,595,327	7,680,445
Total governmental activities expenses	211,167,916	226,726,486	238,733,572	242,194,352	239,531,260	246,123,279	251,259,798	254,658,594	262,907,513	280,964,796
Business-type activities										
Food service	7,411,802	7,688,413	8,458,934	8,842,845	8,880,026	9,059,767	8,668,705	9,763,547	10,275,171	9,634,792
Total business-type activities expenses	7,411,802	7,688,413	8,458,934	8,842,845	8,880,026	9,059,767	8,668,705	9,763,547	10,275,171	9,634,792
Total primary government expenses	\$ 218,579,718	\$ 234,414,899	\$ 247,192,506	\$ 251,037,197	\$ 248,411,286	\$ 255,183,046	\$ 259,928,503	\$ 264,422,141	\$ 273,182,684	\$ 290,599,588
Program Revenues										
Governmental activities										
Charges for services:										
Instructional	\$ 13,621	\$ 10,548	\$ 8,725	\$ 28,356	\$ 20,696	\$ 35,622	\$ 51,618	\$ 9,610	\$ -	\$ 30,794
Operating grants and contributions:										
Instructional	25,545,104	21,023,528	23,073,897	24,028,270	26,993,907	26,649,899	24,638,467	28,569,716	27,478,141	36,690,142
Support services	10,687,877	12,861,612	14,761,170	13,110,664	19,670,863	18,322,028	16,812,220	15,697,568	13,898,651	19,380,034
Community services	313,336	-	-	-	53,645	47,467	241,004	301,238	306,390	234,504
Capital grants and contributions:										
Support services	105,747	-	-	-	-	-	-	30,349	4,688	1,966,192
Total governmental activities program revenues	36,665,685	33,895,688	37,843,792	37,167,290	46,739,111	45,055,016	41,743,309	44,608,481	41,687,870	58,301,666
Business-type activities										
Charges for services:										
Food Service	2,329,960	2,388,487	2,616,152	2,513,671	2,222,104	2,223,602	1,871,116	2,130,431	1,937,992	1,747,524
Operating grants and contributions	5,074,398	5,458,563	5,862,871	6,168,471	6,631,099	6,781,241	6,751,656	7,417,528	8,287,106	7,993,920
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	7,404,358	7,847,050	8,479,024	8,682,142	8,853,203	9,004,843	8,622,772	9,547,959	10,225,098	9,741,444
Total primary government program revenues	\$ 44,070,043	\$ 41,742,738	\$ 46,322,816	\$ 45,849,432	\$ 55,592,314	\$ 54,059,859	\$ 50,366,081	\$ 54,156,440	\$ 51,912,968	\$ 68,043,110
Net (Expense)/Revenue										
Governmental activities	(174,502,231)	(192,830,798)	(200,889,780)	(205,027,062)	(192,792,149)	(201,068,263)	(209,516,489)	(210,050,113)	(221,219,643)	(222,663,130)
Business-type activities	(7,444)	158,637	20,090	(160,703)	(26,823)	(54,924)	(45,933)	(215,588)	(50,073)	106,652
Total primary government net (expense) revenue	\$ (174,509,675)	\$ (192,672,161)	\$ (200,869,691)	\$ (205,187,765)	\$ (192,818,972)	\$ (201,123,187)	\$ (209,562,422)	\$ (210,265,701)	\$ (221,269,716)	\$ (222,556,478)

BEAUFORT COUNTY SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes by source:										
Property tax - general purposes	\$ 108,350,910	\$ 116,948,473	\$ 113,496,848	\$ 110,854,831	\$ 119,423,876	\$ 115,312,797	\$ 112,688,812	\$ 119,531,622	\$ 124,334,713	\$ 135,910,793
Property tax - debt service	34,767,989	45,696,157	44,668,096	47,491,788	50,644,714	51,139,540	45,947,271	53,327,642	57,470,709	56,052,187
Unrestricted grants and contributions	50,537,524	50,222,004	51,132,238	55,697,820	42,858,873	50,696,910	55,209,520	55,081,870	55,725,768	56,498,536
Unrestricted investment earnings	5,726,231	2,177,657	1,191,064	449,123	406,888	918,119	501,633	499,042	605,285	575,147
Miscellaneous	296,857	517,597	799,957	765,262	577	123,178	273	775,531	1,621,971	1,365,502
Transfers	126,187	119,861	135,586	125,845	123,393	134,124	11,437	2,618	(3,189)	2,951
Proceeds from settlement of lawsuit	-	-	-	-	2,650,000	-	760,610	-	-	-
Total governmental activities	199,805,698	215,681,749	211,423,789	215,384,669	216,108,321	218,324,668	215,119,556	229,168,325	239,755,257	250,405,116
Business-type activities										
Unrestricted investment earnings	85,133	11,085	2,526	-	20,579	25,289	20,469	23,076	6,427	1,349
Miscellaneous	-	-	-	-	-	-	3,941	-	2,101	-
Transfers	(126,187)	(119,861)	(135,586)	(125,845)	(123,393)	(134,124)	(11,437)	(2,618)	3,189	(2,951)
Total business-type activities	(41,054)	(108,776)	(133,060)	(125,845)	(102,814)	(108,835)	12,973	20,458	11,717	(1,602)
Total primary government	199,764,644	215,572,973	211,290,729	215,258,824	216,005,507	218,215,833	215,132,529	229,188,783	239,766,974	250,403,514
Change in Net Position										
Governmental activities	25,303,467	22,850,951	10,534,009	10,357,607	23,316,172	17,256,405	5,603,067	19,118,212	18,535,614	27,741,986
Business-type activities	(48,498)	49,861	(112,971)	(286,548)	(129,637)	(163,759)	(32,960)	(195,130)	(38,356)	105,050
Total primary government	\$ 25,254,969	\$ 22,900,812	\$ 10,421,039	\$ 10,071,059	\$ 23,186,535	\$ 17,092,646	\$ 5,570,107	\$ 18,923,082	\$ 18,497,258	\$ 27,847,036

BEAUFORT COUNTY SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS)
(UNAUDITED)

TABLE 3

	Fiscal Year									
	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ -	\$ -	\$ -	-						
Unreserved	25,195,678	32,635,167	31,404,699							
Total general fund	<u>\$ 25,195,678</u>	<u>\$ 32,635,167</u>	<u>\$ 31,404,699</u>							
All other governmental funds										
Reserved	\$ 100,810,674	\$ 98,357,931	\$ 94,187,180							
Unreserved, reported in:										
Special revenue funds	26,163	14,867	2,355							
Capital projects funds										
Debt service funds										
Other fund types	-	-	-							
Total all other governmental funds	<u>\$ 100,836,837</u>	<u>\$ 98,372,798</u>	<u>\$ 94,189,535</u>							
General Fund										
Nonspendable	\$ -	\$ 409,627	\$ 291,356	\$ 1,388,252	\$ 1,246,961	\$ 776,668	\$ 106,736	\$ 3,198,133		
Assigned	2,042,789	568,601		-	-	-	-	-		
Unassigned	24,011,586	27,225,116	29,115,123	29,115,123	26,381,212	30,909,347	28,517,909	33,064,996		
Total General Fund	<u>\$ 26,464,002</u>	<u>\$ 28,085,073</u>	<u>\$ 30,503,375</u>	<u>\$ 30,503,375</u>	<u>\$ 27,628,173</u>	<u>\$ 31,686,015</u>	<u>\$ 28,624,645</u>	<u>\$ 36,263,129</u>		
All Other Governmental Funds										
Restricted	\$ 15,944,312	\$ 16,509,751	\$ 44,768,645	\$ 44,768,645	\$ 64,933,634	\$ 96,022,442	\$ 46,279,167	\$ 41,422,157		
Committed	38,733,141	31,046,772	5,850,477	5,850,477	-	-	-	-		
Total All Other Governmental Funds	<u>\$ 54,677,453</u>	<u>\$ 47,556,523</u>	<u>\$ 50,619,122</u>	<u>\$ 50,619,122</u>	<u>\$ 64,933,634</u>	<u>\$ 96,022,442</u>	<u>\$ 46,279,167</u>	<u>\$ 41,422,157</u>		
Total All Governmental Funds	<u>\$ 126,032,515</u>	<u>\$ 131,007,965</u>	<u>\$ 125,594,234</u>	<u>\$ -</u>	<u>\$ 75,641,596</u>	<u>\$ 81,122,497</u>	<u>\$ 92,561,807</u>	<u>\$ 127,708,457</u>	<u>\$ 74,903,812</u>	<u>\$ 77,685,286</u>

* A change in fund balance classifications was implemented in FY 2011 pursuant to GASB 54.

