

Beaufort County School District

Beaufort, South Carolina

Approved Budget 2017-2018



**For The Fiscal Year Ending
June 30, 2018**

Beaufort County School District
Beaufort, South Carolina
Approved Budget

For The Fiscal Year Ending
June 30, 2018

Prepared By:

The Finance Department
Jeffrey C. Moss, Ed.D. Superintendent



Beaufort County School District

Mission/Vision Statement

Mission

The Beaufort County School District, through a personalized learning approach, will prepare graduates who compete and succeed in an ever-changing global society and career marketplace.

Vision

We will work with families and our diverse community to ensure that students perform at an internationally competitive level in a learning environment that is safe, nurturing and engaging.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Beaufort County School District
South Carolina**

For the Fiscal Year Beginning

July 1, 2016

Executive Director

Introductory Section



Beaufort County School District

2018 Board Members

**Patricia Felton-
Montgomery
Chair**

District 6 (Term 2017-2020)
1 New Castle Lane
Bluffton, SC 29909
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**Earl Campbell
Vice Chair**

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93 Bruce Smalls, Grays Hill
P.O. Box 768, Lobeco, SC 29931
(H) 843-846-4531
(C) 843-441-4993

**Geri Kinton
Secretary**

District 5 (Term 2013-2018)
134 Collin Campbell
Beaufort, SC 29906
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JoAnn Orischak

District 11 (Term 2017-2020)
29 Long Brow Road
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(H) 843-338-1737

BEAUFORT COUNTY SCHOOL DISTRICT

Administrative Office

2900 Mink Point Boulevard
Beaufort, South Carolina 29902

Senior Management

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

Officials Issuing Report

Ms. Tonya Crosby, CPA CGFO, Chief Finance and Operations Officer
Mr. Louis Ackerman, Budget Analyst

Executive Summary



The Beaufort County School District (BCSD) is pleased to present the FY 2018 Adopted Budget. This budget has been prepared in accordance with state regulations and local policies covering the twelve-month period from July 1, 2017 through June 30, 2018.

This document is the District’s financial plan that will guide the Board staff and stakeholders in working toward the District’s commitment to “ensure excellence in education for every learner that prepares each with the knowledge, skills and personal responsibility to succeed in a rapidly changing global society.”

Introduction

The District is proud to publish and disseminate budget information to the Board and our community. This budget permits the District to continue its progress toward its strategic goals for improving student success in Beaufort County and to focus on its priorities of maintaining classroom momentum, maximizing resources, and minimizing tax increases.

The development, review, and consideration of the 2017-2018 Budget (the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Food Service Fund) was completed with a review of every budget and how it met the objectives of the District’s Strategic Plan. Information on each of these funds is included in this document.

This budget document and the year-end Comprehensive Annual Financial Report (CAFR) are the primary sources used to present the financial plan and the results of programs and services of the District. The objective of this document is to provide transparency to the public about the District’s financial plans and how they relate to the strategic goals. It represents the balance between the resources provided by the local, state, and federal sources and the educational needs of students.



Jeffrey C. Moss, Ed.D.
Superintendent

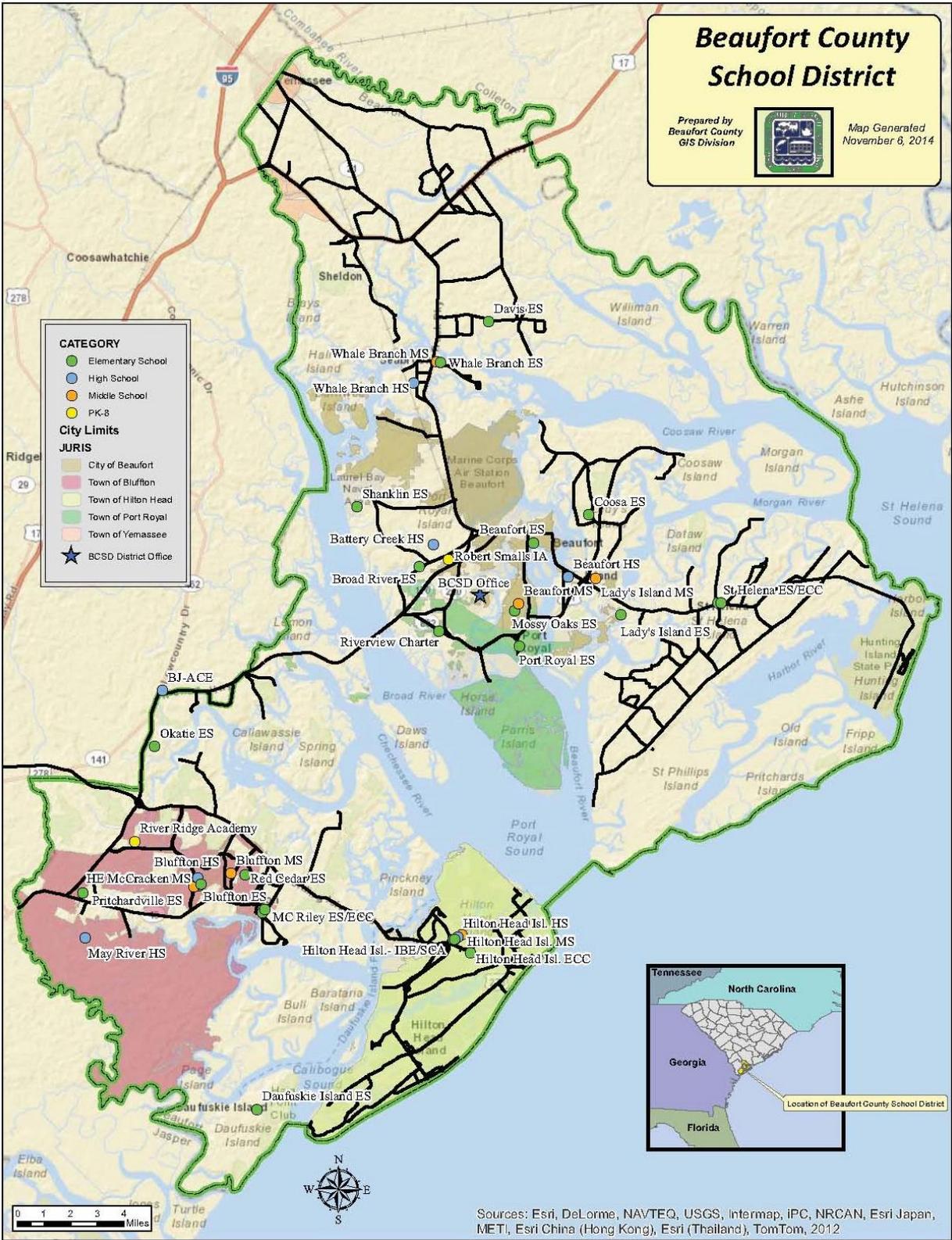
How this Document is Organized

The organization of this budget document fulfills several needs. First, the budget document provides transparent information on the resources needed to fulfill the organization's goals and beliefs. It is organized in a manner intended to enhance the reader's understanding of the Beaufort County School District's budget development, policies, management and processes and to foster community involvement in the budget process. The format conforms to the standards of budget presentation as recommended by the Government Finance Officers Association, and the document has been prepared to achieve the Distinguished Budget Presentation Award for the tenth consecutive year. It functions as a policy document, an operations guide, a financial plan, and as a communications device. The document contains the four major sections listed and defined below.

- The **Introductory Section** contains an overall view of the approved budget along with the *Executive Summary*. It also includes *The Strategic Plan* which explains the priorities set by the Board of Education and strategy to achieve success. A summary of accomplishments highlights the prior year's activity.
- The **Financial Section** includes an organizational chart, fund description and structure along with budget data in both summary and program levels for the General Fund and a *Comprehensive Budget Report* of all District funds. This section provides information on the General Fund, the Special Revenue Funds, Education Improvement Act (EIA) Funds, Debt Service Fund, Capital Projects Fund, Food Service Fund, Internal Service Fund and the Pupil Activity Funds. It includes financial policies and a description of the budget process. Information on fund balance, revenue trends and expenditures are included in this section.

The **Capital Section and Debt Service Section** include information about the District's ongoing capital projects, funded through bond referenda and under the 8% constitutional debt limit.

- The **Organizational Section** includes a description of the organization's departments along with positions summaries and departmental breakdowns.
- The **Informational Section** includes the following information of interest to District stakeholders:
 - Demographic Statistics
 - Principal Property Tax Payers
 - School Building Information
 - Property Assessment Information
 - List of Acronyms
 - Glossary



Beaufort County School District, 2017-2018 Budget

Facts About Beaufort County School District

The Beaufort County School District is the 10th largest school district in South Carolina. It serves 22,184¹ students in Beaufort County, which includes the City of Beaufort, Town of Hilton Head Island, Town of Bluffton, and Town of Port Royal among many others. Nestled between Charleston, South Carolina and Savannah, Georgia, Beaufort County is composed of hundreds of barrier and sea islands and its warm climate, pristine beaches and vibrant culture attract many people to the area.

The School District operates 32 schools, one charter school and a vocational school. It provides a program of public education from pre-kindergarten through grade twelve. In addition to the regular educational programs, the District offers programs in areas such as vocational education, adult education, career and technology education, aeronautics and engineering, STEM, International Baccalaureate program, Advanced Placement, Montessori, Mandarin Chinese, and early college high school.

The Beaufort County School District is governed by an 11 member elected board. Working within state laws and federal guidelines, the school board determines educational policy, employs the superintendent, authorizes the employment of all certified personnel on the recommendation of the superintendent and approves the annual operating, debt and capital budgets.

Board of Education members represent the electoral district in which they live and serve four-year terms on a staggered basis. Following each November election, the board meets in January to elect a chairman, vice chairman and a secretary, who serve in these positions for two years. Board members are paid for their service.

The District does not have fiscal autonomy from Beaufort County Council. The County Council reviews the proposed annual budget for reasonableness, approves the expenditure budget and levies the mills necessary to insure sufficient tax revenue is generated.

As one of the largest employers in Beaufort County, SC, the District employs approximately 2,800 people (including part-time employees). In addition, the District contracts several major services: food service, maintenance, custodial, grounds maintenance and substitute teachers.

The region's major economic drivers continue to be tourism and the military, which in turn support a range of industries such as hospitality, arts and culture, retail, real estate, construction, healthcare and recreation.

In July of 2013, the Board of Education appointed Jeffrey C. Moss, Ed.D. Superintendent of the Beaufort County School District. Dr. Moss is a 30-year education veteran who has served as a superintendent for over ten years. He joined Beaufort County Schools from Lee County Schools in Sanford, N.C., where he had been the Superintendent since January 2009.

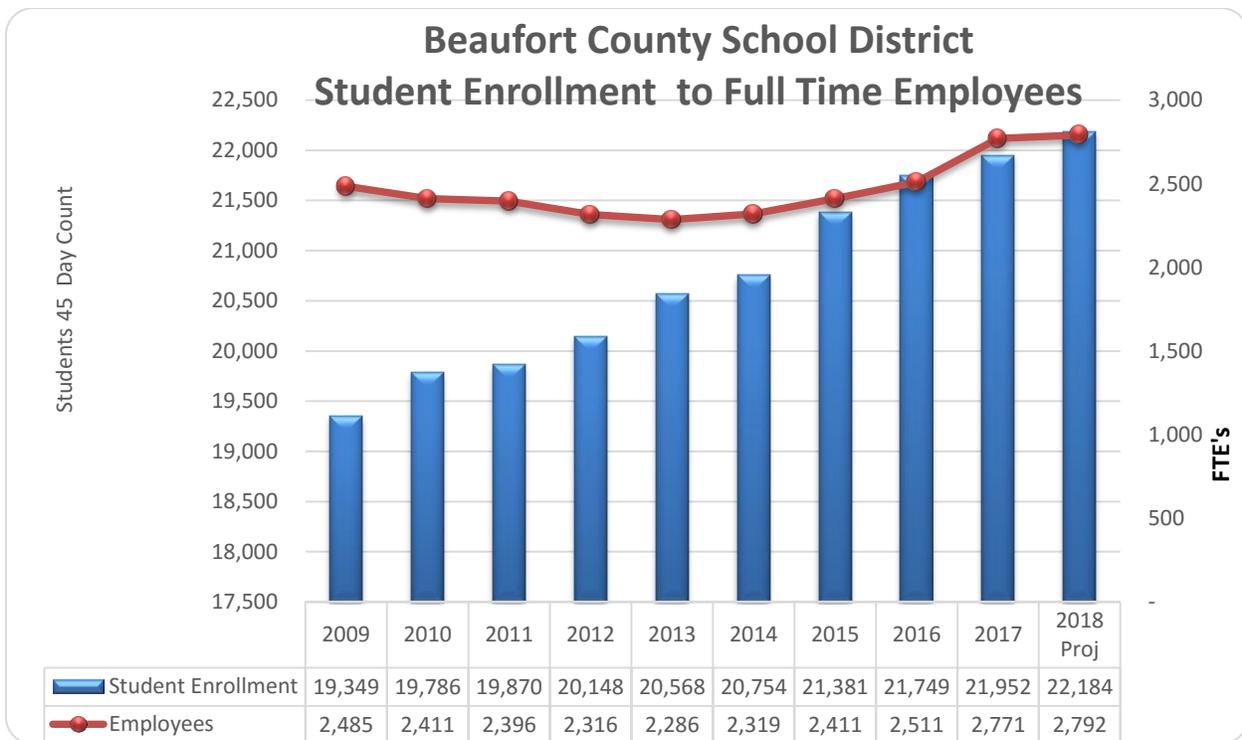
¹ 2017-2018 projected enrollment

Population

According to the 2016 Census estimates, Beaufort County has grown by 12.9% in five years, making it one of the fastest growing counties in the state. Other counties that grew faster during that period were Horry at 19.7% (Myrtle Beach), Berkeley at 18.6%, Lancaster at 16.9%, Jasper at 14.9%, Charleston at 13.2%, and York at 14.4%. The Town of Bluffton continues to be the fastest growing area of the County. The population is expected to grow and continue to derive economic benefits from the tourism industry and the presence and expansion of its military facilities.

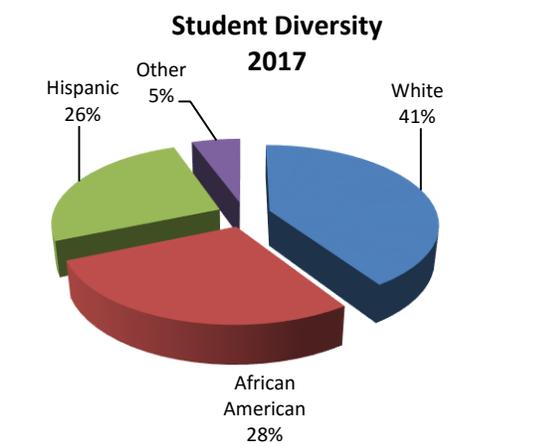
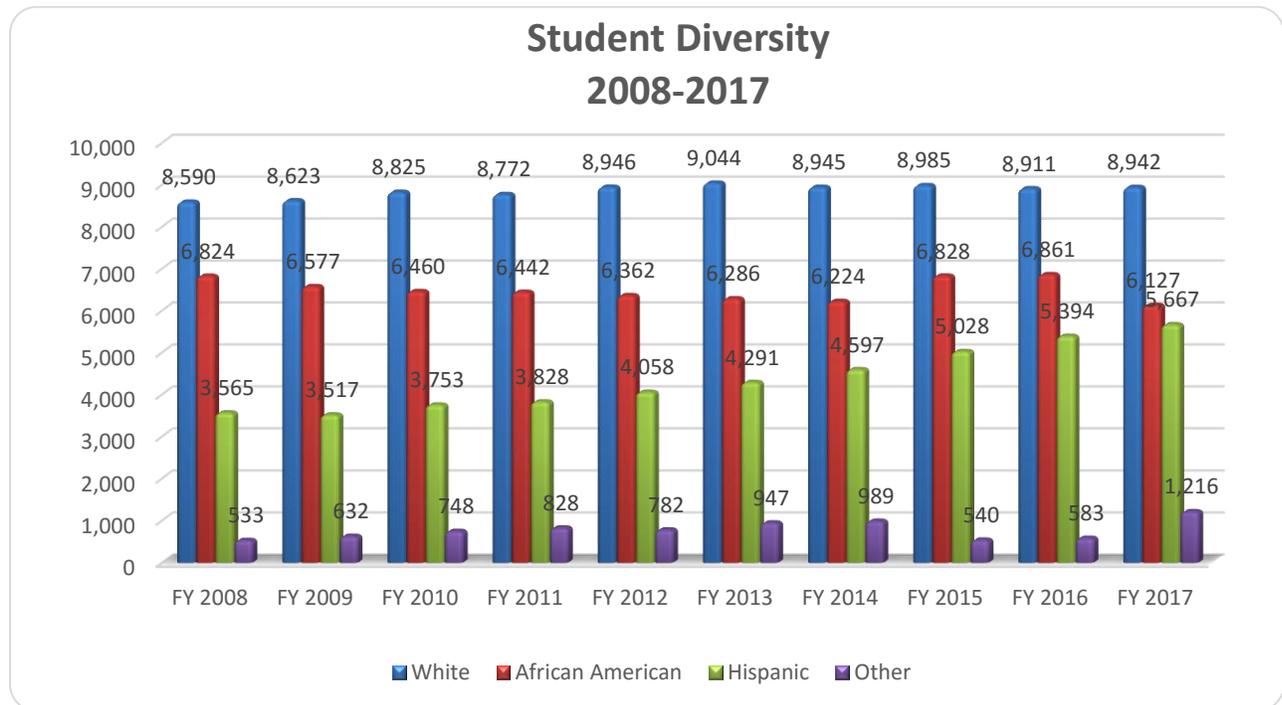
Student Enrollment

Student enrollment continues to show steady increases over the last several years. BCSD is budgeting conservatively for 22,184 students in FY 2018 and has increased staff for FY 2018 to meet the growing student enrollment. The graph below depicts the trends of student enrollment and full time employees over a 10-year period. Student growth over this period is 14.7%.



Student Diversity

Beaufort County School District has a diverse population of students. This diversity allows its students to develop an understanding of the perspectives of people from different backgrounds and learn to function in multicultural, multiethnic environments. Yet, as schools become more diverse, demands increase to provide services that help all students succeed academically. The graph below shows the progression of students by ethnicity over the last ten years. Other includes students claiming two or more races.



From 2008 to 2017, the Hispanic population has increased from 18.3% to 25.8% of the total population. This represents a growth of 58.9% over the ten year period. Many of these students are English Language Learners who require specialized instruction and smaller class sizes. The adjacent graph represents the student diversity of the School District. Based on historical data, the administration anticipates an increase of 6% in the Hispanic population in FY 2018. Most of this growth is seen in the Bluffton and Hilton Head Island communities.

Budget Development Process

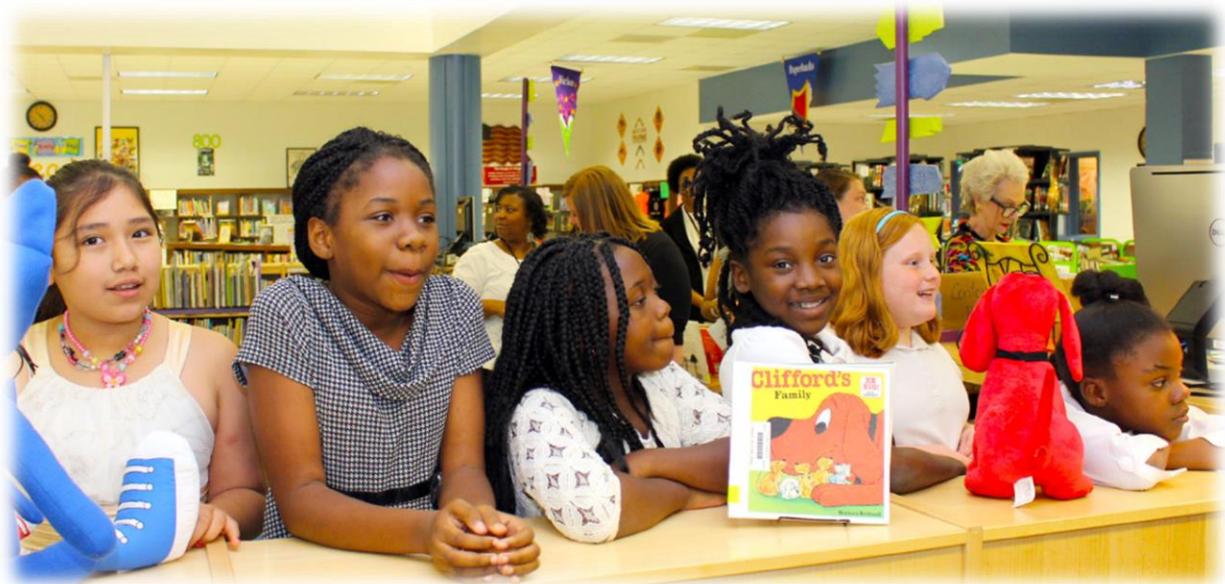
Many rules and laws govern the budget process for the School District. The extensive process begins as soon as the previous year's budget ends. The District expresses its financial plan through three types of budgets: the operating budget, the capital budget and the debt service budget.

Operating budget (or General Fund Budget) - a budget for the provision of annual resources to support the general operations of the District

Capital budget - a budget for the provision of necessary sites, buildings, major improvements and equipment

Debt Service budget - a budget for the provision of principal and interest payments on outstanding debt

The General Fund and the Debt Service Fund are the only funds appropriated by the Beaufort County Council. The budget must be certified by the Board and approved by Beaufort County Council by June 30 of each year. The Board of Education is involved at the very beginning of the process, and community discussions are held each year to encourage community input in the process. Final mill setting occurs in late June at final reading.



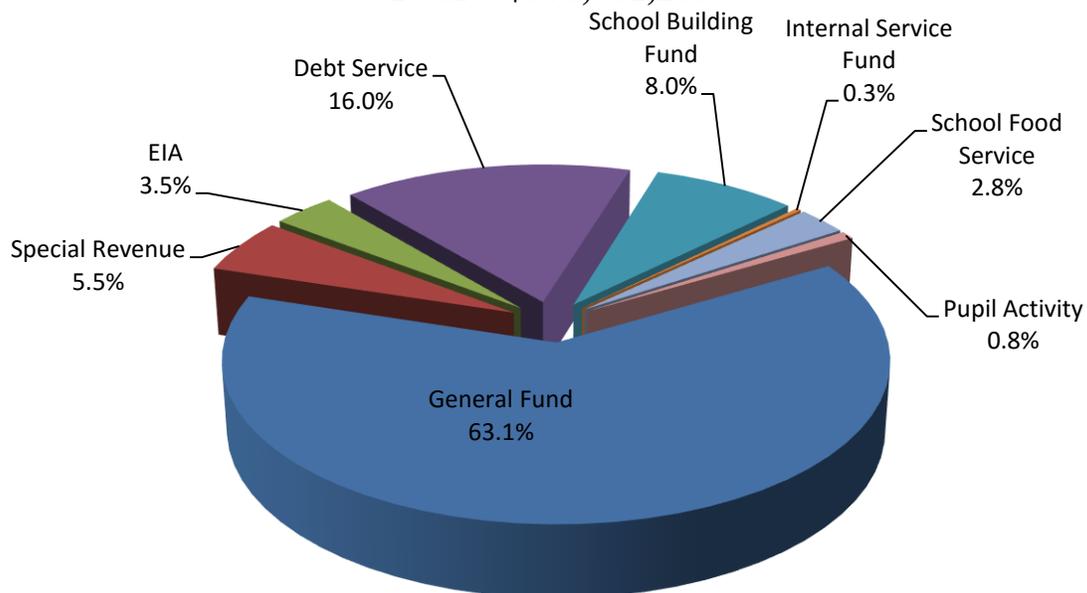
Budget at a Glance

The 2017-2018 Comprehensive Budget include multiple funds, totaling \$358 million. The following chart provides all expenditure budgets by fund.

	2016-2017 Approved Budget	2017-2018 Approved Budget	Change
Comprehensive Budget (Total)	\$336,351,342	\$358,051,163	\$21,699,821
General Fund	215,451,995	225,764,555	10,312,560
Special Revenue Funds	17,136,687	19,666,568	2,529,881
Education Improvement Act Funds	11,222,255	12,555,541	1,333,286
Debt Service Fund	56,687,225	57,797,710	1,110,485
School Building Fund	22,003,798	28,500,000	6,496,202
Internal Service Fund	900,000	900,000	-
School Food Service Fund	9,985,625	9,907,230	(78,395)
Pupil Activity Fund	2,963,757	2,959,559	(4,198)
Millage required for General Fund	111.5	113.5	2.0
Millage required for Debt Service	31.7	31.7	-
Total Millage Required	143.2	145.2	2.0
Projected Student Enrollment	* 21,952	22,184	232

*Actual 2015-2016 45 day count

Overview of all Fund Revenue FY 2018 Total = \$358,051,163



Overview of Funds

Governmental Fund Types

General Fund - \$225,764,555

The General Fund is the general operating fund of the School District and accounts for all revenues and expenditures except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund and the unassigned fund balance is considered a resource available for use. The expenditure budget of \$225,764,555 reflects a 4.8% increase over the FY 2017 budget.

Special Revenue Funds - \$19,666,568

Special Revenue Funds are budgeted funds used to account for financial resources provided by federal, state, and local projects and grants. Revenue from specific sources is legally restricted to expenditures for specified purposes. Each specific fund has defined objectives and responsibilities required by the funding source. These funds include but are not limited to Title I, Special Education, Adult Education, and Medicaid. The special revenue budgets are amended on a frequent basis because of timing of the receipt of funds. An increase of \$2,529,881 is expected in FY 2018 due to additional state funding to support teacher professional development, increased funding for Summer Reading Camps, and increases in grant awards.

Education Improvement Act - \$12,555,541

The Education Improvement Act (EIA) provides funding from the state through sales tax revenues. It includes but is not limited to At Risk, Aid to Districts funds, National Board Certified Teacher funding and pre-school programs. Since this source of funding is derived from sales tax, it is particularly volatile and is historically the target of budget reductions. An increase of \$1,333,286 is expected in FY 2018 due to an increase in Teacher Salary Supplements.

Debt Service Fund - \$57,797,710

The Debt Service Fund, a budgeted fund, is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs associated with the issuance of general obligation bonds for capital projects. The primary financing source for this fund is county property taxes.



School Building Fund (or Capital Projects Fund) - \$28,500,000

The School Building Fund is used to account for financial resources to be used for land acquisitions, school construction, equipping, and renovation of all major capital facilities. The funding comes primarily from the sale of general obligation bonds. Capital expenditures are expected to increase in FY 2018 with the addition of the Whale Branch Early College gym and performing arts center.

Proprietary Fund Types

The District’s proprietary funds include School Food Service and the Internal Service Fund.

Internal Service Fund - \$900,000

The Internal Service Fund was established in FY 2006 to manage the insurance and risk management needs of the District. Transfers from the General fund are made at fiscal year-end based on savings in General Fund insurance budgets and have accumulated to a level that is sufficient to support the School District’s outstanding insurance claims.

School Food Service Fund - \$9,907,230

The School Food Service Fund is used to account for the financial resources provided by state and federal agencies in addition to payments from students and adults for breakfast and lunch programs. In this fund, payments for food, the contracted services of the School District’s vendor and other costs relating to the provision of meals are included.

Fiduciary Fund Types

Pupil Activity Fund - \$2,959,559

In a Fiduciary Fund the School District acts as a 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 cannot use these assets to finance its operations. The School District’s Pupil Activity Fund is the only fiduciary fund. It is an unbudgeted fund, and it accounts for the receipt and disbursements of funds related to student activity organizations.



Priorities

The FY 2018 budget was built with the following priorities in mind:

- 1. Students performing on grade level in all subjects by third grade** - Expansion of the **Pre-kindergarten program** is one of the initiatives included in the 2017-2018 budget. This expansion began in 2014-2015 with a four phase process with an ultimate goal of serving all four-year old children in Beaufort County. The School District is currently in Phase 4, which includes the addition of a new pre-K classroom at MC Riley Elementary School. Additionally, reading intervention teachers will be used to focus on literacy for grades kindergarten through 2nd grade. **Summer Reading Camp** will include all elementary students who are not substantially “on grade level” reading proficiency. **Literacy Coaches** or **State Reading Coaches** are present in every elementary and middle school to train teachers on effective teaching strategies. **Tutoring** funds were also provided to every school for additional support to students. We believe these initiatives will provide the foundational skills for future school success.
- 2. Support choice opportunities for parents in each attendance area** - School communities began to offer choice options for all schools in 2015-2016. Fifteen approved curriculum options are offered such as **International Baccalaureate, Classical Studies, Language Immersion, and Montessori**, among others. Choice options are being offered in several schools for the 2017-2018 school year which largely include **Career and Technology Education (CATE) programs**. The construction of two CATE centers in 2017, one at Battery Creek High School and another at the new May River High School offer programs such as culinary arts, agriscience, welding, automotive technologies, and public safety/law enforcement. Hilton Head Island High School also offers culinary arts.
- 3. Support Technology Initiatives for student learning** - The Connect2Learn initiative provides an opportunity for mobile devices to be placed in the hands of all students in grades K-12. In 2017-2018, the plan is to extend learning for all students in grades K through 12 outside of the school building by taking their devices home each day. This initiative will give students access to information, allow them to think critically, problem solve, collaborate and create while learning to safely, ethically, and effectively utilize 21st century tools.
- 4. Recruit and Retain quality teachers and administrators in every classroom and building** - The School District has established a recruitment model that will be essential to attracting and retaining high quality staff in upcoming years. The School District partners with outside organizations to recruit teachers in high needs areas. The District’s “Leadership Institute” was also designed to provide aspiring school principals with increased school leadership capacity. Retention efforts have been addressed with the provision of a progressively increasing locality supplement for teachers. The teacher supplement in the FY 2018 budget rises to \$3,000 and is expected to increase to \$5,000 by FY 2020. The administrator supplement remains at the \$1,000 level for this budget year.
- 5. Continue current initiatives which have a positive impact on student learning outcomes** – The District focus is on further implementation of the essential curriculum framework, courses and resources. The curriculum includes English Language Arts, Mathematics, Science, Social Studies,

World Language, Visual and Performing Arts/Physical Education and Health, Career and Technology and External Assessment. The curriculum is structured for early childhood - K, 1st – 5th grade, 6th – 8th grade and 9th – 12th grade with each framework or course having a demonstrated outcome.

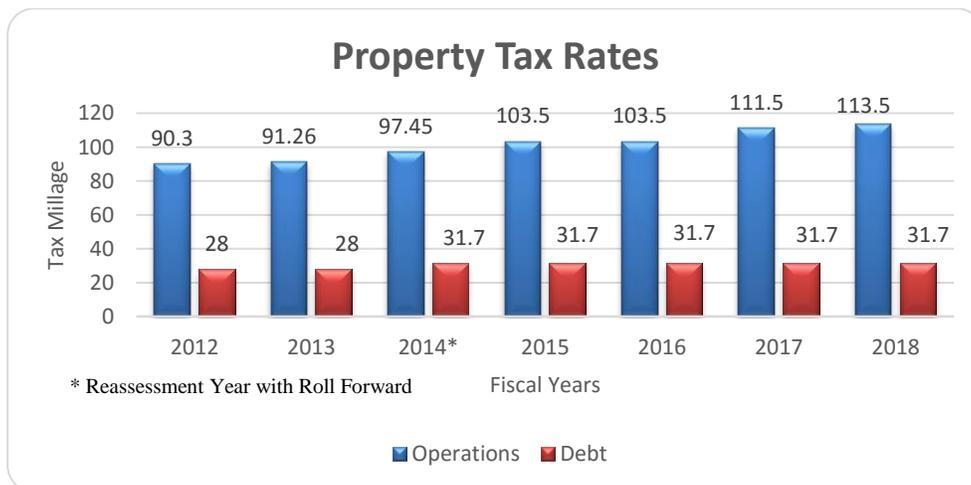
These priorities were established in prior budget years and our Board wants to remain consistent and focused on these core goals. Making changes to meet these priorities requires multi-year planning and implementation. As initiatives are implemented that have a direct impact on instruction, the School District continues to find ways to maximize resources to support these efforts.

Impact on the Taxpayer

During times of a stabilizing economy, the School District strives to hold tax increases at a minimum. This has been difficult due to state mandated cost increases on an annual basis. The School District is also facing consistent enrollment increases which has created a need for additional schools. With new schools, comes unavoidable operating cost increases. We will continue to work toward balancing the needs of the taxpayers with those of the growing number of students in order to maintain a stable financial position and to accomplish the School District’s overall mission.

Millage Levy

State law mandates a property reassessment every 5 years. Beaufort County underwent a reassessment in tax year 2013. As anticipated, the reassessment resulted in an overall decrease in assessed value, presenting a need for a roll forward of the operating millage in FY 2015. Millage rates were held steady in FY 2016; however, the collections fell short of the budget by \$4.9 million. Due to the expected shortfall resulting from shifts of 6% properties to 4% properties, the FY 2017 property tax millage was increased by 8 mills to generate the amount of revenues needed for the FY 2017 and partially offset shortfalls of the prior year. The 2017-2018 General Fund budget is based upon an approved operating millage of 113.5. Debt service mills remained constant at 31.7 mills for FY 2018. Following is a graph of property tax millage for Beaufort County School District over a seven-year period:



Issues Impacting the FY 2018 Budget Year

Legislative Issues

Governor's Education Initiative

Act 388

The effects of Act 388, signed into law in June of 2006, continue to impact Beaufort County School District. Non-owner occupied homes have decreased because owners are changing residency status in order to avoid paying for school operations property taxes. The revenue previously generated cannot be regained under the current legislation.

In addition to eliminating property taxes from owner-occupied residences, effective in FY 2007-2008, this same legislation established an annual millage increase limit for all local governments and school districts based on the most recent CPI increase plus the percent growth in county population over the previous year. Permission from the governing authority (County) must be granted to increase millage. Under state statute, Districts who do not utilize the millage cap can bank the increases for three years. Districts may utilize this "lookback provision" and may add to the operating millage an amount not previously imposed for the three property tax years preceding the year to which the limit applies. Beaufort County School District utilized this provision in FY 2017 and will again in FY 2018 due to increased taxpaying ability.

Index of Taxpaying Ability

In conjunction with the property tax relief constraints, the current Educational Finance Act (EFA) funding established in 1977 severely limits the funding Beaufort County receives due to a formula base that is based on assessed value. Our County is perceived to be one of the wealthiest in the State based on our assessed value; therefore, Beaufort County continues to receive the least amount of EFA funding in the state. After a period of several years in which the School District received no EFA funds, in FY 2017, the School District began to minimally benefit from this revenue source due to a drop in assessed value during reassessment and an increase in enrollment. However, in FY 2018, EFA funding for the District is projected to decrease by about \$2.2 million from the FY 2017 amount.

Under these legislative constraints, along with the other state and federal mandates imposed, our District continues to be challenged to maintain our current level of operation. The School District will have to continue to make decisions that keep costs low to avoid using the fund balance.

Economic Conditions

The School District receives approximately 62% of its operating budget from Beaufort County property taxes. The remaining 33% is received from the State; 60% of which is funded through sales tax reimbursement as a part of Act 388. Prior to enactment of Act 388 in 2006, our local support was as high as 91%. Any fluctuations in the economy could have a direct impact on educational funding. Because of this it continues to be important to pay close attention to revenue streams in fiscal year 2017 and future years to determine whether cost reductions will be required in the event revenues drop below budget.

Approximately 60% of the District's tax base is composed of Hilton Head Island, a popular destination for repeat annual visitors who either own a second home or consistently vacation on the island over consecutive years. The area is also home of the RBC Heritage Golf Tournament, an official PGA Tour event. Held annually since 1969, the tournament is hosted at Harbour Town Golf Links in April of each year and generates more than \$96 million into the State of South Carolina's economy attracting nearly 130,000 visitors annually.

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 700 Marines and Sailors along with 600 civilian personnel who ensure approximately 3,400 personnel of marine Air Group 31 and its component squadrons and tenant units are readily deployable. At the U.S. Marine Corps Recruit Depot, there are over 4,500 military and non-military personnel in our local areas supporting over 20,000 recruits. In 2016, approximately 66,600 people visited Parris Island. 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 \$2.2 billion.

In 2009, Beaufort City Council signed a resolution supporting the Department of Defense's proposal to locate up to 11 joint strike fighter jets at the Air Station beginning in 2013. Because the U.S. Marine Corps is concentrating its training for pilots and crews of the F-35B Joint Strike Fighter at Beaufort, additional families with school-age children are moving into the area.

Tourism is a major industry in Beaufort County. According to the Economic and Fiscal Impact Analysis entitled "Estimated Impact of 2015 Tourist Spending on Beaufort County, South Carolina," tourists spent approximately \$1.1 billion in Beaufort County and created almost 13,000 jobs, representing approximately 13.4 percent of all jobs in Beaufort County.

The county's unemployment rate at 4.0% equals the State of South Carolina's rate of 4.0% as of June 2017, signaling better unemployment conditions than most counties in the state. The rate has continued to drop over the past few years. The presence of military bases and the rebound of the tourism industry have contributed to this low rate.

Major taxpayers in the County remain virtually unchanged, with the top ten taxpayers including four local utility companies and major resorts. The County has a HUD median family of four income of \$70,300 as of April 2017. This income level continually ranks the County as one of the highest in the State and is above national levels.

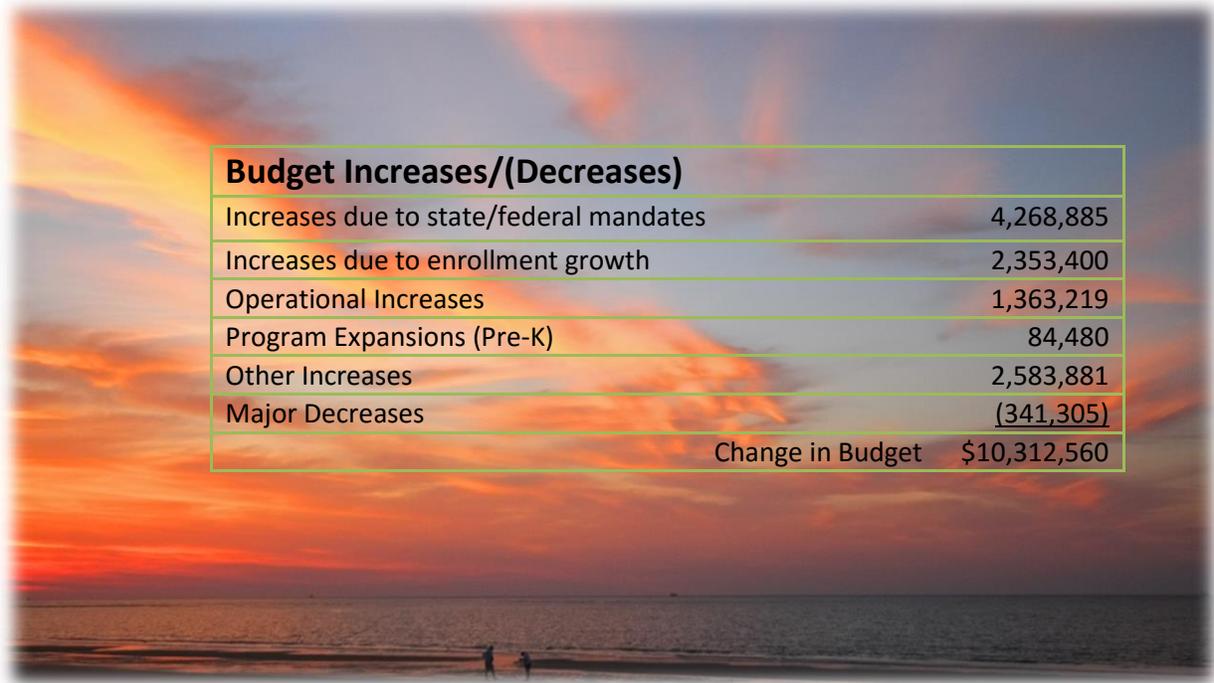
Despite having a high median family income, many of our students' families continue to be affected by a recovering economy. The number of students eligible for free and reduced meal prices has increased from 52% to 61% since 2007. These conditions have a financial impact on our community and schools. Economic conditions and outlook of the county and state play a substantial role in the financial condition of the District. Close attention to revenue streams must be paid in FY 2018 and future years.

FY 2018 General Fund Highlights

This FY 2018 budget represents a balance between keeping momentum in student achievement and minimizing tax payer impact. Local tax revenues for FY 2018 are based upon a millage rate of 113.5. This represents an increase of 2 mills from the prior year. This was necessary to meet operating expenses in FY 2018 and to fund the mandated teacher salary increase and benefit increases. Locality increases were provided in FY 2017 and increased in FY 2018 to attract qualified teachers and retain them for years to come.

Historical Effects on the Budget

Student enrollment has increased by 19.9% since 2005 (from 18,501 to 21,184) and eight new schools were built to accommodate the growth. A new pre-K through 8 school opened in August 2015 and a new high school opened in August 2016. Despite this growth, the School District cut \$22.9 million between 2010 and 2013 to offset mandated increases by the State and other contractual requirements. Almost 200 positions were eliminated during that time period to balance the budget, including the closure of one elementary school. Since 2013, the School District has been forced to increase staff to meet the needs of growth in student enrollment. Major increases and decreases in the FY 2018 are summarized as follows:



Budget Increases/(Decreases)	
Increases due to state/federal mandates	4,268,885
Increases due to enrollment growth	2,353,400
Operational Increases	1,363,219
Program Expansions (Pre-K)	84,480
Other Increases	2,583,881
Major Decreases	<u>(341,305)</u>
Change in Budget	\$10,312,560

Details of Budget Increases/(Decreases)
2017-2018

Increases due to state/federal mandates

	<u>Amount</u>
Salary step increase for certified staff	\$ 1,464,359
Benefit increase for retirement	1,877,539
Benefit increase for health insurance	816,987
2 Special Education teachers	110,000
Total Increases due to state/federal mandates	<u>\$ 4,268,885</u>

Increases due to enrollment growth

21 School based employees	\$ 1,318,113
10 Teachers for additional growth	550,000
Charter School Allocations (+38 students)	397,865
Academic Stipends	45,802
School Non-Salary Allocations	41,620
Total Increases due to enrollment growth	<u>\$ 2,353,400</u>

Operational Increases:

Contractual Increases (Custodial, Grounds, Maintenance)	\$ 635,862
Property Insurance	412,175
Telecommunications	153,444
Utilities	87,227
Technology Applications	74,511
	<u>\$ 1,363,219</u>

Increases due to program expansion:

Pre-K expansion - 1 classroom (MCRES)	\$ 84,480
Total Increases due to program expansion	<u>\$ 84,480</u>

Other Increases:

Additional Locality Supplement for teachers	\$ 1,889,258
Step increase for classified staff	493,550
Step increase for administrators	201,073
Total Other Increases	<u>\$ 2,583,881</u>

Decreases:

4 staff moved to Special Revenue Funding	\$ (190,000)
Repairs	(78,677)
Unemployment Claims	(25,000)
Miscellaneous Supplies	(19,092)
Stormwater Utility	(15,000)
School Resource Officer	(13,536)
Total Decreases	<u>\$ (341,305)</u>

Grand Total \$ 10,312,560

General Fund Long-Term Budget Projection

Below is a summary of the District's 5-year budget projection. Many assumptions are made as we predict future revenues and expenditures. Additional revenues are needed in FY 2018 and beyond to support the projected expenditures and keep the fund balance inside of the Board's desired target of 13% to 15%.

Budget Projection-General Fund FY 2018- FY 2022 (\$ in millions)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Expenditures:					
Salaries	125.9	130.7	135.1	139.8	143.1
Benefits	48.5	49.9	51.8	53.4	55.4
New Students	1.1	1.1	1.1	1.1	2.1
Supplies	13.8	14.1	14.2	14.4	14.5
Repairs and Renewals	30.9	31.4	32.0	32.6	33.3
Charter School Allocation	5.5	5.5	5.5	5.5	5.5
Total Expenditures	225.7	232.7	239.7	246.8	253.8
Increase/(Decrease)	4.7%	3.1%	3.0%	3.0%	2.9%
Revenues:					
Taxes	137.2	138.5	139.9	141.3	142.7
Additional Revenue Needed*		9.3	15.5	20.0	25.0
Other Local Revenue	1.4	1.5	1.5	1.5	1.5
State	76.1	76.8	77.6	78.4	79.2
Federal	0.7	0.7	0.7	0.7	0.7
Total Revenues	215.4	226.8	235.2	241.9	249.1
Other Financing Sources					
Transfers from Special Revenue	5.1	5.2	5.2	5.2	5.3
Transfers from Other Funds	0.5	0.5	0.5	0.5	0.5
Total Other Financing Sources (Uses)	5.6	5.7	5.7	5.7	5.8
Total Revenue and Other Financing Sources	221.0	232.5	240.9	247.6	254.9
Surplus/Deficit	-4.7	-0.2	1.2	0.8	1.1
Projected Fund Balance	31.4	31.2	32.4	33.2	34.3
Projected Fund Balance as % of Next Year Expenditures	13.5%	13.0%	13.1%	13.1%	13.1%

* revenue needed to maintain fund balance to comply with Board policy

The Challenges Ahead

- **Continuing Instructional Momentum** - Sustaining the progress made in the last few years with existing resources.
- **Student Growth and Diversity** - Enrollment continues to climb, as does the number of students in poverty and students with limited English proficiency. There has been more than a 400% increase in EL (English Learners) since 2006.
- **Unfunded Mandates** – There are many unfunded mandates that school districts are required by law to implement, each requiring a variety of additional resources. The School District will continue to comply with mandates, while seeking additional funding to support them.
- **Teacher Recruitment and Retention** – Strong focus will be placed on recruiting and retaining highly qualified teachers. Over 200 teachers (13%) are currently eligible for retirement. Raising teacher salaries, along with locality supplements, will be increasingly important over the coming years and continue to be a priority during budget preparation.
- **Fund Balance Reserves** - The Board recognizes the importance of maintaining the fund balance at a level that provides financial stability for the District in the event of a catastrophic occurrence. A healthy fund balance also helps to keep interest costs low when borrowing for capital renewal and improvement needs.
- **Facilities Maintenance** - Appropriately funding ongoing facility capital projects to prevent the accumulation of deferred maintenance costs.

Board Policies

The Board fund balance policy requirements are the guide for long-term financing planning. This policy states that the General Fund maintains a desired target of an unassigned fund balance of 13 to 15% of next year's expenditures. It is crucial to regularly update the District's long-range financial plans to meet this directive.

Board policy requires that budget projections are updated each year, used as a starting point for discussion and planning, and revised each year to reflect trends and factors affecting enrollment numbers. The policy requires three to five years of historical information, as well as three to five years of projections. In addition, Board policy requires an annual updated five-year capital and debt plan. Typically, these projections are revised more frequently than on an annual basis to monitor the District's borrowing capacity and financial stability.

Budget Contacts

Individuals who have questions regarding this budget document may contact:

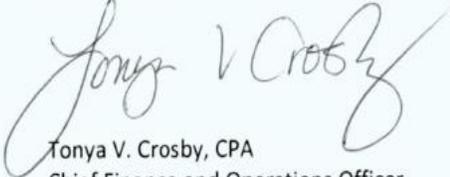
Tonya V. Crosby, CPA
Chief Finance and Operations Officer
(843) 322-2397
tonya.crosby@beaufort.k12.sc.us

Conclusion

We appreciate the support provided by the Board, community, and staff needed to develop the FY 2018 budget. Despite the many challenges facing the School District, this budget utilizes the resources we are allocated in a manner that produces the biggest gains in achievement for the students of Beaufort County. Our District has seen significant gains in student achievement in the past few years, and we intend to maintain that momentum.

This budget allows our School District to maintain our reserves at an acceptable level, one which is essential to our bond rating and ultimately saves money for taxpayers. More importantly, it is prepared with a focus on putting children at the center of all decision making.

Respectfully,



Tonya V. Crosby, CPA
Chief Finance and Operations Officer

ORDINANCE NO. 2017 / 16

FY 2017-2018 BEAUFORT COUNTY SCHOOL DISTRICT BUDGET

An Ordinance to provide for the levy of tax for school purposes for Beaufort County for the fiscal year beginning July 1, 2017 and ending June 30, 2018, and to make appropriations for said purposes.

BE IT ORDAINED BY COUNTY COUNCIL OF BEAUFORT COUNTY:

SECTION 1. TAX LEVY

The County Council of Beaufort County hereby appropriates the funds as detailed in Sections 3 and 4 of this Ordinance and establishes the millage rates as detailed in Section 2 of this Ordinance.

SECTION 2. MILLAGE

In Fiscal Year 2017-2018 and in accordance with the laws of South Carolina, the County Auditor is hereby authorized and directed to levy a tax on the following mills on the dollar of assessed value of property within the County.

School Operations	113.50
School Bond Debt Service (Principal and Interest)	31.71

The values listed above, in accordance with Section 6-1-320(A)(2) of the *Code of Laws of South Carolina*, 1976, as amended.

	Prior Year Millage	% Average CPI	% Population Growth	Allowable Annual % Increase of Millage Rate	Millage Bank Used	Millage Bank Balance
2015	103.5	1.46%	2.27%	3.73%	-3.73%	1.81%
2016	103.5	1.62%	2.50%	4.12%	0.00%	5.93%
2017	111.5	0.12%	2.55%	2.67%	-7.73%	.87%

These taxes shall be collected by the County Treasurer, as provided by law, and distributed in accordance with the provisions of this Ordinance and subsequent appropriations as may be hereafter passed by the County Council of Beaufort County.

SECTION 3. SCHOOL OPERATIONS APPROPRIATION

An amount of \$225,764,555 is hereby appropriated to the Beaufort County Board of Education to fund school operations. This appropriation is to be spent in accordance with the school budget approved by the County Council of Beaufort County, and will be funded from the following revenue sources:

- A. \$137,164,216 to be derived from tax collections;
- B. \$ 76,851,629 to be derived from State revenues;
- C. \$ 700,000 to be derived from Federal revenues;
- D. \$ 1,463,500 to be derived from other local sources;
- E. \$ 5,425,804 to be derived from inter-fund transfers; and
- F. \$ 4,159,406 to be derived from fund balance.

The Beaufort County Board of Education is responsible for ensuring that the school expenditures do not exceed those amounts herein appropriated without first receiving the approval of a supplemental appropriation from County Council.

SECTION 4. BUDGETARY ACCOUNT BREAKOUT

The line-item budgets submitted by the Beaufort County Board of Education under separate cover for FY 2017-2018 are incorporated herein by reference and shall be part and parcel of this Ordinance.

SECTION 5. OUTSTANDING BALANCE APPROPRIATION

The balance remaining in each fund at the close of the prior fiscal year, where a reserve is not required by State or Federal law, is hereby transferred to the appropriate category of Fund Balance of that fund.

SECTION 6. TRANSFERS VALIDATED

All duly authorized transfers of funds heretofore made from one account to another, or from one fund to another during Fiscal Year 2018 are hereby approved.

SECTION 7. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2017. Approved and adopted on third and final reading this 12th day of June, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: 

D. Paul Sommerville, Chairman

APPROVED AS TO FORM:


Thomas J. Keaveny, II, Esquire
Beaufort County Attorney

ATTEST:


Ashley M. Bennett, Clerk to Council

First Reading, By Title Only: May 8, 2017

Second Reading: May 22, 2017

Public Hearings: May 22, 2017 and June 12, 2017

Third and Final Reading: June 12, 2017

Chronology

- Third and final reading approval occurred June 12, 2017 / Vote 9:0
- Public hearing two of two occurred June 21, 2017
- Second reading approval occurred May 22, 2017 / Vote 11:0
- Public hearing one of two held May 22, 2017
- Finance Committee discussion and recommendation to approve ordinance on second reading occurred May 18, 2017 / Vote 5:0
- First reading, by title only, occurred May 8, 2017 / Vote 11:0
- Finance Committee discussion occurred May 1, 2017
- Finance Committee discussion occurred April 10, 2017

Beaufort County School District Strategic Plan

In the spring of 2014, the Board of Education approved a new strategic plan for the next five years. The first stage of the process featured two days of discussions among a steering committee of 67 members representing a cross-section of our schools and community. This group agreed on the school district's mission, vision and core beliefs, and also agreed to align the new strategic plan's goals and objectives with five quality standards:

- Purpose and Direction
- Teaching and Assessing for Learning
- Using Results for Continuous Improvement
- Governance and Leadership
- Resources and Support Systems

The next step was the work of five Action Teams, with each team assigned to develop specific goals and strategies for one of the five quality standards listed above. Action Teams included educators, parents, students, business leaders and community members. When these five teams completed their work, the community at large was able to review their reports and send comments to the Strategic Plan Steering Committee. Then, with the public's feedback in hand, the Steering Committee reconvened to review the five Action Teams' recommendations and request revisions. Those revised Action Team reports went to the Board of Education and were approved on January 7, 2014. The final plan was sent to the South Carolina Department of Education in April 2014. The plan is updated annually by the Action Teams.

Annual Update for Year 2017-18

Due to change in the South Carolina state assessment program, the Beaufort County School District is operationally defining reading on grade levels as the percent of students reading at or above the 50th percentile on the (MAP) assessment. A review of student achievement data over the past five years in Kindergarten through Second Grade indicated a clear need to place a focus on the rigorous content standards in reading and mathematics. In the Third Grade through Eight Grade (MAP) and (SC PASS) data indicated a positive trend in over the last five years in most testing areas of the SC PASS, with the exception of ELA. For the 2017-2018 school year, additional attention and focus will be placed on ELA, science, social studies and Algebra I. SC Ready testing will start for 2017-18 focusing on Reading and Math while SC Pass will focus on Science and Social Studies.



Goal

The goal is to become the best school district in South Carolina and the nation – one that produces capable, skilled and creative graduates who can become productive citizens who succeed and thrive in the global marketplace.

Mission

The Beaufort County School District, through a personalized learning approach, will prepare graduates who compete and succeed in an ever-changing global society and career marketplace.

Vision

The district will work with families and our diverse community to ensure that students perform at an internationally competitive level in a learning environment that is safe, nurturing and engaging.

Core beliefs

- Every student can learn using his or her valuable and unique talents and skills.
- Learning takes place when the physical, emotional, social and intellectual well-being of all students is assured at every level and during every transition.
- High expectations of the school community positively impact student success.
- Early childhood learning experiences form the foundation of future school success.
- Students learn best when they are engaged and provided with opportunities for problem solving and active participation.
- All students are entitled to learning experiences so that they can develop the competent and confident skills and knowledge needed to become successful and productive citizens.
- Investment, involvement and connection of all members of the school community are essential to a student's success.
- Frequent informal and formal assessment aligned to clearly defined learning objectives will provide improved student achievement.
- The collection, analysis and use of data from a variety of sources are critical to making decisions.
- Students should be prepared to compete and contribute in a changing global and multilingual society.

**2014-2019 Strategic Plan
Beaufort County School District
Last Updated 2017**



PURPOSE AND DIRECTION

ACTION TEAM WORK PROCESSES

COMMUNITY	Indicator 1: Engage in a comprehensive process to review, revise and communicate that our purpose is to create student success.	
	1.1.1	Host cluster School Improvement Council meetings.
	1.1.2	Host an annual district-wide School Improvement Council meeting.
	1.1.3	Host Board of Education community meetings.
	Indicator 2: Foster collaboration with community stakeholders and use their knowledge, skills and resources to support student learning.	
	1.2.1	Actively recruit volunteers within the community.
	1.2.2	Advertise volunteer opportunities and resources.
	1.2.3	Identify a person within each school to serve as volunteer coordinator.
	1.2.4	Develop relationships with business partners.
	1.2.5	Streamline the approval process for volunteers and reduce waiting periods.
	Indicator 3: Use system-wide strategies to listen to and communicate with stakeholders.	
	1.3.1	Develop forthright, genuine relationships with public opinion influencers.
	1.3.2	Hold Board of Education meetings in clusters through a rotating schedule.
	1.3.3	Host twice-yearly "Superintendent town hall meetings" in each high school attendance area.
	1.3.4	Establish and publicize a speakers bureau available to service organizations.
	1.3.5	Build confidence among stakeholders that a capable leadership team is in place.
	Indicator 4: Communicate expectations and results for student learning and goals for improvement to all stakeholders.	
	1.4.1	Use a variety of methods to disseminate information to parents and stakeholders.
	1.4.2	Share best-practice strategies among schools for using newsletters.
1.4.3	Establish top five objectives for the district and set measurables for evaluating success or failure.	
STUDENTS & STAFF	Indicator 5: Commit to a student- centered culture based on shared values and beliefs regarding teaching and learning; support challenging, equitable educational programs and learning experiences for all students. Each school will develop a shared set of values and beliefs and build a climate and culture that supports the district's mission and vision.	
	1.5.1	Student leaders share information, expectations, values and beliefs regarding teaching and learning with their peers.
	1.5.2	Student leaders meet with administrative teams (district-level administrative staff) to share values and receive district-wide information to share with their peers.
	1.5.3	Include classified and certified staff in the sharing process.
	1.5.4	Address students' overall sense of well-being – physical, social and emotional.

RESOURCES AND SUPPORT SYSTEMS

ACTION TEAM WORK PROCESSES

HUMAN RESOURCES	Indicator 1: Recruit, employ and mentor qualified professional staff capable of fulfilling assigned roles and responsibilities.	
	2.1.1	Investigate and balance staff benefit packages by comparing to local, regional and national packages.
	2.1.2	Develop or adopt programs and practices to improve the performance and retention rates of highly qualified staff.
	2.1.3	Improve five-year staff retention rates.
HUMAN RESOURCES	Indicator 2: Assign professional staff responsibilities based on their qualifications (i.e., professional preparation, ability, knowledge and experience).	
	2.2.1	Maintain equitable staff experience levels at the individual school level throughout the district.
	Indicator 3: Ensure that all staff participate in a continuous program of professional development.	
	2.3.1	Align professional development with goals for student achievement, individual staff needs and published teacher evaluation standards.
	2.3.2	Establish an ongoing system of tracking, monitoring, assessing and analyzing the effectiveness of professional development programs.
	2.3.3	Create a supportive and fulfilling work environment with conditions that support professional development time.
	Indicator 4: Provide and assign sufficient staff to meet the vision and purpose of each school.	
2.4.1	Monitor staff-student ratios at individual schools and compare to changes in student achievement. Adjust ratios as needed to improve student achievement.	



RESOURCES

Indicator 5: Budget sufficient resources to support educational programs and to implement plans for improvement.	
2.5.1	Ensure that funds/resources support programs that are state and federally mandated as well as programs that current research have demonstrated to be effective in fostering student achievement and engagement.
2.5.2	Develop a long-range programming plan, including funding sources, to use in developing all new programming.
Indicator 6: Monitor all financial transactions through a recognized, regularly audited accounting system.	
2.6.1	Maintain qualified employees on staff with professional certifications.
2.6.2	Utilize in-house and independent accounting professionals to develop regular reports with a focus on transparency.
Indicator 7: Equitably maintain the district's sites, facilities, services and equipment to provide an environment that is safe and orderly for all occupants.	
2.7.1	Develop, establish and maintain short- and long-term planning processes for facilities construction, energy use, and technology systems and their maintenance.
2.7.2	Balance decisions based on facilities, capital resources and instructional programming needs.

I.T. & SECURITY

Indicator 8: Provide a technology infrastructure that supports schools' teaching, learning and operational needs.	
2.8.1	Provide technology equipment to students on an equitable basis.
2.8.2	Train teachers on technology equipment, software and applications available in the classroom.
2.8.3	Provide resources needed to maintain existing technology equipment.
Indicator 9: Develop and keep current a written security and crisis management plan with appropriate training for stakeholders.	
2.9.1	Regularly review existing plans, equipment and security measures with in-house staff and independent personnel trained in law enforcement.
2.9.2	Update and maintain relationships with local emergency management services.
2.9.3	Conduct ongoing training and monitoring of staff in emergency management procedures.

NEEDS & GUIDANCE

Indicator 10: Ensure that each student has access to guidance services that include, but are not limited to, counseling, appraisal, mentoring, staff consulting, referral and educational and career planning.

2.10.1	Base guidance services' procedures and staff-student ratios on state and nationally recognized standards.
2.10.2	Involve guidance services in classroom instruction to address differences in culture, values and lifestyles.
2.10.3	Educate parents, school staff and students about guidance services and outside resources.
2.10.4	Monitor parent, school staff, student and guidance counselor satisfaction with guidance services and administration.
2.10.5	Establish meeting student needs for guidance services as the primary mission. Other functions, such as administration and testing services, shall be addressed only after students' guidance services needs have been met.

Indicator 11: Provide appropriate support for students with special needs.

2.11.1	Improve special needs graduation rates with a focus on job readiness and other post-secondary opportunities.
2.11.2	Support programs to identify students with special needs, and expand opportunities for special education students
2.11.3	Educate parents, school staff and students about services available for special needs students, including gifted and talented, and the criteria to access those services.
2.11.4	Monitor parent, school staff and student satisfaction levels with services for students with special needs.
2.11.5	Ensure appropriate training for staff who work with special needs students, including gifted and talented.

NEEDS & GUIDANCE

Indicator 12: Provide services that support the counseling, assessment, referral, educational and career planning needs of all students.

2.12.1	Annually update individual graduation plans for all students in grades 8-12.
2.12.2	Increase the percentage of students graduating from high school "on time" in four years.
2.12.3	Begin career planning in middle school.
2.12.4	Develop programs that allow teachers to merge student career plans into instruction.
2.12.5	Annually decrease the percentage of students receiving in-school suspension, out-of-school suspension and expulsion.

TEACHING AND ASSESSING FOR STUDENT LEARNING

TEACHING

Indicator 1: Provide equitable and challenging learning experiences that ensure all students have sufficient opportunities to develop learning, thinking and life skills that lead to success at the next level.	
3.1.1	Ensure that the curriculum in each grade level or course provides students with the opportunity to develop knowledge, thinking and life skills so that they may be successful at the next level.
Indicator 2: Promote active engagement of students in the learning process, including opportunities for them to apply higher-order thinking skills.	
3.2.1	Ensure the implementation and application of instructional practices that require active student engagement and higher-order thinking.
Indicator 3: Allocate and protect instructional time to support student learning.	
3.3.1	Ensure that district-wide procedures are in place to maximize instructional time.
Indicator 4: Provide for articulation and alignment among all levels of schools.	
3.4.1	Implement rigorous, organized PK-12 curricula consistently across all grade levels and courses to meet the needs of all learners. Curricula will appropriately support personalized student transitions across grade levels and school sites.
Indicator 5: Implement interventions to help students meet expectations for student learning.	
3.5.1	Anticipate, design and employ interventions that support student academic growth and development and that address the needs of learners at all ability levels.
Indicator 6: Provide comprehensive information and media services that support the curricular and instructional programs.	
3.6.1	Integrate, align and support information and media services across all grade levels, and which support courses that prepare 21st Century learners for a global society and career marketplace.
Indicator 7: Ensure that all students and staff members have regular and ready access to instructional technology and a comprehensive collection of materials that supports the curricular and instructional program.	
3.7.1	Ensure instructional and technological resources are current, accessible and replenished in alignment with required curricular and instructional programs.
Indicator 8: Teachers will participate in collaborative learning communities and other professional learning to improve instruction and student learning.	

TEACHING	3.8.1	Establish professional learning communities within schools and across grade levels and courses to ensure teacher collaboration to increase student achievement.
	Indicator 9: Teachers will implement schools' Instructional processes in support of student learning.	
	3.9.1	Ensure the use of research-based teaching and learning strategies to engage PK-12 students in rigorous and relevant learning.
	Indicator 10: Ensure that mentoring, coaching and induction programs support instructional improvement consistent with schools' values and beliefs about teaching and learning.	
	3.10.1	Implement coaching, mentoring and induction programs that consistently support quality instruction that is aligned with schools' values and beliefs about teaching and learning.
	Indicator 11: Engage families in meaningful ways in their children's educations and keep them informed of their children's learning progress.	
	3.11.1	Regularly communicate with families regarding their children's learning. Provide meaningful opportunities for families to participate actively in their children's educations.
	Indicator 12: Gather, analyze and use data and research in making curricular and instructional choices.	
	3.12.1	Establish a systematic, collaborative process to ensure that teachers have opportunities to analyze and use student assessment data to inform instructional and curricular decisions.
	Indicator 13: Monitor school climate and take appropriate steps to ensure that it is conducive to student learning.	
3.13.1	Ensure an environment that supports the academic, physical, social, emotional and cultural safety of all students that allows learners to maximize their potential.	
ASSESSING	Indicator 14: Monitor and adjust curriculum, instruction and assessment systematically in response to data from multiple assessments of student learning and examinations of professional practice.	
	3.14.1	Regularly review curriculum, instruction and assessment with the expectation that modifications will be based on best practices and multiple sources of data.
	Indicator 15: School leaders will monitor and support the improvement of instructional practices to ensure student success.	
	3.15.1	Ensure best practices in instruction to positively impact student achievement.
	Indicator 16: Ensure grading and reporting practices on clearly defined criteria that represent the attainment of content knowledge and skills and that are consistent across grade levels and courses.	
	3.16.1	Establish and maintain consistent grading and reporting practices across grade levels and courses that reflect clearly defined criteria and the attainment of content knowledge and skills.

DOCUMENTING & USING RESULTS FOR CONTINUOUS IMPROVEMENT

ACTION TEAM WORK PROCESSES

ASSESSMENTS & MEASUREMENTS

Indicator 1: Establish performance measures for student learning that yield information that is reliable, valid and free of bias.	
4.1.1	Use SC READY, MAP, EOC, on-time high school graduation rate, Lexile Levels, and ACT/SAT scores – all of which are reliable, valid and free of bias – to monitor student achievement.
4.1.2	Develop data teams to analyze data at district, cluster and school levels to identify strengths, weaknesses and action plans.
4.1.3	Analyze performance measures and growth measures together, with consideration given to the performance of student demographic categories within schools.
Indicator 2: Develop and implement a comprehensive assessment system for assessing progress toward meeting expectations for student learning.	
4.2.1	Continue to administer MAP testing.
4.2.2	Administer South Carolina’s state standards assessments.
4.2.3	Continue to administer a district-wide technology proficiency assessment.
4.2.4	Develop and Implement school-wide common assessments (benchmarks) in science, social studies and writing.
Indicator 3: Use student assessment data to improve teaching and learning processes. Survey teachers to determine needs to assessments and academic audits.	
4.3.1	Survey teachers to determine their needs for professional development related to understanding and using data and academic audits.
4.3.2	Use survey results to provide professional development that helps classroom teachers understand and use assessment data.
4.3.3	Ensure that instructional coaches or other designees (i.e., district subject coordinators) meet with teachers on a regular basis to discuss assessment data and its use for driving instruction.
4.3.4	Use multiple sources of data to make accurate and effective decisions on instruction.
Indicator 4: Conduct a systematic analysis of instructional and organizational effectiveness and use the results to improve student performance.	
4.4.1	Use student assessment data to evaluate instructional and organizational effectiveness.
4.4.2	Document community involvement, including parents, businesses, and faith-based, charitable and civic organizations.
4.4.3	Evaluate the effectiveness of community involvement quantitatively and qualitatively.

