

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

FOR THE YEAR ENDED  
JUNE 30, 2019

PREPARED BY:  
The Finance Department  
Herbert Berg, Ed.D., Interim Superintendent  
Frank J. Rodriguez, Ph.D., Superintendent

## INTRODUCTORY SECTION

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# Beaufort County School District

## *Contents*

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	<u>Reference</u>	<u>Page No.</u>
<b><u>Introductory Section</u></b>		
Table of Contents		1 - 4
Board of Education and Administration		5 - 6
Organizational Chart		7
Letter of Transmittal		8 - 12
Government Finance Officers Association (GFOA)		
Certificate of Achievement for Excellence in Financial Reporting		13
<b><u>Financial Section</u></b>		
Independent Auditor's Report		14 - 16
Management's Discussion and Analysis		17 - 30
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	Exhibit 1	31
Statement of Activities	Exhibit 2	32
Fund Financial Statements		
Balance Sheet - Governmental Funds	Exhibit 3	33
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	Exhibit 3 (cont.)	34
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	Exhibit 4	35
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit 4 (cont.)	36
Statements of Net Position - Proprietary Funds	Exhibit 5	37
Statements of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Exhibit 6	38
Statements of Cash Flows - Proprietary Funds	Exhibit 7	39
Statement of Fiduciary Assets and Liabilities - Agency Fund	Exhibit 8	40
Notes to Financial Statements		41 - 86

---

## Beaufort County School District

### ***Contents***

---

<b><u>Financial Section, Continued</u></b>	<b><u>Reference</u></b>	<b><u>Page No.</u></b>
Required Supplementary Information		
Schedule of the School District's Proportionate Share of the Net Pension Liability	Schedule 1	87
Schedule of the School District's Contributions - Pensions	Schedule 2	88
Schedule of the School District's Proportionate Share of the Net OPEB Liability	Schedule 3	89
Schedule of the School District's Contributions - OPEB	Schedule 4	90
Budgetary Comparison Schedules		
General Fund	Schedule 5	91
Special Projects Fund	Schedule 6	92
Education Improvement Act	Schedule 7	93
Other Supplementary Schedules		
General Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual	Schedule A-1	94 - 103
Special Projects Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule B-1	104 - 114
Summary Schedule for Designated State Restricted Grants	Schedule B-2	115
Education Improvement Act Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs	Schedule B-3	116 - 121
Summary Schedule by Program - Education Improvement Act Fund	Schedule B-4	122
Debt Service Fund - District		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule C-1	123
Debt Service Fund - EFC		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule C-2	124
School Building Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule D-1	125
Proprietary Funds		
Enterprise Fund		
Schedule of Revenues, Expenses and Changes in Fund Net Position	Schedule E-1	126 - 127
Internal Service Fund		
Schedule of Revenues, Expenses and Changes in Fund Net Position	Schedule F-1	128 - 129

---

## Beaufort County School District

### Contents

---

#### Financial Section, Continued

#### Reference

#### Page No.

#### Other Supplementary Schedules, Continued

##### Pupil Activity Fund

Statement of Changes in Assets and Liabilities

Schedule G-1

130

Schedule of Receipts, Disbursements and Changes in  
Due to Student Organizations

Schedule G-2

131

Detailed Schedule of Due to State Department of Education

Schedule H-1

132

Financial Analysis Model Location Reconciliation Schedule

Schedule H-2

133 - 134

##### Component Unit - Riverview Charter School

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

Schedule I-1

135 - 137

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

Schedule I-2

138

Education Improvement Act Fund - Combined Schedule of  
Revenues, Expenditures and Changes in Fund  
Balance - All Programs

Schedule I-3

139

#### Statistical Section

#### Table No.

Net Position by Component

1

140

Changes in Net Position

2

141 - 142

Fund Balances of Governmental Funds

3

143

Changes in Fund Balance, Governmental Funds

4

144

Assessed Value and Estimated Actual Value of Taxable Property

5

145

Direct and Overlapping Property Tax Rates

6

146

Ten Largest Taxpayers

7

147

Property Tax Levies and Collections

8

148

Ratios of Outstanding Debt by Type

9

149

Ratios of General Bonded Debt Outstanding

10

150

Direct and Overlapping Governmental Activities Debt

11

151

Legal Debt Margin

12

152

Demographic Statistics

13

153

Principal Employers

14

154

Full-Time Equivalent School District Employees by Function

15

155

Operating Statistics

16

156

Teacher Salaries

17

157

School Building Information

18

158 - 161

Miscellaneous Statistics

19

162

---

## Beaufort County School District

### *Contents*

---

<u>Single Audit Section</u>	<u>Page No.</u>
Schedule of Expenditures of Federal Awards	163 - 164
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 <i>Government Auditing Standards</i>	165 - 166
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With the Uniform Guidance	167 - 168
Schedule of Findings and Questioned Costs	169

## ***Beaufort County School District 2019 Board Members***

**Christina Gwozdz  
Chair**

District 9 (Term 2016-2020)  
77 Gascoigne Bluff Road  
Bluffton, SC 29910  
(H) 843/636-8555

**Cathy Robine  
Vice Chair**

District 8 (Term 2019-2022)  
54 Ribaut Drive  
Hilton Head Island, SC 29926  
(H) 610/888-5296

**William C. Smith  
Secretary**

District 3 (Term 2019 – 2022)  
164 Ball Park Road  
St. Helena Island, SC 29920  
(H) 843/441-4993



**Earl Campbell**

District 1 (Term 1990 – 2020)  
93 Bruce Smalls, Grays Hill  
P.O. Box 768, Lobeco, SC 29931  
(H) 843/476-7512

**David Striebinger**

District 2 (Term 2016- 2022)  
161 Sea Pine Drive  
St. Helena Island, SC 29920  
(H) 843/694-7743

**Tricia Fidrych**

District 4 (Term 2019 – 2022)  
1014 12<sup>th</sup> Street  
Port Royal, SC 29935  
(H) 843/441-0552

**Richard Geier**

District 5 (Term 2019 – 2022)  
32 Petigru Drive  
Beaufort, SC 29902  
(H) 843/441-6683

**John Dowling**

District 6 (Term 2017 – 2020)  
27 Cypress Run  
Bluffton, SC 29909  
(H) 843/290-8068

**Rachel Wisniewski**

District 7 (Term 2019 – 2022)  
129 Planters Row Court  
Bluffton, SC 29910  
(H) 843/941-9535

**Melvin Campbell**

District 10 (Term 2019 – 2022)  
546 Spanish Wells Road  
Hilton Head Island, SC 29928  
(H) 843/941-9858

**JoAnn Orischak**

District 11 (Term 2013 – 2020)  
29 Long Brow Road  
Hilton Head Island, SC 29928  
(H) 843/338-1737

## **BEAUFORT COUNTY SCHOOL DISTRICT**

### **Administrative Office**

2900 Mink Point Boulevard  
Beaufort, South Carolina 29902

### **Senior Management**

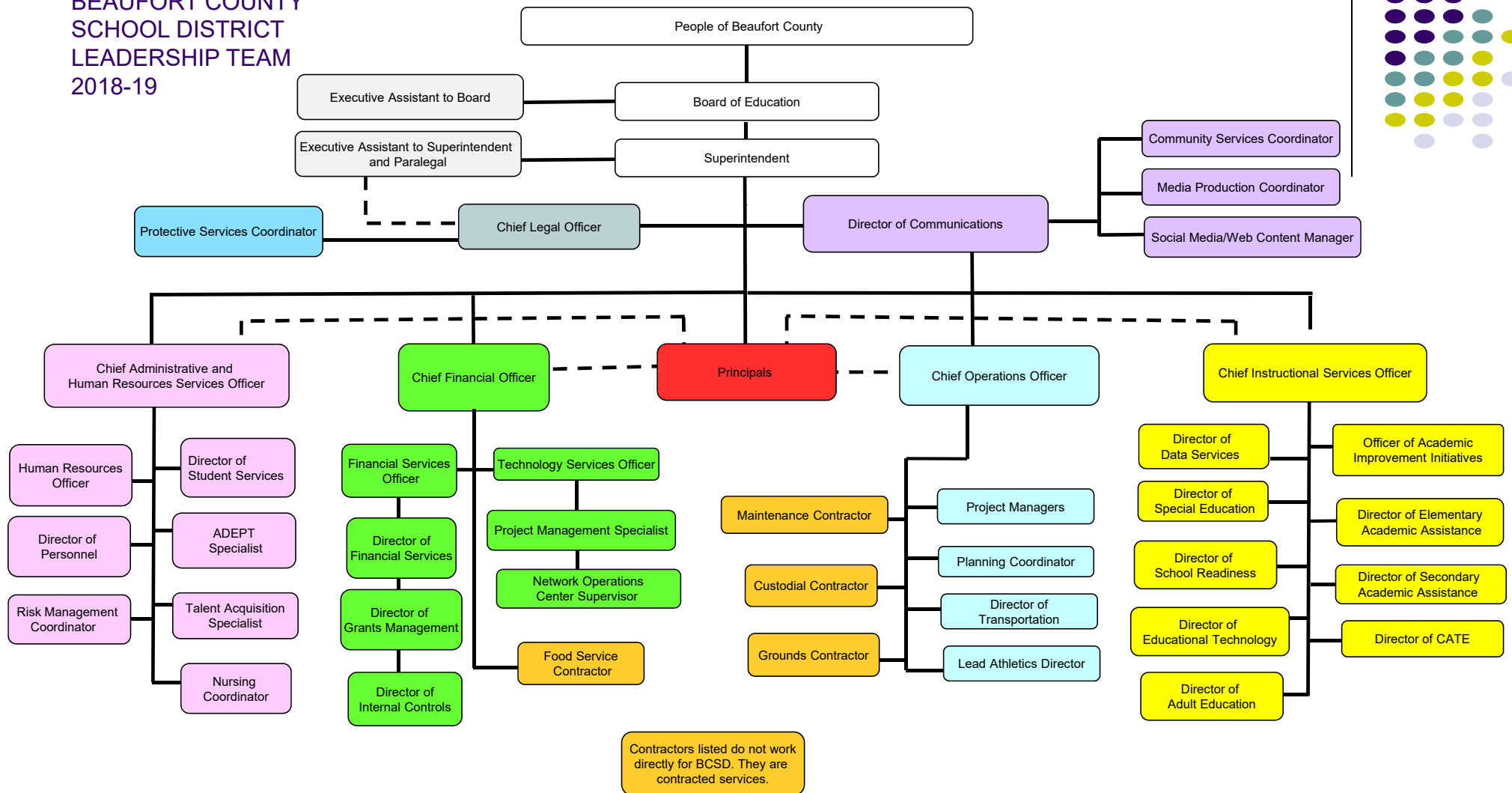
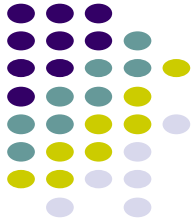
Herbert Berg, Ed.D.	Interim Superintendent	July 1, 2018 - June 30, 2019
Frank J. Rodriguez, Ph.D	Superintendent	July 1, 2019 - Present
Ms. Wendy Cartledge	Chief Legal Officer	
Dr. Mary Stratos	Chief Instructional Services Officer	
Ms. Tonya Crosby, CPA, CGFO	Chief Financial Officer	
Ms. Alice Walton	Chief Administrative and Human Resource Services Officer	
Mr. Robert Oetting	Chief Operations Officer	

### **Officials Issuing Report**

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



BEAUFORT COUNTY  
SCHOOL DISTRICT  
LEADERSHIP TEAM  
2018-19





November 20, 2019

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) for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the 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 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 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 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 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 per 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 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 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 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 also partners with Beaufort-Jasper EOC Head Start to serve children ages birth to five years old.

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, Dr. Frank Rodriguez, appointed by and responsible to the Board. An updated organizational chart of the management of the District is included in the Introductory Section.

The District does not have fiscal autonomy from Beaufort County. The County Council (an eleven-member council) reviews the School District's budget requests for reasonableness and levies the millage necessary in compliance with State Act 388 to ensure 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 61% of its operating budget from Beaufort County. The remaining 39% is primarily received from the State - 49% of which is funded through sales tax reimbursement as a part of Act 388. The District's state support increased primarily due to an increase in the Education Finance Act (EFA) funding. The increase in EFA funding was due to an increase in enrollment combined with a decrease in taxpaying ability. Prior to the enactment of Act 388 in 2006, the School District's local support was as high as 91%.

According to the 2018 Census estimates, Beaufort County has grown by 16.3% since the 2010 Census, making it the fifth fastest growing county in the state. The other four counties that grew faster during that period were Horry at 27.8%, Berkeley at 24.3%, Lancaster at 24.4%, and York at 21.3%. Since the 2010 Census, the student population has grown by 13.7% based on enrollment projected for the 2019-2020 school year.

The 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. Currently, the Marine Corps Air Station Beaufort consists of more than 7,253 Marines, Sailors and civilian personnel in support of Marine Air Group 31. Its component squadrons and tenant units are readily deployable. At the U.S. Marine Corps Recruit Depot, there are over 6,000 military and non-military personnel in the School District's local area supporting the over 19,000 recruits. According to a 2017 study performed by the University of South Carolina's Moore School of Business entitled "The Economic Impact of South Carolina's Military Community: A Statewide and Regional Analysis," the total economic impact of these three military installations on Beaufort and neighboring Jasper counties was \$2.3 billion and supported 19,060 job generating \$1.0 billion in labor income.

Tourism is the major industry in Beaufort County. In 2018, tourists spent approximately \$1.48 billion in Beaufort County, according to a report by Regional Transactions Concepts, LLC entitled "Estimated Impact of Beaufort County Tourism in 2018." In 2018, tourism was responsible for over 16,500 jobs and approximately \$15 million in net revenues for local governments. This figure excludes revenue generated by state and local accommodations tax, local hospitality and recreation taxes. Visitation to Beaufort County had decreased from the prior year as with other areas in this region due to adverse weather events.

Total retail sales were up 0.1% in 2018. Countywide, the number of residential new construction permits decreased from 2017 to 2018 by 47%. A large number of residences are currently under construction, particularly in the Bluffton area.

The county's unemployment rate at 3.3% remains below the State of South Carolina's rate as of 3.6% as of June 2019. The rate remained steady with no change from the prior year. Business expansion in the area has contributed to a steady low unemployment rate.

The most recent available information shows the County has a median family income of \$60,603 for calendar year 2017. 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 57% since 2010. To assist families in our community, the School District applied for and was 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 the School District to maintain an unassigned fund balance not less than 15% of the next year's budgeted expenditures with a desired target between 15% to 17%. 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 District.

**Major Initiatives** - The top priorities for FY 2019 were teacher recruitment/retention and safety. The 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. In 2018-2019 the supplement was increased by \$2,000 to reach the \$5,000 supplement a year early.

**Enrollment** - Student enrollment has been on the rise since 2010, averaging 1.3% per year over the last ten years. The growth has totaled 2.7% over the past four years indicating a slight growth in our local economy. Enrollment at the 45th day of 2018-2019 has reached 22,345 students, an increase of 158 students since the prior year.

The face of our community is changing as demonstrated by our demographics. Since 2010, the School District's Hispanic population has increased from 19% to 27.9% of the total student population (from 3,753 to 6,208). This represents a growth of 65% over a ten-year period. Our school district currently has 39% Caucasian, 26% African American, 28% Hispanic and 7% other.

### **Accomplishments and Awards**

**Academic Achievements** - The District's on-time high school graduation rate for the Class of 2019 was 86.9 percent, the eighth consecutive improvement and an all-time high, up over 8 percentage points from just five years ago.

Beaufort County high school seniors' average SAT score of 1048 was higher than South Carolina's average, which dropped 43 points to 1021, and also the nation's, which dropped 10 points to 1039. Fifty-six percent of district seniors took the SAT compared to 57 percent of seniors statewide.

Graduating seniors in the Class of 2019 earned more than \$56 million in college scholarships, the seventh consecutive increase and an all-time high, up from \$30.0 million five years ago.

**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 30 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.

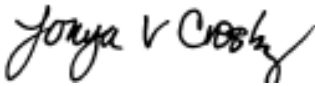
In addition to the award for excellence in financial reporting, the district has not had a negative finding in any of its annual independent audits in the past 19 years.

### **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 expressed 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, reading "Tonya V Crosby". The signature is written in a cursive, flowing style.

Tonya V. Crosby, CPA  
Chief Financial 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, 2018**

*Christopher P. Morrell*

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, 2019, 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, 2019, 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, OPEB 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*, are 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 relate 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 20, 2019, 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 20, 2019

## Beaufort County School District

### *Management's Discussion and Analysis*

*For the fiscal year ended June 30, 2019*

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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, 2019. 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, 2019, was \$-136.4 million. This amount reflects an increase of \$8.3 million which is primarily attributable to a decrease in long-term liabilities.

**Revenues, Other Financing Sources and Expenditures** - Governmental revenues totaled \$321.0 million, other financing sources/(uses) totaled \$30.8 million, and expenditures totaled \$351.4 million for all Governmental Funds at the fund level. Fund balances increased by \$481,550. This is largely attributable to a shortfall in local property tax revenue in the general fund combined with increases in fund balance for the debt service and capital projects funds. General obligation bonds were issued in FY 2019 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 \$230.4 million in revenues and other financing sources and \$236.4 million in expenditures and other financing uses, resulting in a net decrease in fund balance of \$6.1 million. This resulted in the General Fund's fund balance decreasing from \$39.6 million to \$33.6 million or 13.2% of budgeted FY 2020 general fund expenditures.

**General Fund Budget** - Local tax collections were \$9.3 million less than the amount budgeted. State revenues in the General Fund were \$213,641 less than the amount budgeted. The original budget was designed with a planned deficit of \$2.1 million; however, primarily due to a shortfall in local property tax collections, fund balance was reduced by \$6.1 million.

**Debt** - The School District sold \$29.3 million of general obligation bonds in FY 2019. New bonds were issued to fund the major capital improvements on existing schools. The fund balance of the Debt Service Fund increased by \$3.1 million to a total of \$19.1 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 decreased by \$1.7 million or .3%. This is largely attributable to the current year's depreciation exceeding the cost of 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 \$166,636. This increase is primarily due to an increase in revenue. The Internal Service Fund, used as an Insurance Reserve Fund, had an increase in fund balance of \$358,391 to a net position of \$1,377,723. The increase is attributable to the receipt of insurance proceeds received during the fiscal year.

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**Beaufort County School District**  
***Management's Discussion and Analysis***  
***For the fiscal year ended June 30, 2019***

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**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).

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## Beaufort County School District

### *Management's Discussion and Analysis*

*For the fiscal year ended June 30, 2019*

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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 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 86.

***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, 2019**

**Government-Wide Financial Analysis**

The condensed statement of net position describes the financial position of the School District on June 30, 2019. In the case of the School District's Primary Government, assets and deferred outflows of resources were exceeded by liabilities and deferred inflows of resources by \$136.4 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 \$22.1 million (9.39%) 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, decreased \$20.4 million (4.8%) from a \$422.9 million deficit at June 30, 2018, to a \$443.6 million deficit at June 30, 2019. The primary cause of the decrease in Unrestricted Net Position is an increase in net pension and OPEB obligations. A summary of the School District's net position for 2019 compared to 2018 is presented below:

Condensed Statement of Net Position							Total percent change
	Governmental activities		Business-type activities		Total School District		
	2018	2019	2018	2019	2018	2019	2018-19
Current and other assets	\$ 130,789,003	\$ 125,290,282	\$ 2,857,611	\$ 2,852,112	\$ 133,646,614	\$ 128,142,394	-4.1%
Capital assets	515,850,709	514,109,944	2,254,971	2,112,047	518,105,680	516,221,991	-0.4%
<b>Total assets</b>	<b>646,639,712</b>	<b>639,400,226</b>	<b>5,112,582</b>	<b>4,964,159</b>	<b>651,752,294</b>	<b>644,364,385</b>	<b>-1.1%</b>
<b>Deferred outflows of resources</b>	<b>73,464,987</b>	<b>61,612,705</b>	<b>181,042</b>	<b>137,237</b>	<b>73,646,029</b>	<b>61,749,942</b>	<b>-16.2%</b>
Current liabilities	88,801,262	89,899,426	1,718,673	1,486,239	90,519,935	91,385,665	1.0%
Long-term liabilities	743,217,532	720,717,372	1,260,454	1,157,117	744,477,986	721,874,489	-3.0%
<b>Total liabilities</b>	<b>832,018,794</b>	<b>810,616,798</b>	<b>2,979,127</b>	<b>2,643,356</b>	<b>834,997,921</b>	<b>813,260,154</b>	<b>-2.6%</b>
<b>Deferred inflows of resources</b>	<b>34,939,859</b>	<b>29,168,337</b>	<b>94,072</b>	<b>70,979</b>	<b>35,033,931</b>	<b>29,239,316</b>	<b>-16.5%</b>
Net position							
Net investment in capital assets	233,115,201	255,368,095	2,254,971	2,112,047	235,370,172	257,480,142	9.4%
Restricted for:							
Capital projects	26,856,298	30,359,266	-	-	26,856,298	30,359,266	13.0%
Debt service	16,063,798	19,102,507	-	-	16,063,798	19,102,507	18.9%
Unrestricted	(422,889,252)	(443,602,072)	(34,546)	275,014	(422,923,798)	(443,327,058)	4.8%
<b>Total net position</b>	<b>\$ (146,853,955)</b>	<b>\$ (138,772,204)</b>	<b>\$ 2,220,425</b>	<b>\$ 2,387,061</b>	<b>\$ (144,633,530)</b>	<b>\$ (136,385,143)</b>	<b>-5.7%</b>

**Beaufort County School District**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2019**

The following table presents a summary of the changes in net position for the fiscal year ended June 30, 2019:

Changes in Net Position							Total percent change
	Governmental activities		Business-type activities		Total School District		2018-19
	2018	2019	2018	2019	2018	2019	
<b>REVENUES</b>							
<u>Program revenues</u>							
Charges for sales and services	\$ 29,205	\$ 74,350	\$ 1,801,526	\$ 1,750,372	\$ 1,830,731	\$ 1,824,722	-0.3%
Operating grants and contributions	51,750,456	61,358,358	8,786,844	8,906,330	60,537,300	70,264,688	16.1%
Capital grants and contributions	-	-	-	-	-	-	0.0%
<u>General revenues</u>							
Property taxes	197,909,041	195,213,645	-	-	197,909,041	195,213,645	-1.4%
Federal and state formula aid	57,301,376	57,713,475	-	-	57,301,376	57,713,475	0.7%
Other	3,543,921	6,305,689	2,089	1,920	3,546,010	6,307,609	77.9%
Total revenues	310,533,999	320,665,517	10,590,459	10,658,622	321,124,458	331,324,139	3.2%
<b>EXPENSES</b>							
Instruction	149,776,278	159,073,172	-	-	149,776,278	159,073,172	6.2%
Support services	143,204,186	137,217,839	-	-	143,204,186	137,217,839	-4.2%
Community services	276,218	269,169	-	-	276,218	269,169	-2.6%
Payments to charter schools and other governmental units	6,235,844	8,391,073	-	-	6,235,844	8,391,073	34.6%
Interest and other charges	12,989,483	7,636,395	-	-	12,989,483	7,636,395	-41.2%
Food service	-	-	10,288,065	10,488,104	10,288,065	10,488,104	1.9%
Total expenses	312,482,009	312,587,648	10,288,065	10,488,104	322,770,074	323,075,752	0.1%
Excess (deficiency) before transfers	(1,948,010)	8,077,869	302,394	170,518	-1,645,616	8,248,387	-601.2%
Transfers	(7,904)	3,882	7,904	(3,882)	-	-	0.0%
Increase in net position	(1,955,914)	8,081,751	310,298	166,636	(1,645,616)	8,248,387	-601.2%
Net position, beginning of year	64,931,943	(146,853,955)	2,475,073	2,220,425	67,407,016	(144,633,530)	-314.6%
Restatement for GASB 75	(209,829,984)	-	(564,946)	-	(210,394,930)	-	0.0%
Net position, beginning of year as restated	(144,898,041)	(146,853,955)	1,910,127	2,220,425	(142,987,914)	(144,633,530)	0.0%
Net position, end of year	<u>\$ (146,853,955)</u>	<u>\$ (138,772,204)</u>	<u>\$ 2,220,425</u>	<u>\$ 2,387,061</u>	<u>\$ (144,633,530)</u>	<u>\$ (136,385,143)</u>	<u>-5.7%</u>

**Governmental Activities.** Governmental activities increased the School District's net position by \$8.1 million. Key elements of the increase are as follows:

Capital Assets decreased by \$1.7 million due primarily to the excess of depreciation expensed over new buildings and building improvements in the period.

Long-term liabilities outstanding decreased by \$22.5 million (3.03%). As new construction came to a close, the need for additional bond issuances declined. The decrease in debt outstanding resulted from the excess of principal payments made over new debt issued. The School District issued \$29.3 million to fund ongoing capital improvements. Principal payments of \$46.9 million were made.

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 \$15.7 million based on the wealth index, up \$4.1 million from the prior year.



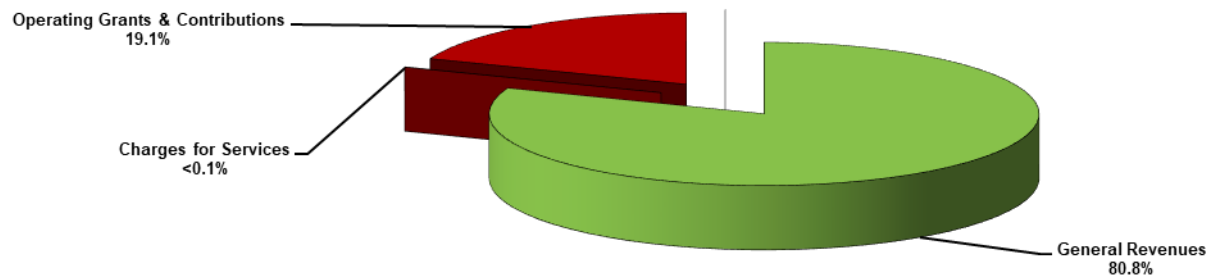
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**Beaufort County School District**  
*Management's Discussion and Analysis*  
*For the fiscal year ended June 30, 2019*

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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.

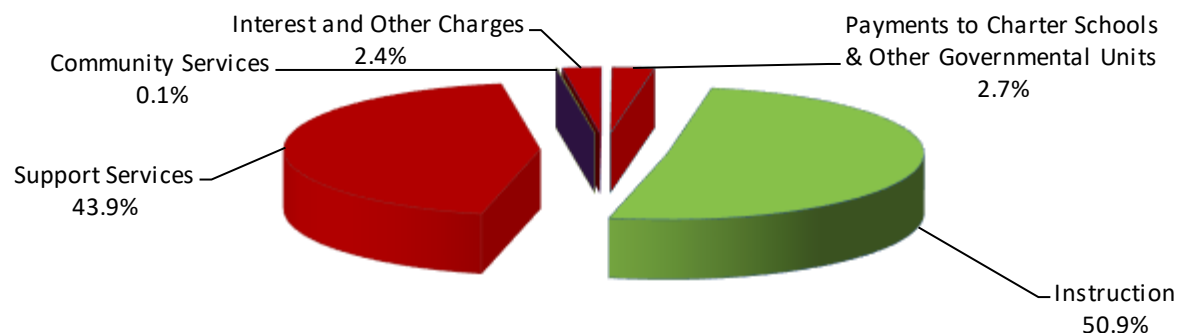
**Revenues by Source - Governmental Activities**



The total cost of governmental activity programs and services increased .03% to \$312.6 million. Instructional expenses increased \$9.3 million to \$159.1 million, and support expenses combined with payments to charter schools decreased by \$5.5 million to \$143.6 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.

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

**Expenses by Function-Governmental Activities**



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.

**Beaufort County School District**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2019**

Net Cost of Governmental Activities						
	Total cost of services		Total percent change	Net cost of services		Total percent change
	2018	2019	2018-19	2018	2019	2018-19
Instruction	\$ 149,776,278	\$ 159,073,172	6.2%	\$ 117,488,878	\$ 120,887,530	2.9%
Support services	143,204,186	137,217,839	-4.2%	123,969,321	114,224,884	-7.9%
Community services	276,218	269,169	-2.6%	18,822	15,058	-20.0%
Payments to component units and Intergovernmental expenditures	6,235,844	8,391,073	34.6%	6,235,844	8,391,073	34.6%
Interest and other charges	12,989,483	7,636,395	-41.2%	12,989,483	7,636,395	-41.2%
Total	<u>\$ 312,482,009</u>	<u>\$ 312,587,648</u>	<u>0.0%</u>	<u>\$ 260,702,348</u>	<u>\$ 251,154,940</u>	<u>-3.7%</u>

The cost of all governmental activities this year was \$312.6 million.

The federal and state governments subsidized certain programs with grants and contributions (\$61.4 million).

Most of the School District's costs (\$251.2 million), however, were financed by the School District and local taxpayers.

This portion of governmental activities was financed with \$195.2 million in property taxes, \$57.7 million from grants and contributions, \$1.6 million of unrestricted investment earnings, and \$4.7 million of miscellaneous revenues.

The increase 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.

The decrease in support services is primarily due to a reduction in capital expenditures as most of the major capital projects have been completed.

The decrease in interest and other charges is primarily due to the effect of the timing of interest payments on the amount of interest accrued for outstanding bond issues.

**Business Type Activities.** The Net Position of business-type activities increased by \$166,636 from June 30, 2018 to June 30, 2019 to \$2.4 million. Key elements of the increase include:

Business-type expenses increased by 1.9% to \$10.5 million due primarily to an increase in number of meals served.