BEAUFORT COUNTY SCHOOL DISTRICT
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS)
(UNAUDITED)

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Local										
Property taxes	\$ 142,689,283	\$ 161,952,575	\$ 156,619,844	\$ 159,794,306	\$ 163,609,611	\$ 165,427,081	\$ 161,343,752	\$ 171,001,314	\$ 178,035,444	\$ 190,981,906
Interest	5,726,231	2,177,657	1,185,656	449,124	406,886	369,704	501,633	499,042	605,285	575,147
Other	1,593,320	1,426,108	2,845,127	1,610,054	2,488,584	3,114,576	2,644,310	2,877,648	3,692,842	2,821,286
	150,008,834	165,556,340	160,650,627	161,853,484	166,505,081	168,911,361	164,489,695	174,378,004	182,333,571	194,378,339
State sources	71,971,894	69,312,477	69,215,880	71,176,570	67,658,719	74,724,325	79,126,781	84,710,053	84,023,740	98,461,720
Federal sources	13,928,742	13,387,824	16,996,991	20,084,012	19,451,260	18,579,295	15,905,033	13,574,611	12,091,541	14,880,917
	235,909,470	248,256,641	246,863,498	253,114,066	253,615,060	262,214,981	259,521,509	272,662,668	278,448,852	307,720,976
Expenditures										
Current										
Instruction	111,520,012	116,324,916	120,323,849	122,321,008	116,974,152	122,202,918	121,266,136	125,387,495	133,309,029	143,638,404
Support services	71,334,525	72,960,735	78,430,659	85,592,253	85,163,074	84,015,526	82,414,183	82,733,594	85,115,534	89,927,659
Community services	320,541	329,835	249,768	234,731	232,461	217,662	241,004	301,238	308,543	234,504
Intergovernmental	276,156	229,465	2,538,634	2,980,553	3,318,609	4,575,781	4,894,989	4,711,644	4,897,834	5,264,197
Debt service										
Principal	23,590,000	28,120,928	34,155,000	34,810,000	40,212,736	37,230,198	46,037,485	35,088,000	32,801,000	41,021,000
Interest	13,022,866	13,917,230	16,460,542	17,901,779	16,932,564	15,937,208	14,855,872	13,615,374	15,438,347	14,213,018
Other		345,471	1,086,352	186,098	536,945	188,300	-	-	-	-
Capital outlay	18,995,267	97,309,623	109,466,260	38,186,840	15,405,462	5,966,462	19,990,166	70,126,046	66,377,876	32,390,626
	239,059,367	329,538,203	362,711,064	302,213,262	278,776,003	270,334,055	289,699,836	331,963,391	338,248,163	326,689,408
Total Expenditures										
Excess (deficiency) of revenues over (under) expenditures	(3,149,897)	(81,281,562)	(115,847,566)	(49,099,196)	(25,160,943)	(8,119,074)	(30,178,327)	(59,300,723)	(59,799,311)	(18,968,432)
Other Financing Sources (Uses)										
Sale of capital assets	6,110	17,163	5,410	324,964	42,308	50,922	25,756	7,759	15,525	1,781
Capital leases	820,108	609,178	438,484	-	-	-	-	-	-	3,500,000
Premium on bonds sold	1,534,906	1,249,268	19,318,845	17,305	5,226,688	798,929	2,403,834	25,230,211	5,964,372	490,971
Issuance of debt	43,660,000	84,505,000	95,360,000	4,178,303	16,261,318	12,616,000	38,146,000	79,298,000	6,788,000	20,000,000
Refunding of debt	-	-	103,540,000	-	34,350,000	-	22,000,000	81,765,000	28,090,000	29,050,000
Payment to refunded debt escrow agent	-	-	(108,364,486)	(38,991,369)	(38,991,369)	-	(21,730,000)	(91,856,215)	(33,860,042)	(31,295,797)
Transfers in	11,245,235	16,798,030	6,445,477	5,387,815	6,275,517	10,762,374	11,409,351	9,676,829	23,374,957	8,749,423
Transfers out	(11,291,171)	(16,921,627)	(6,309,893)	(5,261,970)	(6,153,378)	(10,628,250)	(11,397,914)	(9,674,211)	(23,378,146)	(8,746,472)
	45,975,188	86,257,012	110,433,837	4,646,417	17,011,084	13,599,975	40,857,027	94,447,373	6,994,666	21,749,906
Total Other Financing Sources (Uses)										
Special Item										
Proceeds from settlement of lawsuit	-	-	-	-	2,650,000.00	-	760,610.00	-	-	-
Net Change in Fund Balance	\$ 42,825,291	\$ 4,975,450	\$ (5,413,729)	\$ (44,452,779)	\$ (5,499,859)	\$ 5,480,901	\$ 11,439,310	\$ 35,146,650	\$ (52,804,645)	\$ 2,781,474
Debt service as a percentage of noncapital expenditures*	17%	18%	19%	20%	22%	20%	22%	18%	17%	18%

* Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditure categories. This formula adds "functional" and "principal" and divides them by the "total expenditures" minus the "capital outlay." See the reconciling item for capital outlay on page 36.