ANALYSIS & DISSEMINATION

Indicator 5: Communicate and explain the results of student performance and school effectiveness to all stakeholders in a timely manner.	
4.5.1	Continue to produce an annual “Community Report” that details academic performance, financial efficiencies, budgetary challenges and student demographics. Make reports available in multiple languages.
4.5.2	Continue to develop annual informational brochures for each school in the district containing pertinent information, including student testing performance, to be available in multiple languages.
4.5.3	Hold informational meetings for parents and other stakeholders to discuss the results and meaning of student performance on standardized tests.
Indicator 6: Use expanded comparison and trend data of student performance from comparable schools in evaluating effectiveness.	
4.6.1	Use SC READY, MAP, EOC, on-time high school graduation rate, Lexile Levels, and ACT/SAT scores to compare changes in school performance locally, statewide and nationally.
4.6.2	Compare South Carolina schools and districts using performance and growth measures, together with comparison of student demographic categories within schools.
4.6.3	Upon implementation of South Carolina’s state standards assessments, compare local data with schools and districts similar to ours.
Indicator 7: Demonstrate verifiable growth in student performance using formal and informal assessments.	
4.7.1	Maintain current formal assessments through the use of MAP, SC READY and writing benchmarks.
4.7.2	Develop a district-wide database of common formative assessments by grade level and subject area.
Indicator 8: Maintain a secure, accurate and complete student records system in accordance with state and federal regulations.	
4.8.1	Continue to use the current records management systems of PowerSchool and Enrich.
4.8.2	Establish a process of accountability for student data management.
4.8.3	Ensure that data is entered correctly and in a timely manner.

GOVERNANCE AND LEADERSHIP

ACTION TEAM WORK PROCESSES

BOARD OF EDUCATION	Indicator 1: The Board of Education will establish policies and support practices that ensure effective administration of the district.	
	5.1.1	Develop written policies that ensure a balance between proper controls and effective support of staff to ensure accountability for student and staff performance.
	Indicator 2: The Board of Education will operate responsibly and function effectively.	
	5.2.1	Maintain internal oversight, authorization and ethical leadership controls to ensure that services are provided effectively and assets safeguarded.
	5.2.2	Structure policy approval process so that each board member must carefully review and understand the controls, policies and procedures presented for ratification to ensure accountability for student and staff performance.
	5.2.3	Establish at least one annual professional development for Board members to enhance their abilities to advocate for students.
	Indicator 3: The Board of Education will ensure that district and school leaders have the autonomy to meet goals for achievement and instruction and to manage day-to-day operations effectively.	
	5.3.1	Establish clear policies that define “autonomy” for school leaders, making it clear what each level of staff is responsible for doing to improve student achievement and classroom instruction.
	5.3.2	Monitor and measure the achievement of established goals and provide the resources and support for staff to effectively manage day-to-day operations of the district and its schools to ensure accountability for district resources.
	5.3.3	Observe school environments through annual visits to all schools by all Board members so that they can make informed, student-centered decisions.
	Indicator 4: The Board of Education will conduct itself in a manner consistent with the district’s beliefs, purpose and direction.	
	5.4.1	Use professional ethics standards to guide Board members’ conduct to achieve a unity of purpose and ensure a quality education to each student.
	5.4.2	Create a positive organizational culture by working with the Superintendent and working together to adhere to the district’s mission, vision and core beliefs to enhance student learning.
	Indicator 5: Board of Education will advocate for the development and support of adequate financial resources.	
	5.5.1	Align instructional initiatives, budgets and other district and school plans with one another and support the Strategic Plan and Board policies to improve student achievement.
	5.5.2	Establish policies that drive efficiency and effectiveness to improve district office functions to better support schools.
	5.5.3	Seek alternative sources of funding and grants to supplement classroom needs.
	5.5.4	Advocate with legislators to develop sound education policies that benefit student learning.

LEADERSHIP & STAFF

Indicator 6: Leadership and staff will foster a culture consistent with the district’s beliefs, mission and vision.	
5.6.1	Use communication links to parents and stakeholders to support individual academic growth of students.
5.6.2	Promote involvement by the community to create a culture of support for schools.
Indicator 7: Leadership and staff will engage stakeholders effectively in support of the district’s mission and vision.	
5.7.1	Provide opportunities for stakeholders to volunteer, give feedback and contribute to schools to provide a sense of investment in the schools and community.
5.7.2	Foster and increase business partnerships, advisory councils and forums to assist with practical student learning inside and outside the classroom.
Indicator 8: Leadership and staff will establish supervision and evaluation processes that result in improved professional practice and student success.	
5.8.1	Research and provide professional development to improve professional practice and student success.
5.8.2	Use ongoing teacher evaluation processes to measure classroom effectiveness.
Indicator 9: Leadership and staff will ensure compliance with applicable local, state and federal laws, policies and regulations.	
5.9.1	Designate specific offices responsible for informing the Board and staff of changes in statutes and regulations, and for assisting with appropriate inspections to ensure compliance.
5.9.2	Maintain a dedicated phone line and/or email address to ensure that non-compliance will be investigated.
Indicator 10: Leadership and staff will employ a system provides accurate analysis and thorough review of student performance and school effectiveness.	
5.10.1	Provide a system for accurate analysis and review of student performance and school effectiveness that is guided by sound policies and practices.
5.10.2	Use uniform guidelines and standards that support student achievement goals and ensure consistent measurement.
5.10.3	Provide a balance between structure and flexibility that acknowledges and addresses the variety of ways in which students learn.
5.10.4	Improve student academic performance and educator effectiveness.
5.10.5	Use technology to help students reach their academic goals and prepare them for a technology-rich future.
Indicator 11: Leadership and staff will provide teachers and students with opportunities to lead.	
5.11.1	Develop opportunities for teachers to assume shared and distributed leadership roles to provide personal development and assist with student development.
5.11.2	Encourage and foster professional growth to prepare staff and students for future roles beyond the school district.
5.11.3	Encourage students to develop authentic and meaningful leadership roles in order to prepare them for college and/or careers after graduation.

Accomplishments

Beaufort County School District – Student achievement in Beaufort County continues to improve by nearly every indicator in 2016-2017.

Academic Highlights for 2017:

- The 2016 high school graduation rate was 83.4%, up from 61.8% in 2010.
- The district's average SAT score has improved by 61 points over the past five years, and African-American seniors have reduced the achievement gap with white seniors by improving their scores by 87 points while white students improved by 30 points.
- The district has added 260 full-day prekindergarten slots over the past two years, which has allowed schools to reduce or even eliminate waiting lists of at-risk children who need focused attention before they start classes. The district earned the 2015 Champions for Children Award from the Institute of Child Success for its efforts to improve early childhood education.
- The district earned a renewal of its national accreditation from AdvancED, a nonprofit organization that reviews school systems around the world. The AdvancED review places BCSD in the Top 10 among South Carolina schools and the Top 10 in the AdvancED network, which includes international rankings. In addition, AdvancED awarded specialized STEM certification to all six district schools that applied, giving the district a perfect "approval rating."

Operational Highlights for 2017

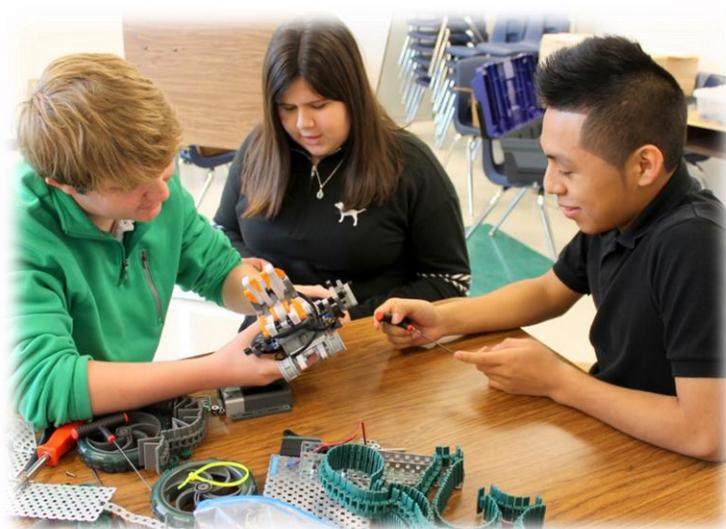
- We continue to see significant savings from smart financial decisions, as well as from the installation of cutting-edge technology that conserves power and water.
- Over the past 17 years, the district has not had a negative finding in any of its annual independent audits.
- The Beaufort County School District has received bond ratings of Aa1 from Moody's and AA from Standard & Poor's. According to Moody's Investor's Service, "The district's financial position will remain sound given management's conservative budgeting practices, which include 10-year forecasting, targeted fund balance levels, and the prudent use of General Fund balance for one-time expenditures."
- For the 27th consecutive year, the District received national distinction by the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting. The GFOA certificate is the highest form of recognition in government accounting.
- The Beaufort County School District Finance Department earned for the tenth consecutive year national distinction by the Government Finance Officers Association for the submission of the FY 2016-2017 budget document. The award recognizes the commitment of the governing body and staff to meet the highest principles of governmental budgeting.

Community Support Initiatives 2017

- Development of a college scholarship program –the Building a Better Beaufort Scholarship also called “B3” has benefited over 50 students in helping pay up to two years of tuition costs at the Technical College of the Lowcountry for qualified local high school graduates.
- We have dramatically improved the district’s security screening process for school volunteers and, at the same time, increased the number of volunteers from 1,300 to more than 6,500 in the last two years.
- Two new schools serve the fast-growing Bluffton community: PreK-Grade 8 River Ridge Academy and May River High School.

For the Future

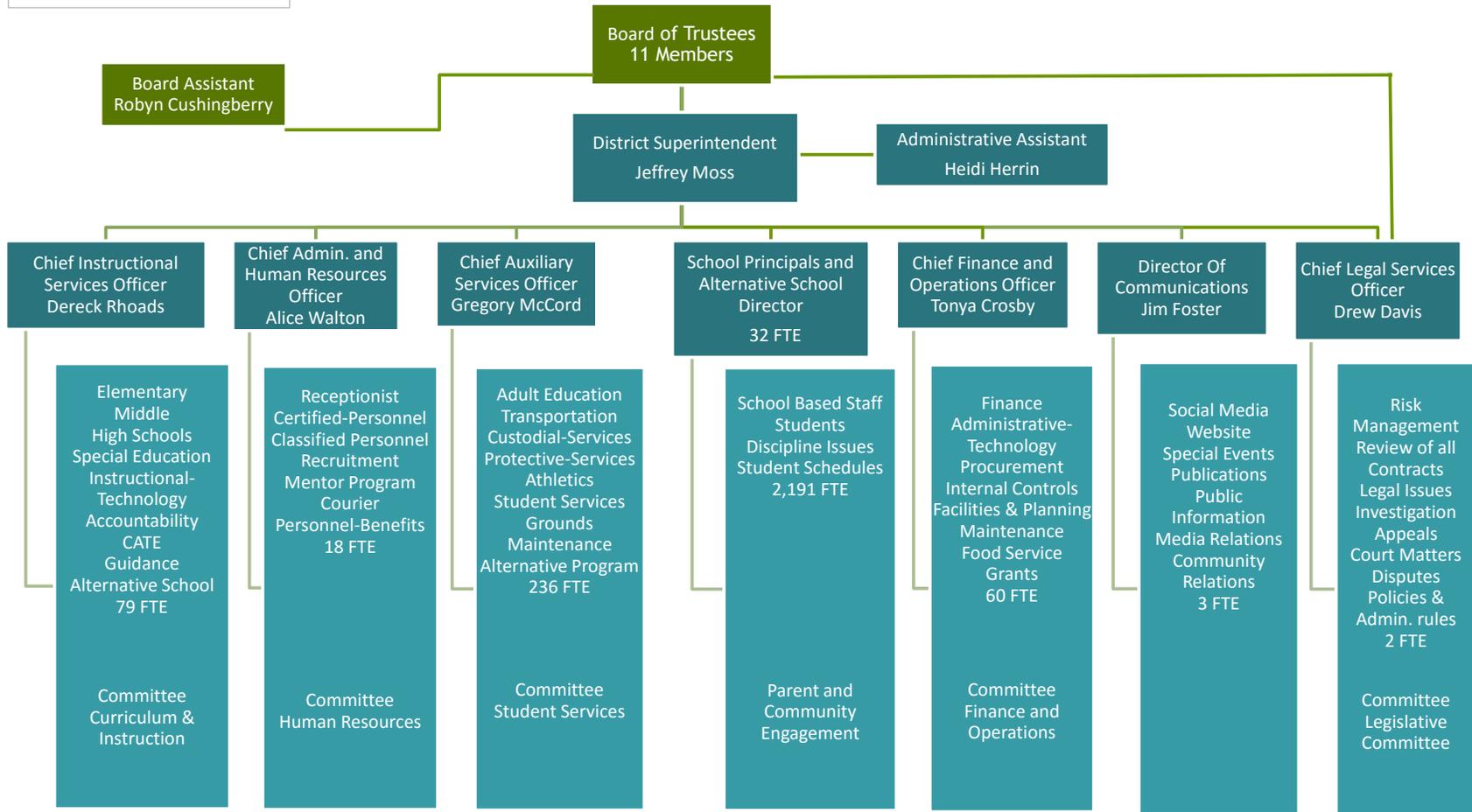
- All district schools are now “schools of choice,” meaning that parents can apply to send their children to an academic program at any school in the district, regardless of where they live. Programmatic Choice may be limited for schools that are at or near capacity. For the 2017-18 school year, 1,025 children were approved for enrollment in programs outside their zoned attendance areas.
- The Connect2Learn program continues to expand the program by putting mobile computer devices in the K-2 classrooms. Currently all middle and high school students can take their computers home to continue their learning outside school, giving them access to programs, files and schoolwork.
- We are dramatically expanding our career and technology courses designed to prepare students for high-paying jobs and industry certifications in rapidly emerging fields. New facilities with cutting-edge equipment are available at Battery Creek High, Hilton Head Island High and May River High.



Financial Section



Organizational Structure Effective
April 1, 2017



Beaufort County School District, 2017-2018 Budget

FUNDING BY PROGRAM	General Fund	Special Revenue Fund	Education Improvement Act	Debt Service Fund	School Building Fund	Internal Service Fund	School Food Service	Pupil Activity Fund
INSTRUCTIONAL PROGRAMS								
Kindergarten Programs	X	X	X					
Primary Programs	X	X	X			X		
Elementary Programs	X	X	X					
High School Programs	X	X	X			X		
Vocational Programs	X	X	X					
Drivers Education Programs	X		X					
Montessori Programs	X		X					
Special Education Prog.	X	X	X			X		
Preschool Special Ed. Prog.	X	X	X					
Early Childhood Programs	X	X	X					
Gifted & Talented-Academic	X		X					
International Baccalaureate	X							
Homebound	X							
Gifted & Talented-Artistic	X							
Other Special Programs		X						
Limited English Proficiency	X		X					
Primary Summer School		X	X					
Elementary/High Summer School			X					
Instr Prog Beyond Reg School Day	X	X	X					
Adult Education Programs		X	X					
Parenting Instruction	X	X	X					
Instructional Pupil Activity	X							X
SUPPORT SERVICES								
Attendance & Social Work	X	X						
Guidance	X	X	X					
Health Services	X	X						
Psychological	X							
Career Specialist								
Improvement of Instruction	X	X	X					
Media Services	X		X					
Superv. Special Projs.	X	X	X					
Staff Development	X	X	X					
Board of Education	X							
Office of Superint.	X							
School Administration	X							
Fiscal Services	X							
Facilities and Construction	X				X			
Maintenance & Oper.	X	X				X		
Transportation	X	X	X					
Food Service	X	X					X	
School Safety	X							
Data Services	X							
Information Services	X							
Staff Services	X	X						
Technology	X							
Supporting Pupil Activ.	X	X	X					X
TOTAL COMMUNITY SERVICES		X						
TOTAL DEBT SERVICES	X			X				
TOTAL INTERGOVERNMENTAL	X	X	X					

Of the major funding sources for the FY 2018 budget, the General Funds makes up 63.1% of the budget. Instructional programs are also largely supported by Special Revenue Funds and Funding from the Education Improvement Act.

Summary of Accounting Policies

Board Policies and Monitoring

The Beaufort County School District Board of Education (the “Board”) adopted a strategic governance process in May, 2008, components of which have been periodically amended and updated. The Board established an updated strategic plan in Spring, 2014, to establish goals for the District over the next five years. As currently written, the Board’s strategic governance process allows the Board to:

- Manage the District’s affairs on a cost-effective basis;
- Authorize the Superintendent to serve as the educational and administrative leader of the District;
- Empower District employees to perform their jobs effectively and grow their personal competence; and
- Support each learner in developing his/her potential by providing an excellent education in a safe and nurturing learning environment.

With implementation of the strategic governance process, the Board established its commitments and responsibilities and adopted performance expectations (“PE”s) for the District and District staff. The original Board commitments and responsibilities are not part of the Board Policies, revised and implemented in 2016. The PEs are aligned to the District’s strategic plan and the Board policies. The PEs are reviewed annually by the Board and Senior Management to directly correlate with the District’s vision, mission, and the District’s five quality standards:

- Purpose and Direction;
- Governance and Leadership;
- Teaching and Assessing for Learning;
- Resources and Support Systems; and
- Documenting and Using Results for Continuous Improvement.

Reporting Entity

Board members are elected by the public, possess decision making authority in accordance with South Carolina law, and have the ability to significantly influence District operations. The Board is responsible for approving the annual operating budget, debt, and capital budget.

The District is not fiscally independent; therefore, the Beaufort County Government acts in a fiduciary capacity by levying and collecting school taxes. Therefore, the annual operating budget must be approved by two governing bodies - the Board and the Beaufort County Council.

Two of the District’s funds are appropriated, the General Fund and the Debt Service Fund. The Beaufort County Council has the authority to create the budget ordinance. The ordinance, as presented in the Introductory Section of this document, specifies revenue sources that will generate the funds needed to support the appropriation amount. Millage levies for both funds are stated in this document.

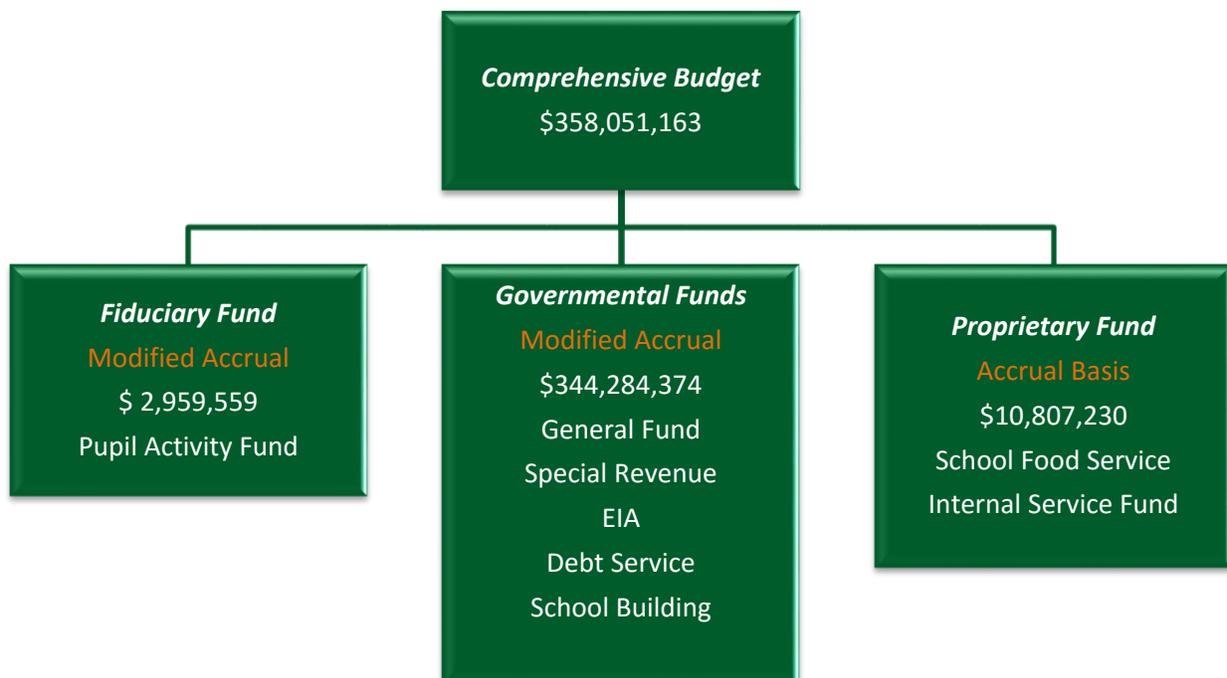
Basis of Accounting

Basis of accounting refers to the timing of recognition of revenues and expenditures or expenses in the accounts and in the financial statements when transactions are recorded in the financial statements. The basis of accounting used depends on the type of financial statements being prepared.

Beaufort County School District uses the budgetary basis of accounting in the preparation of its budget. It is important to readers of both the budget document and the School District's Comprehensive Annual Financial Report (CAFR) to understand the differences between the two documents in order for them to make more informed decisions for the benefit of the students. Budgetary basis refers to the basis of accounting used to estimate financial sources and uses in the budget.

For purposes of financial reporting, the District follows generally accepted accounting principles (GAAP). Governmental agencies are required to use modified accrual accounting for governmental funds in the District's financial statements. The accrual basis of accounting is used for proprietary funds. **For purposes of this budget document, the budgetary basis of accounting and the GAAP basis of accounting are the same.**

Below is a depiction of the fund structure by basis of accounting:



The Governmental Accounting Standards Board (GASB) requires that Comprehensive Annual Financial Reports (CAFR) contain fund financial statements as well as government-wide financial statements, each requiring a different basis of accounting.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable fiduciary funds are accounted for using a current financial resources measurement focus; that is, only current assets and current liabilities generally are included on the balance sheets. Operating statements of these funds present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current position.

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Proprietary type fund operating statements present increases (revenues) and decreases (expenses) in fund equity (net position).

Modified Accrual Basis of Accounting

The modified accrual basis of accounting is followed for all governmental type funds and fiduciary funds of the school district. Revenues are recognized in the accounting period in which they become susceptible to accrual that is both measurable (the amount of the transaction can be determined) and available (the amount is collectible within the current period or soon thereafter). Expenditures, other than long-term debt and the long term portion of accumulated vacation pay, are recorded when the fund liability is incurred. For the School District, available means they are expected to be received within sixty days of fiscal year end.



Accrual Basis of Accounting

The accrual basis of accounting is utilized by proprietary type funds, such as school food service, and government-wide financial statements. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when goods and services are received (whether cash disbursements are made at that time or not).

Other Financial Policies

Financial policies provide the Board of Education with a foundation for decision-making. These policies act as the guidelines and parameters by which the Board of Education must conform, and the goals toward which they must strive. Following is a discussion of various financial policies established by the Beaufort County School District.

Investments

The Board recommends the utilization of financial advisors when practicable to assist in managing the Board's debt portfolio, evaluating and executing transactions, monitoring and verifying fair pricing, making investment decisions and generally representing and acting in the Board's best interests.

The Board has an ongoing fiduciary responsibility to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with state statutes governing the investment of public funds. Section 6.5.10 of the S.C. Code of Laws requires the School District's investments to be fully guaranteed by United States securities. Beaufort County School District's investments are fully collateralized.

Debt Policy

The School District, in conjunction with its Financial Advisor, manages its debt in accordance with the requirements of the SC Code of Laws and Article X, Section 15(7)(a) of the South Carolina Constitution. The objectives of the District's debt management policy include:

- Maintaining cost-effective access to the capital markets through prudent policies
- Maintaining moderate debt and debt service payments with effective planning and coordination
- Meeting significant capital demands through debt financing and alternate financing mechanisms
- Achieving the highest credit ratings
- Preventing large fluctuations in millage rates throughout the life span of the debt

Capital Expenditures

Board Policy requires the Superintendent to establish a cycle of renovation and new construction that provides classroom capacity consistent with instructional programs, as well as community and neighborhood needs. The District must develop and provide annual updates of a plan that establishes priorities for construction, renovation, and maintenance projects.

Capital expenditures for referendum projects are kept within the specific projects approved in the referendum. Funds may not be transferred among the projects within a referendum and additional projects may not be added using these funds.

Capital expenditures for capital renewal projects are approved each year by the Board of Education and funded through the borrowing means commonly known as 8% funds. Issuance of these types of funds are allowable under state constitution. Groups of projects are managed as a whole, and projects cannot be added or changed. Budgets of individual projects within the year may be increased or decreased depending on availability of funds. Any funds remaining in an 8% project may be consolidated and transferred to the next year's project or to the debt service fund for reduction of principal amounts outstanding.

Procurement

The Beaufort County School District abides by the Board-adopted Procurement Code for decisions relating to the purchasing of goods and services. As a division of the South Carolina Department of Education, the School District's code must be "substantially similar" to the SC Procurement Code.

The Procurement Department, a department of the Financial Services Office, administers all solicitations for bid on District contracts, processes purchase orders and administers the Purchasing Card Program while adhering to the requirements of the Procurement Code.

Based on the Procurement policy, the Procurement Department also provides semi-annual reports to the Board regarding School District contracts with Minority and Women-Owned Business Enterprises.

Budgeting Controls

The Beaufort County School District maintains budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Council of Beaufort County. Activities of the general fund and debt service fund are included in the annual appropriated budget. The legal level of control is at the fund level. To ensure compliance, budgetary controls are established by function and activity within each individual fund. The budgets of the District may be amended during the year with the appropriate approval levels.

Balanced Budget

A **balanced budget** is a budget for which expenditures are equal to revenues. It occurs when the total sum of money a government collects in a year is equal to the amount it spends on goods and services. The 2017-2018 approved budget of the Beaufort County School District is not a balanced budget due to a projected shortage of revenue which will require a use of fund balance for 2017-2018.

Budget Transfers

The Superintendent grants principals/department heads the discretion to make non-salary budget transfers at the individual school level. Requests for changes to a school/departmental budget may be made by an electronic budget transfer. Budget transfers may only occur within a fund. For example, budget transfers reducing supplies in the general fund and increasing supplies in a special revenue fund are not allowed. Budget transfers with line items exceeding \$5,000 must be approved by the Chief Finance and Operations Officer (CFOO). Only the Superintendent or the CFOO is authorized to approve transfers of salary line items in the general fund.

Periodically, the CFOO will examine budget categories and estimate the year-end status of each. Based on these estimates, the Superintendent authorizes his/her designee to make budget transfers within the major categories. Transfers outside of program functions (e.g. instructional, support, etc.) exceeding \$50,000 must be approved by the Board of Education.



Each school/department is given a copy of approved budget transfers and a copy is maintained in the Finance Office. The distribution of the school/department copy serves as notification that the transfer was posted to the general ledger.

Budget transfer requests within the capital project funds are requested in writing by the project managers. Transfers to/from the District's construction contingency accounts must be authorized by the Facilities, Planning, and Construction Officer.

Carryover Funds

The administrative staff must operate the school system within the budget established for the particular department or school. Carryover funds in General Fund accounts are not permitted.

Fund Balance

The fund balance of governmental funds is the difference between its assets and liabilities, which represents available, expendable resources. This method of accounting focuses on working capital. The Board of Education is committed to providing sound, fiscal management for the District. In 2011, the Board modified its fund balance policy to maintain an unassigned fund balance no less than 10% of the next year's budgeted expenditures with a desired target between 13-15% not to exceed 15% of annual operating expenditures for the next fiscal year.

Summary of Policies

Each of the policies indicated above serves as a basis of decision-making for the administrators and the Board of Education of the Beaufort County School District.



The Budget Process

The annual budget is the financial plan for the operation of the school system. All financial processes begin with the adoption of the fiscal year budget. The budget provides the framework for both expenditures and revenues for the year. It translates educational programs and priorities for the district into financial terms.

The District will express its financial plan through three types of budgets: the operating budget, the capital budget and the debt service budget.

Operating budget - a budget for the provision of annual resources to support general operations of the District.

Capital budget - a budget for the provision of necessary sites, buildings, major improvements and equipment.

Debt Service budget - a budget for the provision of principal and interest payments on outstanding debt.

The General Fund is the only fund appropriated by the Beaufort County Council. The millage rate for the Debt Service Fund is set based on the total revenue needed for principal and interest payments as established by the School District.

The Operating Budget

The development of the **operating budget** begins late in the calendar year with the establishment of the budget calendar and ends with the adoption of the fiscal year budget by County Council near June 30th of each year. Below is a summary of the stages of the operating budget process for Beaufort County School District:

- Establish the Budget Calendar
- Determination of Budget Priorities
- Enrollment Projection
- Non-salaried School Budgets
- Salaried Budgets and Staffing Allocations
- Department budgets - Modified Zero Base
- Presentations to the Board
- Presentations to County Council
- Public Hearings
- Adoption of the Operating Budget



Establishing the Budget Calendar

The budget process begins with the development of the **budget calendar**. The calendar establishes the time frames necessary to develop the budget and seek approval from the Board of Education and the Beaufort County Council by June 30th of each year.

Budget Calendar**Fiscal Year 2017-2018**

Budget Office	January 30	Budget Resources Packages distributed to Department Heads
BOE	February 3-5	Board work session –overview and projections
Budget Office	February	Budget Office projects salaries & benefits
Department Heads	March 1	Budget Requests due to Budget Office
Budget Office	March	Budget Office reviews and summarizes the Budget Requests
Leadership Team/Principals	March	Leadership Team review of budget
Finance and Operations Committee	April 6	Superintendent’s preliminary budget
BOE	April 21-22	Board discussion on budget
County Council	April	Presentation to County Finance Committee
Public Forum	May 3	Budget Presentations to Public - BLHS
Public Forum	May 4	Budget Presentations to Public - BCHS
County Council	May 8	County Council First Reading of Budget
BOE	May 16	Board Certifies FY18 Budget
County Council	May 22	Second Reading of the FY18 Budget with County Council
County Council	June 12	Third and Final Reading of the FY18 Budget with County Council
Budget Office	July 1	Execution of FY18 Budget

Determination of Budget Priorities

The budget process continues with the Leadership Team setting **budget priorities** for the new fiscal year. The staff then translates the priorities into monetary terms and begins the process of developing the budget.

Priorities will be based upon the needs identified during the budget planning process as determined by the following:

- Academic achievement goals as specified by the Board
- The needs of the District so that all segments of District programs are treated equitably within the available resources
- State and/or federal legal requirements for funding of programs
- Requirements and regulations of the regional accrediting agencies
- Availability of fiscal and other non-economic resources
- Need of the District to meet fund balance requirements

Per Pupil Supply Allocation

The non-salaried budget is derived using an average per pupil cost for elementary, middle and high schools. The average per pupil allocation is multiplied by the number of students from the enrollment projection to generate a school's budget. A lump sum figure along with historical data is distributed to the principals to help them formulate their budget for the upcoming year.

	Original
High School PPA	\$170
Middle School PPA	\$146
Elementary School PPA	\$136

The 15-day membership report is used to determine any differential in the projected to actual enrollment. Schools exceeding the enrollment projection are given an additional allocation based on PPA multiplied by the number of students above the projected amount.

Academic Stipend Allocations

Level Allocations (60% of the allocation)

Elementary - \$2,122

Middle - \$15,591

High - \$29,933

Plus

Student Allocations (40% of the allocation)

\$8.11 per student Elementary and Middle

\$10.00 per student High

Athletic Stipend Allocations

Middle Schools

Stipends	\$43,283
Supplies	16,217
Transportation	<u>11,500</u>
Total	\$71,000

High Schools

High School athletic stipend, supply and transportation allocations are based on enrollment and location. The average allocation is \$303 per student, ranging from \$271,500 to 292,000. Distance to region competitions are factored into the allocation.

Salaried Budgets & Staffing Formula

The enrollment projection is used, in conjunction with the **staffing formula**, for allocating funds for staff positions for the following school year. The teacher/student ratio is also taken into consideration. The staffing formula is used to define the staff resources that are believed to be necessary to achieve the Board's goals. The staffing model represents what a typical elementary, middle, and high school should have for staffing based on the state's defined minimum program and accreditation standards. This model is designed to provide equity among the schools based on population and individual school needs and is reviewed each year for potential changes.

See Tables on pages 67 through 69 for the Staffing Formula

District administrators meet with each principal annually to discuss the staffing needs of the school. These meetings provide the principal an opportunity to express staffing needs in the supplemental and intervention programs based on data analyses. These needs are reviewed by district administrators for equity, appropriateness and availability of funds.

Certified staff are assigned based on different formulas for elementary, middle and high school (see staffing formula). For budget purposes, the Finance Office assigns a unit value for staff positions. A unit of certified staff is valued at the average teacher's salary plus benefits. Units are valued annually during budget development. The

10th day membership report will be used to determine the differential between the projected and actual enrollment. Staffing and supply allocations may be adjusted by the administration based on this information.

Projections of pay increases for certified staff are determined by the mandatory salary schedule established by the South Carolina Department of Education. The mandatory increase is placed into a formula, and a local supplement is added to the state's base. Any pay increases for certified staff in addition to those mandated by the South Carolina Department of Education must be approved by the Board. The state sets the tone of pay increases by mandating cost of living adjustments (COLA) for teachers. The administration proposes increases for other staff based on industry data, the consumer price index (CPI) and historical data.

Department budgets - Modified Zero Base (MZB)

The MZB format is used to determine the non-salaried budget for all programs that are not student driven. Each division administrator is responsible for the budget preparation of his or her division using the MZB format. Among others, the programs which use this format include:

- Early Childhood/Parenting
- Homebound
- Attendance and social work
- Health
- Instructional Services
- Board of Education
- Office of Superintendent
- Facilities Planning and Construction
- Financial Services
- Operations and Maintenance
- Pupil Transportation
- Administrative and Human Resource Services
- Auxiliary Services
- Data Services
- Technology Services
- Public/Community Relations

Department heads are provided annually with a budget package which includes a copy of the department's most recent budget, including the amounts spent to date, a mission and objective form, and a budget request form. Each are asked to prepare a budget for their department based on current and projected needs, enter the information (in detail) into the budget module of the district's accounting software and return a signed copy of the forms to the budget office.

Presentations to the Board and Public

The Superintendent has the overall responsibility for budget planning. Principals must develop and submit budgets for their schools after seeking input from the school staff, the School Improvement Council, and a representative from the parent-teacher organization. The budgets submitted by the principals should reflect the principal's judgment as to the most effective way to use resources to achieve the educational objectives of the school.

The Superintendent recommends an annual operating budget to the Board through a series of budget presentations. The Board will give careful consideration to the budget request as presented by the Superintendent and will review the allocations for fairness and consistency with the educational priorities of the school system. After approval by the Board, several presentations are made throughout the county to seek public opinion. The Board must approve the budget by majority vote and must certify it before the second reading with County Council.

Adoption of the Operating Budget

On the date specified by the Beaufort County Council, the Superintendent and the Board of Education will present, in a manner mutually agreed upon by the County Council and the Board of Education, the general operating budget for the operation of schools in the county for the ensuing fiscal year. Three readings of the budget occur before the operating budget is passed.

The final millage rates are set in June as a result of the joint efforts of School District and County staff. Any changes to the millage rate after the approval require an amended ordinance.

If the budget does not receive approval by June 30, the Superintendent will recommend that the Board adopt a continuing resolution based on last year's operating budget until the budget can be approved.

The Capital Budget

Each year a facilities assessment is completed to determine the capital renewal and improvement needs of the District. From this assessment, the Facilities, Planning and Construction office prepares a project listing for consideration by the Superintendent. The list is then presented to the Board of Education for approval. Funding is provided through the sale of general obligation bonds.

The Debt Service Budget

The budget for the debt service fund is determined by the financial needs to meet the principal and interest requirements on the outstanding debt. The amounts needed are then equated to a tax levy value, approved by the Board of Education and the appropriate levy is established by the Beaufort County Auditor.

**Beaufort County School District
Basic Staffing Allocation Formula
2017-2018**

Grades K-5

Position	Enrollment	FTE	@	Number of Work Days
Administrative Staff				
Principal	0+	1.0	@	260
Assistant Principal for Instruction/Curriculum	0-750	1.0	@	210
Specialist	751+	2.0	@	210

Certified Staff

Teachers	Pre-K	per formula	@	190
	Kindergarten	24 to 1	@	190
	Grade 1	22 to 1	@	190
	Grade 2	22 to 1	@	190
	Grade 3	22 to 1	@	190
	Grade 4	24 to 1	@	190
	Grade 5	24 to 1	@	190
	Grade 6	20 to 1	@	191
Related Arts Teachers	To be determined			
Guidance Counselor	0-750	1.0	@	190
	751+	2.0	@	190
Media Specialist	0+	1.0	@	200
Literacy Coach	To be determined			
Math or Science Coach	Based on formula			
LEP Teachers	Based on formula			
Literacy Teachers	Based on formula			
Gifted and Talented Teachers	Based on formula			
AMES				
Montessori				

Classified Staff

Pre-K Assistant	1.0 per Pre-K classroom				
Kindergarten Assistant	1.0 per Kindergarten classroom			@	190
Social Worker	Case Driven				
Media Assistant	0+	1.0	@	190	
Computer Lab Assistant	0+	1.0	@	190	
Nurse (RN/LPN)	0+	1.0	@	190	
Nurse Assistant	1001+	1.0	@	190	
Data Specialist	0+	1.0	@	260	
Bookkeeper	0+	1.0	@	260	
Support Staff	0-750	1.0	@	260	
	or 751+	1.0	@	260	
	and	1.0	@	190	
Bilingual Liaison	Based on formula				

**Beaufort County School District
Basic Staffing Allocation Formula
2017-2018**

Grades 6-8

Position	Enrollment	FTE		Number of Work Days
Administrative Staff				
Principal	0+	1.0	@	260
Assistant Principal for Instruction/ Curriculum Specialist	0-500	1.0	@	210
	501-850	2	@	210
	851+	3	@	210

Certified Staff

Teachers		21 to 1	@	190
(low enrollment in related arts may result in itinerant staff)				
Guidance Counselor*	0-250	0.5	@	205
	251-500	1.0	@	205
	501-750	1.5	@	205
	751-1000	2.0	@	205
	1001-1250	2.5	@	205
	1251+	3.0	@	205
Media Specialist	0+	1.0	@	200
Instructional Coach	To be determined			
LEP Teachers	To be determined			

Classified Staff

Social Worker	Case Driven			
Career Development Facilitator (CC *see EEDA Guidance services below)				
Media Assistant	751+	1.0	@	190
Computer Lab Asst	0+	1.0	@	190
Nurse (RN/LPN)	0+	1.0	@	190
Nurse Assistant	1001+	1.0	@	190
Data Clerk	0+	1.0	@	260
Bookkeeper	0+	1.0	@	260
Support Staff	0-500	1.0	@	260
	and	1.0	@	190
or	501+	1.0	@	260
	and	2.0	@	190
or	750-1000	4.0		
Behavior Interventionist	0+	1.0	@	180
Bilingual Liaison	Based on formula			
Behavior Mgmt Specialist	0+	1.0	@	190

**Beaufort County School District
Basic Staffing Allocation Formula
2017-2018**

Grades 9-12

Position	Enrollment	FTE	@	Number of Work Days
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Administrative Staff

Principal	0+	1.0	@	260
Assistant Principal for Instruction	0-750	1.0	@	220
	751-1000	2	@	220
	1001-1500	3	@	220
	1501+	4	@	220
Athletic Director	0+	1.0	@	220

Certified Staff

Teachers		20.5 to 1	@	190
(low enrollment in related arts areas may result in itinerant staff)				
Guidance Counselor		300 to 1	@	205
			@	205
			@	205
			@	205
Media Specialist	0+	1.0	@	200
Testing Lead Teacher	0+	0.5	@	190

Classified Staff

Social Worker	501+	1	@	205
Media Assistant	0+	1.0	@	190
Nurse (RN/LPN)	0+	1.0	@	190
Nurse Assistant	1501+	1.0	@	190
Data Clerk	0+	1.0	@	260
Bookkeeper	0+	1.0	@	260
Support Staff	0-750	3.0	@	190
	751-1000	4.0	@	190
	1001-1250	5.0	@	190
	1251+	6.0	@	190
(one is 260 days, all others are 190 days)				
Behavior Interventionist (In School Suspension)	0+	1.0	@	180

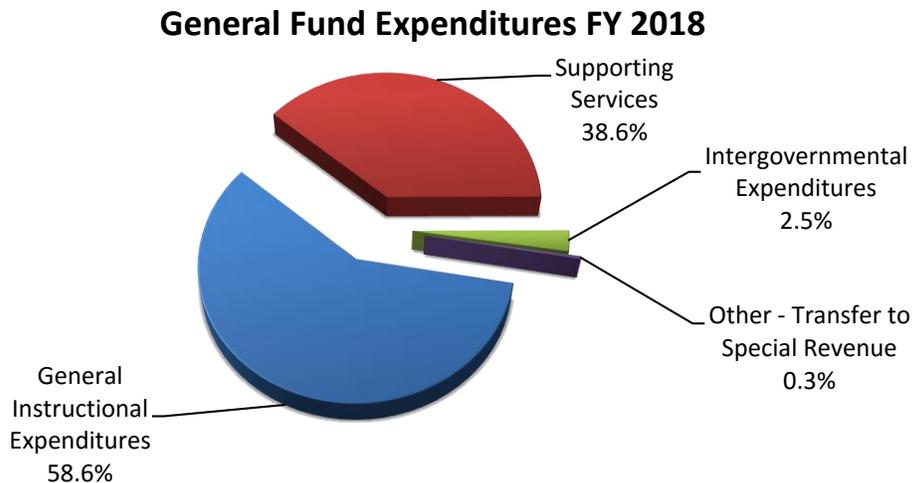
Intervention Services:

Behavior Mgmt Specialist	0+	1.0	@	190
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Beaufort County School District 2017-2018 General Fund Budget

The FY 2018 General Fund Budget was approved at \$225.8 million. The chart below is an overview of funding sources and expenditure uses.

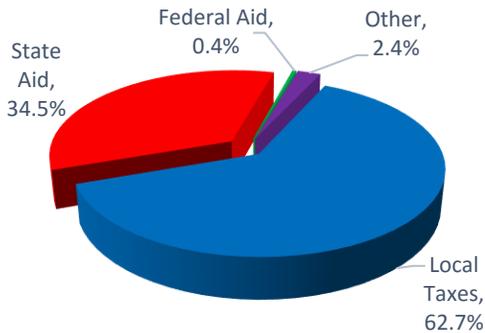
GENERAL FUND	
REVENUE	
Local Revenue	\$138,627,716
State Revenue	76,851,629
Federal Revenue	700,000
Other-Transfers from Special Revenue	5,425,804
Total Revenues	\$221,605,149
EXPENDITURES	
Instructional Expenditures	\$132,300,635
Supporting Services	87,069,275
Intergovernmental Expenditures	5,624,645
Other - Transfer to Special Revenue	770,000
Total Expenditures	\$225,764,555
Reduction to Fund Balance	(4,159,406)
Grand Total	\$ 221,605,149



Beaufort County School District 2017-2018 General Fund Revenue and Expenditures Highlights

Where it comes from...

FY 2018 Revenue Sources



Instructional and Instructional Support: Includes costs associated with providing instructional programs and the costs of supporting those programs (such as attendance, guidance, and literacy support).

District Support: Includes costs associated with support services for personnel, purchasing, and central administration.

Transportation: Includes bus driver salaries and operational expenditures.

Academy for Career Excellence: Operations of vocational school.

Charter School: Payments to Riverview Charter School.

Utilities: Includes electric, natural gas, water & sewer, garbage disposal and telecommunications.

Facilities Maintenance: Building maintenance, custodial services, grounds maintenance, solid waste and recycling.

Technology: Includes costs associated with providing technology services.

Intergovernmental: Payments for County and Municipal storm water utility fees, School Resource Officers, fuel charges for fleet vehicles.

TAN Interest: Includes interest expense on Tax Anticipation Note

Local Taxes: Includes ad valorem tax and interest income

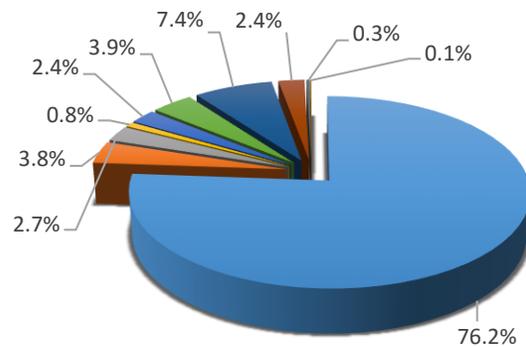
State Aid: Primarily includes sales tax revenue, Education Finance Act and other state revenue

Federal Aid: Includes Impact Aid and E-Rate

Other: Includes transfers from Special Revenue

Where is goes to ...

FY 2018 Expenditures



- Instructional and Instructional Support
- District Support (including Board of Education)
- Transportation
- Academy for Career Excellence
- Charter School
- Utilities
- Facilities Maintenance
- Technology
- Intergovernmental
- TAN Interest

**Beaufort County School District
Multi-Year Comparison 2016, 2017 and 2018**

**Comparative Budgeted
Revenues and Expenditures
General Fund**

	FY 16 Original Budget	FY 16 Audited	FY 17 Original Budget	FY 17 Projected Actual	FY 18 Approved	Variance
Revenue:						
Local Revenue:						
Property Taxes	\$ 127,474,710	\$ 124,310,244	\$ 132,462,584	\$ 133,459,665	\$ 137,964,216	\$ 5,501,632
Other Local	663,500	366,606	693,500	593,500	663,500	(30,000)
Total Local Revenue	128,138,210	124,676,850	133,156,084	134,053,165	138,627,716	5,471,632
State Revenue:						
Education Finance Act	8,062,118	7,214,835	12,720,180	13,961,866	11,795,797	\$ (924,383)
Fringe Benefits Employment Contributions	7,270,465	6,841,978	9,356,150	10,304,552	9,666,234	310,084
Reimbursement for Local Property Tax Relief	7,036,261	7,036,261	7,036,261	7,036,261	7,036,261	0
Sales Tax - Owner Occupied	43,960,281	43,953,009	44,216,582	44,216,582	44,711,079	494,497
Other State Revenue	3,642,257	3,499,132	3,932,632	3,868,499	3,642,258	(290,374)
Transfer from Special Revenue Fund EIA	4,044,025	4,270,503	5,015,087	4,716,262	4,975,804	(39,283)
Transfer from Other Funds	450,000	390,695	450,000	450,090	450,000	0
Total State Revenue	74,465,407	73,206,413	82,726,892	84,554,112	82,277,433	(449,459)
Federal Revenue:						
PL 874 (Impact Aid)	50,000	-	50,000	30,794	-	\$ (50,000)
Other Federal Revenue	850,000	697,256	850,000	893,996	700,000	(150,000)
Total Federal Revenue	900,000	697,256	900,000	924,790	700,000	(200,000)
Total General Fund Budgeted Revenues	\$ 203,503,617	\$ 198,580,519	\$ 216,782,976	\$ 219,532,067	\$ 221,605,149	\$ 4,822,173
Expenditures:						
Salary and Benefits	\$ 154,017,088	\$ 150,884,026	\$ 168,363,187	\$ 162,435,337	\$ 174,493,913	6,130,726
Non-salary	\$ 49,496,844	\$ 50,757,863	\$ 47,088,808	\$ 51,323,595	\$ 51,270,642	4,181,834
Total expenditures	\$ 203,513,932	\$ 201,641,889	\$ 215,451,995	\$ 213,758,932	\$ 225,764,555	\$ 10,312,560
Add to/(Use of) Fund Balance	(10,315)	(3,061,370)	1,330,981	5,773,135	(4,159,406)	(5,490,387)
Beginning Fund Balance	31,686,015	31,686,015	28,624,645	28,624,645	34,397,780	
Ending Fund Balance	28,624,645	28,624,645	29,955,626	34,397,780	30,238,374	
Beginning Fund Balance as a percentage of expenditures	15.6%	15.7%	13.3%	13.4%	15.2%	
Ending Fund Balance as a percentage of expenditures	14.1%	14.2%	13.9%	15.2%	13.6%	

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

**Comparative Budget Summary
General Fund**

Revenues by Source	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Approved Budget	Approved Budget	Increase/ (Decrease)	Percent Change
Local					
Ad Valorem (Current and Delinquent)	\$ 124,310,244	\$ 132,462,584	\$ 137,964,216	\$ 5,501,632	4.15%
Other Local	366,606	693,500	663,500	(30,000)	-4.33%
Total Local Revenue	\$ 124,676,850	\$ 133,156,084	\$ 138,627,716	\$ 5,471,632	4.11%
State					
Sales Tax Reimbursement on Owner Occupied	43,953,009	44,216,582	44,711,079	\$ 494,497	1.12%
Fringe Benefits/Retiree Insurance	6,841,978	9,356,150	9,666,234	310,084	3.31%
Education Finance Act	7,214,835	12,720,180	11,795,797	(924,383)	-7.27%
Reimbursement for Local Property Tax Relief	7,036,261	7,036,261	7,036,261	-	0.00%
Other State Property Tax	2,566,167	2,442,079	2,442,079	-	0.00%
Other State Revenue	932,967	1,490,553	1,200,179	(290,374)	100.00%
Total State Revenue	\$ 68,545,217	\$ 77,261,805	\$ 76,851,629	\$ (410,176)	-0.53%
Federal					
Other Federal Sources	\$ 697,256	\$ 900,000	\$ 700,000	\$ (200,000)	-22.22%
Total Federal Revenue	\$ 697,256	\$ 900,000	\$ 700,000	\$ (200,000)	-22.22%
Total Revenue	\$ 193,919,323	\$ 211,317,889	\$ 216,179,345	\$ 4,861,456	2.30%
Expenditures:					
Instruction					
Salaries	\$ 78,930,176	\$ 87,153,712	\$ 88,644,435	\$ 1,490,723	1.71%
Employee Benefits	29,332,901	31,615,466	34,262,802	2,647,336	8.37%
Purchased Services	4,160,715	4,140,569	6,230,954	2,090,385	50.49%
Materials & Supplies	4,077,392	3,063,605	2,788,247	(275,358)	-8.99%
Other	261,377	319,372	374,197	54,825	17.17%
Total Instruction	\$ 116,762,561	\$ 126,292,724	\$ 132,300,635	\$ 6,007,911	4.76%
Supporting Services					
Salaries	\$ 31,641,366	\$ 36,242,890	\$ 37,236,493	\$ 993,603	2.74%
Employee Benefits	10,979,581	13,351,119	14,350,183	999,064	7.48%
Purchased Services	25,994,894	22,607,559	23,738,130	1,130,571	5.00%
Materials & Supplies	8,934,710	9,525,932	9,889,782	363,850	3.82%
Capital Outlay	717,532	240,000	289,000	49,000	20.42%
Other	1,207,556	1,626,563	1,565,687	(60,876)	-3.74%
Total Support	\$ 79,475,639	\$ 83,594,063	\$ 87,069,275	\$ 3,475,212	4.16%
Total Expenditures	\$ 196,238,200	\$ 209,886,787	\$ 219,369,910	\$ 9,483,123	4.52%
Intergovernmental Expenditures and Other Financing Sources (Uses)					
Transfers to Special Revenue	\$ (633,134)	\$ (660,000)	\$ (660,000)	\$ -	0.00%
Debt Service	(39,964)	(50,000)	(55,000)	(5,000)	10.00%
Payment to Other Governmental Units	(42,343)	(40,000)	(40,000)	-	0.00%
Payment to Charter School	(4,578,250)	(4,705,208)	(5,529,645)	(824,437)	17.52%
Transfer to Food Service	(110,000)	(110,000)	(110,000)	-	0.00%
Transfers from Special Revenue	4,270,503	5,015,087	4,975,804	(39,283)	-0.78%
Transfers from Other Funds	390,695	450,000	450,000	-	0.00%
Total Intergovernmental Expenditures and Other Financing Sources (Uses)	\$ (742,493)	\$ (100,121)	\$ (968,841)	\$ (868,720)	867.67%
Excess Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (3,061,370)	\$ 1,330,981	\$ (4,159,406)	\$ 5,490,387	
Beginning Fund Balance	31,686,015	\$ 28,624,645	\$ 29,955,626		
Ending Fund Balance	\$ 28,624,645	\$ 29,955,626	\$ 25,796,220		
Fund Balance as a Percent of CY Expenditures	14.2%	13.9%	11.4%		

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

**Comparative Budget Summary
Debt Service Fund**

Revenues by Source	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Approved Budget	Approved Budget	Increase/ (Decrease)	Percent Change
Local					
Ad Valorem (Current and Delinquent)	\$ 54,174,741	\$ 56,083,882	\$ 55,064,301	\$ (1,019,581)	-1.82%
Other Local	344,369		-	-	0.00%
Total Local Revenue	\$ 54,519,110	\$ 56,083,882	\$ 55,064,301	\$ (1,019,581)	-1.82%
State					
Homestead exemption	\$ 1,077,521	\$ 1,000,000	\$ 1,000,000	\$ -	0.00%
Merchant's inventory tax	85,988	-	-	-	0.00%
Other State Property Tax	86,809	-	-	-	0.00%
Total State Revenue	\$ 1,250,318	\$ 1,000,000	\$ 1,000,000	\$ -	0.00%
Total Revenue	\$ 55,769,428	\$ 57,083,882	\$ 56,064,301	\$ (1,019,581)	-1.79%
Expenditures:					
Redemption of principal	\$ 31,546,000	\$ 28,556,000	\$ 45,111,000	\$ 16,555,000	57.97%
Interest	13,674,480	28,131,225	12,686,710	(15,444,515)	-54.90%
Other Objects	203,999	-	-	-	0.00%
Total Expenditures	\$ 45,424,479	\$ 56,687,225	\$ 57,797,710	\$ 1,110,485	1.96%
Other Financing Sources (Uses)					
Premium on bonds sold	\$ 5,964,372	\$ -	\$ -	\$ -	0.00%
Proceeds of refunding debt	28,090,000	-	-	-	0.00%
Transfer to School Building Fund	(15,267,000)	-	-	-	0.00%
Transfer to EFC Debt Service Fund	(2,613,625)	-	-	-	0.00%
Payment to refunded debt escrow agent	(33,860,042)	-	-	-	0.00%
Total Other Financing Sources (Uses)	\$ (17,686,295)	\$ -	\$ -	\$ -	0.00%
Excess Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (7,341,346)	\$ 396,657	\$ (1,733,409)	\$ (2,130,066)	-537.00%
Beginning Fund Balance	\$ 19,211,545	\$ 11,870,199	\$ 12,266,856		
Ending Fund Balance	\$ 11,870,199	\$ 12,266,856	\$ 10,533,447		
Fund Balance as a % of CY Expenditures	26.1%	21.6%	18.2%		

**Beaufort County School District
Three-Year comparison
Fiscal Years 2016, 2017 and 2018**

**Comparative Budgeted Expenditures and Other
Financing Uses -
General Fund**

Expenditures by Program	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Approved Budget	Approved Budget	Increase/ (Decrease)	Percent Change
Kindergarten Programs	\$ 7,500,395	\$ 8,043,806	\$ 8,499,013	\$ 455,207	5.7%
Primary Programs	23,156,746	27,406,060	24,636,668	(2,769,392)	-10.1%
Elementary Programs	35,936,075	36,482,570	37,808,193	1,325,623	3.6%
High School Programs	22,846,158	28,341,544	30,166,064	1,824,520	6.4%
Vocational Programs	3,606,735	4,307,319	4,653,813	346,494	8.0%
Driver Education Programs	253,849	255,791	271,483	15,692	6.1%
Montessori Programs	777,466	836,843	862,280	25,437	3.0%
Special Education Programs	11,952,839	12,749,772	13,493,941	744,169	5.8%
Preschool Special Ed. Programs	440,166	478,317	772,399	294,082	61.5%
Early Childhood Programs	3,418,773	3,457,167	3,576,062	118,895	3.4%
Gifted & Talented Programs	2,670,449	2,791,024	2,840,586	49,562	1.8%
International Baccalaureate Programs	183,491	206,060	223,468	17,408	8.4%
Homebound	172,471	151,400	151,400	0	0.0%
Gifted and Talented Artistic	22,934	63,289	62,839	(450)	-0.7%
Limited English Proficiency Programs	3,527,804	49,285	3,590,386	3,541,101	7184.9%
Instr Prog Beyond Reg School Day	165,480	521,621	515,803	(5,818)	-1.1%
Parenting Instruction	16,477	12,918	15,040	2,122	16.4%
Instructional Pupil	114,253	137,938	161,197	23,259	16.9%
TOTAL INSTRUCTION	\$ 116,762,561	\$ 126,292,724	\$ 132,300,635	\$ 6,007,911	4.76%
Attendance & Social Work	\$ 2,833,556	\$ 3,134,647	\$ 3,350,207	\$ 215,560	6.9%
Guidance	4,364,044	4,361,157	4,449,438	88,281	2.0%
Health Services	1,486,829	1,566,381	1,546,229	(20,152)	-1.3%
Psychological	981,676	1,012,897	1,167,092	154,195	15.2%
Improvement of Instruction	6,647,197	6,911,656	7,346,244	434,588	6.3%
Media Services	3,603,724	3,934,295	4,079,193	144,898	3.7%
Supervision of Special Projects	621,734	670,126	614,818	(55,308)	-8.3%
Staff Development	660,756	833,021	882,527	49,506	5.9%
Board of Education	486,237	656,125	675,062	18,937	2.9%
Office of Superintendent	379,188	419,697	445,255	25,558	6.1%
School Administration	14,307,600	14,707,236	15,372,402	665,166	4.5%
Fiscal Services	1,541,969	1,613,706	1,716,948	103,242	6.4%
Facilities Acquisition	29,367	27,023	27,423	400	1.5%
Maintenance & Operations	23,491,754	25,151,985	26,205,441	1,053,456	4.2%
Transportation	6,339,469	5,964,174	6,047,000	82,826	1.4%
Food Service	14,529	13,994	12,960	(1,034)	-7.4%
School Safety	1,058,199	1,134,837	1,124,148	(10,689)	-0.9%
Planning	104,701	107,809	110,680	2,871	2.7%
Information Services	322,773	333,211	374,067	40,856	12.3%
Staff Services	2,604,400	2,662,949	2,894,724	231,775	8.7%
Technology	5,019,452	5,294,298	5,479,045	184,747	3.5%
Supporting Pupil Activities	2,576,487	3,082,839	3,148,372	65,533	2.1%
TOTAL SUPPORT SERVICES	\$ 79,475,641	\$ 83,594,063	\$ 87,069,275	\$ 3,475,212	4.2%
TOTAL DEBT SERVICE	\$ 39,964	\$ 50,000	\$ 55,000	\$ 5,000	10.0%
Intergovernmental Expenditures					
Payments to other agencies	\$ 42,343	\$ 40,000	\$ 40,000	\$ -	0.0%
Payment to Charter School	4,578,250	4,705,208	5,529,645	824,437	17.5%
Total Intergovernmental Expend.	\$ 4,620,593	\$ 4,745,208	\$ 5,569,645	\$ 824,437	17.4%
TOTAL EXPENDITURES	\$ 200,898,759	\$ 214,681,995	\$ 224,994,555	\$ 10,312,560	4.8%
Other Financing Sources (Uses)					
Transfer - Food Service Fund	\$ (110,000)	\$ (110,000)	\$ (110,000)	\$ -	0.0%
Transfer - Special Revenue Fund	(633,134)	(660,000)	(660,000)	0	0.0%
Total Other Financing Sources (Uses)	\$ (743,134)	\$ (770,000)	\$ (770,000)	\$ -	0.0%
TOTAL GENERAL FUND EXPENDITURES AND OTHER FINANCING USES:	\$ 201,641,893	\$ 215,451,995	\$ 225,764,555	\$ 10,312,560	4.8%

**Beaufort County School District
Fiscal Year 2017-2018**

**Combined Budget Statement
All Funds**

Revenues by Source	Governmental Funds	Proprietary and Fiduciary Funds	Total
Revenue			
Local	\$ 194,632,543	\$ 5,518,309	\$ 200,150,852
State	94,938,591	750	94,939,341
Federal	14,244,621	8,234,943	22,479,564
Total Revenues	\$ 303,815,755	\$ 13,754,002	\$ 317,569,757
Expenditures			
Instruction	150,052,767	870,410	150,923,177
Supporting Services	95,113,103	12,661,024	107,774,127
Community Services	233,496	-	233,496
Intergovernmental Expenditures	5,702,357	115,000	5,817,357
Other	112,830	-	112,830
Debt Services	57,852,710	-	57,852,710
Facilities Acquisition & Construction Services	28,500,000	-	28,500,000
Total Expenditures	\$ 337,567,263	\$ 13,646,434	\$ 351,213,697
Excess of Revenues Over (Under) Expenditures	(33,751,508)	\$ 107,568	\$ (33,643,940)
Other Financing Sources (Uses)			
Proceeds of General Obligation Bonds	28,500,000	-	28,500,000
Transfer to Special Revenue	(660,000)	-	(660,000)
Transfer to General Fund	(5,947,111)	(120,355)	(6,067,466)
Transfer to Food Service Fund	(110,000)	-	(110,000)
Transfer from General Fund	650,000	110,000	760,000
Transfer from Special Revenue	4,975,804	-	4,975,804
Transfer from Other Funds/Indirect Cost	450,000	-	450,000
	\$ 27,858,693	\$ (10,355)	\$ 27,848,338
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (5,892,815)	\$ 97,213	\$ (5,795,602)
Estimated Fund Balance/Net Position, July 1	\$ 73,936,672	\$ 4,647,457	\$ 78,584,129
Fund Balance/Net Position, June 30	\$ 68,043,857	\$ 4,744,670	\$ 72,788,527
Percentage Change in Fund Balance/Net Position	-8.0%	2.1%	-7.4%

Beaufort County School District
Fiscal Year 2017-2018

Combined Budget Statement
All Governmental Funds

Revenues by Source	General Fund	Special Revenue Fund	Education Improvement Act Fund	Debt Service Fund	School Building Fund	Total
Revenue						
Local	\$ 138,627,716	\$ 940,526	\$ -	\$ 55,064,301	\$ -	\$ 194,632,543
State	76,851,629	4,531,421	12,555,541	1,000,000	-	94,938,591
Federal	700,000	13,544,621	-	-	-	14,244,621
Total Revenues	\$ 216,179,345	\$ 19,016,568	\$ 12,555,541	\$ 56,064,301	\$ -	\$ 303,815,755
Expenditures						
Instruction	132,300,635	12,257,496	5,494,636	-	-	150,052,767
Supporting Services	87,069,275	6,493,813	1,550,015	-	-	95,113,103
Community Services	-	233,496	-	-	-	233,496
Payments to Charter School	5,529,645	172,712	-	-	-	5,702,357
Other	40,000	-	72,830	-	-	112,830
Debt Services	55,000	-	-	57,797,710	-	57,852,710
Facilities Acquisition & Construction Services	-	-	-	-	28,500,000	28,500,000
Total Expenditures	\$ 224,994,555	\$ 19,157,517	\$ 7,117,481	\$ 57,797,710	\$ 28,500,000	\$ 337,567,263
Excess of Revenues Over (Under) Expenditures	\$ (8,815,210)	\$ (140,949)	\$ 5,438,060	\$ (1,733,409)	\$ (28,500,000)	\$ (33,751,508)
Other Financing Sources (Uses)						
Proceeds of General Obligation Bonds	-	-	-	-	28,500,000	28,500,000
Transfer to Special Revenue	(660,000)	-	-	-	-	(660,000)
Transfer to General Fund	-	(509,051)	(5,438,060)	-	-	(5,947,111)
Transfer to Food Service Fund	(110,000)	-	-	-	-	(110,000)
Transfer from General Fund	-	650,000	-	-	-	650,000
Transfer from Special Revenue	4,975,804	-	-	-	-	4,975,804
Transfer from Other Funds/Indirect Cost	450,000	-	-	-	-	450,000
	\$ 4,655,804	\$ 140,949	\$ (5,438,060)	\$ -	\$ 28,500,000	\$ 27,858,693
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (4,159,406)	\$ -	\$ -	\$ (1,733,409)	\$ -	\$ (5,892,815)
Estimated Fund Balance, July 1	\$ 34,397,780	\$ -	\$ -	\$ 12,746,483	\$ 26,792,409	\$ 73,936,672
Fund Balance, June 30	\$ 30,238,374	\$ -	\$ -	\$ 11,013,074	\$ 26,792,409	\$ 68,043,857
Percentage Change in Fund Balance	-12.1%	0.0%	0.0%	-13.6%	0.0%	-8.0%

**Beaufort County School District
Fiscal Year 2017-2018**

**Combined Budget Statement
Non-Governmental Funds**

Revenues by Source	School Food Service	Internal Service Fund	Pupil Activity Fund	Total
Revenue				
Local	\$ 1,658,750	\$ 900,000	\$ 2,959,559	\$ 5,518,309
State	750	-	-	750
Federal	8,234,943	-	-	8,234,943
Total Revenues	\$ 9,894,443	\$ 900,000	\$ 2,959,559	\$ 13,754,002
Expenditures				
Instruction	-	600,000	270,410	870,410
Supporting Services	9,671,875	300,000	2,689,149	12,661,024
Total Expenditures	\$ 9,671,875	\$ 900,000	\$ 2,959,559	13,531,434
Total Intergovernmental Expend	\$ 115,000			115,000
Excess of Revenues Over (Under) Expenditures	\$ 107,568	\$ -	\$ -	\$ 107,568
Other Financing Sources (Uses)				
Transfer to Other Funds/Indirect Cost	(120,355)	-	-	(120,355)
Transfer from General Fund	110,000	-	-	110,000
Total Other Financing Sources (Uses)	\$ (10,355)	\$ -	\$ -	\$ (10,355)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 97,213	\$ -	\$ -	\$ 97,213
Estimated Fund Balance/Net Position, July 1	\$ 2,062,703	\$ 919,902	\$ 1,664,852	\$ 4,647,457
Fund Balance/Net Position, June 30	\$ 2,159,916	\$ 919,902	\$ 1,664,852	\$ 4,744,670
Percentage Change in Fund Balance/Net Position	4.7%	0.0%	0.0%	2.1%

