



# Comprehensive Annual Financial Report

For the Year Ended June 30, 2018



**York County, South Carolina**



# **YORK SCHOOL DISTRICT ONE**

York, South Carolina

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2018**



**Prepared By:**

**York School District One  
Office of Finance**

**Amy Hagner, Assistant Superintendent for Finance &  
Operations**



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2018**

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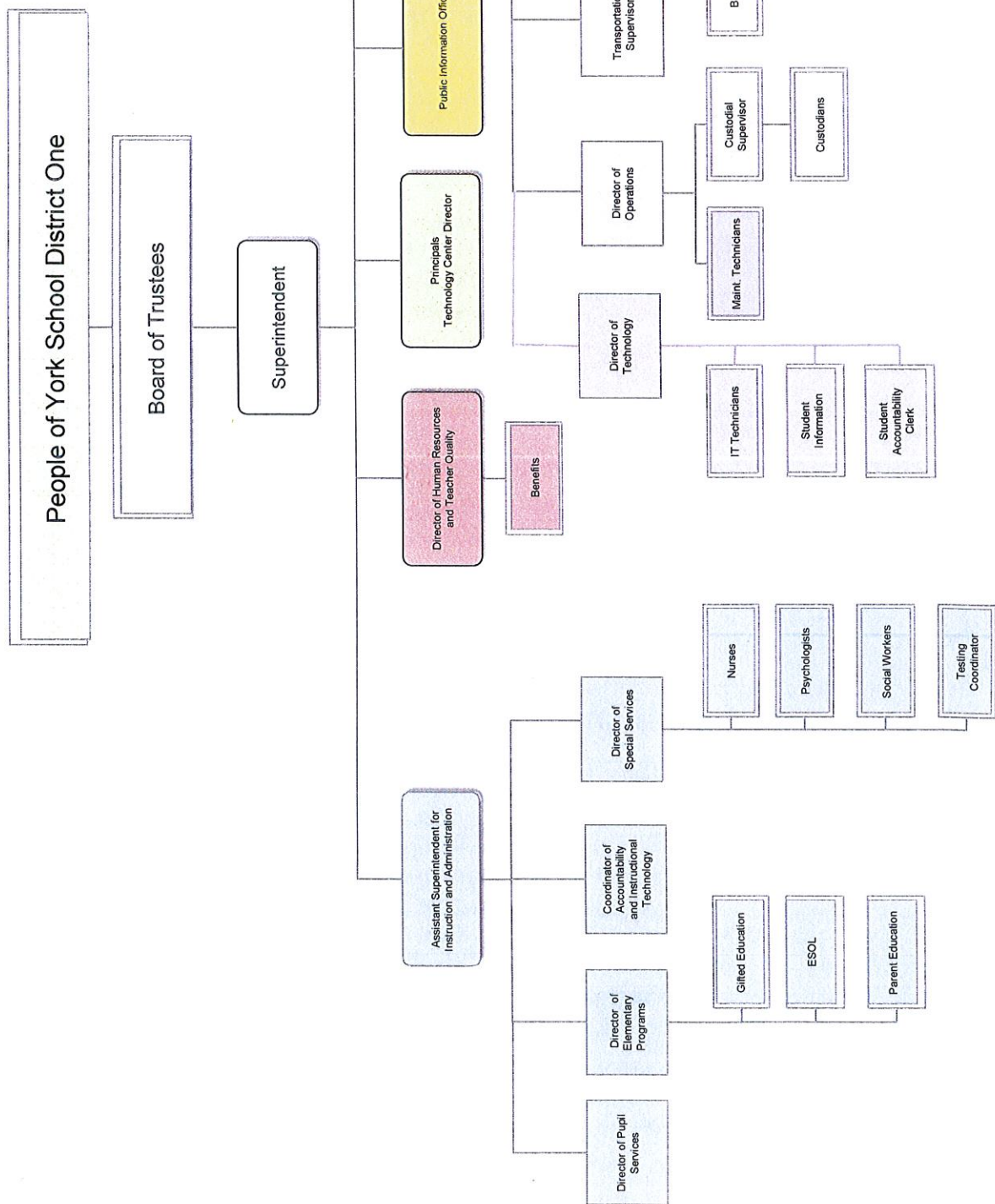
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# YORK SCHOOL DISTRICT ONE

## List of Principal Officials

June 30, 2018

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Board Meetings are held on the second Tuesday of each month at 7:00 PM. Five Board of Trustee members are elected for four year terms from single member districts, and two are elected at-large, for a four-year term. The Superintendent is appointed by the Board of Trustees.

