



BEAUFORT COUNTY SCHOOL DISTRICT

Fiscal year ended June 30, 2016



Beaufort County School District

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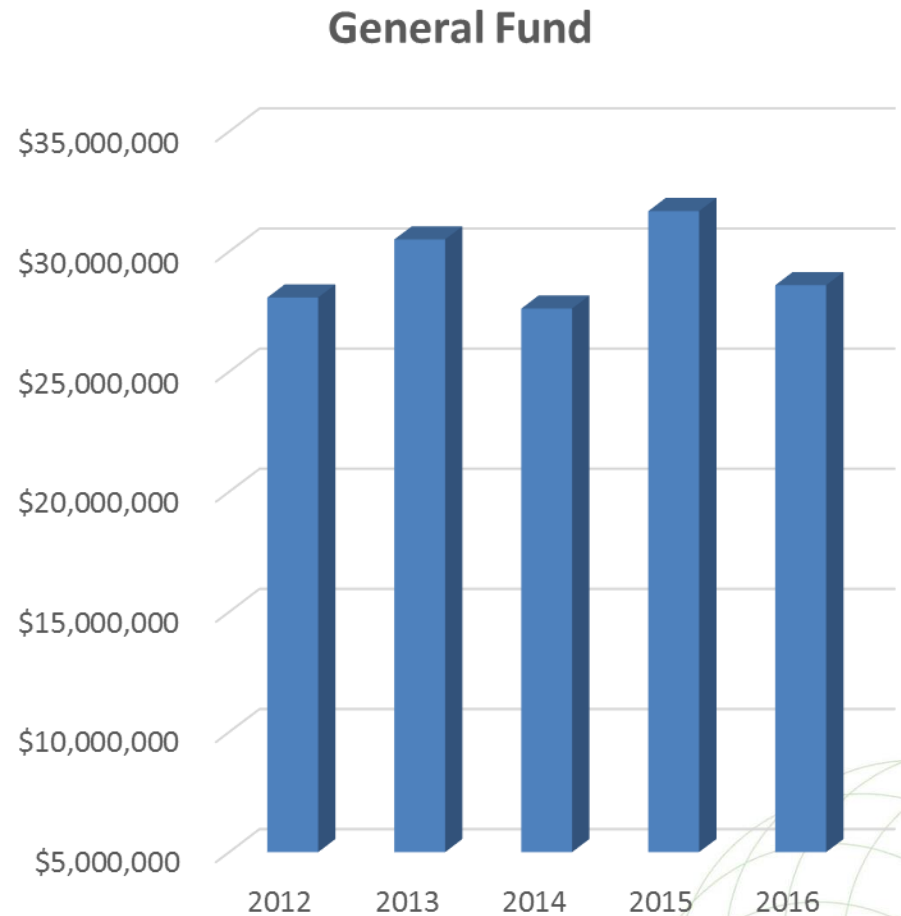
- GASB 68 – effective fiscal year 2015
- Requires BCSD to record its proportionate share of unfunded liability of SC Retirement System
 - Total unfunded liability for entire system: Approximately \$19 billion at 6/30/16
 - BCSD net pension liability as of 6/30/16 is approximately \$216 million
 - Net pension liability is recorded on government-wide financial statements only
 - No requirement by the District to pay



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General Fund

- Total fund balance decreased \$3 million (M) to \$28.6 M
- Unassigned fund balance is \$28.5 M, which is 14.2% of 2016 actual expenditures and 14% of 2016 budgeted expenditures
- BCSD has a fund balance policy requiring 13%-16% of next year's expenditures



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Major Reasons To Maintain An Adequate Fund Balance:

- Cash flow throughout the year; property taxes are cyclical
- Demonstrates fiscal responsibility by those charged with governance
- Preparedness for significant emergencies and unanticipated expenditures
- Flexibility for discretionary funding needs
- Potential for better interest rates on debt issuances
- To cover potential shortfalls from the state (a) due to budget cuts or (b) as a result of a change in legislation
- Extremely important given potential uncertainties in the economy