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

**Comprehensive Budgeted Revenue and
Other Financing Sources -
Summary - All Funds**

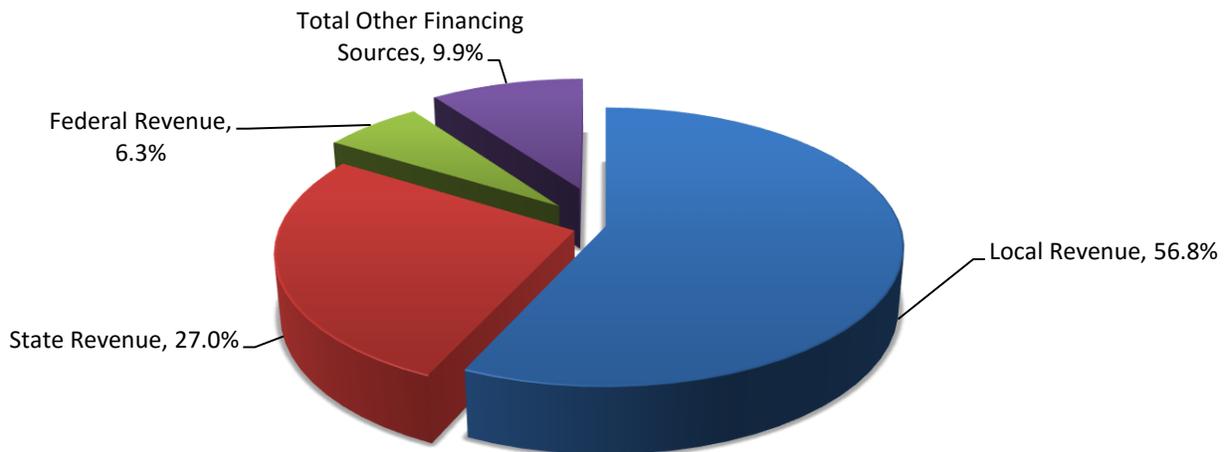
Revenue by Function	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
Local Revenue					
General Fund	\$ 124,676,850	\$ 134,073,774	\$ 138,627,716	\$ 4,553,942	3.4%
Special Revenue Fund	1,077,421	1,422,836	940,526	(482,310)	-33.9%
Debt Service Fund	54,653,199	55,397,851	55,064,301	(333,550)	-0.6%
School Building Fund	1,926,101	1,133,517	-	(1,133,517)	-100.0%
School Food Service	1,944,419	1,630,921	1,658,750	27,829	1.7%
Internal Service Fund	1,579,393	1,272,791	900,000	(372,791)	-29.3%
Pupil Activity Fund	2,815,130	3,206,621	2,959,559	(247,062)	-7.7%
TOTAL LOCAL REVENUE	\$ 188,672,513	\$ 198,138,311	\$ 200,150,852	\$ 2,012,541	1.0%
State Revenue					
General Fund	\$ 68,545,218	\$ 79,350,867	\$ 76,851,629	\$ (2,499,238)	-3.1%
Special Revenue Fund	3,067,031	6,208,413	4,531,421	(1,676,992)	-27.0%
Education Improvement Act Fund	11,159,353	17,151,857	12,555,541	(4,596,316)	-26.8%
Debt Service Fund	1,250,318	1,290,629	1,000,000	(290,629)	-22.5%
School Building Fund	1,823	313,700	-	(313,700)	-100.0%
School Food Service	733	744	750	6	0.8%
TOTAL STATE REVENUE	\$ 84,024,476	\$ 104,316,210	\$ 94,939,341	\$ (9,376,869)	-9.0%
Federal Revenue					
General Fund	\$ 697,256	\$ 924,790	\$ 700,000	\$ (224,790)	-24.3%
Special Revenue Fund	11,389,597	9,935,476	13,544,621	3,609,145	36.3%
School Building Fund	4,688	1,966,192	-	(1,966,192)	-100.0%
School Food Service	8,286,373	7,301,128	8,234,943	933,815	12.8%
TOTAL FEDERAL REVENUE	\$ 20,377,914	\$ 20,127,586	\$ 22,479,564	\$ 2,351,978	11.7%
TOTAL REVENUE	\$ 293,074,903	\$ 322,582,107	\$ 317,569,757	\$ (5,012,350)	-1.6%

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

**Comprehensive Budgeted Revenue and
Other Financing Sources -
Summary - All Funds**

Revenue by Function	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
Other Financing Sources					
Proceeds of General Obligation Bonds	\$ 6,788,000	\$ 21,998,000	\$ 28,500,000	\$ 6,502,000	29.6%
Refunding bond proceeds	28,090,000	29,050,000	-	-	-100.0%
Premium on Bonds Sold	5,964,373	490,971	-	(490,971)	-100.0%
Transfers in	25,394,066	6,386,382	6,185,804	(200,578)	-3.1%
Other Financing Sources	17,626	3,501,781	-	(3,501,781)	-100.0%
Total Other Financing Sources	\$ 66,254,065	\$ 61,427,134	\$ 34,685,804	\$ 2,308,670	-43.5%
TOTAL REVENUE					
AND OTHER FINANCING SOURCES:	\$ 359,328,968	\$ 384,009,241	\$ 352,255,561	\$ (2,703,680)	-8.3%

**2017-2018
Budgeted Revenue - All Funds**



**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

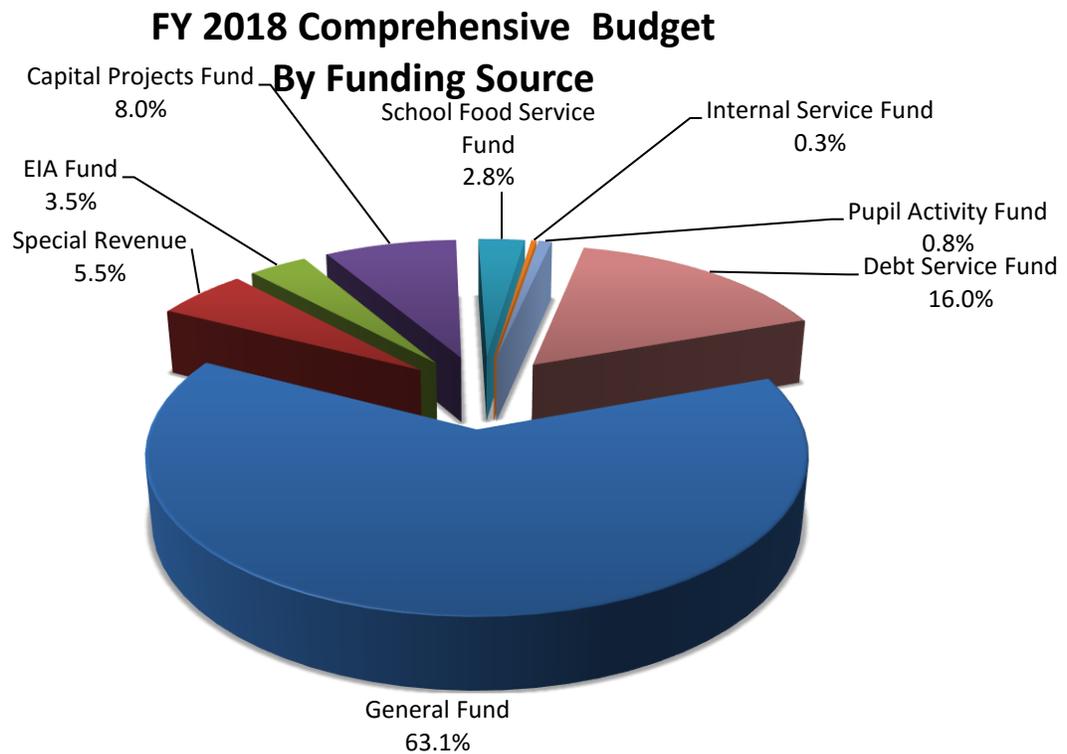
**Comprehensive Budgeted Expenditures and
Other Financing Uses -
Summary - All Funds**

Expenditures by Function	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
TOTAL INSTRUCTION	\$ 134,351,531	\$ 144,160,456	\$ 150,923,177	\$ 6,762,721	4.7%
GENERAL FUND	116,762,561	124,935,059	132,300,635	7,365,576	5.9%
SPECIAL REVENUE	10,990,151	12,032,126	12,257,496	225,370	1.9%
EDUCATION IMPROVEMENT ACT	5,562,660	6,304,903	5,494,636	(810,267)	-12.9%
INTERNAL SERVICE FUND	764,666	565,146	600,000	34,854	6.2%
PUPIL ACTIVITY	271,493	323,222	270,410	(52,812)	-16.3%
TOTAL SUPPORT SERVICES	\$ 164,476,944	\$ 136,446,620	\$ 136,274,127	\$ (172,493)	-0.1%
GENERAL FUND	79,475,641	83,129,890	87,069,275	3,939,385	4.7%
SPECIAL REVENUE	4,378,235	5,184,101	6,493,813	1,309,712	25.3%
EDUCATION IMPROVEMENT ACT	1,255,319	1,484,202	1,550,015	65,813	4.4%
SCHOOL BUILDING FUND	66,010,220	34,216,846	28,500,000	(5,716,846)	-16.7%
SCHOOL FOOD SERVICE FUND	10,182,641	9,218,867	300,000	(8,918,867)	-96.7%
INTERNAL SERVICE FUND	699,280	621,750	9,671,875	9,050,125	1455.6%
PUPIL ACTIVITY FUND	2,475,608	2,590,964	2,689,149	98,185	3.8%
TOTAL COMMUNITY SERVICES	\$ 308,543	\$ 234,496	\$ 233,496	\$ (1,000)	-0.4%
EDUCATION IMPROVEMENT ACT	\$ 2,153	\$ -	\$ -	\$ -	0.0%
SPECIAL REVENUE	306,390	234,496	233,496	(1,000)	-0.4%
TOTAL DEBT SERVICE	\$ 48,239,347	\$ 55,632,818	\$ 57,852,710	\$ 2,219,892	4.0%
GENERAL FUND	39,964	78,285	55,000	(23,285)	-29.7%
DEBT SERVICE FUND	48,199,383	55,554,533	57,797,710	2,243,177	4.0%
INTERGOVERNMENTAL EXPENDITURES	\$ 4,990,366	\$ 5,378,063	\$ 5,930,542	\$ 558,585	10.3%
GENERAL FUND	4,620,593	4,950,304	5,569,645	619,341	12.5%
SCHOOL BUILDING FUND	0	0	0	0	0.0%
FOOD SERVICE FUND	92,532	121,461	115,355	0	-5.0%
SPECIAL REVENUE	208,523	226,935	172,712	(54,223)	-23.9%
EDUCATION IMPROVEMENT ACT	68,718	79,363	72,830	(6,533)	-8.2%
TOTAL EXPENDITURES	\$ 352,366,731	\$ 341,852,453	\$ 351,214,052	\$ 9,367,705	2.7%

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

**Comprehensive Budgeted Expenditures and
Other Financing Uses -
Summary - All Funds**

Expenditures by Function	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
OTHER FINANCING USES	59,054,108	37,682,179	6,837,111	(30,845,088)	-81.9%
GENERAL FUND	743,134	665,394	770,000	104,606	15.7%
SPECIAL REVENUE FUND	283,884	358,876	509,051	150,175	41.8%
EDUCATION IMPROVEMENT ACT	4,270,503	5,242,132	5,438,060	195,928	3.7%
DEBT SERVICE FUND	36,473,667	31,295,797	-	(31,295,797)	-100.0%
SCHOOL BUILDING FUND	17,176,109	-	-	-	0.0%
SCHOOL FOOD SERVICE FUND	106,811	119,980	120,000	20	0.0%
TOTAL FUND EXPENDITURES AND OTHER FINANCING USES:	\$ 411,420,839	\$ 379,534,632	\$ 358,051,163	\$ (21,483,469)	-5.7%



**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

**Comprehensive Budgeted Expenditures and
Other Financing Uses -
All Funds**

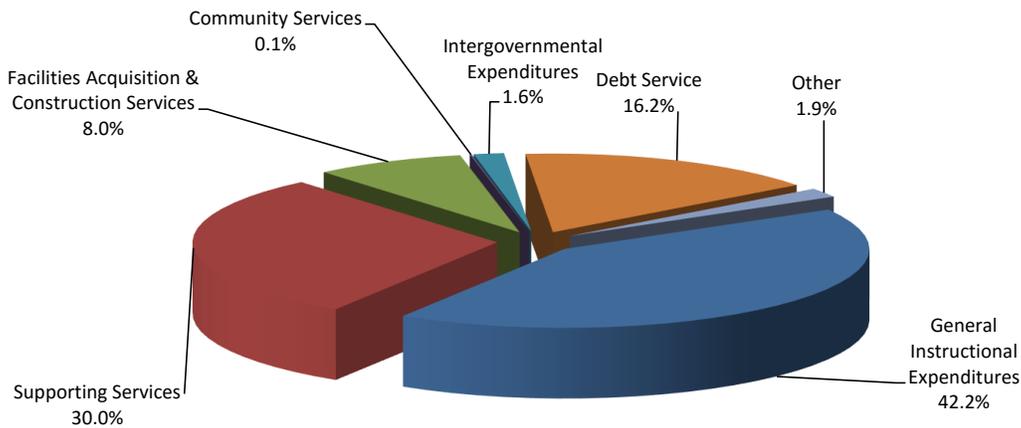
Expenditures by Program	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
Kindergarten Programs	\$ 7,846,838	\$ 8,382,994	\$ 8,860,820	\$ 477,826	5.7%
Primary Programs	27,762,321	29,666,586	28,315,050	(1,351,536)	-4.6%
Elementary Programs	38,457,367	38,228,488	40,939,399	2,710,911	7.1%
High School Programs	24,439,597	29,433,008	32,158,171	2,725,163	9.3%
Vocational Programs	4,046,519	5,141,923	5,290,909	148,986	2.9%
Drivers Education Programs	254,599	246,120	272,308	26,188	10.6%
Montessori Programs	883,780	832,207	865,030	32,823	3.9%
Special Education Prog.	15,038,642	16,492,310	16,921,678	429,368	2.6%
Preschool Special Education Programs	682,644	867,039	1,149,822	282,783	32.6%
Early Childhood Programs	4,893,852	5,064,721	4,885,552	(179,169)	-3.5%
Gifted & Talented	2,718,199	2,694,034	2,848,836	154,802	5.7%
International Baccalaureate Programs	183,491	157,077	223,468	66,391	42.3%
Homebound	172,629	206,135	151,400	(54,735)	-26.6%
Gifted & Talented Artistic	22,934	17,157	62,839	45,682	266.3%
Other Special Programs	13,172	10,612	21,377	10,765	101.4%
Limited English Proficiency Programs	3,527,804	3,353,003	3,602,761	249,758	7.4%
Summer School Programs	1,236,903	1,040,069	1,273,129	233,060	22.4%
Instr ProgBeyond Reg School Day	449,221	468,566	1,010,883	542,317	115.7%
Adult Education	404,688	457,738	546,817	89,079	19.5%
Parenting Instruction	930,585	950,976	1,091,321	140,345	14.8%
Instructional Pupil	385,746	449,690	431,607	(18,083)	-4.0%
GENERAL FUND	\$ 116,762,561	\$ 124,935,059	\$ 132,300,635	\$ 7,365,576	5.9%
SPECIAL REVENUE	\$ 10,990,151	\$ 12,032,126	\$ 12,257,496	\$ 225,370	1.9%
EDUCATION IMPROVEMENT ACT	\$ 5,562,660	\$ 6,304,903	\$ 5,494,636	\$ (810,267)	-12.9%
INTERNAL SERVICE FUND	\$ 764,666	\$ 565,146	\$ 600,000	\$ 34,854	6.2%
PUPIL ACTIVITY	\$ 271,493	\$ 323,222	\$ 270,410	\$ (52,812)	-16.3%
TOTAL INSTRUCTION	\$ 134,351,531	\$ 144,160,456	\$ 150,923,177	\$ 6,762,721	4.7%
Attendance & Social Work	\$ 2,914,915	\$ 3,219,644	\$ 3,578,554	\$ 358,910	11.1%
Guidance	5,007,755	5,174,789	5,864,082	689,293	13.3%
Health Services	2,238,445	2,353,325	2,549,081	195,756	8.3%
Psychological	981,676	1,078,047	1,167,092	89,045	8.3%
Other Exceptional Programs	4,180	-	-	-	0.0%
Improvement of Instruction	8,216,739	9,015,891	9,559,845	543,954	6.0%
Media Services	3,620,276	3,809,835	4,096,550	286,715	7.5%
Supervision of Special Projects	1,617,116	1,508,684	1,882,781	374,097	24.8%
Staff Development	1,660,032	2,060,183	2,403,453	343,270	16.7%
Board of Education	486,237	556,515	675,062	118,547	21.3%
Office of Superintendent	379,188	388,325	445,255	56,930	14.7%
School Administration	14,333,330	14,761,469	15,372,402	610,933	4.1%
Fiscal Services	1,541,969	1,590,196	1,716,948	126,752	8.0%
Facilities Acquisition and Construction	66,155,653	34,240,530	28,527,423	(5,713,107)	-16.7%
Maintenance & Operations	24,023,982	25,746,079	26,507,941	761,862	3.0%
Transportation	6,686,930	6,415,437	6,218,054	(197,383)	-3.1%
Food Service	10,274,179	9,264,023	9,722,723	458,700	5.0%
School Safety	1,058,199	1,159,598	1,124,148	(35,450)	-3.1%
Data Services	104,701	106,188	110,680	4,492	4.2%
Information Services	322,774	303,019	374,067	71,048	23.4%
Staff Services	2,606,679	2,974,010	2,913,801	(60,209)	-2.0%
Technology	5,065,402	4,971,480	5,479,045	507,565	10.2%
Supporting Pupil Activity	5,176,587	5,749,353	5,985,140	235,787	4.1%
GENERAL FUND	\$ 79,475,641	\$ 83,129,890	\$ 87,069,275	\$ 3,939,385	4.7%
SPECIAL REVENUE	\$ 4,378,235	\$ 5,184,101	\$ 6,493,813	\$ 1,309,712	25.3%
EDUCATION IMPROVEMENT ACT	\$ 1,255,319	\$ 1,484,202	\$ 1,550,015	\$ 65,813	4.4%
CAPITAL PROJECTS	\$ 66,010,220	\$ 34,216,846	\$ 28,500,000	\$ (5,716,846)	-16.7%
SCHOOL FOOD SERVICE FUND	\$ 10,182,641	\$ 9,218,867	\$ 300,000	\$ (8,918,867)	-96.7%
INTERNAL SERVICE FUND	\$ 699,280	\$ 621,750	\$ 9,671,875	\$ 9,050,125	1455.6%
PUPIL ACTIVITY FUND	\$ 2,475,608	\$ 2,590,964	\$ 2,689,149	\$ 98,185	3.8%
TOTAL SUPPORT SERVICES	\$ 164,476,944	\$ 136,446,620	\$ 136,274,127	\$ (172,493)	-0.1%

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2016, 2017 and 2018**

**Comprehensive Budgeted Expenditures and
Other Financing Uses -
All Funds**

Expenditures by Program	2015-16	2016-17	2017-18	2016-17 to 2017-18	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
EDUCATION IMPROVEMENT ACT	\$ 2,153	\$ -	\$ -	\$ -	0.0%
SPECIAL REVENUE	306,390	234,496	233,496	(1,000)	-0.4%
TOTAL COMMUNITY SERVICES	\$ 308,543	\$ 234,496	\$ 233,496	\$ (1,000)	-0.4%
GENERAL FUND	\$ 39,964	\$ 78,285	\$ 55,000	\$ (23,285)	-29.7%
DEBT SERVICE FUND	48,199,382	55,554,533	57,797,710	2,243,177	4.0%
TOTAL DEBT SERVICE	\$ 48,239,346	\$ 55,632,818	\$ 57,852,710	\$ 2,219,892	4.0%
Intergovernmental Expenditures					
Payments to other agencies	\$ 4,904,087	\$ 5,298,136	\$ 5,685,000	\$ 386,864	7.3%
Payments to State Department of Education	86,279	79,927	130,187	50,260	62.9%
TOTAL INTERGOVERNMENTAL	\$ 4,990,366	\$ 5,378,063	\$ 5,815,187	\$ 437,124	8.1%
TOTAL EXPENDITURES	\$ 352,366,730	\$ 341,852,453	\$ 351,098,697	\$ 9,246,244	2.7%
Other Financing Uses					
Transfer - General Fund	\$ 4,270,503	5,242,132	\$ 5,438,060	\$ 195,928	3.7%
Transfer - Special Revenue Fund	633,134	555,394	660,000	104,606	18.8%
Transfer - Special Revenues Indirect Cost	483,884	358,876	509,051	150,175	41.8%
Transfer - Food Service Fund	110,000	110,000	110,000	-	0.0%
Transfer - School Building Fund	17,176,109	-	-	-	0.0%
Transfer - Debt Service	36,473,666	31,295,797	-	(31,295,797)	-100.0%
Food Service Indirect Cost	106,811	119,980	235,355	115,375	96.2%
TOTAL OTHER USES	\$ 59,254,107	\$ 37,682,179	\$ 6,952,466	\$ (30,729,713)	-81.5%
TOTAL FUND EXPENDITURES AND OTHER FINANCING USES:	\$ 411,620,837	\$ 379,534,632	\$ 358,051,163	\$ (21,483,469)	-5.7%

**Beaufort County School District
Comprehensive Budgeted Expenditures by Program
FY 2018
\$358,051,163**



Beaufort County School District, 2017-2018 Budget

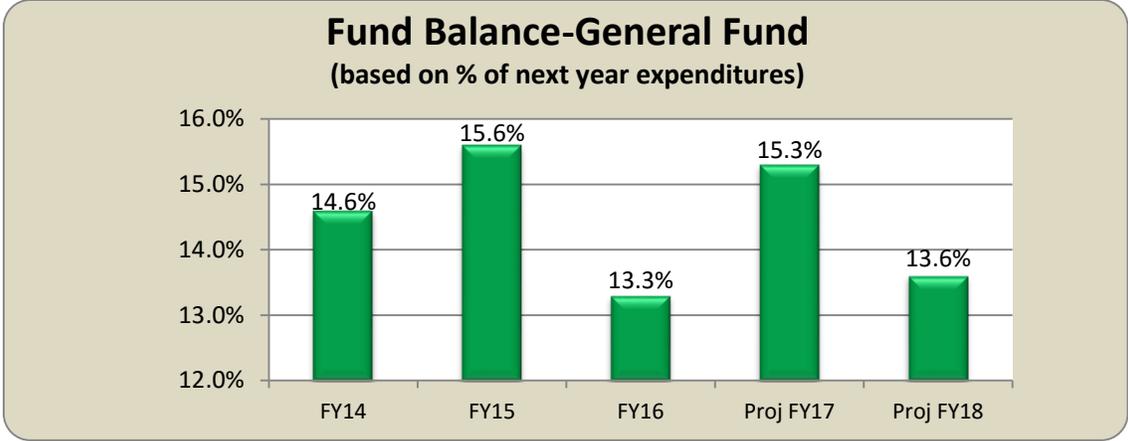
Fund Balance

The Board of Education is committed to providing sound, fiscal management for the District. To ensure this, the Board modified its unassigned fund balance policy for the General Fund no less than 10% of the next year's expenditures with a desired target between 13% and 15% of annual operating expenditures for the next fiscal year. This guidance is a critical component for long-range financial planning.

Changes in Fund Balance-General Fund

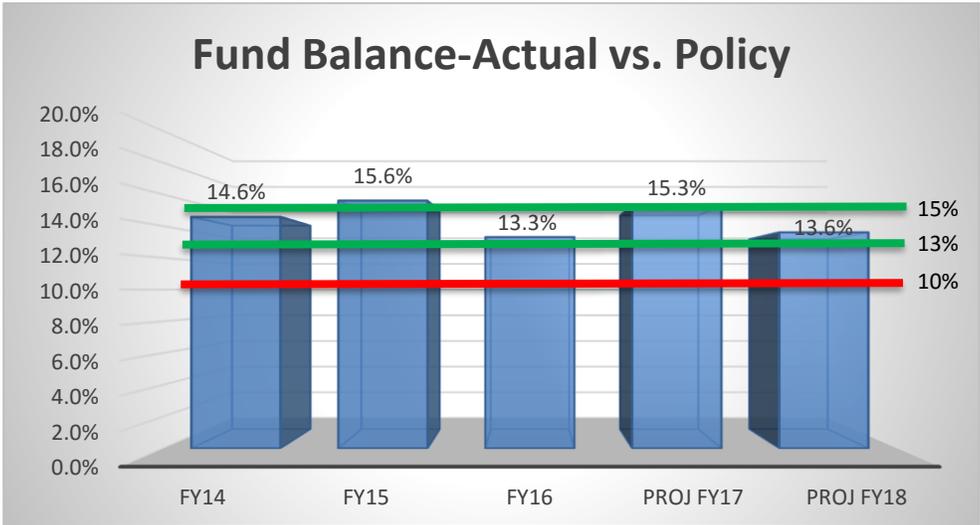
As demonstrated by the five-year comparison below, the fund balance has maintained a level above the minimum amount prescribed in the fund balance policy. Fluctuations in local tax collections have historically had a profound effect on the fund balance level. Below are historical summaries of the major changes in fund balance over the past few years:

- FY 2014-The revenue shortfall during this reassessment year was \$5.5 million, despite a roll forward of the operating millage.
- FY 2015 -A 6 mill increase was approved and local tax revenues exceeded budgeted revenues by \$3 million. State revenues exceeded budget projections by \$1.2 million.
- FY 2016 projected- Millage rates were held flat with expected increases in tax revenues as a result of increased property values. Movement of 6% properties to primary residences was underestimated, resulting in an overestimated mill value. The result was a shortfall in tax revenues of \$3.1 million. Coupled with \$1.4 million in shortfalls in state revenue and savings in salaries and benefits of \$2 million, the end result was a net decrease in fund balance of \$3.1 million.
- FY 2017 projected- FY 2017 millage rates were increased to replace the shortfall in FY 2016 tax collections. Coupled with a \$12 million increase in expenditures, the fund balance is expected to increase by \$5.1 million, or 15.3% of following year's budgeted expenditures.
- FY 2018 projected- FY 2018 millage rates were increased to account for the expected \$2.5 million decrease in state revenue. Coupled with a \$10.3 million increase in expenditures, the fund balance is expected to decrease by \$4.2 million, or 13.0% of following year's budgeted expenditures.
- FY 2019 and beyond- Until the millage rate can be stabilized to generate the revenue as approved by the County, fund balances will continue to be unpredictable in future years. The District and Beaufort County continue to actively work together to achieve a realistic collection rate. Maintaining a fund balance within Board policy is a major consideration during every budget deliberation.



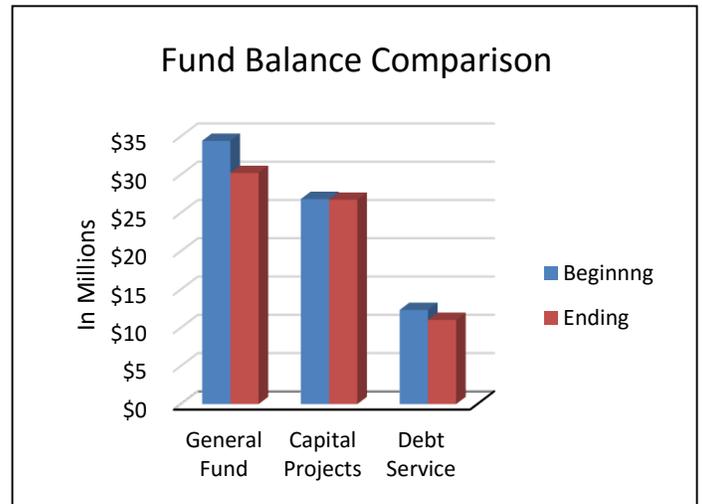
Fund Balance-Actual vs. Policy

Over the last few years, BCSD has successfully maintained its fund balance above the Board’s minimum desired target of 13%. Unanticipated state and local revenues and conservative spending in FY 15 and FY17 allowed the School District to rise above the 15% maximum threshold, with plans to bring it down in the following fiscal year. Five year projections show that additional revenues will be needed to maintain a fund balance within the range established by the Board.



Changes in Fund Balance

The following graph is a comparison of the beginning and projected ending fund balances for the General Fund, Capital Projects Fund, and the Debt Service Fund of the School District. The General Fund reserves are projected to decrease by \$4.2 million during FY 2018. The Capital Projects Fund is expected remain unchanged in FY 2018. Debt Service Fund balance is projected to decrease by \$1.7 million due to the timing of debt payments.

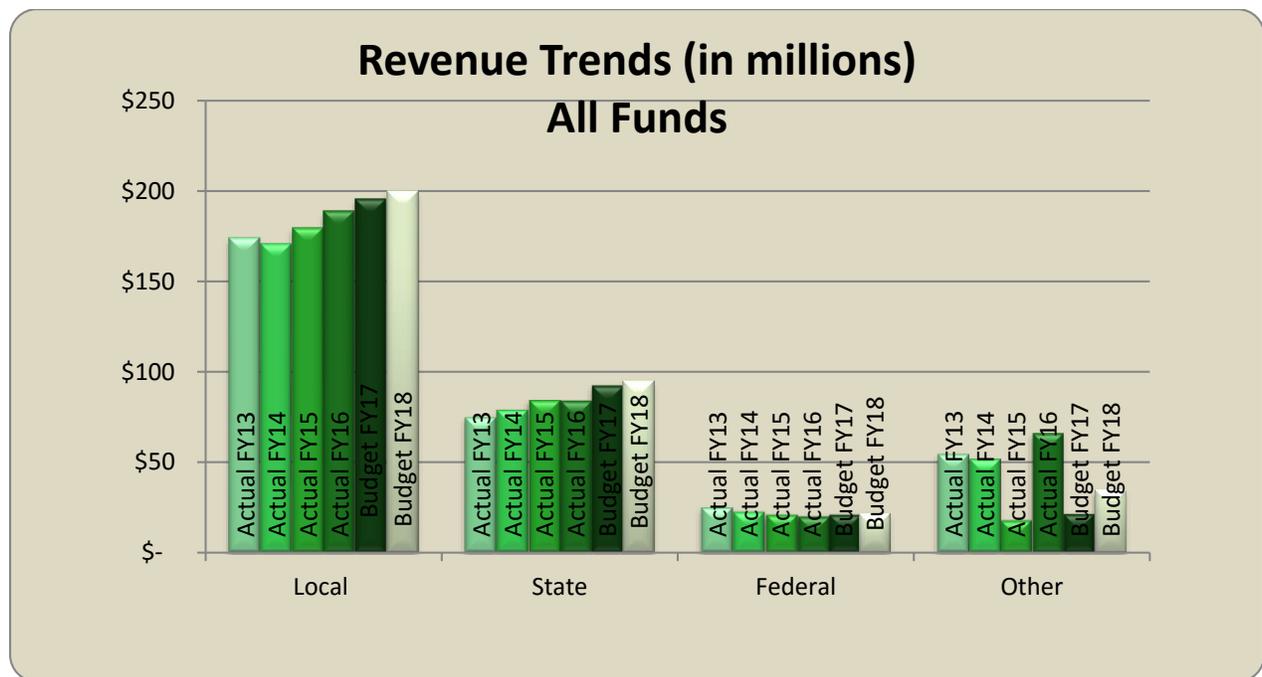


	General Fund	Capital Projects	Debt Service
Beginning 7/1/2017	\$ 34.4	\$ 28.5	\$ 12.7
Ending 6/30/2018	\$ 30.2	\$ 28.5	\$ 11.0
Change in Fund Balance	\$ (4.2)	\$ -	\$ (1.7)
% Change	-12.2%	0.0%	-13.4%



Revenue Trends

Below is a five-year illustration of Beaufort County School District’s revenues from all funding sources. The School District heavily depends on local tax revenues to support its basic operations; however, federal and state funds are essential to the District’s instructional initiatives. The school district obtains its revenues from four primary sources: local property taxes, state revenues, federal revenues and other revenues, such as general obligation bond proceeds.



Local Revenues

Local property taxes are the primary source of revenue for the Beaufort County School District. Fifty-nine percent of all revenues are provided by local property taxes and other financing sources. The School District projects to receive \$193.0 million in local property tax revenues in FY 2018 based on operating and debt service millage approved by the Beaufort County Council.

Local property tax collections in the General Fund are expected to exceed the budgeted amount of \$132.5 million in FY 2017 by \$1.0 million. Shifts of 6% to 4% properties have resulted in this shortfall in the past several years, but transition seems to be leveling out. The FY 2018 local property tax millage rate was increased by 2 mills to generate the amount of revenues needed for the current year. The FY 2018 operating millage is anticipated to generate \$137.2 million in revenues.

The state’s Act 388 eliminated full time resident property taxes as a source of income for supporting general operation of schools. Revenue was replaced by a state mandated 1% sales tax increase. Individuals who own and occupy their homes pay no taxes for school operations. Individuals who own but

do not occupy their homes full time are assessed at a 6% rate and taxed for school operations. The passage of Act 388 has incentivized changes from 6% to 4% homes, resulting in lost revenue to the School District. Hundreds of homeowners are approved each year for a change in primary residency to Beaufort County, resulting in the elimination of their school operations taxes. Those funds are permanently lost to the school system. Those shifts from 6% properties to 4% have a direct impact on the calculation of the mill value. The graph below illustrates the local tax revenue trends over the last six years:



* Includes 1 mill increase

** reassessment year with roll forward

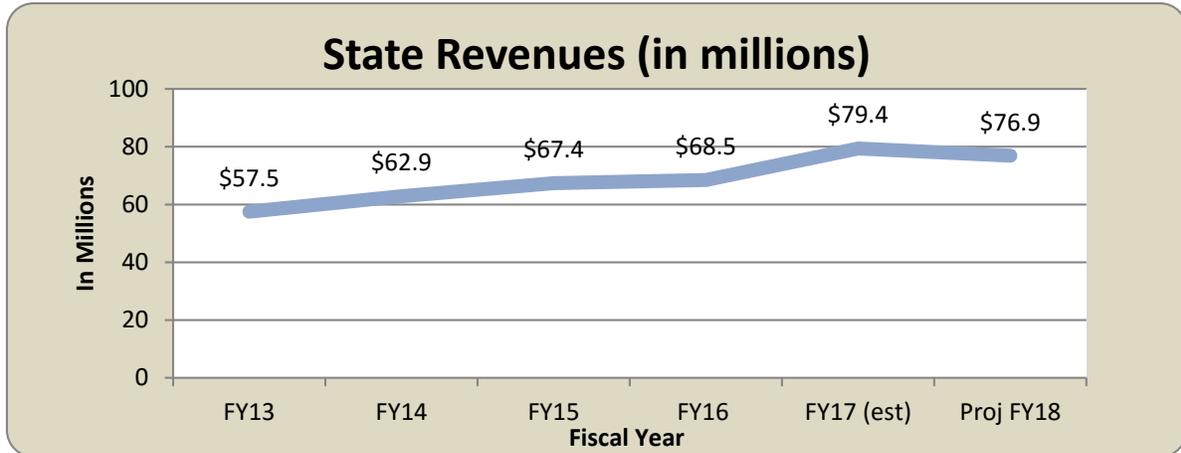
The Debt Service Fund, which is primary operated with local property taxes, have increased in local property tax revenue since FY 2011. The mills have been incrementally raised to correct an incorrect rollback in millage that occurred in 2010. With a goal of revenue neutrality, the 2013 millage rate was rolled forward to a rate of 31.7 mills from 28 mills during reassessment. The School District maintained that millage rate for FY 2016, 2017 and will hold at the same rate for FY 2018. The School District projects to see modest growth in the assessed value for the upcoming year. The millage rate for debt has been carefully managed to reach the levels needed to support the School District’s capital improvement program and retire outstanding debt in a manner expected by bond rating agencies and bond holders.

State Revenues

State aid includes grants, state sales tax revenue and other state allocations. Of the \$94.9 million in state revenues projected for FY 2018, \$76.9 million is anticipated for the General Fund and are used to support the day-to-day operations of the School District. State revenues supporting the General Fund include the sales tax reimbursement on owner occupied residences, Education Finance Act (EFA) funds, school bus drivers’ salary funds, reimbursement for local property tax relief, retiree insurance and homestead exemptions. Budget projections are provided each year on these revenue streams by the South Carolina Department of Education.

The state’s primary funding formula uses an index of taxpaying ability, a measure of each county’s wealth, to determine the amount of required support under the EFA. The measurement is based on the value of total assessed value of taxable property of each county as a percentage of the state wide total. According to the index, Beaufort County is one of the wealthiest counties in the state; therefore, it receives among the least state funding of school districts in South Carolina. EFA payments have grown from zero funding

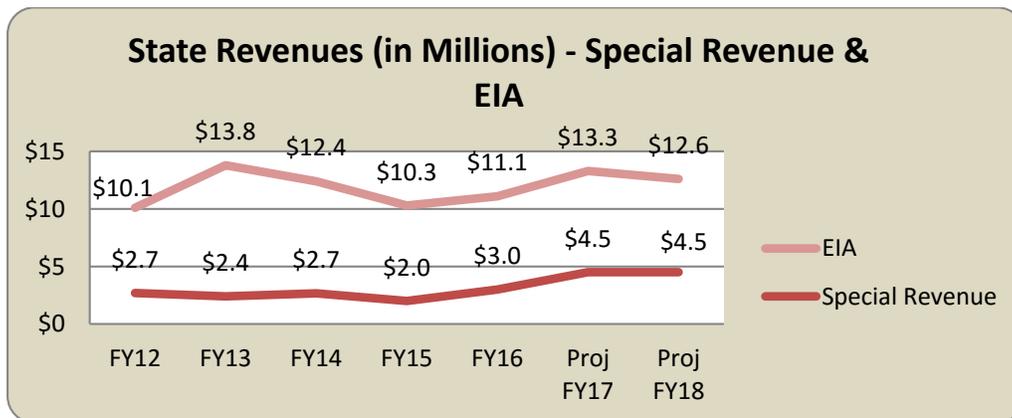
in 2011 to an anticipated \$12.7 million in 2017 (up from \$8 million in 2016) due to consolidating EIA categorical funds into EFA funds.



The state’s Act 388 legislation replaced approximately \$44.2 million of the School District’s local property tax revenues with state sales tax revenue. Local property tax relief makes up the largest portion of state funding and has shown steady growth due to enrollment increases in the last five years. FY 2018 state revenues are expected to decrease by \$2.5 million due to increases in the index of taxpaying ability in Beaufort County.

Another \$13.9 million is received in the Special Revenue and Education Improvement Act (EIA) funds. The Finance Office of the School District uses state budget projections, grant award letters and historical information to project the revenues from these sources for the FY 2018 budget.

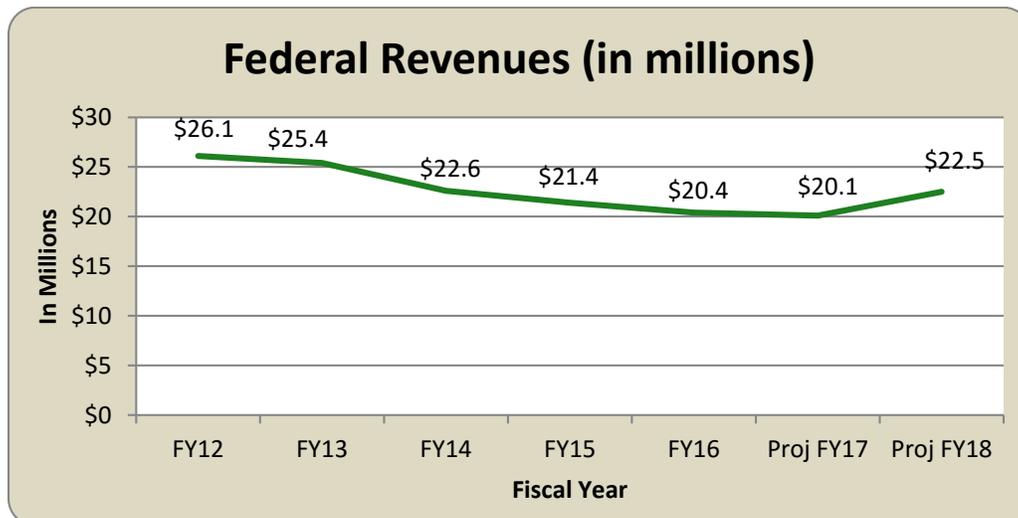
State revenues in Special Revenue funds have increased and are restricted to technology professional development and reading interventions (Summer Reading Program). EIA funds have decreased from the prior year by \$4,264,162, particularly in EFA and employee contributions. These funds are transferred to the General Fund to help offset the cost of teacher salaries.



Federal Revenues

Federal Revenues include Title 1, E-rate, and Individuals with Disabilities Education Act (IDEA), among others. Title I supports sixteen high-poverty schools in the District, an increase from fifteen in FY 2017, with intense focus on literacy. E-rate reimbursements are based on historical collections. E-rate funds are used to support ongoing initiatives of the Technology Division while Impact Aid is used to support the daily operations of the District. IDEA funds are used to support students with disabilities.

Following a series of declines in federal funding over the last few years, the School District expects an increase in federal revenues for FY 2018. USDA funding in the School Food Service Fund is expected to rise due to enrollment growth and the District's increased participation in the federal Community Eligibility Program, which increases the numbers of student participation in high poverty schools. The School District currently has eight schools participating in the program, which offers free lunches to 100% of students at these schools.

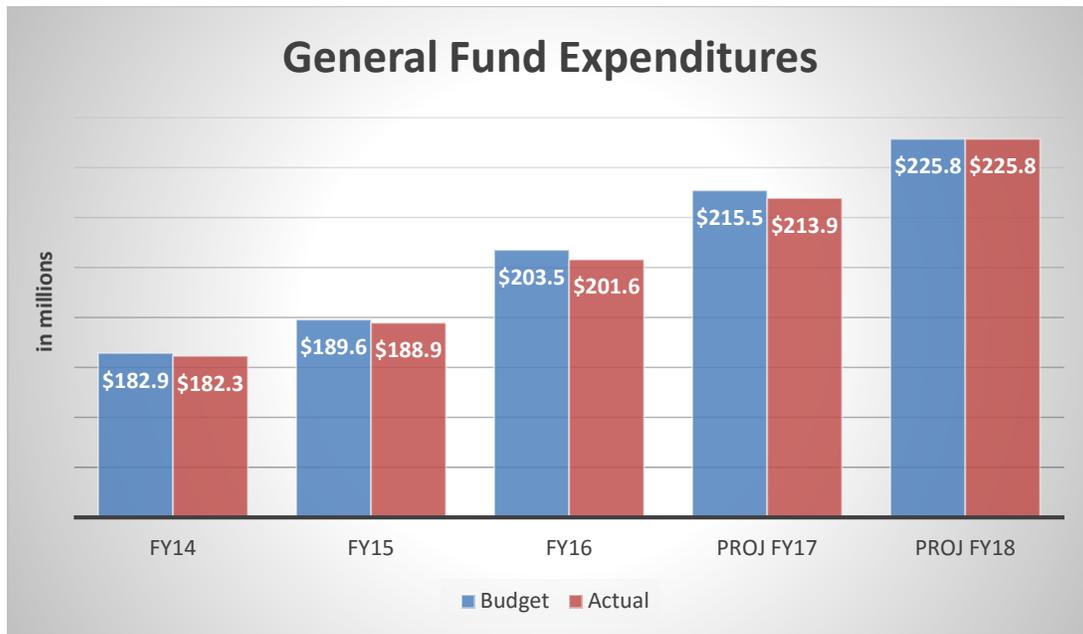


Other Revenues

Other sources of revenue include \$28.5 million of general obligation bonds used to support the District's 8% capital renewals and renovations. Transfers from other funds account for \$6.2 million of other revenues. These are derived from indirect costs and teacher salary increase funds transferred from Special Revenue Funds to the General Fund.

Expenditure Trends

The FY 2018 General Fund budget was approved in the amount of \$225.8 million, an increase of 4.8% from the FY 2017 budget of \$215.5 million. BCSD has history of spending over 99% of its budget. Spending in FY 2017 is expected to come under budget by about \$1.6 million primarily due to staff vacancies.



The chart on the following page provides a five-year comparison of expenditures. Below are historical summaries of the major changes in expenditures over the past few years:

- FY 2014- A teacher step increase was mandated by the state for all eligible teachers amounting to \$1.3 million. Additional teachers and supplies to accommodate student growth was \$1.7 million. Benefit increases totaled \$2.1 million.
- FY 2015- A state mandated teacher step increase by the state for all eligible teachers of \$1.4 million was given. Benefits increased by \$2.5 million. Nine teaching positions moved to the General Fund due to reductions in state and federal funding. Enrollment grew by 627 students. Staff increased to accommodate growth in student enrollment.
- FY 2016- River Ridge Academy opened with 950+ students in grades Pre-K through eight with operating costs of \$2.8 million. Step increases for all eligible teachers were included at a cost of \$1.3 million and \$2 million increases were due to losses in state and federal funding. A tutoring program was implemented at a cost of \$500,000.
- FY 2017- May River High School opened with 930+ students in grades nine through twelve with operating costs of approximately \$5.4 million. Also included were, step increases for all eligible

teachers and a 2% cost of living increase equaling \$2.1 million. Locality supplements were provided to each teacher, an increase of \$1.9 million from the prior year.

- FY 2018 projected- Increases from state and federal mandates accounted for \$4.3 million of expenditure increases. Projected enrollment growth accounted for \$2.4 million which included additional teachers, academic stipends and school non-salary allocations. Locality supplements are provided to each teacher, an increase of \$1.9 million.

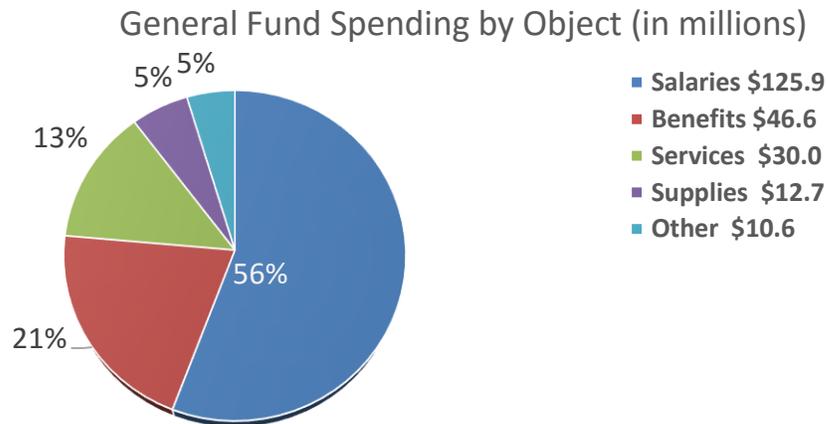
Expenditures-5 Year Comparison

	FY14	FY15	FY16	Proj FY17	Proj FY18
Budget	\$ 182,906,012	\$ 189,558,841	\$ 203,513,932	\$ 215,451,995	\$ 225,764,555
Actual	\$ 182,302,338	\$ 188,921,762	\$ 201,641,889	\$ 213,900,600	\$ 225,764,555
Increase From Budgeted	\$ 4,927,322	\$ 6,652,829	\$ 13,955,091	\$ 11,938,063	\$ 10,312,560
Prior Year	2.8%	3.6%	7.4%	5.9%	4.8%

Salaries and Benefits

Salaries and benefits comprise 77% of the School District’s budget. This does not include all of the salaries and benefits paid by our contracted services for food service, custodial, grounds, and maintenance. Through a formalized staffing process, school positions are standardized to provide equity among schools and are distributed based on projected student enrollment for FY 2017-2018. A staffing formula was established for each elementary, middle and high school, which may be found on pages 67, 68 and 69 of this document.

In 2016, a recruiting and retention plan was initiated in the form of locality supplements. The plan called for a \$1,000 supplement with annual increases over a five year period. The FY 2018 budget includes a \$3,000 supplement for teachers and a \$1,000 supplement for other full-time staff.



Following a one-year growth of 203 students (1%) coupled with a two-year growth of 571 students, the need for additional teachers in the upcoming school year was apparent. Enrollment is projected to grow another 232 students in FY 2018. As a result, ten new certified positions and 21 school based employees were included in the budget.

The state of South Carolina requires an annual step increase for all eligible certified teachers. The cost of this budget item is \$1.5 million. Additionally, the Board approved step increases for all eligible administrative and classified staff. Applicable athletic and academic stipend allocations are distributed to applicable schools each year based on projected enrollment.

Employee Benefits

The budget includes benefits including Social Security, Medicare, retirement, health, dental, life insurance, and workers' compensation. Retirement benefits are managed by the SC Public Benefit Authority (PEBA), and participation of employees of South Carolina school districts is mandatory. For FY 2018, the employer's share of retirement increased from 16.89% to 19.06%. Not only did the employer's share increase, but the employee retirement withholding rate increased from 8.66% to 9.0% as of July 1, 2017.

Health insurance premiums through the Blue Cross Blue Shield State Health Plan, the mandated plan for SC school districts, are estimated to increase by 0.8% as of January 1, 2018. Increased costs due to additional staff coupled with prior increases for the second half of the 2018 calendar year are expected to result in an increase of \$816,987. No increases are expected in Social Security, Medicare, dental, life insurance or workers' compensation. Benefit costs are estimated to increase by \$2.7 million to total \$46.6 million.



Instructional Programs

Many instructional programs and curricular initiatives are funded through Special Revenue and EIA (Education Improvement Act) funds. Below is a summary of the major instructional initiatives planned for the 2017-2018 school year and the Special Revenue funding sources which will support them. These programs may be supported with general fund money as well.

FY 2018 Utilization of Special Revenue Funds			
Instructional Initiatives	Intended Use of Program	Amounts	Special Revenue Funding Source
Title One	To supplement the core instructional programs at 15 high poverty schools	\$ 6,243,070	Title I
Special Education	The education of students with special needs in a way that addresses the student's individual differences and needs	\$ 4,510,503	IDEA, ESY and IDEA Preschool Funds
Improving Teacher Quality	Programs focused on preparing, training and recruiting highly effective teachers and principals	\$772,556	Title II-Teacher Quality
English Learners (EL)	An instructional program in English for speakers of other languages (EL) to teach basic vocabulary and grammar to students with a first language other than English	\$ 291,809	Title III
Adult Education	Program to increase adult literacy and to prepare adults for a high school diploma or its equivalency	\$ 546,817	Federal & State Adult Education Funds
Parenting & Family Literacy	Program provides a holistic, fully integrated, family-focused approach, providing parents and children most in need of improving their literacy skills with intensive, frequent and long-term educational and non-educational services.	\$ 1,076,281	Title I, At Risk Funds
Junior ROTC Program	A federal program sponsored by the United States Armed Forces in high schools to promote citizenship, leadership skills, and patriotism	\$ 1,035,894	Federal JROTC Funds
Summer School for MS & HS grades 6-12	Additional instructional days for most at risk students in grades 6-12 and credit recovery opportunities	\$ 200,000	At Risk Funds
Student Health & Fitness-Nurses	Funding for elementary school nurses	696,809	Student Health & Fitness
Migrant Education	Support of high quality education program for migratory children	\$ 135,000	Title I
Career and Technology Education	A planned program of courses and learning experiences that begin to explore options of career awareness	\$807,166	Federal & State CATE Funds
9th Grade Orientation	A 1 day orientation for rising 9th graders to augment transition from middle school to high school	\$ 20,000	At Risk Funds
Alternative Education	Program for middle and high school students with chronic discipline issues and violations of law	\$ 1,611,873	At Risk Funds
Literacy Coaches	Provide most elementary schools with a Reading Coach to lead Reading Professional Development	\$ 1,128,683	Read to Succeed & At Risk
Summer Reading Camp	State-required program for 3rd graders to increase reading skills. District supports 1st, 2nd and 4th graders with local funds for reading remediation	\$ 1,101,407	State Summer Reading Camp Funds, State Reading Funds, & At Risk Funds
Total		\$ 20,177,868	

Service Contracts

Major School District contracts include substitutes, School Resource Officers, substitute teachers, crossing guards, grounds, custodial, and maintenance and all are outsourced. After many years of being outsourced, bus transportation was brought back in-house during 2016-17. The FY 2018 budget includes \$12.1 million for these major contracts with an average of a 3% CPI increase applied to existing contracts.

Supplies

The budget includes \$12.7 million of supply costs in the General Fund. This category includes energy costs, maintenance supplies, instructional materials for schools, and operational supplies for the central office. There is an increase in the supply budget this year of \$88,492 that is primarily from increased per pupil allocations due to enrollment growth.

Supply Allocation

A supply allocation is distributed among all schools each year based on projected enrollment. This per pupil allocation was reduced by 10% in the 2012 budget year, and has remained unchanged since that time. The allocation totals \$4.2 million for all schools, up from \$4.1 million in the prior year. Growth in student enrollment is the primary reason for the change.

Utilities

Utilities of \$8.8 million are incorporated in the budget. These costs include water and sewer, trash, telephone communication, electricity and propane gas. \$6.5 million of these costs are included in the supply category according to SC Department of Education guidelines.

Charter School

By approval of the Beaufort County School District Board of Education, the Riverview Charter School was established in Beaufort in the summer of 2009, opening its doors to approximately 494 students in grades kindergarten through six. The charter planned for a grade level increase each year until grade eight. Enrollment will increase by 38 students to 646 in the 2017-2018 school year. Along with the increased students is an increase in their per pupil allocation of \$397,865. Increases are attributable primarily to an increase in local tax revenue due to an increase in millage. The total allocation to the charter school is \$5.7 million, with a General Fund allocation of \$5.5 million and categorical funds of \$200,000. The charter school is funded on a weighted per pupil basis in compliance with a state formula. The School District receives no additional money to fund this expense.

Major Increases

The vast majority of the 2017-18 General Fund budget increases address budget priority #3, “provide quality teachers and administrators in every classroom and building.” By compensating staff well, the School District is able to competitively recruit and retain highly qualified teachers and administrators, thereby building its capacity to achieve priority #1 which is that students will perform on grade level in all subjects by third grade.

Locality salary supplements of \$1,000 were provided to all classified and administrative staff and \$3,000 for certified staff in FY 2018 to help offset the high cost of living in the area. This initiative was established to achieve the Board’s goal of raising the starting teacher salary to \$40,000 within the next five years.

Program expansion allows parents and students the opportunity to explore Career and Technology Education programs. Other choice options do not require budget increases as the School District intends to maintain the programs currently offered at no additional cost.

Many of the initiatives to address student performance will be funded through Special Revenue and EIA funds and will have little effect on the General Fund budget. Tutoring allocations worth \$500,000, are funded in the General Fund budget and are maintained at the same level as the prior year. Technology opportunities will be funded through Capital Projects Funds and supported with existing staff.

Increase Area	Budget Priority	Amount
External:		
State/Federal Mandates	3	\$ 4,268,885
Local - Enrollment	3	2,353,400
Operational	n/a	1,363,219
Internal:		
Other-Locality/Non Teacher Step	3	2,583,881
Program Expansion	2	84,480
Decreases	n/a	(341,305)
Net Increases		10,312,560
FY2016-2017 Budget		215,451,995
FY2017-2018 Approved Budget		\$ 225,764,555

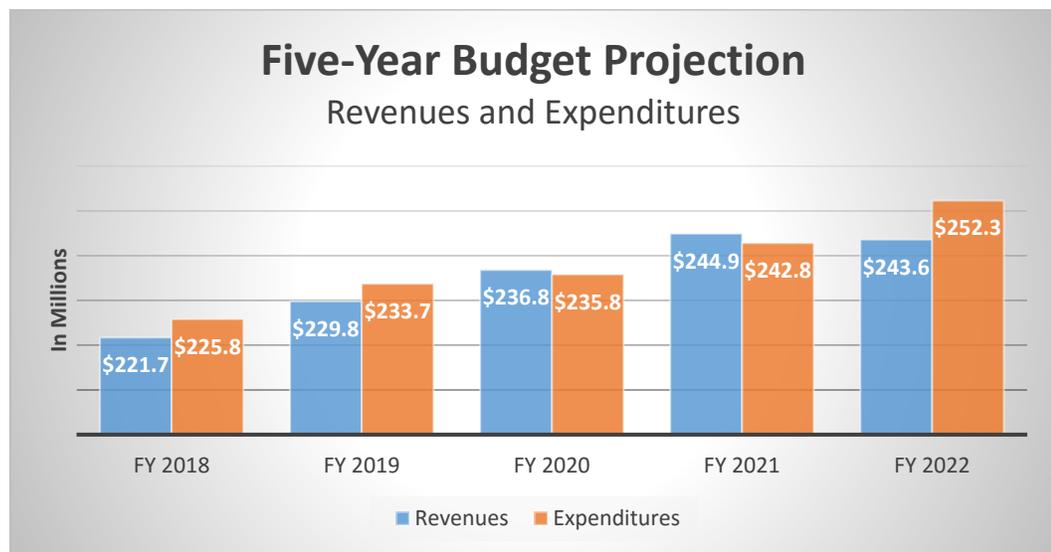
Long-Term Budget Projections

The Beaufort County Board of Education requires the Superintendent and his staff to develop an annual budget for Board approval that reflects a multi-year perspective, analyzes the current financial condition of the District, and presents a minimum of five-year financial needs and proposals to address the advancement of student achievement.

The Executive Summary provided a numerical depiction of this projection. This segment of the budget document serves to provide additional details of the budget assumptions used in the projection.

Revenues are based on the FY 2018 mill rate of 113.5. A 1% growth in the value of the mill is estimated for each year going forward. Additional revenues are needed to maintain the fund balance to comply with Board policy. These revenues may come from an increase in the mill rate or other revenue sources. State revenues are also expected to increase by 1% each year, primarily due to the School District's growth in enrollment. Federal revenues are expected to hold steady.

Expenditure projections include increases of about \$7 million per year on average. Budget assumptions include growth in student enrollment of 1% per year, increases in benefits of 1% per year and annual adjustments for inflation. Mandatory teacher salary increases and step increases for all staff are assumed.



School Building Fund (Capital Projects)

Initial planning began in FY 2017 for the addition of a Performing Arts Center (PAC) and an additional gym at Whale Branch Early College High School. The design phase began in the spring of 2017 with construction estimated to start in the fall of 2017. In late spring of 2017, the BCSD Board approved using additional 8% bonding to fund the PAC and gym project. The project is currently estimated cost \$16.9 million. The current schedule has a project completion date during the summer of 2018 for the opening of the 2018-2019 school year.

Methodology

Work begins on the District’s Capital Improvement Plan with analysis of projects expanding over a five year period. To start this process, key stakeholders are contacted to collect facility data. Capital Improvement Plan request forms are distributed to all school principals, Facilities, Planning and Construction (FPC) staff, maintenance staff, and outside consultants. The information collected from all groups is combined into the Capital Improvement Plan (CIP) database. This database retains a record of all entries made each year.

Once the data has been entered, the FPC staff begins to assign cost, categories (asset preservation, life safety/security, academic support, standardization/equity, energy efficiency, and low priority), and type of work to all entered items. Across the District, FPC staff strives to maintain equitable treatment of facility needs and assessments. When deciding how to fund the five year CIP, several factors are considered. These factors include CIP rating systems, emergency repairs, grouping of projects, and future school use changes.

The following items are major considerations for developing the five year plan:

- Targeting a limit of \$20 million per year in order to maintain financial stability in our debt plan.
- Limiting the number of schools receiving major work during the summer to allow suitable project management given the current level of staffing.
- Having a fixed schedule for renovation allowing the schools to better schedule summer activities.



2018– 2022 Five Year Plan and Capital Budget

The current five year plan shows all items suggested by principals, FPC, maintenance personnel and others. A review of the five year plan reveals that the annual \$20 million goal established in our financial plan will only be met with the support of a bond referendum. The Facilities Planning Committee will meet prior to the presentation of the annual CIP budget to review all listed items. The purpose of that review will be to prioritize the requests to bring the overall budget within the \$20 million requested CIP range.

Estimated cost of projects submitted for the next five years:

Year	Total Cost
FY 2018	\$19,948,903
FY 2019	\$19,998,307
FY 2020	\$19,583,558
FY 2021	\$19,510,211
FY 2022	\$17,278,214



Major Construction

Funding for capital improvement projects is appropriated by two methods, a voter approved referendum and an 8% constitutional debt limit. All planned and ongoing projects currently fall under 8% financing. The last referendum project was completed in the 2015-2016 school year with the opening of River Ridge Academy.

Administration developed a 10 year plan of Capital Improvement Projects and sought voter approval in November 2016, in the form of a \$210 million sales tax referendum. The referendum was unsuccessful. As a result, many of the projects in the five year CIP were re-worked to include the highest priority projects, and postponing some the largest and most needed projects, such as additions to schools in the Bluffton community. A new smaller referendum has now been developed to cover the District's greatest needs. This plan and a redistricting plan are currently being considered.

8% Projects

In addition to referenda, the School District's borrowing power is restricted by state law. It provides that a local unit cannot at any time have total debt outstanding in an amount that exceeds 8% of the total assessed property value of the county. Funds of this type are used for capital renewal of the schools and administrative buildings. Other 8% projects are approved by the Board of Education each fiscal year based on need and the debt capacity. At the close of June 30, 2016, the legal debt margin was \$56,366,512. Projects of \$20 million were approved in May of 2017, bringing the available debt capacity to \$36,368,205.

Summer 2017 Projects

Highlights of the summer of 2017 projects (FY 2018) include:

- **Beaufort High** – roof replacement
- **Bluffton Middle** – painting building
- **Bluffton High** – auditorium improvements
- **Broad River Elementary** – building HVAC upgrades
- **H.E. McCracken Middle** – building HVAC upgrades
- **Port Royal Elementary** – playground upgrades
- **Joseph S. Shanklin Elementary** – paint building
- **Red Cedar Elementary** – paint building
- **St. Helena Elementary** – paint building
- **Whale Branch Elementary** – paint building
- **Whale Branch Middle** – paint building
- **Hilton Head Island Elementary** – entrance flooring
- **Hilton Head Island School for Creative Arts** – HVAC repairs
- **Hilton Head Island High** – performing arts center stage
- **Bluffton Elementary** – media center upgrades
- **Lady's Island Middle** – auditorium improvements
- **Battery Creek High** – theater lights

Summer 2018 Projects

The Board of Education approved the FY 2019 8% projects at a cost of \$19,998,307. Design will begin on the projects starting in the summer of 2017 for construction during the summer of 2018.

The focus of the upcoming projects is based on life safety concerns and asset preservation. Such renovation projects are often more difficult to complete as they typically require more time and effort to coordinate with the existing facility and school activities. The District will continue to pursue projects that not only reinvest in our facilities, but also ensure that all facilities provide proper learning environments for our students.



The table below shows balances of approved funds for capital building and improvements that are currently in process. These projects consist of a diverse group of projects ranging from roof repairs to new school buildings.

5 Year Capital Improvement Plan					
	Capital Renewal 8%				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Beaufort Elementary School		\$193,567	\$0	\$717,852	\$30,022
Coosa Elementary School	\$91,451	\$1,363,411	\$0	\$308,907	\$36,030
Lady's Island Elementary School	\$217,111	\$75,316	\$0	\$79,417	\$49,818
Mossy Oaks Elementary School	\$107,828	\$67,031	\$0	\$159,642	\$29,704
Port Royal Elementary School	\$247,185	\$0	\$0	\$224,880	\$41,592
St Helena Elementary School	\$130,536	\$96,584	\$0	\$350,414	\$435,955
Beaufort Middle School	\$27,750	\$469,839	\$53,802	\$551,578	\$862,018
Lady's Island Middle School	\$402,214	\$126,769	\$147,400	\$2,063,437	\$508,510
Beaufort High School	\$601,294	\$2,015,000	\$62,222	\$326,153	\$1,344,014
Beaufort Cluster Total	\$1,825,369	\$4,407,517	\$263,424	\$4,782,280	\$3,337,663
Broad River Elementary School	\$1,781,164	\$49,121	\$0	\$41,741	\$93,720
Shanklin Elementary School	\$151,898	\$315,487	\$0	\$381,212	\$256,044
Robert Smalls International Academy	\$96,609	\$373,386	\$278,782	\$0	\$1,051,800
Battery Creek High School	\$155,791	\$142,430	\$136,482	\$2,010,598	\$62,122
Battery Creek Cluster Total	\$2,185,462	\$880,424	\$415,264	\$2,433,551	\$1,463,686
James J. Davis Early Childhood Center	\$78,353	\$66,163	\$0	\$724,386	\$234,549
Whale Branch Elementary School	\$162,612	\$44,670	\$0	\$215,812	\$107,588
Whale Branch Middle School	\$342,805	\$80,597	\$0	\$285,803	\$0
Whale Branch Early College High	\$238,930	\$115,546	\$274,164	\$223,121	\$177,841
Whale Branch Cluster Total	\$822,700	\$306,976	\$274,164	\$1,449,122	\$519,978
Hilton Head Island Early Childhood Center	\$0	\$84,709	\$0	\$98,919	\$0
Hilton Head Island Elementary School	\$145,405	\$369,383	\$0	\$1,144,693	\$29,704
Hilton Head Island Elementary for Creative Arts	\$187,189	\$45,014	\$313,972	\$69,497	\$1,377,257
Daufuskie Island Elementary	\$0	\$195,815	\$0	\$374,922	\$30,700
Hilton Head Island Middle School	\$349,433	\$0	\$106,128	\$739,695	\$83,600
Hilton Head Island High School	\$642,822	\$0	\$115,900	\$1,133,820	\$234,080
Hilton Head Island Cluster	\$1,324,849	\$694,921	\$536,000	\$3,561,546	\$1,755,341
Bluffton Elementary School	\$83,459	\$14,128	\$0	\$314,411	\$83,898
M.C. Riley Elementary School	\$382,863	\$63,941	\$119,187	\$41,741	\$215,852
Okatie Elementary School	\$18,791	\$0	\$0	\$297,583	\$0
Pritchardville Elementary School	\$0	\$0	\$323,717	\$0	\$0
Red Cedar Elementary School	\$140,191	\$0	\$0	\$74,259	\$90,675
River Ridge Academy	\$102,498	\$0	\$0		
HE McCracken Middle School	\$1,550,901	\$0	\$0	\$439,899	\$0
Bluffton Middle School	\$322,985	\$0	\$0	\$148,993	\$16,720
May River High	\$0	\$0	\$0	\$151,566	\$0
Bluffton High School	\$586,017	\$288,632	\$78,919	\$342,058	\$2,379,722
Bluffton Cluster Total	\$3,187,705	\$366,701	\$521,823	\$1,810,510	\$2,786,867
Riverview Charter School	\$0	\$0	\$0	\$0	\$49,818
School Totals	\$9,346,085	\$6,656,539	\$2,010,675	\$14,037,009	\$9,863,535
District Level Projects	\$10,602,818	\$13,341,768	\$17,572,883	\$5,473,201	\$7,364,860
Total	\$19,948,903	\$19,998,307	\$19,583,558	\$19,510,210	\$17,278,213

Estimated Impact on the Operating Budget

The summer projects over FY 2017 have primarily been for maintenance sustainability. The school district is currently constructing a solar farm to provide power to the District Office campus and additional power will be sold back to SCE&G. The project will not affect the operating budget until FY2019 when the solar farm is expected to produce enough electricity yearly to operate the District Office campus. This should result in a reduced utility cost between \$65,000 to \$100,000 annually. Currently other capital projects underway will not have any significant impact on the 2017-2018 operating budget.



Debt

Objectives of Debt Program

The School District, in conjunction with its Financial Advisor, manages its debt to meet the following objectives:

- Maintain cost-effective access to the capital markets through prudent policies
- Maintain moderate debt and debt service payments with effective planning and coordination with schools/departments
- Meet significant capital demands through debt financing and alternate financing mechanisms
- Achieve the highest practice credit ratings
- Prevent large fluctuations in millage rates throughout the life span of the debt

These objectives were designed to develop a debt policy that would have the least impact on taxpayers of Beaufort County while still improving aging facilities, equipping schools with technology, and providing new facilities for a growing student population.

Outstanding Debt

At June 30, 2016, the School District had \$329.3 million in general obligation bonds outstanding. The debt includes a combination of bonds issued from the last three bond referenda and from bonds issued under the State's 8% constitutional debt limit. Details of those bonds are provided as follows; however, more details about the projects approved in these referenda may be found in the "Capital Projects" section of this document.

2008 Referendum

In the spring of 2008, voters approved a \$162.7 million bond referendum. This bond issue was used to fund the purchase of land for four new school sites, technology upgrades, to construct two early childhood centers in the Bluffton area and Pritchardville Elementary School and River Ridge Academy in the Bluffton area. Debt outstanding against 2008 referendum bonds totaled \$102.2 million at June 30, 2016.