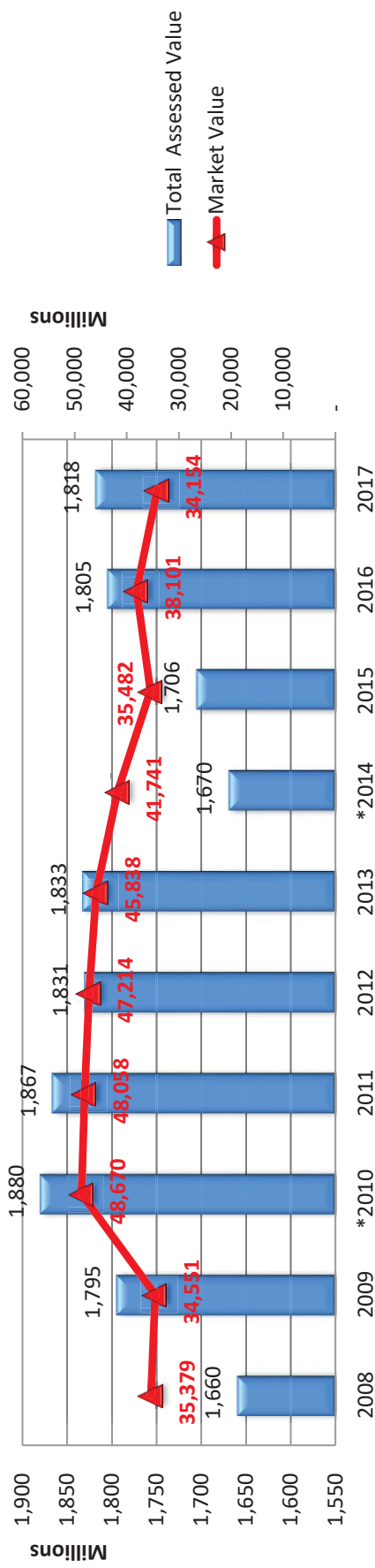
BEAUFORT COUNTY SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Tax Year	Assessed Value		Total Assessed Value	Total Direct Rate	Market Value	Ratio of Total Assessed Value to Estimated Market Value
		Real Property	Personal Property				
2008	2007	1,452,621,579	207,538,743	1,660,160,322	122.8	35,379,094,810	4.7%
2009	2008	1,551,233,656	243,531,884	1,794,765,540	130.6	34,551,352,560	5.2%
*2010	2009	1,645,452,516	234,553,487	1,880,006,003	114.7	48,670,062,917	3.9%
2011	2010	1,643,802,430	222,701,792	1,866,504,222	116.6	48,058,028,845	3.9%
2012	2011	1,646,959,918	183,636,390	1,830,596,308	118.3	47,214,321,842	3.9%
2013	2012	1,650,397,429	182,152,336	1,832,549,765	119.3	45,837,938,940	4.0%
*2014	2013	1,473,195,546	196,428,055	1,669,623,601	129.2	41,740,590,025	4.0%
2015	2014	1,481,192,978	224,587,180	1,705,780,158	135.2	35,482,416,100	4.8%
2016	2015	1,561,997,668	242,903,990	1,804,901,658	135.2	38,100,842,353	4.7%
2017	2016	1,574,340,200	243,803,862	1,818,144,062	143.2	34,154,007,102	5.3%

Source: Beaufort County Auditor

Note: Property in Beaufort County was last reassessed in fiscal year 2014. Tax rates are per \$1,000 of assessed value.

**Assessed vs. Market Value
2008-2017**



BEAUFORT COUNTY SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Tax Year	Direct Rates			Overlapping Rates	
		Operations	Debt	Total Mills Beaufort County School District	Beaufort County	Other Districts
2008	2007	100.2	22.6	122.8	47.4	447.4
2009	2008	102.6	28.0	130.6	51.9	449.8
**2010	2009	90.3	24.4	114.7	46.0	436.1
2011	2010	90.3	26.3	116.6	47.5	435.2
2012	2011	90.3	28.0	118.3	47.5	438.1
2013	2012	92.3	28.0	120.3	48.5	444.4
**2014	2013	97.5	28.0	125.5	56.3	487.7
2015	2014	103.5	31.7	135.2	56.9	489.2
2016	2015	103.5	31.7	135.2	59.2	509.0
2017	2016	111.5	31.7	143.2	61.3	511.1

Source:

(1) Tax schedules published by the Beaufort County Auditor's Office.

(2) Tax year 2008 Operations includes a one time surcharge of 2.9 mills

Note:

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

** Reassessment

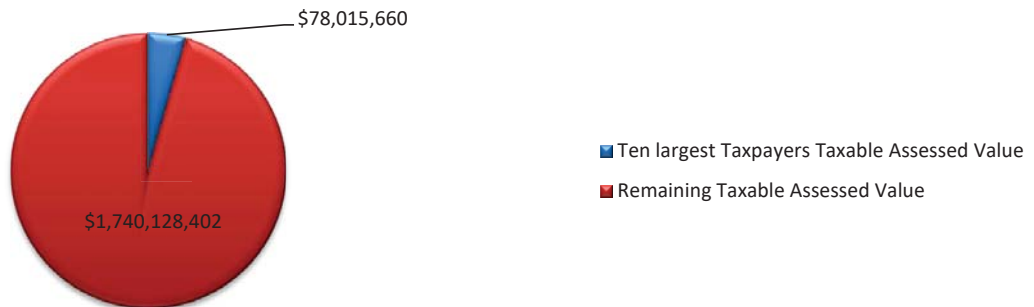
BEAUFORT COUNTY SCHOOL DISTRICT
TEN LARGEST TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

TABLE 7

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
South Carolina Electric & Gas	\$ 21,324,720	1	1.2%	\$ 3,166,870	2	0.20%
Marriott Ownership Resorts, Inc.	19,134,300	2	1.1%	3,550,827	1	0.22%
Palmetto Electric Coop, Inc.	10,702,290	3	0.6%	1,798,107	3	0.11%
Bluffton Telephone Company	5,305,990	4	0.3%	N/A		N/A
Sea Pines Resort LLC	4,778,290	5	0.3%	631,732	8	0.04%
Columbia Properties Hilton Head	4,764,090	6	0.3%	817,776	5	0.05%
SCG Hilton Head Property LLC	4,260,000	7	0.2%	740,978	6	0.05%
Hargray Telephone Company	2,781,270	8	0.2%	818,701	4	0.05%
COROC/Hilton Head	2,593,890	9	0.1%	407,310	10	0.03%
Publix Super Market	2,370,820	10	0.1%	N/A		N/A
Preserve at Port Royal LLC	N/A		N/A	N/A		N/A
Greenwood Development Corp.	N/A		N/A	719,415	7	0.05%
United Telephone Company	N/A		N/A	407,702	9	0.03%
Total	\$ 78,015,660		4.3%	\$ 13,059,418		0.8%

Source: Beaufort County Auditor

Taxable Assessed Value - Fiscal Year 2017



Taxable Assessed Value - Fiscal Year 2008

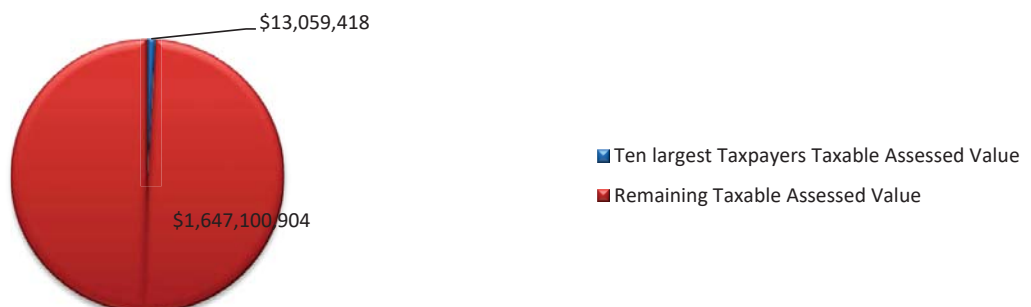


TABLE 8

BEAUFORT COUNTY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the 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
2008	109,883,524	104,836,677	95.41%	4,688,957	109,525,634	99.7%
2009	119,446,408	105,462,594	88.29%	13,481,028	118,943,622	99.6%
**2010	111,564,369	108,036,902	96.84%	2,787,692	110,824,594	99.3%
2011	111,433,238	107,640,819	96.60%	3,205,321	110,846,140	99.5%
2012	112,214,859	107,699,294	95.98%	3,344,187	111,043,481	99.0%
2013	114,419,644	109,975,723	96.12%	3,127,422	113,103,145	98.8%
**2014	114,942,235	109,379,367	95.16%	5,064,150	114,443,517	99.6%
2015	121,822,183	115,145,623	94.52%	4,701,603	119,847,226	98.4%
2016	128,765,601	121,617,583	94.45%	2,659,288	124,276,871	96.5%
2017	137,766,145	132,422,893	96.12%	3,053,091	135,475,984	98.3%