Program Revenues - Charges for sales and service, which are primarily proceeds from meal sales, decreased by 2.8% to \$1.8 million.

Program Revenues – Operating Grants and Contributions, which are primarily federal reimbursements for meals served, increased by 1.4% to \$8.9 million.

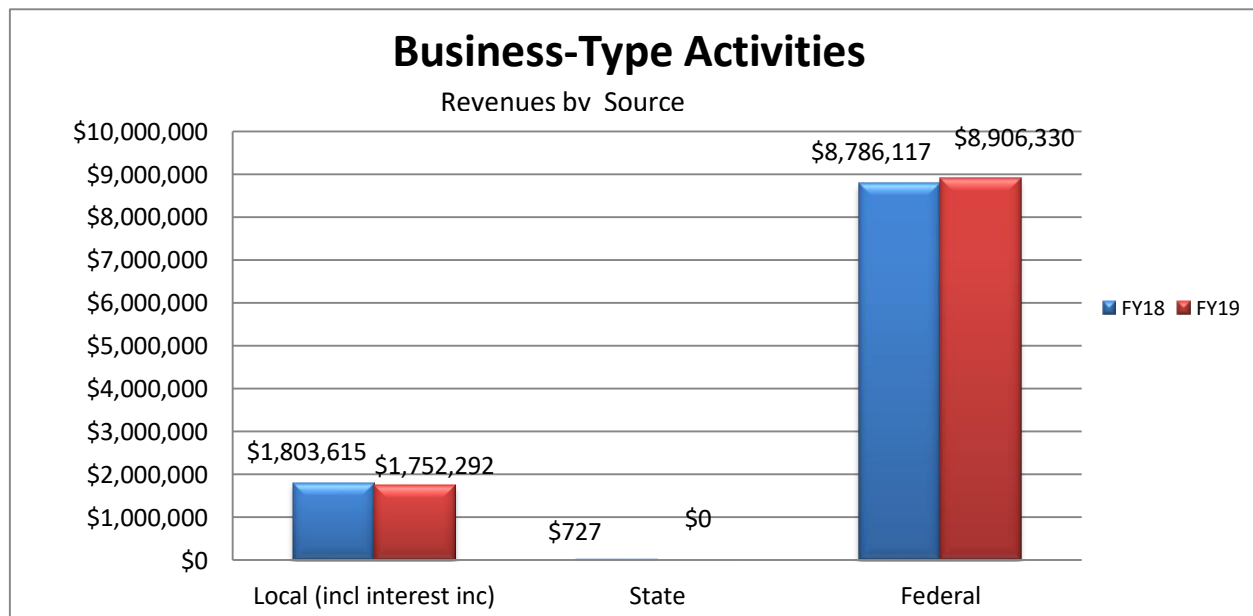
## Beaufort County School District

### Management's Discussion and Analysis

For the fiscal year ended June 30, 2019

Food service operations produced a net gain of \$166,636 compared to the prior year's net gain of \$310,298.

This operation receives no support from local property tax revenues. As demonstrated below, the majority of the revenue received (83.6%) is from federal sources, an increase of .64% of overall revenue from the prior year.

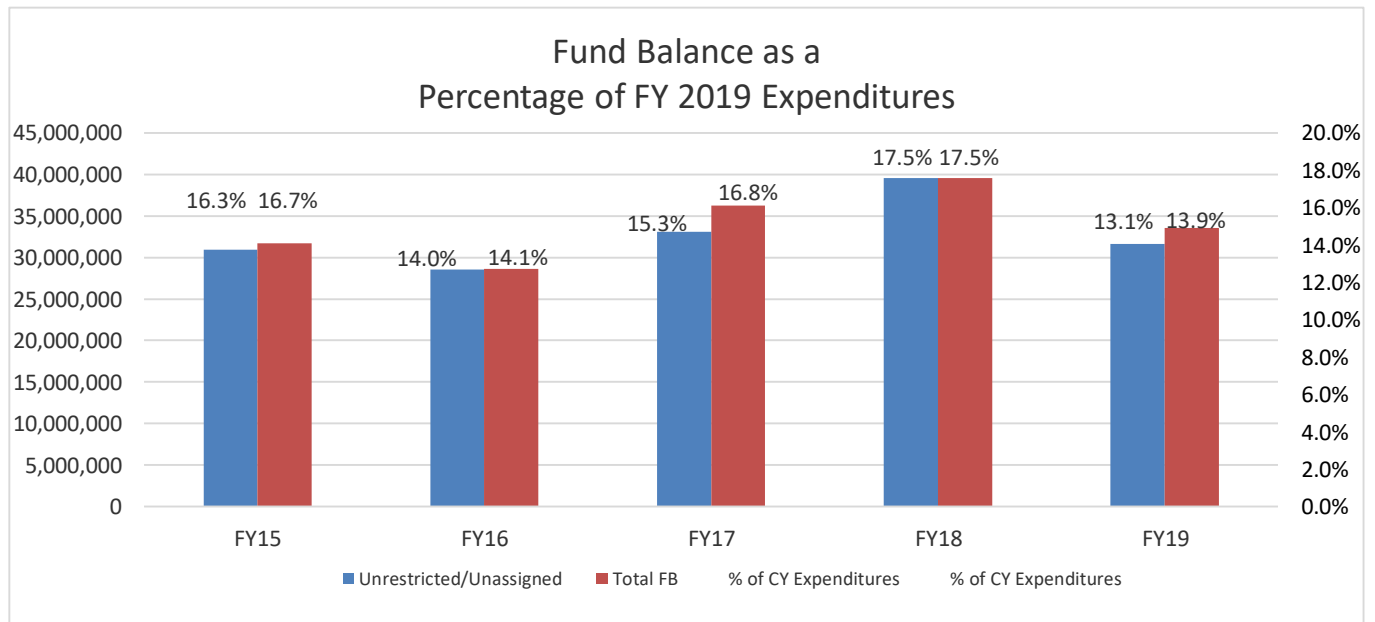


### Financial Analysis of the School District's Funds

**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 \$83.0 million - a \$481,550 increase from last year's ending fund balances. The net change in fund balance was most significant in the general fund (\$6.1 million decrease) and is primarily attributable to a shortfall in local property tax collections.

The general fund is the chief operating fund of the School District. The following graph shows the general fund's unassigned fund balance as a percentage of current year budgeted expenditures and other financing uses. Our Board requires a 15-17% fund balance measured against the next year's expenditure budget.

**Beaufort County School District**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2019**



The graph above can be used to measure the overall financial health of the School District. The General Fund unassigned fund balance of \$31,661,366 at June 30, 2019 represents 13.1% of budgeted FY 2019 expenditures or approximately forty-eight 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 15% to 17% unassigned fund balance of the next year's projected expenditure budget. Measures to do this include cost containment and 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 2019, the School District budgeted for a net decrease in fund balance of \$2,107,727. However, due to a shortfall in local property tax collections, fund balance was reduced by \$6.1 million.

The School District's Special Revenue and EIA Funds 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 increased by \$1.1 million and total revenue for EIA funds decreased by \$1.7 million. 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 2019, a rate needed to adequately support the School District's scheduled debt payments. The fund balance for the regular School District Debt Service increased by \$3.1 million primarily due to a \$3.4 million increase in local property tax collections. The fund balance for the EFC Debt Service fund decreased by \$14,165 to a total of \$43,750. The EFC Debt Service fund is funded by the issuance of short-term bonds that are recorded as a transfer from the regular School District Debt Service fund to the EFC Debt Service Fund. The amount of the short-term bonds issued are planned to equal the debt payments made out of the EFC Debt Service fund so no material change in fund balance is expected.

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## Beaufort County School District

### *Management's Discussion and Analysis*

*For the fiscal year ended June 30, 2019*

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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 increased by \$3.5 million to a total of \$30.4 million. The relatively small change in fund balance is primarily due to the fact that the District currently does not have any large construction initiatives in place. General obligation bonds are issued annually in an amount to sustain ongoing repair and maintenance functions.

**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 \$1,019,332 at June 30, 2018 to \$1,377,723 at June 30, 2019. This is the result of insurance proceeds recorded in FY 2019.

### **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 \$16.8 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, \$1.3 million of cost reductions were identified causing the School District's FY 2019 general fund expenditure budget to increase by \$15.5 million to \$241.3 million. Beaufort County Council decreased the operating millage from 113.5 to 104.6 due to county-wide reassessment.

The key revenue highlights for FY 2019 are as follows:

- Total actual property tax revenues for the General Fund of \$134.4 million were less than the final budgeted revenues of \$143.7 million. This \$9.3 million deficit is primarily due to an excessive reduction in the millage rate during the reassessment millage rollback calculation.
- State revenues exceeded the final budget by \$213,641 million primarily due to an increase in fringe benefits revenue.

## Beaufort County School District

### Management's Discussion and Analysis

For the fiscal year ended June 30, 2019

- 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 \$9.0 million was drawn down in the Fall of 2018 and repaid in January 2019. 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 98.0% of the \$241.3 million budget. This represents under spending in the amount of \$4.9 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 \$451,784 from FY 2018 to FY 2019 due to an increase in students.
- Office of the Superintendent salary expense exceeded the amount budgeted due to the payout of an outgoing Superintendent's contract.

### Capital Asset and Debt Administration

**Capital Assets** - At the end of fiscal year 2019, the School District had invested \$863.1 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 \$19.5 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 \$21.2 million.

Capital Assets (net of accumulated depreciation)					
	Governmental activities		Business-type activities		Percent change
	2018	2019	2018	2019	2018-19
Land	\$ 41,299,484	\$ 41,299,484	\$ -	\$ -	0.0%
Improvements	130,272,597	130,696,188	-	-	0.3%
Buildings	325,117,989	316,179,967	-	-	-2.7%
Equipment	8,909,355	7,906,855	2,091,260	2,112,047	-8.9%
Construction/equipment in progress	10,251,284	18,027,450	163,711	-	73.1%
Total	<u>\$ 515,850,709</u>	<u>\$ 514,109,944</u>	<u>\$ 2,254,971</u>	<u>\$ 2,112,047</u>	<u>-0.4%</u>

## Beaufort County School District

### *Management's Discussion and Analysis*

*For the fiscal year ended June 30, 2019*

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Capital expenditures consisted primarily of the mobile classroom project at May River High School, as well as minor renovations and preventive maintenance of existing facilities. The new facilities were funded using the School District's 8% debt capacity and will be open for operations by the end of the 2019-20 school year. 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 \$273,905,621 in bonds outstanding (excluding short-term debt obligations, deferred charges and unamortized premiums)- a decrease of \$16.9 million. Since new schools are not in the plans for the upcoming year, the only additions to debt included \$29.3 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 \$157.6 million which is in excess of the School District's applicable outstanding debt of \$103.0 million, leaving capacity of \$54.6 million.

**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**

According to the 2018 Census estimates, Beaufort County has grown by 16.3% since the 2010 Census, making it the fifth fastest growing county in the state. The other four counties that grew faster during that period were Horry at 27.8%, Berkeley at 24.3%, Lancaster at 24.4%, and York at 21.3%. Since the 2010 Census, the student population has grown by 13.7% based on enrollment projected for the 2019-2020 school year.

The 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 during 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.

Tourism is the major industry in Beaufort County. In 2018, tourists spent approximately \$1.48 billion in Beaufort County, according to a report by Regional Transactions Concepts, LLC entitled "Estimated Impact of Beaufort County Tourism in 2018." In 2018, tourism was responsible for over 16,500 jobs, and approximately \$15 million in net revenues for local governments. This figure excludes revenue generated by state and local accommodations tax, local hospitality and recreation taxes. Visitation to Beaufort County had decreased from the prior year as with other areas in this region due to adverse weather events.

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## **Beaufort County School District**

### ***Management's Discussion and Analysis***

***For the fiscal year ended June 30, 2019***

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Total retail sales were up 0.1% in 2018. Countywide, the number of residential new construction permits decreased from 2017 to 2018 by 47%. A large number of residences are currently under construction, particularly in the Bluffton area.

The county's unemployment rate at 3.3% remains below the State of South Carolina's rate of 3.6% as of June 2019. The rate remained steady with no change from the prior year. Business expansion in the area have contributed to a steady low unemployment rate.

The most recent available information shows the County has a median family income of \$60,603 for calendar 2017. This income level continually ranks the County as one of the highest in the State and is above national levels.

During tax year 2018 (fiscal year 2019), the Beaufort County Council decreased the operating millage from 113.5 to 104.6 mills resulting in a negative variance in the amount of \$9.3 million. This negative variance was a primary factor in not maintaining unassigned fund balance at a level that falls within the 15% to 17% range of budgeted expenditures required by Board policy. The Beaufort County Council increased the operating millage from 104.6 to 114.0 for tax year 2019 (fiscal year 2020).

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 158 students to 22,345 from 22,187 in the prior year, an increase of .71%. 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.

The FY 2020 General Fund budget was approved at \$254.3 million, an increase of 5.4% from the FY 2019 budget of \$241.3 million. A portion of the rise in expenditures is state mandated, including \$10.8 million for teacher step increases and a rise in retirement and health insurance costs. Increases due to enrollment growth amounted to \$2.2 million. Increases due to safety and security, operational and other increases totaled \$2.7 million. Budget reductions were needed to bring the budget to a level supported by County Council. The administration identified savings in custodial services, energy, property and athletic insurance, and telecommunications and was able to move staff members to Special Revenue Funds, all amounting to \$2.7 million in budget reductions.

This FY 2020 budget represents a balance between keeping momentum in student achievement and minimizing tax-payer impact. Local tax revenues for FY 2020 are based upon a millage rate of 114.0. This represents an increase of 9.4 mills from the prior year. 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.



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## **Beaufort County School District**

### ***Management's Discussion and Analysis***

***For the fiscal year ended June 30, 2019***

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#### **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, 2019

	Primary Government			Component Unit
	Governmental activities	Business-type activities	Total	Riverview Charter School
<b>Assets</b>				
<b>Current assets</b>				
Cash and investments	\$ 21,048,671	\$ 1,928,174	\$ 22,976,845	\$ 805,679
Deposits with Beaufort County Treasurer	83,340,081	-	83,340,081	-
Receivables				
Taxes, net	9,261,980	-	9,261,980	-
Due from other governmental units	9,489,887	379,731	9,869,618	39,246
Other	124,953	454,008	578,961	12,638
Internal balances	(45,092)	45,092	-	-
Inventories	-	45,107	45,107	-
Restricted cash and cash equivalents	46,549	-	46,549	-
Prepaid items	2,023,253	-	2,023,253	6,544
Deferred charges	-	-	-	-
Total current assets	125,290,282	2,852,112	128,142,394	864,107
<b>Non-current assets</b>				
Deposits	-	-	-	10,000
Non-depreciable capital assets	59,326,934	-	59,326,934	125,864
Depreciable capital assets, net of accumulated depreciation	454,783,010	2,112,047	456,895,057	-
Total non-current assets	514,109,944	2,112,047	516,221,991	135,864
<b>Deferred outflows of resources</b>				
Deferred outflows related to pensions	44,521,982	108,340	44,630,322	1,445,678
Deferred outflows related to OPEB	11,874,915	28,897	11,903,812	430,079
Deferred charge on refunding	5,215,808	-	5,215,808	-
Total deferred outflows of resources	61,612,705	137,237	61,749,942	1,875,757
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	7,043,864	1,306,168	8,350,032	28,090
Retainage payable	651,787	-	651,787	171,857
Due to other governmental units	74,777	-	74,777	5,961
Accrued salaries and benefits	19,731,627	39,623	19,771,250	-
Unearned revenue	5,256,850	140,448	5,397,298	39,443
Accrued interest	7,234,060	-	7,234,060	-
Short-term debt obligations	348,000	-	348,000	-
Long-term liabilities, due within one year	49,558,461	-	49,558,461	-
Total current liabilities	89,899,426	1,486,239	91,385,665	245,351
<b>Long-term liabilities</b>				
Long-term liabilities, net of current portion	246,236,214	2,509	246,238,723	-
Net pension obligation	263,731,317	641,767	264,373,084	7,160,840
Net OPEB obligation	210,749,841	512,841	211,262,682	5,763,177
Total long-term liabilities	720,717,372	1,157,117	721,874,489	12,924,017
Total liabilities	810,616,798	2,643,356	813,260,154	13,169,368
<b>Deferred inflows of resources</b>				
Deferred inflows related to pensions	11,082,248	26,968	11,109,216	347,159
Deferred inflows related to OPEB	18,086,089	44,011	18,130,100	471,366
Total deferred inflows of resources	29,168,337	70,979	29,239,316	818,525
<b>Net position</b>				
Net investment in capital assets	255,368,095	2,112,047	257,480,142	125,864
Restricted for:				
Capital projects	30,359,266	-	30,359,266	-
Debt service	19,102,507	-	19,102,507	-
Special Projects	-	-	-	104,364
Unrestricted	(443,602,072)	275,014	(443,327,058)	(11,342,393)
Total net position	\$ (138,772,204)	\$ 2,387,061	\$ (136,385,143)	\$ (11,112,165)

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, 2019

Functions/Programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			Component Unit Riverview Charter School
		Charges for sales and service	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total	
Governmental activities								
Instruction	\$ 159,073,172	\$ 74,350	\$ 38,111,292	\$ -	\$ (120,887,530)		\$ (120,887,530)	
Support services	137,217,839	-	22,992,955	-	(114,224,884)		(114,224,884)	
Community services	269,169	-	254,111	-	(15,058)		(15,058)	
Payments to component units	6,347,868	-	-	-	(6,347,868)		(6,347,868)	
Intergovernmental expenditures	2,043,205	-	-	-	(2,043,205)		(2,043,205)	
Interest and other charges	7,636,395	-	-	-	(7,636,395)		(7,636,395)	
Total governmental activities	312,587,648	74,350	61,358,358	-	(251,154,940)		(251,154,940)	
Business-type activities								
Food service	10,488,104	1,750,372	8,906,330	-		\$ 168,598	168,598	
Total business-type activities	10,488,104	1,750,372	8,906,330	-		168,598	168,598	
Total primary government	\$ 323,075,752	\$ 1,824,722	\$ 70,264,688	\$ -	(251,154,940)	168,598	(250,986,342)	
Component unit Charter school	\$ 7,579,135	\$ 441,747	\$ 6,772,961	\$ -				\$ (364,427)
General revenues:								
Property taxes levied for:								
General purposes					135,222,656	-	135,222,656	-
Debt service					59,990,989	-	59,990,989	-
Federal and state aid not restricted for specific purpose					57,713,475	-	57,713,475	-
Unrestricted investment earnings					1,619,331	1,920	1,621,251	-
Miscellaneous					4,686,358	-	4,686,358	358,729
Subtotal, general revenues					259,232,809	1,920	259,234,729	358,729
Excess of revenues over (under) expenses					8,077,869	170,518	8,248,387	(5,698)
Transfers					3,882	(3,882)	-	-
Change in net position					8,081,751	166,636	8,248,387	(5,698)
Net position, beginning of year					(146,853,955)	2,220,425	(144,633,530)	(11,106,467)
Net position, end of year					\$ (138,772,204)	\$ 2,387,061	\$ (136,385,143)	\$ (11,112,165)

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

**Beaufort County School District****Balance Sheet - Governmental Funds****As of June 30, 2019**

	Special Revenue Funds					Non-Major	Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service - District	Capital Projects	Debt Service - EFC	
<b>Assets</b>							
Cash and investments	\$ 14,061,454	\$ -	\$ -	\$ -	\$ 6,987,217	\$ -	\$ 21,048,671
Deposits with Beaufort County Treasurer	32,617,183	-	4,811,110	17,622,244	28,289,544	-	83,340,081
Receivables							
Accounts receivable	72,483	51,139	-	-	1,331	-	124,953
Taxes, net	7,036,806	-	-	2,225,174	-	-	9,261,980
Due from other governmental units	4,897,006	3,081,127	172,595	1,339,159	-	-	9,489,887
Prepaid items	1,885,406	129,141	8,706	-	-	-	2,023,253
Due from other funds	141,015	307	2,100	-	-	-	143,422
Restricted cash and cash equivalents	-	-	-	-	-	46,549	46,549
Total assets	<u>\$ 60,711,353</u>	<u>\$ 3,261,714</u>	<u>\$ 4,994,511</u>	<u>\$ 21,186,577</u>	<u>\$ 35,278,092</u>	<u>\$ 46,549</u>	<u>\$ 125,478,796</u>
<b>Liabilities</b>							
Accounts payable	\$ 3,667,435	\$ 439,930	\$ 67,209	\$ -	\$ 4,244,214	\$ 2,799	\$ 8,421,587
Retainage payable	-	-	-	-	651,787	-	651,787
Due from other governmental units	-	-	74,777	-	-	-	74,777
Due to other funds	178,224	8,620	1,670	-	-	-	188,514
Accrued salaries and benefits	17,301,633	1,094,960	1,312,209	-	22,825	-	19,731,627
Short-term debt obligations	-	-	-	348,000	-	-	348,000
Unearned revenue	-	1,718,204	3,538,646	-	-	-	5,256,850
Total liabilities	<u>21,147,292</u>	<u>3,261,714</u>	<u>4,994,511</u>	<u>348,000</u>	<u>4,918,826</u>	<u>2,799</u>	<u>34,673,142</u>
<b>Deferred inflows of resources</b>							
Unavailable revenue	6,017,289	-	-	1,779,820	-	-	7,797,109
<b>Fund balances</b>							
Nonspendable	1,885,406	129,141	8,706	-	-	-	2,023,253
Restricted	-	-	-	19,058,757	30,359,266	43,750	49,461,773
Unassigned	31,661,366	(129,141)	(8,706)	-	-	-	31,523,519
Total fund balances	<u>33,546,772</u>	<u>-</u>	<u>-</u>	<u>19,058,757</u>	<u>30,359,266</u>	<u>43,750</u>	<u>83,008,545</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 60,711,353</u>	<u>\$ 3,261,714</u>	<u>\$ 4,994,511</u>	<u>\$ 21,186,577</u>	<u>\$ 35,278,092</u>	<u>\$ 46,549</u>	<u>\$ 125,478,796</u>

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, 2019*

Total governmental fund balances	\$ 83,008,545
<b>Amounts reported for governmental activities in the Statement of Net Position are different because of the following:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$863,100,612 and the accumulated depreciation is \$348,990,668.	514,109,944
Property taxes receivable are not available to pay for current period expenditures and therefore are unavailable in the funds.	7,797,109
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.	1,377,723
Pension related deferrals	16,537,996
OPEB related deferrals	(14,099,759)
Contributions to the pension plans in the current year	16,901,738
Contributions to the OPEB plans in the current year	7,888,585
Net pension obligation	(263,731,317)
Net OPEB obligation	(210,749,841)
Some liabilities and deferred amounts are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(273,905,621)
Acquisition note payable	(2,139,600)
Accrued compensated absences	(1,456,258)
Accrued interest payable	(7,234,060)
Unamortized bond premiums	(18,293,196)
Deferred charge on refunding	5,215,808
Net position of governmental activities	<u>\$ (138,772,204)</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, 2019**

		Special Revenue Funds				Non-Major	
	General	Special Projects	Education Improvement Act	Debt Service - District	Capital Projects	Debt Service - EFC	Total Governmental Funds
<b>Revenues</b>							
Local							
Property taxes	\$ 135,222,656	\$ -	\$ -	\$ 61,158,491	\$ -	\$ -	\$ 196,381,147
Interest	354,161	-	-	171,190	1,089,473	4,507	1,619,331
Other	451,691	928,048	-	-	1,106,581	-	2,486,320
Total local	136,028,508	928,048	-	61,329,681	2,196,054	4,507	200,486,798
State	86,021,669	5,469,493	14,604,018	1,379,111	-	-	107,474,291
Federal	809,072	12,228,066	-	-	79,893	-	13,117,031
Total revenues	222,859,249	18,625,607	14,604,018	62,708,792	2,275,947	4,507	321,078,120
<b>Expenditures</b>							
Current							
Instruction	141,660,519	10,948,211	5,862,872	-	-	-	158,471,602
Support services	88,074,169	5,164,467	1,669,931	-	-	-	94,908,567
Community services	-	254,111	-	-	-	-	254,111
Debt service							
Principal	-	-	-	44,875,700	-	2,005,000	46,880,700
Interest and fiscal charges	23,660	-	-	12,080,006	-	737,630	12,841,296
Capital outlay	-	-	-	-	29,616,581	-	29,616,581
Intergovernmental expenditures							
Payments to other governmental units	6,459,252	1,810,776	121,045	-	-	-	8,391,073
Total expenditures	236,217,600	18,177,565	7,653,848	56,955,706	29,616,581	2,742,630	351,363,930
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(13,358,351)</b>	<b>448,042</b>	<b>6,950,170</b>	<b>5,753,086</b>	<b>(27,340,634)</b>	<b>(2,738,123)</b>	<b>(30,285,810)</b>
<b>Other financing sources (uses)</b>							
Transfers in	7,512,094	-	-	-	103,870	2,723,958	10,339,922
Transfers out	(213,870)	(448,042)	(6,950,170)	(2,723,958)	-	-	(10,336,040)
Proceeds from the sale of capital assets	-	-	-	-	4,000	-	4,000
Premium on bonds sold	-	-	-	23,746	1,485,732	-	1,509,478
Issuance of general obligation bonds	-	-	-	-	29,250,000	-	29,250,000
Total other financing sources (uses)	7,298,224	(448,042)	(6,950,170)	(2,700,212)	30,843,602	2,723,958	30,767,360
Net change in fund balances	(6,060,127)	-	-	3,052,874	3,502,968	(14,165)	481,550
<b>Fund balances, beginning of year</b>	<b>39,606,899</b>	<b>-</b>	<b>-</b>	<b>16,005,883</b>	<b>26,856,298</b>	<b>57,915</b>	<b>82,526,995</b>
<b>Fund balances, end of year</b>	<b>\$ 33,546,772</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,058,757</b>	<b>\$ 30,359,266</b>	<b>\$ 43,750</b>	<b>\$ 83,008,545</b>

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, 2019**

Total net change in fund balance - governmental funds	\$ 481,550
<b>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</b>	
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 the net acquisition of capital assets (\$19,465,409) was exceeded by depreciation expense (\$21,206,174) in the period.	(1,740,765)
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	46,186,000
Note payable repayment	694,700
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.	(29,250,000)
Premiums on bonds sold	(1,509,478)
Amortization of bond premiums	6,000,655
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 decreased by this amount this year.	(1,167,502)
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.	(100,335)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	16,901,738
A 1% contribution made by the State on employers' behalves directly to PEBA in fiscal year 2019 is not included on the Statement of Activities as the measurement date for fiscal year 2020 is a year in arrears. Revenues and expenditures of \$1,207,017 are excluded from the Statement of Activities.	-
A 1% contribution made by the State on employers' behalves directly to PEBA in the prior fiscal year is not reported as revenue in the governmental funds but is included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears.	1,207,017
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	7,888,585
Non-employer contributions related to OPEB made by PEBA on behalf of the School District in fiscal year 2019 are not included on the Statement of Activities as the measurement date for fiscal year 2020 is a year in arrears. Revenues and expenditures of \$1,537,968 are excluded from the Statement of Activities.	-
Non-employer contributions related to OPEB made by PEBA on behalf of the School District in the prior fiscal year are not reported as revenue in the governmental funds but are included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears.	1,594,167
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.	
Amortization of deferred amount on refunding	(1,007,502)
School District's portion of net pension related expenses	(27,357,785)
School District's portion of net OPEB related expenses	(12,004,133)
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.	358,391
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.	906,448
Change in net position of governmental activities	\$ 8,081,751

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, 2019**

	Business-type Activities Enterprise Fund- Student Nutrition	Governmental Activities Internal Service Fund
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,928,174	\$ 1,737,049
Due from other governmental units	379,731	-
Accounts receivable	454,008	-
Due from other funds, net	45,092	-
Inventories	45,107	-
Total current assets	2,852,112	1,737,049
<b>Non-current assets</b>		
Equipment and vehicles	5,619,464	-
Less: accumulated depreciation	(3,507,417)	-
Total non-current assets	2,112,047	-
Total assets	4,964,159	1,737,049
<b>Deferred outflows of resources</b>		
Deferred outflows related to pensions	108,340	-
Deferred outflows related to other postemployment benefits	28,897	-
Total deferred outflows of resources	137,237	-
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	1,306,168	533
Accrued salaries and benefits	39,623	-
Claims payable	-	358,793
Unearned revenue	140,448	-
Total current liabilities	1,486,239	359,326
<b>Long-term liabilities</b>		
Net pension obligation	641,767	-
Net other postemployment benefits liability	512,841	-
Accrued compensated absences	2,509	-
Total long-term liabilities	1,157,117	-
Total liabilities	2,643,356	359,326
<b>Deferred inflows of resources</b>		
Deferred inflows related to pensions	26,968	-
Deferred inflows related to other postemployment benefits	44,011	-
Total deferred inflows of resources	70,979	-
<b>Net position</b>		
Net investment in capital assets	2,112,047	-
Unrestricted	275,014	1,377,723
Total net position	\$ 2,387,061	\$ 1,377,723

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, 2019**

	Business-type Activities Enterprise Fund- Student Nutrition	Governmental Activities Internal Service Fund
<b>Operating revenues</b>		
Proceeds from sale of meals	\$ 1,497,008	\$ -
Miscellaneous	802,269	1,225,054
Total operating revenues	2,299,277	1,225,054
<b>Operating expenses</b>		
Food costs	680,418	-
Salaries, wages and benefits	346,295	536,898
Supplies	132,887	329,765
Depreciation	255,170	-
Supplies and materials	8,943,431	-
Total operating expenses	10,358,201	866,663
Operating income (loss)	(8,058,924)	358,391
<b>Non-operating revenues (expenses)</b>		
USDA reimbursements	7,677,007	-
Commodities received from USDA	680,418	-
Interest	1,920	-
Payments to charter school	(129,903)	-
Total non-operating revenues (expenses)	8,229,442	-
<b>Transfers in (out), net</b>	(3,882)	-
Change in net position	166,636	358,391
<b>Net position, beginning of year</b>	2,220,425	1,019,332
<b>Net position, end of year</b>	\$ 2,387,061	\$ 1,377,723

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, 2019**

	Business-type Activities Enterprise Fund- Student Nutrition	Governmental Activities Internal Service Funds
<b>Cash flows from operating activities:</b>		
Operating cash receipts from customers and users	\$ 2,944,905	\$ -
Charges from other funds	-	1,225,054
Payments to and on behalf of employees	(432,422)	(510,691)
Payments to suppliers for goods and services	(9,935,899)	(343,209)
Net cash used by (for) operating activities	(7,423,416)	371,154
<b>Cash flows from noncapital financing activities:</b>		
USDA Reimbursements	8,357,425	-
Advances between funds	(3,882)	-
Payments to charter school	(129,903)	-
Net cash received from noncapital financing activities	8,223,640	-
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(112,246)	-
Net cash provided by (used for) capital and related financing activities	(112,246)	-
<b>Cash flows from investing activities:</b>		
Interest on investments	1,920	-
Net cash received from investing activities	1,920	-
Net change in cash and cash equivalents	689,898	371,154
<b>Cash and cash equivalents, beginning of year</b>	<b>1,238,276</b>	<b>1,365,895</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,928,174</b>	<b>\$ 1,737,049</b>
<b>Reconciliation of operating income (loss) to net cash used by operating activities:</b>		
Operating income (loss)	\$ (8,058,924)	\$ 358,391
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	255,170	-
Changes in assets and liabilities:		
Accounts receivable	686,898	-
Inventories	21,636	-
Accounts payable	(206,152)	(13,444)
Accrued salaries and benefits	(3,502)	-
Accrued compensated absences	1,516	-
Claims payable	-	26,207
Due to/from other funds	(13,137)	-
Unearned revenue	(22,780)	-
Pension related deferred outflows / inflows and liabilities	(34,739)	-
OPEB related deferred outflows / inflows and liabilities	(49,402)	-
Net cash provided by (used for) operating activities	\$ (7,423,416)	\$ 371,154
<b>Supplemental information:</b>		
Non-cash commodities received from the USDA	\$ 680,418	\$ -

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, 2019******Assets***

Cash	\$	2,876,881
Accounts receivable		1,700
Prepaid items		850
Total assets	\$	<u>2,879,431</u>

***Liabilities***

Accounts payable	\$	242,201
Accrued salaries and benefits		31,275
Due to student organizations		2,605,955
Total liabilities	\$	<u>2,879,431</u>

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

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 1. Summary of Significant Accounting Policies**

**Beaufort County School District** (the "School District") operates 17 elementary schools, 2 pre-K through 8<sup>th</sup> 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** - South Carolina Association of Governmental Organizations ("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 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, 2019

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#### 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. Interfund services provided and used are not eliminated in the process of consolidation. 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, 2019

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#### 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 denoted as such.