### **Board of Trustees**

Betty Johnson, Chair	Diane Howell, Vice Chair	Mike Smith
	Chris Stephenson, Secretary	Austin Dawkins
	Chris Revels	Maria Duncan

### **Administrative**

#### **Title**

Interim Superintendent  
Assistant Superintendent for Finance & Operations  
Director of Early Childhood/Elementary Programs  
Director of Human Resources  
Assistant Superintendent of Instruction & Administration  
Director of Special Services  
Director of School Food Service  
Director of Transportation  
Director of Maintenance  
Coordinator of Special Projects  
Director of Technology  
Coordinator of Parent Involvement  
Coordinator of Student Services  
Accounting Manager  
Coordinator of Instructional Technology / Public Information

#### **Name**

Thomas Faulkenberry, M.Ed.,  
Ph.D.  
Amy Hagner  
Kelly Coxe  
Oliver Love  
Beverley Bowman  
Bryan Greeson  
Latisha Holt  
Kevin Queen  
Charlie Westbrook  
Lisa Spangler  
Chuck Wallace  
Penny Sanders  
Diana Smith, Ed.D.  
Sherry Hernandez  
Tim Cooper

October 30, 2018

To the Citizens of York School District One:

We are pleased to submit to you the *Comprehensive Annual Financial Report* (“**CAFR**”) of York School District One (“District”) for the fiscal year ended June 30, 2018. State law requires that all school districts publish within five months of the close of each fiscal year a complete set of financial statements. This report has been prepared in conformity with generally accepted accounting principles (“GAAP”) as set forth by the Governmental Accounting Standards Board (“GASB”) and other recognized authoritative sources.

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

The District’s financial statements have been audited by Greene Finney, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the year ended June 30, 2018 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

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

## **REPORTING ENTITY**

The District defines its reporting entity by applying the criteria set forth in GASB #14 and GASB #39 to potential component units. Briefly, a component unit is an organization for which the District is financially accountable or other organizations that, because of the nature or significance of their relationship with the District, would cause the District's financial statements to be misleading or incomplete if they were omitted from the reporting entity. These criteria are discussed in more detail in Note 1 to the financial statements.

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

## **GENERAL INFORMATION, LOCAL ECONOMIC CONDITION AND OUTLOOK**

The District is one of four K-12 school districts within York County, and is located in the southwestern region of the County. The District encompasses the entire City of York, and several smaller municipalities located on the western border of York County. Geographically, the District is the largest of the four districts and encompasses approximately 40% of the land use in the County, but only makes up approximately 10% of the County's total assessed value, which was \$102,262,577 for tax year 2017.

The District was created in 1954 by the consolidation of seven school districts within the County. The District has approximately 5,004 students in 2017-2018. For the 2018-2019 fiscal year, the district is projecting enrollment to remain about the same. The district currently operates ten schools: Hunter Street Elementary School (4K-4), Jefferson Elementary School (4K-4), Cotton Belt Elementary (4K-4), Hickory Grove Sharon Elementary (4K-6), Harold C Johnson Elementary (4K-4), York Intermediate School (5-6), York Middle School (7-8), York Comprehensive High School (9-12), Floyd D Johnson Technology Center (9-12), and York One Academy – Alternative School (5-12). The District also hosts a Family Resource Center with parenting education resources and a free medical clinic.