2006 Referendum

During May 2006, a \$43.7 million 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 \$43.7 million in general obligation bonds under the referendum. Debt outstanding at June 30, 2016 against these bonds totals \$36 million.

2000 Referendum

In March 2000, a School District referendum was passed approving the issuance of \$122 million in general obligation bonds. Debt outstanding at June 30, 2016 against these bonds totals \$71.8 million.

2006 IPRR Bonds

In December of 2006, the School District defeased an existing bond anticipation note with the issuance of a \$39.1 million Installment Purchase Refunding Revenue Bond (IPRR Bonds). For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the School District's financial statements.

The December 1, 2006 IPRR bonds are not an obligation of the School District; however, the Education Facilities Corporation (EFC) is a blended component unit and its debt that is included with the School District's other obligations. Outstanding debt of \$30.6 million exists as of June 30, 2016.

Qualified Zone Academy Bonds (QZAB)

A grant was written and awarded for Qualified Zone Academy Bonds (QZAB) to fund eligible schools needing new roofs or heating and air conditioning systems. In October 2015, the School Board approved the issuance of Qualified Zone Academy Bonds (QZAB) not to exceed \$6.8 million in general obligation bonds for the approved projects. These bonds are subject to the 8% debt limit.

Tax Anticipation Note (TAN)

Each year, the School District issues a tax anticipation note (TAN) to supplement its cash flows during months of low tax collections. It issues the note in the fall and is required to repay it no later than April 15th of the following year. In June 2015, the Board approved the issuance of a \$18 million TAN that was repaid by March 2017. In June 2017, the District has approved a TAN in the amount of \$18.0 million for FY 2018.

Bond Anticipation Note (BAN)

During the FY 2017 there were no Bond Anticipation Notes issued and none are planned for FY 2018.

Legal Debt Limit

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. After November 30, 1982, 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.

Bond indebtedness existing on November 30, 1982, and 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. As of June 30, 2016, the remaining debt margin available to the School District was approximately \$56.4 million.

The total debt outstanding against all referenda bonds not subject to the 8% limitation was \$209.9 million at June 30, 2016. In addition, the EFC IPRR bonds of \$30.6 million referenced earlier are not subject to the 8% limitation. As of the date of this report, the legal debt margin calculations as of June 30, 2016 are shown below:

Legal Debt Margin Calculation as of June 30, 2016:

Assessed value	<u>\$ 1,804,901,658</u>
Debt limit (8 % of assessed value)	<u>144,392,133</u>
Debt applicable to limit:	
Total bonded debt	328,572,621
Less: Bond issuances	
approved by referendum	(209,962,000)
Less: Installment Purchase	
Revenue Bond	<u>(30,585,000)</u>
Total net debt applicable to limit	<u>88,025,621</u>
 Legal debt margin	 <u><u>\$ 56,366,512</u></u>

8% Debt

The current debt plan includes annual capital renewal projects in the amount of \$20 million over the next ten years. The District’s debt millage rate allows the School District to pay down sufficient outstanding principal to maintain a financially stable debt program as well as meet the capital needs of a growing school district. Working within a set millage rate allows the School District to better manage the capital needs of the District’s operations while providing a predictable tax liability to our citizens.

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), which applies to all of the School District’s outstanding general obligation debt. Beaufort’s bond ratings are some of the highest in the state of South Carolina and are attributable to our healthy fund balance, effective financial management and planning as well as the stability of the local economy.

Outstanding Debt

General obligation bonds consist of the following at June 30, 2016:

Date of Issue		Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2016
February 21, 2007	*	4.0-5.0	Sept./Mar.	2032	30,000,000	100,000
December 13, 2007	*	4.5-6.5	Sept./Mar.	2032	43,660,000	1,585,000
October 14, 2009	*	3.0-5.0	Sept./Mar.	2024	62,155,000	18,955,000
December 1, 2009	*	1.05	Sept./Mar.	2026	10,000,000	10,000,000
May 18, 2010	*	3.0-5.0	Sept./Mar.	2019	21,710,000	15,220,000
March 31, 2011		5.08	Mar./Sept.	2021	1,553,303	1,503,303
December 22, 2011		4.19	Sept./Mar.	2021	2,622,318	2,572,318
December 22, 2011	**	3.0-5.0	Sept./Mar.	2020	28,770,000	4,740,000
April 24, 2012	**	3.0-5.0	Sept./Mar.	2024	16,580,000	12,660,000
November 17, 2013		2.35	March	2028	22,000,000	21,087,000
March 1, 2014		1.25	Sept./Mar.	2034	25,000,000	24,050,000
February 19, 2015	*	2.0-5.0	Sept./Mar.	2025	95,945,000	88,150,000
March 31, 2015	*	3.0-5.0	Sept./Mar.	2032	62,500,000	62,500,000
December 3, 2015	✓	0.85	Sept./Mar.	2025	6,788,000	6,775,000
February 2, 2016	* ✓	5.0	Sept./Mar.	2024	28,090,000	28,090,000
					<u>\$ 457,373,621</u>	<u>\$ 297,987,621</u>

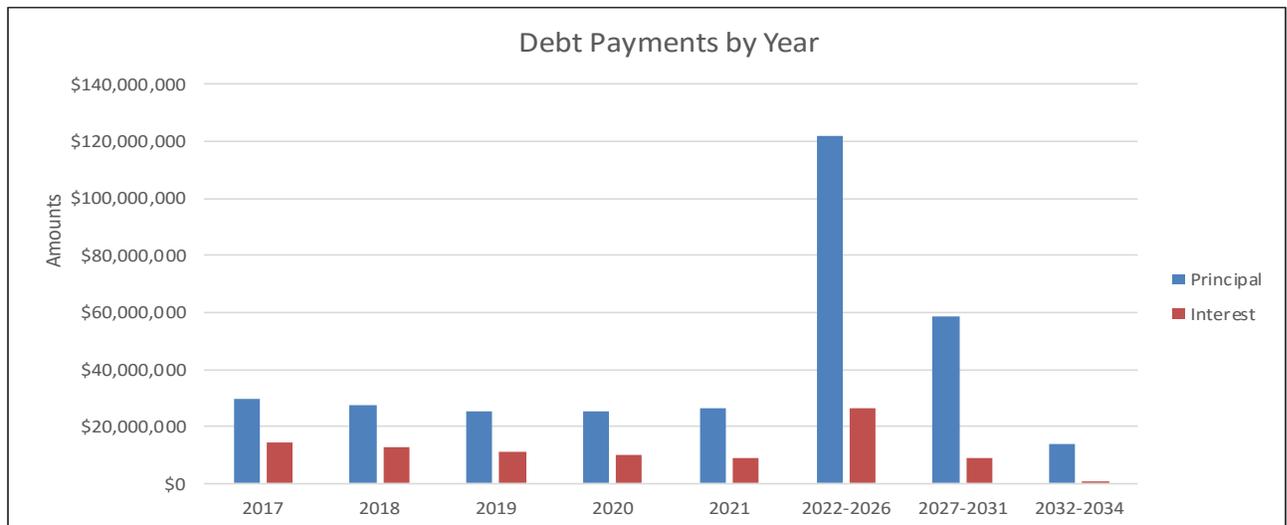
* Approved by bond referendum

** A portion was approved by bond referendum

IPRR Bonds

December 29, 2006	3.5-5.0	Dec./June	2031	\$ 39,095,000	\$ 30,585,000
Total IPRR Bonds				<u>\$ 39,095,000</u>	<u>\$ 30,585,000</u>

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2016 including interest payments over the life of the debt are as follows:



Organizational Section



**Beaufort County School District
Comparison of Positions
Four Year Comparison**

	2014-15	2015-16*	2016-17**	2017-18
District Leadership				
Superintendent	1	1	1	1
Chief Officers	4	5	5	5
Total District Leadership	5	6	6	6
	1	0	1	0
District Support				
Officers	5	3	3	3
Directors	21	21	21	22
Coordinators	16	18	18	17
Total District Support	42	42	42	42
<i>Net change from prior year</i>	6	0	0	0
School Leadership				
Principals	29	30	31	31
Assistant Principals	52	54	54	55
Athletic Directors	5	5	6	6
School Based Coordinators	11	12	12	12
Total School Leadership	97	101	103	104
<i>Net change from prior year</i>	8	4	2	1



School & District Staff

	2014-15	2015-16*	2016-17**	2017-18
Teachers	1,474	1,540	1,580	1,599
Media Specialists	29	30	31	31
Guidance Counselors	54	58	57	59
Nurses	30	35	36	36
Social Workers	21	23	24	24
Teacher Recruitment and Evaluation	1	1	1	1
Maint, Custod, Bus Drivers	20	15	211	210
Technology Network & Field Support	27	31	35	35
ROTC Instructors	12	13	13	13
Couriers	1	1	1	1
Food Service	14	13	13	12
Elementary Technology Instructional Assistants	28	28	28	28
Media Assistants	32	32	32	31
Bookkeepers	29	30	31	31
Attendance Specialists	29	31	32	32
Instructional Assistants	231	239	245	244
Other Support Staff	224	231	239	242
Total School & District Staff	2,256	2,351	2,609	2,629
<i>Net Change from prior year</i>	<i>78</i>	<i>95</i>	<i>258</i>	<i>20</i>
Board Members	11	11	11	11
Total (excluding substitute teachers)	2,411	2,511	2,771	2,792
<i>Net Change from prior year</i>	<i>92</i>	<i>100</i>	<i>260</i>	<i>21</i>
Enrollment Increase	624	368	234	232

*River Ridge Academy 2015-16
 ** May River High in 2016-17 and Transportation brought in-house 2016-17

Organizational Units

Beaufort County Board of Education

The Board of Education is responsible for establishing policies governing the education of students in Beaufort County. It is to exercise legislative and judicial powers necessary to provide a quality education and to operate the School District in an effective and efficient manner. It establishes the goals of the community and monitors the progress through reports from the Superintendent.

Strategic Standards

The Board of Education oversees the progress of the goals in the strategic plan. It ensures that the administration is focused on meeting the progress standards stated below:



FY 2018 Key Budget Items – tied to Strategic Standard #4

- 1) Annual external fiscal audit - \$54,100
- 2) Outside Counsel - \$80,000
- 3) SC School Board Association Dues and subscriptions- \$61,000
- 4) Additional professional services – \$37,500

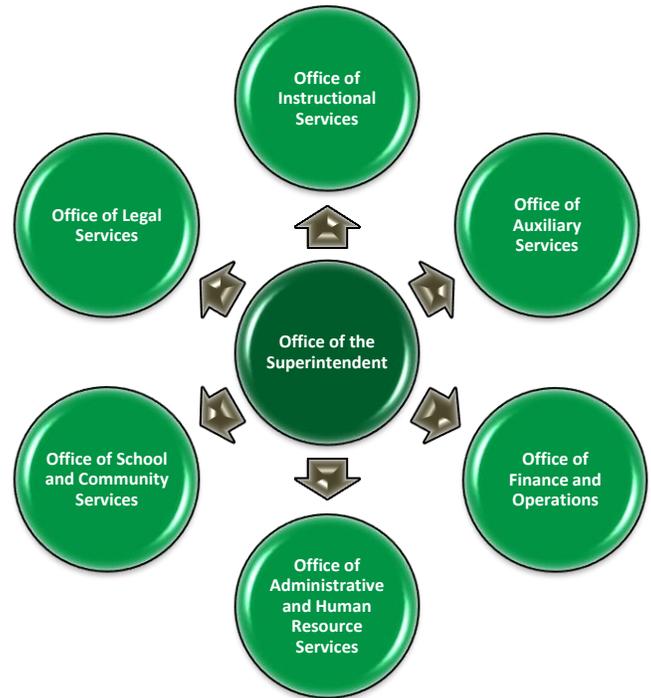


Board of Education					
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 174,519	\$ 198,811	\$ 201,965	\$ 213,975	\$ 221,812
Operating Purchases & Supplies	\$ 394,432	\$ 342,042	\$ 284,272	\$ 442,150	\$ 453,250
Total	\$ 568,951	\$ 540,853	\$ 486,237	\$ 656,125	\$ 675,062
Personnel					
Board Members	11	11	11	11	11
Classified	1	1.75	1.75	1.75	1.75
Total	12	12.75	12.75	12.75	12.75

Office of the Superintendent

The Office of the Superintendent provides the leadership and direction of the school district administration. It executes the Board of Education's policies and supervises the overall operation of the school district.

The Office of the Superintendent is constructed of six primary leadership departments each focused on a specific area in order to reach the goals of the strategic plan.



Action Process

- 1) Continue to improve academic achievement to meet the goals established by the Board of Education.
- 2) Provide Instructional leadership to the District.
- 3) Maximize use of resources to efficiently operate the District in financially challenging times.

FY2018 Key Budget Items – tied to Strategic Standard #2

- 1) Professional Development - \$9,500
- 2) Organizational Dues - \$6,500
- 3) Town Hall Interpreters - \$3,000

Office of the Superintendent					
Expenditures by Category	2013/2014 Actual	2014/2015 Actual	2015/2016 Actual	2016/2017 Budget	2017/2018 Budget
Salary & Benefits	\$ 361,252	\$ 368,355	\$ 354,689	\$ 371,697	\$ 397,255
Operating Purchases & Supplies	\$ 30,631	\$ 25,956	\$ 24,499	\$ 48,000	\$ 48,000
Total	\$ 391,883	\$ 394,311	\$ 379,188	\$ 419,697	\$ 445,255
Personnel					
Administrative	1	1	1	1	1
Classified	1	1	1	1	1
Total	2	2	2	2	2

Office of Instructional Services

The number one priority of the Office of Instructional Services is to support teaching and learning for teachers as they provide an outstanding education to the students of Beaufort County. The Instructional Services Department is responsible for assessing, developing, and evaluating curriculum; coordinating special programs; and providing for the continuous improvement of instruction. The Department provides leadership in Curriculum and Instruction. It supports administrators, teachers, and other instructional personnel as they engage all students in quality learning experiences leading to higher student achievement.

The department works collaboratively with the staff members in all programs in order to facilitate the full implementation of academic standards, the monitoring and assessment of student progress, and the use of effective teaching practices that will enhance academic success for all the students served.

Accomplishments – 2016-2017

- 1) Hosted the District's annual Summer Institute training program, Inclusive education training, and Literacy training.
- 2) Expanded Extended School Year Reading Program, and summer learning opportunities for students.
- 3) Accomplished curriculum and assessment alignment goals including consistent grading practices district wide.

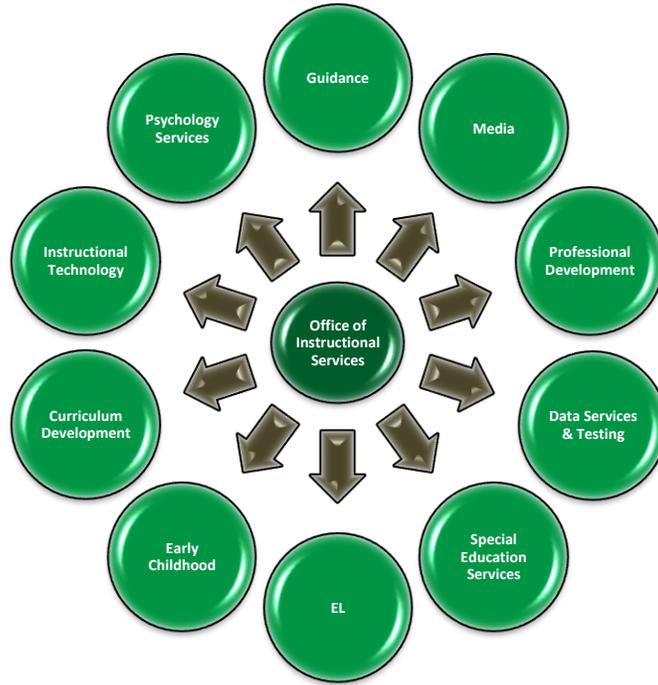
Goals for 2017-2018

- 1) Continue support of district-wide School Choice program.
- 2) Continue implementation and Support a district-wide Response to Intervention (RTI) program.
- 3) Implement and support a comprehensive assessment system and analysis of student learning data for increased student achievement.

- 4) Continue to support a district-wide literacy plan K-12.
- 5) Continue to expand support of district-wide science, technology, engineering, and math (STEM) program.
- 6) Support and provide ongoing professional development to all staff to ensure the implementation of best practice.
- 7) Promote student well-being through the support and development of social, emotional, and physical health programs.
- 8) Increase the number of students reading on grade level.
- 9) Increase the number of students that graduate.
- 10) Increase student achievement and close achievement gaps.
- 11) Promote innovative programs that will enhance academic achievement and provide skills that will compete in a global economy and society.

FY 2018 Key budget Items – tied to Strategic Standard #1, #3, #4 & #5

- 1) Professional Development - \$328,083
- 2) Summer Institute - \$391,639
- 3) IB program - \$175,000
- 4) Dual enrollment - \$400,000
- 5) Instructional software licenses - \$1,414,600
- 6) Fine Arts distribution to schools - \$67,500
- 7) College and Career Readiness Initiative - \$524,920



Office of Instructional Services					
Expenditures by Category	2013/2014* Actual	2014/2015** Actual	2015/2016*** Actual	2016/2017 Budget	2017/2018 Budget
Salary & Benefits	\$ 7,025,509	\$ 7,002,787	\$ 7,140,892	\$ 7,384,427	\$ 7,909,293
Operating Purchases & Supplies	\$ 2,490,837	\$ 2,903,158	\$ 2,740,589	\$ 4,050,611	\$ 4,406,690
Capital Outlay				-	-
Total	\$ 9,516,345	\$ 9,905,945	\$ 9,881,481	\$ 11,435,038	\$ 12,315,983
Personnel					
Administrative	16.5	25	25	30	27
Certified	41	53	53	38	44
Classified	11	11	11	12	11
Total	68.5	89	89	80	82

*FY 2014 certified personnel includes school instructional coaches and coordinators were added under instructional services.

**FY 2015 Special Education coordinators and teachers were added to the General Fund due to a reduction in IDEA funding.

***FY 2016 State funding was provided to support the cost of instructional coaches.



Office of Auxiliary Services

Auxiliary Services, formerly known as Student Services, is a vital part of the Beaufort County School District. The Auxiliary Services team develops, coordinates and implements prevention and intervention programs and services for students experiencing educational, social, health, and behavioral difficulties. The core staff members are Social Workers, Nurses, School Psychologists, Behavior Management Specialists, Alternative Program Staff and Adult Education Staff. These professionals work with parents, staff, community agencies, and others to assist students in their academics, health care, attendance, and personal, social and interpersonal matters.

Some of the developmental and preventive programs delivered by Auxiliary Services Staff include: attendance, youth suicide prevention, conflict resolution/peer mediation, child abuse and neglect, self-esteem, teen pregnancy prevention programs, along with character development/values education, parenting programs, disruptive youth programs, programs for homeless children, drug and alcohol related programs, health and wellness programs, behavior management programs and many other programs to assist students in being successful in school.

Beaufort County Schools ended the outsourcing of bus transportation on June 30, 2016. In FY2017, the School District completed its first year operating in house transportation services. The transportation fleet consists of school district owned buses and buses provided by the state of SC. The ferry service from Daufuskie Island to Hilton Head Island remains outsourced.

Protective Services insures schools are safe for students, staff, and visitors. School resource officers are contracted through local law enforcement offices to serve in middle and high schools. Crossing guards are also contracted in

conjunction with local law enforcement departments and private security companies.

Custodial and grounds services keep all school and district building clean and maintained for a productive learning environment for students and employees. Grounds services cover all cutting and upkeep on athletic fields and school campuses throughout the district.

Accomplishments – 2016-2017

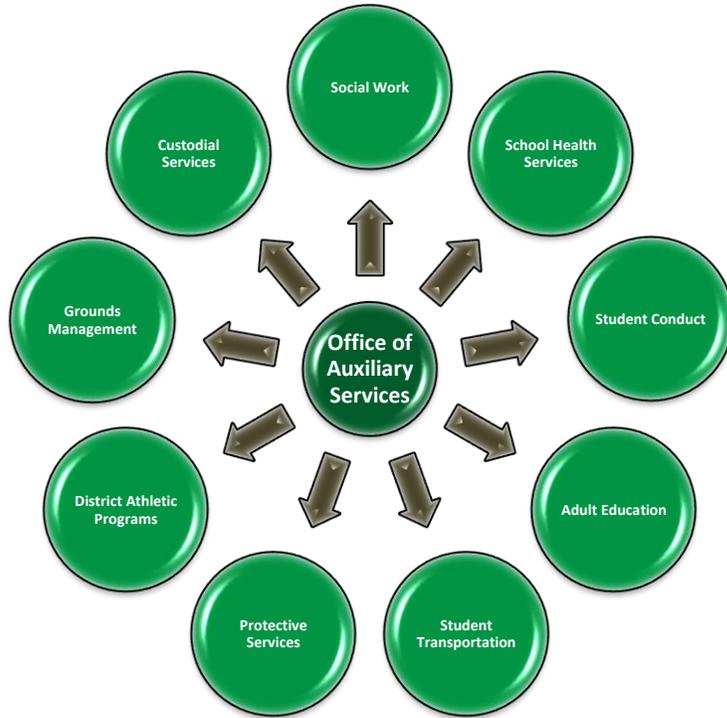
- 1) Successful transition of student transportation services to district provided services.
- 2) Coach's Convocation hosted over 150 district athletic coaches.
- 3) Social Workers were recognized for "Broker Excellence."
- 4) E3 program provided opportunities for high school Juniors and a cohort of 7th grade student to visit colleges and universities throughout the state.
- 5) Successfully completed school of choice enrollment of over 1,000 students.

Goals for 2017-2018

- 1) Hire and maintain a pool of bus drivers.
- 2) Reduce suspensions and dropout rate.
- 3) Increase graduation rate.
- 4) Provide support to coaches & Athletic Directors.
- 5) Ensure that schools and sites are safe and secure.
- 6) Provide professional development for trauma awareness and intervention.
- 7) Implement district-wide character education.

FY 2018 Key Budget Items – tied to Strategic Standards #1, 3 & 4:

- 1) Athletic liability insurance-\$375,000
- 2) Cleaning services - \$5,976,855
- 3) Grounds Maintenance - \$1,459,956
- 4) Student Transportation \$6,047,000
- 5) SRO's and crossing guards \$998,365



Office of Auxiliary Services

	2013/2014*	2014/2015	2015/2016	2016/2017**	2017/2018
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 1,280,155	\$ 892,800	\$ 984,302	\$ 5,980,691	\$ 6,273,664
Operating Purchases & Supplies	\$ 9,619,670	\$ 7,412,377	\$ 7,542,785	\$ 9,582,098	\$ 9,702,246
Capital Purchases	\$ -	\$ -	\$ -	\$ 70,000	\$ 69,000
Total	\$ 10,899,825	\$ 8,305,177	\$ 8,527,087	\$ 15,632,789	\$ 16,044,910
Personnel					
Administrative	2	2	2	4	4
Classified	14	14	12	233	246
Total	16	16	14	237	250

*Psychology Services were moved to Instructional Services and in FY 2013 District Athletic programs were added to Auxiliary Services.

**2017 -Transportation services no longer outsourced.

**2017 - Custodial and grounds services were moved under the Auxiliary Services Department.



Office of Finance and Operations

The Office of Finance and Operations provides the support for operations of all the schools and facilities in the district. The spectrum of the department operations starts from construction of new facilities to maintenance and upkeep of the existing buildings. Also included is the Finance Department which is responsible for monitoring budgets, providing financial status reports, procurement of goods and services, and acquiring funding to support those operations.

School Food Services assures that all students will have the nourishment they need each day to enhance their learning experience. The department provides nutrition education programs to students, parents, and employees. School Food Services is contracted to an outside vendor.

Technology Services supports and maintains an optimal technology environment for student education and administrative support in the Beaufort County School District. The mission of Technology Services is to provide a single point of contact for problem reporting, resolution and escalation of district approved technical and instructional resources for employees of Beaufort County School District. Our goal is to foster an environment that provides knowledge resources to promote self-help resolution. The customer service staff is committed to an optimal technical environment for student education and administrative support.

Facilities, Planning and Construction maintains the buildings and oversees all new construction in the school district. The department develops plans for capital improvement to meet the enrollment and programs needs of the Beaufort County School District.

Accomplishments – 2016-2017

- 1) Achieved an unqualified audit opinion for FY 2016.
- 2) Earned the Certificate of Excellence in Financial Reporting for FY 2016.

- 3) Earned the Distinguished Budget Presentation Award for FY 2017.
- 4) Started using Tyler Content Manager to implement paperless document storage.
- 5) Arranged a buy-back program for i-pads 2 devices.
- 6) Distributed nearly 21,000 devices and provide training to students.
- 7) Worked with Hargray Communications to assist low-income families with the annual \$20 technology usage fee.
- 8) Increased internet bandwidth from 2Gbps to 2.5Gbps.
- 9) Facilities, Planning and Construction completed its five year plan for capital improvements for 2018-2022.

Goals for 2017-2018

Financial Services

Provide ongoing training of Finance staff to maintain and upgrade skills.

- 1) Provide ongoing bookkeeper training and feedback.
- 2) Continually improve communication and customer service.
- 3) Automate of financial processes to include the following:
 - a. Complete the implementation of Employee Expense requests & approvals
 - b. Complete Implementation of Munis Tyler Content Manager
 - c. Research electronic time sheet possibilities for classified personnel using Munis Software.
 - d. Electronic Forms W-2
- 4) Continue to hold continuous internal audits on district financial processes and provide feedback.
- 5) Continually monitor policies and procedures for ways to streamline and improve processes while complying with best practices standards and legal guidelines.
- 6) Complete a successful external audit for FY 2017 receiving an unqualified

auditor's opinion with no financial findings.

- 7) Receive Distinguished Budget Presentation Award for FY 2018.
- 8) Receive GFOA Certificate of Excellence in Financial Reporting for FY 2017.

Technology Services

- 1) Arrange buy-back for remaining iPad 2 devices and refresh by rolling down the iPad Air's.
- 2) Conduct a device swap for 6,500 tablets to upgrade to the new District standard.
- 3) Continue to evaluate technology to increase wireless coverage for students throughout Beaufort County.
- 4) Continue to expand professional development opportunities for Technology Service staff.
- 5) Continue capital improvement projects, including data center and server refreshes, upgrades of school data closets and data electronics upgrades.
- 6) Continue to evaluate Connect2Learn.

Facilities, Planning and Construction

- 1) Complete all capital projects on time and within budget.
- 2) Establish, implement, and maintain design/construction standards throughout District projects and facilities.
- 3) Provide reports to ensure the Board of Education and the public are adequately informed on current and future capital projects.
- 4) Maintain the safety, energy efficiency, and operation of all facilities to a standard that instills pride in employees, students and the community.

Operations

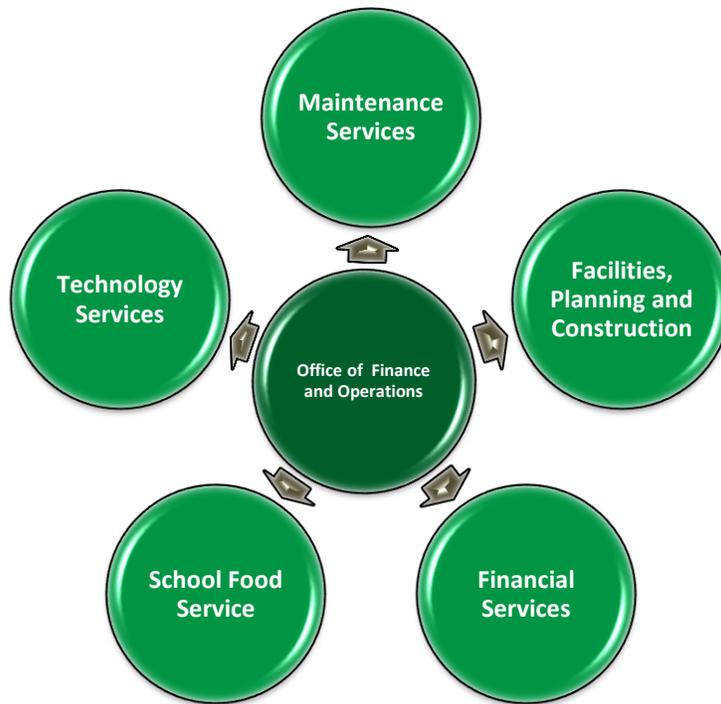
- 1) Continued implementation of facilities use program, including on-line software.
- 2) Ensure contracts are in place for all long term users of facilities.
- 3) Continue to enhance records management systems.
- 4) Actively market underutilized property using on-line bidding system.
- 5) Assist protective services coordinator in implementation of on-line security software which interfaces with facilities software.

Food Service

- 1) Continue to work with State Department on Farm to School Program
- 2) Continue to focus on student satisfaction through on-going Student Advisory Council meetings.
- 3) Maintain excellent safety/sanitation standards.
- 4) Continue to participate in Fresh Fruits and Vegetables grant program.
- 5) Grow meal participation at all grade levels.

FY 2018 Key Budget Items – tied to Strategic Standards #2, #4, & #5

- 1) Utility cost - \$8,811,046
- 2) Building Maintenance - \$3,305,891
- 3) Property Insurance - \$3,131,616
- 4) Hardware and software contracts, site licenses, renewals, and online training - \$787,500
- 5) District business software applications \$762,714
- 6) Computer and iPad repairs \$524,920



Office of Finance and Operations

Expenditures by Category	2013/2014	2014/2015	2015/2016	2016/2017	*2017/2018
	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 4,499,703	\$ 4,776,234	\$ 4,900,335	\$ 5,445,467	\$ 5,626,237
Operating Purchases & Supplies	23,157,234	23,465,706	24,583,903	26,593,348	20,269,449
Capital Outlay	339,225	375,678	717,532	170,000	220,000
Total	\$ 27,996,161	\$ 28,617,618	\$ 30,201,770	\$ 32,208,815	\$ 26,115,686
Personnel					
Administrative	16.5	17.5	17.5	16.5	16.5
Classified	23.5	42.5	42.5	43.5	47
Total	40	60	60	60	63.5

*Note: FY2018 Custodial and Grounds Management moved to Auxiliary Services



Office of School and Community Services

The Office of Communications works to build public understanding and support for schools in the Beaufort County School District. An arm of the Superintendent's Division, the Office of Communications keeps the citizens of the district regularly and thoroughly informed through a variety of methods. The office is responsible for internal and external communications, providing general information and customer service. Other functions include writing and distributing news releases, publications and award nominations, managing overall content of the district's website and social media platforms, and coordinating content on the district's mobile app. The office reviews requests for information, serves as a liaison with outside foundations and volunteer groups and coordinates district-wide awards ceremonies, dedications and other special events. It publishes annual reports and electronic district newsletters and videos. It also assists in coordinating news media coverage of the educational process in the Beaufort County School District.

Accomplishments – 2016-2017

- 1) Started publishing "Between the Lines" an electronic magazine that's publishes monthly during the school year to recap events going on in the BCSD.
- 2) Published the BCSD "Community Report Card" showing how our students are progressing and key metrics for the school district.

Goals for 2017-2018

- 1) Convert web-site over to new format.
- 2) Inform the public on the uses and need for the proposed one-penny education sales tax.
- 3) Collaboration with stakeholders and use their knowledge skills and resources to support student learning.
- 4) Use system-wide strategies to listen to and communicate with stakeholders.
- 5) Communicate expectations and results for student learning and goals for improvement to all stakeholders.

FY2018 Key Budget Items – tied to Strategic Standard #4

- 1) Marketing/communications initiatives \$15,000
- 2) Advertising - \$9,000
- 3) Graphic design services \$15,000



Office of School and Community Services					
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 279,442	\$ 287,069	\$ 287,247	\$ 292,411	\$ 313,167
Operating Purchases & Supplies	\$ 24,196	\$ 40,676	\$ 35,527	\$ 40,800	\$ 60,900
Total	\$ 303,638	\$ 327,745	\$ 322,774	\$ 333,211	\$ 374,067
Personnel					
Administrative	3	3	3	1	1
Certified	0	0	0	3	3
Classified	0	0	0	0	0
Total	3	3	3	4	4

Office of Administrative and Human Resource Services

The goal of the Office of Administrative and Human Resource Services is to recruit, hire, retain and support employees to serve our current staff members, students and the community. Employee Services and Support includes retirement, benefits, certification, and personnel. Jointly reporting to the Office of Legal Services, the Risk Management Office administers the District self-insurance funds and excess insurance policies for workers compensation, general liability, crime, and property damage to buildings and equipment. This office investigates and processes all claims, negotiates coverage and premiums and provides liaison with excess insurance carriers, and authorizes payments from district claim funds as appropriate.

Accomplishments – 2016-2017

- 1) Processed 750 new staff members from full to part-time positions throughout the year.
- 2) Reviewed over 2,000 applications posted for vacancies on AppliTrack.
- 3) Contracted to outsource substitute teachers.
- 4) Increased volunteer pool from 5,000 to 7,000 members.
- 5) Increased employee participation from 89% to 91% for employee benefit file reviews.

Goals for 2017-2018

Action Processes

- 1) Continue training for new evaluation system SCTS4.0.
- 2) Research for time and attendance systems for implementation in the district to ensure compliance with new FLSA Laws.
- 3) HR file system migration from paper employee files to electronic employee files.

FY 2018 Key Budget Items – tied to Strategic Standard #4

- 1) Mentor/Evaluation/Teams - \$150,000
- 2) Legal Services- \$220,000



Office of Administrative and Human Resources Services

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 1,633,737	\$ 2,059,373	\$ 2,001,341	\$ 1,995,849	\$ 2,058,124
Operating Purchases & Supplies	\$ 511,212	\$ 377,570	\$ 603,059	\$ 667,100	\$ 836,600
Capital Outlay	-	-	-	-	-
Total	\$ 2,144,949	\$ 2,436,943	\$ 2,604,400	\$ 2,662,949	\$ 2,894,724
Personnel					
Administrative	6	7	7	8	8
Certified	4	3	3	3	3
Classified	7	7	9.5	9.5	9.5
Total	17	17	19.5	20.5	20.5

All Beaufort County Schools

Elementary Schools

- Beaufort Elementary School
- Bluffton Early Childhood Center
- Bluffton Elementary School
- Broad River Elementary School
- Coosa Elementary School
- Daufuskie Island School
- Hilton Head Island Early Childhood Center
- Hilton Head Island Elementary School
- Hilton Head Island School for the Creative Arts
- James J. Davis Early Childhood Center
- Joseph S. Shanklin Elementary School
- Lady's Island Elementary School
- Michael C. Riley Early Childhood Center
- Michael C. Riley Elementary School
- Mossy Oaks Elementary School
- Okatie Elementary School
- Port Royal Elementary School
- Pritchardville Elementary School
- Red Cedar Elementary School
- St. Helena Elementary School
- Whale Branch Elementary School

Pre-K-8 Schools

- River Ridge Academy
- Robert Smalls International Academy

K-8 School

- Riverview Charter School

Middle Schools

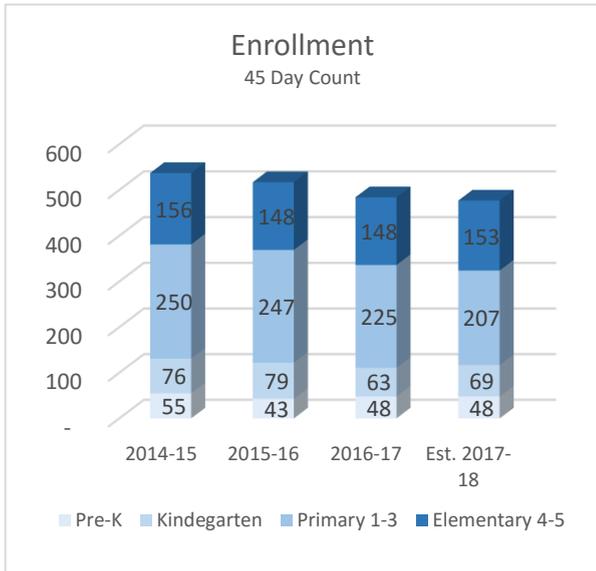
- Beaufort Middle School
- Bluffton Middle School
- H. E. McCracken Middle School
- Hilton Head Island Middle School
- Lady's Island Middle School
- Whale Branch Middle School

High Schools

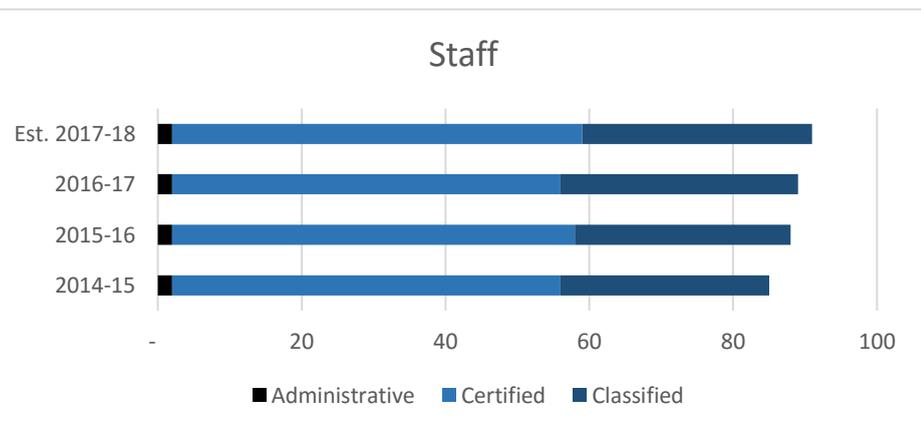
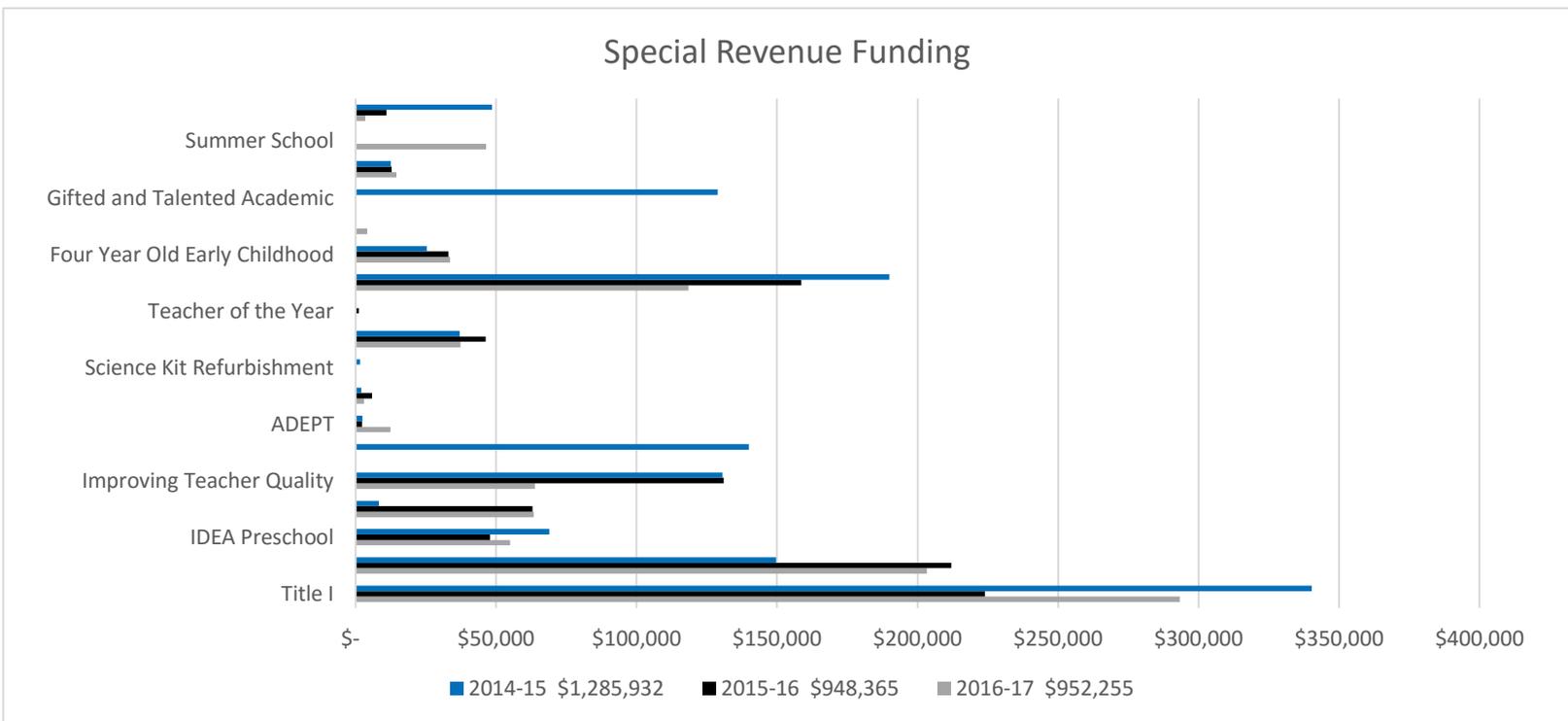
- Battery Creek High School
- Beaufort High School
- Bluffton High School
- Hilton Head Island High School
- Islands Academy
- May River High School
- Whale Branch Early College High School

Beaufort Elementary

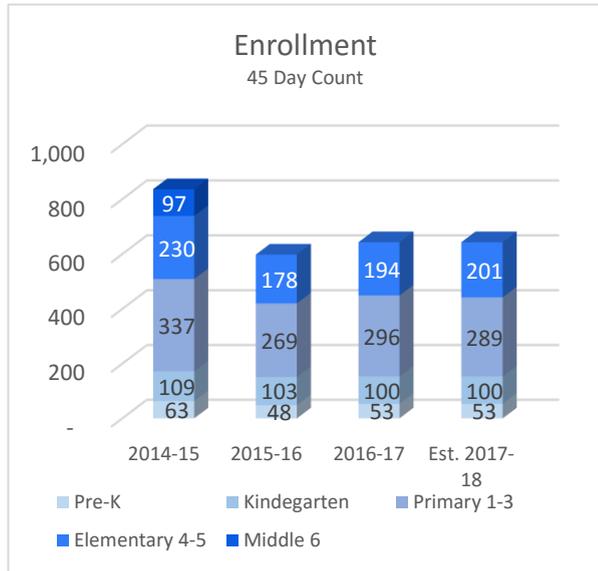
Beaufort Elementary was built in 1986 on the site of the former Beaufort High School location. The building has the capacity to hold 808 students. As a school of choice, it was the first in the District to offer a Montessori program. It also offers the AMES Academy dedicated to challenging the gifted learner academically.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 3,449,581	\$ 3,621,959	\$ 3,767,984
Instructional Support	\$ 667,332	\$ 740,306	\$ 748,324
Maint, Security, & Tech.	\$ 590,522	\$ 564,336	\$ 608,387
Total:	\$ 4,707,435	\$ 4,926,601	\$ 5,124,695



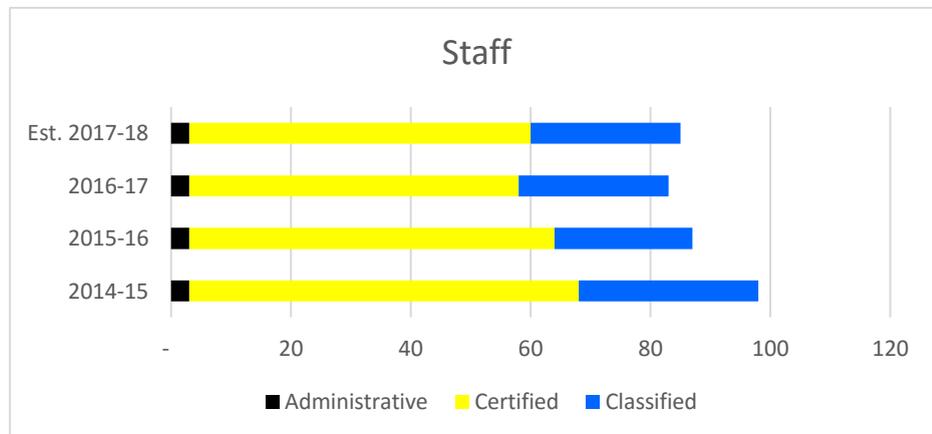
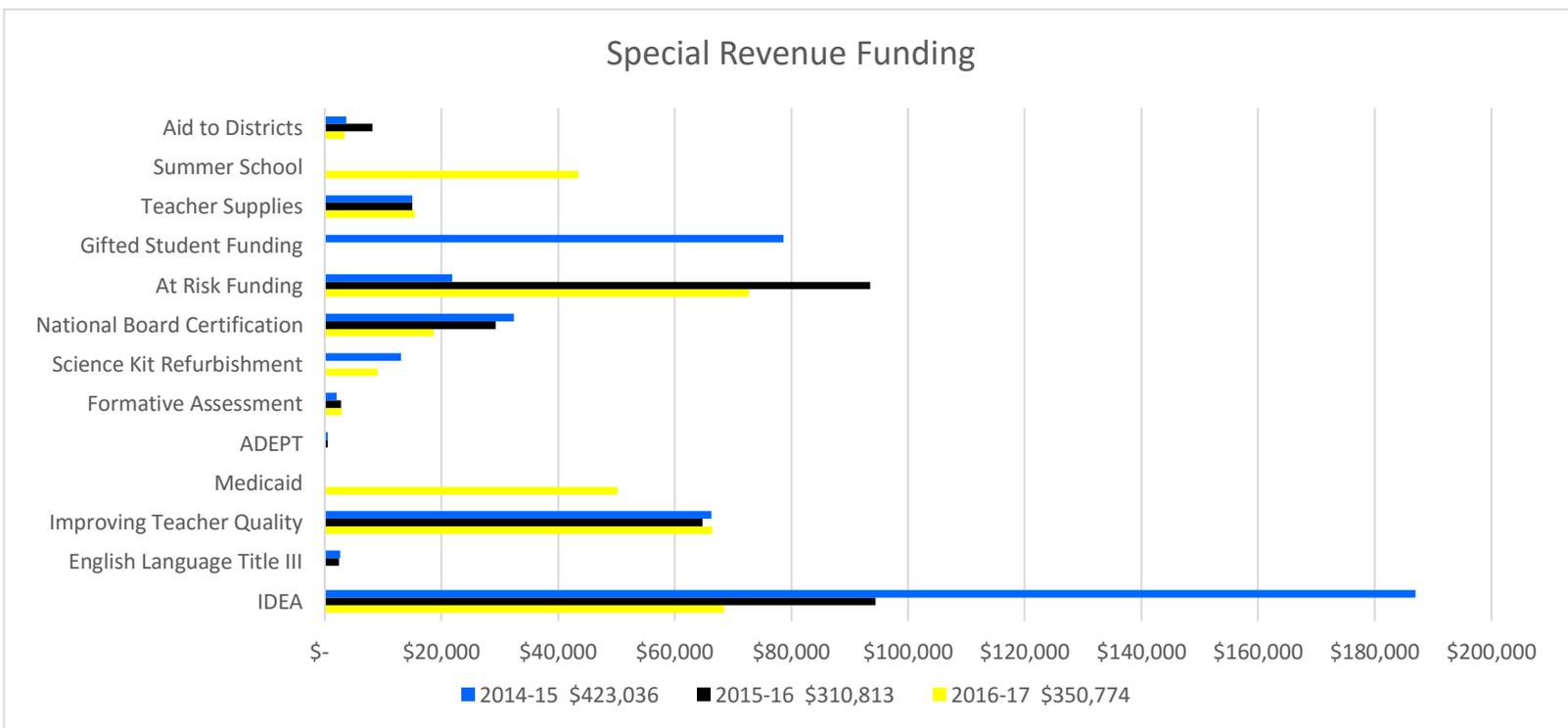
Bluffton Elementary & Early Childhood Center



Bluffton Elementary was built in 2000 with a capacity for 519 students. An additional wing was added in 2008 which increased the capacity to 694. Overcrowding persisted at Bluffton Elementary until the Bluffton Early Childhood Center was opened in 2010 which added room for 400 Pre-K and Kindergarten students. Reassignment due to the opening of River Ridge Academy caused enrollment to drop in 2015-2016. Bluffton Elementary is listed as a school of choice for Animation, Creation, & Design.

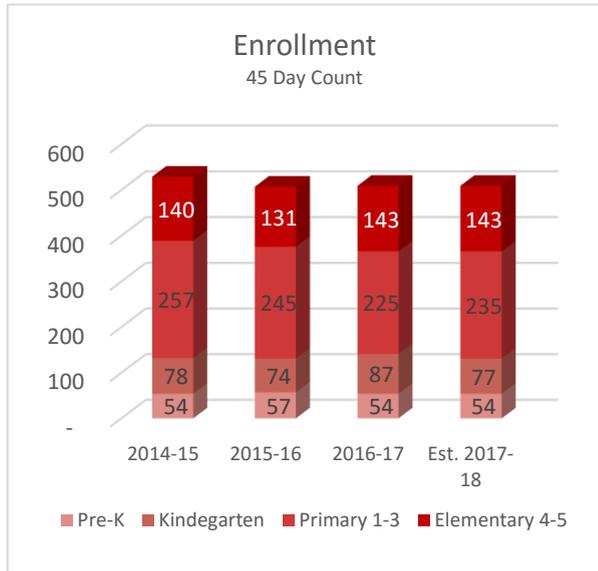


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 4,267,105	\$ 3,972,762	\$ 3,917,320
Instructional Support	\$ 967,732	\$ 869,634	\$ 772,369
Maint, Security, & Tech.	\$ 852,143	\$ 728,184	\$ 681,187
Total:	\$ 6,086,980	\$ 5,570,580	\$ 5,370,876

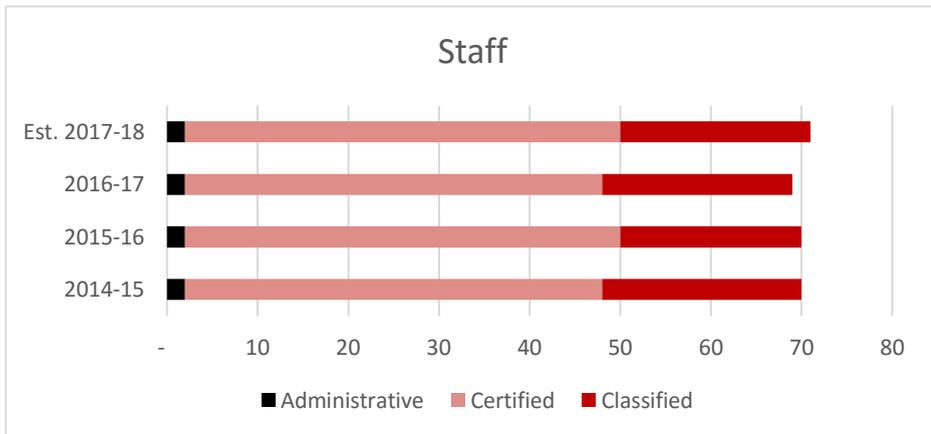
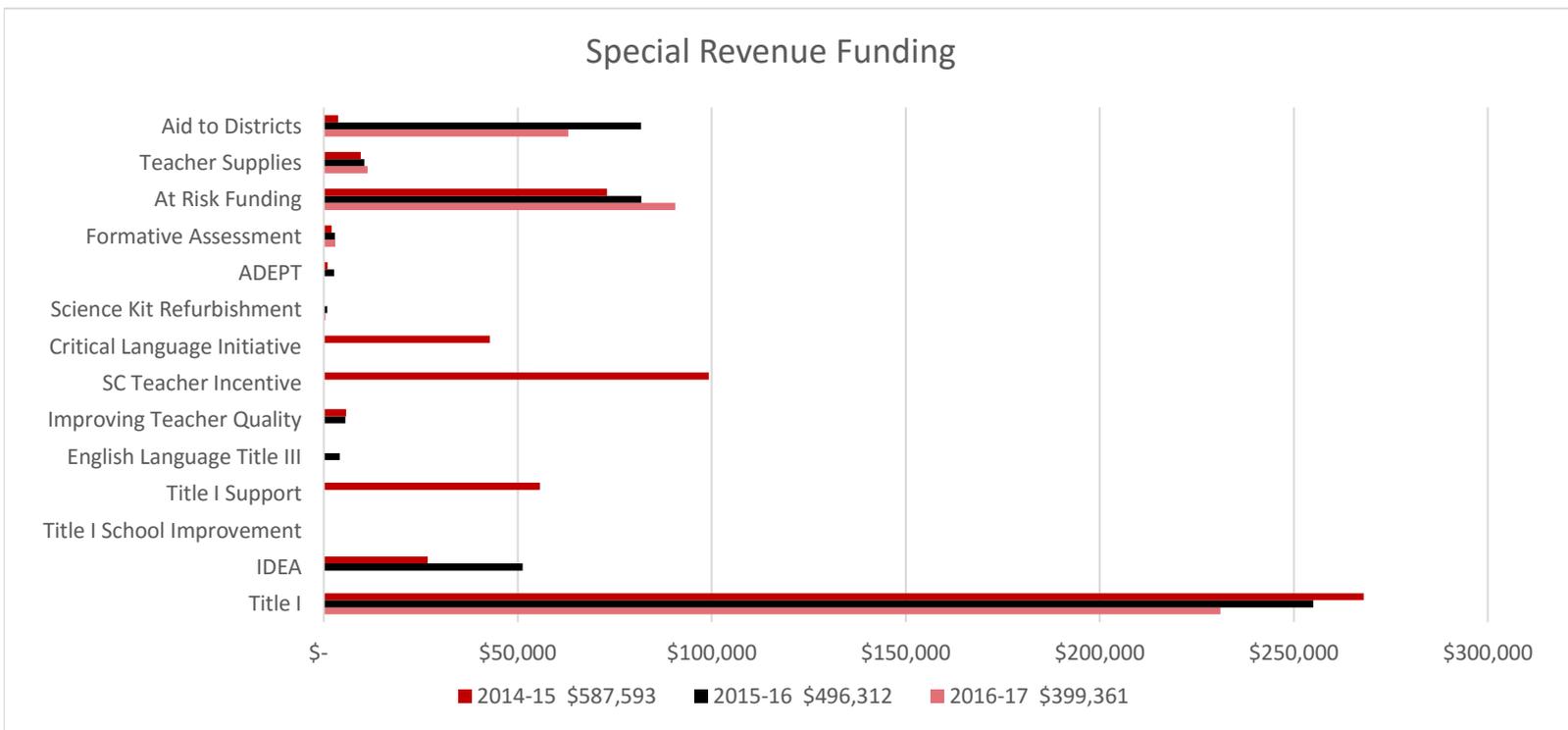


Broad River Elementary

Broad River Elementary was built in 1957 and has the capacity to hold 536 students. The school was one of the original elementaries to pilot the Chinese Immersion program. Today it is offered as a school of choice for Dual Language Immersion Programs in Spanish or Chinese.

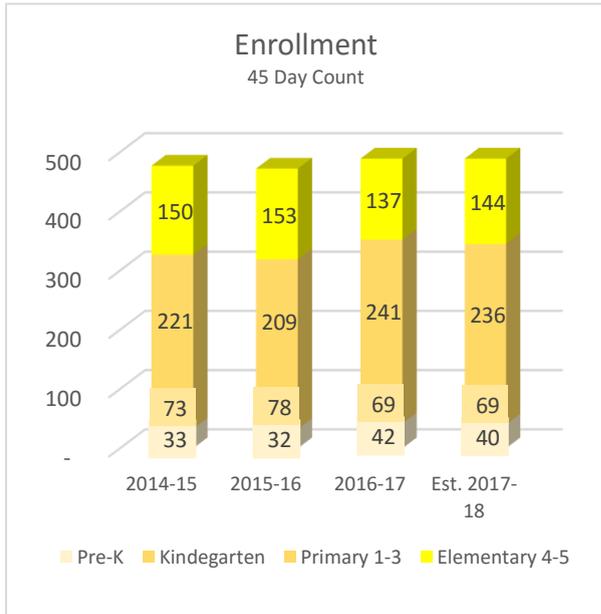


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,947,707	\$ 3,084,393	\$ 3,229,564
Instructional Support	\$ 655,746	\$ 702,249	\$ 616,274
Maint, Security, & Tech.	\$ 317,500	\$ 366,674	\$ 350,470
Total:	\$ 3,920,953	\$ 4,153,316	\$ 4,196,308

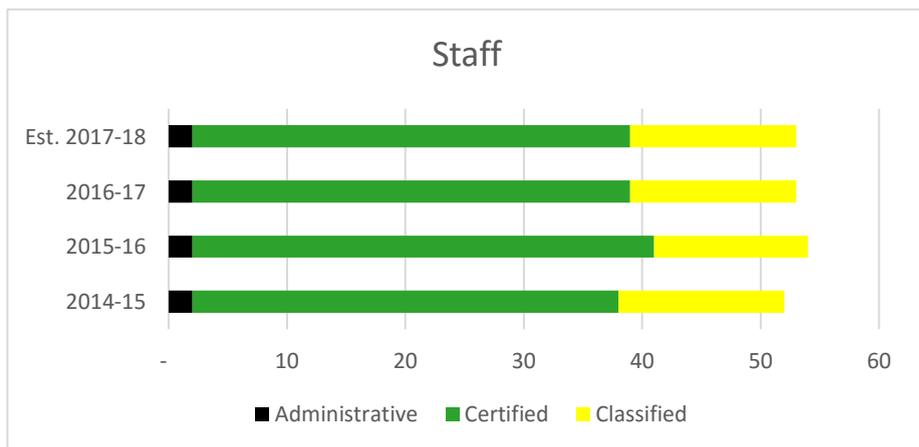
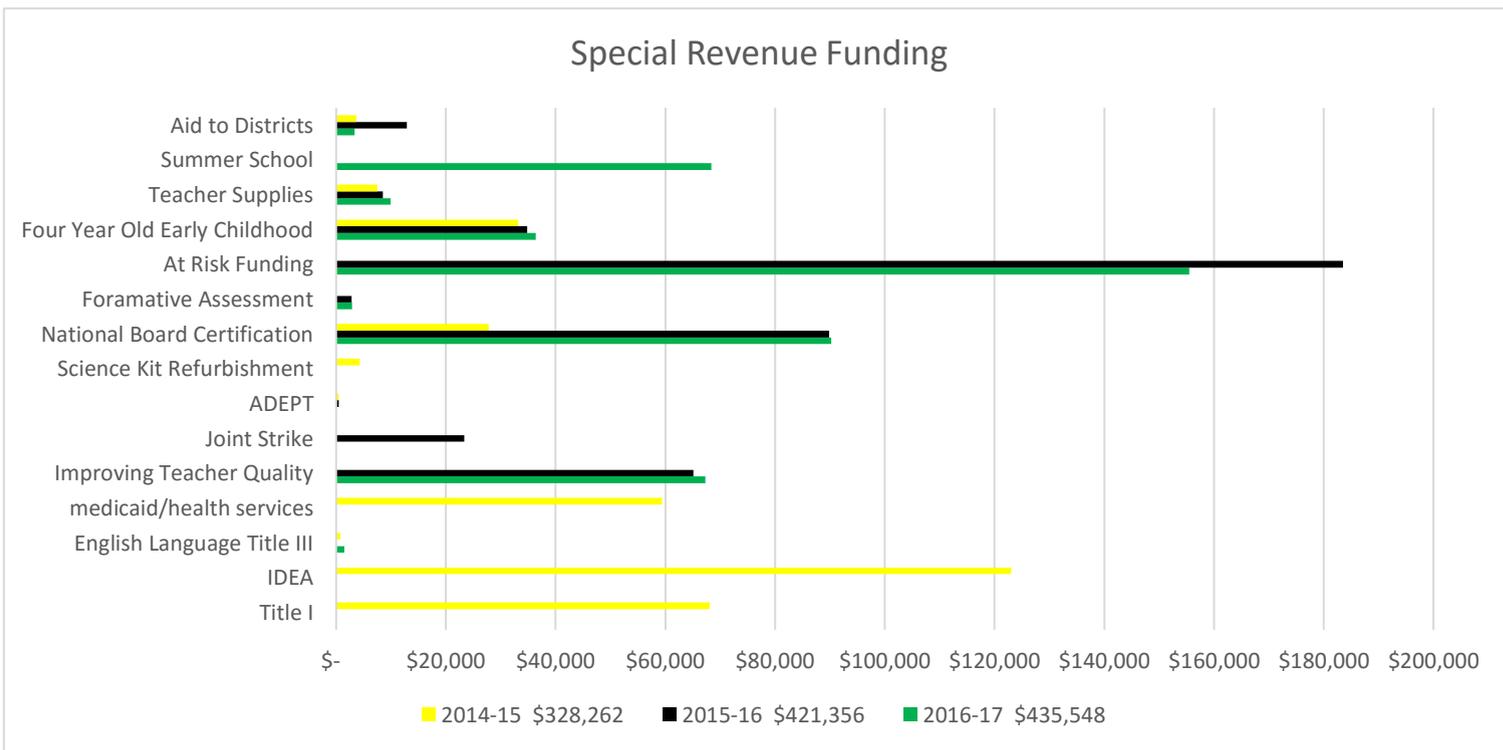


Coosa Elementary

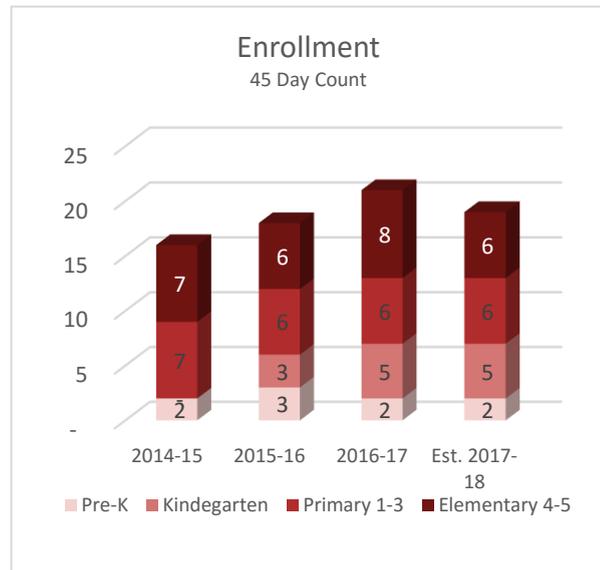
Coosa Elementary opened its doors in 1998. The school was built to house 476 students. Soon after its opening, the school was over capacity and mobile units were added to accommodate the overcrowding. For a time, the fifth grade was moved to Lady's Island Middle. In 2014-2015 the fifth grade was moved back to the school. As a school of choice, Coosa offers the "Learning Through Leadership Program."



Program Expenses	Un-Audited		
	Actual	Actual	Actual
General Fund	2014-15	2015-16	2016-17
Instructional	\$ 2,778,322	\$ 2,584,499	\$ 2,879,110
Instructional Support	\$ 693,504	\$ 721,591	\$ 728,638
Maint, Security, & Tech.	\$ 365,162	\$ 397,229	\$ 409,521
Total:	\$ 3,836,987	\$ 3,703,319	\$ 4,017,269



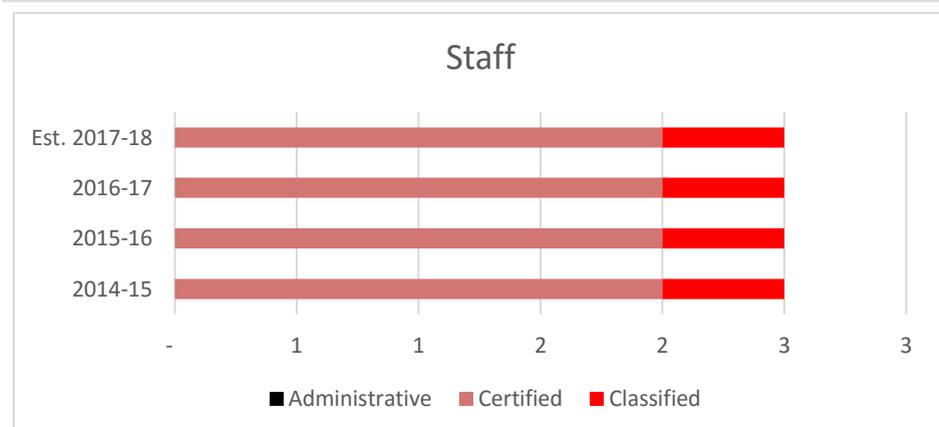
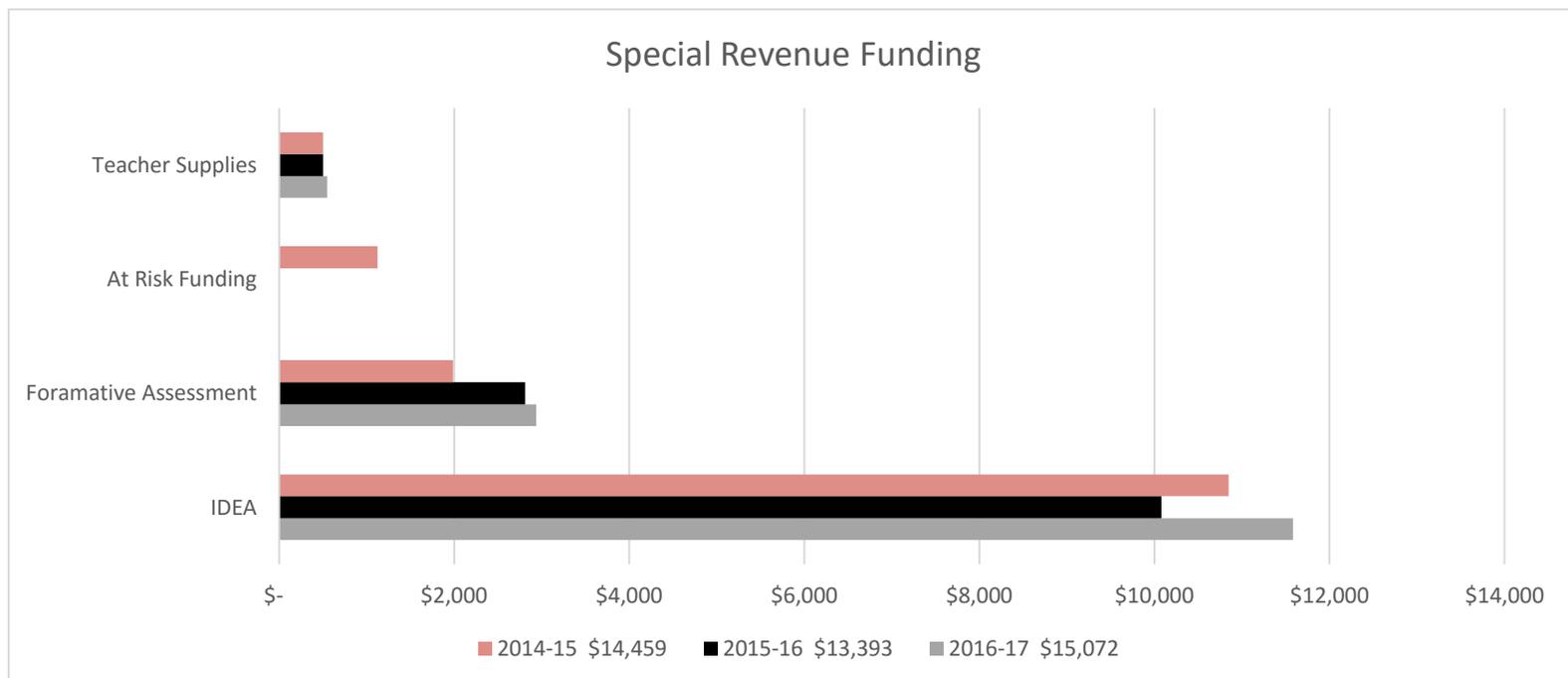
Daufuskie Elementary



Daufuskie Elementary is the second oldest school in the District originally built in 1935. The Daufuskie Island School is only accessible by water, and the small school has been expanded over the years with the ability to now house 64 students. The small student body and staff fall under the supervision of Hilton Head Island School for Creative Arts leadership. The school participated in the Arts Infused program.