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 governmental funds:

**General Fund (major 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.

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## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### Note 1. Summary of Significant Accounting Policies, Continued

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

###### **Governmental Funds (continued)**

**Special Revenue Funds (major 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 (major fund)** – a fund that holds financial resources that are restricted, committed, or assigned to account for capital outlay expenditures.

**Debt Service Fund - District (major fund)** - 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 (non-major fund)** - 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 (major 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.

**Enterprise Funds (major fund)** - 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.



## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### Note 1. Summary of Significant Accounting Policies, Continued

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

**Internal Service Funds (non-major fund)** – a fund 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** - funds 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.

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.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### Note 1. Summary of Significant Accounting Policies, Continued

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

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, 2019, 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.

**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, 2019, has been recorded at fair value as provided by the USDA.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 1. Summary of Significant Accounting Policies, Continued

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

**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 and construction in progress, 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 acquisition value 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

**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.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### Note 1. Summary of Significant Accounting Policies, Continued

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

**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 and OPEB liability not included in pension expense or OPEB expense, respectively, 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.

**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.

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 1. Summary of Significant Accounting Policies, Continued**

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

**Postemployment Benefits Other Than Pensions (OPEB)** – For purposes of measuring the District’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (“SCRHITF”) and the South Carolina Long-Term Disability Insurance Trust Fund (“SCLTDITF”), collectively referred to as the Other Post-Employment Benefits Trust Funds (“OPEB Trusts”), and additions to/deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they are reported by the OPEB Trusts. For this purpose, the OPEB Trusts recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Fund Balances and Net Position - Government-Wide Statements** - Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. 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.

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 1. Summary of Significant Accounting Policies, Continued**

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

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.

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, 2019, no such delegation of authority had 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 15-17% of annual operating expenditures for the next fiscal year. At June 30, 2019, the School District's unassigned General Fund fund balance was 13% of 2019 budgeted expenditures. Proprietary fund balance is classified the same as in government-wide statements.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### 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. New accounting standards

Statement No. 88, "Certain Disclosures Related to Debt, Including Debt Borrowings and Direct Placements." This Statement emphasizes that debt related disclosures should separate information regarding direct borrowings and direct placements from other types of debt as well as disclose information regarding unused lines of credit, if any, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default or termination events with finance related consequences and any subjective acceleration clauses. The requirements of this Statement are effective for the current fiscal year.

The GASB issued Statement No. 84, "Fiduciary Activities," in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018.

Other accounting standards that have been issued or proposed by the GASB or other standards-setting bodies are not expected to have a material impact on the District's financial position, changes in net position, or cash flows.

##### 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 20, 2019, the date the financial statements were available for issuance.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### 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. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts adopted in the original appropriations. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended budget issued during the year ended June 30, 2019. Each budget is prepared by function and object as dictated by the State-adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School District's policies allow funds to be transferred between functions with administrative approval. The total budget cannot be increased beyond that level approved by the Board originally and in supplementary action. The legal level of control is at the fund level. No supplemental appropriations were necessary during the year.

#### Note 3. Deposits and Investments

A reconciliation of cash for the School District as of June 30, 2019 to total deposits is as follows:

Cash and cash equivalents - governmental funds	\$ 14,061,454
Restricted cash and cash equivalents - governmental funds	7,033,766
Cash and cash equivalents - enterprise fund	1,928,174
Cash and cash equivalents - internal service fund	1,737,049
Cash - agency fund	<u>2,876,881</u>
	<u>\$ 27,637,324</u>

#### 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.



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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 3. Deposits and Investments, Continued**

##### *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, 2019 the carrying amount of the School District's deposits was \$27,637,324 and the bank balance was \$27,835,533. 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 \$83,340,081.

##### *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

##### *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:

## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 3. Deposits and Investments, Continued**

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.

#### *Fair value of financial instruments:*

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.

Amounts on deposit in the SCLGIP 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 requirements as the School District under state law. The carrying values of these investments approximate fair values. The SCLGIP is responsible for maintaining these investments in accordance with state law.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### 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 94% of the current tax levy for the year ended June 30, 2019.

The assessed value of real and other personal property, exclusive of vehicles (valued at \$107,122,140) is \$1,862,254,702. The School District's general operations millage is 104.6 mills (\$10.46 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, 2019 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	\$ 10,011,253	\$ -	\$ -	\$ 3,138,076	\$ -	\$ -
Due from other governmental units	4,897,006	3,081,127	172,595	1,339,159	-	379,731
Other	<u>72,483</u>	<u>51,139</u>	<u>-</u>	<u>-</u>	<u>1,331</u>	<u>454,008</u>
Gross receivables	14,649,903	3,132,266	172,595	4,306,045	1,331	833,739
Less allowance for uncollectible property tax	<u>(2,974,447)</u>	<u>-</u>	<u>-</u>	<u>(912,902)</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 12,006,295</u>	<u>\$ 3,132,266</u>	<u>\$ 172,595</u>	<u>\$ 3,564,333</u>	<u>\$ 1,331</u>	<u>\$ 833,739</u>

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 6. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, July 1, 2018	Additions/ Transfers	Deductions/ Transfers	Balance, June 30, 2019
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 41,299,484	\$ -	\$ -	\$ 41,299,484
Construction in progress	<u>10,251,284</u>	<u>12,408,925</u>	<u>4,632,759</u>	<u>18,027,450</u>
Total capital assets, not being depreciated	<u>51,550,768</u>	<u>12,408,925</u>	<u>4,632,759</u>	<u>59,326,934</u>
Capital assets, being depreciated				
Improvements	227,566,203	8,411,104	-	235,977,307
Buildings	524,148,599	2,331,087	-	526,479,686
Equipment	<u>40,387,604</u>	<u>947,052</u>	<u>17,971</u>	<u>41,316,685</u>
Total capital assets, being depreciated	<u>792,102,406</u>	<u>11,689,243</u>	<u>17,971</u>	<u>803,773,678</u>
Totals at historical cost	<u>843,653,174</u>	<u>24,098,168</u>	<u>4,650,730</u>	<u>863,100,612</u>
Less accumulated depreciation				
Improvements	97,293,606	7,987,513	-	105,281,119
Buildings	199,030,610	11,269,109	-	210,299,719
Equipment	<u>31,478,249</u>	<u>1,949,552</u>	<u>17,971</u>	<u>33,409,830</u>
Total accumulated depreciation	<u>327,802,465</u>	<u>21,206,174</u>	<u>17,971</u>	<u>348,990,668</u>
Total capital assets, being depreciated	<u>464,299,941</u>	<u>(9,516,931)</u>	<u>-</u>	<u>454,783,010</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 515,850,709</u>	<u>\$ 2,891,994</u>	<u>\$ 4,632,759</u>	<u>\$ 514,109,944</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 501,235
Support services	20,689,881
Community services	<u>15,058</u>
Total depreciation expense	<u>\$ 21,206,174</u>

**Beaufort County School District****Notes to Basic Financial Statements****For the fiscal year ended June 30, 2019****Note 6. Capital Assets, Continued**

	Balance, July 1, 2018	Additions/ Transfers	Deductions/ Transfers	Balance, June 30, 2019
<b>Business-type activities</b>				
Equipment	\$ 5,120,048	\$ 112,246	\$ 163,711	\$ 5,396,005
Vehicles	223,459	-	-	223,459
Equipment in progress	<u>163,711</u>	<u>-</u>	<u>(163,711)</u>	<u>-</u>
	<u>5,507,218</u>	<u>112,246</u>	<u>-</u>	<u>5,619,464</u>
Less accumulated depreciation				
Equipment	3,091,553	231,568	-	3,323,121
Vehicles	<u>160,694</u>	<u>23,602</u>	<u>-</u>	<u>184,296</u>
	<u>3,252,247</u>	<u>255,170</u>	<u>-</u>	<u>3,507,417</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 2,254,971</u>	<u>\$ (142,924)</u>	<u>\$ -</u>	<u>\$ 2,112,047</u>

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

Governmental funds report unavailable revenue in the fund financial statements 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, 2019, the various components of unavailable/unearned revenue were as follows:

	Fund Statements	Government wide
Property taxes	\$ 7,797,109	\$ -
Grant revenue	<u>5,256,850</u>	<u>5,397,298</u>
	<u>\$ 13,053,959</u>	<u>\$ 5,397,298</u>

**Note 8. Transfers From (to) Other Funds**

Transfers from (to) other funds for the year ended June 30, 2019 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 7,512,094	\$ 213,870
Special Projects Fund	-	448,042
Education Improvement Act Fund	-	6,950,170
Debt Service Fund - District	-	2,723,958
Debt Service Fund - EFC	2,723,958	-
Capital Projects Fund	<u>103,870</u>	<u>-</u>
Total governmental funds	<u>10,339,922</u>	<u>10,336,040</u>
Food Service Fund	<u>110,000</u>	<u>113,882</u>
Total proprietary funds	<u>110,000</u>	<u>113,882</u>
Total transfers	<u>\$ 10,449,922</u>	<u>\$ 10,449,922</u>

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**Beaufort County School District****Notes to Basic Financial Statements****For the fiscal year ended June 30, 2019**

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**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.

Transfers out of the Education Improvement Act and Special Projects Fund to the General Fund are to cover allowable salaries paid out of the General Fund. Transfers out of the School Food Service Fund to the General Fund are to cover indirect costs.

Transfers out of the Debt Service Fund - District to the Debt Service Fund - EFC are to make interest and principal payments on the Installment Purchase Revenue Bonds with proceeds from short term borrowings.

**Note 9. Interfund Receivables and Payables**

Interfund balances at June 30, 2019 consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 141,015	\$ 178,224
Special Projects Fund	307	8,620
Educational Improvement Act Fund	<u>2,100</u>	<u>1,670</u>
Total governmental funds	<u>143,422</u>	<u>188,514</u>
Food Service Fund	<u>45,092</u>	-
Total proprietary funds	<u>45,092</u>	-
	<u>\$ 188,514</u>	<u>\$ 188,514</u>

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, 2019

#### Note 10. Long Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2019 were as follows:

	Principal outstanding July 1, 2018	Additions	Reductions	Principal outstanding June 30, 2019	Amounts due in one year
<b>Governmental activities</b>					
<b>Bonds Payable</b>					
General obligation bonds	\$ 235,770,000	\$ 29,250,000	\$ 43,075,000	\$ 221,945,000	\$ 40,310,000
Total bonded indebtedness	235,770,000	29,250,000	43,075,000	221,945,000	40,310,000
Unamortized bond premiums	22,784,373	1,509,478	6,000,655	18,293,196	5,131,477
Total bonds payable	258,554,373	30,759,478	49,075,655	240,238,196	45,441,477
<b>Direct Borrowing/Direct Placement</b>					
General obligation bonds	29,796,621	-	1,106,000	28,690,621	1,127,000
IPRB bonds	25,275,000	-	2,005,000	23,270,000	2,050,000
Note payable	2,834,300	-	694,700	2,139,600	703,900
	57,905,921	-	3,805,700	54,100,221	3,880,900
<b>Other liabilities</b>					
Pension obligation, net**	265,502,041		1,770,724	263,731,317	-
OPEB obligation, net**	202,281,964	8,467,877	-	210,749,841	-
Compensated absences	1,355,923	958,349	858,014	1,456,258	236,084
	469,139,928	9,426,226	2,628,738	475,937,416	236,084
Total governmental activities long-term liabilities	\$ 785,600,222	\$ 40,185,704	\$ 55,510,093	\$ 770,275,833	\$ 49,558,461
<b>Business-type activities</b>					
Pension obligation, net**	\$ 714,837	\$ -	\$ 73,070	\$ 641,767	\$ -
OPEB obligation, net**	544,624	-	31,783	512,841	-
Compensated absences	993	2,953	1,437	2,509	-
Total business-type activities long-term liabilities	\$ 1,260,454	\$ 2,953	\$ 106,290	\$ 1,157,117	\$ -

\*\* The pension and OPEB 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, regular and direct issuance, to provide funds for the acquisition, construction, and major improvement of major capital facilities. No unusual events of default or termination exist for these debt issuances. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. These bonds generally are issued as 5 to 20 year serial bonds with principal maturing each year.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 10. Long Term Liabilities, Continued

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.

General obligations bonds payable at June 30, 2019 are comprised of the following:

Date of Issue	Series	Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2019
December 1, 2009	2009E	1.05**	Sept./Mar.	2026	\$ 10,000,000	\$ 10,000,000
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	50,000
April 24, 2012	2012B	3.0-5.0*+	Sept./Mar.	2024	16,580,000	8,375,000
November 14, 2013	2013D	2.35**^	March	2028	22,000,000	17,840,000
March 1, 2014	2014B	1.25**	Sept./Mar.	2034	25,000,000	21,250,000
February 19, 2015	2015A	2.0-5.0*-	March	2025	95,945,000	64,230,000
March 31, 2015	2015B	3.5-5.0/	March	2023	62,500,000	58,990,000
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	27,790,000
July 13, 2017	2017B	5.0	Sept./Mar.	2021	28,570,000	12,235,000
August 30, 2018	2018B	5.0	March	2022	29,250,000	19,025,000
					<u>\$ 357,668,621</u>	<u>\$ 250,635,621</u>

\* Approved in whole or in part by 1995/2000 bond referendum; not subject to assessed value issuance restrictions.

\*\* Approved in whole or in part by 2008 bond referendum; not subject to assessed value issuance restrictions.

+ Includes \$3,840,000 of non-referendum debt.

- Includes \$56,665,000 of non-referendum debt.

/ Includes \$26,545,500 of 2000/1995 referendum debt and \$32,444,500 of 2006 referendum debt; not subject to assessed value issuance restrictions.

^ General obligation bond direct borrowing.

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, 2019 against these bonds totaled \$32,444,500.

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, 2019 against the \$162,700,000 in General Obligation Bonds totaled \$76,880,000.



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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 10. Long Term Liabilities, Continued**

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 \$38,695,500 at June 30, 2019. In addition, the 2016 EFC IPRB refunding bonds referenced below are not subject to the 8% limitation.

#### **Direct Borrowing and Placement Debt:**

**IPRB Bonds** - The December 1, 2006 IPRB 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 IPRB Bonds through the issuance of Series 2016 IPRB Bonds.

The EFC executed a trust agreement in connection with the IPRB 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 IPRB 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.

**Advance Refunding of IPRB Bonds** - The School District issued \$29,050,000 in IPRB 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 IPRB bonds which had interest rates ranging from 4.0% to 5.0%. Total costs to issue the 2016 IPRB 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 IPRB 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.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 10. Long Term Liabilities, Continued

**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 \$2,139,600 as of June 30, 2019. A first priority lien and security interest in any and all of the School District's right, title and interest in and to the Acquisition Fund, the Equipment, all additions, attachments, accessions, substitutions and replacements thereto, and any and all proceeds thereof, including without limitation, any proceeds of insurance thereon. Upon the payment of each Acquisition Payment, unencumbered title to a portion of the Equipment vests with the School District such that the lien on that Equipment is released.

The annual requirements to amortize all bonds outstanding at June 30, 2019, including interest payments over the life of the debt are summarized as follows:

Years Ending June 30,	Principal	Premiums	Interest	Total
2020	\$ 43,487,000	\$ 5,131,477	\$ 11,323,632	\$ 59,942,109
2021	36,252,621	3,838,485	9,230,225	49,321,331
2022	32,254,000	2,976,111	7,547,633	42,777,744
2023	29,482,000	2,114,621	6,014,023	37,610,644
2024	30,879,000	1,349,420	4,618,501	36,846,921
2025-2029	75,791,000	2,242,615	11,131,689	89,165,304
2030-2034	<u>25,760,000</u>	<u>640,467</u>	<u>2,273,275</u>	<u>28,673,742</u>
	<u>\$ 273,905,621</u>	<u>\$ 18,293,196</u>	<u>\$ 52,138,978</u>	<u>\$ 344,337,795</u>

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

#### Note 11. Short-Term Obligations

The School District's short-term obligations for the year ended June 30, 2019 consisted of the following activity:

	Principal Outstanding July 1, 2018	Additions	Reductions	Principal outstanding June 30, 2019
<b>Governmental activities</b>				
General obligation bonds	\$ 373,000	\$ 3,457,000	\$ 3,482,000	\$ 348,000
Tax anticipation note	-	9,050,000	9,050,000	-
Total governmental activities	<u>\$ 373,000</u>	<u>\$ 12,507,000</u>	<u>\$ 12,532,000</u>	<u>\$ 348,000</u>

The School District issued general obligation bonds on September 27, 2018 in the amount of \$3,109,000, bearing interest at 3.50%, for the purpose of making payments to EFC. The School District repaid the bonds, including interest of approximately \$47,000, in March 2019.

The School District issued general obligation bonds on May 15, 2019 in the amount of \$348,000, maturing in March 2020, bearing interest at 2.00%, for the purpose of making payments to EFC.

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 11. Short-Term Obligations, Continued**

The School District issued a Tax Anticipation Note on August 9, 2018 in the amount of \$9,050,000, maturing in April 2019, bearing interest at 3.00%, to fund operations. The School District repaid the note, including interest of approximately \$186,000, in January 2019.

None of the School District's short term obligations were direct issuances of the School District, and no unusual events of default or termination exist for these debt issuances. General Obligation Bonds are direct obligations and pledge the full faith and credit of the School District.

#### **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 a 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, 2019, no such delegation of authority has been made.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications. The General Fund is the only fund that reports a positive fund unassigned fund balance. 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.

##### ***Government-wide and proprietary fund financial statements***

Net investment in capital assets - represents the net cost of capital assets 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 is as follows:

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 12. Fund Balances and Net Position, Continued

	Governmental Activities
Capital assets, net of accumulated depreciation	\$ 514,109,944
Unspent bond proceeds	35,276,761
Deferred charge on refunding	5,215,808
Accounts and retainages payable	(4,896,001)
Bonds payable	(273,905,621)
Acquisition note payable	(2,139,600)
Unamortized bond premiums	(18,293,196)
	<u>\$ 255,368,095</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.

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	\$ 1,885,406	\$ 129,141	\$ 8,706	\$ -	\$ -	\$ -	\$ 2,023,253
	<u>1,885,406</u>	<u>129,141</u>	<u>8,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,023,253</u>
Restricted for:							
Debt service	-	-	-	19,058,757	43,750	-	19,102,507
Capital projects	-	-	-	-	-	30,359,266	30,359,266
	-	-	-	<u>19,058,757</u>	<u>43,750</u>	<u>30,359,266</u>	<u>49,461,773</u>
Unassigned	31,661,366	(129,141)	(8,706)	-	-	-	31,523,519
	<u>\$ 33,546,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,058,757</u>	<u>\$ 43,750</u>	<u>\$ 30,359,266</u>	<u>\$ 83,008,545</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 \$680,418 of commodities provided and consumed during the year ended June 30, 2019.

##### 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.

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 14. Retirement Benefits**

##### Description of the entity:

The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina (the "State"), including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems (the "Systems")' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the South Carolina Retirement System ("SCRS") and South Carolina Police Officers Retirement System ("PORS") employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the Retirement Systems Investment Commission ("RSIC") and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

##### Plan descriptions:

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

The State Optional Retirement Program ("ORP") is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 14. Retirement Benefits, Continued**

##### *Plan descriptions, continued:*

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

##### *Membership:*

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

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

**State ORP** - As an alternative to membership in SCRS, 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 ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. 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 the ORP vendor 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.

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 14. Retirement Benefits, Continued**

##### Benefits:

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

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

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

**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. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### Note 14. Retirement Benefits, Continued

##### Contributions, continued:

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule.

Required **employee** contribution rates<sup>1</sup> are as follows:

	<u>Fiscal Year 2019<sup>1</sup></u>	<u>Fiscal Year 2018<sup>1</sup></u>
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%



## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 14. Retirement Benefits, Continued

##### Contributions, continued:

Required **employer** contribution rates<sup>1</sup> are as follows:

	<u>Fiscal Year 2019<sup>1</sup></u>	<u>Fiscal Year 2018<sup>1</sup></u>
<b>SCRS</b>		
Employer Class Two	14.41%	13.41%
Employer Class Three	14.41%	13.41%
Employer Incidental Death Benefit	.15%	.15%
<b>State ORP</b>		
Employer Contribution <sup>2</sup>	14.41%	13.41%
Employer Incidental Death Benefit	.15%	.15%
<b>PORS</b>		
Employer Class Two	16.84%	15.84%
Employer Class Three	16.84%	15.84%
Employer Incidental Death Benefit	.20%	.20%
Employer Incidental Death Program	.20%	.20%

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

<sup>2</sup> 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.

Contributions to the SCRS, ORP, and PORS pension plans from the School District were \$16,942,867 for the year ended June 30, 2019.

##### Net pension liability:

At June 30, 2019, the School District reported a liability of \$264,315,046 and \$58,038 for its proportionate share of the SCRS and PORS net pension liability ("NPL"), respectively. The NPL was measured as of June 30, 2018, and the total pension liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as July 1, 2017 and projected forward. The School District's proportionate share of the NPL was 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, 2018, the School District's proportionate share of the SCRS and PORS plans were 1.179 percent and 0.002 percent, respectively.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 14. Retirement Benefits, Continued

##### Non-employer contributions:

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2018 and 2019. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the year ended June 30, 2018 measurement period, PEBA provided non-employer contributions to the School District in the amount of \$1,207,017 which is shown as a reduction of net pension liability and other grant revenue in the government-wide financial statements as of and for the year ended June 30, 2019, which are presented on the economic resources measurement focus and accrual basis of accounting.

##### Pension expense:

For the year ended June 30, 2019, the School District recognized pension expense (benefit) for the SCRS and PORS plans of \$26,164,519 and (\$11,087), respectively.

##### Deferred Inflows of Resources and Deferred Outflows of Resources:

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 477,121	\$ 1,555,421
Changes of assumptions	10,486,543	-
Net difference between projected and actual earnings on pension plan investments	13,087,312	8,888,662
Changes in proportion and differences between School District contributions and proportionate share of contributions	3,603,243	571,823
School District contributions subsequent to the measurement date	16,942,106	-
Total	<u>\$ 44,596,325</u>	<u>\$ 11,015,906</u>

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### 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	\$ 1,788	\$ -
Changes of assumptions	3,827	-
Net difference between projected and actual earnings on pension plan investments	3,593	2,433
Changes in proportion and differences between School District contributions and proportionate share of contributions	24,028	87,877
School District contributions subsequent to the measurement date	761	-
Total	<u>\$ 33,997</u>	<u>\$ 90,310</u>

The \$16,942,106 and \$761 reported as of June 30, 2019 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, will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2020.

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>
2020	\$ 11,953,433
2021	8,081,335
2022	(2,949,953)
2023	<u>(449,502)</u>
	<u>\$ 16,635,313</u>
<u>Year ended June 30:</u>	<u>PORS</u>
2020	\$ (15,415)
2021	(15,750)
2022	(17,863)
2023	<u>(8,046)</u>
	<u>\$ (57,074)</u>

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 14. Retirement Benefits, Continued

##### Actuarial assumptions and methods:

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2018, total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the Systems' consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2017. The TPL was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return <sup>1</sup>	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) <sup>1</sup>	3.5% to 9.5% (varies by service) <sup>1</sup>
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

<sup>1</sup> Includes inflation at 2.25%

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

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 14. Retirement Benefits, Continued

##### Actuarial assumptions and methods, continued:

Assumptions used in the determination of the June 30, 2018, TPL are as follows.

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

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%
PORS	7,403,972,673	4,570,430,247	2,833,542,426	61.7%

##### Long-term expected rate of return:

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.28 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.03 percent real rate of return and a 2.25 percent inflation component.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 14. Retirement Benefits, Continued

##### Long-term expected rate of return, continued:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity:</b>			
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
<b>Real Assets:</b>			
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
<b>Opportunistic:</b>			
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
<b>Diversified Credit:</b>			
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debts	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
<b>Conservative Fixed Income:</b>			
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
<b>Total Expected Real Return</b>	<b>100.0%</b>		<b>5.03%</b>
Inflation for Actuarial Purposes			2.25%
<b>Total Expected Nominal Return</b>			<b>7.28%</b>

##### Discount rate:

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

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 14. Retirement Benefits, Continued

##### Sensitivity analysis:

The following table presents the collective NPL of the School District calculated using the discount rate of 7.25 percent, as well as what the School District's NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

<u>Sensitivity of the net pension liability to changes in the discount rate</u>			
System	1.00% decrease (6.25%)	Current discount rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 337,745,545	\$ 264,315,046	\$ 211,819,273
PORS	\$ 78,242	\$ 58,038	\$ 41,489

##### 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, 2018 (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, 2018.

#### Note 15. Post-Employment Benefits Other Than Pensions (OPEB)

##### General information:

As previously discussed, PEBA is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government (the "State"). The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority ("SFFA"), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and OPEB.

PEBA issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to PEBA - Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, the financial information of the OPEB Trust funds is also included in the comprehensive annual financial report of the State.

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued**

##### *Plan descriptions:*

The OPEB Trusts collectively refers to the SCRHITF and SCLTDITF, and were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan. In accordance with Act 195, the OPEB Trusts are administered by PEBA, Insurance Benefits. The State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

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

##### *Benefits:*

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

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

##### *Contributions:*

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

The SCRHITF is funded through participating employers that are mandated by the State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2018 was 5.50 percent. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments.



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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued**

##### *Contributions, continued:*

Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA - Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA, Insurance Benefits, bills and collects premiums charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2018. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer.

Contributions to the SCRHITF and SCLTDITF plans pension plans from the School District were \$7,750,891 and \$156,890 for the year ended June 30, 2019, respectively.