Source: Beaufort County Treasurer/Beaufort County Auditor

* Not Available

** Reassessment



BEAUFORT COUNTY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

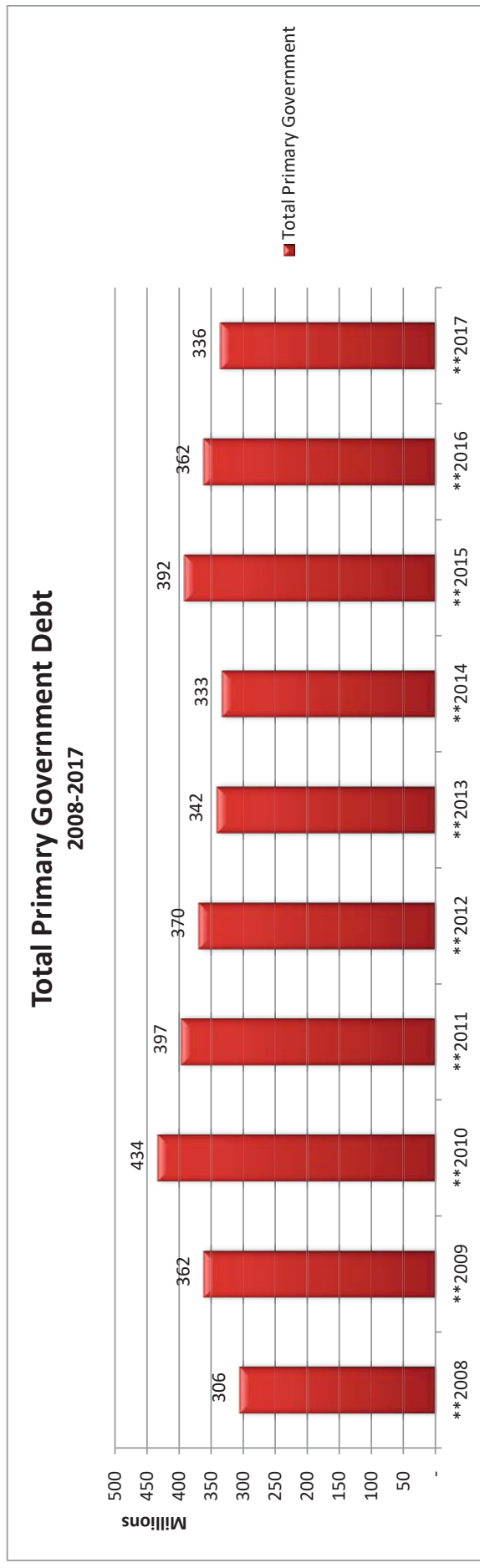
Fiscal Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita
	General Obligation Bonds	Other Bonds/Notes	Capital Leases	General Obligation Bonds	Other Bonds	Capital Leases			
**2008	266,002,945	39,095,000	820,108	-	-	-	305,918,053	2.26%	2,077
**2009	260,975,273	100,335,000	609,178	-	-	-	361,919,451	1.89%	2,406
**2010	396,025,575	37,230,000	438,484	-	-	-	433,694,059	1.56%	2,794
**2011	360,793,363	36,245,000	259,419	-	-	-	397,297,782	1.80%	2,449
**2012	334,480,383	35,225,000	181,683	-	-	-	369,887,066	2.05%	2,280
**2013	307,383,610	34,155,000	62,485	-	-	-	341,601,095	2.27%	2,033
**2014	300,420,194	33,030,000	-	-	-	-	333,450,194	2.43%	1,984
**2015	360,555,000	31,840,000	-	-	-	-	392,395,000	2.15%	2,231
**2016	331,782,955	30,585,000	-	-	-	-	362,367,955	2.43%	2,018
**2017	305,753,177	27,240,000	3,500,000	-	-	-	336,493,177	N/A	1,837

Source: District records

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

* Data not available

** Includes Installment Purchase Revenue Bonds



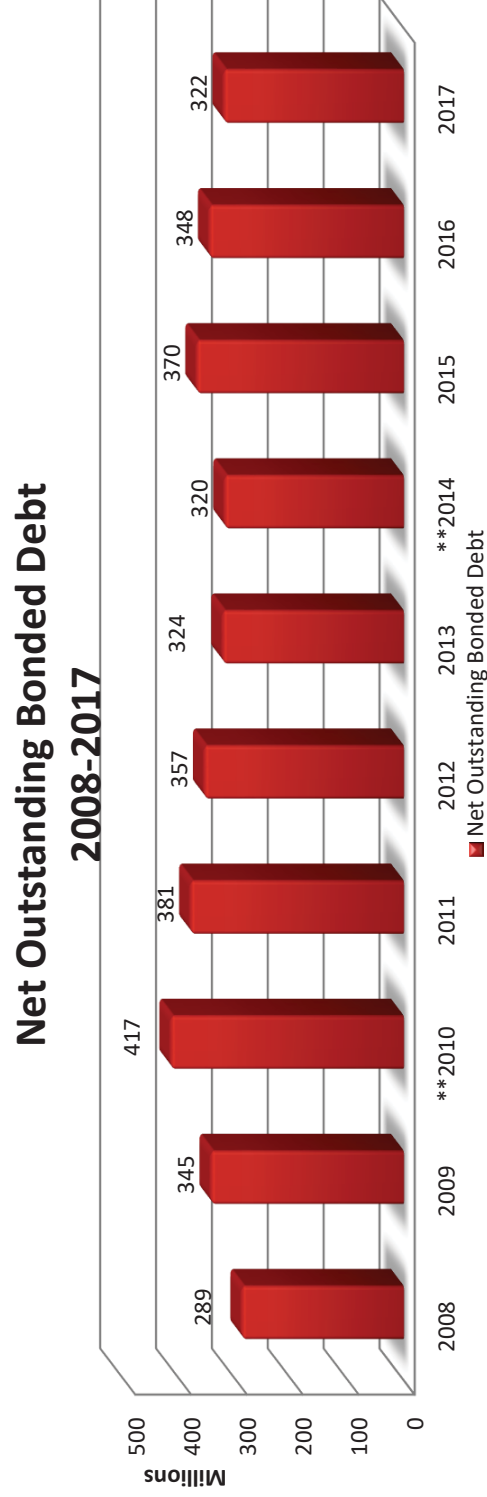
BEAUFORT COUNTY SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 10

Fiscal Year	Population	General Bonded Debt Outstanding	Less: Amounts Available in Debt Service Funds	Net Outstanding Bonded Debt	Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2008	147,316	305,918,053	16,475,328	289,442,725	1,660,160,322	17.4%	1,965
2009	150,415	361,919,451	17,104,068	344,815,383	1,794,765,540	19.2%	2,292
**2010	155,215	433,694,059	17,150,201	416,543,858	1,880,006,003	22.2%	2,684
2011	162,233	397,297,782	15,944,313	381,353,469	1,866,504,222	20.4%	2,351
2012	164,684	369,887,066	13,326,599	356,560,467	1,830,596,308	19.5%	2,165
2013	168,049	341,601,095	17,898,865	323,702,230	1,832,549,765	17.7%	1,926
**2014	171,838	333,450,194	13,358,650	320,091,544	1,669,623,601	19.2%	1,863
2015	175,852	392,395,000	22,201,716	370,193,284	1,705,780,158	21.7%	2,105
2016	179,589	362,367,955	14,833,180	347,534,775	1,804,901,658	19.3%	1,935
2017	183,149	336,493,177	14,834,791	321,658,386	1,818,144,062	17.7%	1,756

Source: District records
Beaufort County Treasurer

** Reassessment



BEAUFORT COUNTY SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017
(UNAUDITED)

TABLE 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Beaufort County	\$ 263,450,823	100.00%	\$ 263,450,823
City of Beaufort	11,480,000	100.00%	11,480,000
Town of Bluffton	15,528,284	100.00%	15,528,284
Town of Hilton Head	114,880,000	100.00%	114,880,000
Town of Port Royal	640,881	100.00%	640,881
Broad Creek PSD	- *	100.00%	-
Fripp Island PSD	- *	100.00%	-
Hilton Head #1 PSD	13,460,389	100.00%	13,460,389
Burton Fire	- *	100.00%	-
Bluffton Fire	7,682,420	100.00%	7,682,420
Lady Island/St. Helena Fire	- *	100.00%	-
Sheldon Fire	- *	100.00%	-
Subtotal, overlapping debt	<u>427,122,797</u>		<u>427,122,797</u>
Beaufort County School District Direct Debt			<u>336,493,177</u>
Total direct and overlapping			<u><u>\$ 763,615,974</u></u>

Source: Finance Department of each entity

* Data not available.