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General Fund Revenues

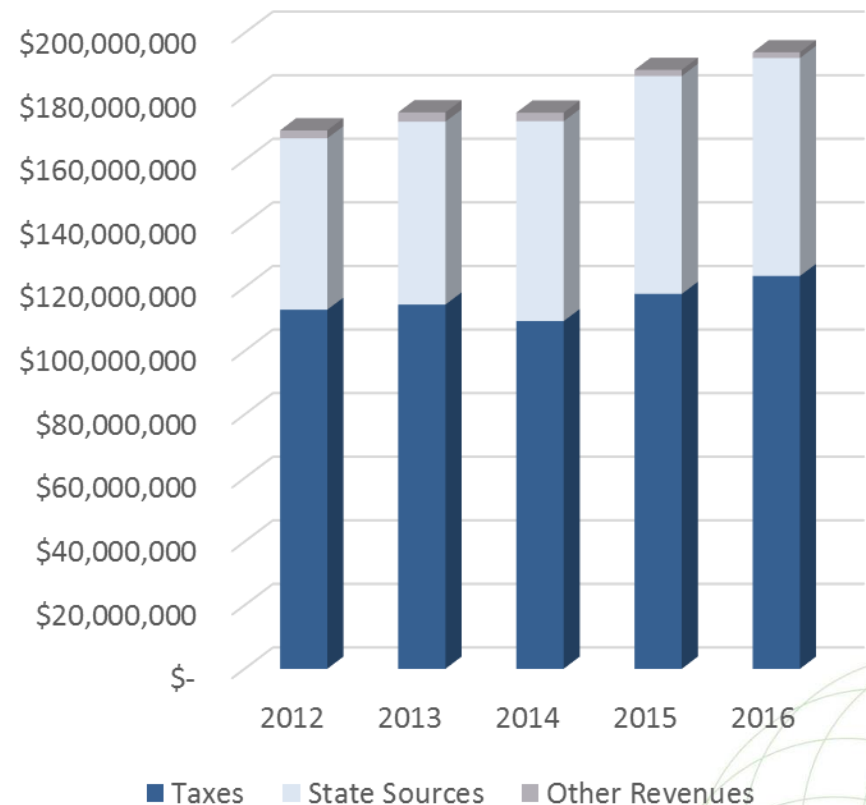
General fund revenues of \$193.9 M increased \$5.5 M (3%) compared to the prior year. Primary causes:

- Increase in state revenues of \$26 K
- Increase in local taxes of \$5.7 M
- Decrease in other revenues of \$169 K

\$5M (2.6%) less than budget

- Local taxes were \$3.5 M less
- State revenues were \$1.4 M less

General Fund Revenues



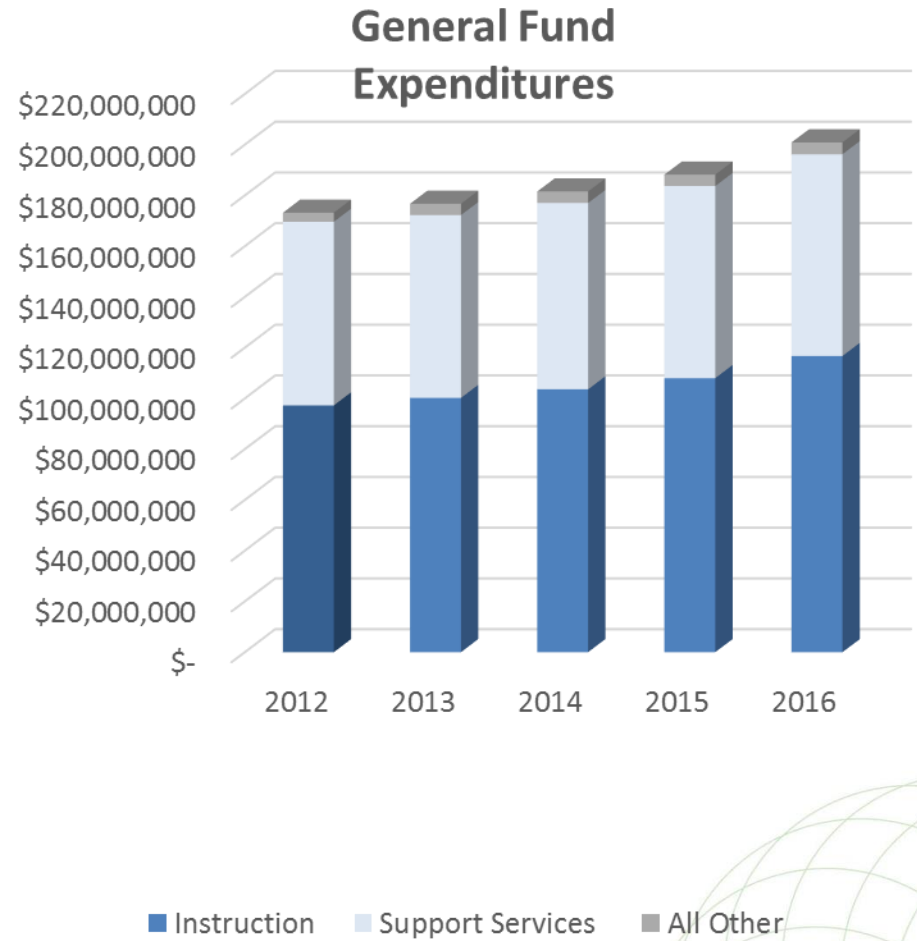
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General Fund Expenditures:

General Fund expenditures increased approximately \$12.7 M (4%) to \$200.9 M:

- \$8.76 M increase in instruction
- \$3.75 M increase in support

General Fund expenditures were \$1.9M less than budget



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Other Funds

- **Special Revenue and EIA Funds:**
 - Federal and state grants and programs - total of \$22.8 M expended in FY2016 for approximately 100 programs
 - The District is constrained by federal and state requirements for most of these programs to use the funds only as allowed by the applicable grants
 - No fund balance for most of these programs as any unspent funds must be returned to the State or carried over to the next year



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Other Funds

- **Food Service Fund:**

- Decrease in net position of (\$38 K) to \$2.37 M

- **Internal Service Fund:**

- Increase in net position of \$115 K to \$834 K

- **Debt Service Funds:**

- Decrease in fund balance by \$6.6 M leaving \$15.5 M in fund balance
- Total debt service payments of \$78.04 M include a refunding of \$28.09M. Produced \$6.4M in savings.

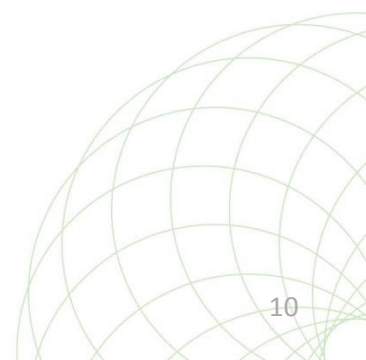


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Other Funds

- **Capital Project Funds:**

- Decrease in fund balance of \$42.4 M leaving \$31.4 M in fund balance
- \$66.4 M expended on capital projects
- Major projects in FY 2016: construction of two new schools, as well as minor renovations and preventive maintenance of existing facilities



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Other Items of Note:

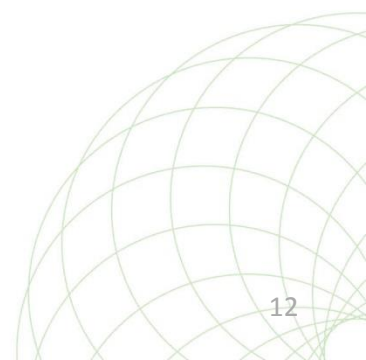
- Total outstanding debt was \$364.5 M at June 30, 2016
 - Decrease of \$29 M from June 30, 2015
 - \$30.6 M (principal) and \$13.3 M (interest) is due in FY2017
- The School District issued a Tax Anticipation Note on August 11, 2016 in the amount of \$18,000,000, maturing in April 2017, bearing interest at 2.00%, to fund operations.
- The School District issued General Obligation Bonds on September 21, 2016 in the amount of \$1,998,000, maturing in March 2017, bearing interest at 2.00%, to make EFC debt payments.



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Other Items of Note:

- The School District issued \$29,050,000 in bonds, bearing interest at an average rate of 3.06% on September 9, 2016, to refund \$30,585,000 Installment Purchase Revenue Bonds.
- On July 1, 2016, the School District entered into an Acquisition, Use and Security Agreement to acquire school buses at a cost of \$3,500,000, bearing interest at 1.32%.



Beaufort County School District

- **District-Wide (GASB 34)**
- Assets, including deferred outflows - \$667.9 M
 - \$517.5 M is capital assets
 - \$102.5 M is cash and investments
- Liabilities, including deferred inflows - \$628.3 M
 - \$364.5 M is outstanding debt
 - \$216.9 M is net pension liability
- Net Position - \$39.5 M
 - \$164 M net investment in capital assets
 - \$47 M restricted
 - (\$171.5) M unrestricted
- Revenues - \$281.5 M
 - Majority is state/local
- Expenses - \$262.9 M
 - \$19.6 M is non-cash depreciation



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