##### *OPEB liabilities and OPEB expense:*

At June 30, 2019, the School District reported liabilities of \$211,225,322 and \$37,360 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities, respectively, measured at June 30, 2018. The net OPEB liabilities are calculated separately for each OPEB Trust Fund and represents that particular Trust's total OPEB liability determined in accordance with GASB No. 74, less that Trust's fiduciary net position. The collective net OPEB liabilities were determined based upon actuarial valuations performed on June 30, 2017 which were then rolled forward to the June 30, 2018 measurement date. The School District's proportion of the collective net OPEB liability was determined using the School District's payroll-related contributions over the measurement period. This method is expected to be reflective of the School District's long-term contribution effort, as well as, be transparent to individual employers and their external auditors. At June 30, 2018, the School District's proportionate shares of the SCRHITF and SCLTITF plans' net OPEB liabilities were 1.49 percent and 1.23 percent, respectively.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued

##### Deferred outflows of resources and deferred inflows of resources related to OPEB:

For the year ended June 30, 2019, the School District recognized OPEB expense of \$12,209,551 and \$98,624 for the SCRHITF and SCLTDITF plans, respectively. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SCRHITF	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 3,164,251	\$ 73,597
Changes of assumptions	-	17,200,113
Net difference between projected and actual earnings on OPEB plan investments	809,920	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	849,155
School District contributions subsequent to the measurement date	<u>7,750,891</u>	<u>-</u>
Total	<u>\$ 11,725,062</u>	<u>\$ 18,122,865</u>

	SCLTDITF	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 2,301
Changes of assumptions	-	2,452
Net difference between projected and actual earnings on OPEB plan investments	21,860	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	2,482
School District contributions subsequent to the measurement date	<u>156,890</u>	<u>-</u>
Total	<u>\$ 178,750</u>	<u>\$ 7,235</u>

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**Beaufort County School District****Notes to Basic Financial Statements****For the fiscal year ended June 30, 2019**

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**Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued***Deferred outflows of resources and deferred inflows of resources related to OPEB, continued:*

Of the total amount reported as deferred outflows of resources related to OPEB, \$7,907,781 resulting from School District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2019.

OPEB liabilities are generally liquidated by the fund from which the fund liability was incurred. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the School District's OPEB expense as follows:

Years ending June 30:	<u>SCRHITF</u>
2019	\$ (2,658,842)
2020	(2,658,842)
2021	(2,658,842)
2022	(2,745,571)
2023	(2,883,004)
Thereafter	<u>(543,593)</u>
	<u>\$ (14,148,694)</u>

Years ending June 30:	<u>SCLTDITF</u>
2019	\$ 5,322
2020	5,322
2021	5,322
2022	2,637
2023	(814)
Thereafter	<u>(3,164)</u>
	<u>\$ 14,625</u>

*Actuarial assumptions:*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

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#### Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued

##### Actuarial assumptions, continued:

The total OPEB liabilities were determined by actuarial valuations performed as of June 30, 2017. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2018. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Additional information as of the latest actuarial valuation for SCRHITF:

##### **SCRHITF:**

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.62% as of June 30, 2018
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial Fund Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	There were no benefit changes during the year. The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued

##### Actuarial assumptions, continued:

Additional information as of the latest actuarial valuation for SCLTDITF:

##### **SCLTDITF:**

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.91% as of June 30, 2018
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses were included in the benefit projections.
Notes:	There were no benefit changes during the year. The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018.

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. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation.

This information is summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
<b>Total</b>	<b>100.00%</b>		<b>1.84%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>4.09%</b>
<b>Investment Return Assumption</b>			<b>4.00%</b>

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued

##### Discount rate:

The Single Discount Rate of 3.62% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.91% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

##### Sensitivity analysis:

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.62%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher. In addition, regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher.

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
SCRHITF Net OPEB Liability	\$ 248,843,721	\$ 211,225,322	\$ 180,901,914

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF Net OPEB Liability	\$ 173,804,338	\$ 211,225,322	\$ 259,603,725

The following table presents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.91%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 2.91%	Current Discount Rate 3.91%	1% Increase 4.91%
SCLTDITF Net OPEB Liability	\$ 56,238	\$ 37,630	\$ 19,469

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## Beaufort County School District

### *Notes to Basic Financial Statements*

*For the fiscal year ended June 30, 2019*

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#### **Note 15. Post-Employment Benefits Other Than Pensions (OPEB), Continued**

##### OPEB plan fiduciary net position:

Detailed information about the OPEB Trusts' fiduciary net position is available in the separately issued PEBA financial report.

#### **Note 16. Deferred Compensation Plan**

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 \$334,380 for the year ended June 30, 2019.

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, 2019, 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.

The School District is self-insured for Workers' Compensation and Brentwood Services Administrators 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).

## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 17. Risk Management, Continued

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 \$450,000 and \$2,270,526, 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>
2018	\$ 478,658	\$ 458,775	\$ (604,847)	\$ 332,586
2019	\$ 332,586	\$ 940,832	\$ (914,629)	\$ 358,793

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, 2019 were \$914,629 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.

#### 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, 2019 the School District's expenses related to this agreement were \$1,843,547 and included in the General Fund instruction (Career and Technology Education) expenditures.



## Beaufort County School District

### Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

#### Note 18. Related Party Transactions, Continued

**Component unit** - Allocated funding from the School District to Riverview Charter School during 2019 amounted to \$6,810,903.

#### Note 19. Commitments and Contingencies

##### Construction Commitments

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2019 are as follows:

	Contract Amount	Expended as of June 30, 2019	Remaining Commitment
Whale Branch Early College High	\$ 15,911,325	\$ 15,334,692	\$ 576,633
Hilton Head Island Elementary	2,346,300	561,078	1,785,222
Multiple Schools/Contracts	8,121,266	2,128,939	5,992,327
	<u>\$ 26,378,891</u>	<u>\$ 18,024,709</u>	<u>\$ 8,354,182</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.

##### 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 \$405,105 for the fiscal year ended June 30, 2019.

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

2020	\$ 336,556
2021	223,134
2022	104,996
2023	61,787
2024	22,800
Thereafter	<u>1,983</u>
	<u>\$ 751,256</u>

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**Beaufort County School District*****Notes to Basic Financial Statements******For the fiscal year ended June 30, 2019***

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**Note 20. Subsequent Events**

The School District issued a Tax Anticipation Note through South Carolina Association of Governmental Organizations ("SCAGO") on August 2, 2019 in the amount of \$14,005,000, maturing in April 2020, bearing interest at 5.00%, to facilitate operating cash flow needs until the collection of future levied property taxes.

The School District issued General Obligation Bonds on August 29, 2019 in the amount of \$19,300,000, maturing in March 2023, bearing interest at 5.00%, to fund construction projects.

The School District issued General Obligation Bonds through SCAGO on September 25, 2019 in the amount of \$3,142,000, maturing in March 2020, bearing interest at 2.00%, for the purpose of making payments to the EFC.

## REQUIRED SUPPLEMENTARY INFORMATION

**Beaufort County School District***Schedules of Required Supplementary Information**Schedule of the School District's Proportionate Share of the Net Pension Liability**For the year ended June 30, 2019*

	SCRS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
School District's proportion of the net pension liability	1.17962%	1.18180%	1.15049%	1.13980%	1.17216%	1.17216%	N/A	N/A	N/A	N/A
School District's proportionate share of the net pension liability	<u>\$ 264,315,046</u>	<u>\$ 266,042,861</u>	<u>\$ 245,743,607</u>	<u>\$ 216,168,376</u>	<u>\$ 201,806,920</u>	<u>\$ 210,243,511</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's covered payroll during the measurement period	<u>\$ 128,517,247</u>	<u>\$ 126,181,528</u>	<u>\$ 118,268,860</u>	<u>\$ 113,294,579</u>	<u>\$ 112,911,730</u>	<u>\$ 99,991,462</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	205.67%	210.84%	207.78%	190.80%	178.73%	210.26%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.91%	57.00%	59.90%	56.39%	N/A	N/A	N/A	N/A
	PORS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
School District's proportion of the net pension liability	0.00205%	0.00635%	0.00452%	0.00581%	0.00544%	0.00544%	N/A	N/A	N/A	N/A
School District's proportionate share of the net pension liability	<u>\$ 58,038</u>	<u>\$ 174,017</u>	<u>\$ 114,573</u>	<u>\$ 126,629</u>	<u>\$ 104,144</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's covered payroll during the measurement period	<u>\$ 28,351</u>	<u>\$ 82,048</u>	<u>\$ 57,592</u>	<u>\$ 71,983</u>	<u>\$ 53,518</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	204.71%	212.09%	198.94%	175.92%	194.60%	100.00%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	61.70%	60.90%	60.44%	64.57%	67.55%	62.98%	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

**Beaufort County School District***Schedules of Required Supplementary Information**Schedule of the School District's Contributions - Pensions**For the year ended June 30, 2019*

	SCRS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 16,942,106	\$ 15,370,022	\$ 13,784,757	\$ 12,321,935	\$ 11,648,817	\$ 11,280,173	\$ 10,281,095	\$ 9,298,747	\$ 9,638,450	\$ 9,316,237
Contributions in relation to the contractually required contribution	16,942,106	15,370,022	13,784,757	12,321,935	11,648,817	11,280,173	10,281,095	9,298,747	9,638,450	9,316,237
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 131,386,738	\$ 128,517,247	\$ 126,181,528	\$ 118,268,860	\$ 113,294,579	\$ 112,911,730	\$ 99,991,462	\$ 97,522,255	\$ 102,645,890	\$ 99,214,449
Contributions as a percentage of covered payroll	12.89%	11.96%	10.92%	10.42%	10.28%	9.99%	10.28%	9.53%	9.39%	9.39%
	PORS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 761	\$ 4,012	\$ 11,684	\$ 7,913	\$ 9,653	\$ 6,872	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	761	4,012	11,684	7,913	9,653	6,872	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
District's covered payroll	\$ 7,845	\$ 28,351	\$ 82,048	\$ 57,592	\$ 71,983	\$ 53,518	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	9.70%	14.15%	14.24%	13.74%	13.41%	12.84%	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

**Beaufort County School District**

*Schedules of Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*For the year ended June 30, 2019*

	SCRHITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
School District's proportion of the net OPEB liability	1.49059%	0.540623%	0.540623%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School District's proportionate share of the net OPEB liability	<u>\$ 211,225,322</u>	<u>\$ 202,804,666</u>	<u>\$ 216,636,496</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's covered payroll	<u>\$ 128,545,598</u>	<u>\$ 126,263,576</u>	<u>\$ 118,326,452</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	164.32%	160.62%	183.08%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.60%	6.62%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	SCLTDITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
School District's proportion of the net OPEB liability	1.22924%	0.33256%	0.33256%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School District's proportionate share of the net OPEB liability	<u>\$ 37,360</u>	<u>\$ 21,922</u>	<u>\$ 8,393</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's covered payroll	<u>\$ 76,071,033</u>	<u>\$ 73,979,287</u>	<u>\$ 68,468,455</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.04911%	0.02963%	0.01226%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	92.20%	95.29%	98.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

**Beaufort County School District**  
*Schedules of Required Supplementary Information*  
*Schedule of the School District's Contributions - OPEB*  
*For the year ended June 30, 2019*

	SCRHITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 7,750,891	\$ 6,502,595	\$ 6,729,849	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	7,750,891	6,502,595	6,729,849	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School District's covered payroll	\$ 131,394,583	\$ 128,545,598	\$ 126,263,576	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	5.89894%	5.05859%	5.33000%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	SCLTDITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 156,890	\$ 124,392	\$ 87,523	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	156,890	124,392	87,523	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School District's covered payroll	\$ 70,981,931	\$ 76,071,033	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	0.22103%	0.16352%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

SCRHITF:

Changes of assumptions: The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

SCLTDITF:

Changes of assumptions: The single discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018.

**Beaufort County School District****Budgetary Comparison Schedule - General Fund****For the fiscal year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local	\$ 145,140,742	\$ 145,140,742	\$ 136,028,508	\$ (9,112,234)
State	86,235,310	86,235,310	86,021,669	(213,641)
Federal	680,000	680,000	809,072	129,072
Total revenues	232,056,052	232,056,052	222,859,249	(9,196,803)
<b>Expenditures</b>				
Current				
Instruction	144,568,320	144,626,530	141,660,519	2,966,011
Support services	90,731,791	90,673,581	88,074,169	2,599,412
Intergovernmental expenditures				
Payments to other governmental units	5,866,995	5,866,995	6,459,252	(592,257)
Debt service	40,000	40,000	23,660	16,340
Total expenditures	241,207,106	241,207,106	236,217,600	4,989,506
<b>Excess of expenditures over revenues</b>	(9,151,054)	(9,151,054)	(13,358,351)	(4,207,297)
<b>Other financing sources (uses)</b>				
Transfers in	7,153,327	7,153,327	7,512,094	358,767
Transfers out	(110,000)	(110,000)	(213,870)	(103,870)
Total other financing sources (uses)	7,043,327	7,043,327	7,298,224	254,897
Net change in fund balances	(2,107,727)	(2,107,727)	(6,060,127)	(3,952,400)
<b>Fund balances, beginning of year</b>	39,606,899	39,606,899	39,606,899	-
<b>Fund balances, end of year</b>	\$ 37,499,172	\$ 37,499,172	\$ 33,546,772	\$ (3,952,400)

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local	\$ 940,526	\$ 1,075,691	\$ 928,048	\$ (147,643)
State	4,531,421	4,299,062	5,469,493	1,170,431
Federal	13,544,621	13,431,091	12,228,066	(1,203,025)
Total revenues	19,016,568	18,805,844	18,625,607	(180,237)
<b>Expenditures</b>				
Current				
Instruction	12,257,496	11,368,696	10,948,211	420,485
Support services	6,493,813	6,676,886	5,164,467	1,512,419
Community services	233,496	324,857	254,111	70,746
Intergovernmental expenditures				
Payments to other governmental units	172,712	435,405	1,810,776	(1,375,371)
Total expenditures	19,157,517	18,805,844	18,177,565	628,279
Excess of expenditures under (over) revenues	(140,949)	-	448,042	448,042
<b>Other financing sources (uses)</b>				
Transfers in	650,000	650,000	-	(650,000)
Transfers out	(509,051)	(650,000)	(448,042)	201,958
Total other financing sources (uses)	140,949	-	(448,042)	(448,042)
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ -

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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
State	\$ 14,349,263	\$ 18,142,664	\$ 14,604,018	\$ (3,538,646)
Total revenues	14,349,263	18,142,664	14,604,018	(3,538,646)
<b>Expenditures</b>				
Current				
Instruction	6,675,098	8,787,654	5,862,872	2,924,782
Support services	2,316,647	2,327,138	1,669,931	657,207
Intergovernmental expenditures				
Payments to other governmental units	83,847	77,702	121,045	(43,343)
Total expenditures	9,075,592	11,192,494	7,653,848	3,538,646
Excess of revenues over expenditures	5,273,671	6,950,170	6,950,170	-
<b>Other financing sources (uses)</b>				
Operating transfers out	(5,273,671)	(6,950,170)	(6,950,170)	-
Total other financing sources (uses)	(5,273,671)	(6,950,170)	(6,950,170)	-
Net change in fund balances	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ -

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

## Beaufort County School District

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

For the fiscal year ended June 30, 2019

		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	\$ 143,707,242	\$ 143,707,242	\$ 134,424,808	\$ (9,282,434)
1240	Penalties and interest on taxes	800,000	800,000	767,572	(32,428)
1280	Revenue in lieu of taxes	25,000	25,000	30,276	5,276
1300	Tuition				
1320	Tuition from other LEAs for regular day	115,000	115,000	60,542	(54,458)
1500	Earnings on investments				
1510	Interest on investments	100,000	100,000	354,161	254,161
1900	Other revenue from local sources				
1910	Rentals	293,500	293,500	303,343	9,843
	from private sources				
1950	Refund of prior year's expenditures	-	-	853	853
1990	Miscellaneous local revenue				
1999	Revenue from other local sources	100,000	100,000	86,953	(13,047)
	Total local sources	145,140,742	145,140,742	136,028,508	(9,112,234)
3000	Revenue from state sources				
3100	Restricted state funding				
3131	Handicapped transportation	-	-	2,565	2,565
3132	Home schooled	-	-	3,728	3,728
3160	School bus driver's salary	1,266,397	1,266,397	1,200,977	(65,420)
3162	Transportation workers' compensation	75,000	75,000	76,779	1,779
3180	Fringe benefits employer contributions	7,265,781	7,265,781	7,319,980	54,199
3181	Retiree insurance	4,779,728	4,779,728	5,265,497	485,769
3190	Miscellaneous Restricted State Grants				
3199	Other restricted state grants	-	-	9,642	9,642
3300	Education finance act				
3310	Full-time programs				
3311	Kindergarten	830,179	830,179	795,888	(34,291)
3312	Primary	2,555,407	2,555,407	2,424,339	(131,068)
3313	Elementary	4,357,387	4,357,387	4,068,800	(288,587)
3314	High school	1,636,661	1,636,661	1,049,573	(587,088)
3315	Trainable mentally handicapped	31,312	31,312	28,482	(2,830)
3316	Speech handicapped	839,074	839,074	796,209	(42,865)
3317	Homebound	14,325	14,325	9,909	(4,416)
3320	Part-time programs				
3321	Emotionally handicapped	35,029	35,029	31,392	(3,637)
3322	Educable mentally handicapped	34,653	34,653	25,030	(9,623)
3323	Learning disabilities	894,442	894,442	923,447	29,005
3324	Hearing handicapped	29,964	29,964	31,386	1,422
3325	Visually handicapped	18,464	18,464	24,384	5,920
3326	Orthopedically handicapped	24,349	24,349	23,124	(1,225)
3327	Vocational	2,107,663	2,107,663	2,717,525	609,862
3330	Miscellaneous EFA programs				
3331	Autism	172,389	172,389	189,257	16,868
3332	High achieving students	354,263	354,263	335,891	(18,372)
3334	Limited English proficiency	408,379	408,379	377,254	(31,125)
3351	Academic assistance	566,039	566,039	529,805	(36,234)
3352	Pupils in poverty	1,645,589	1,645,589	1,333,830	(311,759)
3353	Dual credit enrollment	18,615	18,615	23,342	4,727
3392	NBC excess EFA formula	-	-	28,095	28,095

## Beaufort County School District

*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund*  
*For the fiscal year ended June 30, 2019*

				Budgeted Amounts			Variance with
				Original	Final	Actual	Final Budget
<b>Revenues, Continued</b>							
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		2,045,867	2,045,867	2,045,867	-
	3825	Reimbursement for property tax relief		45,550,014	45,550,014	45,441,618	(108,396)
	3830	Merchant's inventory tax		332,079	332,079	332,079	-
	3890	Other state property tax revenues		110,000	110,000	292,126	182,126
3900	Other state revenue						
	3993	PEBA on-behalf payment		1,200,000	1,200,000	1,207,017	7,017
	3999	Revenue from other state sources		-	-	20,571	20,571
	Total state sources			86,235,310	86,235,310	86,021,669	(213,641)
4000	Revenue from federal sources						
4100	Federally impacted areas						
	4110	Maintenance and Operations, P.L. 81-874		30,000	30,000	74,350	44,350
4900	Other federal sources						
	4999	Revenue from other federal sources		650,000	650,000	734,722	84,722
	Total federal sources			680,000	680,000	809,072	129,072
	Total revenue all sources			\$ 232,056,052	\$ 232,056,052	\$ 222,859,249	\$ (9,196,803)

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**  
**For the year ended June 30, 2019**

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
<b>Expenditures</b>					
100	Instruction				
110	General instruction				
111	Kindergarten programs				
100	Salaries	6,258,254	6,227,254	6,207,242	20,012
140	Terminal leave	-	-	535	(535)
200	Employee benefits	2,657,011	2,663,011	2,662,359	652
300	Purchased services	204,041	240,644	240,068	576
400	Supplies and materials	113,574	122,032	122,007	25
		9,232,880	9,252,941	9,232,211	20,730
112	Primary programs				
100	Salaries	18,254,380	17,336,280	16,665,320	670,960
140	Terminal leave	-	-	3,714	(3,714)
200	Employee benefits	7,037,569	6,823,069	6,780,319	42,750
300	Purchased services	1,821,109	2,278,909	2,277,562	1,347
400	Supplies and materials	695,004	822,934	771,886	51,048
600	Other objects	1,300	973	658	315
		27,809,362	27,262,165	26,499,459	762,706
113	Elementary programs				
100	Salaries	27,789,129	27,624,129	27,576,922	47,207
140	Terminal leave	-	-	7,323	(7,323)
200	Employee benefits	10,471,897	11,076,897	10,894,799	182,098
300	Purchased services	1,589,475	1,482,890	1,479,990	2,900
400	Supplies and materials	835,465	790,353	646,246	144,107
600	Other objects	5,230	8,686	8,667	19
		40,691,196	40,982,955	40,613,947	369,008
114	High school programs				
100	Salaries	21,738,985	21,302,915	20,518,525	784,390
140	Terminal leave	-	-	25,486	(25,486)
200	Employee benefits	8,594,134	8,113,019	7,770,642	342,377
300	Purchased services	1,589,077	1,856,011	1,853,696	2,315
400	Supplies and materials	860,270	993,602	766,472	227,130
600	Other objects	69,470	41,670	33,182	8,488
		32,851,936	32,307,217	30,968,003	1,339,214
115	Vocational programs				
100	Salaries	2,397,386	2,399,386	2,398,767	619
140	Terminal leave	-	-	45	(45)
200	Employee benefits	876,825	890,825	890,699	126
300	Purchased services	1,894,271	1,866,792	1,838,020	28,772
400	Supplies and materials	18,350	42,593	42,536	57
600	Other objects	2,700	2,283	966	1,317
		5,189,532	5,201,879	5,171,033	30,846
117	Driver education program (optional)				
100	Salaries	139,832	144,532	144,519	13
200	Employee benefits	41,728	46,123	46,099	24
300	Purchased services	1,742	2,512	2,474	38
400	Supplies and materials	570	480	478	2
		183,872	193,647	193,570	77
118	Montessori programs				
100	Salaries	651,843	651,843	615,177	36,666
200	Employee benefits	259,420	264,920	264,498	422
300	Purchased services	50,851	49,851	13,740	36,111
400	Supplies and materials	15,000	12,505	9,003	3,502
		977,114	979,119	902,418	76,701
Total general instruction		116,935,892	116,179,923	113,580,641	2,599,282

## Beaufort County School District

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

For the year ended June 30, 2019

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
<b>Expenditures, Continued</b>					
100	Instruction, continued				
120	Exceptional programs				
121	Educable mentally handicapped				
100	Salaries	992,456	1,067,456	1,066,839	617
200	Employee benefits	416,840	470,840	470,137	703
300	Purchased services	30,213	40,713	40,410	303
400	Supplies and materials	745	717	713	4
		1,440,254	1,579,726	1,578,099	1,627
122	Trainable mentally handicapped				
100	Salaries	755,732	911,732	911,045	687
200	Employee benefits	284,825	356,825	356,183	642
300	Purchased services	3,654	7,844	7,486	358
400	Supplies and materials	5,130	3,747	3,678	69
		1,049,341	1,280,148	1,278,392	1,756
123	Orthopedically handicapped				
100	Salaries	136,276	226,276	225,856	420
200	Employee benefits	70,494	105,994	105,237	757
300	Purchased services	75,511	5,511	3,338	2,173
400	Supplies and materials	3,440	1,288	1,019	269
		285,721	339,069	335,450	3,619
124	Visually handicapped				
100	Salaries	87,575	70,575	69,774	801
200	Employee benefits	31,878	27,838	27,687	151
300	Purchased services	-	200	198	2
400	Supplies and materials	-	23	22	1
		119,453	98,636	97,681	955
125	Hearing handicapped				
100	Salaries	335,181	286,181	285,651	530
200	Employee benefits	104,984	99,984	99,867	117
400	Supplies and materials	300	328	27	301
		440,465	386,493	385,545	948
126	Speech handicapped				
100	Salaries	1,220,344	1,146,344	1,146,032	312
200	Employee benefits	487,969	471,969	471,105	864
300	Purchased services	257,255	202,305	180,819	21,486
400	Supplies and materials	5,483	4,127	4,042	85
		1,971,051	1,824,745	1,801,998	22,747
127	Learning disabilities				
100	Salaries	5,205,814	5,487,604	5,487,356	248
140	Terminal leave	-	-	85	(85)
200	Employee benefits	2,300,860	2,396,660	2,396,205	455
300	Purchased services	125,881	100,171	97,129	3,042
400	Supplies and materials	63,033	65,204	60,878	4,326
600	Other objects	2,100	2,750	2,726	24
		7,697,688	8,052,389	8,044,379	8,010
128	Emotionally handicapped				
100	Salaries	1,175,120	915,120	913,746	1,374
200	Employee benefits	448,303	381,303	381,162	141
300	Purchased services	19,846	20,346	20,283	63
400	Supplies and materials	400	400	-	400
		1,643,669	1,317,169	1,315,191	1,978
	Total exceptional programs	14,647,642	14,878,375	14,836,735	41,640

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**  
**For the year ended June 30, 2019**

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
<b>Expenditures, Continued</b>					
100	Instruction, continued				
130	Preschool programs				
135	Pre-school handicapped-speech (3 & 4 yr. olds)				
100	Salaries	83,018	86,718	86,693	25
200	Employee benefits	37,756	39,556	39,531	25
300	Purchased services	2,821	5,551	5,500	51
		123,595	131,825	131,724	101
137	Pre-school handicapped-self contained (3 & 4 yr. olds)				
100	Salaries	379,472	478,472	477,676	796
200	Employee benefits	133,141	200,141	199,680	461
300	Purchased services	8,261	29,661	29,451	210
		520,874	708,274	706,807	1,467
139	Early childhood programs				
100	Salaries	2,786,656	2,786,656	2,691,686	94,970
200	Employee benefits	1,200,739	1,200,739	1,195,378	5,361
300	Purchased services	110,943	109,073	106,188	2,885
400	Supplies and materials	40,700	42,149	30,473	11,676
		4,139,038	4,138,617	4,023,725	114,892
	Total preschool programs	4,783,507	4,978,716	4,862,256	116,460
140	Special programs				
141	Gifted and talented - academic				
100	Salaries	1,927,258	1,940,258	1,939,144	1,114
200	Employee benefits	737,721	790,721	789,857	864
300	Purchased services	40,801	47,061	36,505	10,556
400	Supplies and materials	65,550	57,084	42,158	14,926
600	Other objects	1,440	763	717	46
		2,772,770	2,835,887	2,808,381	27,506
144	International baccalaureate				
100	Salaries	28,565	29,065	28,850	215
200	Employee benefits	13,817	14,417	14,312	105
300	Purchased services	40,100	40,408	40,390	18
400	Supplies	12,000	7,310	1,592	5,718
600	Other objects	147,800	104,075	67,462	36,613
		242,282	195,275	152,606	42,669
145	Homebound				
100	Salaries	110,000	99,000	98,645	355
200	Employee benefits	26,400	28,400	28,016	384
300	Purchased services	15,000	73,000	71,039	1,961
		151,400	200,400	197,700	2,700
148	Gifted and talented-artistic				
100	Salaries	22,000	22,000	5,753	16,247
200	Employee benefits	6,096	6,096	1,623	4,473
300	Purchased services	15,000	15,000	1,268	13,732
400	Supplies	15,000	16,000	2,018	13,982
600	Other objects	6,000	5,000	-	5,000
		64,096	64,096	10,662	53,434
	Total special programs	3,230,548	3,295,658	3,169,349	126,309

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**  
**For the year ended June 30, 2019**

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
<b>Expenditures, Continued</b>					
100	Instruction, continued				
160	Other exceptional programs				
161	Autism				
100	Salaries	192,905	166,955	166,938	17
200	Employee benefits	86,724	78,674	78,133	541
300	Purchased services	67,422	67,292	67,270	22
400	Supplies and materials	150	130	118	12
		347,201	313,051	312,459	592
162	Limited English proficiency				
100	Salaries	2,877,472	3,092,472	3,091,618	854
200	Employee benefits	970,568	1,111,068	1,110,739	329
300	Purchased services	52,177	62,831	62,616	215
400	Supplies and materials	19,802	36,760	35,134	1,626
600	Other objects	-	9,145	8,926	219
		3,920,019	4,312,276	4,309,033	3,243
	Total other exceptional programs	4,267,220	4,625,327	4,621,492	3,835
170	Summer school program				
175	Instructional programs beyond regular school day				
100	Salaries	400,000	339,580	311,937	27,643
200	Employee benefits	100,000	92,110	75,958	16,152
300	Purchased services	-	47,244	40,231	7,013
400	Supplies and materials	-	33,694	30,063	3,631
600	Other objects	12,500	10,364	9,237	1,127
		512,500	522,992	467,426	55,566
	Total summer school program	512,500	522,992	467,426	55,566
180	Adult/continuing educational programs				
188	Parenting/family/education programs				
100	Salaries	18,000	18,000	11,453	6,547
200	Employee benefits	2,377	2,377	887	1,490
		20,377	20,377	12,340	8,037
	Total Adult/continuing education programs	20,377	20,377	12,340	8,037
190	Instructional pupil activity				
300	Purchased services	6,500	2,820	2,762	58
400	Supplies and materials	4,144	3,028	3,027	1
600	Other objects	159,990	119,314	104,491	14,823
		170,634	125,162	110,280	14,882
	Total instructional pupil activity	170,634	125,162	110,280	14,882
	Total instruction	144,568,320	144,626,530	141,660,519	2,966,011
200	Support services				
210	Pupil services				
211	Attendance and social work services				
100	Salaries	2,287,933	2,291,933	2,137,424	154,509
140	Terminal leave	-	-	4,268	(4,268)
200	Employee benefits	1,014,527	1,015,727	979,839	35,888
300	Purchased services	80,274	74,057	33,219	40,838
400	Supplies and materials	29,500	28,803	18,072	10,731
600	Other objects	1,810	1,810	-	1,810
		3,414,044	3,412,330	3,172,822	239,508
212	Guidance services				
100	Salaries	3,725,689	3,537,689	3,503,463	34,226
200	Employee benefits	1,401,500	1,401,500	1,398,293	3,207
300	Purchased services	35,245	30,499	26,818	3,681
400	Supplies and materials	46,816	46,274	41,439	4,835
600	Other objects	10,515	17,742	17,350	392
		5,219,765	5,033,704	4,987,363	46,341