Note:

¹ Overlapping governments are those that coincide with the geographic boundaries of the County. The overlapping portion is calculated to be 100% since Beaufort County School District is the only school district located within the geographic boundaries. This percentage represents the portion of burden the outstanding debt of those overlapping governments place on residents and businesses in Beaufort County. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken

BEAUFORT COUNTY SCHOOL DISTRICT
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 12

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 131,104,668	\$ 138,767,166	\$ 150,400,480	\$ 149,320,338	\$ 146,447,705	\$ 146,630,981	\$ 133,569,888	\$ 136,462,413	\$ 144,392,133	\$ 145,451,525
Total net debt applicable to limit	54,500,000	72,350,000	112,825,000	87,593,303	69,069,621	53,104,621	32,037,621	93,377,621	88,025,621	90,015,621
Legal debt margin	<u>\$ 76,604,668</u>	<u>\$ 66,417,166</u>	<u>\$ 37,575,480</u>	<u>\$ 61,727,035</u>	<u>\$ 77,378,084</u>	<u>\$ 93,526,360</u>	<u>\$ 101,532,267</u>	<u>\$ 43,084,792</u>	<u>\$ 56,366,512</u>	<u>\$ 55,435,904</u>
Total net debt applicable to limit as a percentage of debt limit	42%	52%	75%	59%	47%	36%	24%	68%	61%	62%
Legal debt margin calculation										
Assessed value	<u>\$ 1,818,144,062</u>									
Debt limit (8 % of assessed value)	<u>145,451,525</u>									
Debt applicable to limit:										
Total bonded debt	306,016,621									
Less: Bond issuances approved by referendum	(188,761,000)									
Less: Installment Purchase Revenue Bond	(27,240,000)									
Total net debt applicable to limit	<u>90,015,621</u>									
Legal debt margin	<u>\$ 55,435,904</u>									

Notes:

The School District's borrowing power is restricted by amended Article X, Section 15, of the State Constitution. This section provides that a local unit cannot at any time have total debt outstanding in an amount that exceeds 8 percent of the assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing prior to December 1, 1982, the effective date of amendment of Article X of the Constitution of South Carolina pertaining to bonded debt. Assessed value used above is the tax base as of June 30, 2017.

BEAUFORT COUNTY SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population	Personal Income*	Per Capita Personal Income	Median Age	Education Percent High School Graduate or Higher	School Enrollment	Unemployment Rate	Live Births
2008	156,399	6,911,428	44,191	**	**	19,221	5.10%	2275
2009	159,737	6,855,593	42,918	40.8	**	19,067	9.10%	2369
2010	162,233	6,758,951	41,662	**	90.6%	19,525	8.10%	2405
2011	164,106	7,152,396	43,584	40.6	90.6%	19,626	8.50%	2025
2012	167,782	7,570,659	45,122	41.4	90.8%	19,953	8.10%	2060
2013	171,569	7,758,656	45,222	41.5	91.3%	20,399	6.80%	1977
2014	175,852	8,113,329	46,137	42	91.6%	20,704	5.90%	2056
2015	179,589	8,449,842	47,051	**	92.1%	21,285	6.00%	2077
2016	183,149	8,787,855	47,982	**	**	21,619	5.20%	2058
2017	186,812	8,992,009	48,134	**	**	21,829	4.00%	**

* in thousands

** Data not available

Population: 2016 U.S. Census Estimates

Per Capita Income & Personal Income provided by the U.S. Department of Commerce, Bureau of Economic Analysis/Estimated 2017

School Enrollment represents 135th day provided by District staff

Unemployment Rate provided by the S.C. Department of Employment and Workforce

Live Births provided South Carolina Department of Health and Environmental Control



BEAUFORT COUNTY SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

TABLE 14

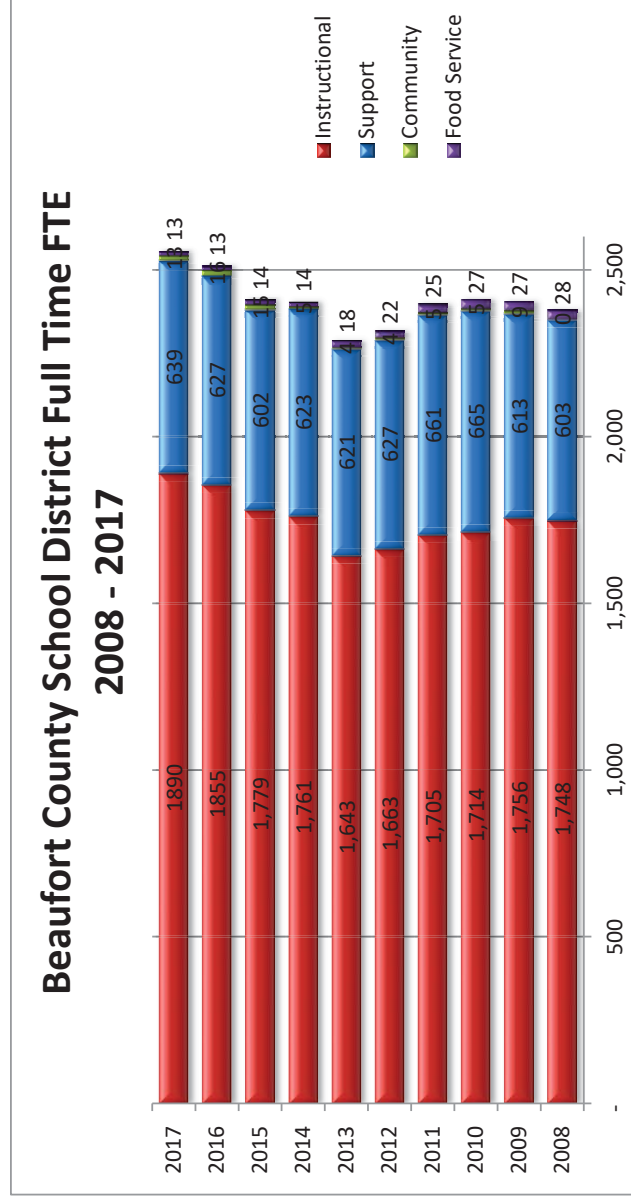
Employer (Listed Alphabetically)	2017			2008		
	Employees	Rank	Percentage of Total County Employment*	Employees	Rank	Percentage of Total County Employment
Atlantic Personnel, Inc.	*	*	*	*	*	*
Beaufort County School District	2,555	*	*	2,379	*	*
Beaufort Memorial Hospital	*	*	*	*	*	*
Carecore National, LLC	*	*	*	*	*	*
County of Beaufort	*	*	*	*	*	*
Cypress Club, Inc.	*	*	*	*	*	*
Department of Defense	*	*	*	*	*	*
Hargray Communications Group, Inc.	*	*	*	*	*	*
Lowes Home Centers, Inc.	*	*	*	*	*	*
Marine Corps Community Services	*	*	*	*	*	*
Marriott Resorts Hosp. Corp.	*	*	*	*	*	*
Montage Hotels and Resorts, LLC	*	*	*	*	*	*
Publix Super Markets, Inc.	*	*	*	*	*	*
Sea Pines Resort, LLC	*	*	*	*	*	*
Technical College of the Lowcountry	*	*	*	*	*	*
Tenet Physician Services of Hilton Head	*	*	*	*	*	*
The Greenery, Inc.	*	*	*	*	*	*
Town of Hilton Head Island	*	*	*	*	*	*
University of SC	*	*	*	*	*	*
Wal-Mart Associates, Inc.	*	*	*	*	*	*