The age of active school buildings in the School District range from 1974 to 2012 and can be found in Table 17 of the statistical section of this report. The School District continues to monitor the long-term capital needs and maintenance needs of facilities throughout the District.

The District has established and maintains strong collaborative relationships with higher education institutions in the area including Winthrop University, York Technical College and the University of South Carolina at Lancaster for dual credit course offerings and professional development for staff. Additionally, the District partners with local businesses through the Greater York Chamber of Commerce to provide School to Work opportunities for students.

Through collaborations with local health and human service agencies to include Keystone Substance Abuse Services, The Early Learning Partnership of York County, York County First Steps, York County All on Board, and Dental Access Carolina, among others, the district is able to provide needed services and support to students.

The District received District-level accreditation through the Southern Association of Colleges and Schools and the Council on Accreditation and School Improvement (SACS CASI). District accreditation is a national protocol for school districts committed to systemic, systematic, and sustainable improvement. When a district earns accreditation, all schools in the district must meet the AdvancED Accreditation standards for quality school systems, engage in continuous improvement, and demonstrate quality assurance through internal and external review. Accreditation standards a district must demonstrate are:

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

The School Board of Trustees is made up of seven members elected by the qualified electors of the District. Five of the members are elected from a single member district, and two members are elected at large. The Board meets the second Tuesday of each month except for July. The Superintendent is appointed by the Board of Trustees and is responsible to the Board for the operation of all phases of the District's activities.

York County is located in the Piedmont section of South Carolina and is bordered on the north by North Carolina. The county has a land area of 685 square miles and had an estimated population of 266,439 in 2017. This figure represents an approximate 15% increase in population over the 2010 census of 226,073. The District encompasses approximately 316 square miles of the County. The County's per capita income was \$40,561 in 2016. The County's unemployment rate was 4.0% at June 30, 2018, which is the same rate it was at June 30, 2017. The County is served by two major interstates: Interstate 85 and Interstate 77, which provide access to the larger metropolitan area of Charlotte, North Carolina. The City of York is the County seat of York County, and had a population of approximately 8,147 in 2017.

While industrial and manufacturing plants are still a major source of employment for York County residents, a broader, more diversified base of employment also exists in the County, with Duke Energy Corporation, Wells Fargo Home Mortgage, the County of York, Winthrop University, Paramount Parks-Carowinds, and all 4 of the County's school districts being in the list of top 25 employers in the County.

## **MAJOR INITIATIVES**

The following are initiatives the District focused on during the 2017-2018 fiscal year:

### **Academic Resources:**

- The elementary schools operated Girls on the Run programs, providing curriculum that combines character education focused on building self esteem with a physical education component, leading ultimately to participants running 5k events.
- Through a grant to Keystone Substance Abuse Services, the District participated on an advisory board which planned and implemented parent information sessions in each district in the county. The RAP (Raising Awareness for Parents) sessions were held throughout the year and ranged by topics from mental health issues to the Opioid Epidemic.
- The District has an Academic Reinforcement Center (ARC) which is a comprehensive approach for students to earn credits that otherwise would have been lost due to poor grades, absenteeism or other factors.
- Through continued collaborative efforts with Affinity Health Care and York County First Steps, the free medical clinic offered within the Parenting Partnerships Family Resource Center offers services of a family nurse practitioner in addition to a pediatrician and nurse. Services were expanded through Affinity's management to also include prevention and treatment for uninsured and underinsured adults in addition to children in the district.
- Summer Reading Camp, implemented through funding through the SDE, served third grade students (and some 2<sup>nd</sup> grade students) reading significantly below grade level through an intensive five week summer program. Through a community partnership grant, the reading camp extended full day offering students camp like experiences through partnerships with Kings Mountain National Military Park, the Museum of York County, Floyd D Johnson Technology Center and the Fellowship of Christian Athletes.
- The District continues to partner with York Technical College to expand our ability to bring dual credit opportunities to our students. York Tech has made it possible for the district to administer the COMPASS college placement test to targeted juniors/seniors. These test scores will be used as the main qualifying criteria for admittance into dual credit courses offered at York Comprehensive High School through York Technical College.
- The District continued with the Middle College program with a joint partnership with York Technical College. The program is a non-traditional high school program designed for juniors and seniors with a high aptitude and potential for college success. The long term goal of the Middle College is to promote a college going culture by engaging students in relevant learning while providing them an opportunity to graduate. Students participate in the course on the campus of York Technical College.
- The District continued our partnership with York Technical College for an Early College program targeting high achieving 8<sup>th</sup> grade students. These students have the opportunity to earn a University Studies Certificate over the course of their high school career, the equivalent of 31 hours of college transferrable courses. This program is the first of its kind in York County with 2017-2018 serving a third cohort of students.