**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**  
**For the year ended June 30, 2019**

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
<b>Expenditures, Continued</b>					
200	Support services, continued				
210	Pupil services, continued				
213	Health services				
100	Salaries	1,202,692	1,146,692	1,115,266	31,426
200	Employee benefits	497,451	515,651	514,454	1,197
300	Purchased services	31,628	31,724	27,347	4,377
400	Supplies and materials	32,150	34,187	26,476	7,711
600	Other objects	630	716	311	405
		1,764,551	1,728,970	1,683,854	45,116
214	Psychological services				
100	Salaries	831,804	856,804	856,188	616
200	Employee benefits	327,109	345,109	344,421	688
300	Purchased services	72,000	28,800	12,915	15,885
400	Supplies and materials	28,000	42,000	41,298	702
600	Other objects	-	3,000	2,550	450
		1,258,913	1,275,713	1,257,372	18,341
	Total pupil services	11,657,273	11,450,717	11,101,411	349,306
220	Instructional staff services				
221	Improvement of instruction - curriculum development				
100	Salaries	4,919,545	4,857,545	4,703,604	153,941
140	Terminal leave	-	-	69,408	(69,408)
200	Employee benefits	1,701,676	1,731,676	1,730,124	1,552
300	Purchased services	445,535	518,625	399,896	118,729
400	Supplies and materials	371,292	231,108	203,592	27,516
500	Capital outlay	5,000	9,600	-	9,600
600	Other objects	156,189	168,976	150,121	18,855
		7,599,237	7,517,530	7,256,745	260,785
222	Library and media services				
100	Salaries	2,718,173	2,718,173	2,641,119	77,054
200	Employee benefits	1,107,742	1,131,742	1,131,044	698
300	Purchased services	83,172	85,174	85,049	125
400	Supplies and materials	283,164	271,062	262,077	8,985
600	Other objects	769	2,667	2,569	98
		4,193,020	4,208,818	4,121,858	86,960
223	Supervision of special programs				
100	Salaries	353,073	203,140	202,909	231
200	Employee benefits	148,889	86,989	86,743	246
300	Purchased services	124,400	71,410	44,844	26,566
400	Supplies and materials	11,000	11,000	423	10,577
600	Other objects	3,500	3,500	1,184	2,316
		640,862	376,039	336,103	39,936
224	Improvement of instruction - in-service training				
100	Salaries	309,000	300,000	297,651	2,349
200	Employee benefits	65,899	65,899	26,359	39,540
300	Purchased services	535,499	514,232	470,160	44,072
400	Supplies and materials	72,868	47,709	39,880	7,829
500	Capital outlay	-	4,000	-	4,000
600	Other objects	14,950	25,298	24,508	790
		998,216	957,138	858,558	98,580
	Total instructional staff services	13,431,335	13,059,525	12,573,264	486,261

## Beaufort County School District

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

For the year ended June 30, 2019

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
<b>Expenditures, Continued</b>					
200	Support services, continued				
230	General administration services				
231	Board of Education				
100	Salaries	163,266	167,566	167,440	126
200	Employee benefits	70,693	68,693	68,524	169
300	Purchased services	334,500	299,750	296,850	2,900
318	Audit services	46,805	46,805	44,914	1,891
400	Supplies and materials	18,500	18,200	6,281	11,919
600	Other objects	53,445	86,195	86,094	101
		687,209	687,209	670,103	17,106
232	Office of the Superintendent				
100	Salaries	269,610	269,610	488,120	(218,510)
140	Terminal leave	-	-	48,203	(48,203)
200	Employee benefits	138,479	138,479	100,599	37,880
300	Purchased services	26,500	25,000	8,527	16,473
400	Supplies and materials	9,500	9,500	7,283	2,217
600	Other objects	7,500	7,500	4,902	2,598
		451,589	450,089	657,634	(207,545)
233	School administration				
100	Salaries	11,200,892	11,209,892	11,159,091	50,801
140	Terminal leave	-	-	50,621	(50,621)
200	Employee benefits	4,356,771	4,544,771	4,543,757	1,014
300	Purchased services	232,800	263,108	261,572	1,536
400	Supplies and materials	339,434	379,958	355,163	24,795
600	Other objects	31,729	17,877	16,035	1,842
		16,161,626	16,415,606	16,386,239	29,367
	Total general administration services	17,300,424	17,552,904	17,713,976	(161,072)
250	Finance and operations services				
252	Fiscal services				
100	Salaries	1,203,468	1,265,375	1,264,022	1,353
140	Terminal leave	-	-	1,247	(1,247)
200	Employee benefits	478,721	506,843	506,023	820
300	Purchased services	59,550	58,458	33,527	24,931
400	Supplies and materials	46,100	44,603	37,375	7,228
600	Other objects	6,326	6,416	4,901	1,515
		1,794,165	1,881,695	1,847,095	34,600
253	Facilities acquisition and construction				
100	Salaries	7,500	7,069	6,595	474
200	Employee benefits	574	6,706	5,887	819
300	Purchased services	8,100	8,749	8,179	570
400	Supplies and materials	6,500	4,500	4,197	303
600	Other objects	2,200	2,200	1,664	536
		24,874	29,224	26,522	2,702
254	Operation and maintenance of plant				
100	Salaries	297,959	433,535	426,211	7,324
140	Terminal leave	-	-	7,215	(7,215)
200	Employee benefits	339,542	160,818	160,806	12
300	Purchased services	16,863,300	16,863,300	16,168,278	695,022
321	Utilities	418,877	418,877	440,801	(21,924)
400	Supplies and materials	1,617,000	1,599,154	1,284,525	314,629
470	Energy	6,000,000	6,000,000	5,893,732	106,268
500	Capital outlay	-	17,846	17,346	500
600	Other objects	270,000	270,000	267,428	2,572
		25,806,678	25,763,530	24,666,342	1,097,188

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**  
**For the year ended June 30, 2019**

		Budgeted Amounts		Actual	Variance with
		Original	Final		Final Budget
<b>Expenditures, Continued</b>					
200	Support services, continued				
250	Finance and operations services, continued				
255	Student transportation				
100	Salaries	4,035,333	4,021,833	4,008,930	12,903
140	Terminal leave	-	-	5,104	(5,104)
200	Employee benefits	1,669,785	1,832,751	1,830,458	2,293
300	Purchased services	300,000	379,573	322,586	56,987
400	Supplies and materials	702,000	606,200	450,791	155,409
500	Capital outlay	6,000	-	-	-
600	Other objects	10,000	4,227	3,895	332
		6,723,118	6,844,584	6,621,764	222,820
256	Food services				
100	Salaries	-	13,500	13,500	-
200	Employee benefits	-	1,034	1,033	1
		-	14,534	14,533	1
258	Security				
100	Salaries	77,461	87,361	87,272	89
200	Employee benefits	32,806	36,806	36,490	316
300	Purchased services	1,067,457	1,055,057	1,047,512	7,545
400	Supplies and materials	93,200	93,165	4,879	88,286
600	Other objects	100	135	135	-
		1,271,024	1,272,524	1,176,288	96,236
	Total finance and operations services	35,619,859	35,806,091	34,352,544	1,453,547
260	Central support services				
262	Planning, research, development and evaluation				
100	Salaries	76,397	78,047	77,996	51
200	Employee benefits	32,549	32,549	32,096	453
300	Purchased services	4,100	2,100	2,008	92
400	Supplies and materials	500	2,800	2,779	21
600	Other objects	500	200	195	5
		114,046	115,696	115,074	622
263	Information services				
100	Salaries	261,110	269,510	269,486	24
200	Employee benefits	100,463	100,019	99,595	424
300	Purchased services	43,900	40,682	40,682	-
400	Supplies and materials	7,240	7,452	7,452	-
600	Other objects	1,900	2,450	2,444	6
		414,613	420,113	419,659	454
264	Staff services				
100	Salaries	1,798,008	1,877,850	1,877,072	778
200	Employee benefits	672,157	702,123	701,128	995
300	Purchased services	672,925	583,540	313,934	269,606
400	Supplies and materials	109,750	119,733	77,718	42,015
600	Other objects	39,450	39,352	33,511	5,841
		3,292,290	3,322,598	3,003,363	319,235
266	Technology and data processing services				
100	Salaries	2,342,014	2,348,514	2,348,490	24
200	Employee benefits	930,407	977,407	976,825	582
300	Purchased services	1,968,069	1,798,369	1,759,479	38,890
400	Supplies and materials	261,500	482,562	480,485	2,077
500	Capital outlay	200,000	95,138	95,138	-
600	Other objects	2,000	2,000	1,489	511
		5,703,990	5,703,990	5,661,906	42,084
	Total central support services	9,524,939	9,562,397	9,200,002	362,399

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**  
**For the year ended June 30, 2019**

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
<b>Expenditures, Continued</b>					
200	Support services, continued				
270	Support services pupil activity				
271	Pupil services activities				
100	Salaries	1,485,544	1,513,352	1,479,488	33,864
200	Employee benefits	414,497	422,115	348,544	73,571
300	Purchased services	72,350	155,835	155,535	300
400	Supplies and materials	318,586	339,271	338,897	374
500	Capital outlay	-	8,480	8,480	-
600	Other objects	906,984	802,894	802,028	866
	Total support services pupil activity	3,197,961	3,241,947	3,132,972	108,975
	Total support services	90,731,791	90,673,581	88,074,169	2,599,412
400	Other charges				
410	Intergovernmental expenditures				
412	Payments to other governmental units				
300	Purchased services	25,000	25,000	99,873	(74,873)
720	Transits	15,000	15,000	11,511	3,489
		40,000	40,000	111,384	(71,384)
416	Payments to public charter schools				
720	Transits	5,826,995	5,826,995	6,347,868	(520,873)
	Total intergovernmental expenditures	5,826,995	5,826,995	6,347,868	(520,873)
	Total other charges	5,866,995	5,866,995	6,459,252	(592,257)
500	Debt service				
620	Interest	40,000	40,000	23,660	16,340
	Total debt services	40,000	40,000	23,660	16,340
	Total expenditures	241,207,106	241,207,106	236,217,600	4,989,506
<b>Other financing sources (uses)</b>					
5230	Transfer from Special Revenue EIA Fund	6,653,327	6,653,327	6,950,170	296,843
5280	Transfer from Other Funds Indirect Costs	500,000	500,000	561,924	61,924
424-710	Transfer to Capital Projects Fund	-	-	(103,870)	(103,870)
425-710	Transfer to Proprietary Fund	(110,000)	(110,000)	(110,000)	-
	Total other financing sources (uses)	7,043,327	7,043,327	7,298,224	254,897
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>					
		(2,107,727)	(2,107,727)	(6,060,127)	(3,952,400)
<b>Fund balance, beginning of year</b>					
		39,606,899	39,606,899	39,606,899	-
<b>Fund balance, end of year</b>					
		\$ 37,499,172	\$ 37,499,172	\$ 33,546,772	\$ (3,952,400)

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
<b>Revenues</b>									
1000	Revenue from local sources								
1900	Miscellaneous local revenue								
1920	Contributions & donations from private sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120	\$ 120
1930	Medicaid	-	-	-	-	-	-	495,915	495,915
1999	Revenue from other local sources	-	-	-	-	-	-	432,013	432,013
	Total local sources	-	-	-	-	-	-	928,048	928,048
3000	Revenue from state sources								
3110	Restricted state funding								
3118	EEDA career specialists	-	-	-	-	-	667,384	-	667,384
3120	General education								
3127	Student health and fitness - P.E. teachers	-	-	-	-	-	189,954	-	189,954
3130	Special programs								
3135	Reading coaches	-	-	-	-	-	1,230,858	-	1,230,858
3136	Student health and fitness-nurses	-	-	-	-	-	609,447	-	609,447
3150	Adult education								
3155	DSS SNAP & E&T programs	-	-	-	-	-	8,033	-	8,033
3156	Adult education	-	-	-	-	-	13,846	-	13,846
3190	Miscellaneous restricted state grants								
3193	Education license plates	-	-	-	-	-	1,487	-	1,487
3199	Other restricted state grants	-	-	-	-	-	-	1,907	1,907
3600	Education lottery act revenue								
3670	School safety - facility and infrastructure safety	-	-	-	-	-	217,597	-	217,597
3990	Other state revenue								
3994	PEBA nonemployer contributions	-	-	-	-	-	1,537,968	-	1,537,968
3999	Revenue from other state sources	-	-	-	-	-	-	991,012	991,012
	Total state sources	-	-	-	-	-	4,476,574	992,919	5,469,493

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
<b>Revenues, Continued</b>									
4000	Revenue from federal sources								
4200	Occupational education								
4210	Perkins aid, Title I	-	-	-	291,534	-	-	-	291,534
4300	Elementary and Secondary Education Act of 1965								
4310	Title I	5,597,463	-	-	-	-	-	212,392	5,809,855
4341	Language instruction for limited English proficiency and immigrant students, Title III	-	-	-	-	-	-	246,923	246,923
4343	McKinney-Vento education for homeless children and youth program	-	-	-	-	-	-	65,639	65,639
4344	Hurricane education recovery	-	-	-	-	-	-	121,500	121,500
4351	Improving teacher quality	-	-	-	-	-	-	633,307	633,307
4400	Adult education								
4410	Basic adult education	-	-	-	-	265,320	-	-	265,320
4500	Programs for children with disabilities								
4510	Individuals with Disabilities Education Act (IDEA)	-	3,610,726	-	-	-	-	-	3,610,726
4520	Pre-school grants	-	-	212,768	-	-	-	-	212,768
4900	Other federal sources								
4997	Title IV SSAE	-	-	-	-	-	-	162,797	162,797
4999	Revenue from other federal sources	-	-	-	-	-	-	807,697	807,697
	Total federal sources	5,597,463	3,610,726	212,768	291,534	265,320	-	2,250,255	12,228,066
	Total revenues	5,597,463	3,610,726	212,768	291,534	265,320	4,476,574	4,171,222	18,625,607
100	Instruction								
110	General instruction								
111	Kindergarten programs								
100	Salaries	41,105	-	-	-	-	-	-	41,105
200	Employee benefits	15,366	-	-	-	-	-	-	15,366
300	Purchased services	5,837	-	-	-	-	-	-	5,837
400	Supplies and materials	69,759	-	-	-	-	-	208	69,967
112	Primary programs								
100	Salaries	815,452	-	-	-	-	83,159	374,472	1,273,083
200	Employee benefits	290,602	-	-	-	-	33,888	146,169	470,659
300	Purchased services	29,542	-	-	-	-	-	13,457	42,999
400	Supplies and materials	645,601	-	-	-	-	1,487	47,484	694,572
500	Capital outlay	-	-	-	-	-	-	238,237	238,237
600	Other objects	861	-	-	-	-	-	-	861

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
<b>Expenditures, Continued</b>									
100	Instruction, continued								
110	General instruction, continued								
113	Elementary programs								
100	Salaries	451,364	-	-	-	-	51,308	876,638	1,379,310
200	Employee benefits	171,914	-	-	-	-	14,498	86,668	273,080
300	Purchased services	19,500	-	-	-	-	-	29,885	49,385
400	Supplies and materials	137,598	-	-	-	-	-	22,210	159,808
500	Capital outlay	-	-	-	-	-	-	27,874	27,874
600	Other objects	-	-	-	-	-	-	245	245
114	High school programs								
100	Salaries	-	-	-	-	-	-	299,146	299,146
200	Employee benefits	-	-	-	-	-	-	86,541	86,541
300	Purchased services	-	-	-	-	-	-	22,382	22,382
400	Supplies and materials	-	-	-	-	-	-	19,774	19,774
500	Capital outlay	-	-	-	-	-	-	116,356	116,356
600	Other objects	-	-	-	-	-	-	2,660	2,660
115	Vocational programs								
300	Purchased services	-	-	-	121,572	-	-	-	121,572
400	Supplies and materials	-	-	-	59,962	-	-	-	59,962
120	Exceptional programs								
121	Educable mentally handicapped								
100	Salaries	-	256,876	-	-	-	-	-	256,876
200	Employee benefits	-	123,859	-	-	-	-	-	123,859
122	Trainable mentally handicapped								
100	Salaries	-	106,986	-	-	-	-	-	106,986
200	Employee benefits	-	59,109	-	-	-	-	-	59,109
300	Purchased services	-	32,437	-	-	-	-	-	32,437
400	Supplies and materials	-	-	-	-	-	-	882	882

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
<b>Expenditures, Continued</b>									
100	Instruction, continued								
120	Exceptional programs, continued								
123	Orthopedically handicapped								
100	Salaries	-	75,709	-	-	-	-	74,412	150,121
200	Employee benefits	-	17,433	-	-	-	-	31,260	48,693
300	Purchased services	-	50,864	-	-	-	-	-	50,864
400	Supplies and materials	-	55,061	-	-	-	-	-	55,061
124	Visually handicapped								
100	Salaries	-	82,950	-	-	-	-	-	82,950
200	Employee benefits	-	39,082	-	-	-	-	-	39,082
300	Purchased services	-	15,283	-	-	-	-	-	15,283
400	Supplies and materials	-	45,606	-	-	-	-	-	45,606
125	Hearing handicapped								
100	Salaries	-	189,456	-	-	-	-	-	189,456
200	Employee benefits	-	67,933	-	-	-	-	-	67,933
300	Purchased services	-	102,028	-	-	-	-	-	102,028
400	Supplies and materials	-	25,180	-	-	-	-	-	25,180
126	Speech handicapped								
100	Salaries	-	118,938	-	-	-	-	5,110	124,048
200	Employee benefits	-	38,833	-	-	-	-	464	39,297
300	Purchased services	-	307,114	-	-	-	-	525	307,639
400	Supplies and materials	-	5,000	-	-	-	-	-	5,000
127	Learning disabilities								
100	Salaries	-	426,801	-	-	-	-	-	426,801
200	Employee benefits	-	167,251	-	-	-	-	-	167,251
300	Purchased services	-	309,624	-	-	-	-	-	309,624
400	Supplies and materials	-	142,919	-	-	-	-	-	142,919
128	Emotionally handicapped								
100	Salaries	-	23,462	-	-	-	-	-	23,462
200	Employee benefits	-	11,910	-	-	-	-	-	11,910
400	Supplies and materials	-	205	-	-	-	-	-	205



**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
<b>Expenditures, Continued</b>									
100	Instruction, continued								
130	Pre-school programs								
137	Pre-school handicapped-self contained (3 & 4 yr. olds)								
100	Salaries	-	3,478	96,843	-	-	-	-	100,321
200	Employee benefits	-	1,707	44,725	-	-	-	-	46,432
400	Supplies and materials	-	12,998	61,979	-	-	-	-	74,977
139	Early childhood programs								
100	Salaries	499,944	-	-	-	-	-	7,421	507,365
200	Employee benefits	206,932	-	-	-	-	-	2,114	209,046
400	Supplies and materials	23,745	-	-	-	-	-	-	23,745
140	Special programs								
145	Homebound								
100	Salaries	-	263	-	-	-	-	-	263
200	Employee benefits	-	74	-	-	-	-	-	74
149	Other special programs								
400	Supplies and materials	-	1,877	-	-	-	-	-	1,877
160	Other exceptional programs								
161	Autism								
100	Salaries	-	21,692	-	-	-	-	-	21,692
200	Employee benefits	-	18,392	-	-	-	-	-	18,392
300	Purchased Services	-	62,672	-	-	-	-	-	62,672
400	Supplies and materials	-	8,630	-	-	-	-	-	8,630
170	Summer school programs								
171	Primary summer school								
100	Salaries	-	-	-	-	-	-	166,194	166,194
200	Employee benefits	-	-	-	-	-	-	40,000	40,000

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
172	Elementary summer school								
100	Salaries	276	-	-	-	-	-	-	276
200	Employee benefits	78	-	-	-	-	-	-	78
175	Instructional programs beyond regular school day								
100	Salaries	136,372	-	-	-	-	-	22,450	158,822
200	Employee benefits	38,502	-	-	-	-	-	43,424	81,926
300	Purchased services	-	-	-	-	-	-	10,100	10,100
400	Supplies and materials	9,840	-	-	-	-	-	3,742	13,582
600	Other objects	-	-	-	-	-	-	20	20
180	Adult/continuing educational programs								
181	Adult basic education programs								
100	Salaries	-	-	-	-	146,577	-	-	146,577
200	Employee benefits	-	-	-	-	35,042	-	-	35,042
300	Purchased services	-	-	-	-	-	1,783	-	1,783
400	Supplies and materials	-	-	-	-	-	8,257	50	8,307
600	Other objects	-	-	-	-	-	-	40	40
182	Adult secondary education programs								
100	Salaries	-	-	-	-	55,104	-	-	55,104
200	Employee benefits	-	-	-	-	13,216	-	-	13,216
300	Purchased services	-	-	-	-	-	-	37	37
400	Supplies and materials	-	-	-	-	-	1,000	293	1,293
183	Adult English literacy - ESL								
100	Salaries	-	-	-	-	1,228	-	250	1,478
200	Employee benefits	-	-	-	-	94	-	19	113
400	Supplies and materials	-	-	-	-	-	2,048	-	2,048
188	Parenting/family/education programs								
100	Salaries	326,528	-	-	-	-	-	13,426	339,954
200	Employee benefits	146,597	-	-	-	-	-	3,984	150,581
300	Purchased services	81,601	-	-	-	-	-	2,163	83,764
400	Supplies and materials	51,000	-	-	-	-	-	4,610	55,610
600	Other objects	25,343	-	-	-	-	-	94	25,437
	Total instruction	4,241,259	3,029,692	203,547	181,534	251,261	197,428	2,843,490	10,948,211

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
<b>Expenditures, Continued</b>									
200	Support services								
210	Pupil services								
211	Attendance and social work services								
100	Salaries	-	-	-	-	-	-	120,611	120,611
200	Employee benefits	-	-	-	-	-	-	51,036	51,036
300	Purchased services	-	-	-	-	-	-	635	635
400	Supplies and materials	-	-	-	-	-	-	1,493	1,493
212	Guidance services								
100	Salaries	-	-	-	-	-	473,343	-	473,343
200	Employee benefits	-	-	-	-	-	194,041	-	194,041
400	Supplies and materials	2,137	-	-	-	-	-	-	2,137
213	Health services								
100	Salaries	-	9,246	-	-	-	411,442	105,335	526,023
200	Employee benefits	-	4,078	-	-	-	165,263	52,656	221,997
300	Purchased services	-	-	-	-	-	-	53,017	53,017
214	Psychological services								
100	Salaries	-	943	-	-	-	-	-	943
200	Employee benefits	-	267	-	-	-	-	-	267
215	Exceptional program services								
300	Purchased services	-	2,500	-	-	-	-	-	2,500
220	Instructional staff services								
221	Improvement of instruction - curriculum								
100	Salaries	363,549	-	-	-	-	871,300	114,064	1,348,913
200	Employee benefits	132,027	-	-	-	-	359,558	55,161	546,746
300	Purchased services	-	-	-	-	-	-	741	741
400	Supplies and materials	840	-	-	-	-	-	2,609	3,449
223	Supervision of special programs								
100	Salaries	97,560	180,561	-	-	-	-	-	278,121
200	Employee benefits	34,041	81,261	-	-	-	-	-	115,302
300	Purchased services	30,560	26,935	-	-	-	4,246	10,342	72,083
400	Supplies and materials	2,085	16,241	-	-	-	546	2,465	21,337
600	Other objects	-	-	-	-	-	-	6,253	6,253

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

						* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	
	Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)			Total
<b>Expenditures, Continued</b>								
200	Support services, continued							
224	Improvement of instruction - in-service training							
100	Salaries	23,718	-	-	-	13,007	-	36,725
200	Employee benefits	3,919	-	-	-	1,052	-	4,971
300	Purchased services	268,727	-	-	58,000	-	269,660	596,387
400	Supplies and materials	32,668	-	-	-	4,000	1,173	37,841
600	Other objects	10,686	-	-	-	-	1,546	12,232
250	Finance and operations services							
251	Federal student transportation							
300	Purchased services	27,048	-	-	-	-	3,656	30,704
254	Operation and maintenance of plant							
300	Purchased services	1,140	-	-	-	-	99	1,239
256	Food services							
300	Purchased services	-	-	-	-	217,597	-	217,597
400	Supplies and materials	-	-	-	-	-	7,898	7,898
260	Central support services							
263	Information services							
400	Supplies and materials	-	-	-	-	-	380	380
264	Staff services							
300	Purchased services	-	-	-	-	-	28,557	28,557
400	Supplies and materials	-	-	-	-	-	5,985	5,985

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

		Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
<b>Expenditures, Continued</b>									
200	Support services, continued								
270	Support services								
271	Pupil service activities								
600	Other objects	83,048	-	-	52,000	-	-	7,915	142,963
	Total support services	1,113,753	322,032	-	110,000	14,059	2,701,336	903,287	5,164,467
300	Community services								
350	Custody and care of children								
100	Salaries	-	-	-	-	-	-	138,006	138,006
200	Employee benefits	-	-	-	-	-	-	57,408	57,408
300	Purchased services	-	-	-	-	-	-	400	400
400	Supplies and materials	-	-	-	-	-	-	9,277	9,277
300	Community services, continued								
360	Welfare services								
300	Purchased services	-	-	-	-	-	-	4,310	4,310
400	Supplies and materials	-	-	-	-	-	-	33,660	33,660
370	Non public school services								
300	Purchased services	-	-	-	-	-	-	3,128	3,128
390	Other community services								
300	Purchased services	-	-	-	-	-	-	7,688	7,688
400	Supplies and materials	-	-	-	-	-	-	234	234
600	Other objects	-	-	-	-	-	-	-	-
	Total community services	-	-	-	-	-	-	254,111	254,111
410	Intergovernmental expenditures								
411	Payments to State Department of Education								
720	Transits	-	-	-	-	-	-	127,741	127,741
416	Payments to Public Charter School								
720	Transits	-	104,725	-	-	-	39,842	500	145,067
419	Payments from nonemployer contributions								
720	Transits	-	-	-	-	-	1,537,968	-	1,537,968
	Total intergovernmental expenditures	-	104,725	-	-	-	1,577,810	128,241	1,810,776
	Total expenditures	5,355,012	3,456,449	203,547	291,534	265,320	4,476,574	4,129,129	18,177,565

**Beaufort County School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund**  
**For the year ended June 30, 2019**

	Title I (201/202)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	* Adult Education (243)	* Other Restricted State Grants (900s)	*Other Special Revenue Programs (200s/800s)	Total
Other financing sources (uses)								
Interfund transfers from (to) other funds								
431-791 Special revenue fund indirect costs	(242,451)	(154,277)	(9,221)	-	-	-	(42,093)	(448,042)
Total other financing sources (uses)	(242,451)	(154,277)	(9,221)	-	-	-	(42,093)	(448,042)
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-
<i>Fund balance, beginning of year</i>	-	-	-	-	-	-	-	-
<i>Fund balance, end of year</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Beaufort County School District*****Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund******For the year ended June 30, 2019***

<b>*Adult Education</b>		<b>*Designated Restricted State Grants</b>	
243	Adult Education Federal	919	Education License Plates
818	Local Program	928	EEDA Career Specialists
955	SNAP Reimbursement	935	Reading Coaches
956	Adult Education State	936	Student Health and Fitness Nurses
		937	Student Health and Fitness
		970	School Safety Upgrades
<b>* Other Special Revenue Programs</b>			
202	Title I	816	SREB Grant
203	IDEA	821	Public Consulting Group
205	IDEA Preschool	822	Cinderella Fella Ball
207	Federal Perkins Fund/Leadership Funds	824	CERRA
210	Title IV SSAE (Student Support & Acad. Enrich.)	827	Teacher Mini Grants
232	McKinney-Vento Homeless	828	Teacher of the Year-MMS
237	Title I School Improvement Focus	831	Farm to School LIES
238	Title I School Improvement Mini Grant	839	Fuel 60 Grant
240	Title I Direct Student Services	840	Share Our Strength Grant
241	19 Hurricane Education Recovery	844	Parker-Grant
264	Title III (ESOL)	848	AIE/ABC LIMS
267	Improving Teacher Quality, Title II	849	AIE/ABC BMS
286	Medicaid	850	AIE/ABC MOES
287	Medicaid/Health Services	851	AIE/ABC MMS
290	YRBS Administrative Reimbursement-MRHS	852	AIE/ABC LIES
294	Rural Utilities Service Grant	855	First Steps
295	ROTC	865	Miscellaneous Arts
299	Presidential Innovative Award for Ed. Exc.	867	AIE/ABC HHSCA
801	Profound. Mentally Disabled	870	Jr. Jazz Foundation-WBMS
803	Senior Scholar Banquet	871	Summer Camps
805	HHMS Donation Grant	872	Dollar General Grant-BLES
809	Back to School Expo	873	Parenting Family Literacy
810	Driving Young America	875	Traveling Preschool Bus
811	Culinary Scholarships	876	Dollar General-BLES
815	Child Find Expansion	881	Military Child Education Coalition
		886	Special Needs Transportation
		893	CLIMB Supplement

**Beaufort County School District****Summary Schedule for Designated State Restricted Grants - Special Projects Fund****For the year ended June 30, 2019**

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers In/(Out)	Other Fund Transfers In/(Out)	Special Revenue Fund Unearned
919	3193	Education License Plates	\$ 1,487	1,487	\$ -	\$ -	\$ 6,813
928	3118	EEDA Career Specialists	667,384	667,384	-	-	698,825
935	3135	Reading Coaches	1,230,858	1,230,858	-	-	299,428
936	3136	Student Health and Fitness - Nurses	609,447	609,447	-	-	123,093
937	3127	Student Health and Fitness - PE Teachers	189,954	189,954	-	-	58,106
955	3155	Adult Education SNAP	8,033	8,033	-	-	1,388
956	3156	Adult Education Workdays	13,846	13,846	-	-	12,968
970	3670	School safety - facility and infrastructure safety	217,597	217,597	-	-	2,403
994	3994	PEBA Nonemployer Contributions	1,537,968	1,537,968	-	-	-
			<u>\$ 4,476,574</u>	<u>\$ 4,476,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,203,024</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, 2019***