*South Carolina Department of Employment & Workforce - 2016-Q4
Specific information related to those employers was deemed confidential by the
South Carolina Department of Employment & Workforce

BEAUFORT COUNTY SCHOOL DISTRICT
FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Instruction	1,748	1,756	1,714	1,705	1,663	1,643	1,761	1,779	1,855	1,890
Support services	603	613	665	661	627	621	623	602	627	639
Community services	-	9	5	5	4	4	5	15	16	13
Business-type activities										
Food services	28	27	27	25	22	18	14	14	13	13
Total	2,379	2,405	2,411	2,396	2,316	2,286	2,403	2,410	2,511	2,555

Source: District Finance Department



BEAUFORT COUNTY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 16

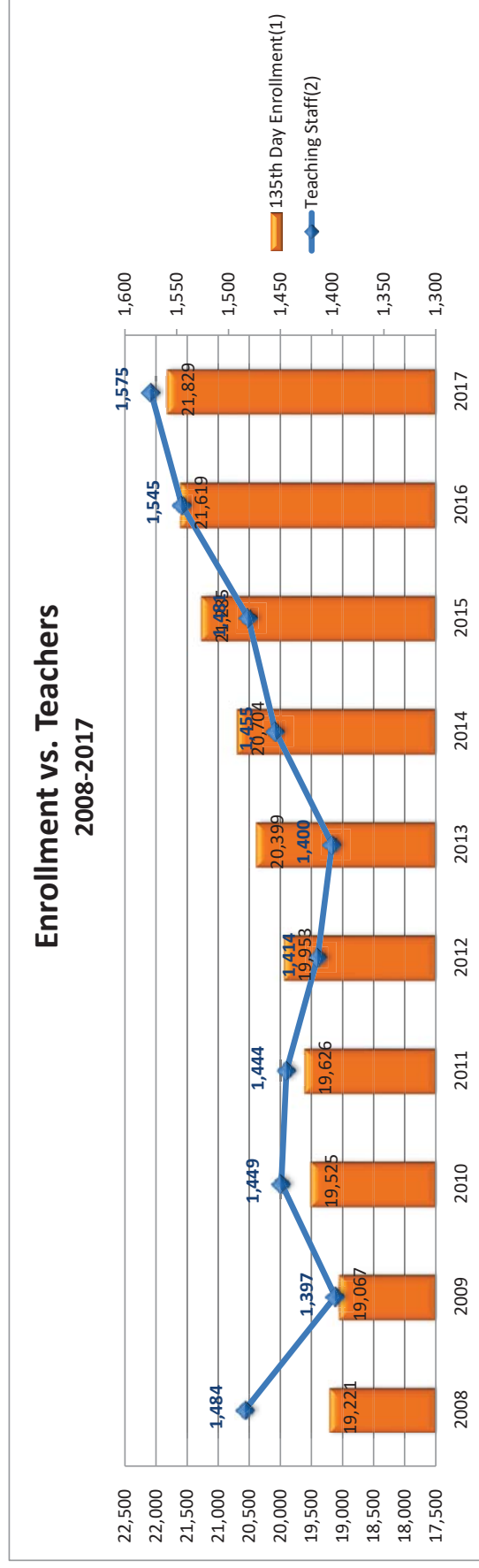
Fiscal Year	General Fund Expenditures (1)	135th Day Enrollment(1)	Cost per Pupil(1)	Percentage Change	Teaching Staff(2)	Pupil/Teacher Ratio(2)	Student Attendance Percentage(2)	Prime Instructional Time(2)
2008	155,913,884	19,221	8,112	4%	1,484	19.9 to 1	96.6%	89.4%
2009	162,962,400	19,067	8,547	5%	1,397	20.1 to 1	96.9%	89.8%
2010	170,700,160	19,525	8,743	2%	1,449	21.6 to 1	97.1%	89.4%
2011	175,172,726	19,626	8,926	2%	1,444	20.9 to 1	96.9%	89.0%
2012	173,211,552	19,953	8,681	-3%	1,414	21.5 to 1	96.8%	89.4%
2013	176,733,234	20,399	8,664	0%	1,400	22.6 to 1	96.5%	89.2%
2014	181,576,037	20,704	8,770	1%	1,455	22.4 to 1	96.7%	89.6%
2015	188,184,322	21,285	8,841	1%	1,481	31.6 to 1	94.5%	86.1%
2016	201,640,200	21,619	9,327	5%	1,545	26.8 to 1	95.1%	88.2%
2017	214,215,158	21,829	9,813	5%	1,575	20.1 to 1	95.0%	89.6%

Sources: (1) District records

(2) South Carolina Department of Education

Note: Teaching staff are full-time equivalents for the year as a whole.

Cost per pupil is based on General Fund Expenditures and the 135th Day Enrollment



BEAUFORT COUNTY SCHOOL DISTRICT
TEACHER SALARIES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 17

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	District Average Salary (1)	Statewide Average Salary (2)	Percentage of expenditures for teacher salaries(2)	Average Teacher Experience (in years) (1)	Teacher Attendance Rate (2)
2008	32,538	71,798	47,794	45,107	53.1%	13.3	94.4%
2009	33,791	74,563	48,757	47,421	57.1%	13.5	95.0%
2010	33,791	74,563	49,024	47,421	58.4%	13.0	93.3%
2011	33,791	74,563	49,918	48,725	53.8%	13.0	96.9%
2012	34,467	76,054	49,253	47,850	52.7%	13.0	94.4%
2013	34,467	76,054	50,034	49,198	52.0%	12.6	94.5%
2014	34,467	76,054	49,909	49,086	53.2%	12.6	94.8%
2015	34,467	76,054	49,891	49,082	56.5%	12.4	93.3%
2016	34,467	76,054	49,585	48,561	57.2%	13.3	94.6%
2017	35,156	77,575	50,967	48,660	57.7%	12.7	94.7%