- Through an EEDA at Risk Innovation Grant at York Middle School and York One Academy, after school programming and summer programming were offered focusing on academic remediation and career readiness. Additionally, grant funds made possible implementation of school-wide PBIS.
- Through an EEDA at Risk Innovation Grant at Hunter Street Elementary, Hickory Grove Sharon Elementary and York Intermediate School, after school programming and summer programming were offered focusing on academic remediation and career readiness. Grant funds also were used to fund Life Skills classes for 6<sup>th</sup> grade students through a partnership with Keystone Substance Abuse Services.
- The District is a partner with Winthrop University's NetScope (Network of Sustained, Collaborative, Ongoing Preparation for Educators) grant. Through this partnership, schools in the district who are identified as partner schools or professional development schools participate in extensive based professional development to improve preservice and in-service training.
- The district received a 4K Community Development Block grant in the amount of \$97,250 which provided a number of activities to improve school readiness included a Kindergarten Registration Carnival, a three-week summer "Kindergarten Kamp", expanded the number of children served through Count Down to Kindergarten, hosted an interactive musical performance and a Family Night at the Museum. The District partnered with the Museum of York County, First Steps and the York County Library.
- Through a partnership with York County First Steps, at risk 4 year olds participate in a Count Down to Kindergarten summer program prior to entering kindergarten during which they receive educational home visits to prepare them with skills which promote school readiness.

#### Literacy:

- The District continues to partner with the Early Learning Partnership of York County and York County First Steps and through local fundraising efforts in the Imagination Library with over 400 children ages birth to five years. This program encourages reading by mailing a developmentally appropriate book to each participant's home monthly.
- Schools in the District continued to implement reading programs in order to promote literacy and prevent regressions of reading and comprehension skills.
- The District received funds in the amount of \$3,642 from the York Rotary Club to promote early childhood literacy within the district.

#### Technology:

- The District has a Technology Coach that provides professional development and training to all employees in the district.
- The District did a complete computer replacement at the Jefferson Elementary, Cotton Belt Elementary and Harold C Johnson Elementary and purchased devices for individual schools.
- The District transitioned to virtual servers and also implemented a Disaster Recovery Plan.
- The District implemented a digital asset management system to track devices within the district and also track work done on devices.

#### Construction:

- Most of the construction work during the year related to enhancing safety and security features at all of the district facilities. In addition, a portion of Harold C Johnson Elementary and York Middle School had sections reroofed.