**Revenues**

3000	Revenue from State Sources		
3500	Education Improvement Act:		
3502	ADEPT	\$	24,948
3507	Aid to Districts		276,392
3509	Arts in Education		18,301
3511	Professional Development		106,703
3518	Adoption List of Formative Assessment		213,051
3519	Grade 10 Assessments		227,228
3526	Science Kit Refurbishment		80,063
3528	Industry Certificates		42,215
3529	Career and Technology Education		495,578
3532	National Board Salary Supplement		1,064,558
3533	Teacher of the Year Awards		1,077
3538	Students at Risk of School Failure		2,453,702
3540	Early Childhood Program		900,842
3550	Teacher Salary Increase		5,767,106
3555	Teacher Salary Fringe		1,183,064
3556	Adult Education		520,318
3557	Summer Reading Program		164,259
3558	Reading		98,730
3571	State Priority Schools		32,529
3577	Teacher Supplies		473,275
3589	Maintenance of State Financial Support (MES) Tier II		87,000
3592	Work-Based Learning		54,808
3595	EEDA - Supplies and Materials		10,337
3597	Aid to Districts		307,934
	Total revenue state sources	\$	<u>14,604,018</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, 2019****Expenditures**

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries	\$	30,000
200	Employee benefits		8,473
400	Supplies and materials		23,650
			<u>62,123</u>
112	Primary programs		
100	Salaries		835,470
200	Employee benefits		329,474
300	Purchased services		302,325
400	Supplies and materials		173,537
			<u>1,640,806</u>
113	Elementary programs		
100	Salaries		496,718
200	Employee benefits		148,190
300	Purchased services		46,586
400	Supplies and materials		149,814
			<u>841,308</u>
114	High school programs		
100	Salaries		265,863
200	Employee benefits		82,668
300	Purchased services		-
400	Supplies and materials		326,759
			<u>675,290</u>
115	Vocational programs		
300	Purchased services		37,864
400	Supplies and materials		446,616
500	Capital outlay		34,902
600	Other objects		2,600
			<u>521,982</u>
117	Driver education programs		
400	Supplies and materials		550
			<u>550</u>
118	Montessori programs		
400	Supplies and materials		2,475
			<u>2,475</u>
120	Exceptional programs		
121	Educational mentally 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, 2019****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	1,100	
		<u>1,100</u>	
126	Speech handicapped		
100	Salaries	5,132	
200	Benefits	751	
300	Purchased services	171	
400	Supplies and materials	5,225	
		<u>11,279</u>	
127	Learning disabilities		
400	Supplies and materials	21,175	
		<u>21,175</u>	
128	Emotionally handicapped		
400	Supplies and materials	3,300	
		<u>3,300</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	1,100	
		<u>1,100</u>	
139	Early childhood programs		
100	Salaries	544,653	
200	Benefits	288,673	
400	Supplies and materials	106,472	
		<u>939,798</u>	
140	Special programs		
141	Gifted and talented-academic		
400	Supplies and materials	8,250	
		<u>8,250</u>	
160	Other exceptional programs		
161	Autism		
300	Purchased services	158	
		<u>158</u>	
162	Limited English proficiency		
400	Supplies and materials	16,225	
		<u>16,225</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, 2019****Expenditures, Continued**

100	Instruction, continued		
170	Summer school program		
171	Primary program		
100	Salaries	363,395	
200	Benefits	113,976	
400	Supplies and materials	125,463	
		<u>602,834</u>	
172	Elementary summer school		
100	Salaries	69,815	
200	Benefits	20,514	
		<u>90,329</u>	
173	High school summer school		
100	Salaries	92,895	
200	Benefits	26,862	
		<u>119,757</u>	
175	Instructional programs beyond regular school day		
100	Salaries	7,597	
200	Benefits	2,079	
		<u>9,676</u>	
180	Adult/continuing educational programs		
181	Adult basic educational programs		
100	Salaries	78,119	
200	Benefits	15,976	
300	Purchased services	4,457	
400	Supplies and materials	25,100	
		<u>123,652</u>	
182	Adult secondary education		
100	Salaries	44,826	
200	Employee benefits	10,333	
300	Purchased services	2,492	
400	Supplies and materials	1,830	
		<u>59,481</u>	
183	Adult English literacy		
100	Salaries	10,487	
200	Benefits	927	
400	Supplies and materials	611	
		<u>12,025</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, 2019****Expenditures, Continued**

100	Instruction, continued		
188	Parenting/family literacy		
100	Salaries	49,352	
200	Employee benefits	19,520	
300	Purchased services	7,594	
400	Supplies and materials	16,508	
		<u>92,974</u>	
	Total instruction	<u>5,862,872</u>	
200	Support services		
210	Pupil services		
212	Guidance services		
300	Purchased services	512	
400	Supplies and materials	22,670	
600	Other objects	1,200	
		<u>24,382</u>	
213	Health services		
100	Salaries	5,184	
200	Benefits	1,499	
		<u>6,683</u>	
220	Instructional staff services		
221	Improvement of instruction - curriculum development		
100	Salaries	363,115	
200	Benefits	141,126	
300	Purchased services	4,999	
400	Supplies and materials	4,297	
		<u>513,537</u>	
222	Literacy and media services		
100	Salaries	15,000	
200	Benefits	4,235	
400	Supplies and materials	7,700	
		<u>26,935</u>	
223	Supervision of special programs		
100	Salaries	203,232	
200	Benefits	64,263	
300	Purchased services	21,169	
400	Supplies and materials	13,025	
		<u>301,689</u>	
224	Improvement of instructional services		
100	Salaries	34,326	
200	Benefits	7,395	
300	Purchased services	226,394	
400	Supplies and materials	3,735	
		<u>271,850</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, 2019****Expenditures, Continued**

200	Support services, continued	
250	Finance and operations services	
255	Student transportation	
300	Purchased services	237,003
		<u>237,003</u>
260	Central support services	
264	Staff services	
100	Salaries	7,500
200	Benefits	2,100
		<u>9,600</u>
266	Technology and data processing services	
400	Supplies and materials	276,392
		<u>276,392</u>
270	Support services pupil activity	
271	Pupil service activities	
600	Other objects	1,860
		<u>1,860</u>
	Total support services	<u>1,669,931</u>
400	Other charges	
410	Intergovernmental expenditures	
416-720	LEA Payment to Public Charter School	121,045
	Total intergovernmental expenditures	<u>121,045</u>
	Total expenditures	<u>7,653,848</u>
<b>Other Financing Sources (Uses)</b>		
420-710	Transfer to general fund	(6,950,170)
	Total other financing sources (uses)	<u>(6,950,170)</u>
	Excess of revenues over expenditures and other financing sources (uses)	-
<b>Fund balance, beginning of year</b>		-
<b>Fund balance, end of year</b>		<u>\$ -</u>

**Beaufort County School District**

**Summary Schedule by Program - Education Improvement Act Fund**  
**For the year ended June 30, 2019**

		Revenues	Expenditures	Other Fund Transfers In/(Out)	Unearned Revenue
3500	Education Improvement Act				
3502	ADEPT	\$ 24,948	\$ 24,948	\$ -	\$ -
3507	Aid to Districts - Technology	276,392	276,392	-	304,406
3509	Arts in Education	18,301	18,301	-	6,199
3511	Professional Development	106,703	106,703	-	-
3518	Adoption List of Formative Assessment	213,051	213,051	-	15,484
3519	Grade 10 Assessments	227,228	227,228	-	115,821
3526	Science Kit Refurbishment	80,063	80,063	-	43,335
3528	Industry Certificates	42,215	42,215	-	32,269
3529	Career and Technology Education	495,578	495,578	-	141,835
3532	National Board Salary Supplement	1,064,558	1,064,558	-	-
3533	Teacher of the Year Awards	1,077	1,077	-	-
3538	Students at Risk of School Failure	2,453,702	2,453,702	-	1,129,595
3540	Early Childhood Program	900,842	900,842	-	488,119
3550	Teacher Salary Increase	5,767,106	-	(5,767,106)	-
3555	Teacher Salary Fringe	1,183,064	-	(1,183,064)	-
3556	Adult Education	520,318	520,318	-	263,303
3557	Summer Reading Program	164,259	164,259	-	-
3558	Reading	98,730	98,730	-	-
3571	State Priority Schools	32,529	32,529	-	228,533
3577	Teacher Supplies	473,275	473,275	-	-
3589	Maintenance of State Financial Support (MES) Tier II	87,000	87,000	-	-
3592	Work-Based Learning	54,808	54,808	-	20,873
3595	EEDA - Supplies and Materials	10,337	10,337	-	21,367
3597	Aid to Districts	307,934	307,934	-	678,571
3599	Other EIA	-	-	-	48,936
	Total	<u>\$ 14,604,018</u>	<u>\$ 7,653,848</u>	<u>\$ (6,950,170)</u>	<u>\$ 3,538,646</u>

**Beaufort County School District*****Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund - District  
For the year ended June 30, 2019*****Revenues**

1000	Revenue from local sources		
1200	Revenue from local governmental units other than LEAs		
1210	Ad valorem taxes-including delinquent	\$	60,854,110
1240	Penalties and interest on taxes		294,975
1280	Revenue in lieu of taxes		9,406
			<u>61,158,491</u>
1500	Earnings on investments		
1510	Interest on investments		<u>171,190</u>
	Total local sources		<u>61,329,681</u>
3000	Revenue from state sources		
3800	State revenue in lieu of taxes		
3820	Homestead exemption		1,164,372
3830	Merchant's inventory tax		85,988
3890	Other state property tax revenues		<u>128,751</u>
	Total state sources		<u>1,379,111</u>
	Total revenue all sources		<u>62,708,792</u>

**Expenditures**

500	Debt service		
610	Redemption of principal		44,875,700
620	Interest		12,040,487
690	Other objects		<u>39,519</u>
	Total expenditures		<u>56,955,706</u>
	Excess of revenue over expenditures		<u>5,753,086</u>

**Other financing sources (uses)**

5110	Premium on bonds sold		23,746
423-710	Transfer to EFC debt service fund		<u>(2,723,958)</u>
	Total other financing sources (uses)		<u>(2,700,212)</u>
	Excess of revenues and other financing sources over expenditures		3,052,874

<b>Fund balance, beginning of year</b>	<u>16,005,883</u>
<b>Fund balance, end of year</b>	<u><u>\$ 19,058,757</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, 2019******Revenues***

1000	Revenue from local sources	
1500	Earnings on investments	
1510	Interest on investments	\$ 4,507
	Total local sources	4,507
	Total revenue all sources	4,507

***Expenditures***

500	Debt service	
610	Redemption of principal	2,005,000
620	Interest	722,503
690	Other objects	15,127
	Total expenditures	2,742,630
	Total (deficiency) of expenditures over revenues	(2,738,123)

***Other financing sources (uses)***

5240	Transfer from debt service	2,723,958
	Total other financing sources	2,723,958
	Deficiency of revenues and other financing sources under expenditures	(14,165)

<b><i>Fund balance, beginning of year</i></b>	57,915
<b><i>Fund balance, end of year</i></b>	\$ 43,750

**Beaufort County School District****Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund****For the year ended June 30, 2019**

		<b>Other Projects</b>	<b>Referenda Projects</b>	<b>Total</b>
<b>Revenues</b>				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 830,293	\$ 259,180	\$ 1,089,473
1900	Other revenue from local sources			
1993	Insurance proceeds	7,240	-	7,240
1999	Revenue from other local sources	1,099,341	-	1,099,341
	Total local sources	1,936,874	259,180	2,196,054
4000	Revenue from federal sources			
4999	Revenue from other federal sources	79,893	-	79,893
	Total federal sources	79,893	-	79,893
	Total revenues all sources	2,016,767	259,180	2,275,947
<b>Expenditures</b>				
250	Finance and operations			
253	Facilities acquisition and construction			
100	Salaries	378,484	-	378,484
200	Benefits	131,413	-	131,413
300	Purchased services	4,193,059	-	4,193,059
400	Supplies	6,046,126	-	6,046,126
500	Capital outlay			
520	Construction services	15,899,824	-	15,899,824
530	Improvements other than buildings	408,583	-	408,583
540	Equipment	188,194	-	188,194
545	Technology, equipment and software	74,906	-	74,906
550	Vehicles	176,178	-	176,178
580	Mobile classrooms	2,003,890	-	2,003,890
600	Other objects			
690	Other objects	115,924	-	115,924
	Total expenditures	29,616,581	-	29,616,581
<b>Other financing sources (uses)</b>				
5110	Premiums on bonds sold	1,485,732	-	1,485,732
5120	Proceeds of general obligation bonds	29,250,000	-	29,250,000
5300	Sale of capital assets	4,000	-	4,000
<b>Interfund transfers, from (to) other funds</b>				
5210	Transfer from special revenue fund	103,870	-	103,870
	Total other financing sources (uses)	30,843,602	-	30,843,602
	Deficiency of revenues and other financing sources under expenditures	3,243,788	259,180	3,502,968
<b>Fund balance, beginning of year</b>				
		19,013,724	7,842,574	26,856,298
<b>Fund balance, end of year</b>				
		\$ 22,257,512	\$ 8,101,754	\$ 30,359,266

**Beaufort County School District*****Schedule of Revenues, Expenditures and Changes in Net Position - Enterprise Fund - Food Service Fund******For the year ended June 30, 2019*****Revenues**

1000	Revenue from local sources		
1500	Earnings on investments		
1510	Interest	\$	1,920
1600	Food service		
1610	Lunch sales to pupils		944,235
1620	Breakfast sales to pupils		74,048
1630	Special sales to pupils		404,685
1640	Lunch sales to adults		55,976
1650	Breakfast sales to adults		2,132
1660	Special sales to adults		15,932
1900	Other revenue from local sources		
1999	Miscellaneous		253,364
	Total revenue from local sources		<u>1,752,292</u>
4000	Revenue from federal sources		
4800	USDA reimbursement		
4810	School lunch and after school snacks program		5,744,225
4830	School breakfast program		1,698,462
4880	Summer feeding program		234,320
4900	Other federal sources		
4991	USDA commodities		680,418
4999	Other federal sources		548,905
	Total revenue from federal sources		<u>8,906,330</u>
	Total revenue all sources		<u>10,658,622</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, 2019******Expenses***

256	Food service	
100	Salaries	289,988
200	Employee benefits	56,307
300	Purchased services	
323	Repairs and maintenance	4,861
332	Travel	7,604
345	Technology	3,199
360	Printing and binding	598
390	Other purchased services	8,913,764
400	Supplies and materials	
410	Supplies	45,000
445	Technology and software supplies	76,039
461	USDA commodities	680,418
470	Energy - Gasoline	11,848
500	Capital outlay	
570	Depreciation	255,170
600	Other objects	
640	Dues and fees	141
670	Sales tax	10,906
690	Other	2,358
	Total expenses	<u>10,358,201</u>

***Other financing (sources) uses***

5210	Transfer from general fund	110,000
416-720	Payments to Charter Schools	(129,903)
432-791	Food service fund indirect costs	(113,882)
	Other financing (sources) uses	<u>(133,785)</u>
	Change in net position	166,636

***Net position, beginning of year***2,220,425***Net position, end of year***\$ 2,387,061

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*****Schedule of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund******For the year ended June 30, 2019*****Revenues**

1000	Revenue from local sources		
1900	Other revenue from local sources		
1993	Receipt of insurance proceeds	\$	358,392
1999	Charges for services		866,662
	Total local sources		<u>1,225,054</u>
	Total revenue all sources		<u>1,225,054</u>

**Expenses**

100	Instruction		
110	General instruction		
112	Primary programs		
200	Employee benefits		
270	Workers compensation		177,174
400	Supplies and materials		
410	Supplies and materials		6,007
113	Elementary programs		
200	Employee benefits		
270	Workers compensation		136,505
114	High school programs		
200	Employee benefits		
270	Workers compensation		108,741
120	Exception programs		
126	Speech handicapped		
200	Employee benefits		
270	Workers compensation		227
127	Learning disabilities		
200	Employee benefits		
270	Workers compensation		164,870
	Total instruction		<u>593,524</u>
200	Support services		
210	Pupil services		
211	Attendance and social work services		
200	Employee benefits		
270	Workers compensation		1,690
212	Guidance services		
200	Employee benefits		
270	Workers compensation		42,532
213	Health services		
200	Employee benefits		
270	Workers compensation		1,990
220	Instructional staff services		
221	Improvement of instruction		
200	Employee benefits		
270	Workers compensation		25,313
200	Support services, continued		
230	General administration services		
233	School administration		
200	Employee benefits		
270	Workers compensation		91,547

**Beaufort County School District*****Schedule of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund******For the year ended June 30, 2019******Expenses, continued***

250	Finance and operations services	
254	Operation and Maintenance of Plant	
200	Employee benefits	
270	Workers compensation	1,809
300	Purchased services	
324	Property insurance	3,896
255	Student transportation	
200	Employee benefits	
270	Workers compensation	70,114
260	Central support services	
264	Staff services	
200	Employee benefits	
270	Workers compensation	258
266	Technology and data processing services	
200	Employee benefits	
270	Workers compensation	33,990
	Total support services	273,139
	Total expenses	866,663
	Change in net position	358,391

<b><i>Net position, beginning of year</i></b>	1,019,332
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<b><i>Net position, end of year</i></b>	<u>\$ 1,377,723</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 6.

**Beaufort County School District****Statement of Changes in Assets and Liabilities - Agency Fund - Pupil Activity****For the year ended June 30, 2019**

	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2019</b>
<b>Assets</b>				
Cash	\$ 2,356,286	\$ 4,238,568	\$ 3,717,973	\$ 2,876,881
Accounts receivable	-	1,700	-	1,700
Prepaid items	1,425	850	1,425	850
Total assets	<u>\$ 2,357,711</u>	<u>\$ 4,241,118</u>	<u>\$ 3,719,398</u>	<u>\$ 2,879,431</u>
<b>Liabilities</b>				
Accounts payable	\$ 241,707	\$ 3,734,665	\$ 3,734,171	\$ 242,201
Accrued salaries and benefits	13,952	31,281	13,958	31,275
Due to student organizations	2,102,052	4,238,568	3,734,665	2,605,955
Total liabilities	<u>\$ 2,357,711</u>	<u>\$ 8,004,514</u>	<u>\$ 7,482,794</u>	<u>\$ 2,879,431</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, 2019*****Receipts**

1000	Receipts from local sources	
1500	Earnings on investments	
1510	Interest on investments	\$ 1,965
1700	Pupil activities	
1730	Pupil organization membership	522,750
1900	Other revenue from local sources	
1920	Contributions and donations	115,307
1999	Revenue from other local sources	3,598,546
	Total receipts all sources	<u>4,238,568</u>

**Disbursements**

190	Instructional pupil activity	
660	Pupil activity	329,851
270	Support services pupil activity	
271	Pupil service activities	
660	Pupil activity	2,324,685
272	Enterprise activities	
660	Pupil activity	1,063,449
273	Trust and agency activities	
660	Pupil activity	16,680
	Total disbursements	<u>3,734,665</u>
	Excess of receipts over disbursements	503,903

***Due to student organizations, beginning of year***2,102,052***Due to student organizations, end of year***\$ 2,605,955

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, 2019*

<b>Program</b>	<b>Project Number</b>	<b>Revenue and Subfund Codes</b>	<b>Description</b>	<b>Amount due to State Department of Education</b>	<b>Status of Amounts Due to Grantors</b>
EIA State Priority Schools – Technical Assistance	N/A	371	Potentially Underperforming School Allocation	\$ 74,777	-

**Beaufort County School District***Financial Analysis Model Location Reconciliation Schedule**For the fiscal year ended June 30, 2019*

Location ID	Description	Education Level	Cost Type	Expenditures
1	District Office	Non-Schools	Central	\$107,465,026
9	Islands Academy	Alternative School	School	1,857,015
10	Academy for Career Excellence	Other Schools	School	1,843,547
17	Hilton Head Early Childhood Center	Other Schools	School	5,447,926
20	Riverview Charter School	Other Schools	School	6,810,903
33	Beaufort Elementary	Elementary Schools	School	7,514,750
34	Coosa Elementary	Elementary Schools	School	6,121,106
35	Lady's Island Elementary	Elementary Schools	School	4,129,872
37	Mossy Oaks Elementary	Elementary Schools	School	5,070,575
38	Port Royal Elementary	Elementary Schools	School	3,373,242
39	St. Helena Elementary	Elementary Schools	School	5,288,151
40	Broad River Elementary	Elementary Schools	School	5,725,976
42	Shell Point Facility	Elementary Schools	School	63,884
44	Joseph S. Shanklin Elementary	Elementary Schools	School	5,145,521
54	Whale Branch Elementary	Elementary Schools	School	7,075,260
62	Hilton Head Island Elementary	Elementary Schools	School	11,866,397
63	Hilton Head Island School for Creative Arts	Elementary Schools	School	6,961,659
70	Bluffton Elementary	Elementary Schools	School	8,250,900
72	Okatie Elementary	Elementary Schools	School	6,000,701
74	Michael C. Riley Elementary	Elementary Schools	School	9,093,120
76	Red Cedar Elementary	Elementary Schools	School	6,910,784
78	Pritchardville Elementary	Elementary Schools	School	8,069,710
79	River Ridge Academy	PK-8 School	School	11,343,324
80	Beaufort Middle	Middle Schools	School	5,899,735
81	Lady's Island Middle	Middle Schools	School	6,314,353
83	Robert Smalls International Academy	PK-8 School	School	8,427,249
85	Whale Branch Middle	Middle Schools	School	4,770,124
87	Hilton Head Island Middle	Middle Schools	School	9,174,326
88	HE McCracken Middle	Middle Schools	School	7,239,085
89	Bluffton Middle	Middle Schools	School	7,188,333
90	Beaufort High	High Schools	School	13,715,656
92	Battery Creek High	High Schools	School	9,995,661
94	Whale Branch Early College High	High Schools	School	16,343,780
96	Hilton Head Island High	High Schools	School	13,082,223
97	May River High	High Schools	School	11,501,843
98	Bluffton High	High Schools	School	11,371,645
Total expenditures/disbursements for all funds				<u>\$ 366,453,362</u>

**Beaufort County School District*****Financial Analysis Model Location Reconciliation Schedule******For the fiscal year ended June 30, 2019***

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

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**Funds Used in Per Pupil Cost Calculation**


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General Fund (Subfund 100's)	\$ 236,217,600
Special Revenue Fund (Subfunds 200's, 800's, 900's)	18,177,565
Special Revenue EIA Fund (Subfund 300's)	7,653,848
Proprietary Fund (Subfund 600's)	10,488,104
Internal Service Fund (Subfund 650's)	866,663
Agency Fund (Pupil Activity) (Subfund 700's)	3,734,665
Sub-Total	<u>277,138,445</u>

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**Other funds**


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Debt Service Fund (Subfund 400's)	59,698,336
Capital Projects Fund (Subfund 500's)	29,616,581
Sub-Total	<u>89,314,917</u>
Grand Total	<u><u>\$ 366,453,362</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, 2019

		Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
1000	Revenue from local sources			
1700	Pupil activities			
1740	Student fees	\$ -	\$ 50,312	\$ 50,312
1790	Other pupil activity income	403,300	391,337	(11,963)
1900	Other revenue from local sources			
1920	Contributions and donations private sources	197,000	225,487	28,487
1999	Revenue from other local sources	25,065	98	(24,967)
	Total local sources	625,365	667,234	41,869
3000	Revenue from state sources			
3300	Education finance act (EFA)			
3313	Elementary	5,930,540	6,347,868	417,328
3900	Other state revenue			
3993	PEBA on-behalf	-	31,036	31,036
	Total intergovernmental revenue	5,930,540	6,378,904	448,364
	Total revenues all sources	6,555,905	7,046,138	490,233
<b>Expenditures</b>				
100	Instruction			
110	General instruction			
111	Kindergarten programs			
100	Salaries	-	270,126	(270,126)
200	Employee benefits	-	114,339	(114,339)
400	Supplies and materials	-	22,750	(22,750)
		-	407,215	(407,215)
112	Primary programs			
100	Salaries	-	653,042	(653,042)
200	Employee benefits	-	355,179	(355,179)
300	Purchased services	-	-	-
400	Supplies and materials	-	161	(161)
		-	1,008,382	(1,008,382)
113	Elementary programs			
100	Salaries	2,553,417	1,573,589	979,828
200	Employee benefits	1,211,779	652,820	558,959
300	Purchased services	15,000	23,987	(8,987)
400	Supplies and materials	19,404	67,466	(48,062)
500	Capital outlay	-	37,952	(37,952)
600	Other objects	-	1,320	(1,320)
		3,799,600	2,357,134	1,442,466
120	Exceptional programs			
127	Learning disabilities			
100	Salaries	-	101,425	(101,425)
200	Employee benefits	-	95,665	(95,665)
300	Purchased services	5,000	11,741	(6,741)
400	Supplies and materials	1,000	997	3
		6,000	209,828	(203,828)
140	Special programs			
149	Other special programs			
300	Purchased services	-	1,730	(1,730)
		-	1,730	(1,730)
170	Summer school program			
175	Instructional programs beyond regular school day			
100	Salaries	66,696	81,776	(15,080)
200	Employee benefits	19,649	11,865	7,784
300	Purchased services	24,422	9,461	14,961
400	Supplies and materials	7,500	6,695	805
		118,267	109,797	8,470
190	Instructional pupil activity			
400	Supplies and materials	-	6,024	(6,024)
600	Other objects	159,000	175,568	(16,568)
	Total instruction	4,082,867	4,275,678	(192,811)

## 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, 2019

				Budget	Actual	Variance Favorable (Unfavorable)
<b>Expenditures, Continued</b>						
200	Support services					
210	Pupil services					
212	Guidance					
100	Salaries			-	78,362	(78,362)
200	Employee benefits			-	22,929	(22,929)
				-	101,291	(101,291)
213	Health services					
100	Salaries			-	12,356	(12,356)
200	Employee benefits			-	4,642	(4,642)
300	Purchased services			-	-	-
400	Supplies and materials			2,000	2,359	(359)
				2,000	19,357	(17,357)
220	Instructional Services					
221	Improvement of instruction curriculum development					
100	Salaries			-	154,779	(154,779)
200	Employee benefits			-	63,832	(63,832)
				-	218,611	(218,611)
224	Improvement of instruction inservice and staff training					
100	Salaries			-	78,402	(78,402)
200	Employee benefits			-	34,247	(34,247)
300	Purchased services			5,000	14,328	(9,328)
				5,000	126,977	(121,977)
230	General administration services					
231	Board of Education					
300	Purchased services			18,500	15,587	2,913
318	Audit fees			7,000	15,500	(8,500)
400	Supplies and materials			58,138	63,381	(5,243)
600	Other objects			30,457	36,441	(5,984)
				114,095	130,909	(16,814)
233	School administration					
100	Salaries			669,787	289,743	380,044
200	Employee benefits			293,892	119,599	174,293
300	Purchased services			23,641	32,835	(9,194)
400	Supplies and materials			18,750	27,899	(9,149)
500	Capital outlay			-	1,481	(1,481)
600	Other objects			-	-	-
				1,006,070	471,557	534,513
250	Finance and operations					
252	Fiscal services					
300	Purchased services			55,000	48,265	6,735
600	Other objects			16,000	16,896	(896)
				71,000	65,161	5,839
253	Facilities acquisition and construction					
300	Purchased services			-	1,980	(1,980)
500	Capital outlay			-	10,060	(10,060)
				-	12,040	(12,040)
254	Operation and maintenance of plant					
300	Purchased services			789,779	780,675	9,104
321	Public utilities			10,023	7,154	2,869
400	Supplies and materials			-	101	(101)
470	Energy			137,500	108,881	28,619
				937,302	896,811	40,491

## 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, 2019

			Budget	Actual	Variance Favorable (Unfavorable)
<b>Expenditures, Continued</b>					
200	Support services, continued				
250	Finance and operations, continued				
255	Student transportation				
300	Purchased services		18,000	23,861	(5,861)
600	Other objects		301	367	(66)
			<u>18,301</u>	<u>24,228</u>	<u>(5,927)</u>
256	Food services				
300	Purchased services		-	158	(158)
			<u>-</u>	<u>158</u>	<u>(158)</u>
258	Security				
300	Purchased services		7,800	5,313	2,487
			<u>7,800</u>	<u>5,313</u>	<u>2,487</u>
260	Central support services				
263	Information services				
300	Purchased services		16,500	20,109	(3,609)
			<u>16,500</u>	<u>20,109</u>	<u>(3,609)</u>
266	Technology and data processing services				
100	Salaries		-	57,500	(57,500)
200	Employee benefits		-	28,412	(28,412)
300	Purchased services		112,841	50,317	62,524
400	Supplies and materials		-	10,468	(10,468)
500	Capital outlay		-	4,409	(4,409)
			<u>112,841</u>	<u>151,106</u>	<u>(38,265)</u>
270	Central support services				
271	Pupil service activities				
100	Salaries		8,500	6,533	1,967
200	Employee benefits		-	171	(171)
300	Purchased services		10,600	11,346	(746)
600	Other objects		-	-	-
			<u>19,100</u>	<u>18,050</u>	<u>1,050</u>
	Total support services		<u>2,310,009</u>	<u>2,261,678</u>	<u>48,331</u>
	Total expenditures		<u>6,392,876</u>	<u>6,537,356</u>	<u>(144,480)</u>
	Excess (deficiency) of revenues over expenditures		<u>163,029</u>	<u>508,782</u>	<u>345,753</u>
	Net change in fund balance		<u>\$ 163,029</u>	<u>508,782</u>	<u>\$ 345,753</u>
	Fund balance, beginning of year			15,610	
	Fund balance, end of year			<u>\$ 524,392</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, 2019**