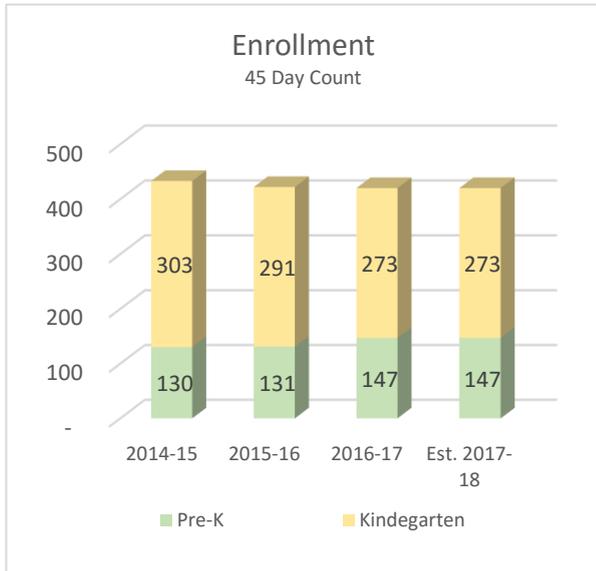


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 161,088	\$ 172,651	\$ 179,248
Instructional Support	\$ 39,014	\$ 22,479	\$ 21,843
Maint, Security, & Tech.	\$ 161,981	\$ 69,685	\$ 75,140
Total:	\$ 362,083	\$ 264,815	\$ 276,231

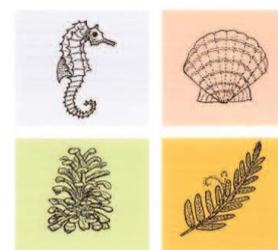
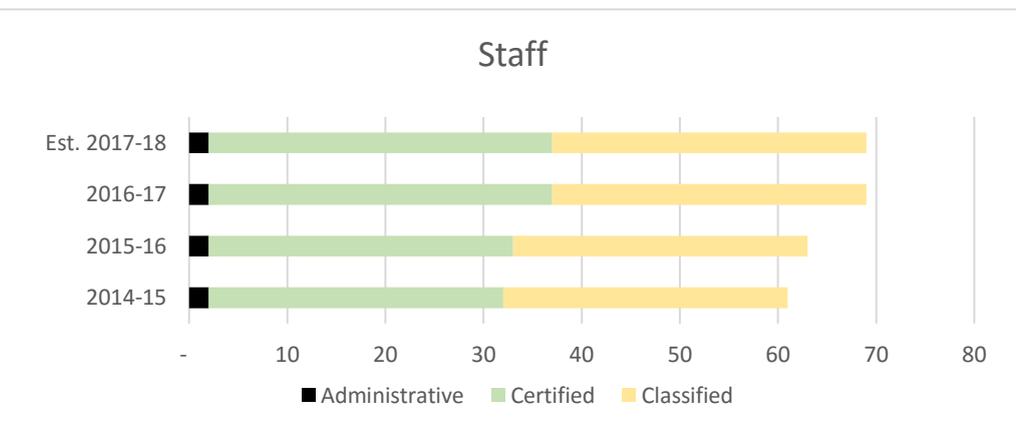
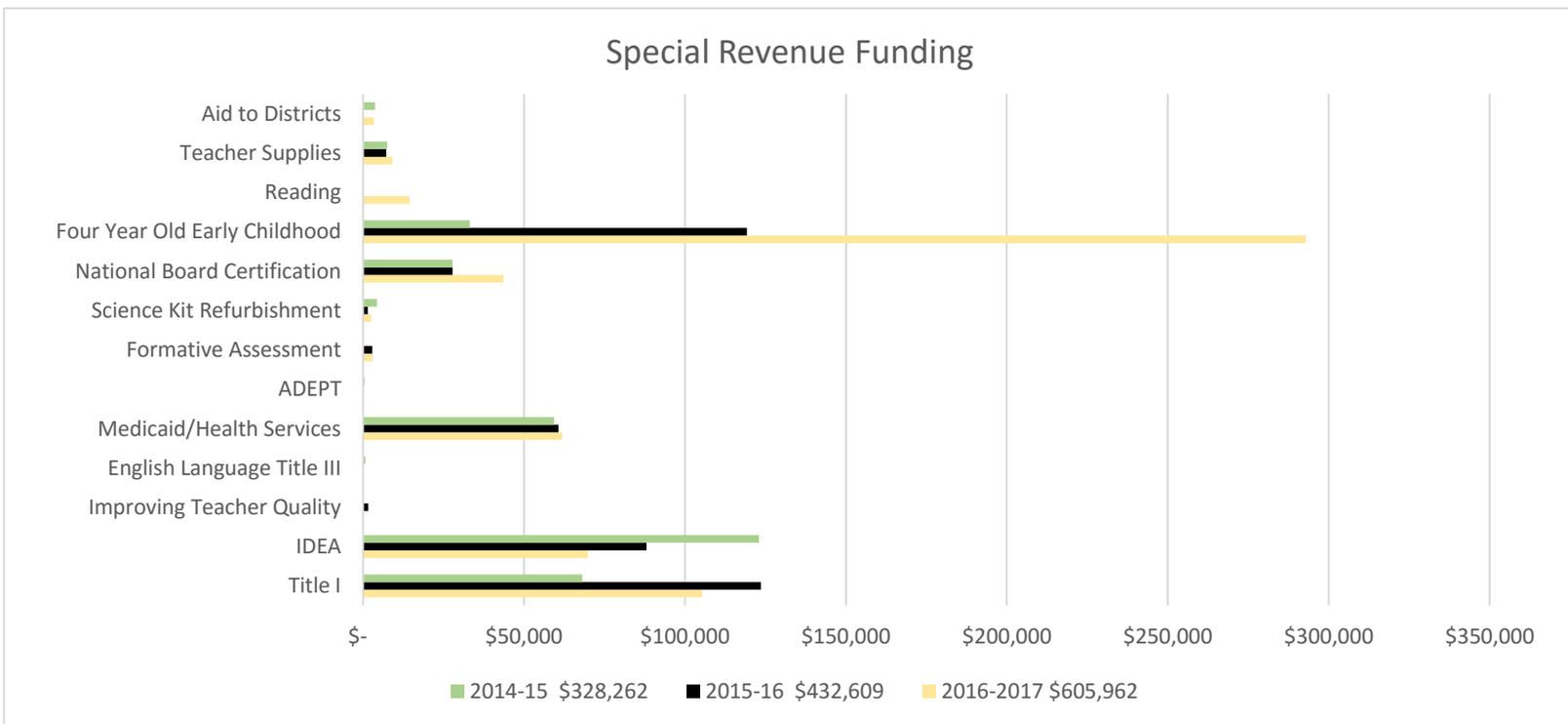


Hilton Head Island Early Childhood Center

Hilton Head Island Early Childhood Center was built in 2006 with a capacity to hold 500 students. The school has undergone an expansion to add an additional wing to serve 4 pre-k classes starting the 2016-2017 school year.

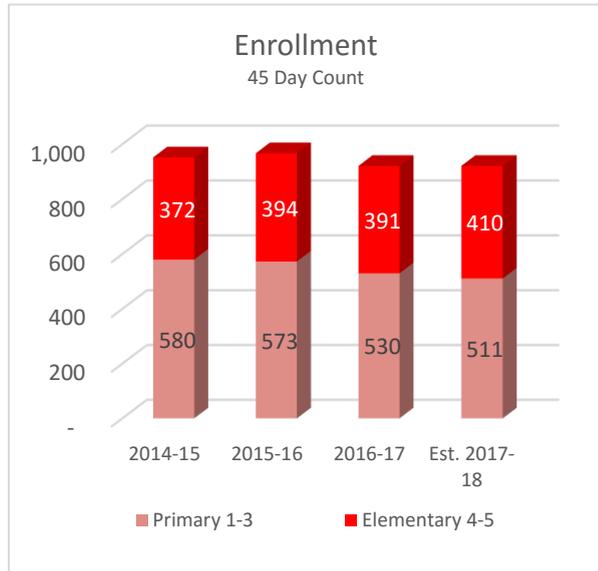


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,487,279	\$ 2,666,565	\$ 2,917,094
Instructional Support	\$ 646,691	\$ 624,589	\$ 642,848
Maint, Security, & Tech.	\$ 413,015	\$ 411,434	\$ 488,040
Total:	\$ 3,546,984	\$ 3,702,588	\$ 4,047,982

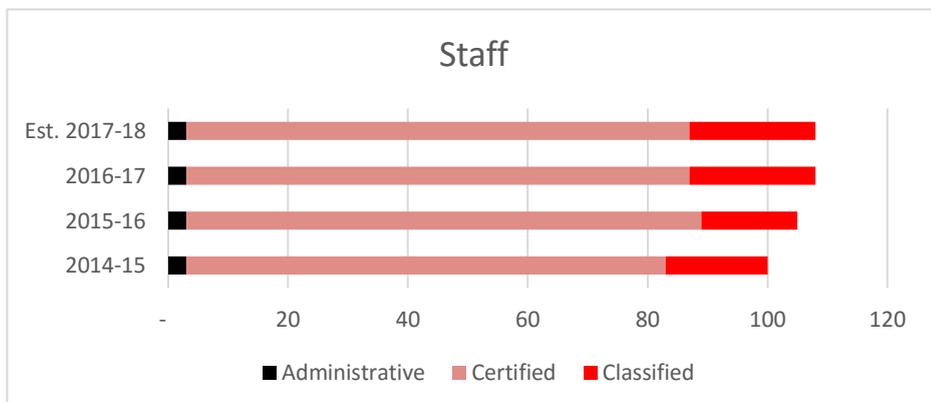
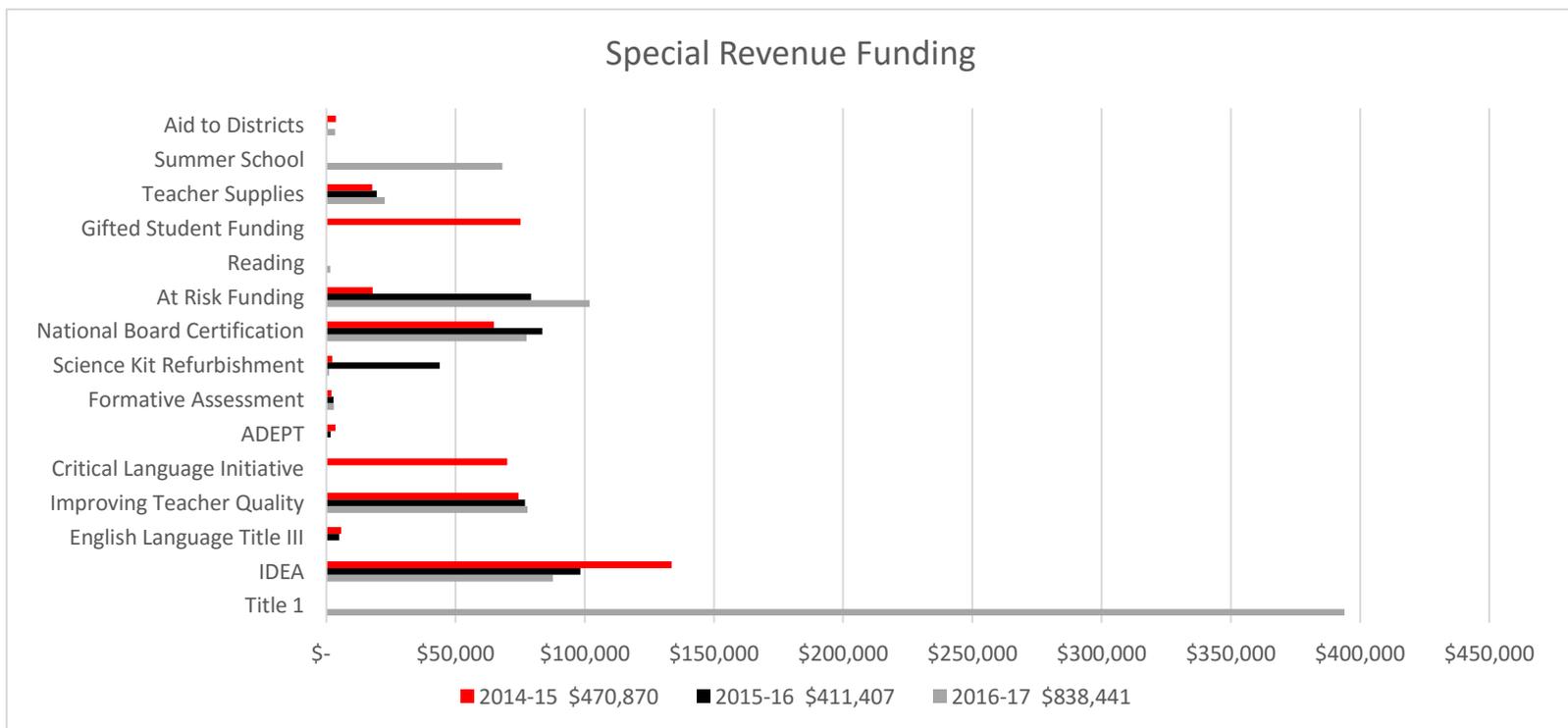


Hilton Head Island Elementary

Hilton Head Island Elementary was built in 1974 with the capacity to hold 1,185 students. In 2001, it became one of the first schools in the United States to offer an International Baccalaureate Program (IB). As a school of choice, it offers the IB and Dual Language programs of Mandarin Chinese and Spanish.

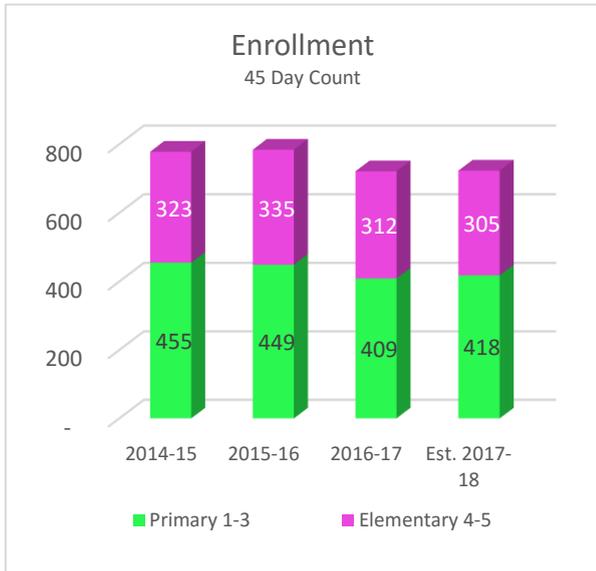


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 4,833,373	\$ 5,511,433	\$ 5,855,544
Instructional Support	\$ 1,010,832	\$ 999,815	\$ 1,008,546
Maint, Security, & Tech.	\$ 938,996	\$ 902,090	\$ 943,058
Total:	\$ 6,783,201	\$ 7,413,338	\$ 7,807,148

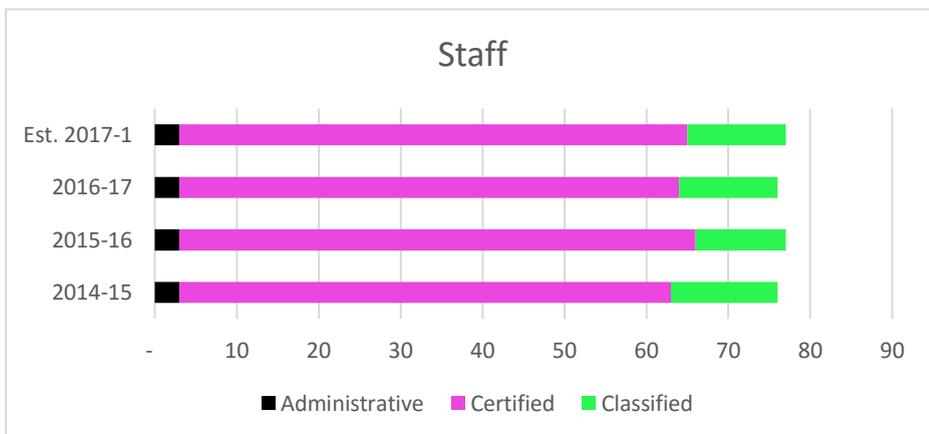
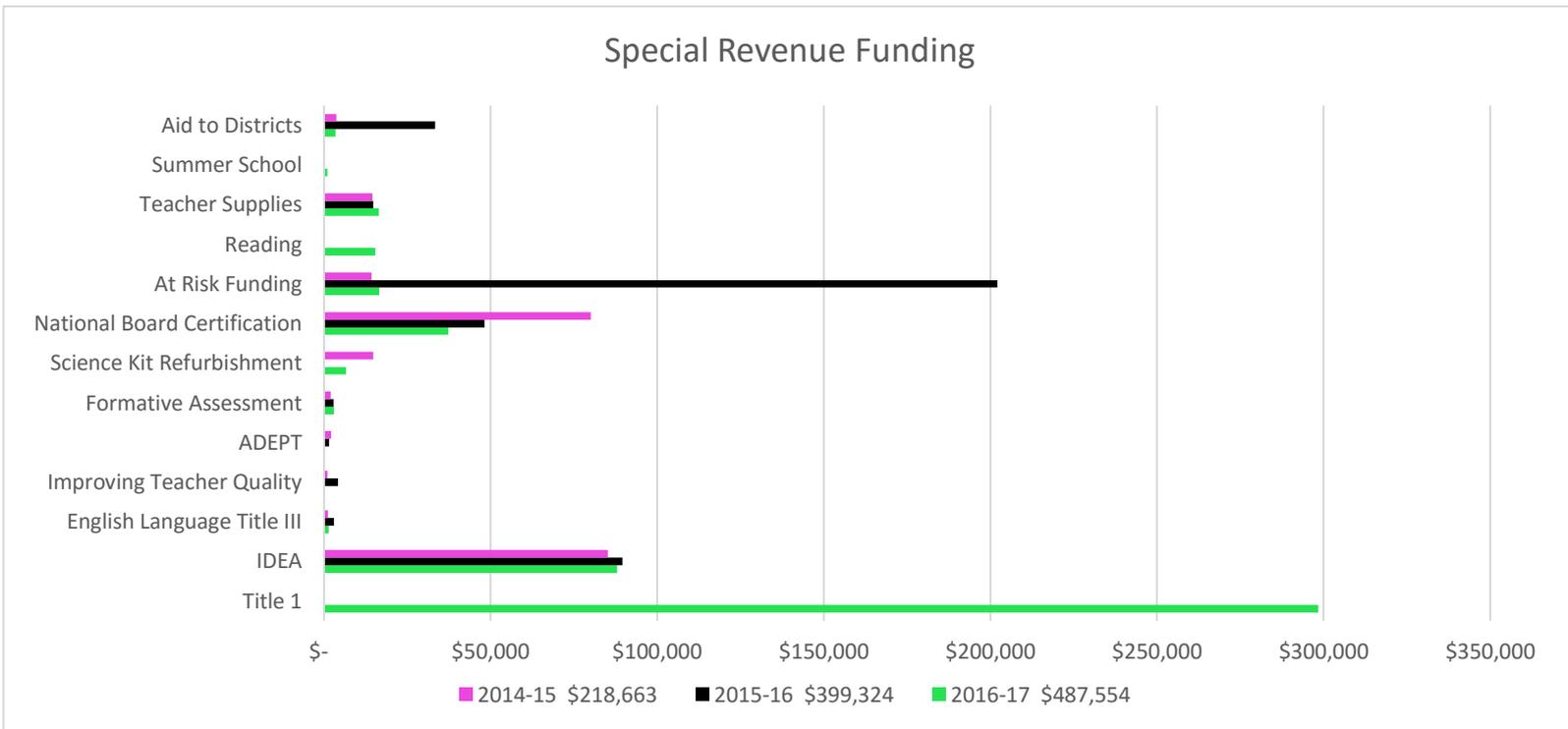


Hilton Head Island School for Creative Arts

Hilton Head Island School for Creative Arts was built in 1988 as an addition to the elementary with a capacity to hold 749 students. In 2005 the school officially split to become the School for Creative Arts. It is offered as a school of choice for the Arts Infused Program.

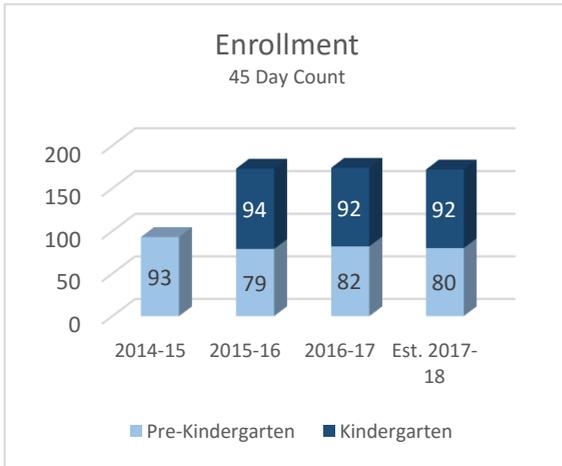


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 3,889,066	\$ 3,947,171	\$ 4,282,695
Instructional Support	\$ 977,732	\$ 988,734	\$ 1,018,267
Maint, Security, & Tech.	\$ 378,478	\$ 358,373	\$ 426,818
Total:	\$ 5,245,276	\$ 5,294,278	\$ 5,727,780

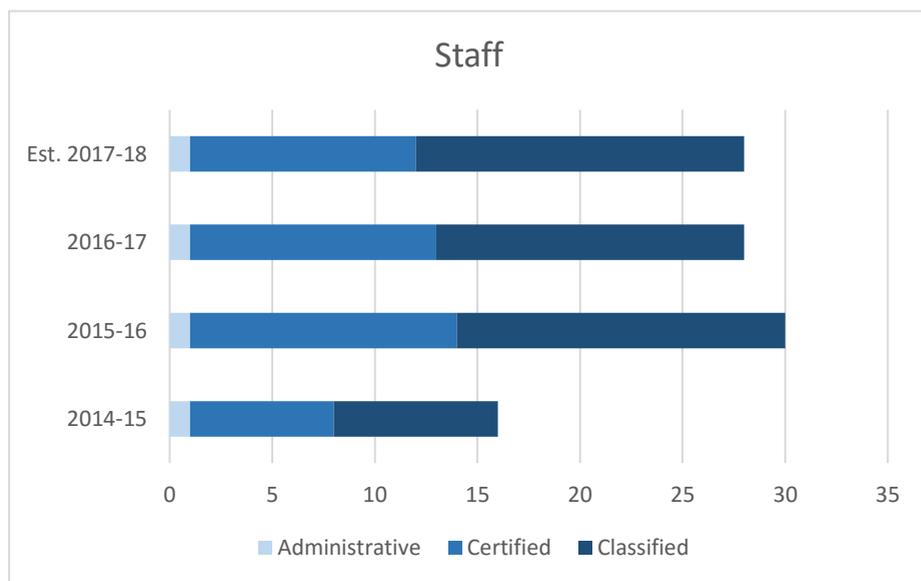
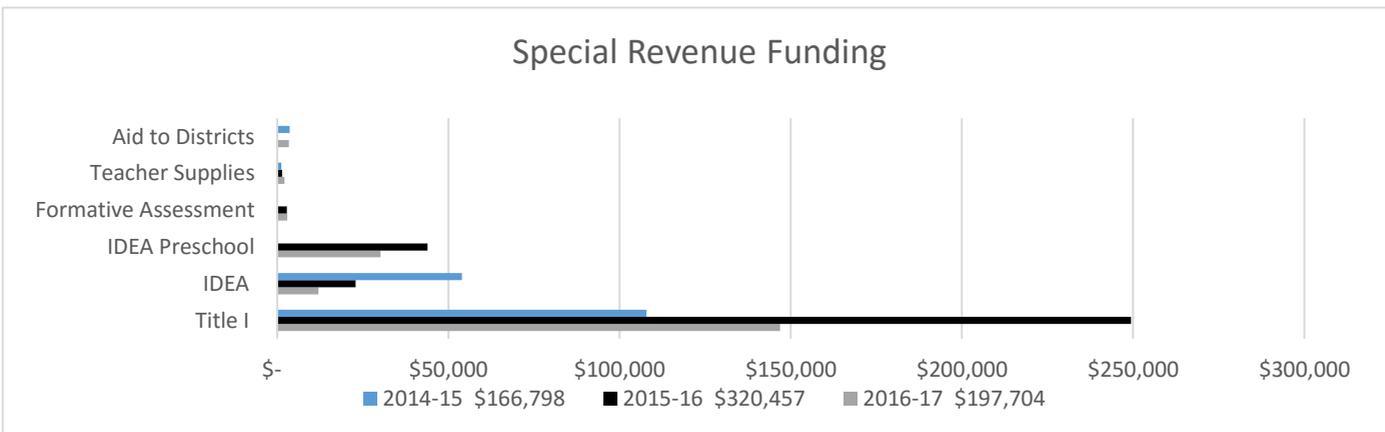


James J. Davis Early Childhood Center

The James J. Davis Early Childhood Center was built in 1994 as an elementary school with the capacity to hold 512 students. Today it operates in conjunction with the supervision of Whale Branch Elementary School's principal. Pre-K and Kindergarten classes are housed at this location. The District also leases part of the building to Head Start program for their early childhood enrichment.

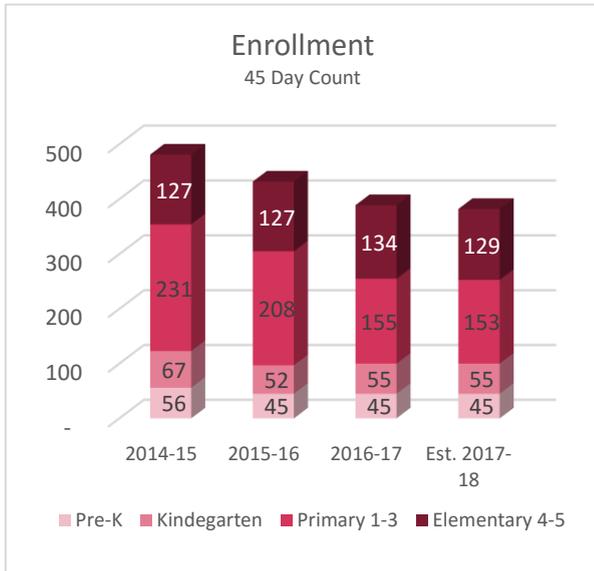
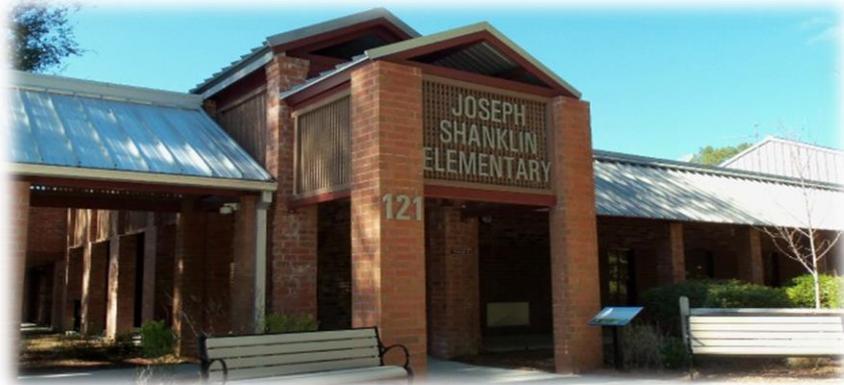


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 435,573	\$ 913,665	\$ 979,512
Instructional Support	\$ 177,248	\$ 192,852	\$ 245,393
Maint, Security, & Tech.	\$ 343,954	\$ 373,122	\$ 367,092
Total:	\$ 956,775	\$ 1,479,639	\$ 1,591,997

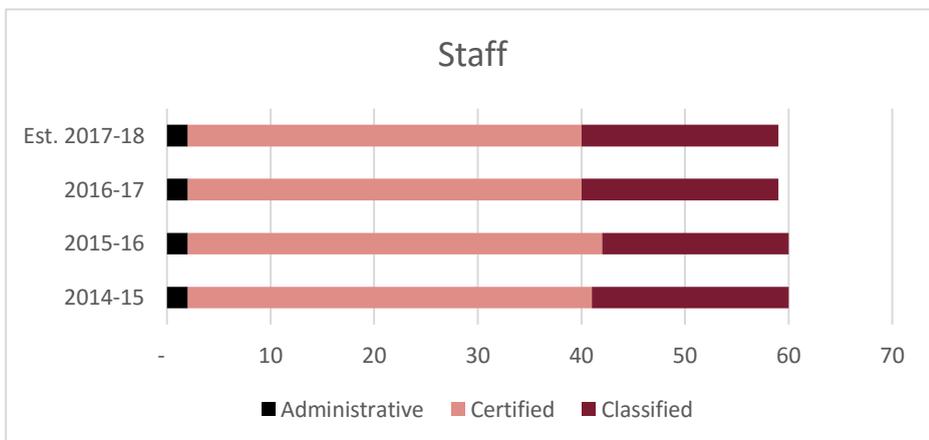
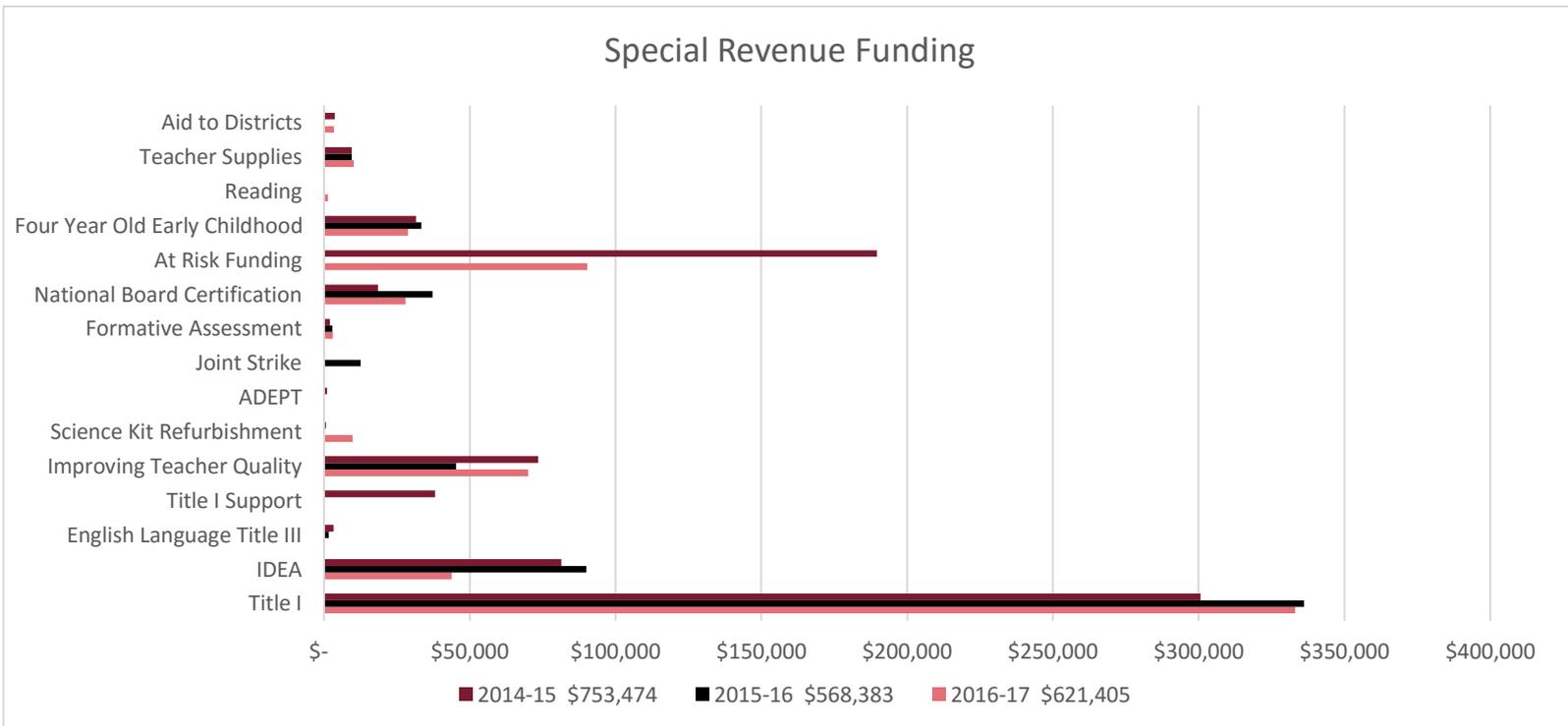


Joseph S. Shanklin Elementary

Joseph S. Shanklin Elementary was built in 1994 with a student capacity of 600 students. As a school of choice, it offers the "Learning Through Leadership Program."

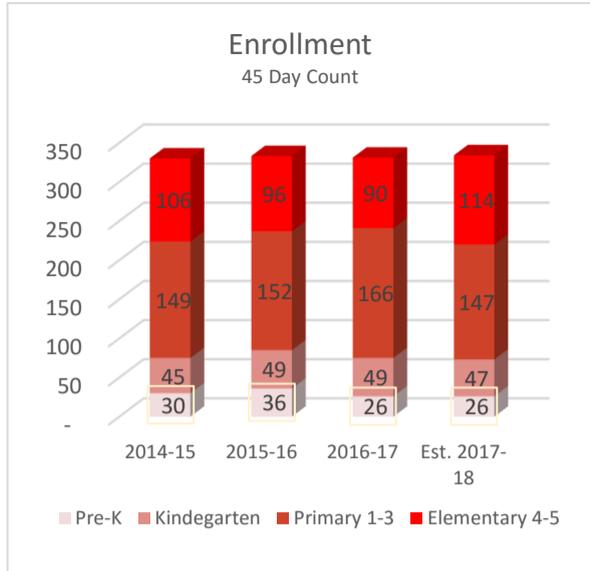


Program Expenses	Un-Audited		
	Actual	Actual	Actual
General Fund	2014-15	2015-16	2016-17
Instructional	\$ 2,504,562	\$ 2,524,883	\$ 2,364,230
Instructional Support	\$ 689,158	\$ 611,767	\$ 626,343
Maint, Security, & Tech.	\$ 494,080	\$ 611,767	\$ 555,652
Total:	\$ 3,687,800	\$ 3,748,417	\$ 3,546,225

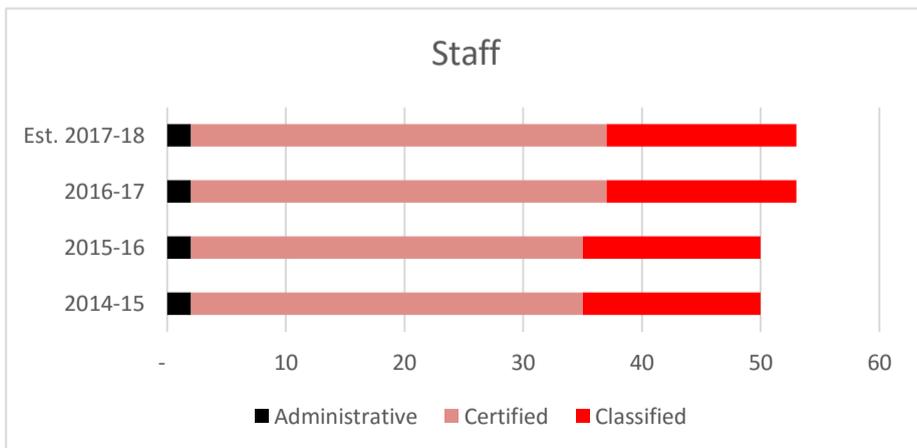
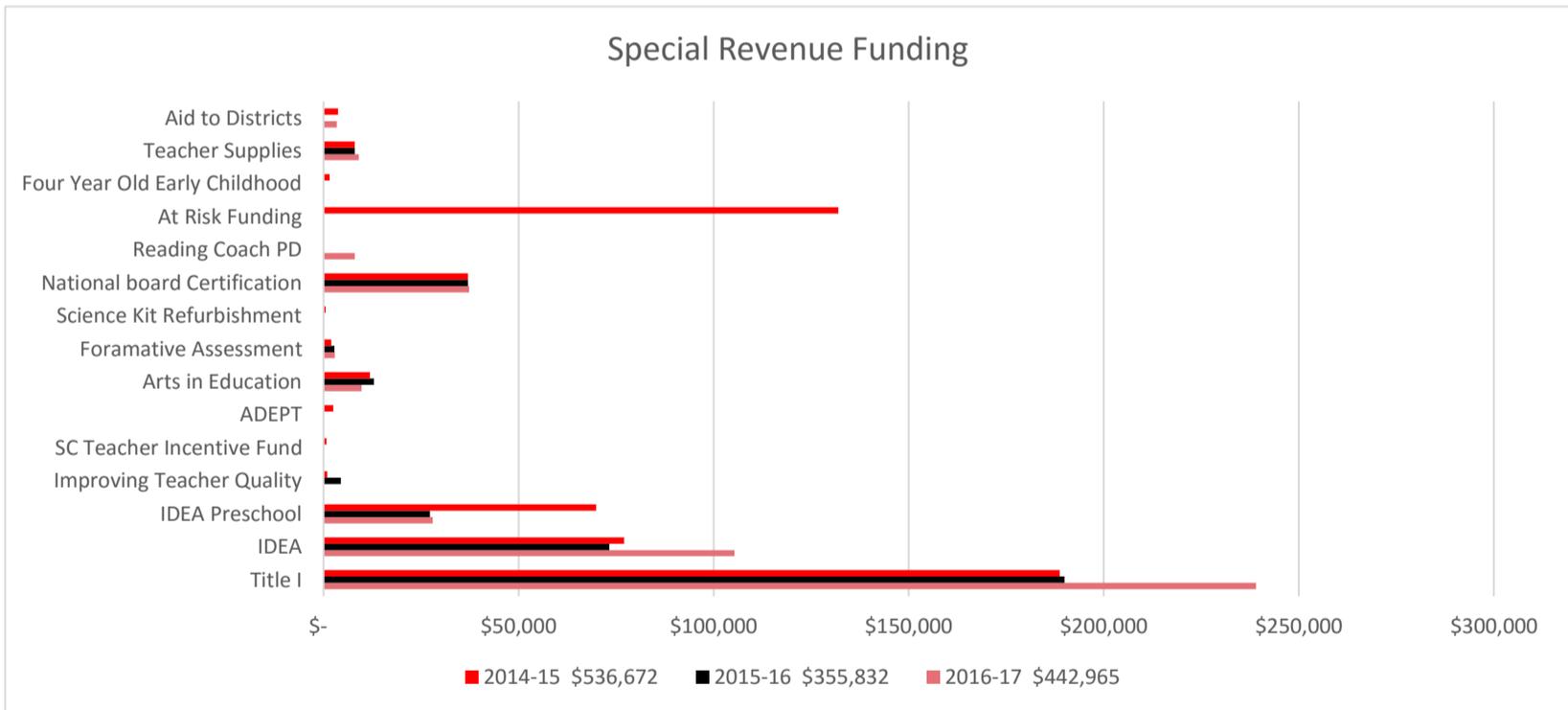


Lady's Island Elementary

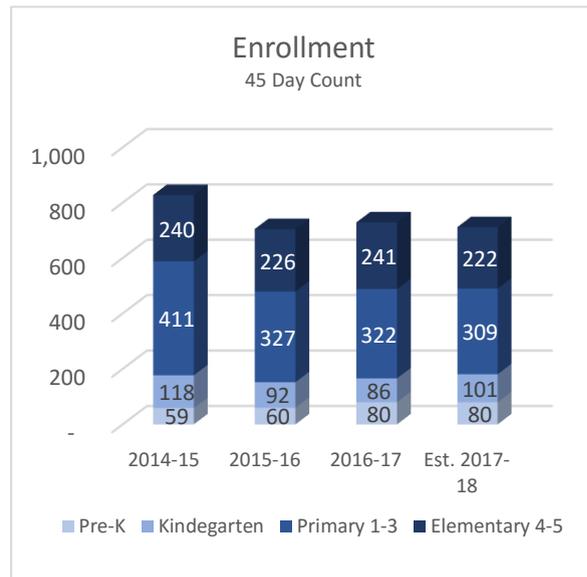
Lady's Island Elementary was built in 1963 and has the capacity to hold 404 students. In 2014-2015 the fifth grade was moved back to Lady's Island Elementary from Lady's Island Middle. In 2000, Lady's Island Elementary was the first school in the District to offer an arts-infused program and now offers as a school of choice.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,227,431	\$ 2,206,064	\$ 2,292,617
Instructional Support	\$ 670,837	\$ 649,496	\$ 690,064
Maint, Security, & Tech.	\$ 310,648	\$ 384,068	\$ 356,884
Total:	\$ 3,208,916	\$ 3,239,628	\$ 3,339,565



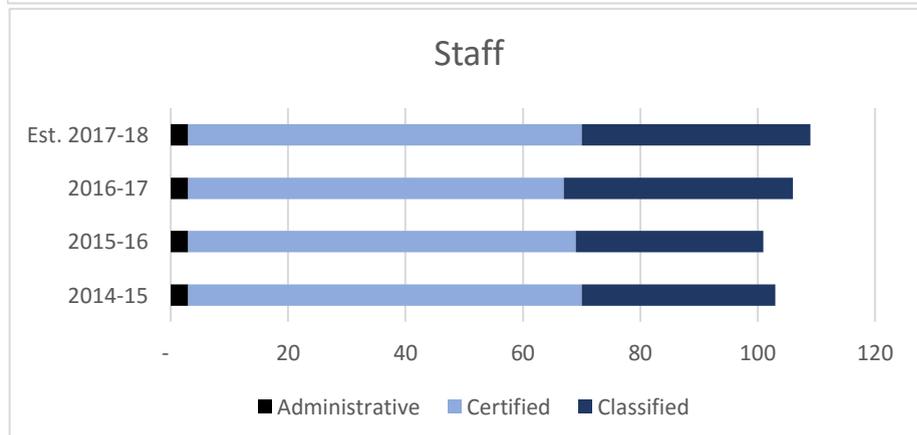
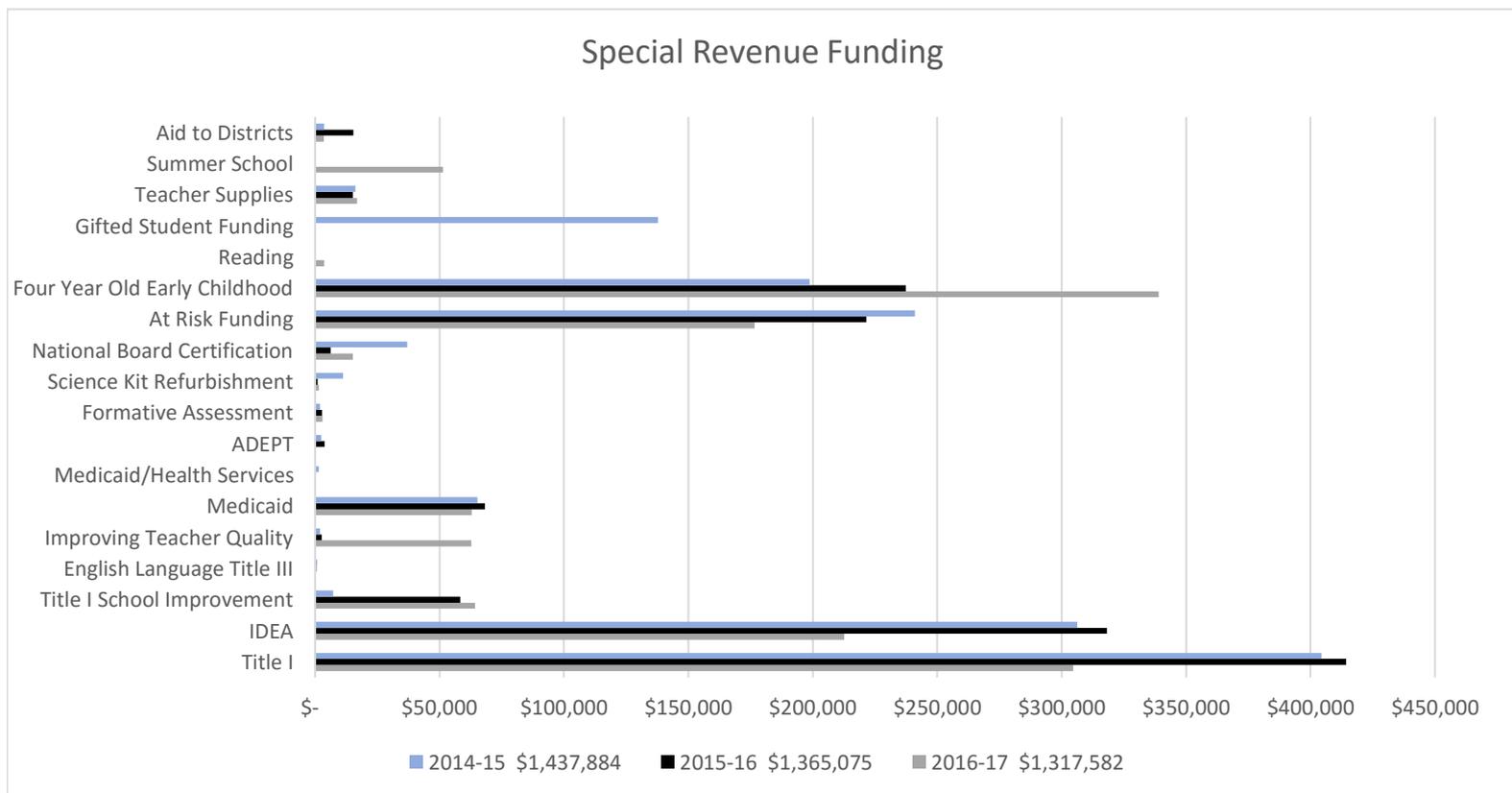
Michael. C. Riley Elementary & Early Childhood Center



Michael C. Riley Elementary was built in 1991 with a capacity to hold 592 students. Mobile units were placed on the campus to hold additional students until 2010 when the Early Childhood Center was built on the campus expanding the capacity to 992 students. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. The school is offered as a school of choice for its "Learning Through Leadership" program.

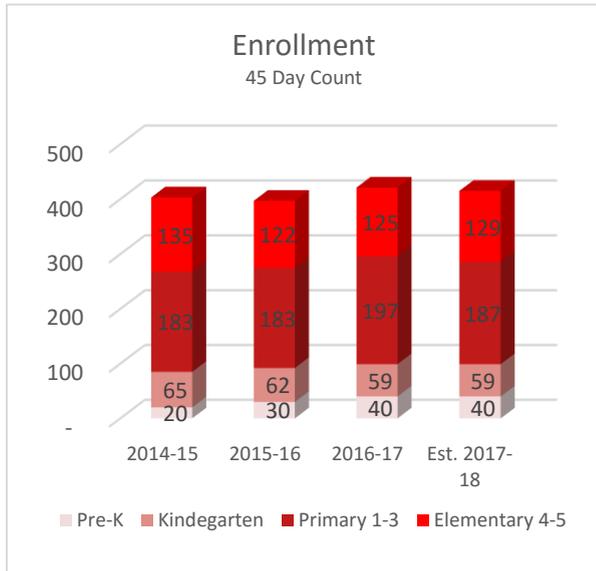


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 3,385,517	\$ 3,840,194	\$ 4,364,813
Instructional Support	\$ 1,042,976	\$ 1,051,334	\$ 1,134,541
Maint, Security, & Tech.	\$ 724,706	\$ 739,211	\$ 736,403
Total:	\$ 5,153,200	\$ 5,630,739	\$ 6,235,757

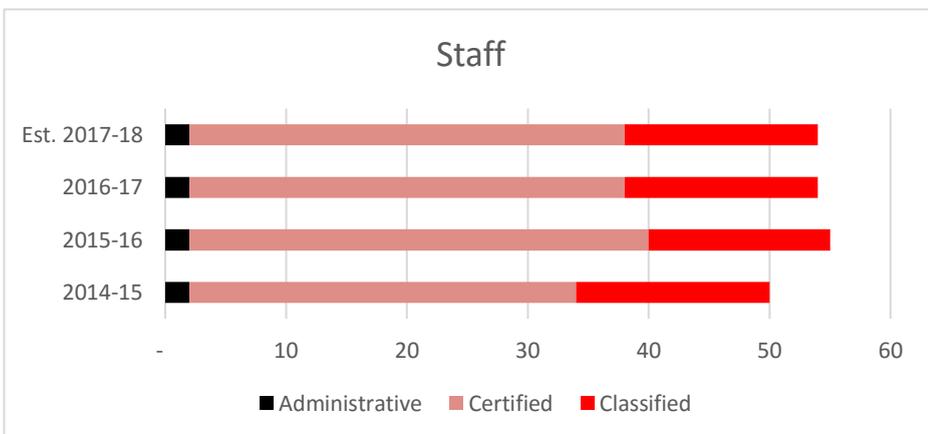
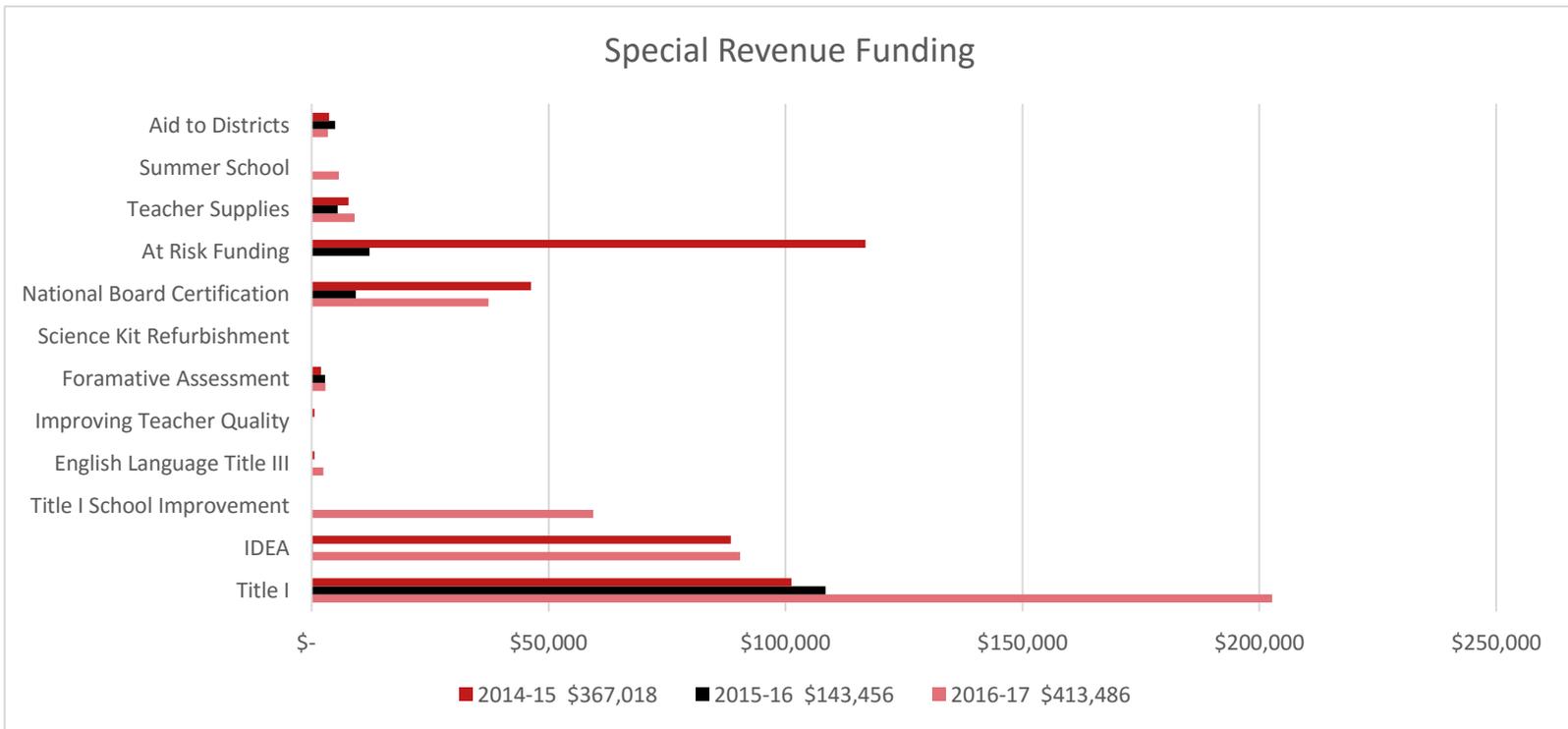


Mossy Oaks Elementary

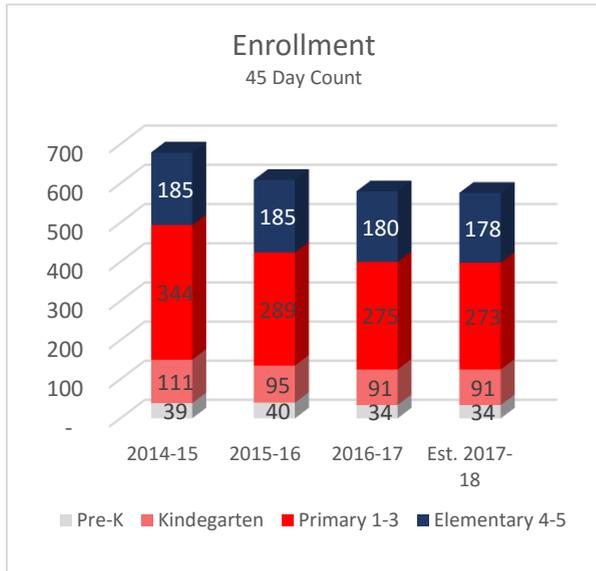
Mossy Oaks Elementary was built in 1962 with a capacity of 492 students. It has been an ABC (Arts in Basic Curriculum) school for many years and now is offered as a school of choice for its Arts Infused Program.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,431,694	\$ 2,662,860	\$ 2,682,661
Instructional Support	\$ 652,873	\$ 645,342	\$ 675,811
Maint, Security, & Tech.	\$ 364,569	\$ 372,940	\$ 353,235
Total:	\$ 3,449,135	\$ 3,681,142	\$ 3,711,707



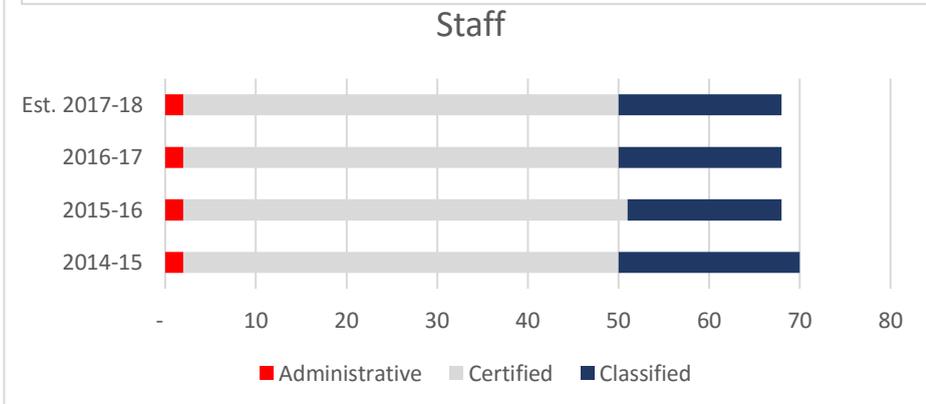
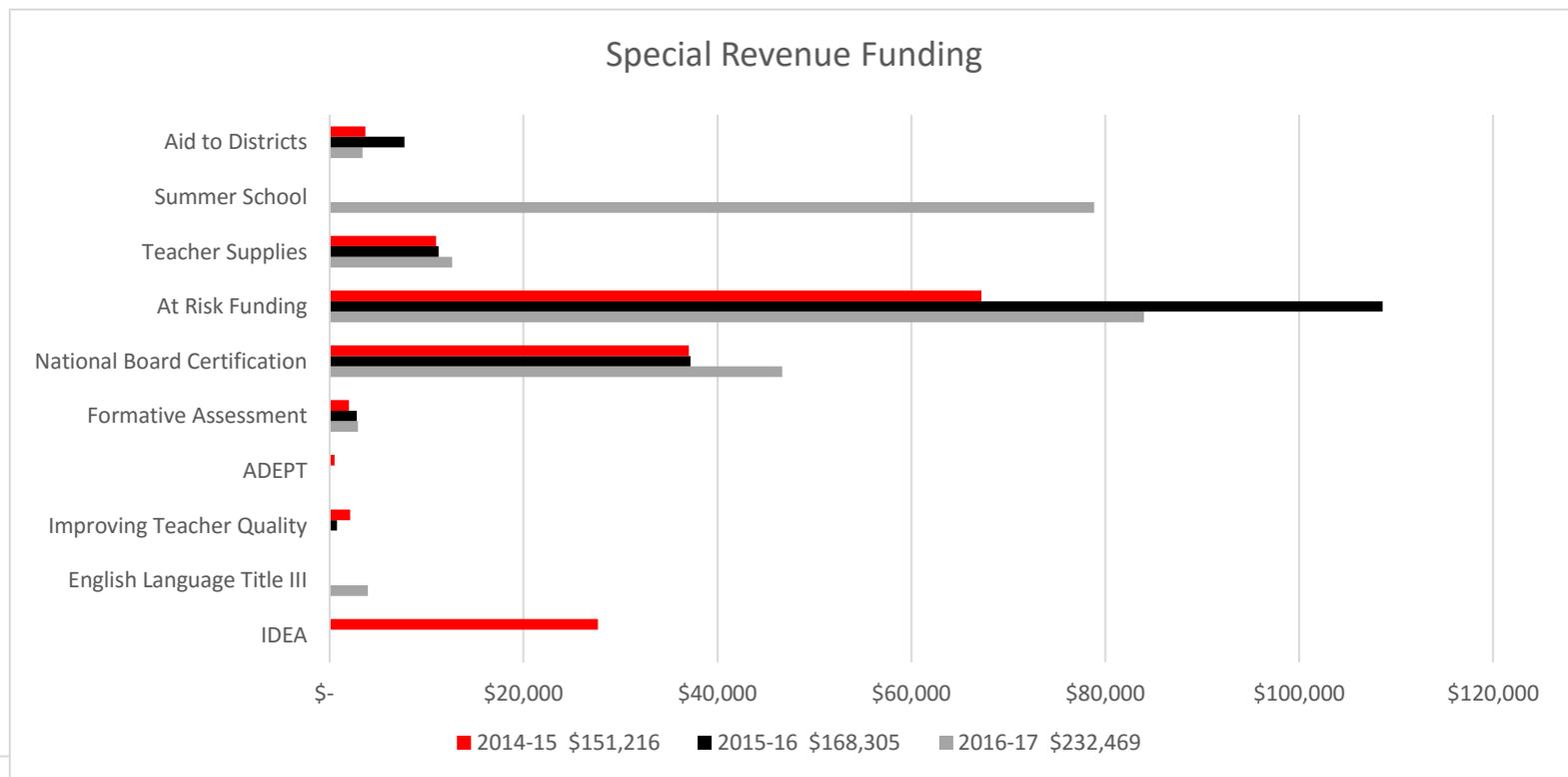
Okatie Elementary



Okatie Elementary was built in 2004 with the capacity to hold 539 students. As with other Bluffton area schools, it was at capacity soon after opening. In 2008, an additional wing was added expanding the capacity to 719 students. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. Okatie offers "Learning Through Leadership" as a school of choice.

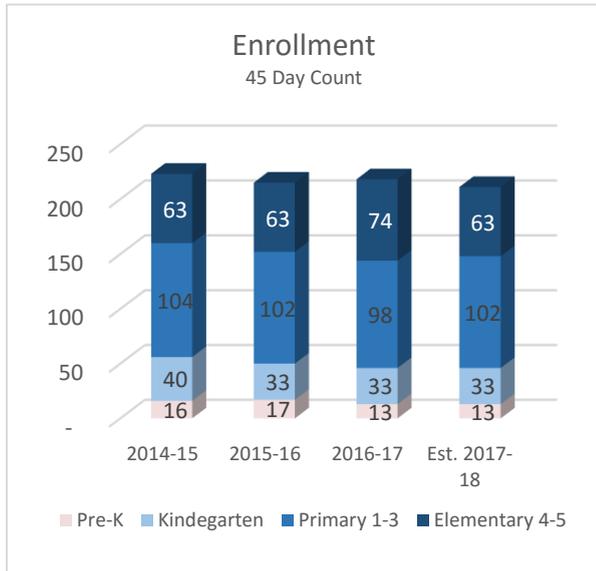


Program Expenses	Un-Audited		
	Actual	Actual	Actual
General Fund	2014-15	2015-16	2016-17
Instructional	\$ 3,419,056	\$ 3,551,567	\$ 3,581,576
Instructional Support	\$ 792,258	\$ 772,300	\$ 787,409
Maint, Security, & Tech.	\$ 397,896	\$ 426,979	\$ 414,829
Total:	\$ 4,609,209	\$ 4,750,846	\$ 4,783,814

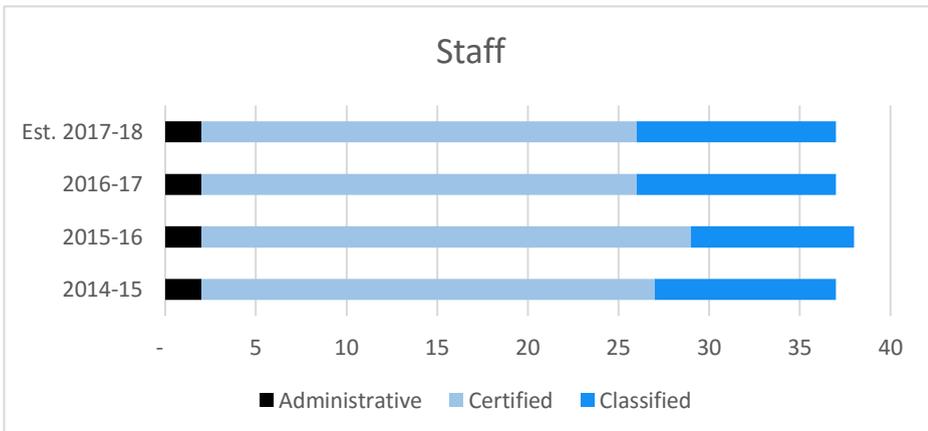
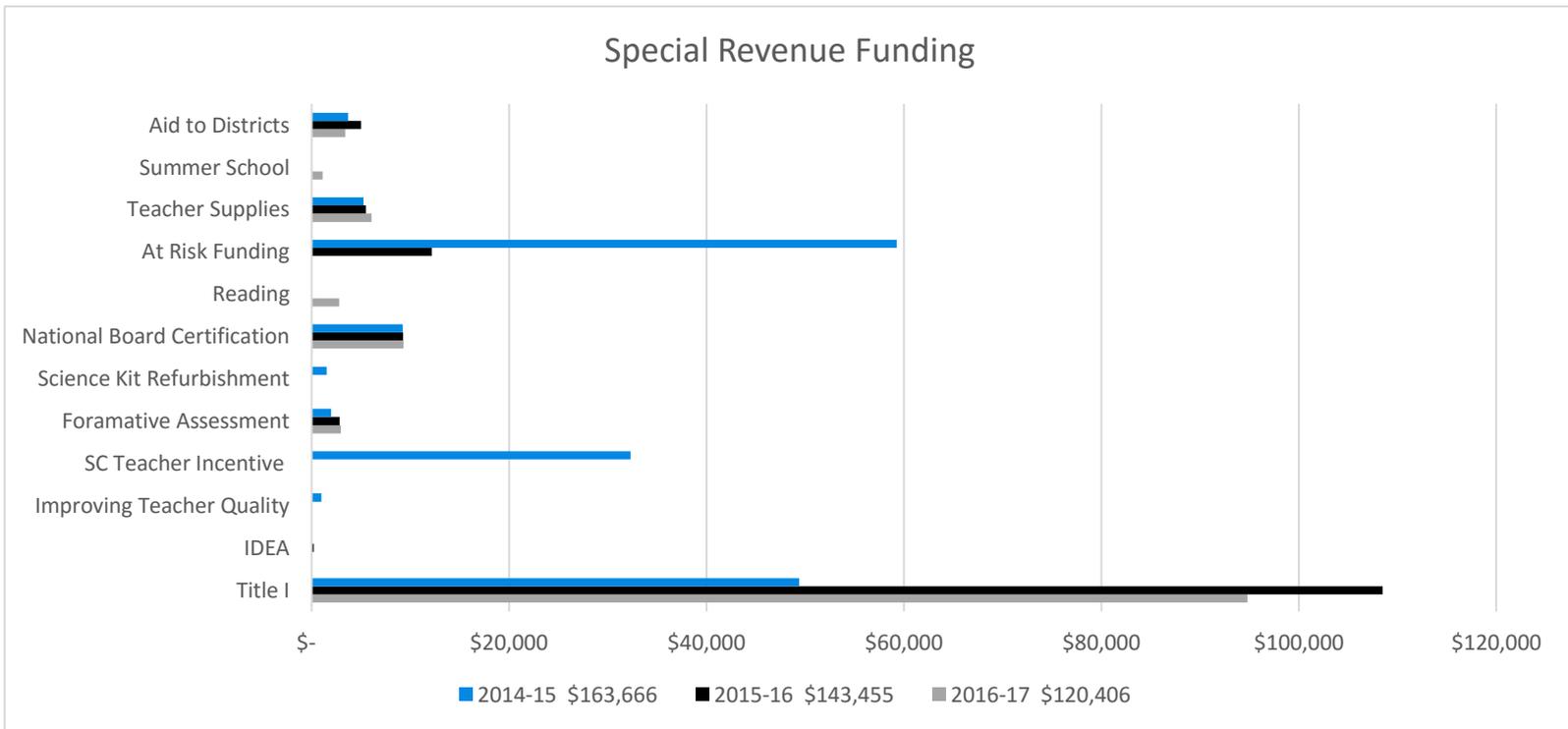


Port Royal Elementary

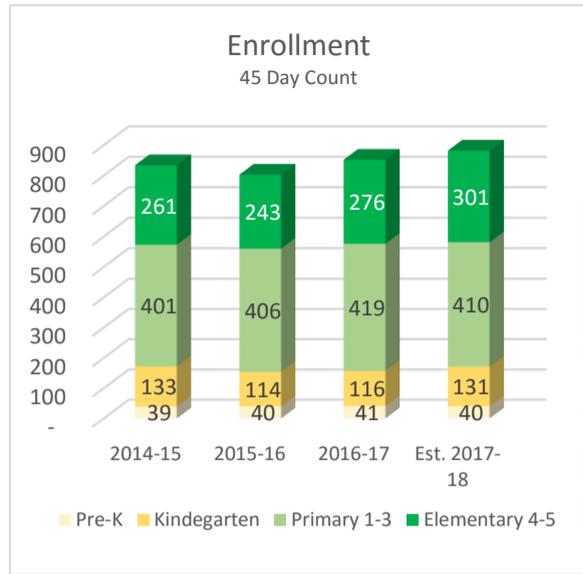
Port Royal Elementary was originally built in 1911 as a two room two story schoolhouse. Over time, renovations and additions have created the campus we have today. The school has the capacity for 328 students. Port Royal Elementary is listed as a school of choice for Project-Based Learning.