#### District-Wide Accomplishments for FY 2017-2018 were as follows:

- The District had five teachers that were awarded Family Trust Grants. The grants fund projects that encourage unique and creative learning opportunities or enrich regular classroom activities.
- York Comprehensive High School continued with the Alive at 25 course. This 4 ½ course focuses on the behaviors, decision-making and risks facing young drivers every time they get behind the wheel.
- Through Chartwells, the District continued implementation of a Food Waste Reduction and Recovery Program that focuses on raising awareness of food and waste and providing strategies to reduce waste and/or divert it to a community hunger relief agency. Food recovery buns were set up in each cafeteria to collect safe but unwanted food which was then donated to our local community.
- Dr. Audrey Allan received the 2017 Richard W. Clark Award for Exemplary Partner School Work. This award recognizes schools' collaborative efforts to ensure students, pre-service teachers and higher education and public school faculty members promote, nurture, and sustain a culture of continuous improvement and renewal.
- The District hosted a ribbon cutting ceremony for its newly renovated stadium honoring the Pratt family for whom the stadium was named as well as the Carolina Panthers and LISC who made possible the district's receipt of a \$50,000 NFL LISC grant which funded the renovations.
- York School District received a Making a Difference Award at Keystone Substance Abuse Services. The District was recognized for our support in helping Keystone implement Life Skills prevention training for 6<sup>th</sup> graders in York County.
- The District received a National School Lunch Program Assistance Grant in the amount of \$12,190. The grant funded equipment for a sub and salad line at York Comprehensive High School.
- Zachary Lemhouse was recognized by Daughters of Colonial Wars as South Carolina Outstanding American History Teacher. The award recognizes outstanding service by the exemplification and encouragement of patriotism and interest in American History and in our American Heritage.
- The District received an EEDA Preparing College and Career Ready Graduates grant from the South Carolina Department of Education. The grant, totaling \$149,962 annually, is renewable up to three additional years for a total grant award of \$599,848. The grant serves students at Hunter Street Elementary, Hickory Grove-Sharon Elementary and York Intermediate School by providing after school opportunities two days weekly and a three week summer intercession program. Additionally, the grant includes a partnership with Keystone to bring Life Skills prevention to participants and provides funding for continuation of Olweus Bullying Prevention Programming.



- Chartwells Child Nutrition Team was named the “Chartwells South Regional Be-A-Star Winner for Compass in the Community.” The team received this recognition for its “Stop Waste Program” at schools throughout the district. The program is designed to have students return any unopened and prepackaged foods to a designated location instead of throwing it away.
- York Middle School was selected as a Winthrop Professional Development School. By being a Professional Development School, York Middle School will have an in-house professor that will assist in professional development for teachers as well as assist in planning, co-teaching, and motivating “at-risk” students.
- Dr. Vernon Prosser was recognized by the South Carolina Association of School Administrators (SCASA) as an Outstanding School Superintendent for his leadership and support of Career Technology Education. He has always been an advocate for work-based learning and career and technical education.
- The District was one of only five districts statewide to have received an additional Title II allocation. The five districts awarded additional funding were chosen on having no findings during the Title II reviews during the fiscal year.
- For the first time, the District along with Chartwells, implemented and ran the Summer Feeding Program. The district served 44 sites which included schools, parks, churches and summer camps. The District also promoted literacy by giving donated books to kids at the parks being served.
- Through a 21<sup>st</sup> Century Community Learning Center grant, the Boys & Girls Clubs of York County partnered with York School District One to bring after school and summer programming to the district. Each of the Title I Schools in the district serve 75 students (225 total between the three schools) in after school programs operating Monday-Friday from 2:20 until 6:00 at the school sites. The district provides transportation, and students participate in the DSS dinner program offered by the district. In summer, each school serves 30 students (90 students total for the district) in a three-week summer intercession program, provided 4 days weekly for 4 weeks from 7:45-4:45. The district provides bus transportation, and students receive breakfast and lunch through a partnership with the York County Summer Feeding program.
- Through its partnership with York County First Steps, the district houses the tri county Nurse Family Partnership Program. Through this program, at risk, first time expectant mothers are provided home visitation through nurses for up to 2 years. The Nurse Family Partnership doubled the number of families served and has added additional nurses to accommodate the larger caseloads.
- The District continues to work in collaboration with the Second Harvest Food Bank of Metrolina in the “backpack” program for students in our district who are in need of food in their homes over the weekends.
- The after school dinner program continued to offer meals to student athletes at York Middle School and York Comprehensive High School in conjunction with tutoring and homework assistance as well as elementary, intermediate and middle school sites offering after school programs. This program is coordinated by the district’s food service department and funded by the DSS Dinner program.

## **FINANCIAL INFORMATION**

### **Budgetary Control**

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

#### **District's Vision Statement**

Building the foundation for tomorrow by sparking potential and inspiring success.