		IDEA	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
<b>Revenues</b>					
1000	Revenue from local sources				
1600	Food services				
1610	Lunch sales to pupils	\$ -	\$ -	\$ 104,645	\$ 104,645
1620	Breakfast sales to pupils	-	-	4,827	4,827
1630	Special sales to pupils	-	-	12,847	12,847
1640	Lunch sales to adults	-	-	9,400	9,400
1650	Breakfast sales to adults	-	-	23	23
1900	Other revenue from local sources				
1999	Revenue from other local sources	-	-	1,500	1,500
	Total local sources	-	-	133,242	133,242
3000	Revenue from state sources				
3100	Restricted state funding				
3127	Student health and fitness - PE teachers	-	7,101	-	7,101
3130	Special programs				
3136	Student health and fitness - nurses	-	32,742	-	32,742
	Total state sources	-	39,843	-	39,843
4000	Revenue from federal sources				
4500	Programs for children with disabilities				
4510	Individuals With Disabilities Education Act (IDEA)	104,725	-	-	104,725
4800	USDA Reimbursement				
4810	School lunch and after school snacks program, and special milk program (carryover provision)	-	-	129,903	129,903
4900	Other federal sources				
4999	Revenue from other federal sources	-	-	500	500
	Total federal sources	104,725	-	130,403	235,128
	Total revenues all sources	104,725	39,843	263,645	408,213
<b>Expenditures</b>					
100	Instruction				
110	General instruction				
113	Elementary programs				
100	Salaries	-	7,101	-	7,101
400	Supplies and materials	-	-	500	500
120	Exceptional programs				
127	Learning disabilities				
100	Salaries	104,725	-	-	104,725
	Total instruction	104,725	7,101	500	112,326
200	Support services				
210	Pupil services				
213	Health services				
100	Salaries	-	26,199	-	26,199
200	Employee benefits	-	6,543	-	6,543
250	Finance and operations services				
256	Food service				
100	Salaries	-	-	73,078	73,078
200	Employee benefits	-	-	33,102	33,102
300	Purchased services	-	-	1,800	1,800
400	Supplies and materials	-	-	109,431	109,431
500	Capital Outlay	-	-	1,133	1,133
	Total support services	-	32,742	218,544	251,286
	Total expenditures	104,725	39,843	219,044	363,612
	Net change in fund balance	-	-	44,601	44,601
<b>Fund balance, beginning of year</b>					
<b>Fund balance, end of year</b>					
		\$ -	\$ -	\$ 104,364	\$ 104,364

**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, 2019****Revenues**

3000	Revenue from state sources		
3500	Education Improvement Act		
3518	Adoption list of formative assessment	\$	3,251
3532	National board salary supplement (no carryover provision)		42,500
3538	Students at risk of school failure		26,654
3577	Teacher supplies (no carryover provision)		15,125
3595	EEDA - supplies and materials		684
3597	Aid to districts		30,872
	Total state sources		<u>119,086</u>
	Total revenue all sources		<u>119,086</u>

**Expenditures**

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries		5,000
400	Supplies and materials		1,100
112	Primary programs		
100	Salaries		44,154
400	Supplies and materials		3,300
113	Elementary programs		
100	Salaries		12,500
400	Supplies and materials		39,122
120	Exceptional programs		
127	Learning disabilities		
400	Supplies and materials		1,100
	Total instruction		<u>106,276</u>
200	Support Services		
210	Support services - students		
212	Guidance services		
400	Supplies and materials		959
220	Instruction staff services		
221	Improvement of instruction in service curriculum development		
100	Salaries		275
224	Improvement of instruction - in service and staff training		
100	Salaries		7,500
400	Supplies and materials		275
230	General administration services		
233	School administration		
400	Supplies and materials		275
260	Central support services		
266	Technology and data processing services		
300	Purchased services		3,251
400	Supplies and materials		275
	Total support services		<u>12,810</u>
	Total expenditures		<u>119,086</u>
	Net change in fund balance		-
	<b>Fund balance, beginning of year</b>		-
	<b>Fund balance, end of year</b>	\$	<u><u>-</u></u>



## STATISTICAL SECTION

### (UNAUDITED)

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

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the School District's most significant revenue source.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

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

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

TABLE 1

	Fiscal Year	2009	2010	2011	2012	2013	2014*	2015	2016	2017	2018	2019
<b>Governmental Activities</b>												
Net investments in capital assets	\$	81,304,754	\$ 95,497,696	\$ 112,669,995	\$ 130,188,153	\$ 133,805,522	\$ 150,154,713	\$ 159,361,786	\$ 190,512,542.00	\$ 217,792,997.00	\$233,115,201	\$ 255,368,095
Restricted		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	42,920,096	49,461,773
Unrestricted		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)	(422,889,252)	(443,602,072)
Total governmental activities net position	\$	<u>142,971,755</u>	<u>\$ 156,788,272</u>	<u>\$ 167,145,879</u>	<u>\$ 178,472,837</u>	<u>\$ 195,729,242</u>	<u>\$ (917,980)</u>	<u>\$ 18,654,343</u>	<u>\$ 37,189,957.00</u>	<u>\$ 64,931,943.00</u>	<u>\$ (146,853,955)</u>	<u>\$ (138,772,204)</u>
<b>Business-type activities</b>												
Net investments in capital assets	\$	741,050	\$ 883,341	\$ 841,301	\$ 1,166,399	\$ 1,570,635	\$ 2,086,574	\$ 2,254,153	\$ 2,145,718.00	\$ 2,164,530.00	\$2,254,971	\$ 2,112,047
Unrestricted		3,102,865	2,847,604	2,603,096	2,087,940	1,519,945	971,046	154,226	224,305	310,543	(34,546)	275,014
Total business-type activities net position	\$	<u>3,843,915</u>	<u>\$ 3,730,945</u>	<u>\$ 3,444,397</u>	<u>\$ 3,254,339</u>	<u>\$ 3,090,580</u>	<u>\$ 3,057,620</u>	<u>\$ 2,408,379</u>	<u>\$ 2,370,023</u>	<u>\$ 2,475,073</u>	<u>\$ 2,220,425</u>	<u>\$ 2,387,061</u>
Total primary government net position	\$	<u>146,815,670</u>	<u>\$ 160,519,217</u>	<u>\$ 170,590,276</u>	<u>\$ 181,727,176</u>	<u>\$ 198,819,822</u>	<u>\$ 2,139,640</u>	<u>\$ 21,062,722</u>	<u>\$ 39,559,980</u>	<u>\$ 67,407,016</u>	<u>\$ (144,633,530)</u>	<u>\$ (136,385,143)</u>

\*Restated for GASB 68 implementation

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

TABLE 2

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction	\$ 124,389,533	\$ 126,985,171	\$ 123,081,889	\$ 122,652,714	\$ 121,231,760	\$ 126,607,032	\$ 135,602,252	\$ 151,483,408	\$ 149,776,278	\$ 159,073,172
Support services	101,016,114	99,083,949	102,881,123	111,028,257	118,366,308	119,251,308	112,368,481	116,167,136	143,204,186	137,217,839
Community services	340,501	300,567	402,698	472,116	241,004	458,345	443,619	389,610	276,218	269,169
Payments to component units	-	-	-	-	-	-	4,861,745	5,144,579	5,896,084	6,347,868
Intergovernmental	2,538,634	2,980,553	-	-	-	-	36,089	119,618	339,760	2,043,205
Interest on long-term obligations	10,448,790	12,844,112	13,165,550	11,970,192	11,420,726	8,341,909	9,595,327	7,660,445	12,989,483	7,636,395
Total governmental activities expenses	238,733,572	242,194,352	239,531,260	246,123,279	251,259,798	254,658,594	262,907,513	280,964,796	312,482,009	312,587,648
Business-type activities										
Food service	8,458,934	8,842,845	8,880,026	9,059,767	8,668,705	9,763,547	10,275,171	9,634,792	10,288,065	10,488,104
Total business-type activities expenses	8,458,934	8,842,845	8,880,026	9,059,767	8,668,705	9,763,547	10,275,171	9,634,792	10,288,065	10,488,104
Total primary government expenses	\$ 247,192,506	\$ 251,037,197	\$ 248,411,286	\$ 255,183,046	\$ 259,928,503	\$ 264,422,141	\$ 273,182,684	\$ 290,599,588	\$ 322,770,074	\$ 323,075,752
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
Instructional	\$ 8,725	\$ 28,356	\$ 20,696	\$ 35,622	\$ 51,618	\$ 9,610	\$ -	\$ 30,794	\$ 29,205	\$ 74,350
Operating grants and contributions:										
Instructional	23,073,897	24,028,270	26,993,907	26,649,899	24,638,467	28,569,716	27,478,141	36,690,142	32,258,195	38,111,292
Support services	14,761,170	13,110,664	19,670,863	18,322,028	16,812,220	15,697,568	13,898,651	19,380,034	19,234,865	22,992,955
Community services	-	-	53,645	47,467	241,004	301,238	306,390	234,504	257,396	254,111
Capital grants and contributions:										
Support services	-	-	-	-	-	30,349	4,688	1,966,192	-	-
Total governmental activities program revenues	37,843,792	37,167,290	46,739,111	45,055,016	41,743,309	44,608,481	41,687,870	58,301,666	51,779,661	61,432,708
Business-type activities										
Charges for services:										
Food Service	2,616,152	2,513,671	2,222,104	2,223,602	1,871,116	2,130,431	1,937,992	1,747,524	1,801,526	1,750,372
Operating grants and contributions	5,862,871	6,168,471	6,631,099	6,781,241	6,751,656	7,417,528	8,287,106	7,993,920	8,786,844	8,906,330
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	8,479,024	8,682,142	8,853,203	9,004,843	8,622,772	9,547,959	10,225,098	9,741,444	10,588,370	10,656,702
Total primary government program revenues	\$ 46,322,816	\$ 45,849,432	\$ 55,592,314	\$ 54,059,859	\$ 50,366,081	\$ 54,156,440	\$ 51,912,968	\$ 68,043,110	\$ 62,368,031	\$ 72,089,410
<b>Net (Expense)/Revenue</b>										
Governmental activities	(200,889,780)	(205,027,062)	(192,792,149)	(201,068,263)	(209,516,489)	(210,050,113)	(221,219,643)	(222,663,130)	(260,702,348)	(251,154,940)
Business-type activities	20,090	(160,703)	(26,823)	(54,924)	(45,933)	(215,588)	(50,073)	106,652	300,305	168,598
Total primary government net (expense) revenue	\$ (200,869,691)	\$ (205,187,765)	\$ (192,818,972)	\$ (201,123,187)	\$ (209,562,422)	\$ (210,265,701)	\$ (221,269,716)	\$ (222,556,478)	\$ (260,402,043)	\$ (250,986,342)

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

TABLE 2

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes by source:										
Property tax - general purposes	\$ 113,496,848	\$ 110,854,831	\$ 119,423,876	\$ 115,312,797	\$ 112,688,812	\$ 119,531,622	\$ 124,334,713	\$ 135,910,793	\$ 141,879,433	\$ 135,222,656
Property tax - debt service	44,668,096	47,491,788	50,644,714	51,139,540	45,947,271	53,327,642	57,470,709	56,052,187	56,029,608	59,990,989
Unrestricted grants and contributions	51,132,238	55,697,820	42,858,873	50,696,910	55,209,520	55,031,870	55,725,768	56,498,536	57,301,376	57,713,475
Unrestricted investment earnings	1,191,064	449,123	406,888	918,119	501,633	499,042	605,285	575,147	1,734,506	1,619,331
Miscellaneous	799,957	765,262	577	123,178	273	775,531	1,621,971	1,365,502	1,809,415	4,686,358
Transfers	135,586	125,845	123,393	134,124	11,437	2,618	(3,189)	2,951	(7,904)	3,882
Proceeds from settlement of lawsuit	-	-	2,650,000	-	760,610	-	-	-	-	-
Total governmental activities	<u>211,423,789</u>	<u>215,384,669</u>	<u>216,108,321</u>	<u>218,324,668</u>	<u>215,119,556</u>	<u>229,168,325</u>	<u>239,755,257</u>	<u>250,405,116</u>	<u>258,746,434</u>	<u>259,236,691</u>
Business-type activities										
Unrestricted investment earnings	2,526	-	20,579	25,289	20,469	23,076	6,427	1,349	2,089	1,920
Miscellaneous	-	-	-	-	3,941	-	2,101	-	-	-
Transfers	<u>(135,586)</u>	<u>(125,845)</u>	<u>(123,393)</u>	<u>(134,124)</u>	<u>(11,437)</u>	<u>(2,618)</u>	<u>3,189</u>	<u>(2,951)</u>	<u>7,904</u>	<u>(3,882)</u>
Total business-type activities	<u>(133,060)</u>	<u>(125,845)</u>	<u>(102,814)</u>	<u>(108,835)</u>	<u>12,973</u>	<u>20,458</u>	<u>11,717</u>	<u>(1,602)</u>	<u>9,993</u>	<u>(1,962)</u>
Total primary government	<u>211,290,729</u>	<u>215,258,824</u>	<u>216,005,507</u>	<u>218,215,833</u>	<u>215,132,529</u>	<u>229,188,783</u>	<u>239,766,974</u>	<u>250,403,514</u>	<u>258,756,427</u>	<u>259,234,729</u>
<b>Change in Net Position</b>										
Governmental activities	10,534,009	10,357,607	23,316,172	17,256,405	5,603,067	19,118,212	18,535,614	27,741,986	(1,955,914)	8,081,751
Business-type activities	<u>(112,971)</u>	<u>(286,548)</u>	<u>(129,637)</u>	<u>(163,759)</u>	<u>(32,960)</u>	<u>(195,130)</u>	<u>(38,356)</u>	<u>105,050</u>	<u>310,298</u>	<u>166,636</u>
Total primary government	<u>\$ 10,421,039</u>	<u>\$ 10,071,059</u>	<u>\$ 23,186,535</u>	<u>\$ 17,092,646</u>	<u>\$ 5,570,107</u>	<u>\$ 18,923,082</u>	<u>\$ 18,497,258</u>	<u>\$ 27,847,036</u>	<u>\$ (1,645,616)</u>	<u>\$ 8,248,387</u>

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

TABLE 3

Fiscal Year	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$ -									
Unreserved	<u>31,404,699</u>									
Total general fund	<u>\$ 31,404,699</u>									
All other governmental funds										
Reserved	\$ 94,187,180									
Unreserved, reported in:										
Special revenue funds	2,355									
Capital projects funds										
Debt service funds										
Other fund types	<u>-</u>									
Total all other governmental funds	<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	\$ 44,507	\$ 1,885,406	
Assigned	2,042,789	568,601	-	-	-	-	-	-	-	
Unassigned	<u>24,011,586</u>	<u>27,225,116</u>	<u>29,115,123</u>	<u>26,381,212</u>	<u>30,909,347</u>	<u>28,517,909</u>	<u>33,064,996</u>	<u>39,562,392</u>	<u>31,661,366</u>	
Total General Fund	<u>\$ 26,464,002</u>	<u>\$ 28,085,073</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>	<u>39,606,899</u>	<u>33,546,772</u>	
All Other Governmental Funds										
Restricted	\$ 15,944,312	\$ 16,509,751	\$ 44,768,645	\$ 64,933,634	\$ 96,022,442	\$ 46,279,167	\$ 41,422,157	\$ 42,920,096	\$ 49,461,773	
Committed	<u>38,733,141</u>	<u>31,046,772</u>	<u>5,850,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total All Other Governmental Funds	<u>\$ 54,677,453</u>	<u>\$ 47,556,523</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>	<u>\$ 42,920,096</u>	<u>\$ 49,461,773</u>	
Total All Governmental Funds	<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>	<u>\$ 82,526,995</u>	<u>\$ 83,008,545</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)

TABLE 4

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Local										
Property taxes	\$ 156,619,844	\$ 159,794,306	\$ 163,609,611	\$ 165,427,081	\$ 161,343,752	\$ 171,001,314	\$ 178,035,444	\$ 190,981,906	\$ 199,628,589	\$ 196,381,147
Interest	1,185,656	449,124	406,886	369,704	501,633	499,042	605,285	575,147	1,734,506	1,619,331
Other	2,845,127	1,610,054	2,488,584	3,114,576	2,644,310	2,877,648	3,692,842	2,821,286	2,307,247	2,486,320
	160,650,627	161,853,484	166,505,081	168,911,361	164,489,695	174,378,004	182,333,571	194,378,339	203,670,342	200,486,798
State sources	69,215,880	71,176,570	67,658,719	74,724,325	79,126,781	84,710,053	84,023,740	98,461,720	98,458,453	107,474,291
Federal sources	16,996,991	20,084,012	19,451,260	18,579,295	15,905,033	13,574,611	12,091,541	14,880,917	12,202,438	13,117,031
	246,863,498	253,114,066	253,615,060	262,214,981	259,521,509	272,662,668	278,448,852	307,720,976	314,331,233	321,078,120
<b>Expenditures</b>										
Current										
Instruction	120,323,849	122,321,008	116,974,152	122,202,918	121,266,136	125,387,495	133,309,029	143,638,404	149,206,884	158,471,602
Support services	78,430,659	85,592,253	85,163,074	84,015,526	82,414,183	82,733,594	85,115,534	89,927,659	92,209,756	94,908,567
Community services	249,768	234,731	232,461	217,662	241,004	301,238	308,543	234,504	257,396	254,111
Intergovernmental	2,538,634	2,980,553	3,318,609	4,575,781	4,894,989	4,711,644	4,897,834	5,264,197	7,837,170	8,391,073
Debt service										
Principal	34,155,000	34,810,000	40,212,736	37,230,198	46,037,485	35,088,000	32,801,000	41,021,000	44,410,700	46,880,700
Interest	16,460,542	17,901,779	16,932,564	15,937,208	14,855,872	13,615,374	15,438,347	14,213,018	13,750,765	12,841,296
Other	1,086,352	186,098	536,945	188,300	-	-	-	-	-	-
Capital outlay	109,466,260	38,186,840	15,405,462	5,966,462	19,990,166	70,126,046	66,377,876	32,390,626	32,639,076	29,616,581
Total Expenditures	362,711,064	302,213,262	278,776,003	270,334,055	289,699,836	331,963,391	338,248,163	326,689,408	340,311,747	351,363,930
Excess (deficiency) of revenues over (under) expenditures	(115,847,566)	(49,099,196)	(25,160,943)	(8,119,074)	(30,178,327)	(59,300,723)	(59,799,311)	(18,968,432)	(25,980,514)	(30,285,810)
<b>Other Financing Sources (Uses)</b>										
Sale of capital assets	5,410	324,964	42,308	50,922	25,756	7,759	15,525	1,781	64,957	4,000
Capital leases	438,484	-	-	-	-	-	-	3,500,000	-	-
Premium on bonds sold	19,318,845	17,305	5,226,688	798,929	2,403,834	25,230,211	5,964,372	490,971	2,195,170	1,509,478
Issuance of debt	95,360,000	4,178,303	16,261,318	12,616,000	38,146,000	79,298,000	6,788,000	20,000,000	28,570,000	29,250,000
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)	-	(21,730,000)	(91,856,215)	(33,860,042)	(31,295,797)	-	-
Transfers in	6,445,477	5,387,815	6,275,517	10,762,374	11,409,351	9,676,829	23,374,957	8,749,423	9,531,766	10,339,922
Transfers out	(6,309,893)	(5,261,970)	(6,153,378)	(10,628,250)	(11,397,914)	(9,674,211)	(23,378,146)	(8,746,472)	(9,539,670)	(10,336,040)
Total Other Financing Sources (Uses)	110,433,837	4,646,417	17,011,084	13,599,975	40,857,027	94,447,373	6,994,666	21,749,906	30,822,223	30,767,360
Special Item										
Proceeds from settlement of lawsuit	-	-	2,650,000.00	-	760,610.00	-	-	-	-	-
Net Change in Fund Balance	\$ (5,413,729)	\$ (44,452,779)	\$ (5,499,859)	\$ 5,480,901	\$ 11,439,310	\$ 35,146,650	\$ (52,804,645)	\$ 2,781,474	\$ 4,841,709	\$ 481,550
Debt service as a percentage of noncapital expenditures*	19%	20%	22%	20%	22%	18%	17%	18%	18%	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)

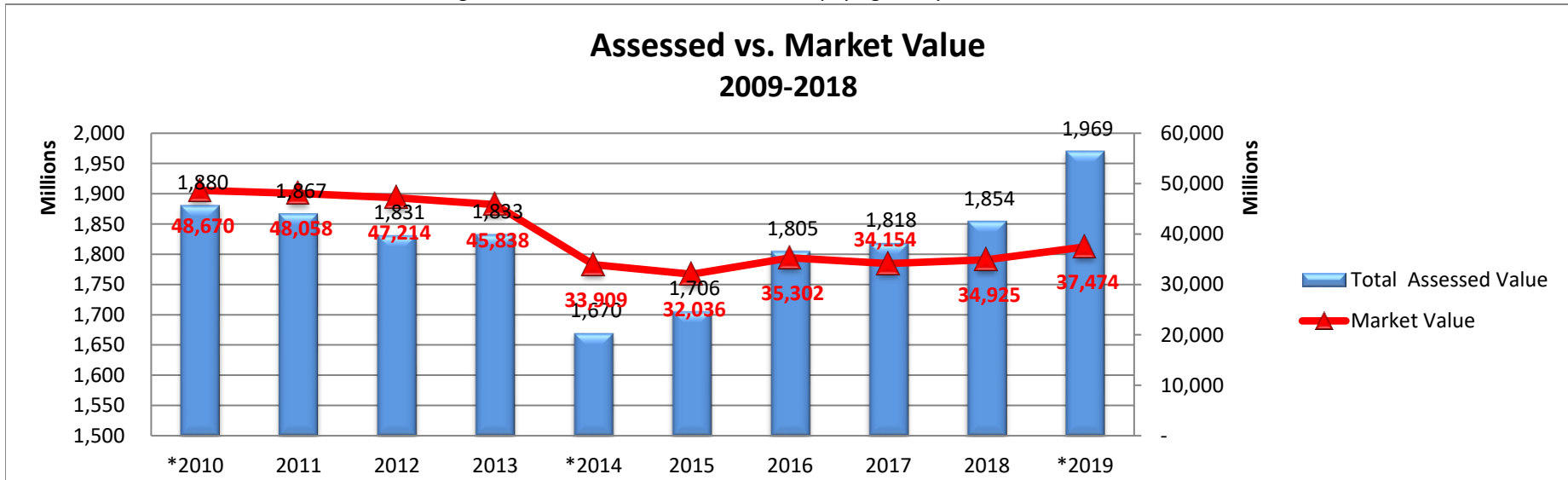
TABLE 5

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				
*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	33,909,090,279	** 4.9%
2015	2014	1,481,192,978	224,587,180	1,705,780,158	135.2	32,036,037,089	** 5.3%
2016	2015	1,561,997,668	242,903,990	1,804,901,658	135.2	35,302,446,098	** 5.1%
2017	2016	1,574,340,200	243,803,862	1,818,144,062	143.2	34,154,007,102	** 5.3%
2018	2017	1,616,197,050	238,124,920	1,854,321,970	145.2	34,924,575,714	** 5.3%
*2019	2018	1,735,799,890	233,576,952	1,969,376,842	136.3	37,473,746,376	** 5.3%

**Source:** Beaufort County Auditor

**Note:** \*Reassessment Year - Property in Beaufort County was last reassessed in fiscal year 2019. Tax rates are per \$1,000 of assessed value.

\*\*Market value calculated using the data from the State's Index of Taxpaying Ability calculation.



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

TABLE 6

Fiscal Year	Tax Year	Direct Rates			Overlapping Rates	
		Operations	Debt	Total Mills Beaufort County School District	Beaufort County	Other Districts
**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
2018	2017	113.5	31.7	145.2	63.4	522.6
**2019	2018	104.6	31.7	136.3	62.8	522.9

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

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



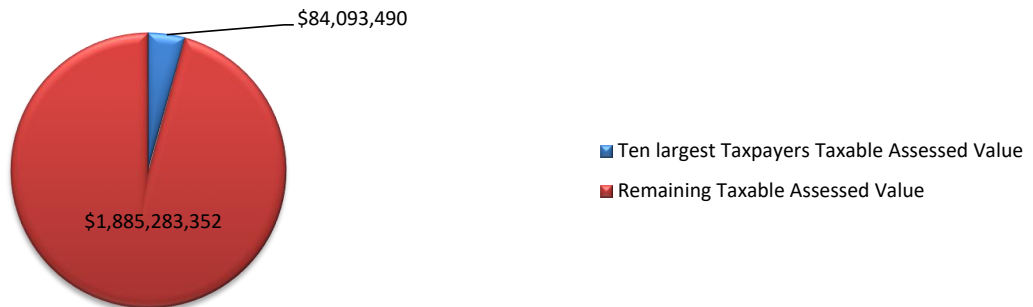
BEAUFORT COUNTY SCHOOL DISTRICT  
TEN LARGEST TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)

TABLE 7

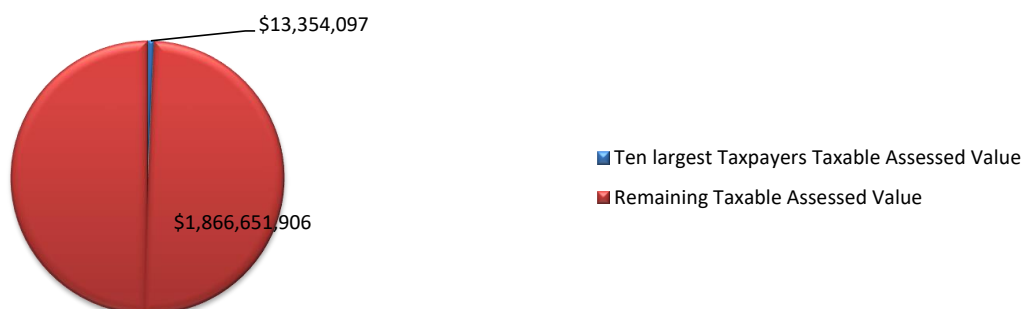
Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
South Carolina Electric & Gas	\$ 25,941,180	1	1.4%	\$ 3,351,877	2	0.18%
Marriott Ownership Resorts, Inc.	16,833,450	2	0.9%	3,731,409	1	0.20%
Palmetto Electric Coop, Inc.	10,685,890	3	0.6%	1,861,416	3	0.10%
Bluffton Telephone Company	5,386,220	4	0.3%	630,603	6	0.03%
Columbia Properties Hilton Head	4,880,580	5	0.3%	881,867	4	0.05%
Hargray Telephone Company	4,659,090	6	0.3%	495,017	9	0.03%
SCG Hilton Head Property LLC	4,355,720	7	0.2%	870,360	5	0.05%
PBLH LLC	3,425,070	8	0.2%	N/A		0.00%
Sea Pines Resort	5,135,140	9	0.3%	588,569	7	N/A
Shelter Cove III LLC	2,791,150	10	0.2%	N/A		N/A
Greenwood Development Corp.	N/A		N/A	576,958	8	0.03%
Hargray, Inc.	N/A		N/A	366,021	10	0.02%
<b>Total</b>	<b>\$ 84,093,490</b>		<b>4.7%</b>	<b>\$ 13,354,097</b>		<b>0.7%</b>

Source: Beaufort County Auditor

### Taxable Assessed Value - Fiscal Year 2019



### Taxable Assessed Value - Fiscal Year 2010



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

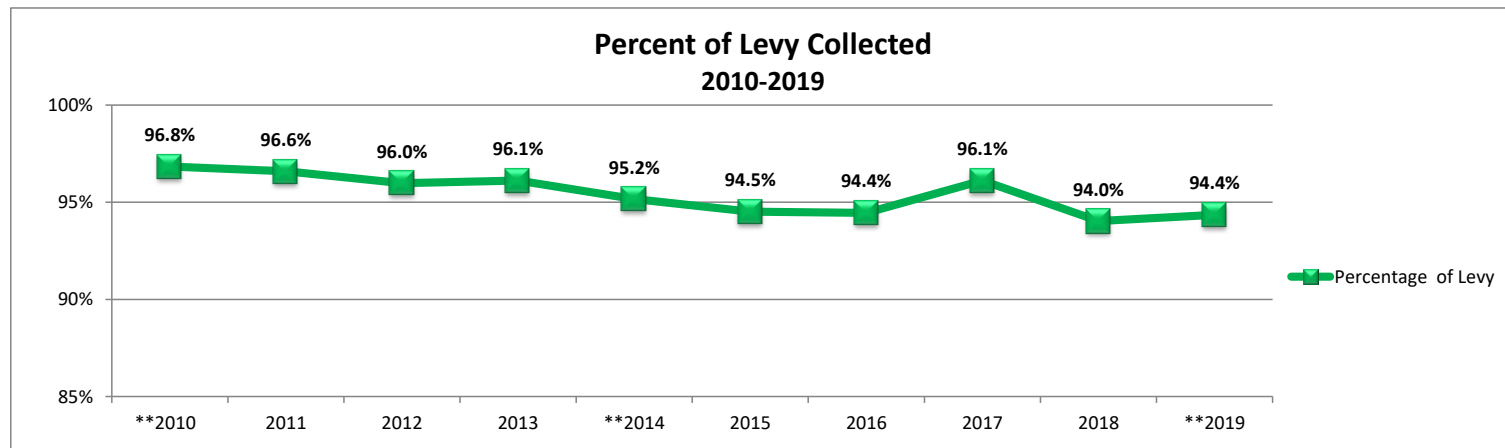
TABLE 8

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
**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%
2018	144,430,003	135,808,833	94.03%	5,578,708	141,387,541	97.9%
**2019	138,394,227	130,583,688	94.36%	2,642,023	133,225,711	96.3%