Source: (1) District records

(2) South Carolina Department of Education Annual Report

*Data not available

BEAUFORT COUNTY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

TABLE 18

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
St. Helena Early Child Center (2004)										
Square feet	40,129	40,129	40,129	40,129	40,129	40,129	40,129	40,129	40,129	40,129
Capacity (students)	268	268	268	268	268	268	268	268	268	268
Enrollment	217	194	209	230	232	226	207	197	185	178
Hilton Head Island Early Child Center (2006) Expanded (2016)										
Square feet	74,732	74,732	74,732	74,732	74,732	74,732	74,732	74,732	80,732	80,732
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	416	429	420	480	482	463	454	450	423	426
Beaufort Elementary School (1986)										
Square feet	106,537	106,537	106,537	106,537	106,537	106,537	106,537	106,537	106,537	106,537
Capacity (students)	808	808	808	808	808	808	808	808	808	808
Enrollment	431	485	664	597	630	672	617	542	519	486
Coosa Elementary School (1998)										
Square feet	70,337	70,337	70,337	70,337	70,337	70,337	70,337	70,337	70,337	70,337
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	638	654	538	494	474	474	465	480	473	500
Lady's Island Elementary (1963)										
Square feet	57,943	57,943	57,943	57,943	57,943	57,943	57,943	57,943	57,943	57,943
Capacity (students)	404	404	404	404	404	404	404	404	404	404
Enrollment	429	422	363	328	303	303	285	316	337	340
Mossy Oaks Elementary (1962)										
Square feet	62,098	62,098	62,098	62,098	62,098	62,098	62,098	62,098	62,098	62,098
Capacity (students)	492	492	492	492	492	492	492	492	492	492
Enrollment	445	430	477	500	470	436	430	405	404	429
Port Royal Elementary (1911)										
Square feet	49,151	49,151	49,151	49,151	49,151	49,151	49,151	49,151	49,151	49,151
Capacity (students)	328	328	328	328	328	328	328	328	328	328
Enrollment	362	329	291	289	252	280	222	231	214	212
St. Helena Elementary (1992)										
Square feet	78,353	78,353	78,353	78,353	78,353	78,353	78,353	78,353	78,353	78,353
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	303	246	214	215	255	237	222	244	249	253
Broad River Elementary (1957)										
Square feet	74,234	74,234	74,234	74,234	74,234	74,234	74,234	74,234	74,234	74,234
Capacity (students)	536	536	536	536	536	536	536	536	536	536
Enrollment	423	416	391	386	353	570	553	524	501	493

BEAUFORT COUNTY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

TABLE 18

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Shell Point Elementary (1968)										
Square feet	78,212	70,724	70,724	70,724	70,724					
Capacity (students)	592	536	536	536	536					
Enrollment	410	454	404	406	375					
(Licensed to Riverview Charter School in 2013)										
J. Shanklin Elementary (1994)										
Square feet	73,882	73,882	73,882	73,882	73,882	73,882	73,882	73,882	73,882	73,882
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	505	488	436	431	477	408	386	458	422	384
J.J. Davis Early Learning Center (1991)										
Square feet	65,045	65,045	65,045	65,045	65,045	65,045	65,045	65,045	65,045	65,045
Capacity (students)	512	512	512	512	512	512	512	512	512	512
Enrollment	336	327	160	173	177	171	85	98	178	170
Whale Branch Elementary (2000)										
Square feet	71,921	71,921	71,921	71,921	71,921	71,921	71,921	71,921	71,921	71,921
Capacity (students)	568	568	568	568	568	568	568	568	568	568
Enrollment	351	287	339	313	320	349	458	493	418	383
Daufuskie School (1935)										
Square feet	6,635	6,635	6,635	6,635	6,635	6,635	6,635	6,635	6,635	6,635
Capacity (students)	64	64	64	64	64	64	64	64	64	64
Enrollment	19	12	16	15	15	15	12	15	18	21
Hilton Head Island Elementary (1974)										
Square feet	161,005	161,005	161,005	161,005	161,005	161,005	161,005	161,005	161,005	161,005
Capacity (students)	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,185	1,188	1,188
Enrollment	838	736	739	760	826	859	923	949	958	934
H. H. Island School for Creative Arts (1988) Split 2005										
Square feet	112,489	112,489	112,489	112,489	112,489	112,489	112,489	112,489	112,489	112,489
Capacity (students)	749	749	749	749	749	749	749	749	749	749
Enrollment	664	703	718	733	769	799	795	788	772	726
Bluffton Elementary (2000) ECC addition (2010)										
Square feet	83,237	83,237	128,237	128,237	128,237	128,237	128,237	128,237	128,237	128,237
Capacity (students)	694	694	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094
Enrollment	1,068	1,087	936	603	598	637	728	832	617	670
Okatie Elementary (2004)										
Square feet	87,383	87,383	87,383	87,383	87,383	87,383	87,383	87,383	87,383	87,383
Capacity (students)	719	719	719	719	719	719	719	719	719	719
Enrollment	791	791	525	650	655	640	619	692	589	592

BEAUFORT COUNTY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

TABLE 18

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
M.C. Riley Elementary (1991) ECC addition (2010)										
Square feet	75,958	75,958	120,958	120,958	120,958	120,958	120,958	120,958	120,958	120,958
Capacity (students)	592	592	992	992	992	992	992	992	992	992
Enrollment	864	946	918	787	778	754	787	826	715	723
Red Cedar Elementary (2010)										
Square feet		97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Capacity (students)		800	800	800	800	800	800	800	800	800
Enrollment		725	711	751	778	824	778	780	698	687
Pritchardville Elementary (2011)										
Square feet				108,960	108,960	108,960	108,960	108,960	108,960	108,960
Capacity (students)				800	800	800	800	800	800	800
Enrollment				518	672	688	779	853	884	854
River Ridge Academy (2016)										
Square feet								143,742	143,742	143,742
Capacity (students)								1,013	1,000	1,000
Enrollment								0	952	1,090
Beaufort Middle (1959) Remodeled as Middle School (2002)										
Square feet	125,890	125,890	125,890	125,890	125,890	125,890	125,890	125,890	125,890	125,890
Capacity (students)	867	867	867	867	867	867	867	867	867	867
Enrollment	637	636	598	655	645	631	616	559	533	495
** students attended Humanities School at Burrough Avenue Building										
Lady's Island Middle (1984)										
Square feet	141,616	141,616	141,616	141,616	141,616	141,616	141,616	141,616	141,616	141,616
Capacity (students)	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
Enrollment	664	604	749	754	771	733	734	536	522	555
Robert Smalls International Academy (1984)										
Square feet	148,619	148,619	148,619	148,619	148,619	148,619	148,619	148,619	148,619	148,619
Capacity (students)	777	777	777	777	777	777	777	777	777	777
Enrollment	650	547	533	470	476	618	611	745	713	717
Whale Brance Middle (2000)										
Square feet	112,512	112,512	112,512	112,512	112,512	112,512	112,512	112,512	112,512	112,512
Capacity (students)	774	774	774	774	774	774	774	774	774	774
Enrollment	314	303	327	331	360	400	396	415	401	386
Hilton Head Island Middle (1992)										
Square feet	131,188	131,188	131,188	131,188	131,188	131,188	131,188	131,188	131,188	131,188
Capacity (students)	819	819	819	819	819	819	819	819	819	819
Enrollment	910	925	870	863	901	945	976	989	977	1,012
H.E. McCracken Middle (2000)										
Square feet	148,460	148,460	148,460	148,460	148,460	148,460	148,460	148,460	148,460	148,460
Capacity (students)	941	941	941	941	941	941	941	941	941	941
Enrollment	1,128	1,210	1,192	798	868	925	976	1,121	1,074	661

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(Continued)