#### **District's Mission Statement**

Working with the community, we will provide a diverse, innovative education in a safe environment enabling students to become responsible citizens in a global society.

#### **District's Beliefs**

- Learning is a life-long, ever-changing process.
- Each child is unique and should have the opportunity to reach his/her full potential.
- A safe, orderly and nurturing environment is essential for learning.
- Education is a cooperative effort between schools and the community.
- Technology enhances teaching and learning and should be current.

The District exercises budgetary controls. The objective of these budgetary controls is to ensure compliance with the provisions set forth in the annual appropriations adopted by the Board of Trustees. Beginning in February, the Superintendent, Assistant Superintendent, Director of Technology, Director of Human Resources, and the Maintenance Director visit each location to discuss capital and personnel needs with the building level administrator. With direction from these meetings, and the Superintendent, the Assistant Superintendent prepares a proposed budget to be presented to the Board of Trustees. The Board of Trustees annually adopts and approves the General Fund budget by June 30<sup>th</sup>. The District maintains the modified accrual system for all governmental funds, and uses encumbrance accounting to accomplish budgetary controls at the function level. District policies allow funds to be transferred between function and object amounts as long as the total spending does not exceed the approved budget. Board approval is needed for supplemental appropriations that are additions to the budget. Encumbrances are utilized to assist in budgetary control and encumbrances lapse at fiscal year-end. The Board of Trustees is given a budget status report on a monthly basis, and is reviewed by the members of the Board.

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

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

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

### **Long Term Financial Planning**

The two major focus areas for the District are technology and facilities. During the 2017-2018 year, the District continued to spend money for technology needs throughout the district and the bond proceeds on capital needs.

In addition, capital projects are another main area of focus of the district's long-term financial planning component. The issuance of over \$85 million in bonds demonstrates the district's commitment to safe, secure, quality educational facilities. The District evaluates facilities on an ongoing basis in order to provide additional instructional space prior to the existing space becoming overcrowded.

The unassigned fund balance in the general fund at year end was \$10,504,515. The District feels a positive fund balance is sound financial management. A positive fund balance serves several purposes. The first is to ensure that the instructional process is not interrupted by unforeseen budgetary constraints such as state budget cuts which we have seen over the last couple of years. Secondly, the District is able to reduce short term borrowing by having cash available in the later months of the year. The third purpose is to maintain a positive bond rating.

The fund balance will allow the District not only to maintain its ability to handle any major shortfalls due to the economic decline but also to handle the increase in operating costs.

## **OTHER INFORMATION**

### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The accounting firm of Greene Finney, LLP, was selected by the District's Board of Trustees to perform the Districts' annual audit for the fiscal year ending June 30, 2018. In addition, the audit was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the provisions of the Uniform Guidance. The auditor's report on the financial statements is included in the Financial Section of this report, and the auditor's report related specifically to the single audit are included in the Compliance Section of this report.

### **Awards**

Our Comprehensive Annual Financial Report for fiscal year ended June 30, 2017 was a recipient of the prestigious awards of excellence, from both the Government Finance Officers Association ("GFOA") with their Certificate of Achievement for Excellence in Financial Reporting, and from the Association of School Business Officials ("ASBO") with their Certificate of Excellence in Financial This is the sixteenth consecutive year that the government has achieved these prestigious awards. These two awards are made only to governmental units that publish a comprehensive annual financial report that is easily readable, efficiently organized, and conform to program standards, as well as satisfy generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgements**

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

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

This report reflects the District's commitment to the citizens of York School District One and the financial community to provide information in conformance with the highest standards of financial accountability.

Respectfully Submitted,

A handwritten signature in black ink that reads "Amy Hagner". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Amy Hagner  
Assistant Superintendent  
Finance and Operations





Government Finance Officers Association

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

Presented to

**York School District One  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## York School District One

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE  
Executive Director





# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
York School District One  
York, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of York School District One, South Carolina (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of York School District One, South Carolina, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### ***Changes in Accounting Principle***

As discussed in Note 1.C. in the notes to the financial statements, in the year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement (“GASB”) No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”. Our opinion is not modified with respect to this matter.