Program Expenses	Actual	Actual	Un-Audited Actual
General Fund	2014-15	2015-16	2016-17
Instructional	\$ 1,450,253	\$ 1,534,978	\$ 1,483,291
Instructional Support	\$ 650,492	\$ 669,634	\$ 581,604
Maint, Security, & Tech.	\$ 283,258	\$ 299,820	\$ 335,450
Total:	\$ 2,384,002	\$ 2,504,432	\$ 2,400,345



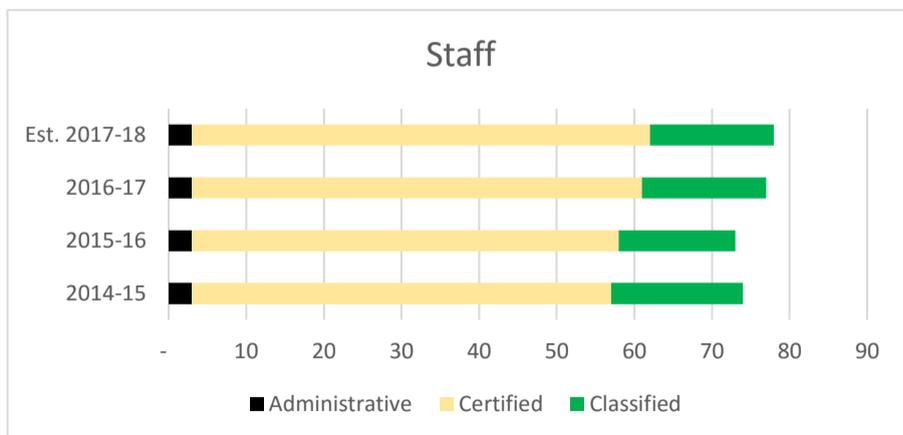
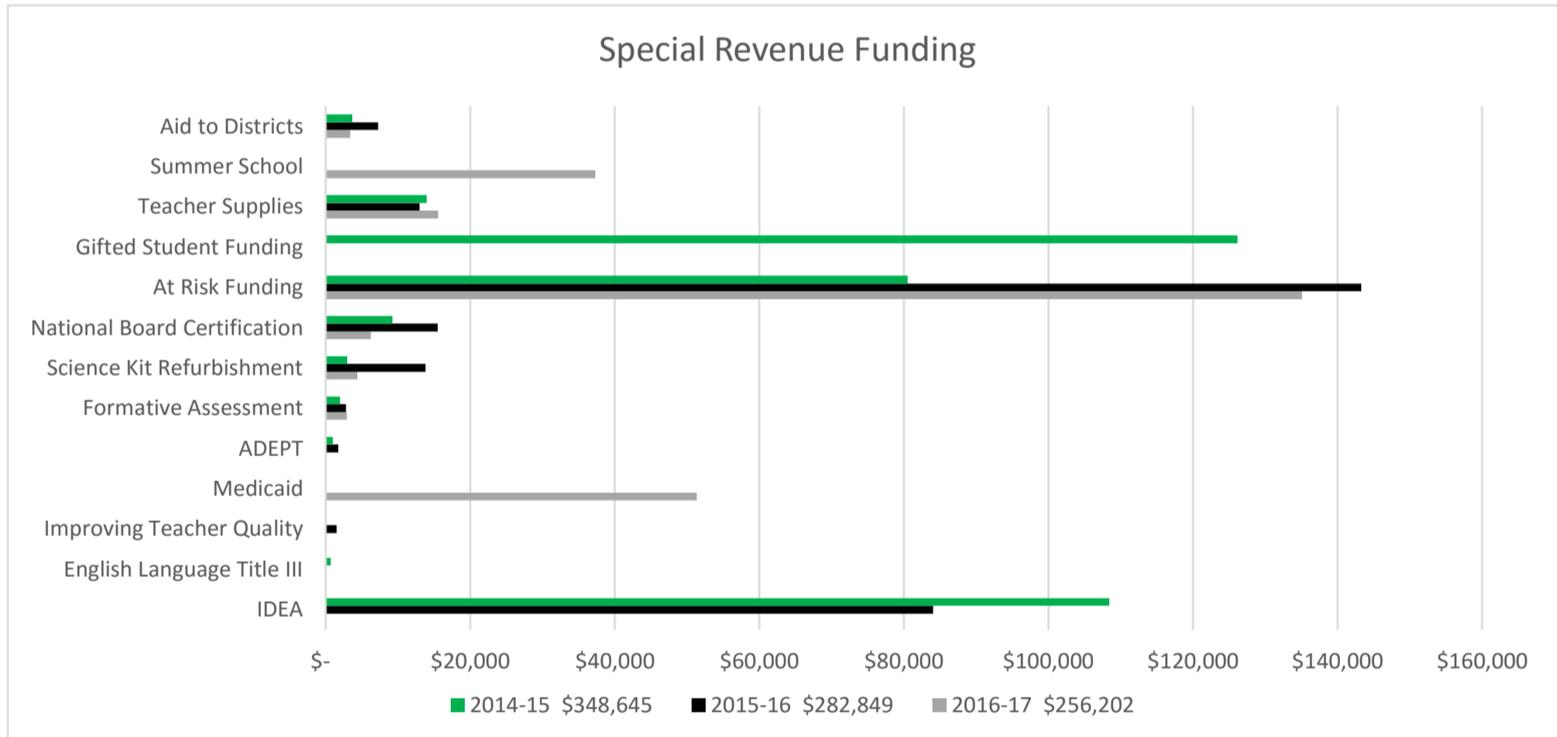
Pritchardville Elementary



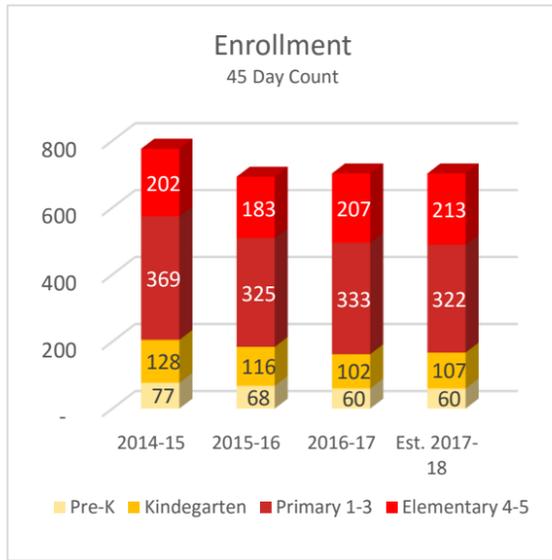
Pritchardville Elementary was built in 2010 with the capacity to hold 800 students. It was one of the first LEED certified schools in the District for its design. Pritchardville offers the Advanced Mathematics, Engineering and Science Program (AMES) and Project Based Learning as a school of choice.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 3,068,161	\$ 3,436,424	\$ 3,923,957
Instructional Support	\$ 976,540	\$ 996,503	\$ 946,287
Maint, Security, & Tech.	\$ 379,487	\$ 300,739	\$ 325,702
Total:	\$ 4,424,188	\$ 4,733,666	\$ 5,195,946



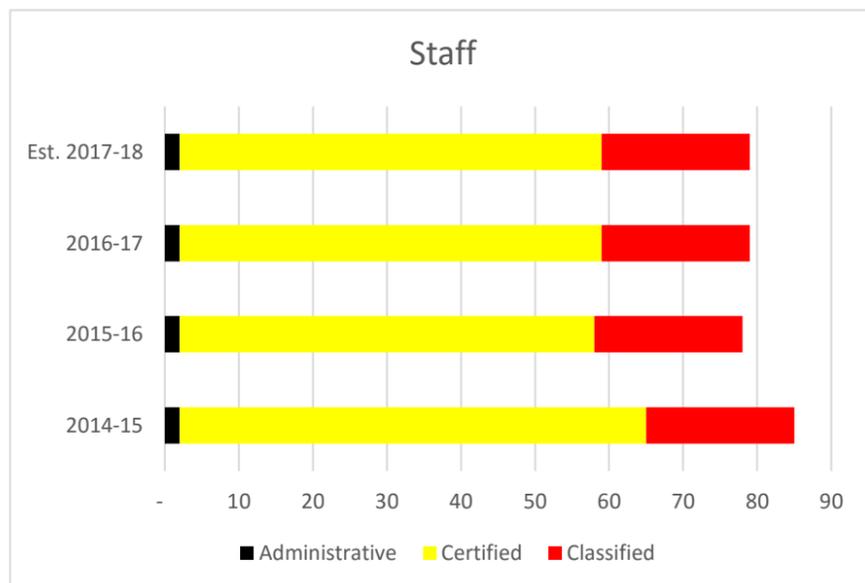
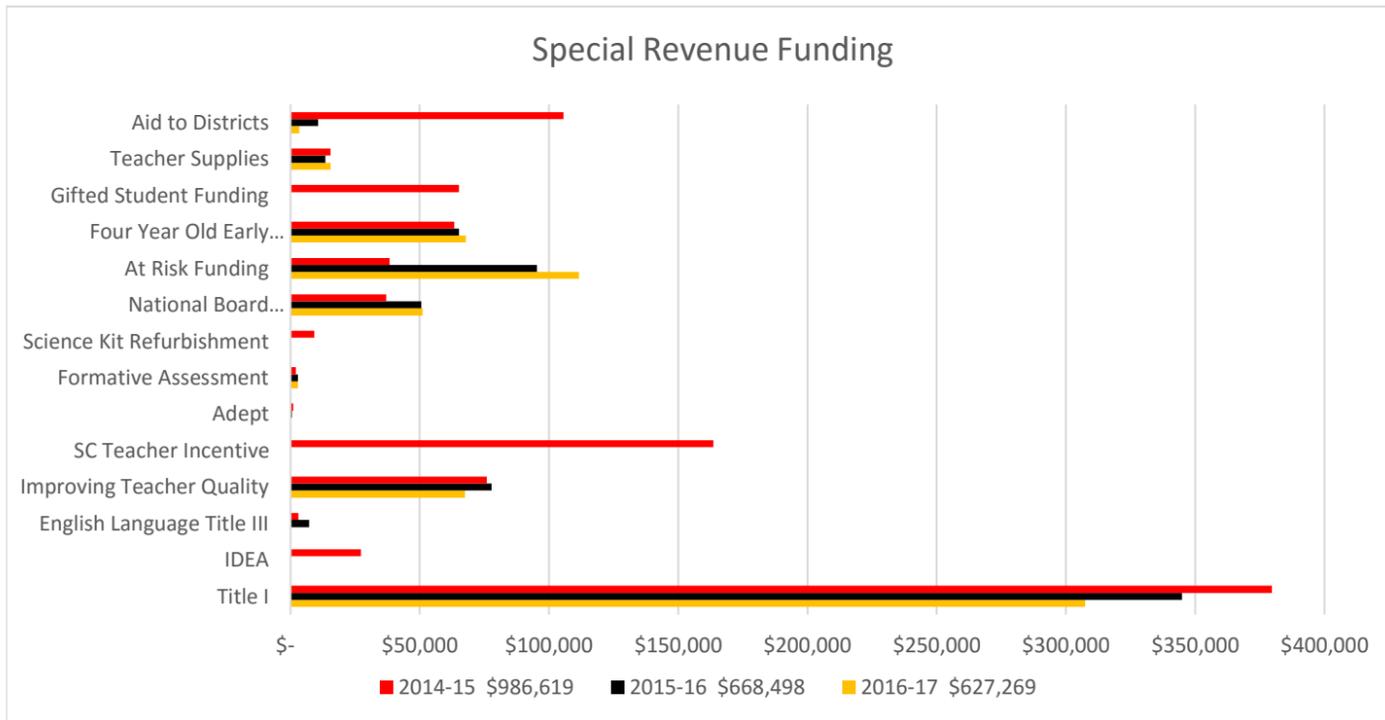
Red Cedar Elementary



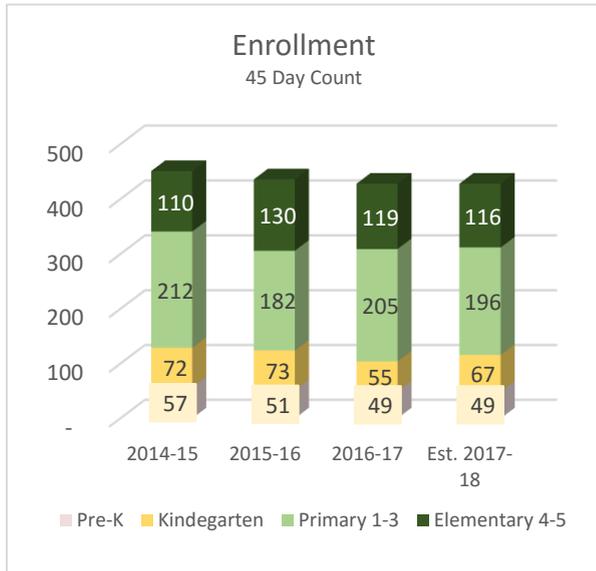
Red Cedar Elementary opened in 2009 as part of the building program to eliminate overcrowding in the Bluffton area. The school has the capacity to hold 800 students. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. Red Cedar offers "Project-Based Learning" as a school of choice.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 3,737,491	\$ 3,442,812	\$ 3,777,172
Instructional Support	\$ 897,598	\$ 813,846	\$ 866,626
Maint, Security, & Tech.	\$ 490,601	\$ 461,603	\$ 478,919
Total:	\$ 5,125,690	\$ 4,718,261	\$ 5,122,717



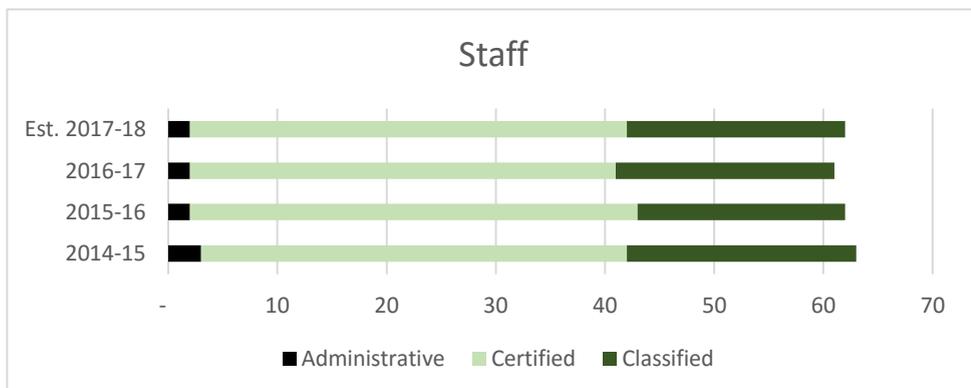
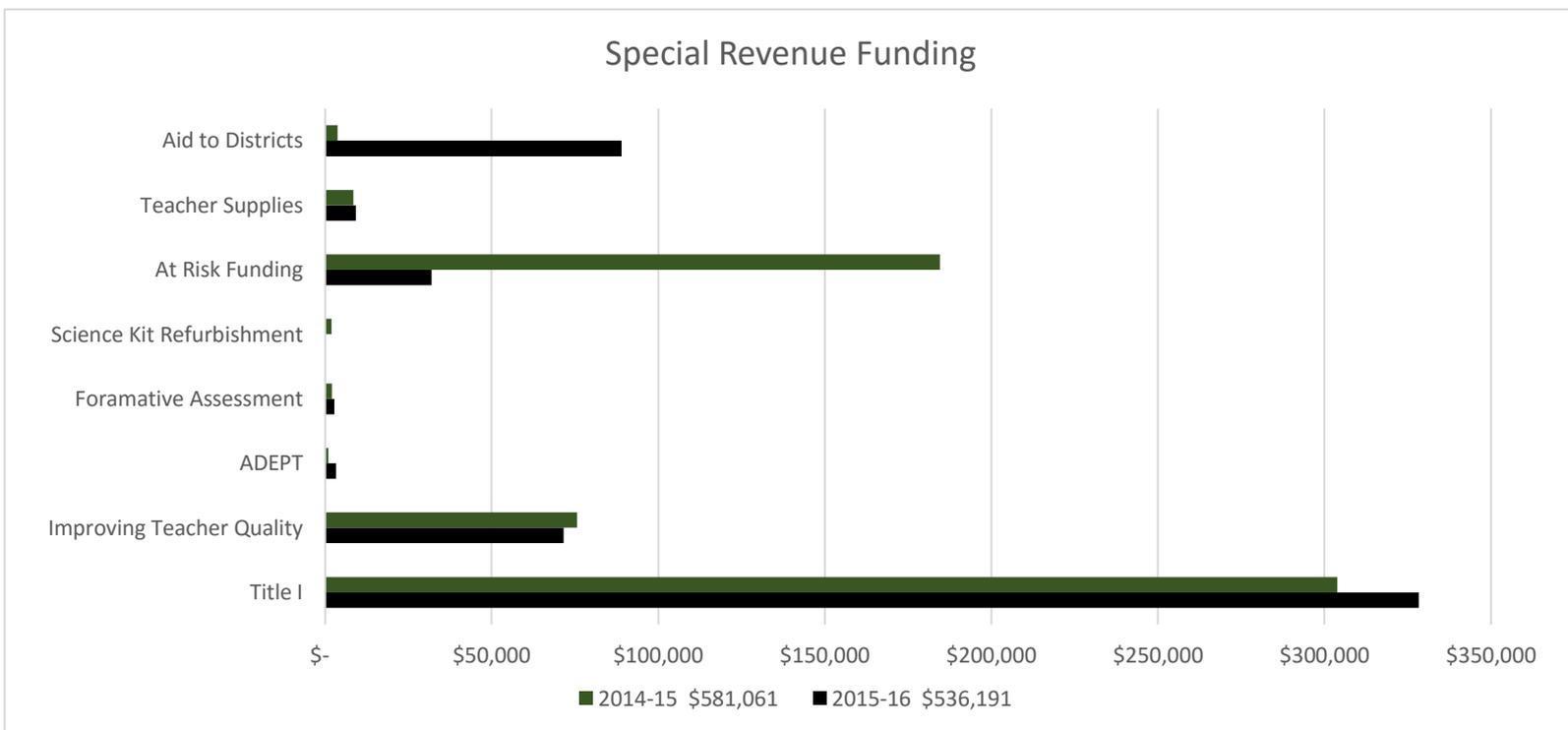
St. Helena Elementary



St. Helena Elementary was built in 1992 and an additional Early Childhood Center was added in 2004. The school has the capacity to accommodate 888 students. As a school of choice, St. Helena Elementary offers the Advanced Math, Engineering, and Science Program (AMES).

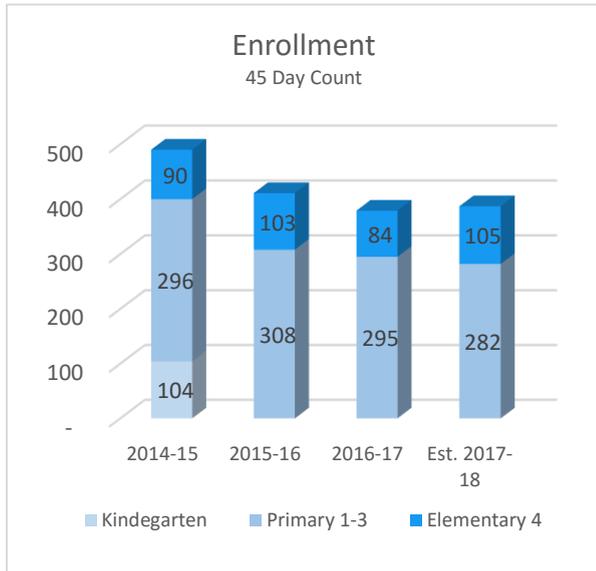


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,453,509	\$ 2,367,313	\$ 2,537,759
Instructional Support	\$ 777,552	\$ 662,544	\$ 675,694
Maint, Security, & Tech.	\$ 582,738	\$ 602,377	\$ 723,119
Total:	\$ 3,813,799	\$ 3,632,234	\$ 3,936,572

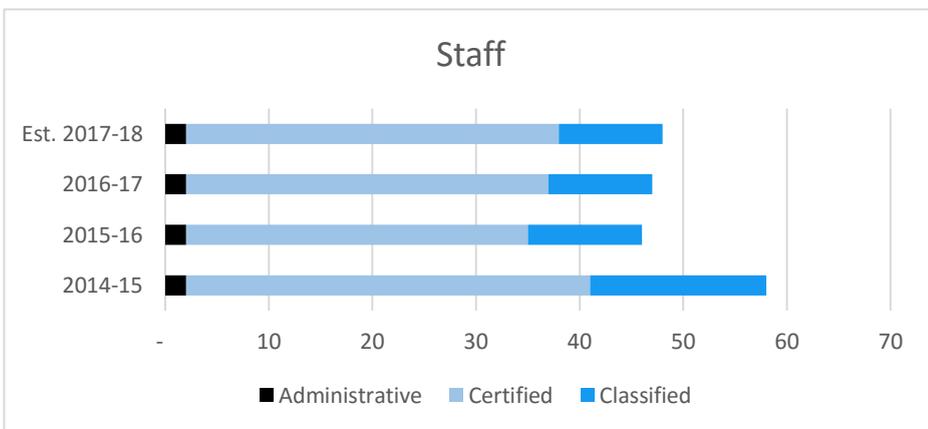
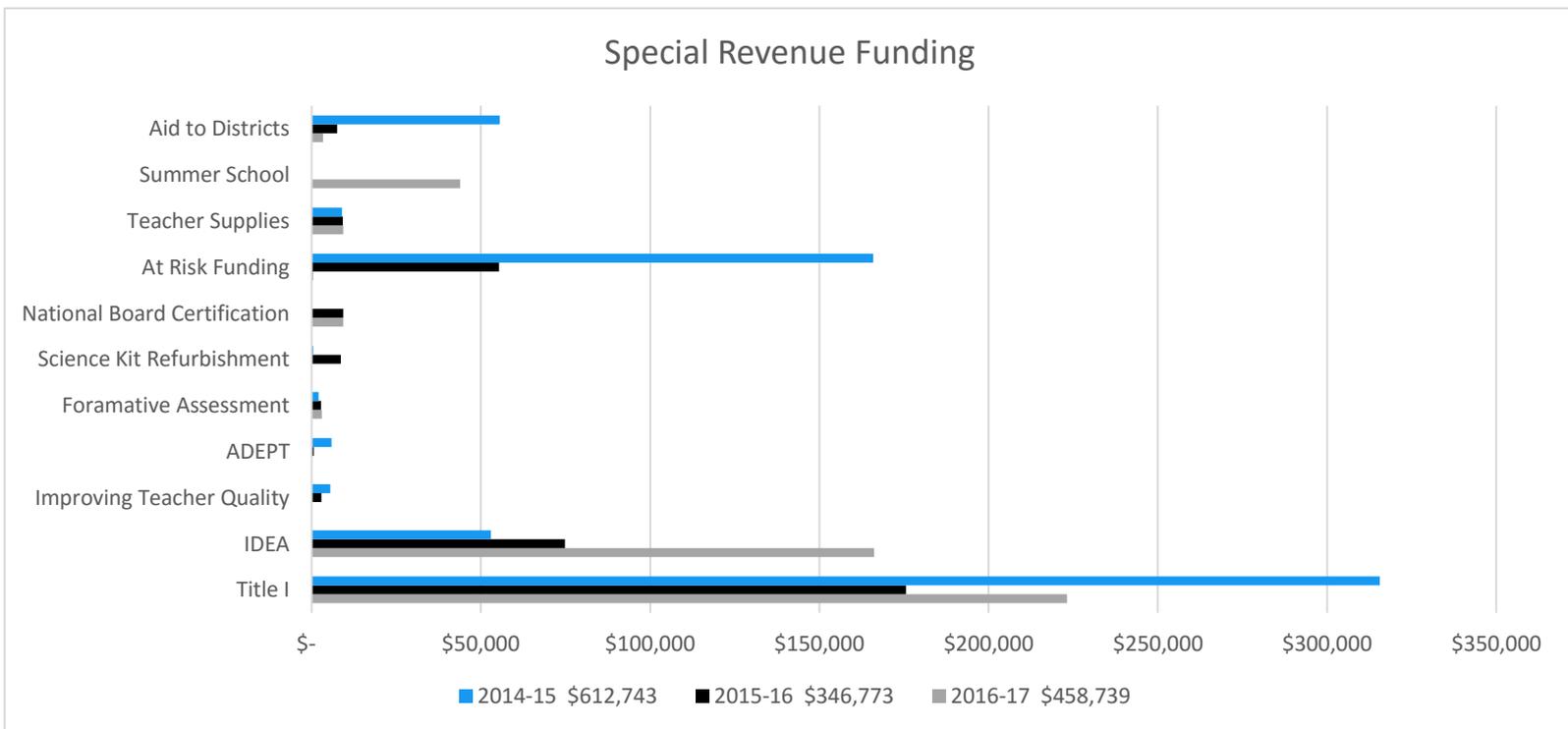


Whale Branch Elementary

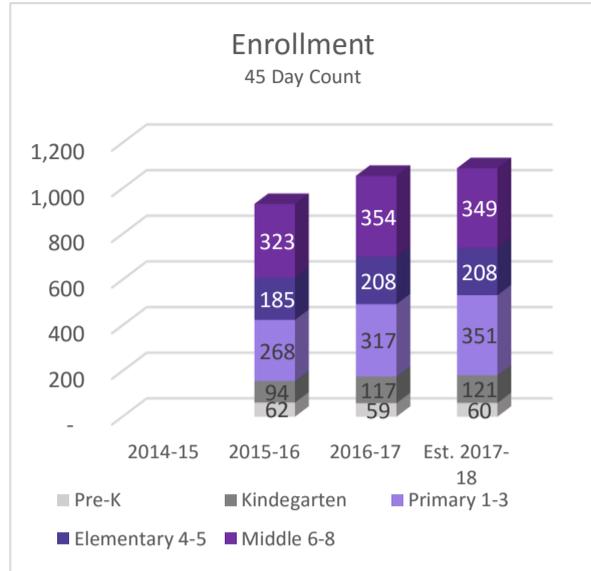
Whale Branch Elementary was built in 2000 with the capacity to hold 568 students. The Pre-K and Kindergarten classes feed in from J.J. Davis Early Childhood Center. As a school of choice, it offers an Arts Infused program.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,318,866	\$ 2,142,165	\$ 2,250,493
Instructional Support	\$ 549,993	\$ 628,655	\$ 635,244
Maint, Security, & Tech.	\$ 403,243	\$ 392,452	\$ 370,816
Total:	\$ 3,272,103	\$ 3,163,272	\$ 3,256,553



River Ridge Academy

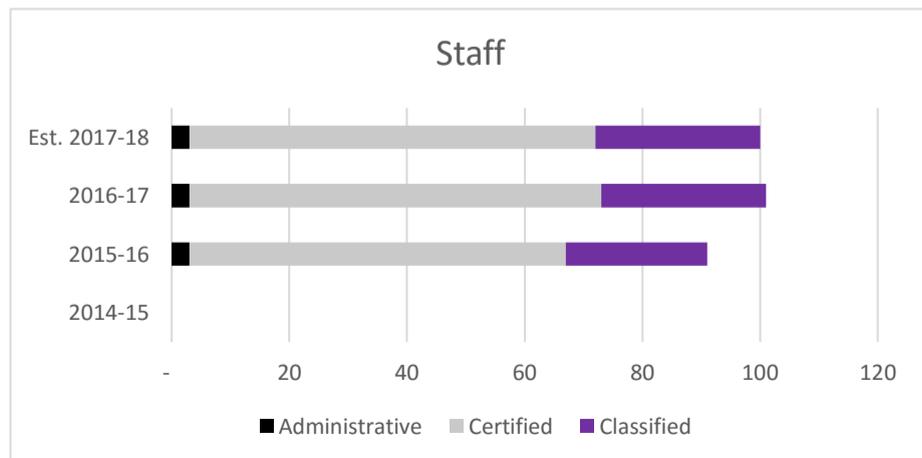
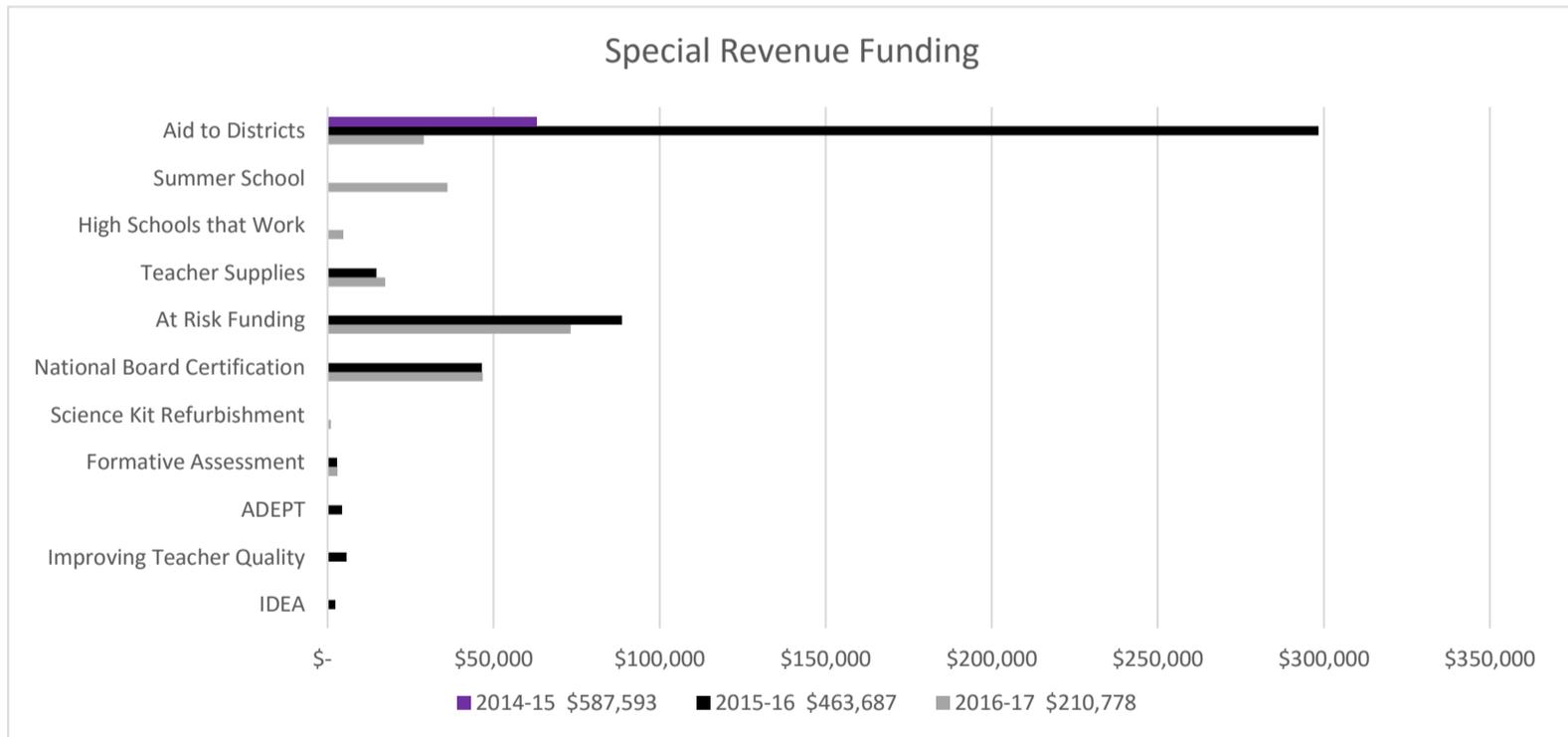


River Ridge Academy was built in 2015 as a Pre-K through 8th Grade to serve the growing Bluffton community. The building can hold a capacity of 900 students. River Ridge Academy offers the Montessori program and Project Lead the Way Launch/Gateway to Technology as a school of choice.



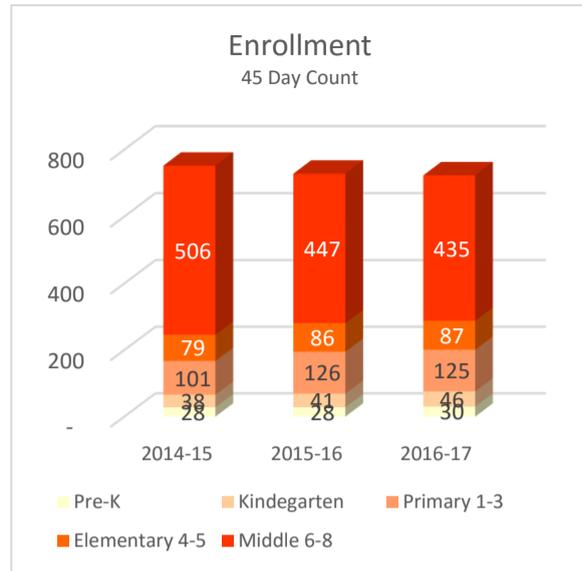
Un-Audited

Program Expenses	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 283,230	\$ 4,489,939	\$ 5,170,783
Instructional Support		\$ 1,053,762	\$ 1,089,752
Maint, Security, & Tech.		\$ 639,762	\$ 814,012
Total:	\$ 283,230	\$ 6,183,463	\$ 7,074,547

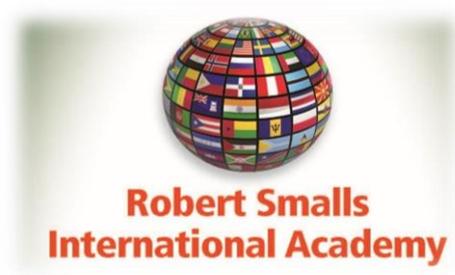
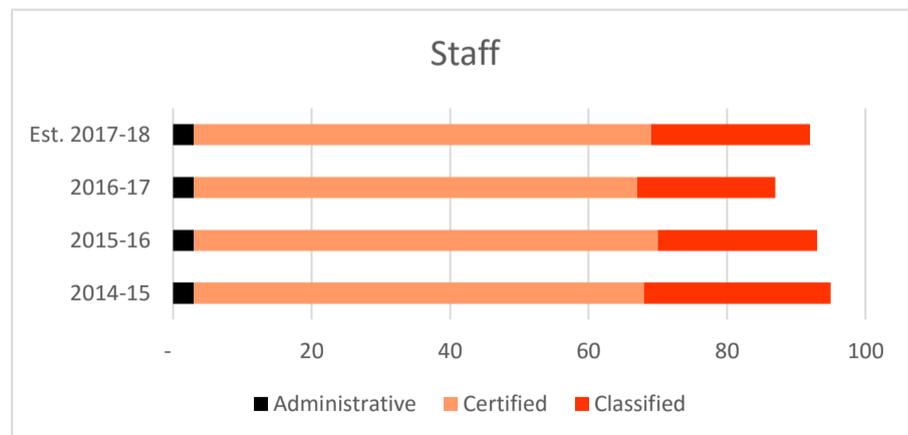
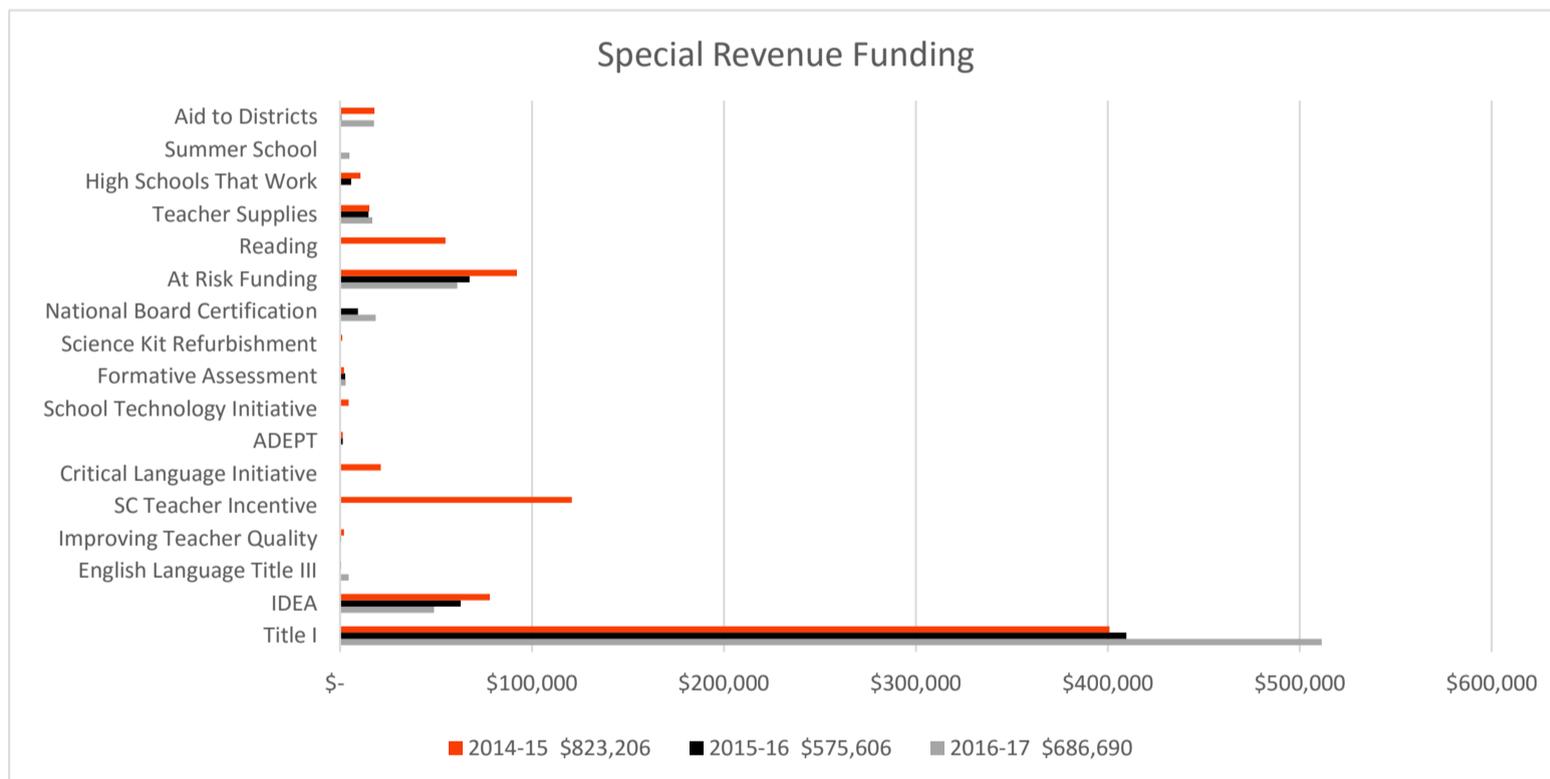


Robert Smalls International Academy

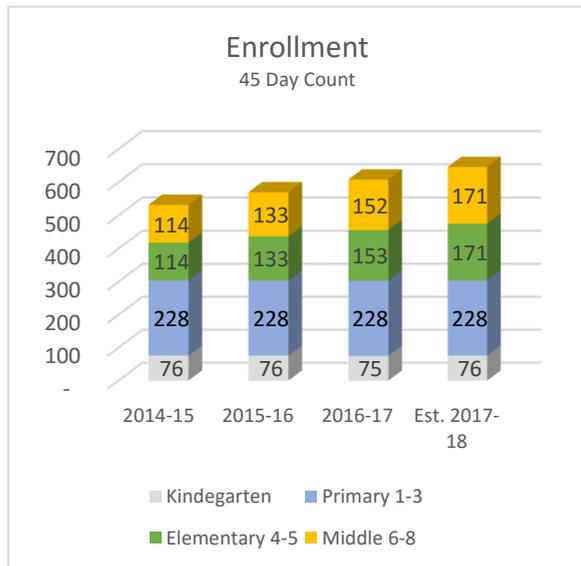
Robert Smalls International Academy was built in 1984 with the capacity to hold 777 students. In 2012-2013 school year, the middle school became a Pre-K through 8th Grade. It is offered as a school of choice with its Project-Based Learning program.



Program Expenses	Actual	Un-Audited	Un-Audited
		Actual	Actual
General Fund	2014-15	2015-16	2016-17
Instructional	\$ 4,096,886	\$ 4,364,971	\$ 4,433,393
Instructional Support	\$ 1,068,341	\$ 1,081,883	\$ 1,049,858
Maint, Security, & Tech.	\$ 776,985	\$ 796,460	\$ 855,931
Total:	\$ 5,942,212	\$ 6,243,314	\$ 6,339,182



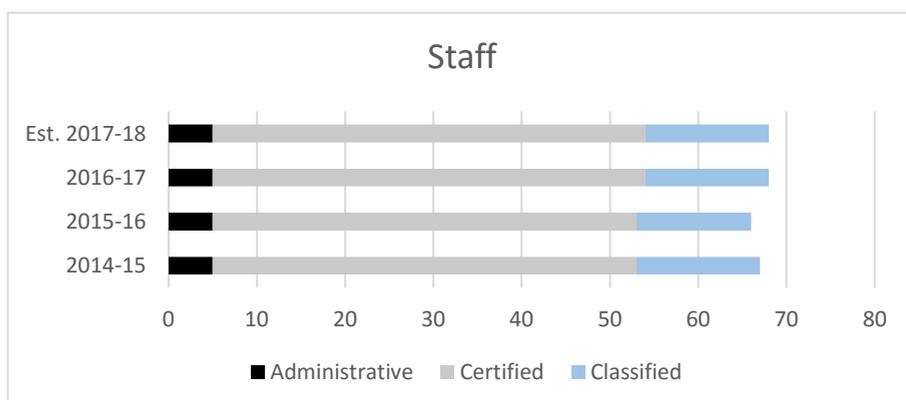
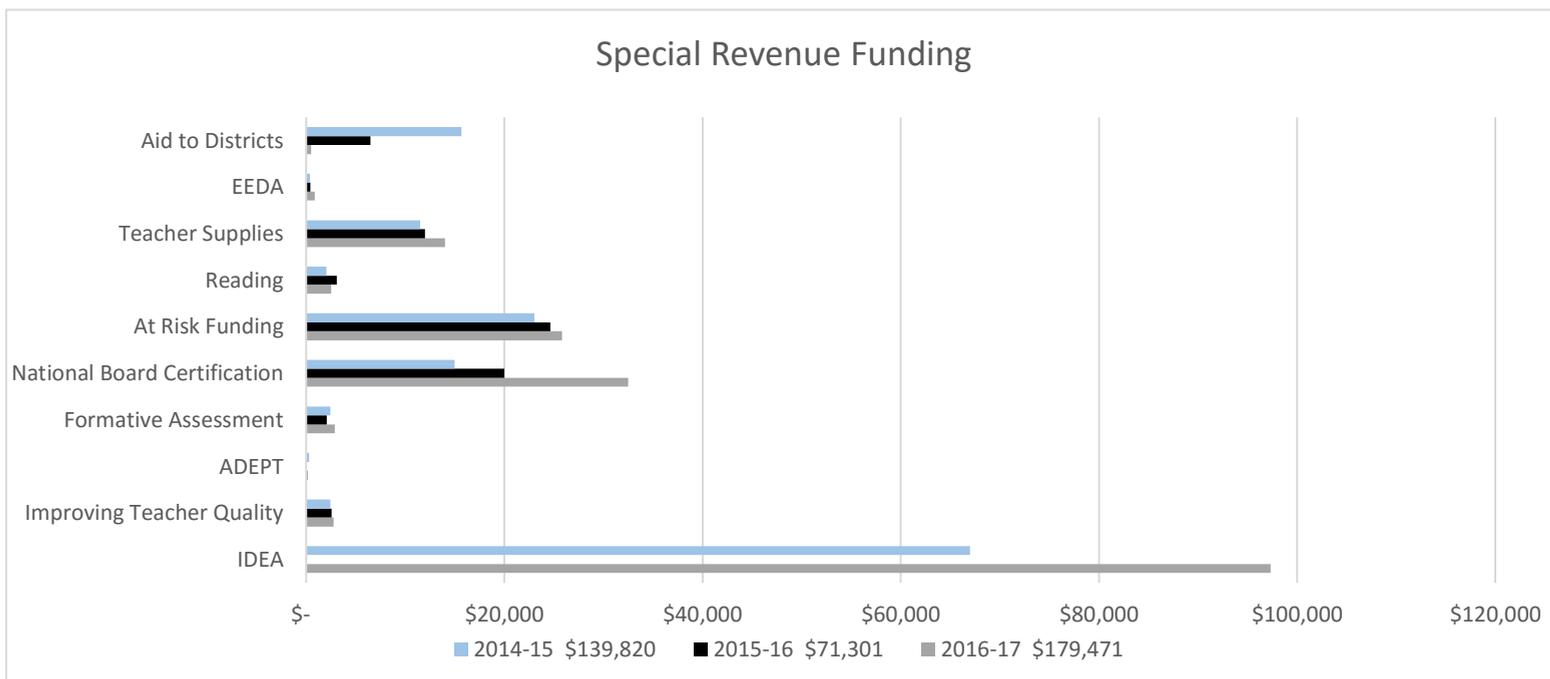
Riverview Charter School



Riverview Charter School opened in 2010 as K-5th school and later expanded through 8th grade. The school is currently operating on the previous Shell Point Elementary campus. While the school receives funding from the Beaufort County School District based on its charter requirements, Riverview operates independently from the other district schools and has no attendance zone. Enrollment into the charter school is based on a lottery system with a set number of students for each grade. Riverview Charter School focuses on teaching the Learning Community of Core Values.

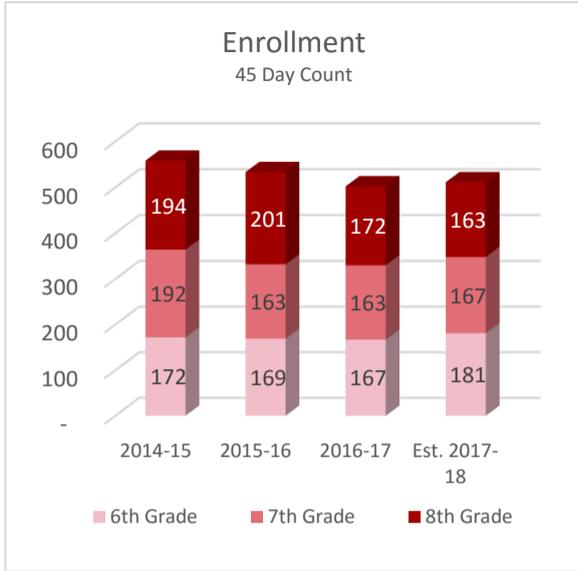


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Transfer to Charter School	\$ 4,398,637	\$ 4,578,250	\$ 4,919,392
Maint, Security, & Tech.	\$ 12,201	\$ 77,975	\$ 92,956
Total:	\$ 4,410,838	\$ 4,656,225	\$ 5,012,348

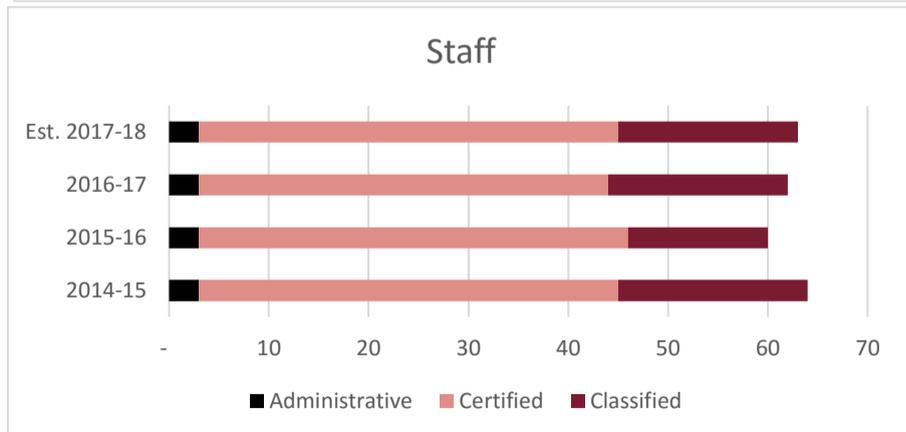
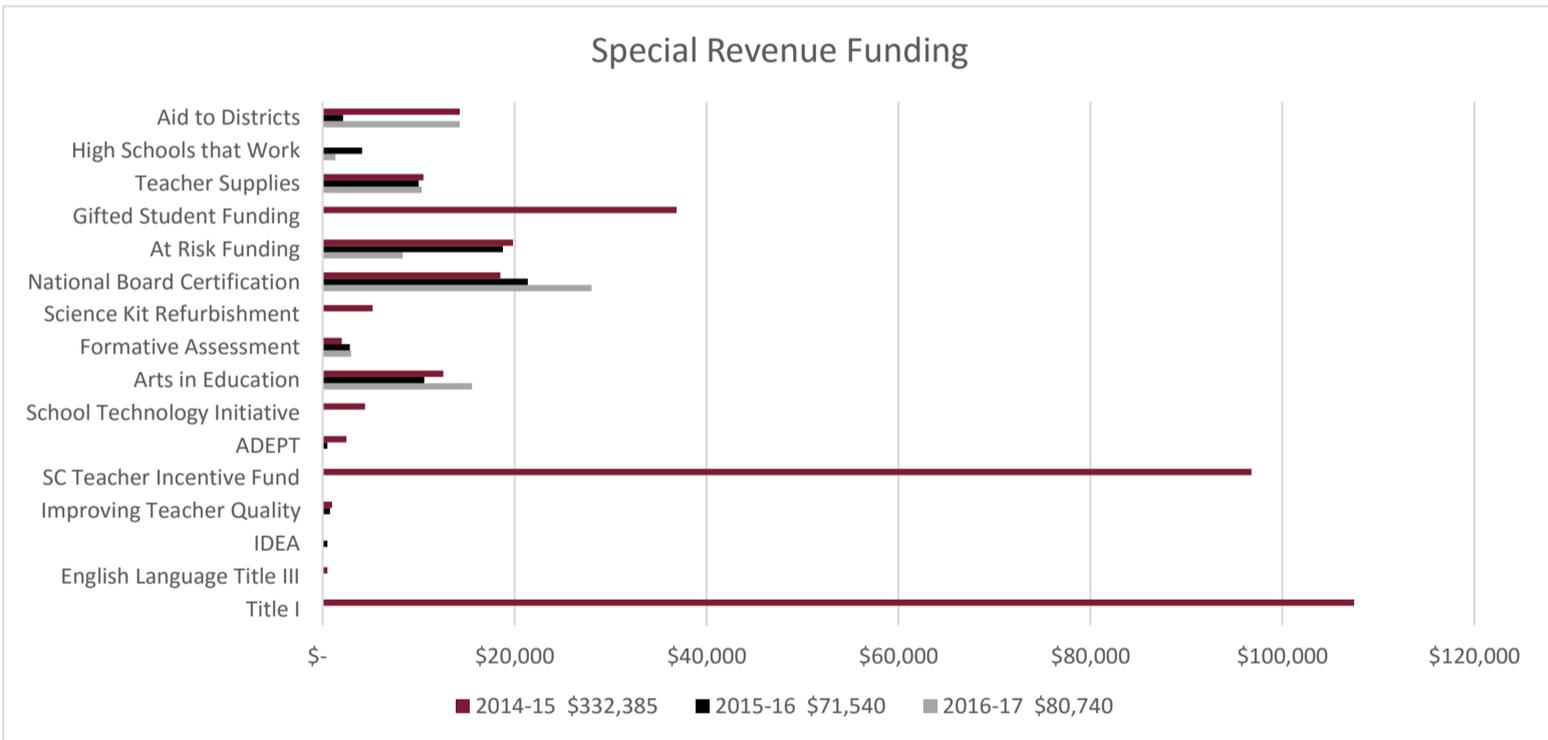


Beaufort Middle

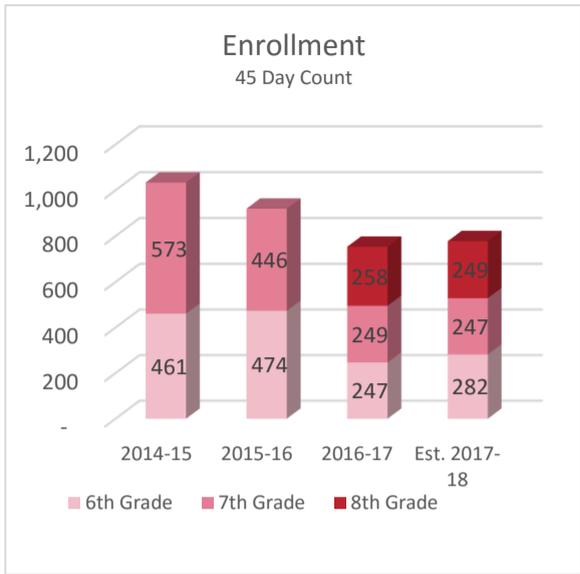
Beaufort Middle is currently located on the former Beaufort High site. In 2002 it was remodeled as a middle school with a capacity for 867 students. Beaufort Middle is offered as a school of choice for its Arts Infused Classical Studies.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,615,896	\$ 2,757,144	\$ 2,821,621
Instructional Support	\$ 1,087,381	\$ 1,091,508	\$ 1,252,978
Maint, Security, & Tech.	\$ 703,987	\$ 666,232	\$ 731,261
Total:	\$ 4,407,264	\$ 4,514,884	\$ 4,805,860



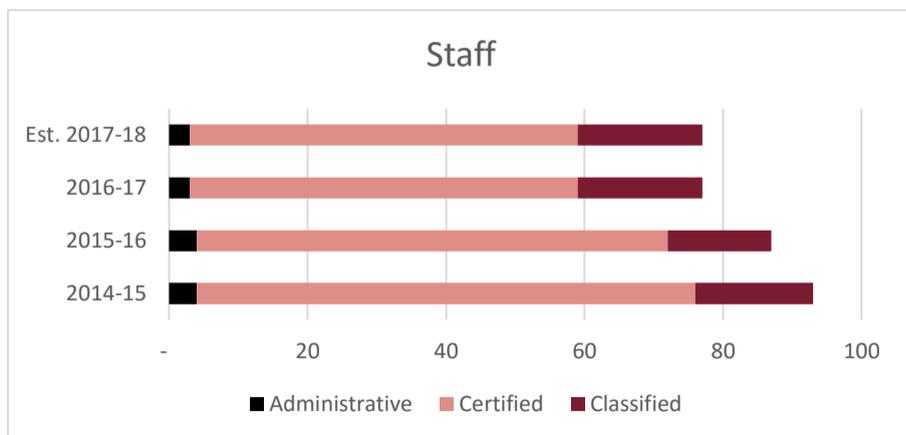
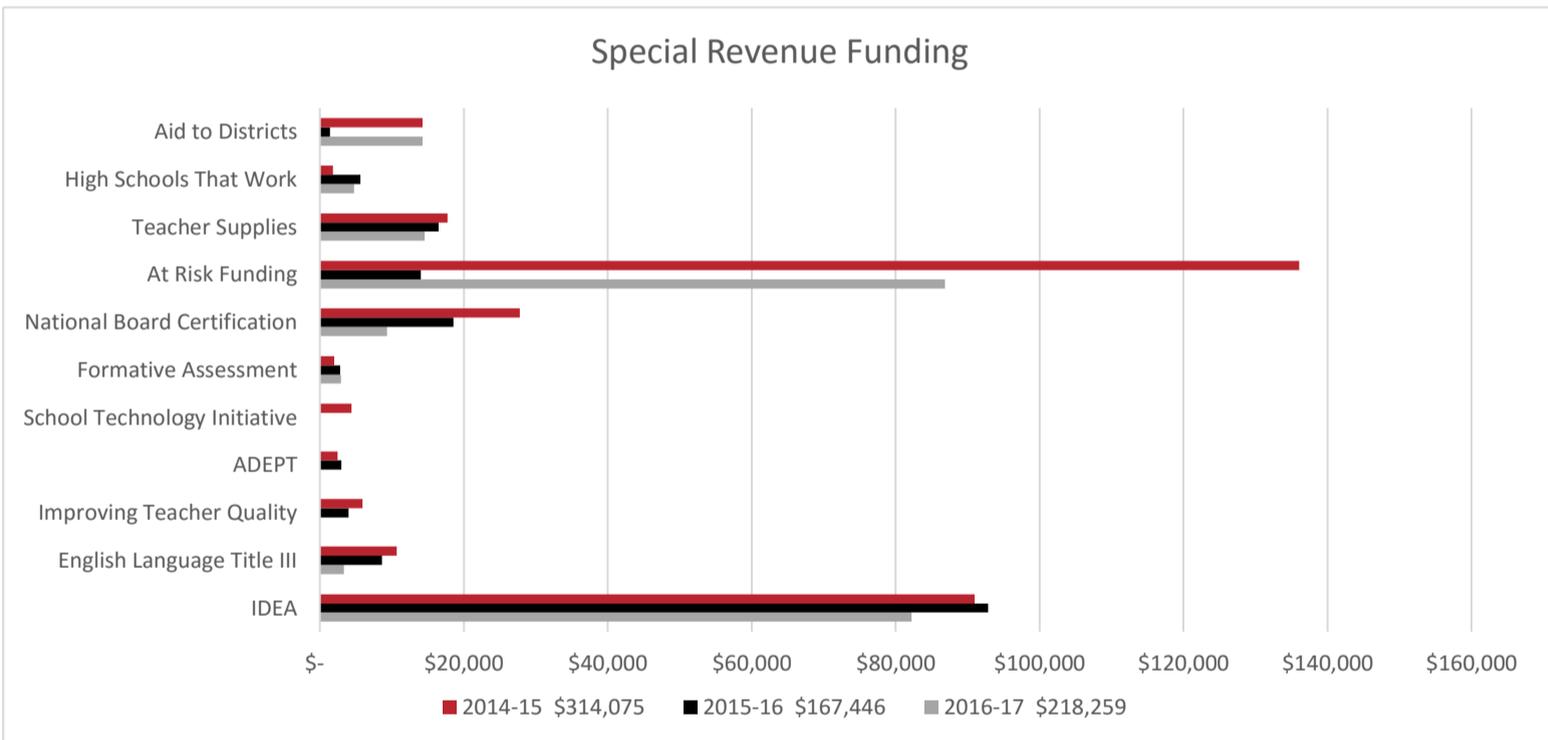
Bluffton Middle



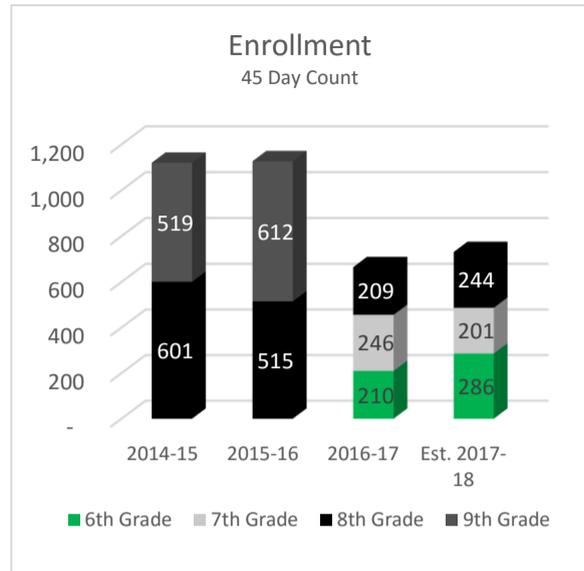
Bluffton Middle was built in 2010 with the capacity to hold 1,100 students. It has been operating since opening as a school for 6th and 7th grade only. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. In the 2016-2017 school year, it became a traditional middle school with 6th to 8th grade as part of the enrollment is rezoned to H.E. McCracken Middle. Bluffton Middle offers the Gateway to Technology program as school of choice.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 4,581,973	\$ 4,709,667	\$ 3,946,149
Instructional Support	\$ 1,147,511	\$ 1,305,540	\$ 1,106,788
Maint, Security, & Tech.	\$ 808,365	\$ 698,692	\$ 857,574
Total:	\$ 6,537,849	\$ 6,713,899	\$ 5,910,511



H.E. McCracken Middle

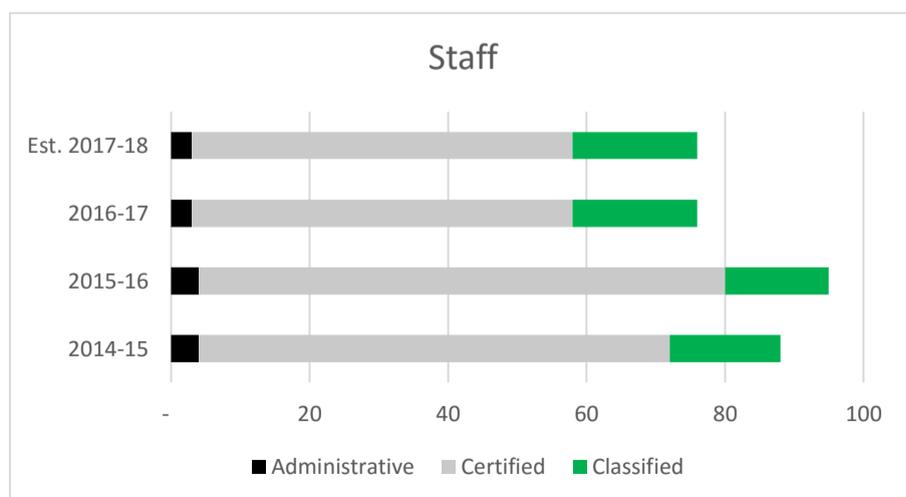
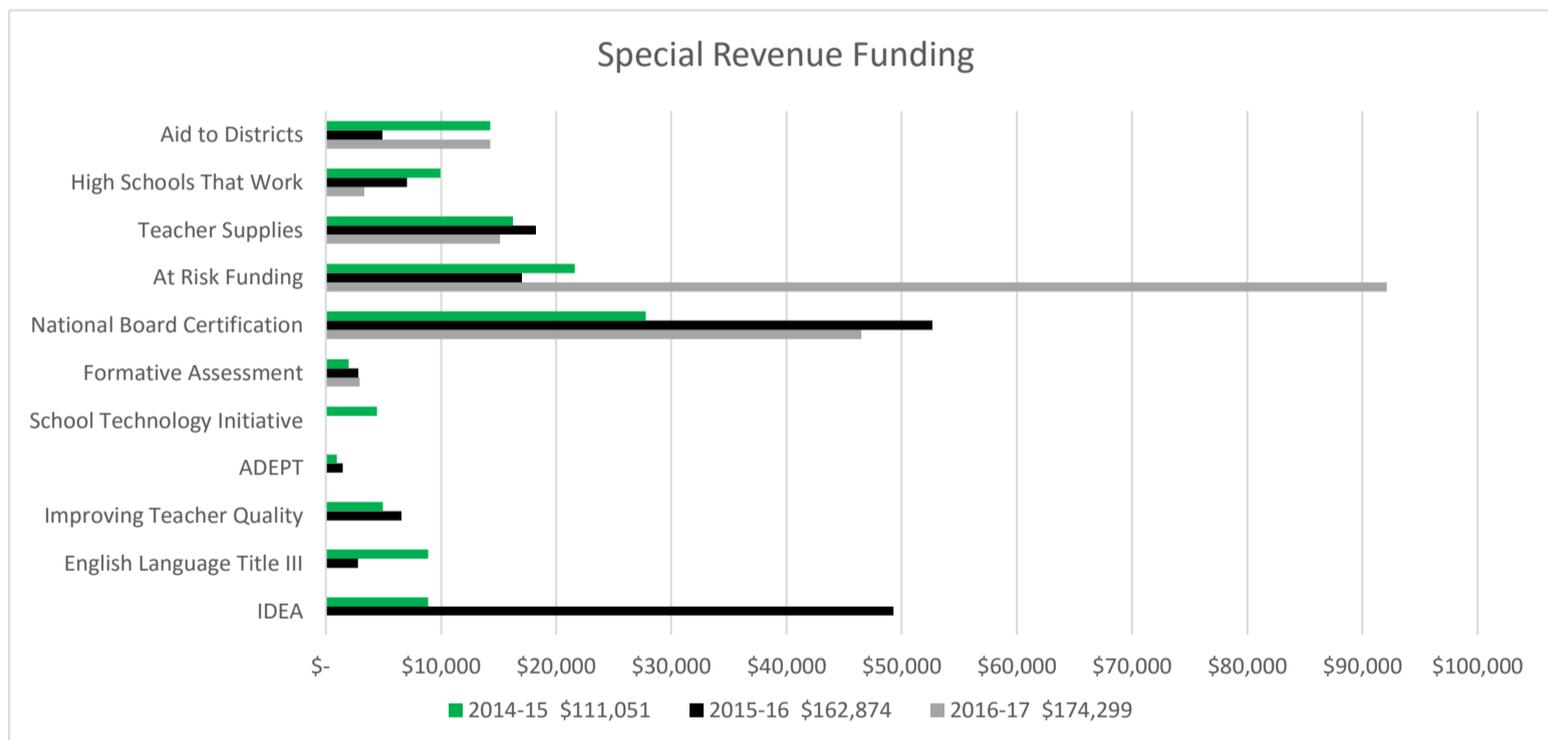


H.E. McCracken Middle was built in 2000 with the capacity to hold 666 students. In 2008, an additional wing was added expanding the school hold 941 students. Due to over crowding at Bluffton High, the freshman class was moved to H.E. McCracken Middle and became a school for 8th and 9th graders. With the opening of May River High the school reverted to a 6th to 8th grade middle school in the 2016-2017 school year. H.E. McCracken Middle is offers an Arts Infused Program and a Gateway to Technology program as a School of Choice.