BEAUFORT COUNTY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

TABLE 18

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bluffton Middle (2011)										
Square feet				142,711	142,711	142,711	142,711	142,711	142,711	142,711
Capacity (students)				1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment				861	919	1,010	1,096	1,038	932	773
Beaufort High (2000)										
Square feet	217,234	217,234	217,234	217,234	217,234	217,234	217,234	217,234	217,234	217,234
Capacity (students)	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357
Enrollment	1,582	1,655	1,699	1,541	1,420	1,363	1,328	1,338	1,305	1,301
Battery Creek High (1992) Cate Expansion (2016)										
Square feet	216,755	216,755	216,755	216,755	216,755	216,755	216,755	216,755	230,755	230,755
Capacity (students)	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352
Enrollment	1,300	1,234	1,198	822	742	748	766	807	845	817
Hilton Head Island High (1983)										
Square feet	173,498	173,498	173,498	173,498	173,498	173,498	173,498	173,498	173,498	173,498
Capacity (students)	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295	1,295
Enrollment	1,163	1,135	1,150	1,147	1,150	1,188	1,254	1,267	1,286	1,259
Bluffton High (2005)										
Square feet	218,418	218,418	218,418	218,418	218,418	218,418	218,418	218,418	218,418	218,418
Capacity (students)	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131	1,131
Enrollment	1,363	1,382	1,485	1,067	999	1,095	1,126	1,253	1,392	1,201
Whale Branch Early College High (2011)										
Square feet				124,000	124,000	124,000	124,000	124,000	124,000	124,000
Capacity (students)				650	650	650	650	650	650	650
Enrollment				395	498	485	532	517	479	497
May River High (2017)										
Square feet										238,616
Capacity (students)										1,400
Enrollment										947
Islands Academy (Established 2016 in DESC building)										
Square feet									150	150
Capacity (students)									70	57
Enrollment										
Riverview Charter School (2010) Addition (2017)										
Square feet			16,721	16,721	16,721	70,724	70,724	70,724	70,724	93,024
Capacity (students)			304	304	304	536	536	536	536	742
Enrollment			241	303	340	453	488	527	564	600
(Moved to Shell Point Elementary School in 2013)										

Source: District Facilities Office

Note: Fiscal year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

BEAUFORT COUNTY SCHOOL DISTRICT
MISCELLANEOUS STATISTICS
JUNE 30, 2017
(UNAUDITED)

TABLE 19

Beaufort County was created by the Legislative Act in 1785.

Form of Government: County Council consisting of eleven elected members with an appointed full-time County Administrator.

Board of Education: Consisting of eleven elected members with an appointed Superintendent.

Area: 588 square miles

Enrollment: 21,829

Number of schools and centers:	
Elementary (PK-5)	16
Academy (PK-8)	2
Middle (6-8)	6
High (9-12)	6
Special Schools	3
Career Education Center	1
Charter	1

Number of Full-Time Employees:	Teachers	1575
	Others	980

Average Bi-Weekly Payroll: \$5,159,328

Accreditation:

State of South Carolina	All Schools Accredited
Southern Association of Schools and Colleges	All Schools Accredited

Percentage of free and reduced students in lunch program:

	Number of Students	Percentage of Total Student Population
Free Lunch	11,866	54%
Reduced Lunch	1,305	6%
Total Free and Reduced Lunch	13,171	60%

Source: District records

SINGLE AUDIT SECTION

Beaufort County School District
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2017

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Total Expenditures
	U.S. DEPARTMENT OF EDUCATION			
	Direct programs			
298	SC Gear Up	84.334S	P334S110019	\$ 103,926
				<u>103,926</u>
	Passed through S.C. Department of Education			
202	Title I - Current Year	84.010	H63010100117	5,568,570
202	Title I - Prior Year	84.010	H63010100116	670,864
				<u>6,239,434</u>
203	Children with Disabilities IDEA	84.027	H63010100917	2,707,366
203	Children with Disabilities IDEA	84.027	H63010100916	424,052
203	Children with Disabilities IDEA - Supplemental Funds	84.027	H63010100916	54,477
203	Children with Disabilities IDEA - Winter Supplement	84.027	H63010100916	260,038
				<u>3,445,933</u>
205	IDEA Pre-school Grants Handicapped Capacity	84.173	H63010100817	105,651
205	IDEA Pre-school Grants Handicapped Capacity	84.173	H63010100816	12,215
				<u>117,866</u>
207	Occupational Education	84.048A	H63010107117	285,209
207	Occupational Education - CATE Federal Carryover	84.048A	H63010107115	6,705
				<u>291,914</u>
237	Title I - Focus	84.010A	H630101000116	188,426
238	Title I - School Improvement	84.010A	H630101000116	50,000
				<u>238,426</u>
243	Adult Education	84.002	H63010101017	230,491
243	Adult Education - English Lit/Civics	84.002	H63010101017	8,161
243	Adult Education - Reverted Funds	84.002	H63010101017	3,745
243	Adult Education - Literacy Collaboration	84.002	H63010101016	5,000
				<u>247,397</u>
264	Title III-Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006717	170,303
264	Title III-Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006716	78,040
				<u>248,343</u>
267	Improving Teacher Quality	84.367	H63010006817	486,714
267	Improving Teacher Quality	84.367	H63010006816	140,848
				<u>627,562</u>

Beaufort County School District***Schedule of Expenditures of Federal Awards******For the year ended June 30, 2017***

U.S. DEPARTMENT OF AGRICULTURE				
	Passed through S.C. Department of Education			
600	USDA Commodities	10.555	N/A	692,048
600	School Breakfast Program	10.553	N/A	1,588,762
600	School Lunch Program	10.555	N/A	5,510,507
600	Fresh Fruits and Vegetables Grant	10.582	N/A	31,785
	Subtotal U.S. Department of Agriculture			<u>7,823,102</u>
Passed through S.C. Department of Social Services				
600	Child and Adult Care Food Program	10.558	5SC300329	<u>170,074</u>
	Total U.S. Department of Agriculture			<u>7,993,176</u>
OTHER FEDERAL AWARDS				
	U.S. Department of Defense Direct Program			
295	ROTC	N/A	N/A	<u>429,134</u>
	Total Other Federal Awards			<u>429,134</u>
	Total federal awards			<u>\$ 19,983,111</u>

FEDERAL GRANTING AGENCY	Federal CFDA number	Provided to Subrecipients
U.S. Department of Education	84.027	\$ 97,345
	84.367	<u>2,764</u>
Total U.S. Department of Education		<u>100,109</u>
Total passed through to subrecipients		<u>\$ 100,109</u>

Beaufort County School District

Notes to Schedule of Expenditure of Federal Awards

June 30, 2017

I. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School District.

II. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the auditing standards generally accepted in the United States of America basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The School District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor's Report on Internal Control Over Financial Reporting
and On Compliance and Other Matters Based On An Audit of
Financial Statements Performed In Accordance With
*Government Auditing Standards***

Members of the Beaufort County Board of Education
Beaufort County School District
Beaufort, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Beaufort County School District (the School District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
November 30, 2017

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance in Accordance the Uniform Guidance**

Members of the Beaufort County Board of Education
Beaufort County School District
Beaufort, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the compliance of Beaufort County School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2017. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
November 30, 2017

Beaufort County School District
Schedule of Findings and Questioned Costs
For the fiscal year ended June 30, 2017

I. Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| (a.) Type of auditor's report: | Unmodified |
| (b.) Internal control over financial reporting: | |
| 1) Material weaknesses identified: | No |
| 2) Significant deficiencies identified that are not considered to be material weaknesses: | None reported |
| (c.) Noncompliance material to financial statements noted: | No |

Federal Awards

- | | |
|---|---------------|
| (a.) Internal control over major programs: | |
| 1) Material weaknesses identified: | No |
| 2) Significant deficiencies identified that are not considered to be material weaknesses: | None reported |
| (b.) Type of auditors' report issued on compliance for major federal programs: | Unmodified |
| (c.) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): | No |
| (d.) Identification of major program: | |

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
84.027 and 84.173	IDEA, Preschool Grant
10.553, 10.555, 10.582	USDA Commodities, School Breakfast and Lunch Programs

- | | |
|---|-----------|
| (e.) Dollar threshold used to distinguish between type A and type B Programs: | \$750,000 |
| (f.) Auditee qualified as low risk auditee? | Yes |

II. Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*

None noted

III. Findings – Compliance

None noted

III. Findings and Questioned Costs Relating to Federal Awards

None noted

IV. Summary Schedule of Prior Audit Findings

None reported