As discussed in Note 1.C. in the notes to the financial statements, in the year ended June 30, 2018, the District has elected to change its policy for accounting and reporting its food service activities from an enterprise fund to a special revenue fund. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplementary information, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the introductory section and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Greene Finney, LLP".

Greene Finney, LLP  
Mauldin, South Carolina  
October 30, 2018



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**INTRODUCTION**

This discussion and analysis of York County School District One's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and the notes to the financial statements to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2018 are as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year yielding a net deficit of approximately \$84.6 million. Of this amount, approximately \$95.4 million was the District's unrestricted net deficit, which was caused primarily by the District's net pension liability and net other postemployment benefit ("OPEB") liability (including related deferred outflows and deferred inflows of resources) of approximately \$57.3 million and \$53.2 million, respectively. Without these liabilities, the District would have an unrestricted net position of approximately \$25.9 million.
- The District's total net position decreased by approximately \$3.6 million compared to a \$4.8 million decrease in the prior year. The change compared to the prior year is primarily attributable to an increase in tax revenues due to a tax refund of approximately \$2.4 million relating to prior years that was issued to a company in the District's tax base in 2017 but did not repeat in 2018 (this repayment was treated as a reduction in revenues received from the County in 2018), partially offset by an increase in the net pension liability and the net OPEB liability.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$19.0 million. The District had an increase of approximately \$0.9 million in the current year compared to a decrease of approximately \$2.2 million in the prior year. The change compared to the prior year is primarily attributable to the 2017 reduced tax revenues noted in the prior bullet point.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately \$10.5 million, which is approximately 23% percent of total General Fund expenditures. The entire amount is unassigned.
- The District's total capital assets decreased approximately \$5.5 million during the current fiscal year. The key factor was depreciation expense of approximately \$5.7 million, offset by additions of \$0.2 million.
- The District's total long term obligations decreased by approximately \$4.1 million during the current fiscal year which was due to regularly scheduled principal payments of approximately \$3.1 million and amortization of premiums of approximately \$1.0 million.
- During fiscal year 2018, the District's governmental fund type revenues were approximately \$65.7 million compared to approximately \$56.6 million in the prior year. This increase was primarily due to the 2017 reduction in tax revenues because of the tax refund discussed earlier, and increases in state and federal revenues.
- The District had approximately \$69.5 million in expenses related to governmental activities; approximately \$34.7 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) combined were approximately \$31.2 million and provided the remaining funding.
- Effective July 1, 2017, the District converted its food service activities from an enterprise fund to a special revenue fund. See Note I.C. "Changes in Accounting Principle" in the notes to the financial statements for more information.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**FINANCIAL HIGHLIGHTS (CONTINUED)**

- The District adopted GASB #75 for the year ended June 30, 2018. GASB #75 requires the District to recognize a net OPEB liability and any related deferred outflows/inflows of resources for any material amounts related to its participation in the South Carolina Retiree Health Insurance Trust Fund, a cost-sharing multiple-employer defined benefit OPEB plan ("OPEB Plan"), on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. The adoption of GASB #75 had no impact on the District's governmental fund financial statements, which continue to report expenditures in the amount of the contributions made to the OPEB Plan. However, the adoption has resulted in the restatement of the District's net position as of July 1, 2017 for its government-wide financial statements to reflect the reporting of a net OPEB liability and deferred outflows of resources for its OPEB Plan in accordance with the provisions of GASB #75. Net position of the District's government-wide financial statements as of July 1, 2017 was decreased by approximately \$52.1 million, reflecting the cumulative change in accounting principle related to the adoption of GASB # 75. See Note 11 in the notes to the financial statements for more information regarding the District's OPEB Plan.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and notes to those statements. The financial statements include two kinds of statements, (*the government-wide financial statements and the fund financial statements*) that present different views of the District. The government-wide statements are intended to give the reader both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements are intended to provide a more detailed look at specific financial activities.