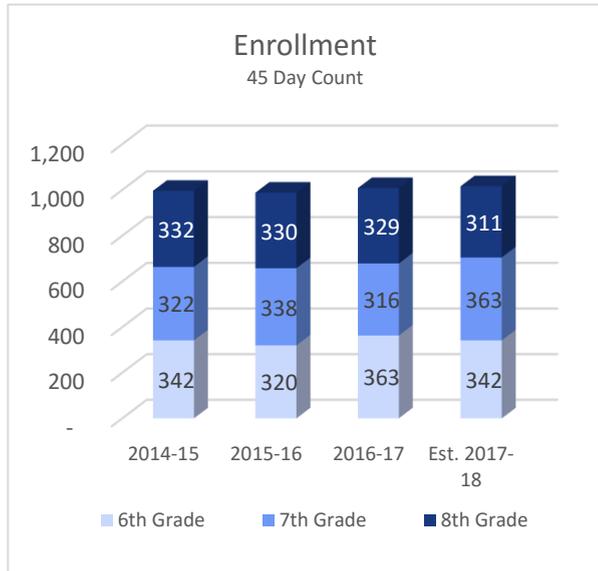
Un-Audited

Program Expenses	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 4,497,395	\$ 5,170,609	\$ 4,030,275
Instructional Support	\$ 1,436,903	\$ 1,378,729	\$ 1,071,742
Maint, Security, & Tech.	\$ 769,616	\$ 754,404	\$ 695,278
Total:	\$ 6,703,914	\$ 7,303,742	\$ 5,797,295

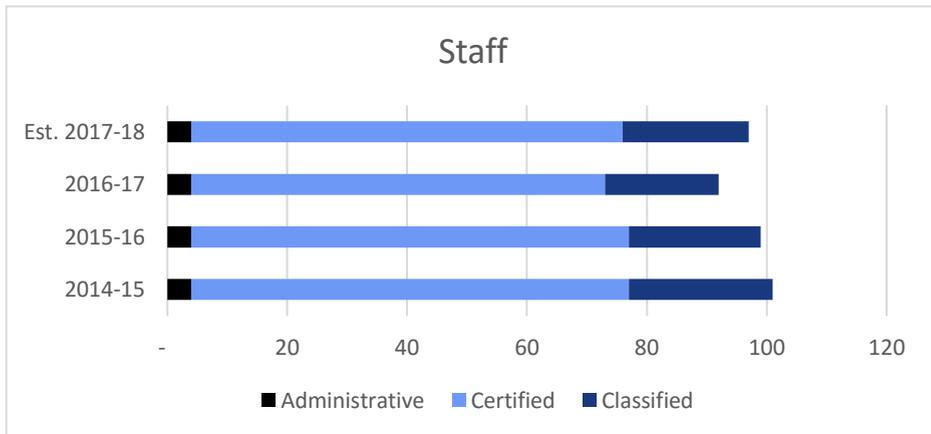
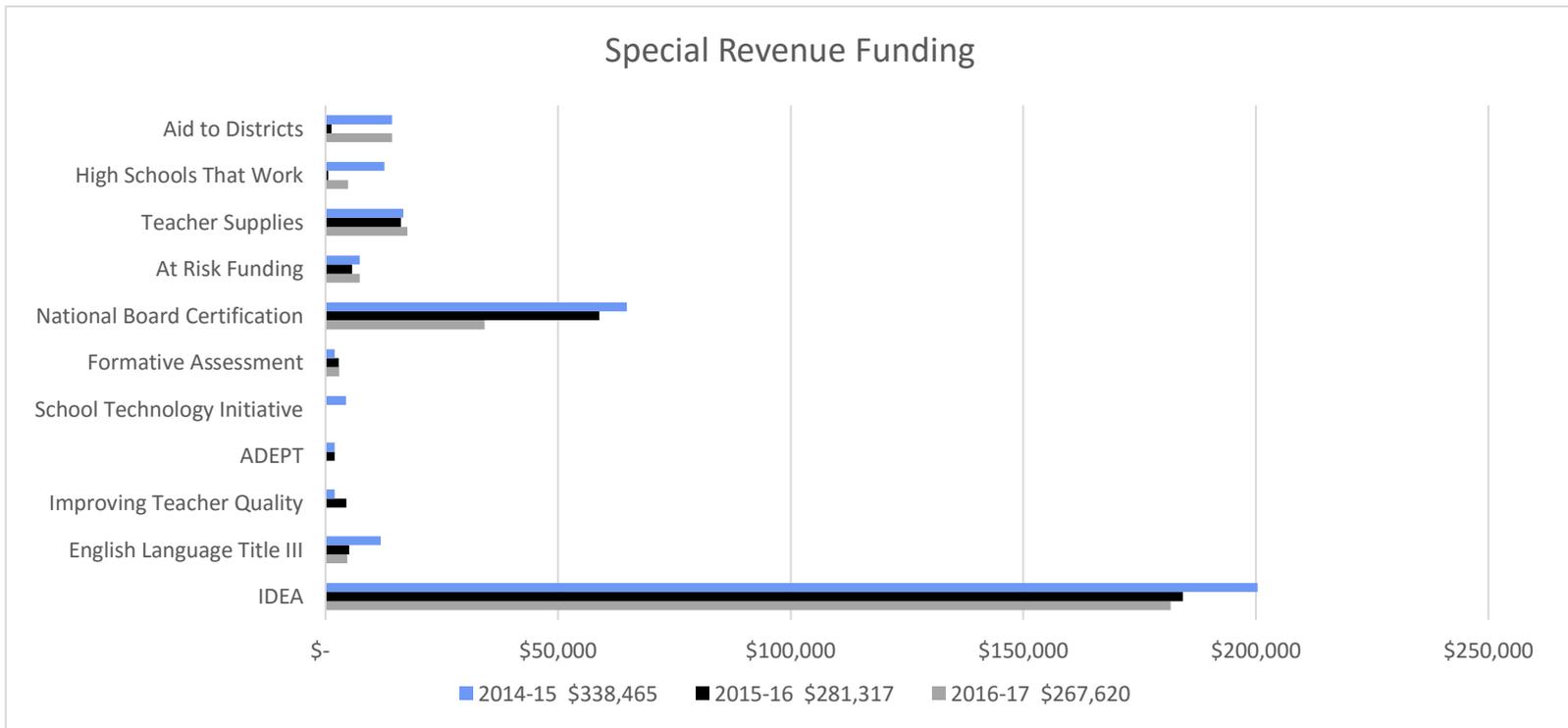


Hilton Head Island Middle

Hilton Head Island Middle was built in 1992 with a capacity to hold 819 students. Today, the campus can accommodate almost 1,000. Hilton Head Island Middle offers the International Baccalaureate program as their School of Choice.

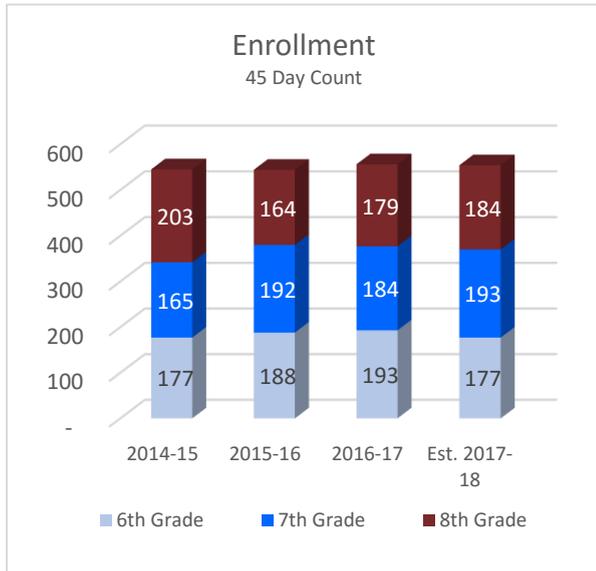


Program Expenses	Un-Audited		
	Actual	Actual	Actual
General Fund	2014-15	2015-16	2016-17
Instructional	\$ 4,809,583	\$ 4,641,547	\$ 4,564,928
Instructional Support	\$ 1,272,822	\$ 1,342,796	\$ 1,323,427
Maint, Security, & Tech.	\$ 717,170	\$ 787,207	\$ 798,394
Total:	\$ 6,799,575	\$ 6,771,550	\$ 6,686,749

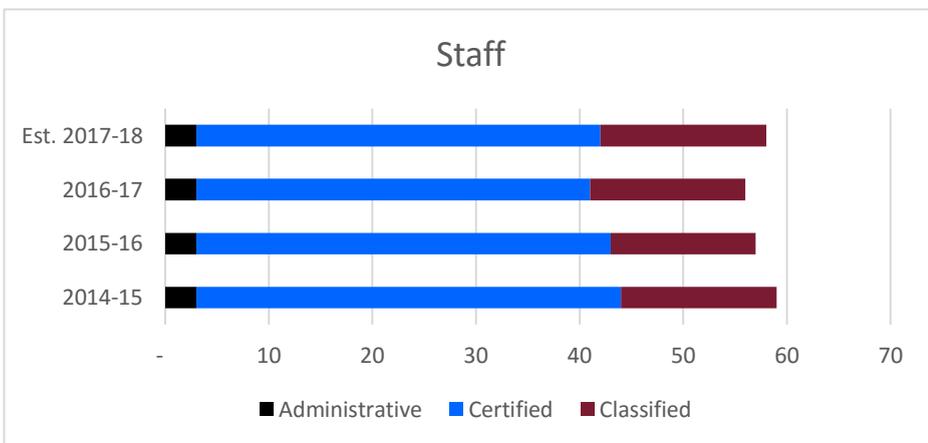
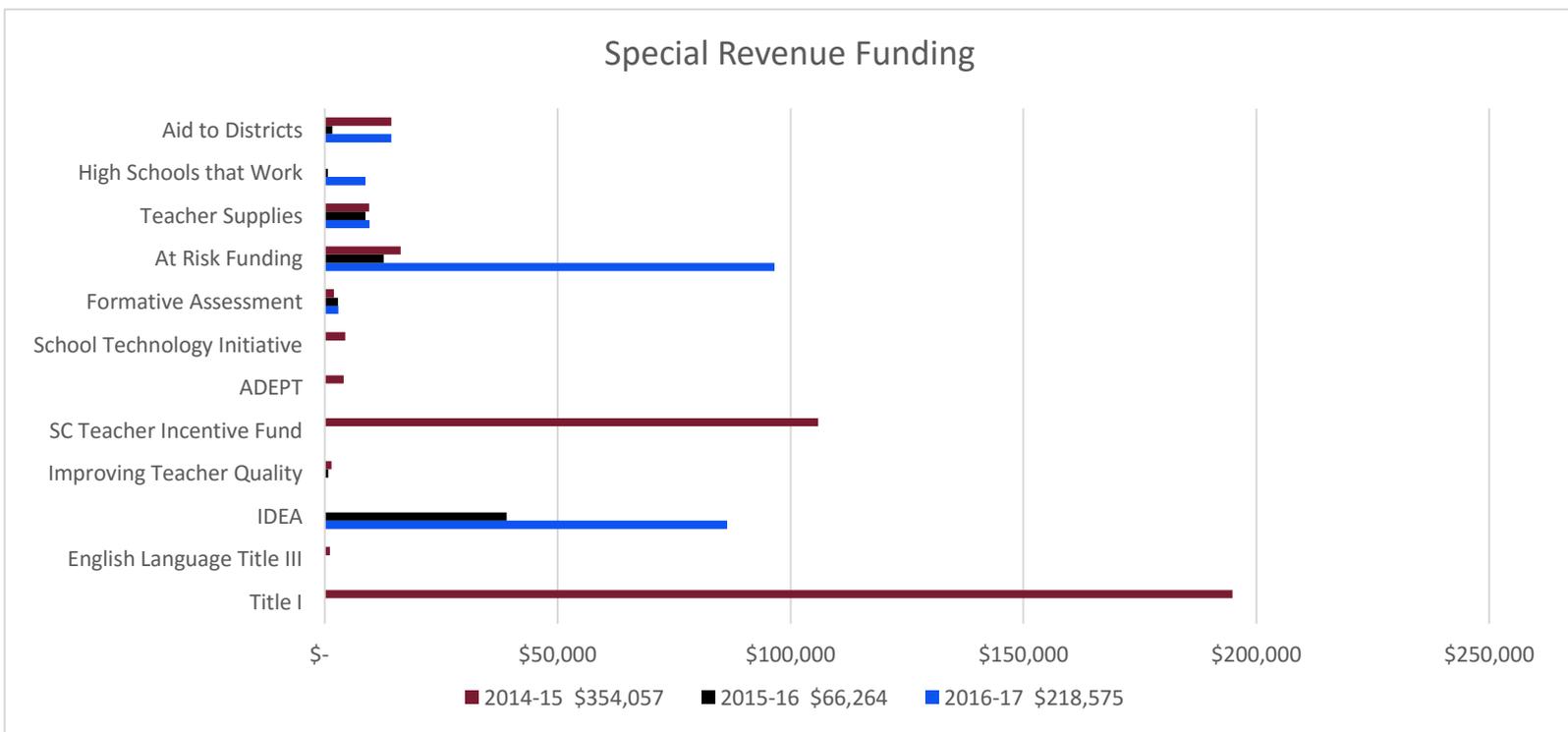


Lady's Island Middle

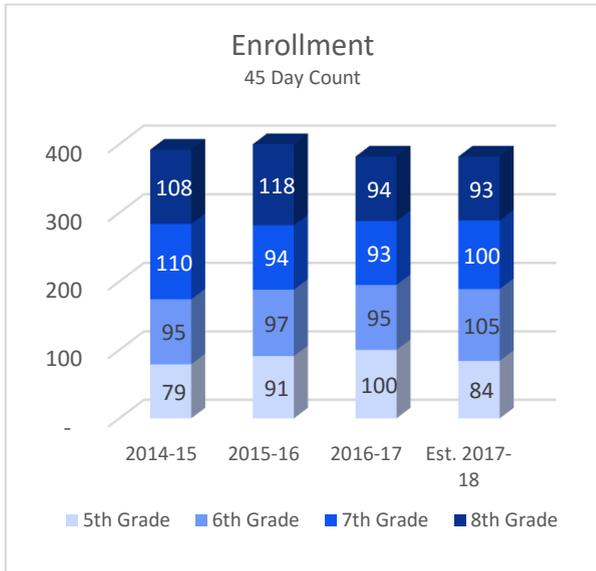
Lady's Island Middle was built in 1984 with the capacity to hold 1,209 students. Lady's Island Middle offers as their school of choice Arts Infused and Gateway to Technology programs that incorporates art, science, technology, engineering and math.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,555,327	\$ 2,728,000	\$ 2,652,080
Instructional Support	\$ 1,137,689	\$ 1,199,892	\$ 1,089,957
Maint, Security, & Tech.	\$ 798,474	\$ 847,117	\$ 874,997
Total:	\$ 4,491,490	\$ 4,775,009	\$ 4,617,034



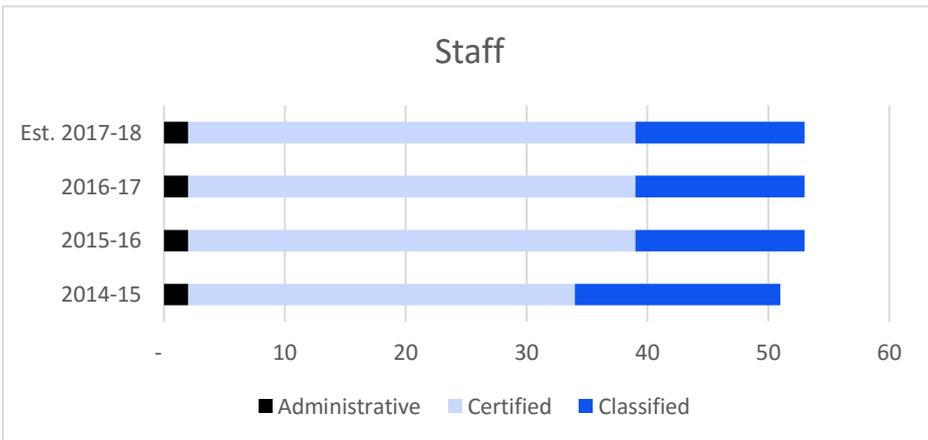
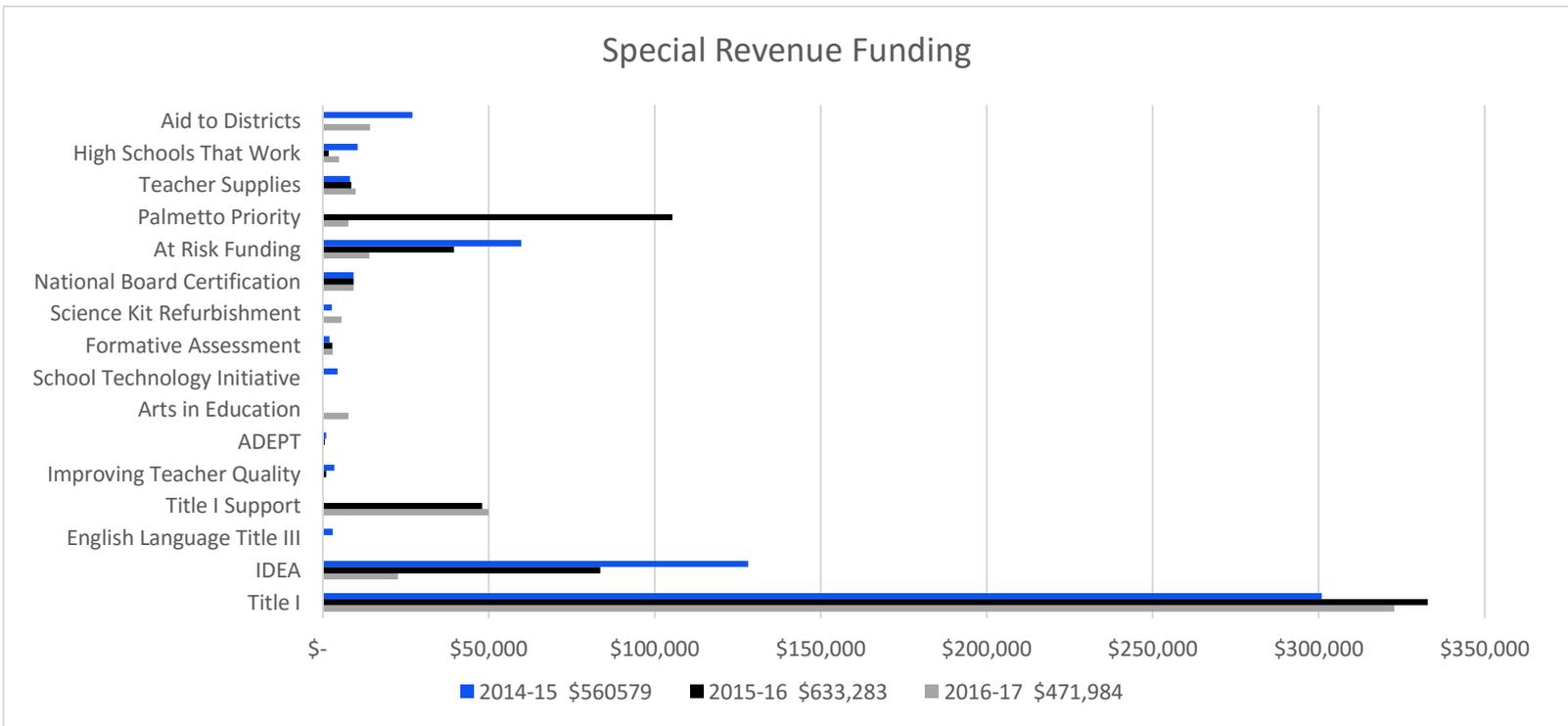
Whale Branch Middle



Whale Branch Middle was built in 2000 with the capacity to hold 774 students. As a school of choice, Whale Branch Middle offers Arts Infused and Gateway to Technology which focuses on art, science, technology, engineering, and math.

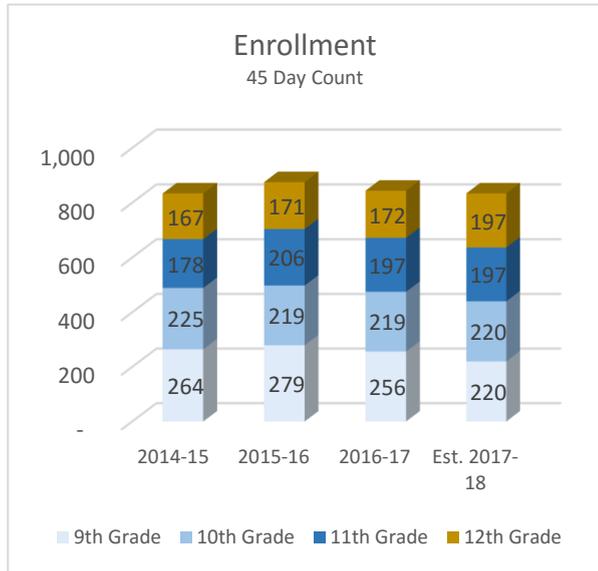


Program Expenses	Un-Audited		
	Actual	Actual	Actual
General Fund	2014-15	2015-16	2016-17
Instructional	\$ 2,102,938	\$ 2,109,429	\$ 2,297,994
Instructional Support	\$ 874,079	\$ 881,713	\$ 901,647
Maint, Security, & Tech.	\$ 536,954	\$ 809,046	\$ 611,601
Total:	\$ 3,513,971	\$ 3,800,188	\$ 3,811,242



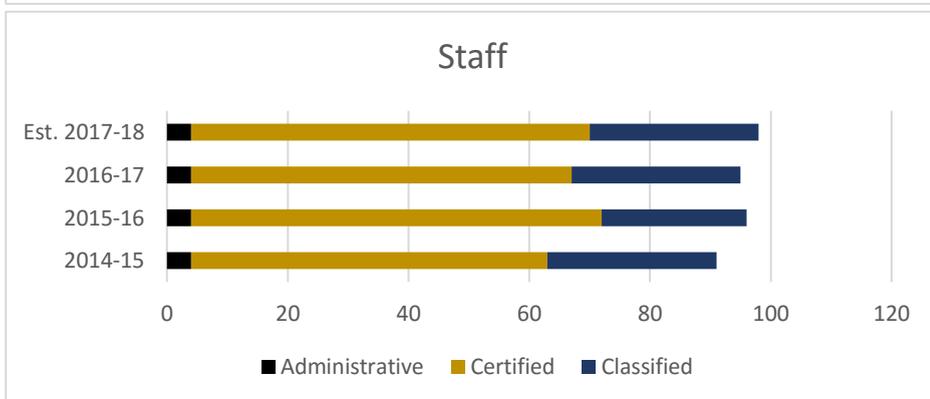
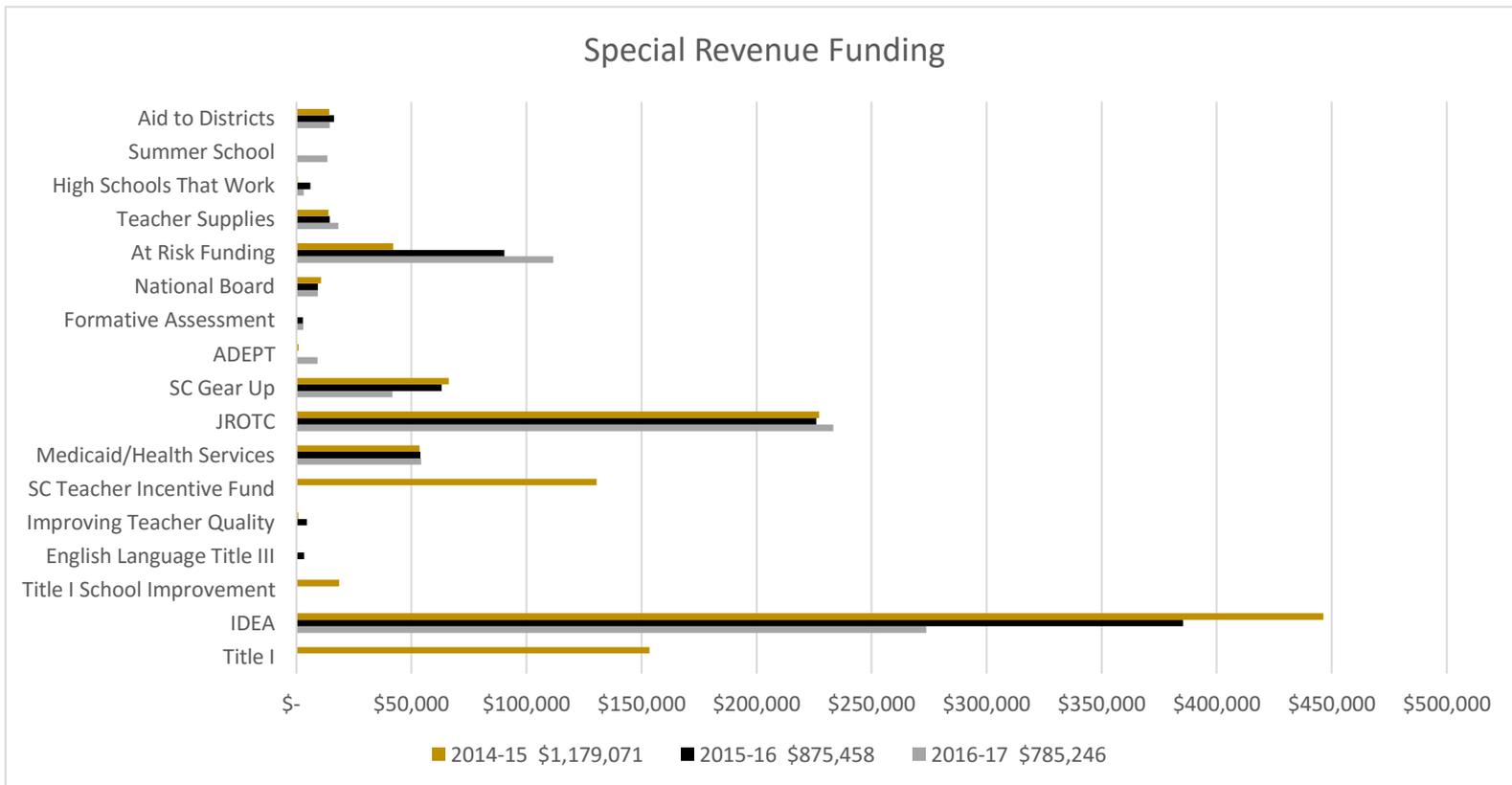
Battery Creek High School

Battery Creek High was built in 1992 with a capacity to hold 1,352 students. As a school of choice, Battery Creek High offers College and Career Cluster Communities. The emphasis is on five career themes: Finance, Hospitality and Tourism, Information Technology, Health Sciences, and Engineering through an Aerospace program. Its new Career and Technology Education building offers Agri-Science, Avionics, Culinary Arts and Mechatronics.



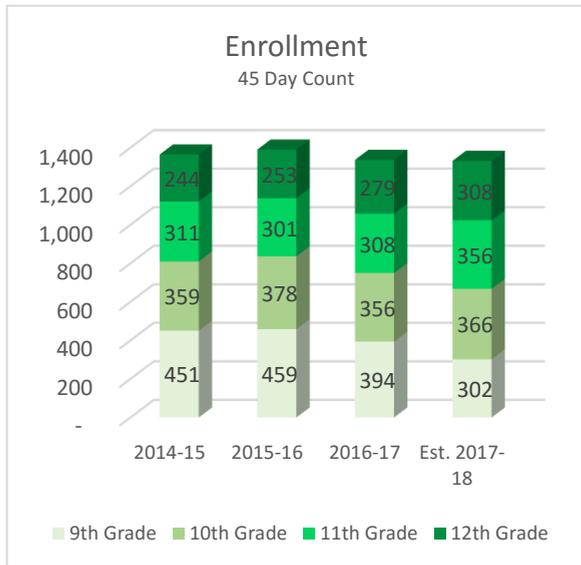
Un-Audited

Program Expenses	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 3,867,398	\$ 4,260,664	\$ 4,667,288
Instructional Support	\$ 1,439,170	\$ 1,391,666	\$ 1,486,644
Maint, Security, & Tech.	\$ 1,097,148	\$ 1,319,867	\$ 1,265,563
Total:	\$ 6,403,716	\$ 6,972,197	\$ 7,419,495



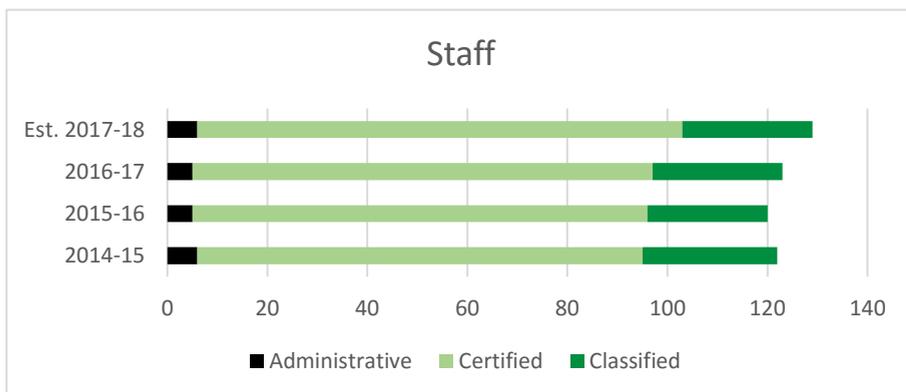
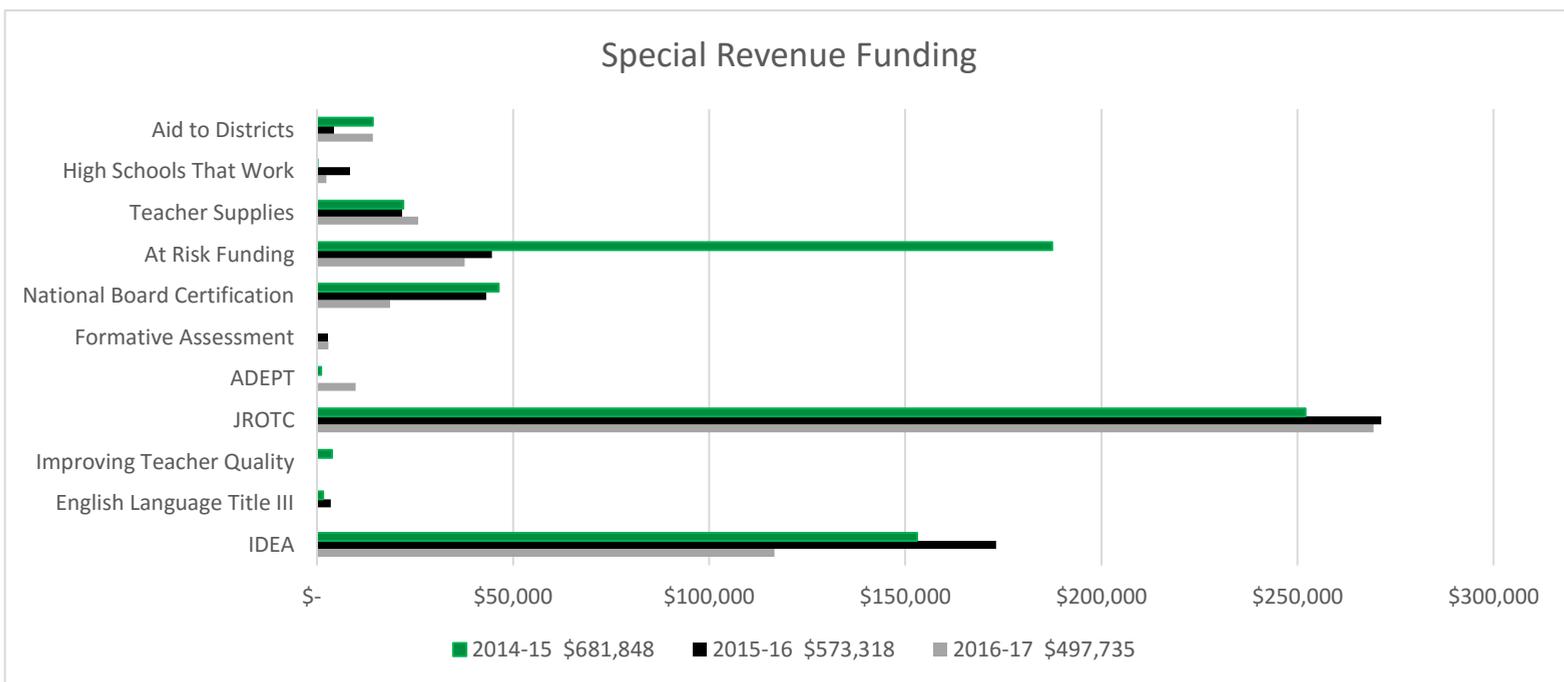
Beaufort High School

Beaufort High was built in 2000 with a capacity to hold 1,357 students. Beaufort High offers High School Academies as a school of choice. Programs are designed around small defined areas of study: School of Arts, Communication & Technology, the School of Medical and Consumer Sciences, and the School of International Studies and

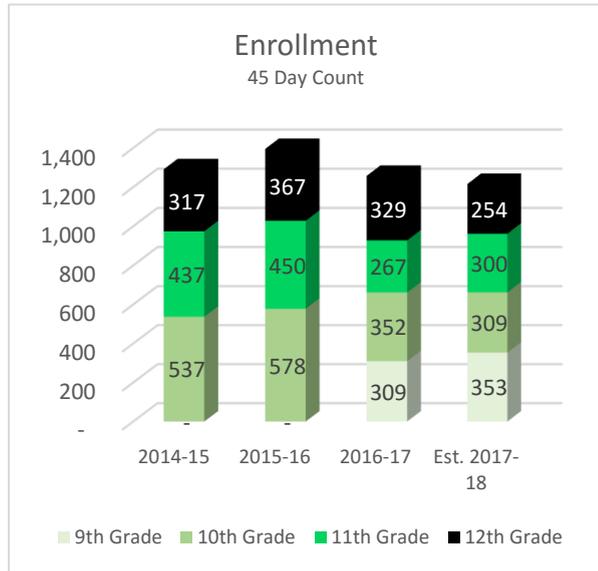


Un-Audited

Program Expenses	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 6,451,938	\$ 6,482,853	\$ 6,939,744
Instructional Support	\$ 1,836,501	\$ 2,044,012	\$ 1,986,970
Maint, Security, & Tech.	\$ 1,264,737	\$ 1,259,920	\$ 1,281,728
Total:	\$ 9,553,176	\$ 9,786,785	\$ 10,208,442



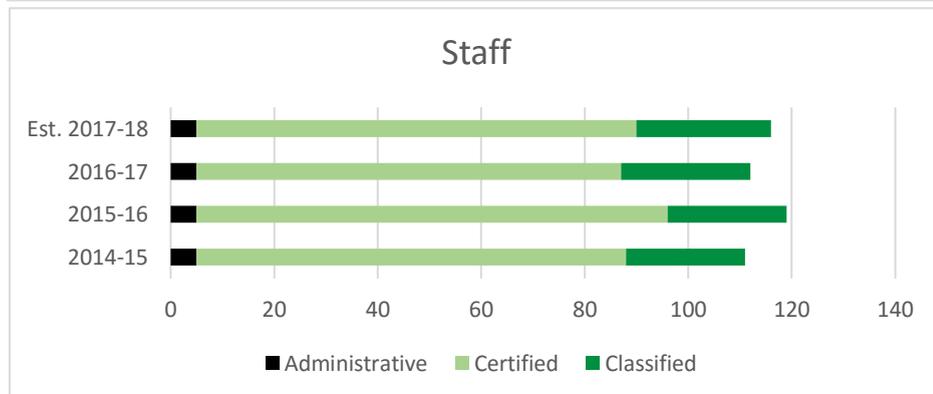
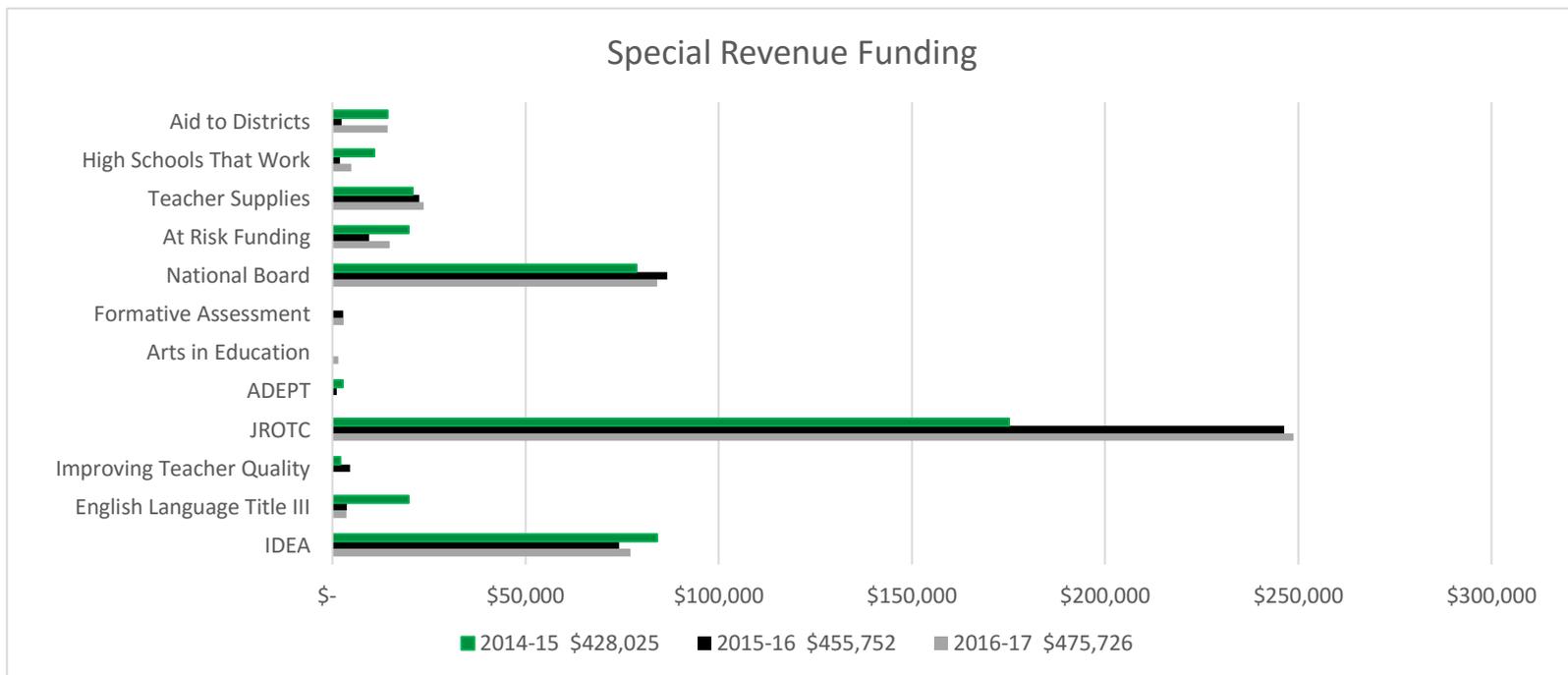
Bluffton High School



Bluffton High School was built in 2005 with a capacity for 1,131 students. After the first year, the school was already over capacity. Since 2010, the freshmen class has been attending McCracken Middle School. In the 2016-2017 year the freshman class moved back to Bluffton High with the opening of May River High. Bluffton High offers as school of choice the College and Career Cluster Communities and Project Lead the Way which are both aided by the Technical College of the Lowcountry.

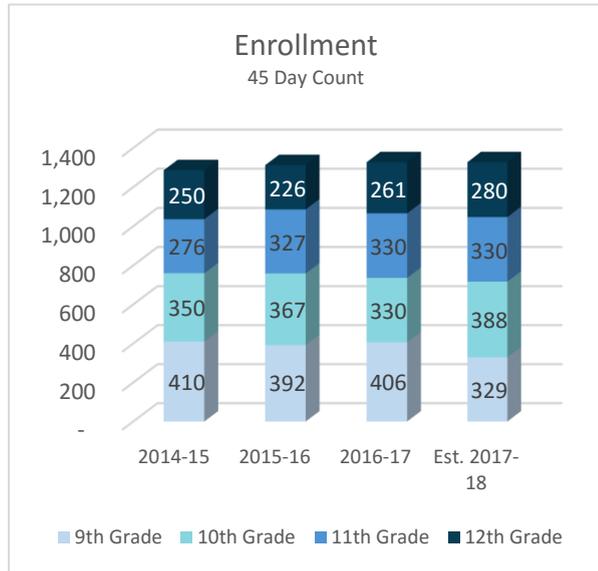


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 5,751,859	\$ 6,362,245	\$ 6,179,671
Instructional Support	\$ 1,705,056	\$ 1,931,634	\$ 1,743,603
Maint, Security, & Tech.	\$ 1,156,231	\$ 1,256,932	\$ 1,244,290
Total:	\$ 8,613,145	\$ 9,550,811	\$ 9,167,564

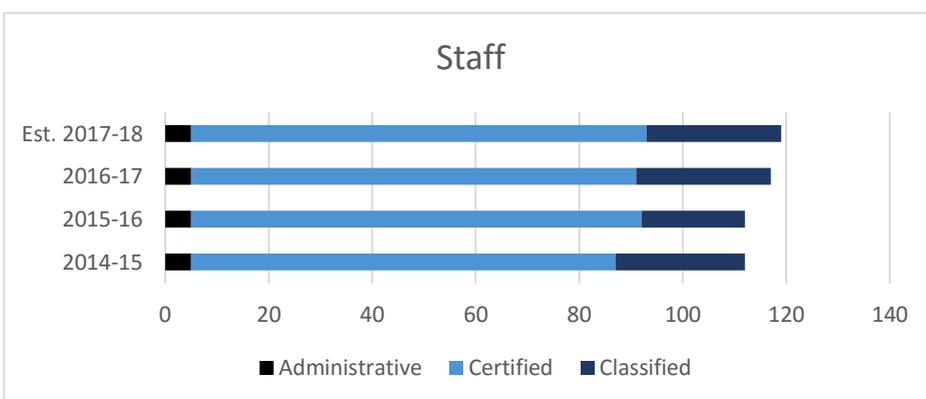
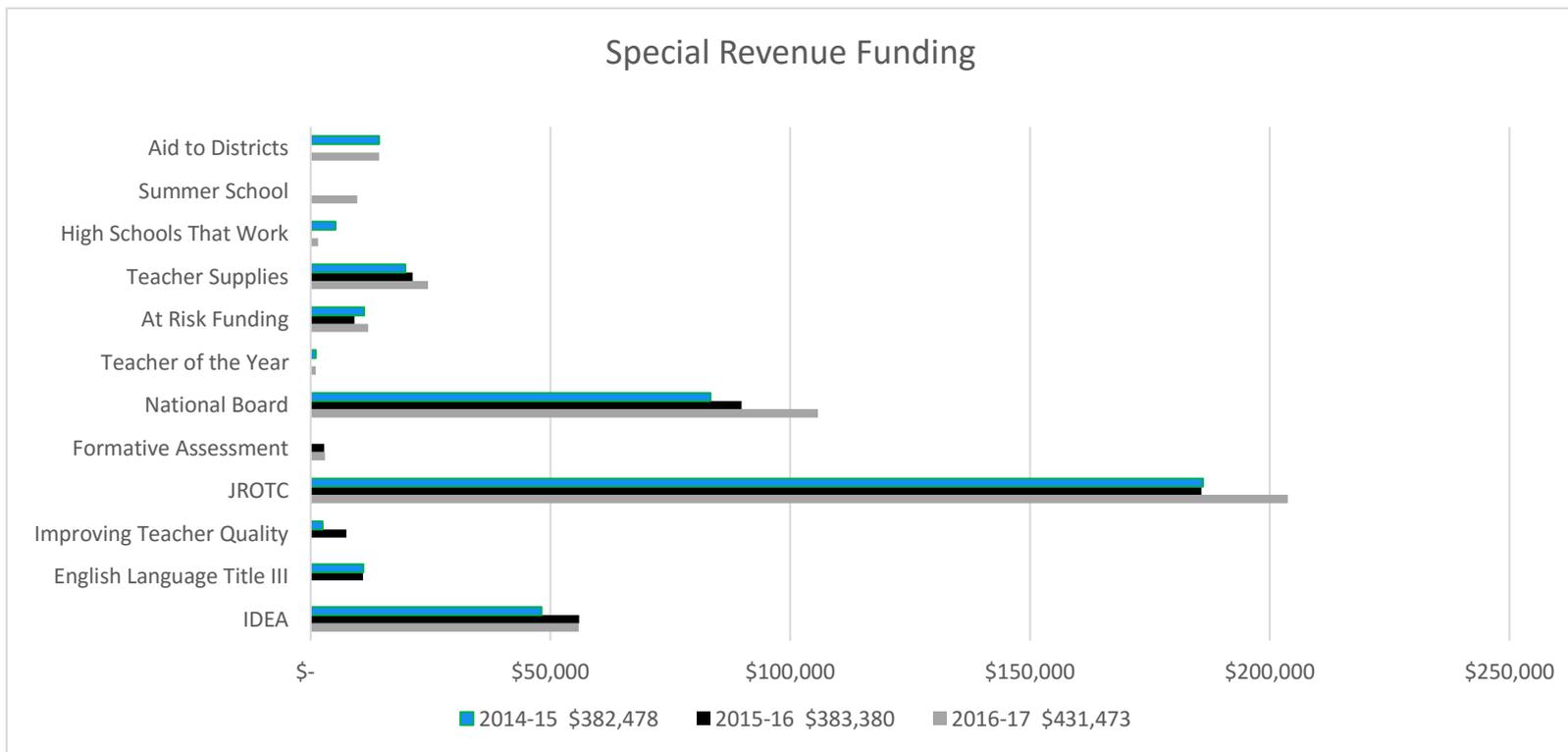


Hilton Head Island High

Hilton Head Island High was built in 1983 with a capacity to hold 1,295 students. Hilton Head Island High offers as a school of choice the International Baccalaureate College and Career Cluster Communities. Students in the IB program can receive an IB Diploma recognized by universities around the world.

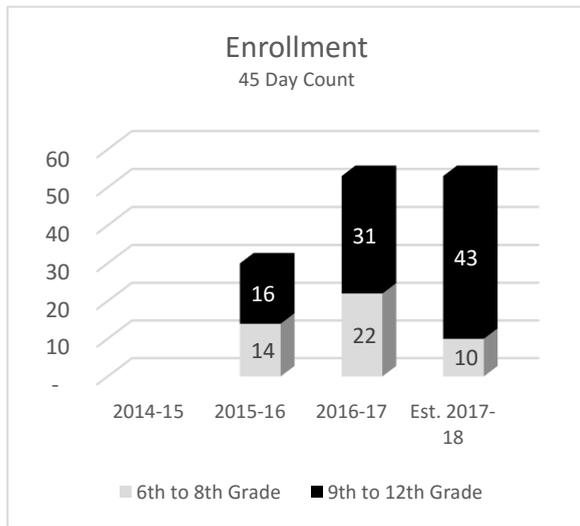


Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 5,730,792	\$ 6,074,926	\$ 6,531,625
Instructional Support	\$ 1,321,508	\$ 1,700,873	\$ 1,684,986
Maint, Security, & Tech.	\$ 1,243,578	\$ 1,265,174	\$ 1,349,090
Total:	\$ 8,295,878	\$ 9,040,973	\$ 9,565,701



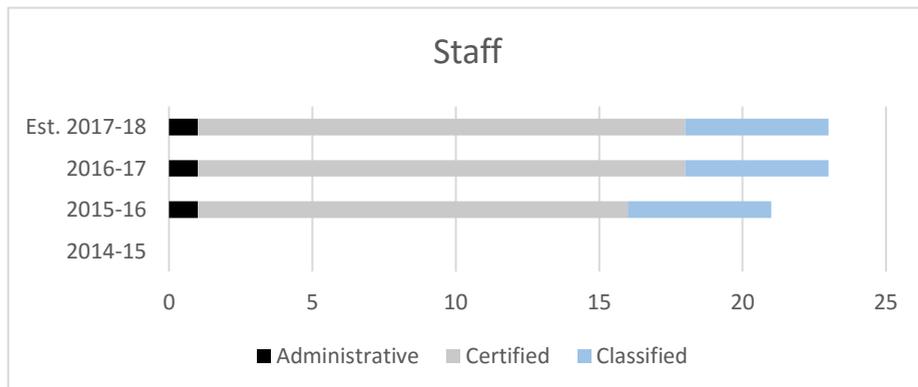
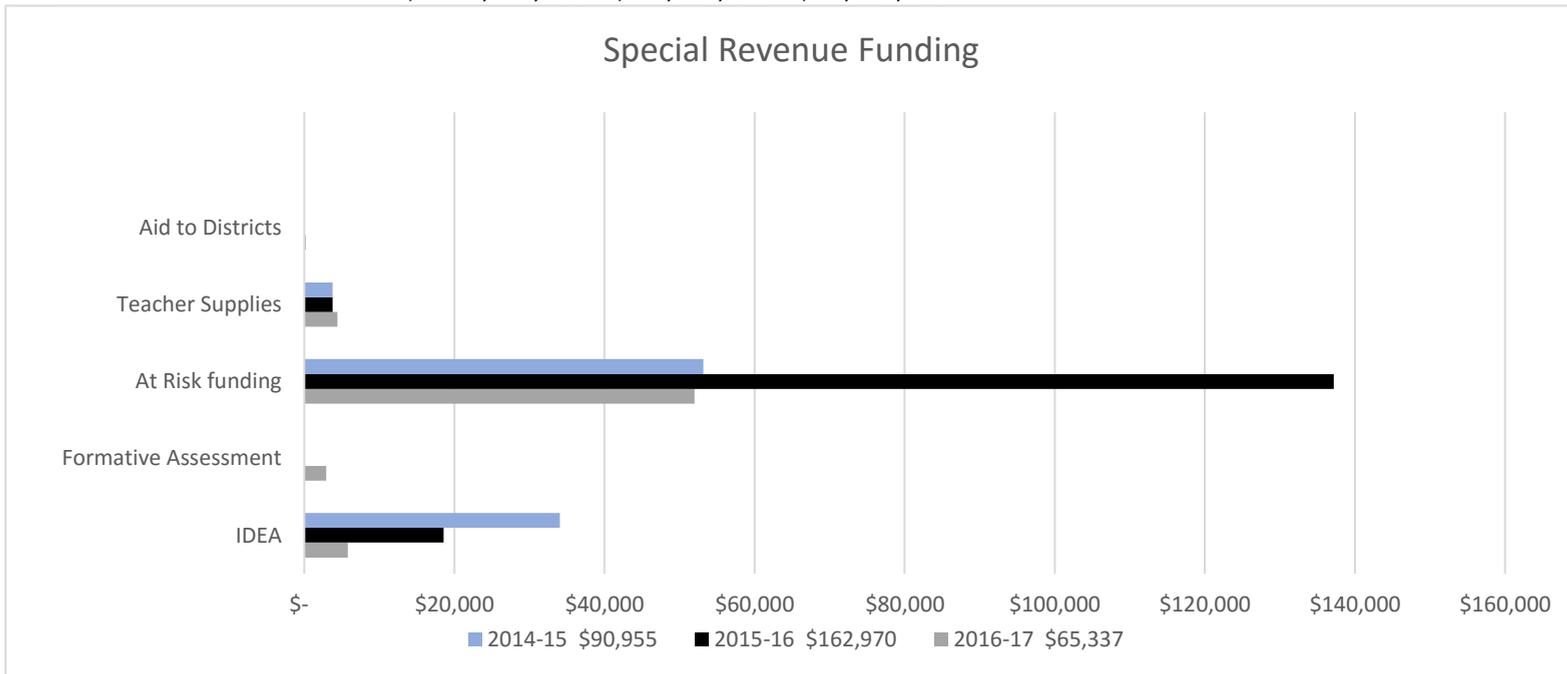
Islands Academy

Islands Academy is an alternative school setting serving students grades 6-12. Enrollment into Islands Academy will be through an application process or administrative placement to provide support for students who are at risk of not graduating with their cohort and will have an opportunity to complete an individualized, strategic graduation plan that may allow them to return to their home schools. Some students may be encouraged to enroll for the purpose of completing standard courses in English, Math, Science, and Social Studies. Courses are offered in a smaller setting that provides a more individualized and blended learning experience that is unlike that of the comprehensive high school. Total enrollment is capped at 250 with a projected student/teacher ratio of 15 to 1.



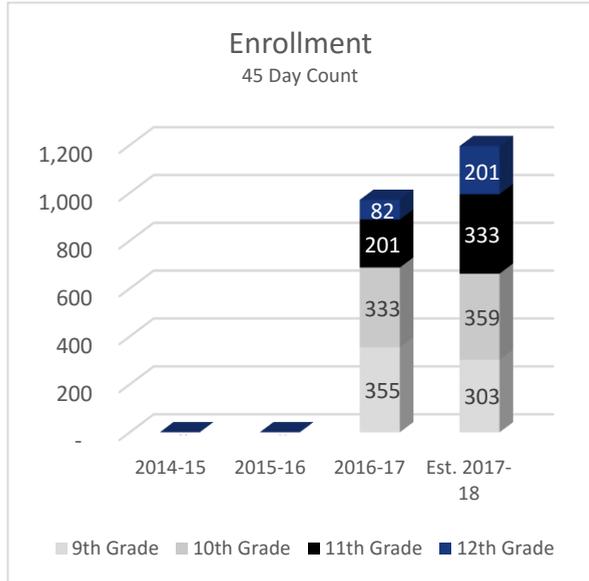
Un-Audited

Program Expenses	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 1,182,934	\$ 1,238,967	\$ 1,365,488
Instructional Support	\$ 183,031	\$ 267,986	\$ 287,061
Maint, Security, & Tech.	\$ 197,765	\$ 233,132	\$ 88,291
Total:	\$ 1,563,730	\$ 1,740,085	\$ 1,740,840

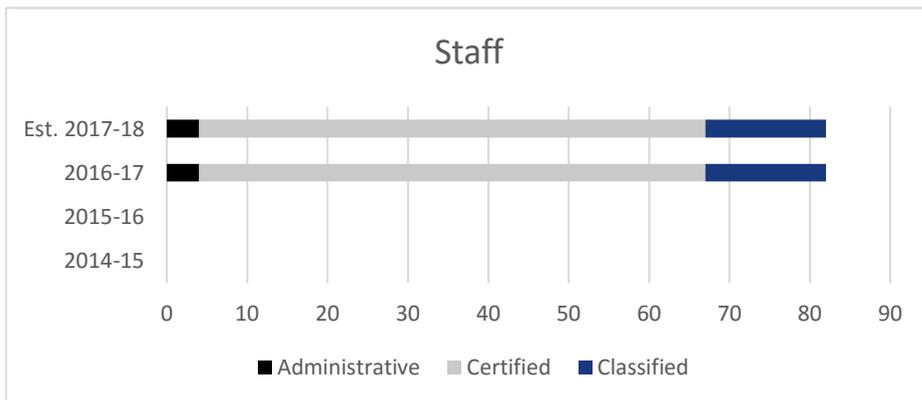
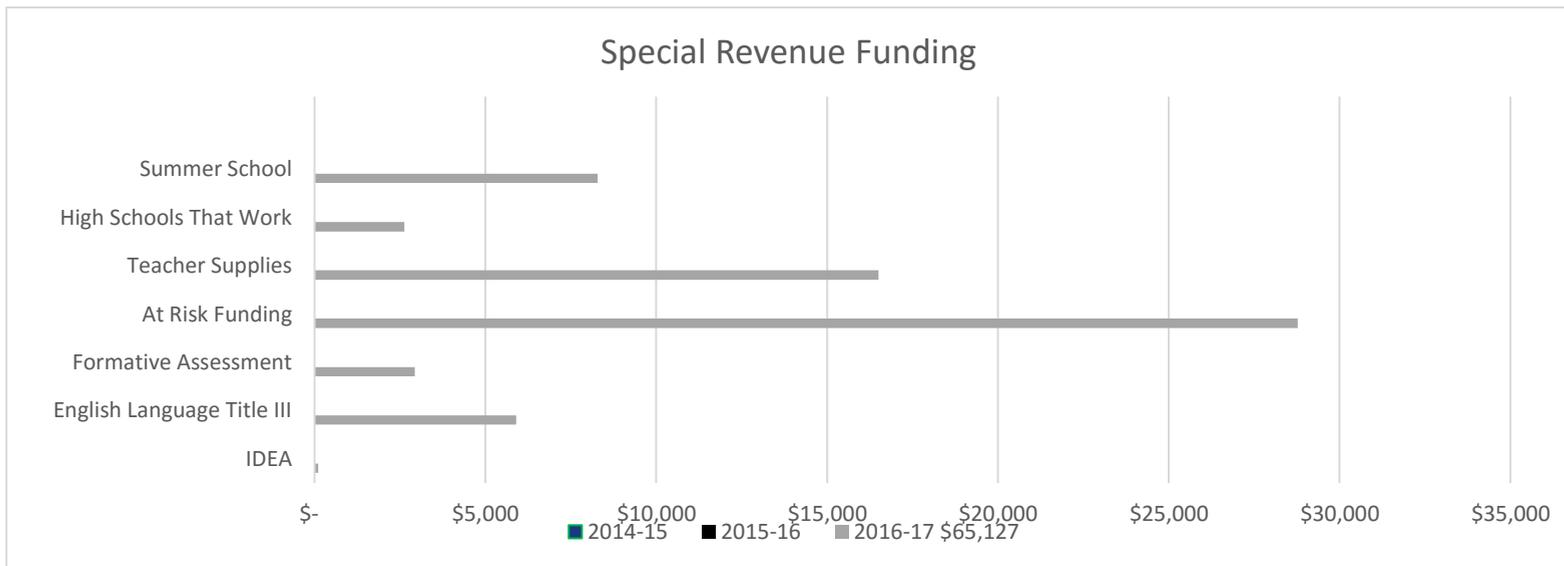


May River High

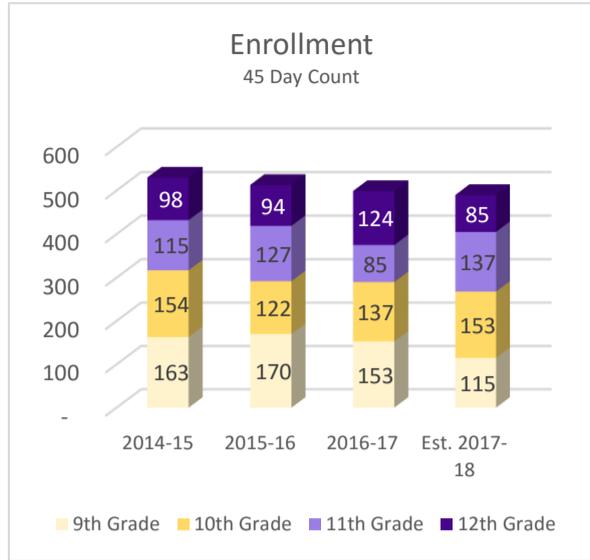
May River High opened in August of 2016 with a capacity to hold 1,400 students. As a school of choice, May River High offers the Acceleration Academy and Project Lead the Way. The Acceleration Academy focuses on earned college credits in accelerated programs. Project Lead the Way offers a concentration in science, technology, engineering, and math.



Program Expenses	Un-Audited	
	Actual 2015-16	Actual 2016-17
General Fund		
Instructional	\$ 441	\$ 4,437,567
Instructional Support	\$ 57,742	\$ 1,365,938
Maint, Security, & Tech.	\$ 3,218	\$ 1,133,543
Total:	\$ 61,402	\$ 6,937,048



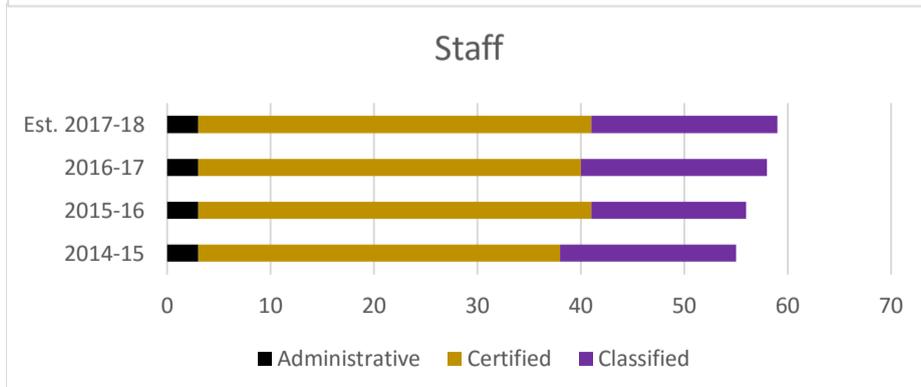
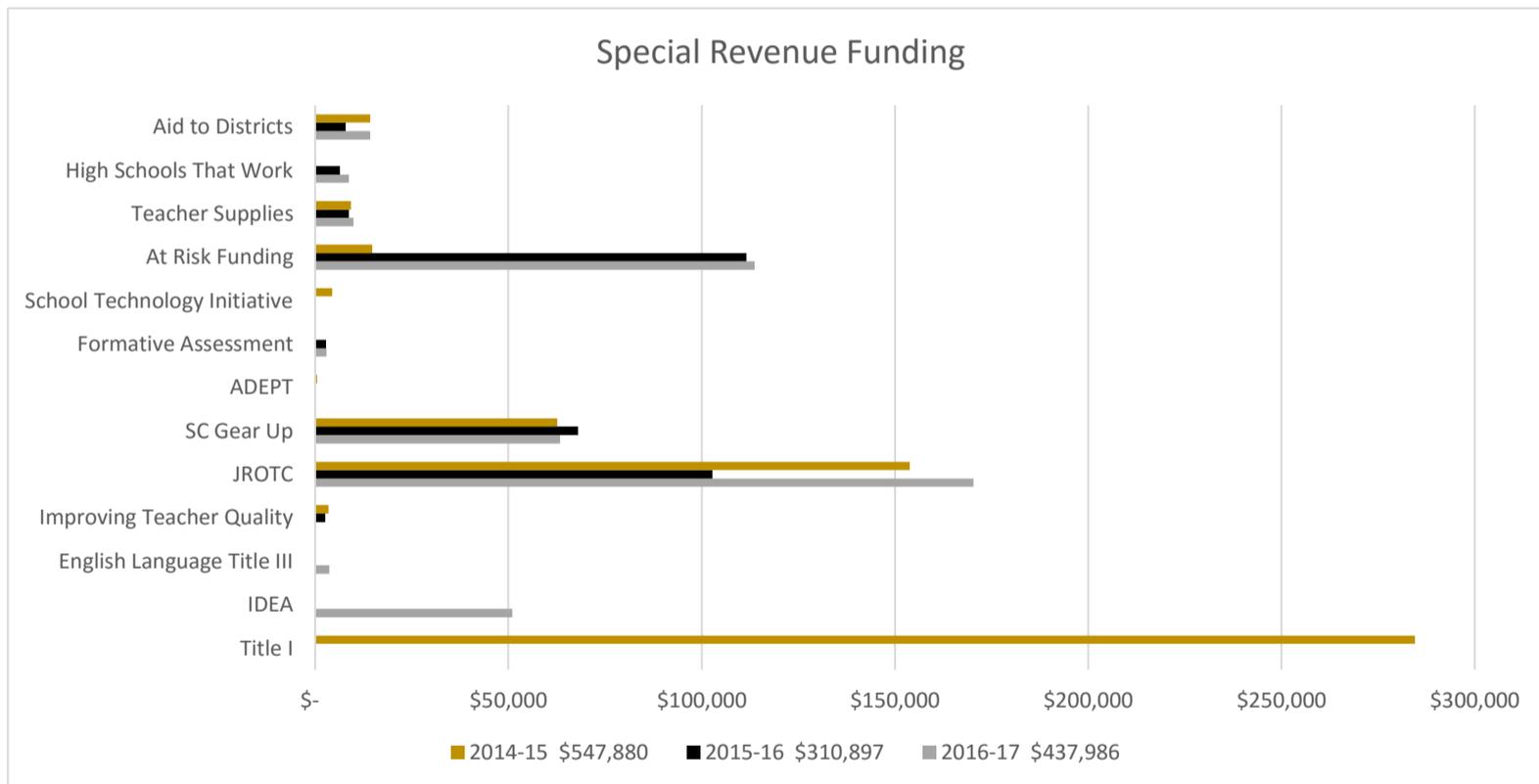
Whale Branch Early College High



Whale Branch Early College High was built in 2010 with a capacity to hold 650 students. As a school of choice, it offers the Early College Program. In association with the Technical College of the Lowcountry, students can earn a two year Associate's Degree along with their high school diploma.



Program Expenses	Un-Audited		
	Actual 2014-15	Actual 2015-16	Actual 2016-17
General Fund			
Instructional	\$ 2,485,706	\$ 2,636,634	\$ 2,681,684
Instructional Support	\$ 1,178,378	\$ 1,241,537	\$ 1,210,128
Maint, Security, & Tech.	\$ 830,540	\$ 877,884	\$ 943,226
Total:	\$ 4,494,624	\$ 4,756,055	\$ 4,835,038



Beaufort County School District Performance Measures

Standard 1 - Purpose and direction

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	GOAL FY 2016
Attendance Rates - Goal 96%	96.8%	96.5%	96.7%	94.5%	95.1%	96.0%
Dropout Rates	2.5%	2.4%	3.8%	2.1%	3.3%	1.0%
Graduation District	75.1%	75.3%	78.3%	78.7%	83.4%	80.0%
Graduation State	76.2%	77.7%	80.0%	80.3%	82.6%	
Value of college scholarships earned (Millions)	\$14.4	\$22.8	\$27.0	\$30.0	\$30.9	\$30.0
Percent of students enrolled in JROTC	15.3%	19.3%	20.1%	18.9%	15.1%	20.0%
Expulsions	34	47	17	27	26	25

Standard 2 - Resources and support systems

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	GOAL FY 2016
District Energy Consumption (KWH)	40,253,857	39,254,386	39,112,403	39,787,540	41,376,606*	40,000,000
*River Ridge Academy opened in 2016						
Number of maintenance work orders submitted	25,301	25,563	25,973	26,264	27,593	
Number of maintenance work orders completed	25,301	25,562	25,964	25,588	26,388	
Percent completed	100.0%	100.0%	100.0%	97.4%	95.6%	100%

Standard 3 - Teaching and assessing for learning

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	GOAL FY 2016
100% Highly Qualified Teacher	93.7%	93.0%	89.0%	89.0%	92.6%	95%
Percent of Teachers with Advanced Degrees 70%	62.9%	63.1%	63.0%	63.4%	62.9%	65%
Teacher Attendance goal of 96%	94.4%	94.5%	94.8%	93.3%	94.6%	96%
Student Teacher Ratio	21.7 to 1	22.6 to 1	22.4 to 1	31.6 to 1	26.8 to 1	22.6 to 1
Prime Instructional Time	89.4%	89.2%	89.6%	86.1%	88.2%	90%

Standard 4 - Governance and Leadership

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	GOAL FY 2016
Receipt of GFOA certificates for excellence in financial reporting	received	received	received	received	received	to receive
Unqualified Audit Opinion findings	None	None	None	None	None	None
Receipt of GFOA certificates for distinguished budget presentation	received	received	received	received	received	to receive
Manage actual spending of General Fund budget within 1%	99.84%	99.62%	99.67%	99.64%	99.08%	99.70%
Total dollar amount spent with Procurement Card	\$11,983,046	\$14,732,817	\$20,837,775	\$24,927,972	\$23,856,078	\$25,000,000
Rebate from Procurement Card	\$89,873	\$110,496	\$197,959	\$317,763	\$313,700	\$350,000
State Certified Contract Awards to Minority Business	7	2	2	1	2	5
Enrollment Projection	19,983	20,148	20,568	20,754	21,620	21,620
Enrollment Actual	20,148	20,568	20,754	21,381	21,749	21,620
Enrollment Accuracy Rate per 45 day count +/- 1%	100.8%	102.1%	100.9%	103.0%	100.6%	100.0%

Standard 5 - Documenting and using results for continuous improvement

SAT Scores - At this time 2017 test score results have not be released

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	GOAL FY 2016
Percentage of Seniors Taking the SAT	67%	65%	67%	68%	54%	65%

		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2016
District	Critical Reading	465	482	481	477	484	494
State	Critical Reading	477	479	483	483	494	
National	Critical Reading	491	491	492	489	494	
District	Math	469	482	483	482	488	493
State	Math	487	484	487	483	493	
National	Math	505	503	501	498	508	
District	Writing	449	467	460	463	471	471
State	Writing	458	460	459	462	471	
National	Writing	481	480	478	475	482	
District	Combined	1383	1431	1424	1422	1444	1458
State	Combined	1422	1423	1429	1429	1458	
National	Combined	1477	1474	1471	1471	1484	

Exceeds or met state averages
Exceeds or met national averages



American College Test (ACT)

		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	GOAL FY 2016
Number of Students Testing		382	431	558	591	1257	
District	English	19.1	20.1	19.8	19.7	17.5	17.3
State	English	19.5	19.7	19.7	19.8	17.3	
National	English	20.5	20.2	20.3	20.4		
District	Math	20.2	20.9	20.2	20.6	18.7	18.5
State	Math	20.2	20.3	20.3	20.2	18.5	
National	Math	21.1	20.9	20.9	20.8		
District	Reading	20	21.1	21.2	21.1	19.1	19
State	Reading	20.4	20.8	20.9	20.9	19	
National	Reading	21.3	21.1	21.3	21.4		
District	Science	20.1	20.8	19.4	20.9	18.9	18.6
State	Science	20.1	20.3	20.4	20.4	18.6	
National	Science	20.9	20.7	20.8	20.9		
District	Composite	19.9	20.8	20.6	20.7	18.7	18.5
State	Composite	20.2	20.4	20.4	20.4	18.5	
National	Composite	21.1	20.9	21.0	21.0		

Exceeds or met state averages
Exceeds or met national averages



Federal School Rating System

* Due to changes in Federal Law new data will not be available until a new methodology is approved by the U.S. Education Department.