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

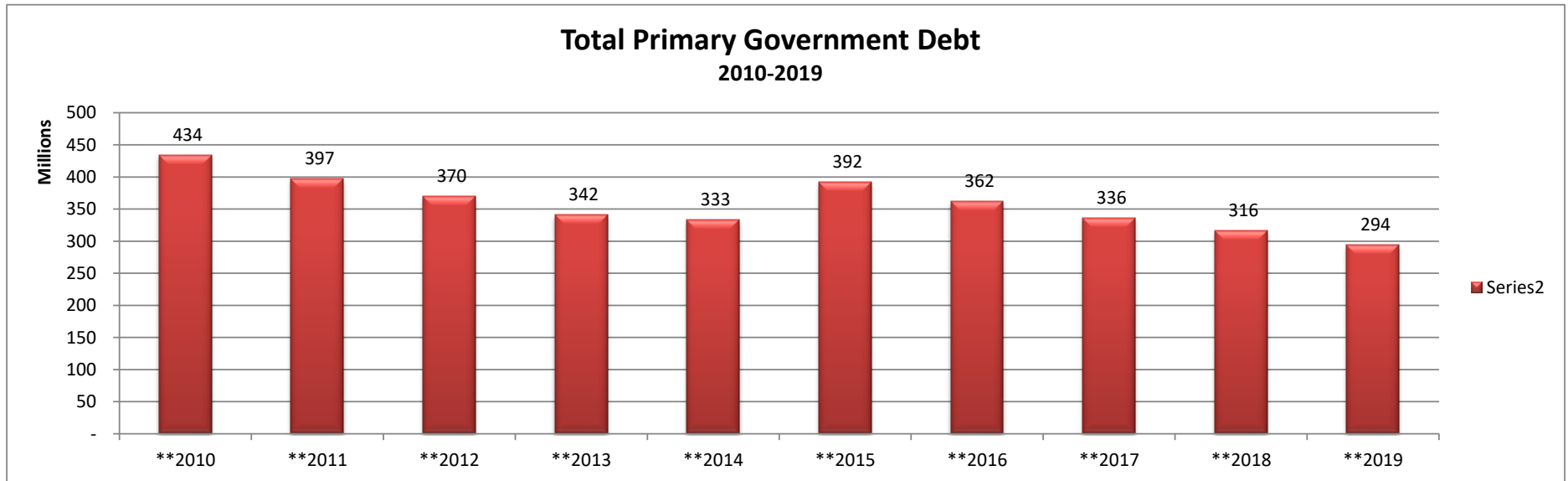
Fiscal Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita
	General Obligation Bonds	Other Bonds/Notes	Capital Leases	General Obligation Bonds	Other Bonds	Capital Leases			
**2010	396,025,575	37,230,000	438,484	-	-	-	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	2.29%	2,231
**2016	331,782,955	30,585,000	-	-	-	-	362,367,955	2.53%	2,018
**2017	305,753,177	27,240,000	3,500,000	-	-	-	336,493,177	N/A	1,837
**2018	288,350,994	25,275,000	2,834,300	-	-	-	316,460,294	N/A	1,677
**2019	268,928,817	23,270,000	2,139,600	-	-	-	294,338,417	N/A	1,544

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



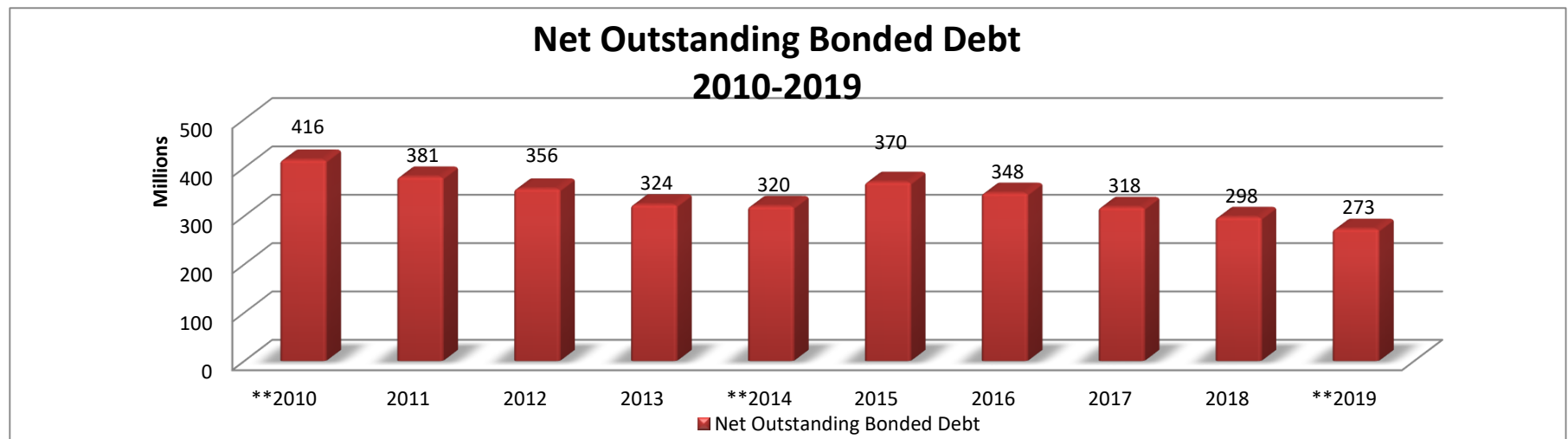
BEAUFORT COUNTY SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)

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
**2010	155,215	433,255,575	17,150,201	416,105,374	1,880,006,003	22.1%	2,681
2011	162,233	397,038,363	15,944,313	381,094,050	1,866,504,222	20.4%	2,349
2012	164,684	369,705,383	13,326,599	356,378,784	1,830,596,308	19.5%	2,164
2013	168,049	341,538,610	17,898,865	323,639,745	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	332,993,177	14,834,791	318,158,386	1,818,144,062	17.5%	1,737
2018	188,715	313,625,994	16,063,797	297,562,197	1,854,321,970	16.0%	1,577
**2019	190,602	292,198,817	19,102,507	273,096,310	1,969,376,842	13.9%	1,433

Source: District records  
Beaufort County Treasurer

\*\* Reassessment



BEAUFORT COUNTY SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2018  
(UNAUDITED)

TABLE 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Beaufort County	\$ 213,830,070	100.00%	\$ 213,830,070
City of Beaufort	39,897,737	100.00%	39,897,737
Town of Bluffton	11,889,275	100.00%	11,889,275
Town of Hilton Head	141,344,265	100.00%	141,344,265
Town of Port Royal	341,852	100.00%	341,852
Broad Creek PSD	- *	100.00%	-
Fripp Island PSD	- *	100.00%	-
Hilton Head #1 PSD	11,426,744	100.00%	11,426,744
Burton Fire	- *	100.00%	-
Bluffton Fire	- *	100.00%	-
Lady Island/St. Helena Fire	- *	100.00%	-
Sheldon Fire	- *	100.00%	-
Subtotal, overlapping debt	<u>418,729,943</u>		<u>418,729,943</u>
Beaufort County School District Direct Debt			<u>294,338,417</u>
Total direct and overlapping			<u><u>\$ 713,068,360</u></u>

Source: Finance Department of each entity

\* Data not available.

Note:

<sup>1</sup> 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	150,400,480	149,320,338	146,447,705	146,630,981	133,569,888	136,462,413	144,392,133	145,451,525	148,345,758	157,550,147
Total net debt applicable to limit	112,825,000	87,593,303	69,069,621	53,104,621	32,037,621	93,377,621	88,025,621	90,015,621	97,058,621	102,963,621
Legal debt margin	<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>	<u>\$ 51,287,137</u>	<u>\$ 54,586,526</u>
Total net debt applicable to limit as a percentage of debt limit	75%	59%	47%	36%	24%	68%	61%	62%	65%	65%
Legal debt margin calculation										
Assessed value	<u>\$ 1,969,376,842</u>									
Debt limit (8 % of assessed value)	<u>157,550,147</u>									
Debt applicable to limit:										
Total bonded debt	274,253,621									
Less: Bond issuances approved by referendum	(148,020,000)									
Less: Installment Purchase Revenue Bond	(23,270,000)									
Total net debt applicable to limit	<u>102,963,621</u>									
Legal debt margin	<u>\$ 54,586,526</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, 2019.

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

TABLE 13

Year	Population	Personal Income*	Per Capita Personal Income	Median Age	Education Percent High School Graduate or Higher	School Enrollment	Unemployment Rate	Live Births
2010	162,233	6,758,951	41,662	**	90.6%	19,525	8.10%	2,405
2011	164,106	7,152,396	43,584	40.6	90.6%	19,626	8.50%	2,025
2012	167,782	7,570,659	45,122	41.4	90.8%	19,953	8.10%	2,060
2013	171,569	7,758,656	45,222	41.5	91.3%	20,399	6.80%	1,977
2014	175,852	8,113,329	46,137	42	91.6%	20,704	5.90%	2,056
2015	179,589	8,973,640	49,914	42.8	92.1%	21,285	6.00%	2,077
2016	183,149	9,171,747	50,078	43.6	92.4%	21,619	5.20%	2,058
2017	186,844	9,858,450	52,763	44	92.7	21,829	4.00%	1,998
2018	188,715	10,255,885	54,346	**	**	22,014	3.30%	1,919
2019	190,602	10,669,197	55,976	**	**	22,214	3.30%	**

\* in thousands

\*\* Data not available

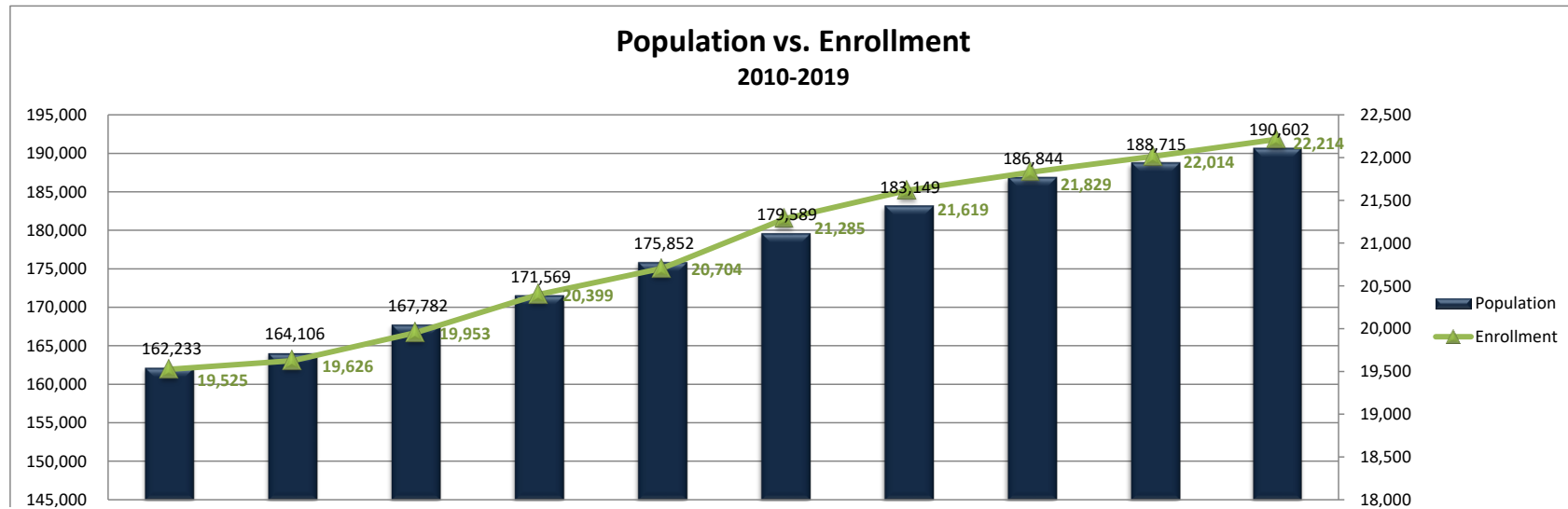
Population: 2018 U.S. Census Estimates/Estimated 2019

Per Capita Income & Personal Income provided by the U.S. Department of Commerce, Bureau of Economic Analysis/Estimated 2018 & 2019

School Enrollment represents 135th day provided by District staff

Unemployment Rate provided by the S.C. Department of Employment and Workforce at 6/30/19

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)	2019			2010		
	Employees	Rank	Percentage of Total County Employment*	Employees	Rank	Percentage of Total County Employment
Atlantic Personnel, Inc.	*	*	*	*	*	*
Beaufort County School District	2,788	*	*	2,411	*	*
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.	*	*	*	*	*	*

\*Specific information related to those employers was deemed confidential by the South Carolina Department of Employment & Workforce - 2018 Q1

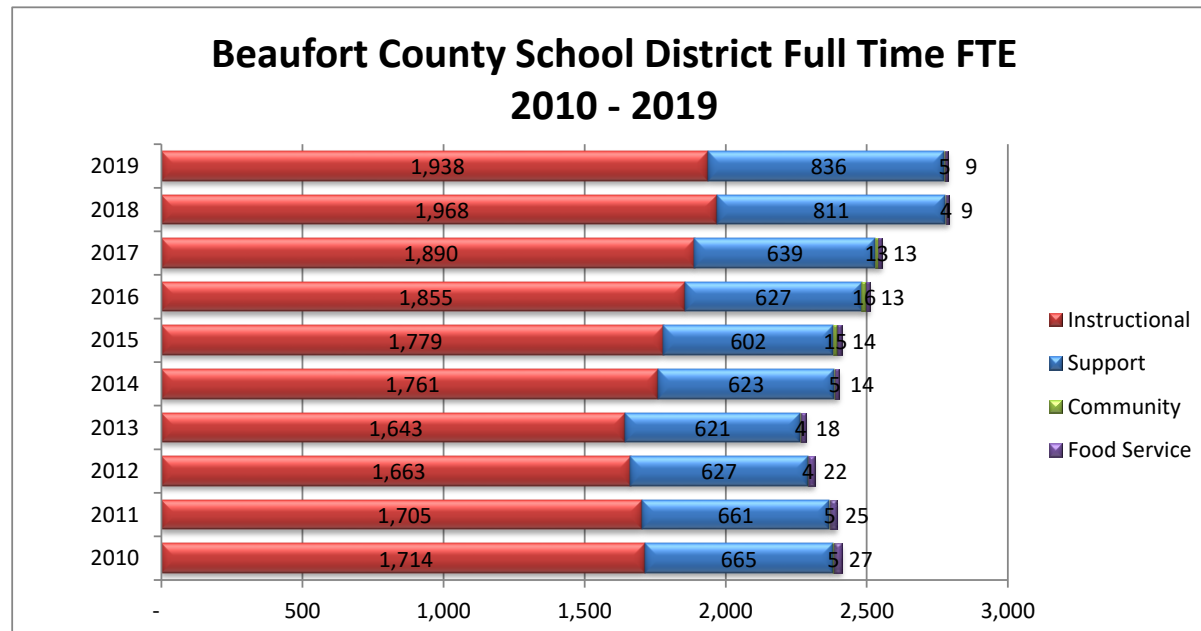


BEAUFORT COUNTY SCHOOL DISTRICT  
FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 15

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities											
Instruction	1,756	1,714	1,705	1,663	1,643	1,761	1,779	1,855	1,890	1,968	1,938
Support services	613	665	661	627	621	623	602	627	639	811	836
Community services	9	5	5	4	4	5	15	16	13	4	5
Business-type activities											
Food services	27	27	25	22	18	14	14	13	<u>13</u>	<u>9</u>	<u>9</u>
Total	<u>2,405</u>	<u>2,411</u>	<u>2,396</u>	<u>2,316</u>	<u>2,286</u>	<u>2,403</u>	<u>2,410</u>	<u>2,511</u>	<u>2,555</u>	<u>2,792</u>	<u>2,788</u>

Source: District Finance Department



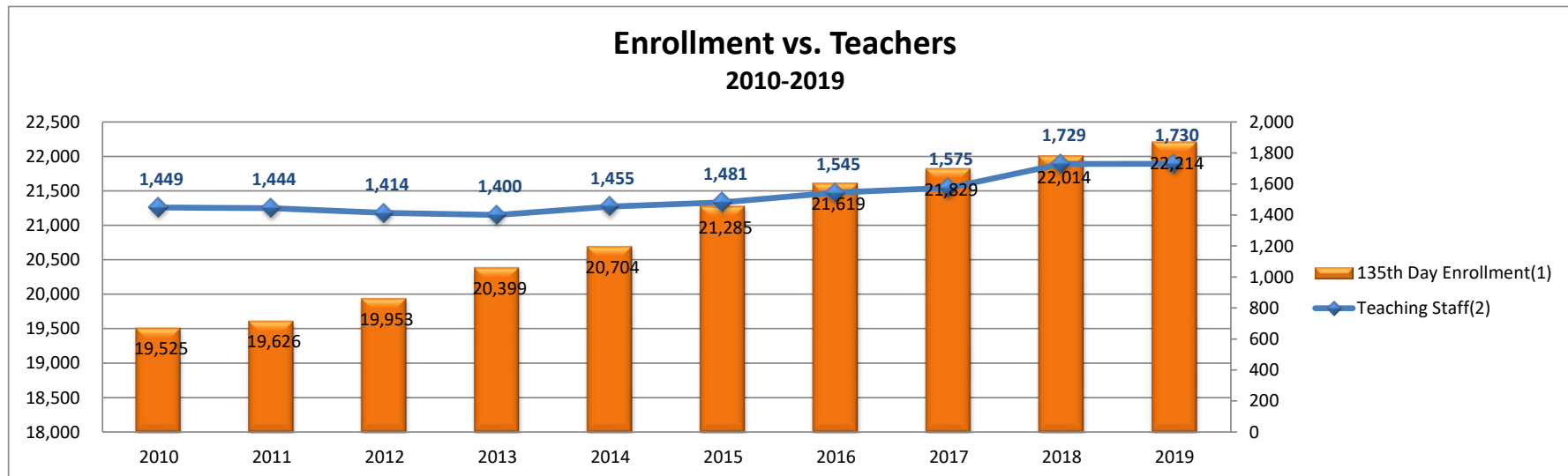
BEAUFORT COUNTY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

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)
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%
2018	225,190,158	22,014	10,229	4%	1,729	19.2 to 1	89.1%	87.6%
2019	236,431,471	22,214	10,643	4%	1,730	13.9 to 1	94.7%	87.2%

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)
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%
2018	35,156	77,575	51,017	*	54.5%	12.8	92.2%
2019	35,506	78,351	51,643	49,737	52.6%	9.6	92.1%

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Hilton Head Island Early Child Center (2006) Expanded (2016)										
Square feet	74,732	74,732	74,732	74,732	74,732	74,732	80,732	80,732	80,732	80,732
Capacity (students)	454	454	454	454	454	454	454	454	454	454
Enrollment	420	480	482	463	454	450	423	426	434	418
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)	867	867	867	867	867	867	867	867	867	867
Enrollment	664	597	630	672	617	542	519	486	495	476
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)	576	576	576	576	576	576	576	576	576	576
Enrollment	538	494	474	474	465	480	473	500	527	497
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)	485	485	485	485	485	485	485	485	485	485
Enrollment	363	328	303	303	285	316	337	340	337	298
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)	493	493	493	493	493	493	493	493	493	493
Enrollment	477	500	470	436	430	405	404	429	424	413
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)	306	306	306	306	306	306	306	306	306	306
Enrollment	291	289	252	280	222	231	214	212	204	225
St. Helena Elementary (1992) Early Child Center (2004)										
Square feet	118,482	118,482	118,482	118,482	118,482	118,482	118,482	118,482	118,482	118,482
Capacity (students)	819	819	819	819	819	819	819	819	819	819
Enrollment	423	445	487	463	429	441	434	431	396	391
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)	589	589	589	589	589	589	589	589	589	589
Enrollment	391	386	353	570	553	524	501	493	488	560

BEAUFORT COUNTY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

TABLE 18

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Shell Point Elementary (1968)										
Square feet	70,724	70,724	70,724							
Capacity (students)	536	536	536							
Enrollment	404	406	375							
(Leased 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)	578	578	578	578	578	578	578	578	578	578
Enrollment	436	431	477	408	386	458	422	384	371	393
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	160	173	177	171	85	98	178	170	161	172
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	339	313	320	349	458	493	418	383	356	317
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	16	15	15	15	12	15	18	21	23	20
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)	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128	1,128
Enrollment	739	760	826	859	923	949	958	934	951	888
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)	921	921	921	921	921	921	921	921	921	921
Enrollment	718	733	769	799	795	788	772	726	663	644
Bluffton Elementary (2000) ECC addition (2010)										
Square feet	128,237	128,237	128,237	128,237	128,237	128,237	128,237	128,237	128,237	128,237
Capacity (students)	946	946	946	946	946	946	946	946	946	946
Enrollment	936	603	598	637	728	832	617	670	693	751
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)	672	672	672	672	672	672	672	672	672	672
Enrollment	525	650	655	640	619	692	589	592	616	636

BEAUFORT COUNTY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

TABLE 18

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
M.C. Riley Elementary (1991) ECC addition (2010)										
Square feet	120,958	120,958	120,958	120,958	120,958	120,958	120,958	120,958	120,958	120,958
Capacity (students)	929	929	929	929	929	929	929	929	929	929
Enrollment	918	787	778	754	787	826	715	723	772	751
Red Cedar Elmentary (2010)										
Square feet	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Capacity (students)		764	764	764	764	764	764	764	764	764
Enrollment	725	711	751	824	778	780	698	687	669	681
Pritchardville Elementary (2011)										
Square feet		108,960	108,960	108,960	108,960	108,960	108,960	108,960	108,960	108,960
Capacity (students)		800	800	800	800	800	800	800	800	800
Enrollment		518	672	688	779	853	884	854	832	892
River Ridge Academy (2016)										
Square feet						143,742	143,742	143,742	143,742	143,742
Capacity (students)						1,013	1,013	1,013	1,013	1,013
Enrollment						0	952	1,090	1,191	1,224
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)	793	793	793	793	793	793	793	793	793	793
Enrollment	598	655	645	631	616	559	533	495	490	473
** 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)	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088
Enrollment	749	754	771	733	734	536	522	555	554	545
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	1,087	1,087	1,087	1,087	1,087	1,087	1,087
Enrollment	533	470	476	618	611	745	713	717	718	709
Whale Branch 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)	864	864	864	864	864	864	864	864	864	864
Enrollment	327	331	360	400	396	415	401	386	367	355
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)	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007
Enrollment	870	863	901	945	976	989	977	1,012	990	1,018
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)	909	909	909	909	909	909	909	909	909	909
Enrollment	1,192	798	868	925	976	1,121	1,074	661	743	806

BEAUFORT COUNTY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

TABLE 18

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bluffton Middle (2011)										
Square feet		142,711	142,711	142,711	142,711	142,711	142,711	142,711	142,711	142,711
Capacity (students)		1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035	1,035
Enrollment		861	919	1,010	1,096	1,038	932	773	772	801
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)	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
Enrollment	1,699	1,541	1,420	1,363	1,328	1,338	1,305	1,301	1,295	1,303
Battery Creek High (1992) Cate Expansion (2016)										
Square feet	216,755	216,755	216,755	216,755	216,755	216,755	230,755	230,755	230,755	230,755
Capacity (students)	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Enrollment	1,198	822	742	748	766	807	845	817	752	721
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)	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382
Enrollment	1,150	1,147	1,150	1,188	1,254	1,267	1,286	1,259	1,249	1,229
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)	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434
Enrollment	1,485	1,067	999	1,095	1,126	1,253	1,392	1,201	1,128	1,168
Whale Branch Early College High (2011)										
Square feet		124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000
Capacity (students)		611	611	611	611	611	611	611	611	611
Enrollment		395	498	485	532	517	479	497	445	442
May River High (2017)										
Square feet								238,616	238,616	238,616
Capacity (students)								1,400	1,400	1,400
Enrollment								947	1,200	1,343
Islands Academy (Established 2016 in DESC building closed FY2018)										
Square feet										
Capacity (students)							150	150	150	150
Enrollment							70	57	70	-
Riverview Charter School (2010) Addition (2017)										
Square feet	16,721	16,721	16,721	70,724	70,724	70,724	70,724	93,024	93,024	93,024
Capacity (students)	304	304	304	536	536	536	536	760	760	760
Enrollment	241	303	340	453	488	527	564	600	638	654
(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.  
Based on 135 day enrollment

BEAUFORT COUNTY SCHOOL DISTRICT  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018  
(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: 22,214

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	1,730
	Others	1,058

Average Bi-Weekly Payroll: \$5,596,263

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	10,720	50%
Reduced Lunch	1,351	6%
Total Free and Reduced Lunch	12,071	57%

Source: District records



## SINGLE AUDIT SECTION

# Beaufort County School District

## Schedule of Expenditures of Federal Awards

For the year ended June 30, 2019

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>					
<b>Passed through S.C. Department of Education</b>					
Child Nutrition Cluster:					
600	School Breakfast Program: cash assistance	10.553	N/A	\$ -	\$ 1,698,462
600	School Lunch Program: cash assistance	10.555	N/A	-	5,744,225
600	School Lunch Program: non-cash assistance (commodities)	10.555	N/A	129,903	680,418
600	Summer Food Service Program for Children	10.559	N/A	-	234,320
	Total Child Nutrition Cluster			129,903	8,357,425
600	Child and Adult Care Food Program	10.558	5SC300329	-	548,905
294	Distance Learning and Telemedicine Grant	10.855	0348-0004	-	419,510
	<b>Total U.S. Department of Agriculture</b>			<b>129,903</b>	<b>9,325,840</b>
<b>US Department of Education</b>					
<b>Passed through S.C. Department of Education</b>					
202	Title I - Current Year	84.010	H63010100119	-	4,523,810
202	Title I - Prior Year	84.010	H63010100118	-	1,073,653
237	Title I - Focus	84.010A	H63010100117	-	2,074
240	Title I - Direct Student Services	84.010A	H63010100118	-	210,318
	Total Title I			-	5,809,855
Special Education (IDEA) Cluster:					
203	IDEA - Current Year	84.027	H63010100919	104,725	1,361,668
203	IDEA - Prior Year 17	84.027	H63010100918	-	2,133,783
203	IDEA - Prior Year 16	84.027	H63010100917	-	115,274
205	IDEA Pre-school Grants Current Year-Handicapped Capacity	84.173	H63010100819	-	160,327
205	IDEA Pre-school Grants Current Year-Handicapped Capacity	84.173	H63010100818	-	29,740
205	IDEA Pre-school Grants Current Year-Handicapped Capacity	84.173	H63010100817	-	22,702
	Total Special Education (IDEA) Cluster			104,725	3,823,494
Other Programs:					
100	Impact Aid	84.041	N/A	-	74,350
207	Occupational Education	84.048A	H63010107119	-	291,534
210	Title IV - SSAE	84.424A	H63010100319	-	18,287
210	Title IV - SSAE - Prior Year 18	84.424A	H63010100318	-	144,510
232	McKinney Vento Homeless Education Grant	84.196A	H63010108919	-	43,758
232	McKinney Vento Homeless Education Grant - Prior Year 18	84.196A	H63010108918	-	21,880
241	Hurricane Education Recovery	84.938C	H63010100519	-	121,500
243	Adult Education	84.002	H63010101019	-	237,608
243	Adult Education - Institutionalized	84.002	H63010101019	-	20,000
243	Adult Education - Reverted Funds FY18	84.002	H63010101018	-	7,711
264	Title III - Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006719	-	76,159
264	Title III - Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006718	-	170,764
267	Title II, Supporting Effective Instruction	84.367	H63010006819	-	440,676
267	Title II, Improving Teacher Quality Carryover	84.367	H63010006818	-	192,633
	Total Other Programs			-	1,861,370
	<b>Total of U.S. Department of Education</b>			<b>104,725</b>	<b>11,494,719</b>
<b>U. S. Department of Defense Direct Program</b>					
295	ROTC	12.000	N/A	-	385,687
	<b>Total U.S. Department of Defense</b>			-	385,687
<b>Federal Emergency Management Assistance</b>					
100	FEMA Disaster Assistance	97.036	N/A	-	67,171
	<b>Total Federal Emergency Management Assistance</b>			-	67,171
<b>U.S. Environmental Protection Agency</b>					
299	Environmental Education Grants	66.951	N/A	-	2,500
	<b>Total U.S. Environmental Protection Agency</b>			-	2,500
	<b>Total expenditures of federal awards</b>			<b>\$ 234,628</b>	<b>\$ 21,275,917</b>

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## **Beaufort County School District**

### ***Notes to Schedule of Expenditure of Federal Awards***

***June 30, 2019***

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#### **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, 2019. 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 accounting 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 not 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, 2019, 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 20, 2019.

**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 20, 2019

**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, 2019. 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, 2019.

## 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.



Charleston, South Carolina  
November 20, 2019

**Beaufort County School District**  
**Schedule of Findings and Questioned Costs**  
**For the fiscal year ended June 30, 2019**

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**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, 84.173	IDEA
84.367	Title II, Supporting Effective Instruction

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

<b>II. Findings Relating to the Basic Financial Statements Reported in Accordance with <i>Government Auditing Standards</i></b>	None noted
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<b>III. Findings - Compliance</b>	None noted
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<b>III. Findings and Questioned Costs Relating to Federal Awards</b>	None noted
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<b>IV. Summary Schedule of Prior Audit Findings</b>	None reported
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