	FY 2012	FY 2013	FY 2014	FY 2015*	FY 2016*	GOAL FY 2016
Started 2012 to replace AYP* Federal School Rating System	86.3*	82.1	82.9	Unavailable	Unavailable	N/A
State Average	80.6	83.8	85.4	Unavailable	Unavailable	

HSAP (High School Assessment Program)

High School Assessment Program	80.1%	84.2%	81.2%*	N/A	N/A	N/A
State Average	85.7%	87.1%	77.4%	N/A	N/A	

*Program ended in 2014 and was replaced by the end-of-course exams.

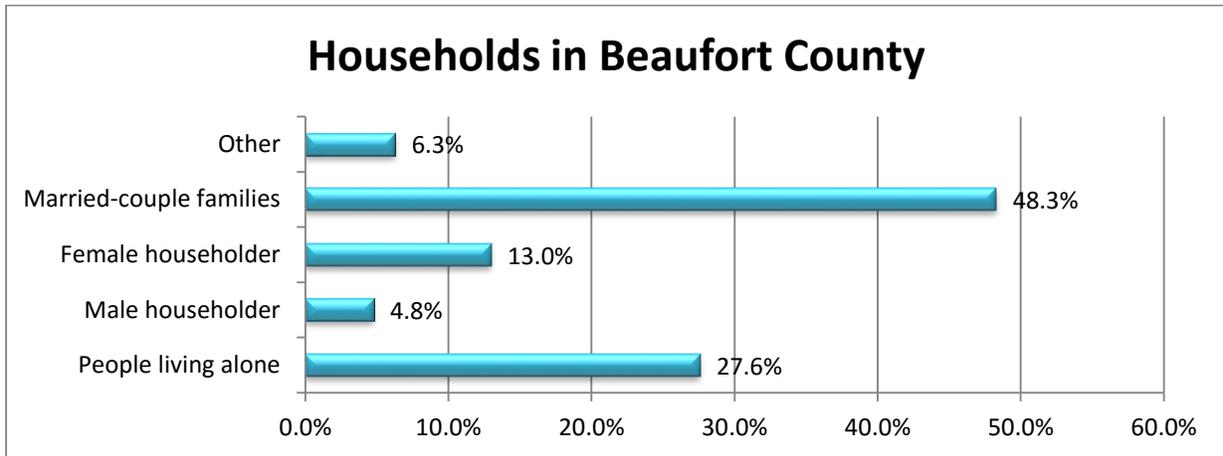
End-of-Course Test

	FY 2012	FY 2013	FY 2014	FY 2015*	FY 2016*	GOAL TO MEET OR EXCEED STATE AVG.
Algebra1/Math for the Technologies 2	N/A	N/A	N/A	81.0%	81.2%	81.9%
Biology 1	N/A	N/A	N/A	81.1%	83.3%	81.6%
English 1	N/A	N/A	N/A	73.7%	80.0%	79.8%
US History and the Constitution	N/A	N/A	N/A	71.5%	77.3%	77.2%

Informational Section

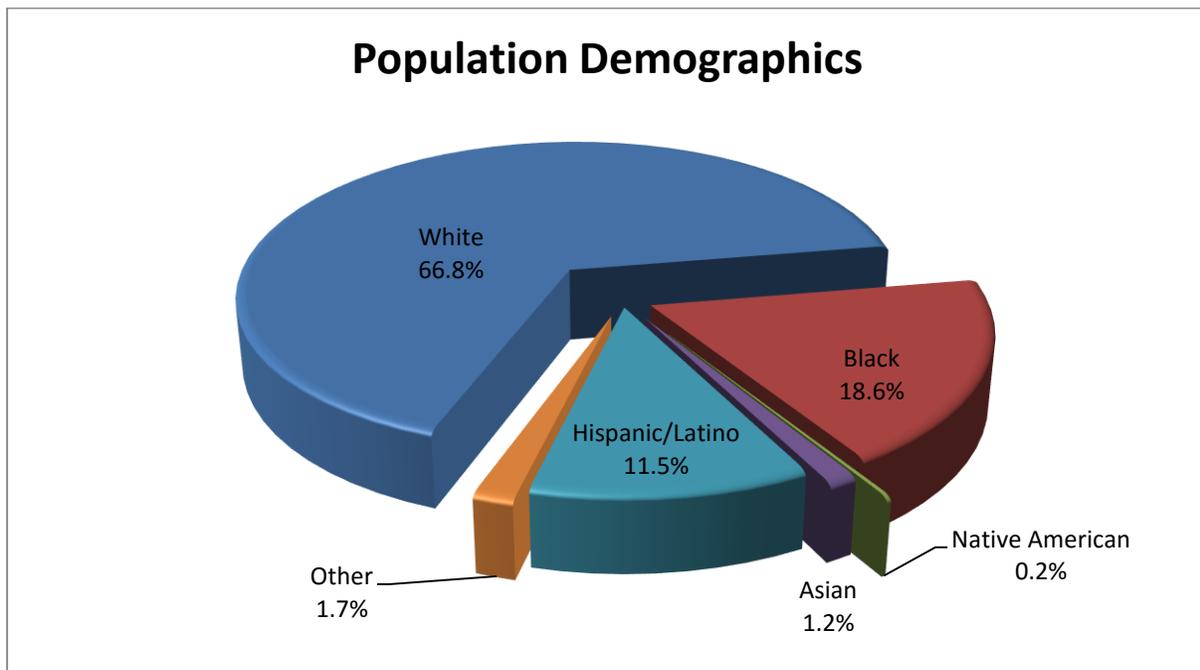


Households in Beaufort County: In 2015 there were an estimated 116,926,305 households in Beaufort County. Families made up 66.1 percent of the households in Beaufort County. This figure includes both married-couple families (48.3 percent) and other families (19.4 percent). Nonfamily households made up 33.9 percent of all households in Beaufort County. Most of the nonfamily households were people living alone.



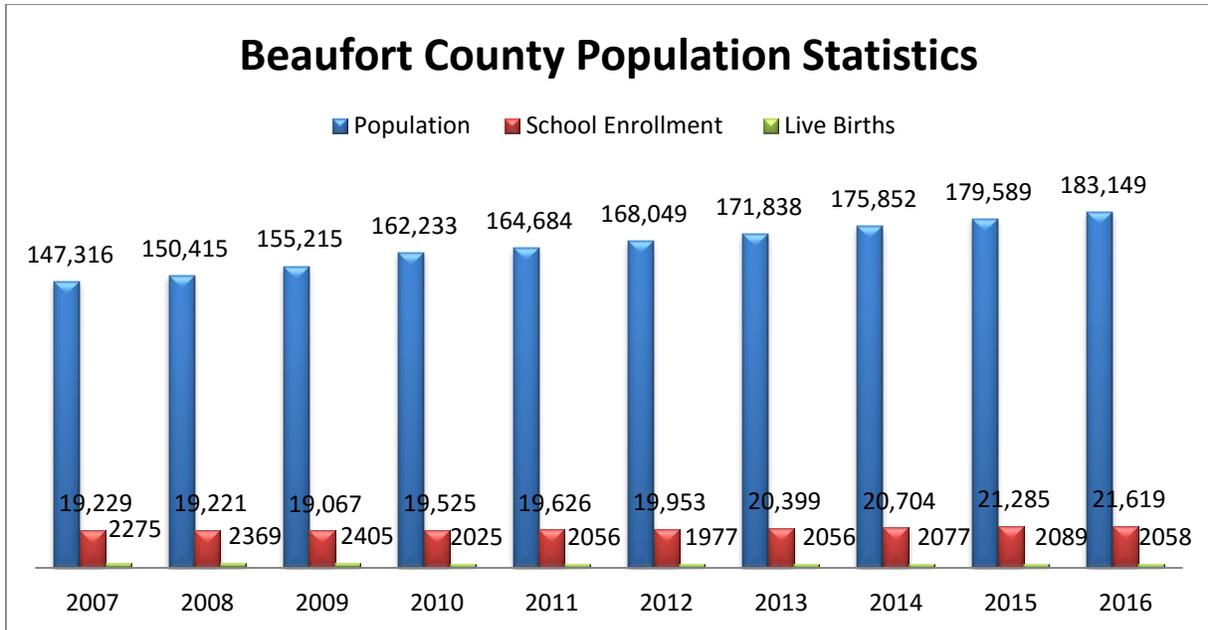
Source: U.S. Census Bureau, 2015 American Fact Finder

Population Demographics: Census estimates for 2015 projected an 18.6 percent Black or African American population; less than 0.2 percent was American Indian and Alaska Native; 1.2 percent was Asian. 2.3 percent reported two or more races. Almost twelve percent of the people in Beaufort County were Hispanic. Sixty-seven percent of the people in Beaufort County were White non-Hispanic.



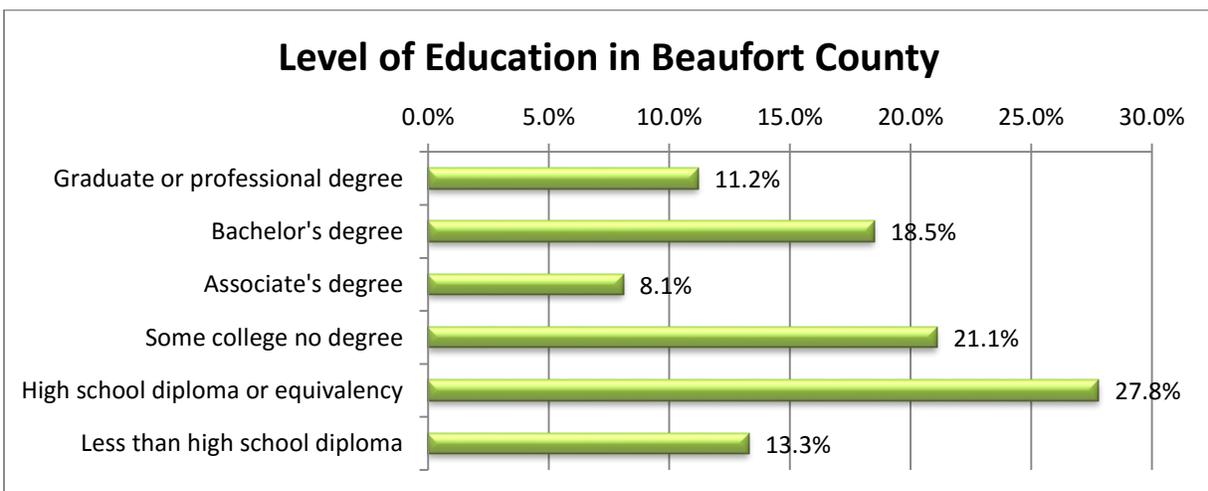
Source: U.S. Census Bureau, 2015 Census Estimates

Beaufort County Population Statistics: The below graph indicates the population growth over the last ten years. The population in Beaufort County has increased by 24% over the last ten years while the student population has increased by 12%. The live birth rate has decreased by 1.4% from 2015 to 2016.



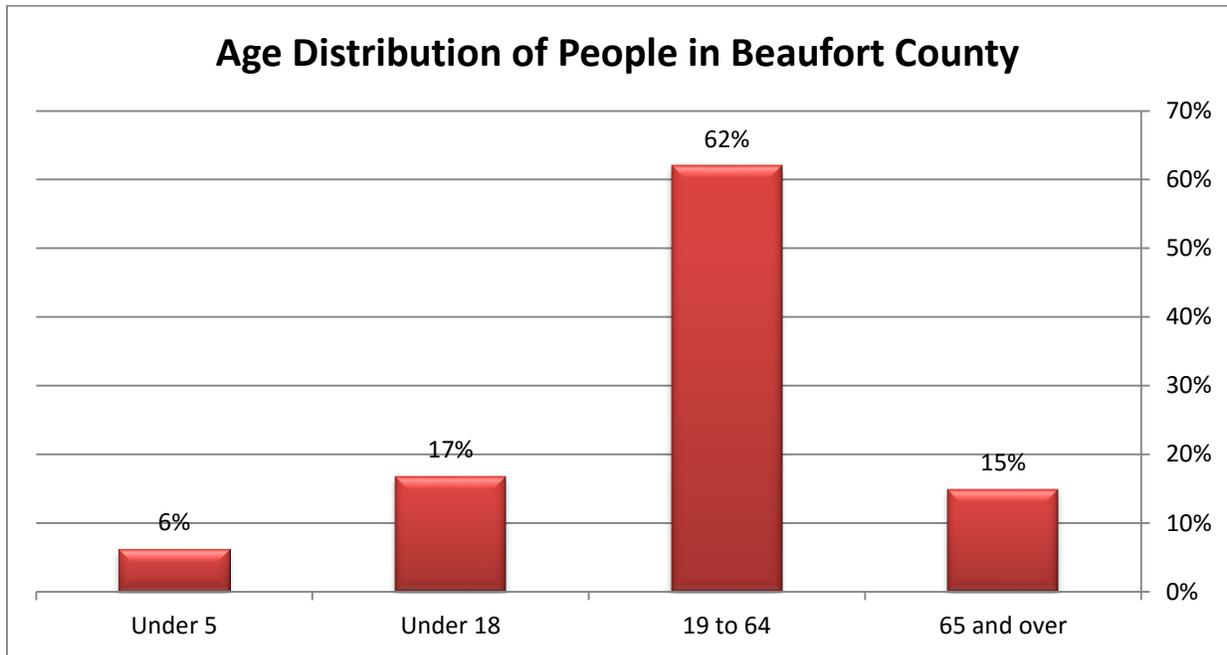
U.S. Census Bureau, 2016 Census Estimates
 School Enrollment represents 135th day provided by District staff
 Real Estate Center at Texas A&M University

Level of Education in Beaufort County: In 2015 for the population 25 years and over, 86.7 percent of the population had at least graduated from high school or had higher education and 29.8 percent had a bachelor's degree or higher.



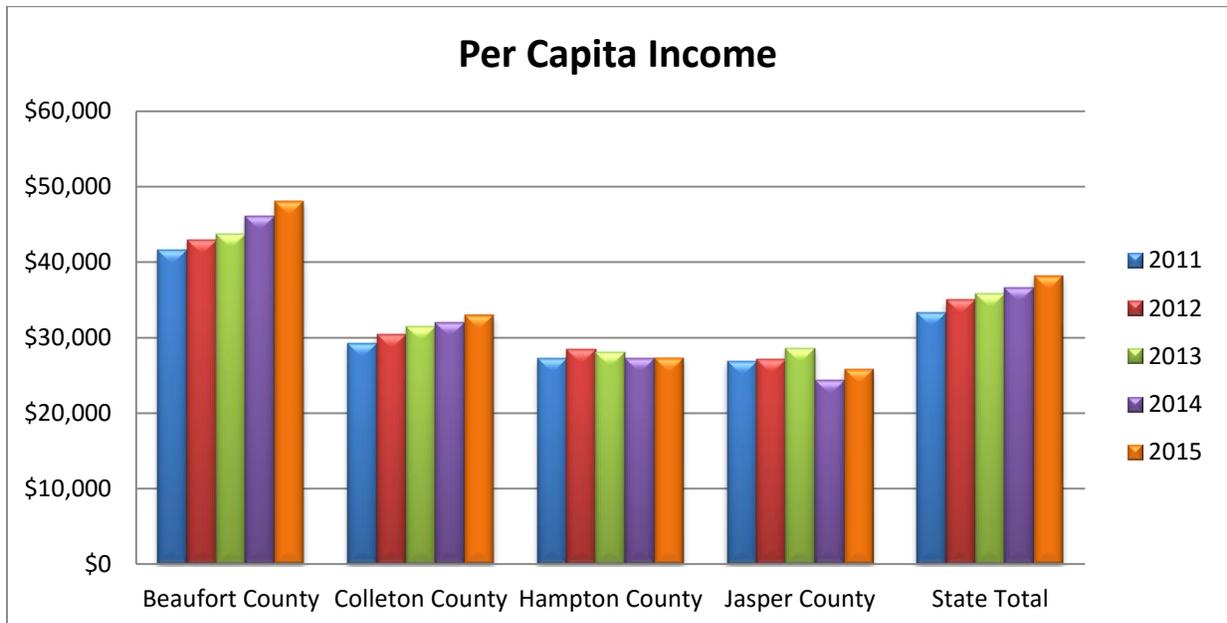
Source: U.S. Census Bureau, 2015 American Fact Finder

Age Distribution of People in Beaufort County: In 2015, Beaufort County had a total population of 175,852 of which 51% were females 49% were males. Twenty-three percent of the population was under 18 years and 20.9% of the population was over 60 years old.



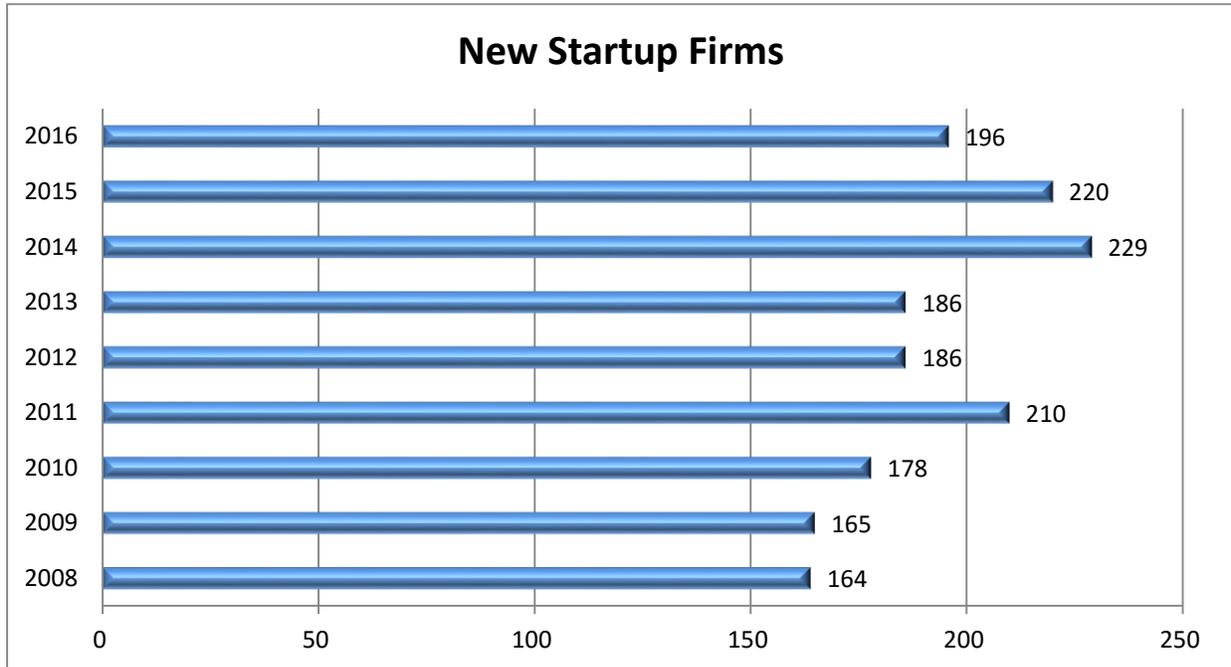
Source: U.S. Census Bureau, 2015 American Fact Finder

Per Capita Income: Beaufort County has the highest per capita income of the three adjacent counties and is currently 26% higher than the State of South Carolina’s total per capita income. Per capita income has gained for the last three years in Beaufort County. Between 2014 and 2015 the per capita income in Beaufort County gained \$1,997.



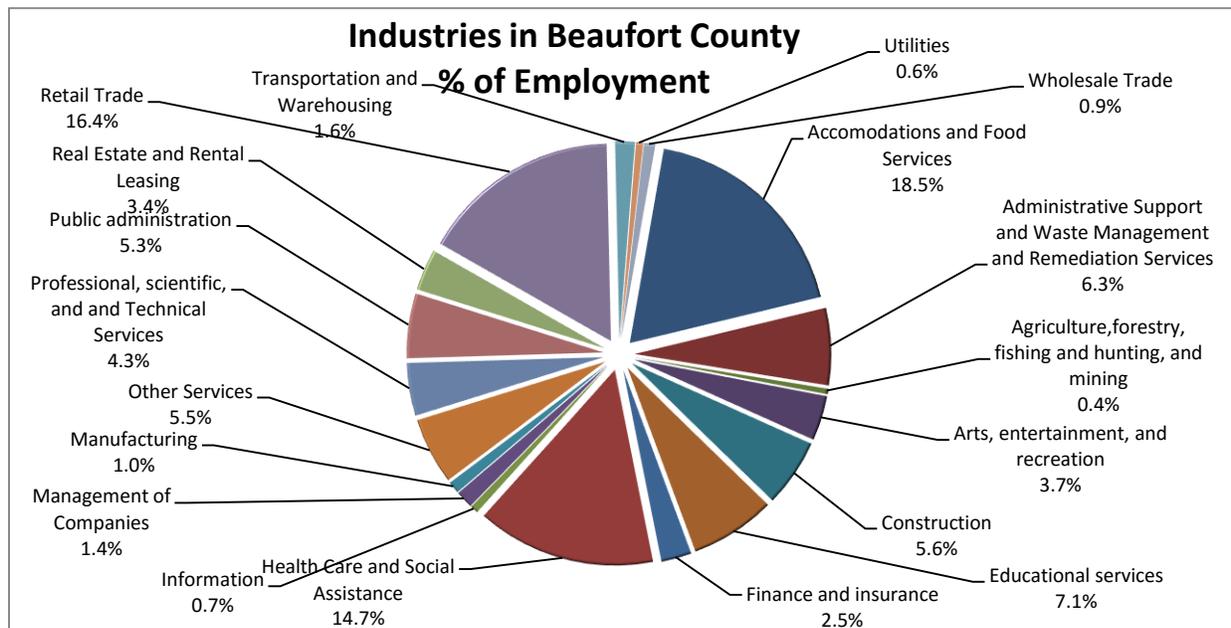
Source: U.S. Department of Commerce Bureau of Economic Analysis

New Startup Firms: The table sets forth the number of new businesses opened in Beaufort County each year between 2008 and 2016.



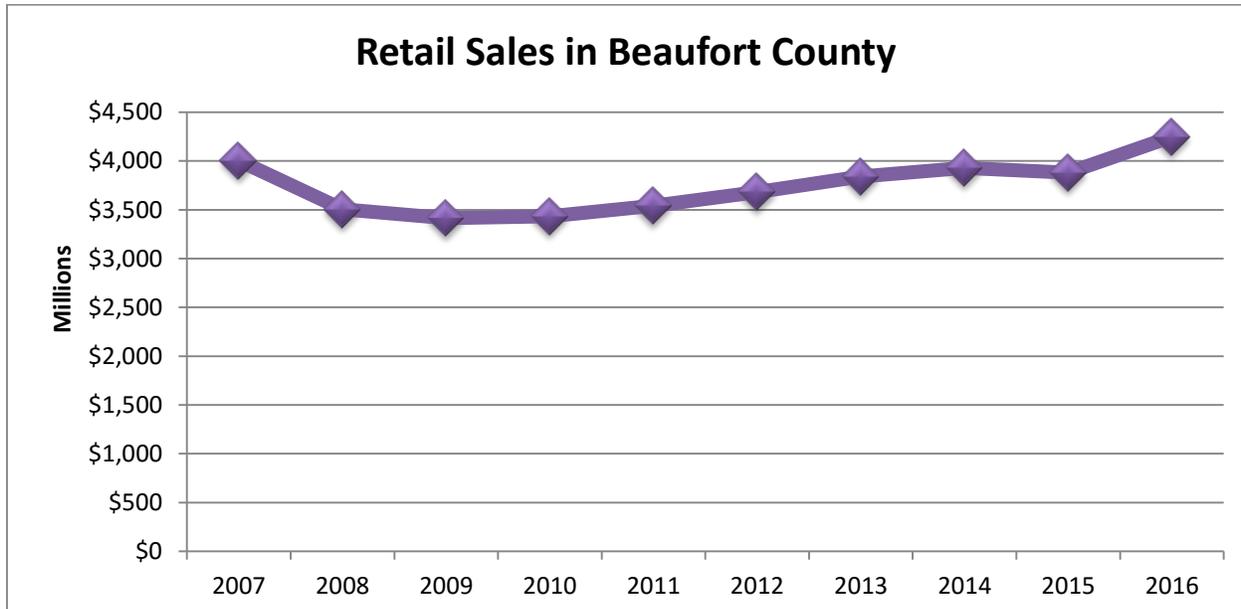
Source: S.C. Department of Employment & Workforce Q4 2016

Industries in Beaufort County as a % of Employment: In the third quarter of 2016, for the employed population 16 years and older, the two leading industries in Beaufort County were accommodations and food service at 18.5% and retail trade at 16.4%.



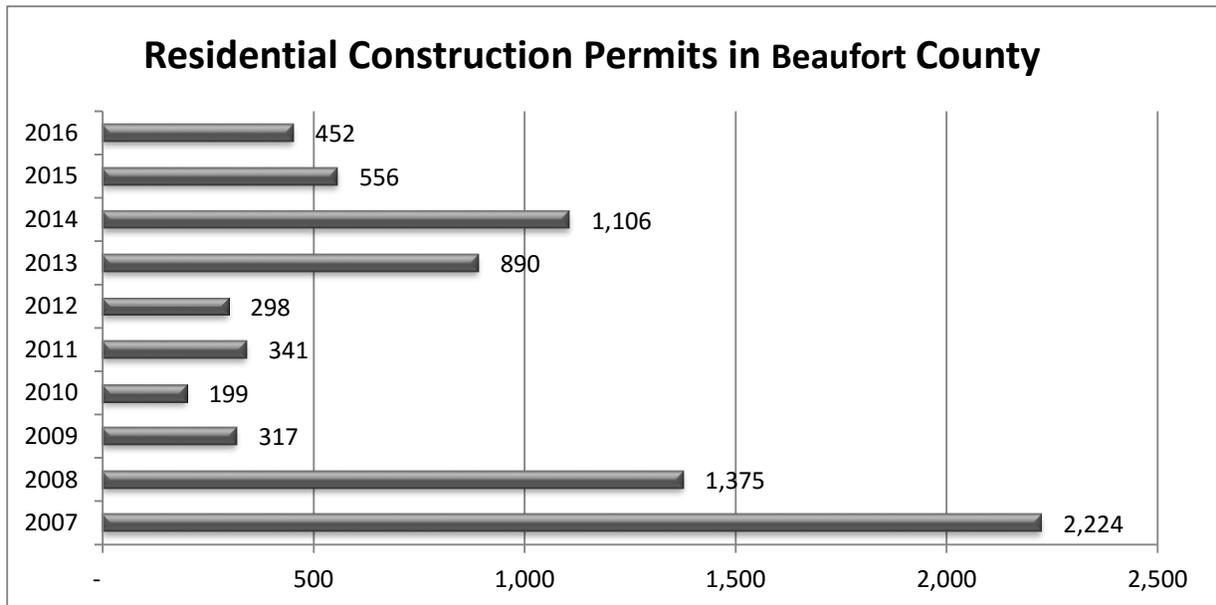
Source: S.C. Department of Commerce – 2016- Q4

Retail Sales in Beaufort County: The State of South Carolina rate of sales tax on all retail sales is 6%. The following graphs shows the level of gross retail sales over the last ten years for which information is available for businesses located in Beaufort County.



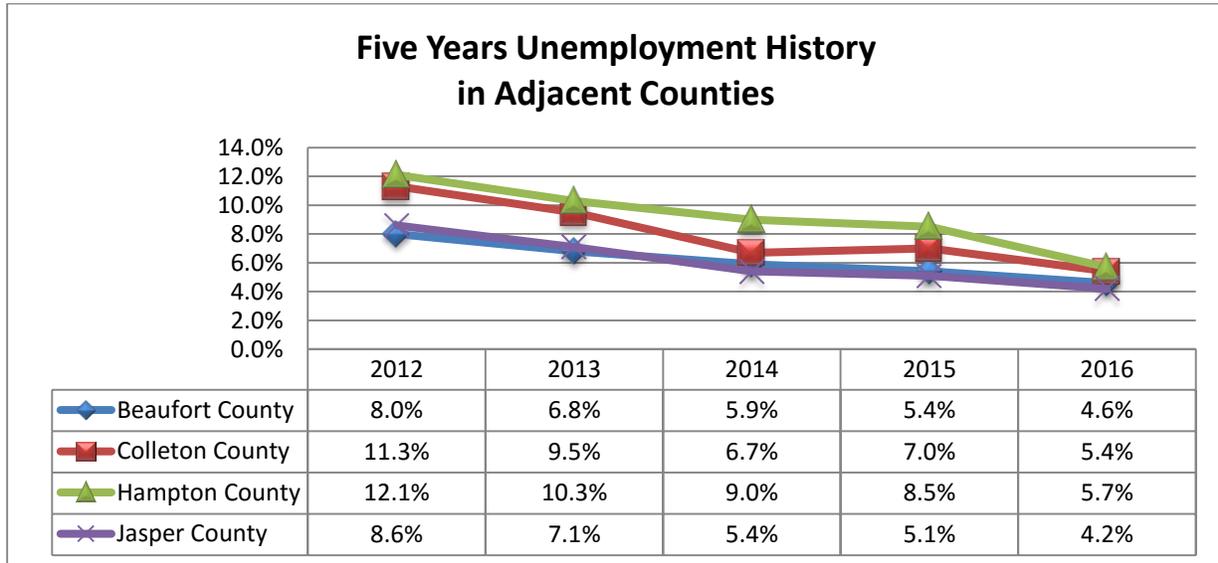
Year Ended December 31, 2016
 Source: South Carolina Department of Commerce

Residential Construction Permits in Beaufort County: The following information shows the approximate number of building permits issued for residential construction in Beaufort County during 2007 to 2016. New residential construction decreased between 2015 and 2016 by 18%.



Source: State of the Cities Data System Building Permits Database

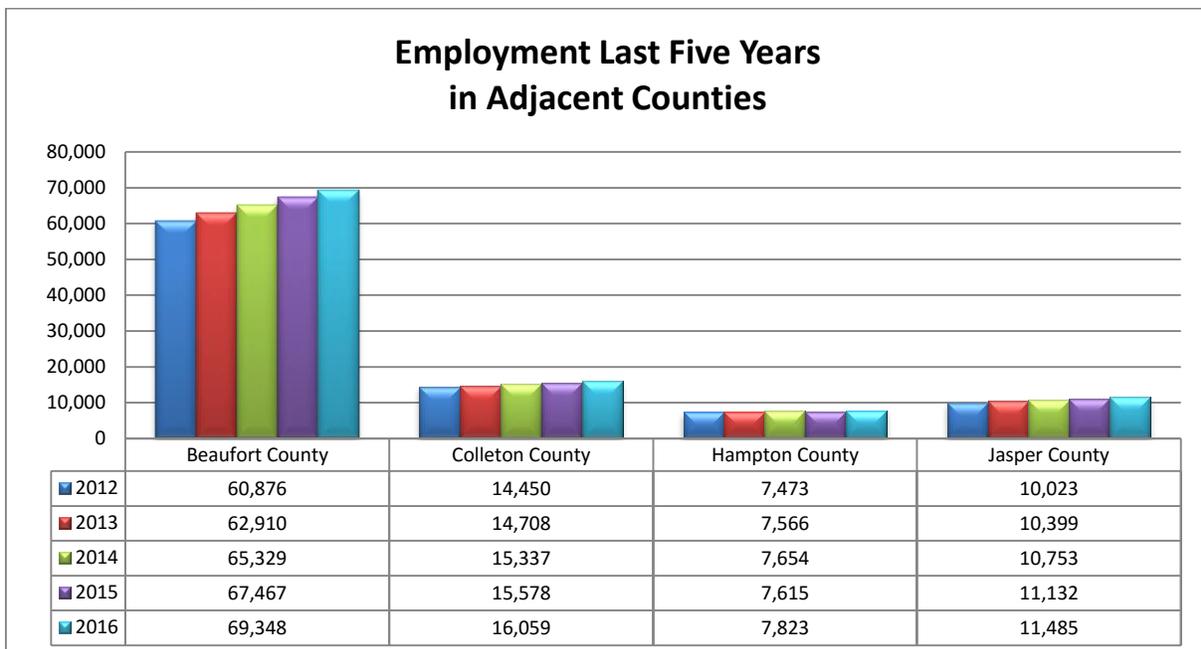
Five Years Unemployment History in Adjacent Counties: Unemployment moved down to 4.8% state wide in 2016. Beaufort County has managed to maintain its unemployment rate to below the state average. Unemployment decreased over the past year in all surrounding counties as well.



Data as of Dec. 2016

Source: SC Unemployment Security Commission

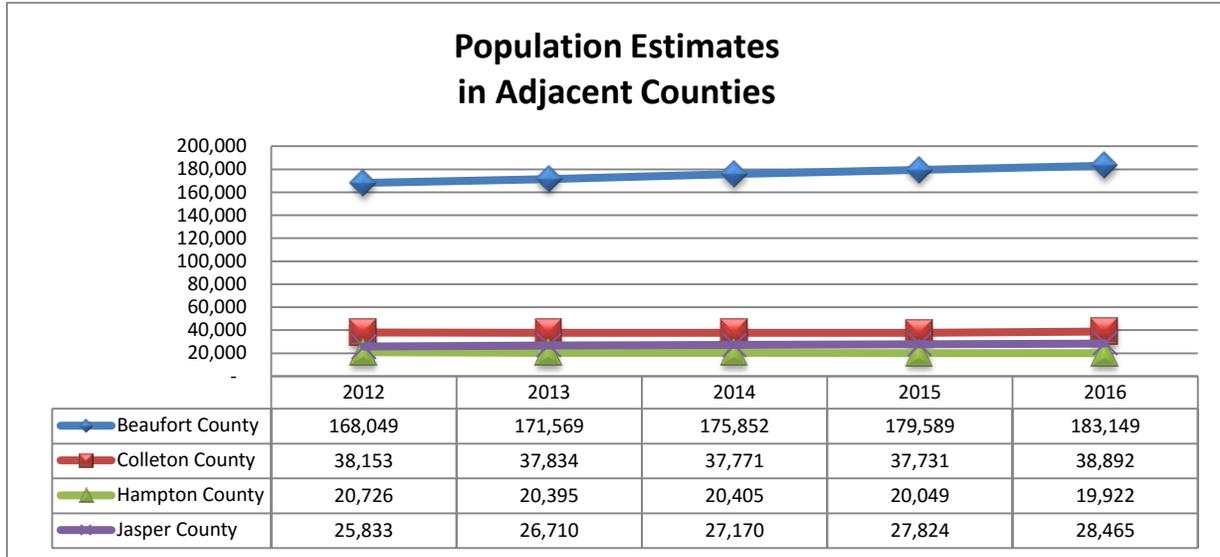
Employment Last Five Years in Adjacent Counties: The number of people employed in the surrounding counties edged up slightly in 2016.



Data as of Dec. 2015

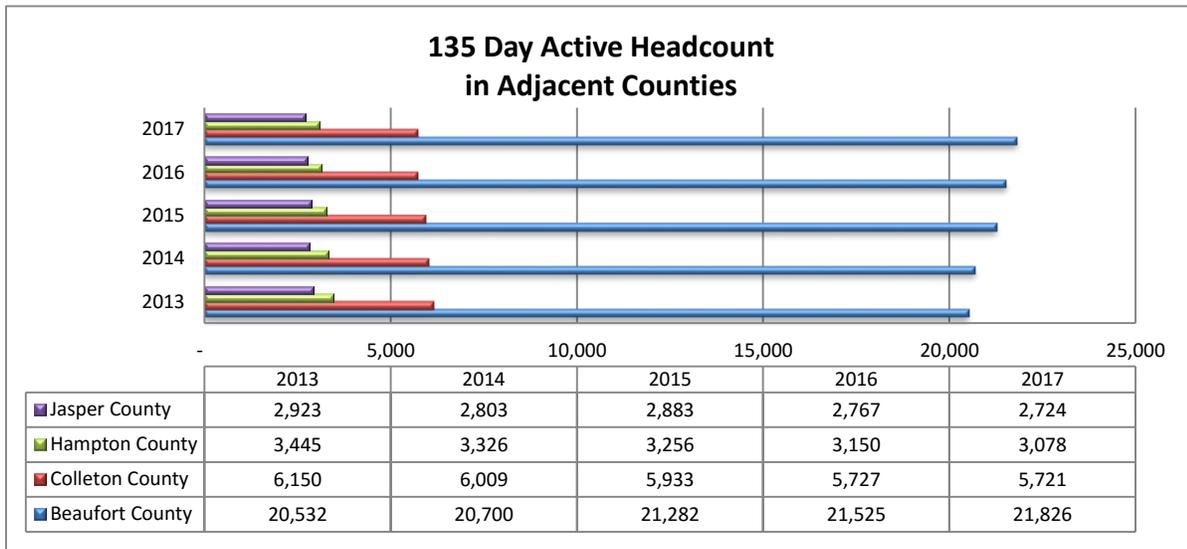
Source: SC Unemployment Security Commission

Population Estimates in Adjacent Counties: Beaufort County’s population is almost five times larger than Colleton’s population which is the next largest of the surrounding three counties. The surrounding counties are largely rural areas with large tracks of timber and farm land. Beaufort County is the largest metropolitan area between Charleston, SC and Savannah, GA.



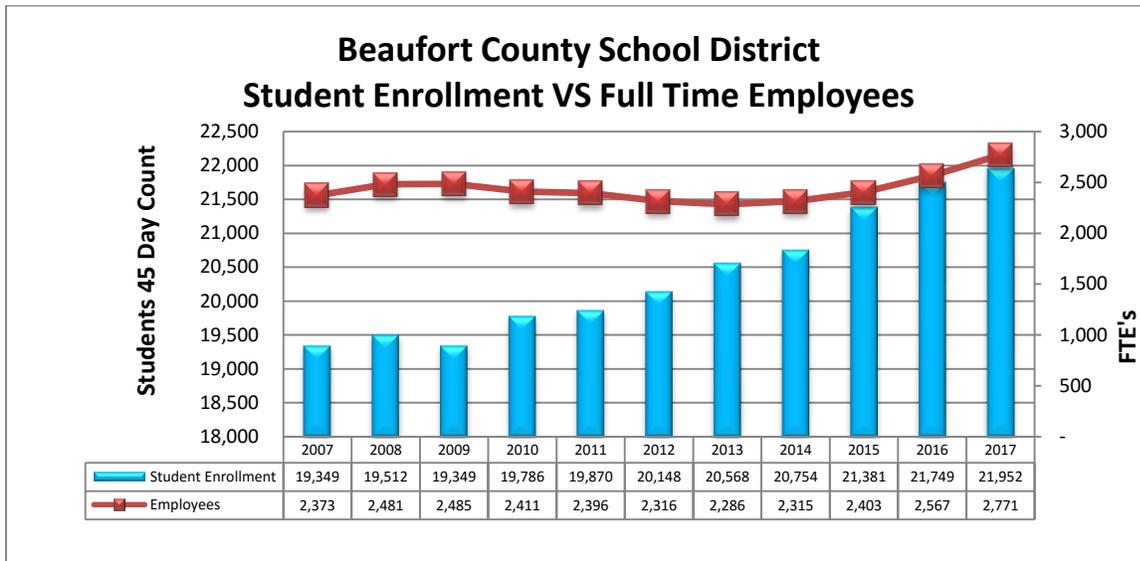
Source: U.S Census Bureau

135 Day Active Headcount in Adjacent Counties: The 135 day active headcount is a “snap-shot” of actively enrolled students that is taken at different times of the year to satisfy local, state and federal data collection needs and also to ensure that school districts are adequately funded, according to student population. The graph below shows the student enrollment at the 135th day in Beaufort and the surrounding three counties. Beaufort County has over three times the enrollment of any surrounding counties.



Source: SC Department of Education school year July to June

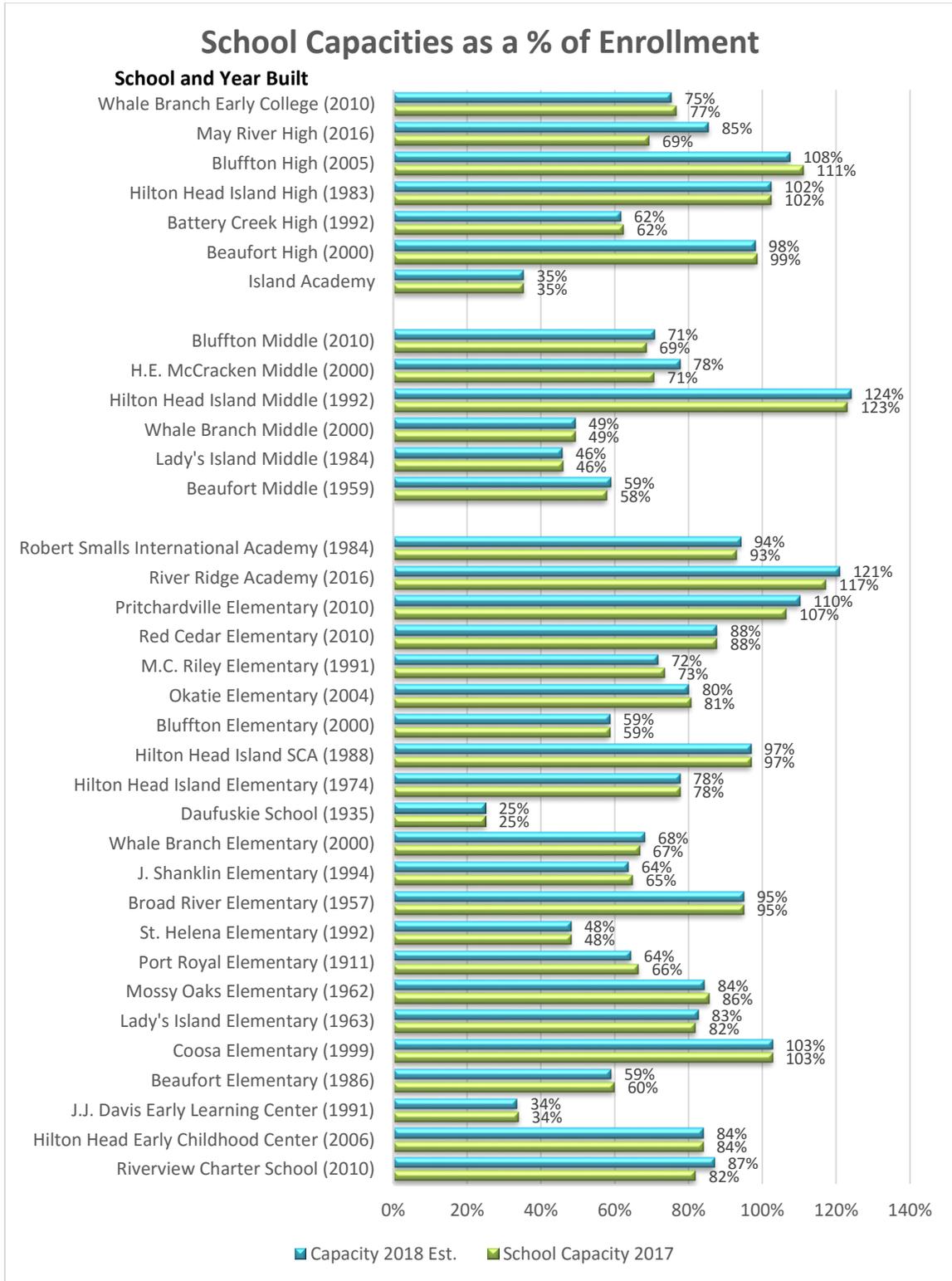
Beaufort County School District Student Enrollment vs. FTE: Student enrollment has continued to increase since 2009. Staffing has increased to meet the growing needs of the student enrollment.



Source: Beaufort County School District 45 day count



School Capacities as a % of Enrollment: The chart below displays the percent of enrollment at each school in Beaufort County. Between 2017 and 2018, the school district rezoned the Bluffton Cluster to move students into May River High.



Beaufort County, South Carolina
20 Largest Employers
(Listed Alphabetically)

Corporation Name

Atlantic Personnel, Inc.
Beaufort County School District
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.

Source: S.C. Department of Employment & Workforce – 2016 –Q4

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

Fiscal Year Ended June 30,	Tax Year	Assessed Value		Total	Total	Market Value	Ratio of Total
		Real Property	Personal Property	Assessed Value	Direct Rate		Assessed Value to Estimated Market Value
2007	2006	1,397,740,562	184,669,523	1,582,410,085	108.70	33,989,675,633	4.7%
2008	2007	1,452,621,579	207,538,743	1,660,160,322	122.80	35,379,094,810	4.7%
2009	2008	1,551,233,656	243,531,884	1,794,765,540	130.60	34,551,352,560	5.2%
2010	2009	1,645,452,516	234,553,487	1,880,006,003	114.70	48,670,062,917	3.9%
2011	2010	1,643,802,430	222,701,792	1,866,504,222	116.60	48,058,028,845	3.9%
2012	2011	1,646,959,918	183,636,390	1,830,596,308	118.30	47,214,321,842	3.9%
2013	2012	1,650,397,429	182,152,336	1,832,549,765	119.30	45,837,938,940	4.0%
2014	2013	1,473,195,546	196,428,055	1,669,623,601	129.20	41,740,590,025	4.0%
2015	2014	1,481,192,978	224,587,180	1,705,780,158	135.20	35,482,416,100	4.8%
2016	2015	1,561,997,668	242,903,990	1,804,901,658	135.20	38,100,842,353	4.7%

Source: Beaufort County Treasurer

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
South Carolina Electric & Gas	\$ 19,769,880	1	1.1%	\$ 10,023,980	2	0.63%
Marriott Ownership Resorts, Inc.	19,134,930	2	1.1%	17,618,950	1	1.11%
Palmetto Electric Coop, Inc.	10,576,370	3	0.6%	8,290,392	3	0.52%
Columbia Properties Hilton Head	7,464,090	4	0.4%	3,939,414	5	0.25%
Bluffton Telephone Company	4,999,410	5	0.3%	3,475,850	7	0.22%
Sea Pines Resort LLC	4,605,560	6	0.3%	3,380,472	8	0.21%
SCG Hilton Head Property LLC	4,260,000	7	0.2%	3,692,358	6	0.23%
Hargray Telephone Company	3,187,420	8	0.2%	4,064,160	4	0.26%
COROC/Hilton Head	2,575,080	9	0.1%	N/A		N/A
Preserve at Port Royal LLC	1,876,850	10	0.1%	N/A		N/A
Palmetto Bluff Uplands LLC	N/A		N/A	1,945,829	9	0.12%
Hargray Inc.	N/A		N/A	1,636,460	10	0.10%
Total	\$ 78,449,590		4.3%	\$ 58,067,865		3.6%

Source: Beaufort County Auditor

Acronym Index

-- A --

ACE – Academy for Career Excellence

ADA - Americans with Disabilities Act

ADEPT- Assisting Developing & Evaluating Professional Teaching

ADM - Average Daily Membership

AMES - Advanced Math Engineering Science academic magnet program

AP - Advanced Placement

ARRA - American Recovery and Reinvestment Act

AYP - Adequate Yearly Progress

-- B --

BAN – Bond Anticipation Note

BCSD – Beaufort County School District

BI – Behavior Interventionist

BMS – Behavior Management Specialist

BSCF – Base Student Cost Formula

BYOD – Bring Your Own Device

-- C --

CAFR – Comprehensive Annual Financial Report

CATE – Career and Technology Education

CFOO – Chief Finance and Operations Officer

CIP - Capital Improvement Plan

-- D --

DSS - Department of Special Services

Acronym Index

-- E --

ED - Emotional Disabilities

EFA – Education Finance Act

EFC - Educational Facilities Corporation

EIA – Education Improvement Act

EL – English Learners

EPA - Environmental Protection Agency

ESEA – Elementary and Secondary Education Act

-- F --

FLSA - Fair Labor Standards Act

FMLA - Family and Medical Leave Act

FPC – Facility Planning and Construction

FRM - Free and Reduced Price Meals

FSA - Flexible Spending Accounts

FT - Full-Time

FTE - Full-Time Equivalent

FY - Fiscal Year

-- G --

GAAP - Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board

GF- General Fund

GFOA - Government Finance Officers Association

GIS - Geographic Information System

Acronym Index

GT - Gifted and Talented

-- H --

HR - Human Resources

HS - High School

HHIECC – Hilton Head Island Early Childhood Center

HVAC - Heating, Ventilation, and Air Conditioning

-- I --

IB - International Baccalaureate

IBMYP - International Baccalaureate Middle Years Program

IDEA - Individuals with Disabilities Education Act

IEP - Individualized Education Program

ISD – Instructional Services Department

IT - Information Technology

-- J --

JROTC - Junior Reserve Officers Training Corps

-- L --

LAN - Local Area Network

LEED - Leadership in Energy & Environmental Design

LEP - Limited English Proficient

-- M --

MAP – Measures of Academic Progress

MS - Middle School

Acronym Index

MYP-Middle Years Program (International Baccalaureate)

MZB – Modified Zero Base

-- **N** --

NCLB - No Child Left Behind

-- **P** --

PAC – Performing Arts Center

PASS – Palmetto Assessment of State Standards

PBIS – Positive Behavior Intervention Support

PE - Physical Education

PGA – Professional Golf Association

PT - Part-Time

PTA - Parent Teacher Association

PTO - Parent Teacher Organization

PTSA - Parent Teacher Student Association

-- **R** --

RFP - Request for Proposal

RFQ – Request for Quote

-- **S** --

SRO – School Resource Officer

STEM - Science Technology Engineering Mathematics program

-- **T** --

TAN – Tax Anticipation Note

TAP – Teacher Assessment Program

TERI – Teacher and Employee Retention Incentive

Acronym Index

TIF – Tax Increment Financing

-- **U** --

USDA - United States Department of Agriculture

-- **W** --

WAN- Wide Area Network

GLOSSARY

Acceleration Academy	An instructional approach that engages students with multiple learning pathways that include opportunities to earn college credits while still in high school, as well as opportunities to earn national career-related certifications in high-paying careers. The Academy features partnerships with local colleges, businesses and the armed forces; extracurricular clubs that reinforce academics; and access to cutting-edge technology and highly trained staff.
Accrual Basis	The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements. See Cost of Services Measurement Focus.
Accrued Expenses	Expenses incurred but not due until a later date.
Ad Valorem Tax	A tax levied on the assessed value of real and personal property. This tax is also known as property tax.
Advanced Placement (AP)	A cooperative educational endeavor sponsored by colleges and universities. It offers students in high school the opportunity to receive college credits while attending high school.
Alternative Programs	An instructional program for students that experience difficulty in a traditional school environment. The District's alternative middle and high school provides smaller classes and individualized instruction, coupled with a focus on personal and social development. The school offers high expectations for student achievement, self-paced credit recovery and in-house counseling for students and families.
AMES	Advanced Math, Engineering and Science Academy is a program for gifted and high-achieving students. The instructional program is based on rigorous math and science foundational skills taught through the use of science and engineering projects. The AMES learning environment is designed to actively engage students in exploration, discovery, experimentation and mastery of standards. Students take responsibility for their own learning and are engaged in higher levels of thought through application of knowledge to real-world problems, class discussion and the use of exciting resources.
Appropriation	An act of a legislature authorizing money to be paid from the treasury for a specified use.
Appropriation Ordinance	An ordinance by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual operating budget is enacted into law by the legislative body.
Arts Infused	An arts curriculum that focuses on providing extensive opportunities for all students to learn through creative instructional approaches and to express themselves in the arts. It provides students with a creative learning environment that includes performances, exhibitions of artwork and special performing groups. Students have opportunities to build community relationships and to participate in a quality, comprehensive arts education that includes dance, music, theatre, visual arts and creative writing.

GLOSSARY

Assessed Valuation	Basis for determining property taxes (ad valorem tax). Assessor determines valuation of residential real property (home and land) at 100% of market value, including commercial.
Average Teacher Salary	The sum of individual teacher salaries divided by the number of teachers. This included all contracted full time certified teachers for the school year. The value does not include additional supplements or stipends.
Balanced Budget	A budget in which proposed expenditures do not exceed total estimated revenues and reserves.
Board of Education	The elected body which has been created in accordance with state law and geographical boundaries within the county. The Board of Education is entrusted with the responsibilities for educational activities for the school district.
Bond	Written promise to pay a specified sum of money, called the face value or principal, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified date.
Budget	A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body.
Budget Calendar	The schedule of key dates used in preparation and adoption of the annual budget.
Budget Document	The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates. In addition to the budget document, an appropriation ordinance will be necessary to put the budget into effect.
Budget Message	A general discussion of the budget as presented in writing by the BCSD to the County Council. The budget message contains an explanation of the principal budget items, an outline of the BCSD's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.
Budgetary Accounts	Accounts used to enter the formally adopted annual operating budget into the general ledger as part of the management control technique of formal budgetary integration.
CAFR	See Comprehensive Annual Financial Report.
Capital Improvement Budget	The budgeted costs to provide infrastructure, development, construction and other related items. Funding is provided from various sources.

GLOSSARY

Capital Outlay	Expenditures for assets costing more than \$5,000.
Career and Technology Education	An instructional initiative serving students in grades 7-12 through state-approved course offerings leading to career concentrations, work-based learning opportunities, and/or industry credentials.
Classical Studies	An instructional program offered at the middle or high school levels and offer a college preparatory course of study with mandatory courses in English, world language, math, science, social studies and a school wide participation in world culture studies. There is an emphasis on academics with a focus on critical thinking, participation in Socratic seminars and web-based learning. A strong focus will be on the arts as well as the development of character, school pride, student leadership, personal accountability, structured discipline, along with civic responsibilities and community service.
Comprehensive Annual Financial Report (CAFR)	The official annual report of a government. It includes Government-Wide Financial Statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.
Connect2Learn	An instructional initiative that provides a mobile device to all students in grades K-12, allowing them to access information, think critically, problem solve, collaborate, and create.
Contracted Services	Services provided by outside companies, individuals or even other governmental units.
Core Services	These are the unique, independent and major functions provided by a department, which directly support its "mission statement".
Cost of Services Measurement Focus	The measurement focus applied to proprietary funds, non-expendable trust funds, and pension trust funds. All assets and all liabilities whether current or non-current are reported on their balance sheets, and their operating statements present "capital maintenance" information (revenues and expenses).
Debt Service Fund	A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
Delinquent Taxes	Unpaid taxes on or after the penalty date.
Department	An administrative division of the school district which covers overall management responsibility for a group of related operations within a functional area.
Dropout Rate	The percentage of students who leave high school during a single year that do not complete their course of studies or graduate without transferring to another school or institution.
Early Childhood Center	School facilities designed to serve Pre-K and Kindergarten students.

GLOSSARY

Early College	An instructional approach where students can earn both a high school diploma and up to two years of college credit at the same time. Early college high schools increase exposure to post-secondary study while reducing or eliminating college costs as students prepare for the job market or further study.
Employment Status	Full Time (FT): Appointments averaging not less than 37.5 hours per week. Part Time (PT): Appointments averaging less than 37.5 hours per week.
Ethnicity	The classification of groups of people according to race, nationality and cultural origin.
Expenditures	<p>Decreases in net current assets. Expenditures include debt service, capital outlay and those current operating costs, which require the use of the current assets.</p> <p>The difference between an expenditure and an expense is the difference in what is being measured. Expenditures measure current outlays (the flow of current resources) while expenses measure total costs (total resources used; also known as capital maintenance). For example, purchases of fixed assets (buildings and equipment) and of inventories are expenditures at the date of purchase, because they cause the outflow or the tie-up of current assets. They are not expenses, however, until they are used or used up, because they are still a resource until consumed. Another example is depreciation, which is not an expenditure because no current assets are used when depreciation is incurred, but which is an expense because it allocates the total cost as the depreciable fixed asset is used. See Modified Accrual Basis and Measurement Focus.</p>
Expenses	Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures. See Expenditures.
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.
Fiscal Year	A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. The BCSD's fiscal year ends June 30.
Fixed Assets	Assets which are intended to be held or used for a long term, such as land, buildings, improvements other than buildings, machinery and equipment. In common usage, the term refers only to operating facilities and equipment, not to long-term investments and other non-current assets.
Fund	An accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.
Fund Balance	The fund equity of governmental funds and trust funds. The term is used in this budget document for the Proprietary Funds to represent that portion of the retained earnings that is equity as a result of operating revenue and expenses and is non-capital in nature.

GLOSSARY

F.T.E. (Full Time Equivalent)	2,080 hours worked equate to 1.0 full time position, based upon an eight-hour workday. 1,950 hours worked equate to 1.0 full time position, based upon a seven and one-half hour day.
GAAP	Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording.
General Fund	The fund used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered a major fund.
General Ledger	A book, file, or other device, which contains the accounts, needed to reflect the financial position and the results of operations of an entity. In double entry accounting, the debits and credits in the general ledger are equal. Therefore, the debit balances equal the credit balances.
General Obligation Bonds	Bonds for the payment of which the full faith and credit of the BCSD are pledged.
Grants	Contributions or gifts of cash or other assets from another government or agency intended to be used for a specific purpose, activity or facility.
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.
High School Academies	Small learning communities within larger schools. Courses and program elements prepare students for college and career within a focused field of studies and major area of emphasis. Students enroll in core academic courses as well as career focused classes. Examples include School of Arts, Communications & Technology, Health Professions, and International Studies & Education.
Income	A term in proprietary fund type accounting to represent (1) revenues or (2) the excess of revenues over expenses. See Operating Income, Income Before Operating Transfers, and Net Income.
Income Before Operating Transfers	Proprietary fund operating income adjusted by non-operating revenues and non-operating expenses.
Interdepartmental Charges	Consists of administration, accounting and central treasury fees charged to enterprise, special revenue and school funds.
Interest Income	Revenue associated with BCSD management activities of investing idle cash in approved securities.
Interfund Transfers	There are two types of interfund transfers. Both types involve the permanent (or at least long-term) movement of resources between funds. For any one transaction, the transfer-in and the transfer-out must be classified in the same way, so that the total operating transfers-in for the entire municipality equal the total operating transfers-out and the total residual equity transfers-in equal the total residual equity transfers-out.

GLOSSARY

Intergovernmental Revenues	Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.
Internal Control	<p>Internal control comprises the plan of the organization, and all of the coordinate methods and measures adopted within a government to accomplish its objectives.</p> <p><u>Administrative control</u> includes, but is not limited to; the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions. Such authorization is a management function directly associated with the responsibility for achieving the objectives of the government and is the starting point for establishing accounting control of transactions.</p> <p><u>Accounting control</u> comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:</p> <ul style="list-style-type: none">a. Transactions are executed in accordance with management's general or specific authorization.b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.c. Access to assets is permitted only in accordance with management's authorization.d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. <p>The foregoing definitions are not necessarily mutually exclusive because some of the procedures and records comprehended in accounting control may also be involved in administrative control.</p>
Internal Service Funds	To account for the financing of goods and services provided by one department or agency to other departments or agencies of the School District. When services are rendered, charges are made to the users and revenue is accumulated in the Internal Service Funds to cover cost of operations.
International Baccalaureate	An instructional initiative offered as a School Choice in the Hilton Head Island schools. The program is offered to students K-12 to help develop the intellectual, personal, emotional, and social skills to live, learn, and work in a rapidly globalizing world. It is a recognized leader in the field of international education, encouraging students to be active learners, well-rounded individuals, and engaged citizens of the world.

GLOSSARY

Language Immersion	A form of education in which students are taught literacy and content in two different languages during the school day. The day is usually split in half providing content learning in the English language and then switching to the second language and content for the other half of the day. Students have the advantage of learning not only required subject area content but also to become fluent in a second language at the same time. Chinese and Spanish dual language immersion programs are currently offered and designed to develop and implement a sustainable, sequential, standards based continuum of second language instruction.
Lease-Purchase Agreements	Contractual agreements, which are termed “leases,” but which in substance, amount to purchase contracts for equipment and machinery.
Learning through Leadership	A comprehensive learning model through student leadership development based on the Leader in Me, or similar approach. The Leader in Me program is a whole-school transformation model. Based on The 7 Habits of Highly Effective People [®] , The Leader in Me produces transformational results such as higher academic achievement, few discipline problems, and increased engagement among teachers and parents. The Leader in Me equips students with the self-confidence and skills they need to thrive in the 21 st century economy. Learning Through Leadership program goals include: fostering a student’s self-esteem, discipline, responsibility, confidence, and creativity. Students learn to set and meet goals, effectively cooperate with people of various backgrounds and cultures, and resolve conflicts and solve problems.
Major Funds	<p>The General Fund is always considered a major fund. In addition, governments may report as major funds whatever other individual governmental funds considered to be of particular importance to financial statement users. At a minimum, governmental funds other than the general fund must be reported as major funds if they meet <i>both</i> of the following criteria:</p> <p><i>10% criterion.</i> An individual governmental fund reports at least 10% of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures. <i>5% criterion.</i> An individual governmental fund reports at least 5% of the total for both governmental and enterprise funds of any one of the items for which it met the 10% criterion. If an individual fund is expected to meet the minimum criteria for mandatory major fund reporting in some years but not in others, a government might elect to always report it as a major fund to enhance consistency from year to year.</p>
Mill Levy	Rate applied to assessed valuation to determine property tax. A mill is 1/10th of a penny or \$1.00 of tax for each \$1,000 of assessed value.
Mission Statement	A statement of purpose for why the department or function exists.

GLOSSARY

Modified Accrual Basis	The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for: (1) prepaid insurance and similar items which need not be reported; (2) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (3) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (4) principal and interest on long-term debt which are generally recognized when due. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.
Montessori	A philosophy of teaching with a focus on critical thinking skills, developmentally appropriate instruction, multicultural curriculum, multi-sensory curriculum, integrated curriculum and cooperative learning. The Montessori method is based on a child's natural desire to learn. Students actively learn within a prepared environment of attractive, carefully sequenced materials and engage in many independent tasks that they complete at their own pace. The Montessori program is organized into multi-aged classrooms that include the lower elementary for 1st through 3rd graders and the upper elementary that include 4th and 5th graders.
Numeracy	The ability to understand and use numbers, especially the numbers encountered in everyday life. It is considered to include the ability to count, and to add, subtract, multiply and divide two integers.
Operating Budget	Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing of acquisition, spending, and service delivery activities of BCSD are controlled. The use of annual operating budgets is usually required by charter. The annual operating budget is essential to sound financial management.
Operating Expenses	The cost for personnel, materials and equipment required to function on a daily basis.
Operating Income	The excess of proprietary fund operating revenues over operating expenses.
Personnel Services	Salaries and related costs (benefits) of permanent, part time and temporary employees.
Project Based Learning	An experimentally focused education using real-world problems to capture student interest and provoke serious thinking as the students acquire and apply new knowledge in a problem-solving context. The teacher plays the role of facilitator, working with students to frame worthwhile questions, structuring meaningful tasks, coaching knowledge development, as well as thinking and social skills, and carefully assessing what students have learned from the experience. Typical projects present a problem to solve.
Project Lead the Way/Gateway to Technology	Curriculum that encourages hands-on engagement, problem solving and the use of technology for research, collaboration and project presentation. The high school courses (PLTW) are designed to prepare students to pursue a post-secondary education and careers in math,

GLOSSARY

(PLTW/GTT)	science, engineering, and technology. The middle school engineering program (GTT) features a project-based curriculum and program so that students may design and test their ideas with advanced modeling software. Students study mechanical and computer control systems, robotics and animation and explore the importance and how to reduce, conserve and produce energy.
Projected	Estimation of revenues and expenditures based on past trends, current economic conditions and future financial forecasts.
Property Tax	A tax levied on the assessed value of real and personal property. This tax is also known as Ad Valorem tax.
Proprietary Funds	These funds are used to account for activities 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 or to other departments or agencies primarily within the government.
Refund	<ol style="list-style-type: none">(1) The recovery of an item previously expensed or the repayment of an item previously recorded as revenue. Such refunds should be included in revenues, expenditures, or expenses of the current accounting period.(2) To pay back or allow credit for an amount because of an over-collection or because of the return of an object sold. Such charges or credits should be made to the account where the original transaction was recorded.(3) To provide for the payment of an obligation through cash or credit secured by a new obligation.
Reserve	<ol style="list-style-type: none">(1) An account used to segregate a portion of fund balance to indicate that it is not available for expenditure; and(2) An account used to segregate a portion of fund equity as legally set aside for a specific future use.
Resources	Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.
Revenues	<ol style="list-style-type: none">(1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues.(2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers-in are classified separately from revenues. See Interfund Transfers and Refunds.

GLOSSARY

School, Academy	A school housing both elementary and middle school students. Academies house students from Pre-K through eighth and focus on an area of studies.
School, Elementary	A school that is composed of students not above the sixth grade. Most elementary schools are Pre-K to fifth grade.
School, High	A school offering the final years of courses necessary to graduate. High schools typically house grade nine through twelve.
School, Middle	Grades between elementary and high school. Typically middle schools are grade six through eight.
Service Area	A geographic area that provides specific/additional services not provided for on a general basis. A service area also has taxing authority to provide the special service.
Special Education	Instructional activities designed for students with various learning disabilities or handicaps.
Spending Measurement Focus	The measurement focus applied to governmental funds and expendable trust funds. Under it, only current assets and current liabilities are generally reported on their balance sheets, and their operating statements present "financial flow" information (revenues and expenditures). See Modified Accrual Basis.
Summer Institute	An annual professional development event occurring in August of each year, where administrators, teachers and support staff join together for three days of learning, collaborating, and networking with their peers. The 2016 event was titled "Growing Literacy Leaders" and offered nearly 130 sessions.
Summer Reading Camp	A state mandated instructional program requiring all third graders who are not substantially on grade level with reading proficiency to attend extra days of school. BCSD extends this requirement to all elementary students in grades 1-5.
Target Budgets	Desirable expenditure levels provided to departments in developing the coming year's recommended budget. Based on prior year's adopted budget, excluding one-time expenditures, projected revenues and reserve requirements.