**Reporting the District as a Whole - Government-Wide Financial Statements**

The first two statements are *government-wide financial statements* that provide a broad overview of the District's overall financial status, in a manner similar to a private-sector enterprise. These statements report information about the District as a whole.

***Statement of Net Position***

The Statement of Net Position presents information on all of the District's assets and deferred outflows and liabilities and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, other non-financial factors, such as the District's property tax base, the condition and age of school buildings, as well as other physical assets, should be considered.

***Statement of Activities***

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the District's activities are reported in governmental activities in the government-wide financial statements. The District does not report any business-type activities.

The government-wide financial statements can be found as listed in the table of contents of this report.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Reporting the District's Major Funds - Fund Financial Statements**

The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, and not the District as a whole. The fund financial statements report the District's operations in *more detail* than the government-wide statements, and focus on the District's most significant or "major" funds.

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

***Governmental Funds***

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the District's basic services are included within the governmental funds. The governmental funds generally focus on two things-how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund statements provide a more detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. However the governmental fund statements do not encompass the additional long-term focus as that of the government-wide financial statements, and as a result additional information at the end of the governmental fund statements, in the form of reconciliation, explains the relationship (or differences) between the governmental fund statements and the government-wide statements.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue - EIA Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue - Food Service Fund, all of which are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the pupil activity of the schools and accounts for this activity in an agency fund. The fiduciary fund financial statement can be found as listed in the table of contents of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents of this report.

***Other Information***

The combining and individual fund financial schedules referred to earlier in connection with governmental funds can be found as listed in the table of contents of this report.

The District adopts an annual appropriated budget only for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for this fund to demonstrate compliance with the budgets. This schedule can be found as listed in the table of contents of this report.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$84.6 million at the close of the most recent fiscal year.

Table 1 provides a summary of the District's net position for the current fiscal year 2018, as well as the preceding fiscal year 2017:

**Table 1  
Net Position - Governmental Activities**

	Governmental Activities	
	2018^	2017*
<b>Assets</b>		
Current and Other Assets	\$ 27,946,727	\$ 28,618,159
Capital Assets, Net	98,196,519	103,684,533
Total Assets	126,143,246	132,302,692
<b>Deferred Outflows of Resources</b>		
Deferred Pension Charges	10,906,691	9,457,101
Deferred Other Postemployment Benefit Plan Charges	1,849,648	-
Total Deferred Outflows of Resources	12,756,339	9,457,101
<b>Liabilities</b>		
Other Liabilities	5,564,103	7,513,190
Net Pension Liability	67,390,976	63,128,617
Net Other Postemployment Benefit Plan Liability	50,334,914	-
Long-Term Liabilities	94,688,934	98,789,081
Total Liabilities	217,978,927	169,430,888
<b>Deferred Inflows of Resources</b>		
Deferred Pension Credits	795,707	1,292,654
Deferred Other Postemployment Benefit Plan Credits	4,758,848	-
Total Deferred Inflows of Resources	5,554,555	1,292,654
<b>Net Position</b>		
Net Investment in Capital Assets	5,350,310	8,782,523
Restricted	5,402,980	3,372,828
Unrestricted	(95,387,187)	(41,119,100)
Total Net Position	\$ (84,633,897)	\$ (28,963,749)

\* 2017 amounts have been restated to reflect the conversion of Food Service balances from business-type activities to governmental activities. See Note I.C. in the notes to the financial statements for more information.

^ The District adopted GASB #75 in FY 2018. See Financial Highlights section for more details.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The District's current and other assets at June 30, 2018 decreased by approximately \$0.7 million from the prior year primarily due to a decrease in cash primarily due to two roofing projects during 2018. The District's capital assets at June 30, 2018 decreased by approximately \$5.5 million from the prior year due to depreciation expense of approximately \$5.7 million, partially offset by additions of \$0.2 million. The District's total liabilities at June 30, 2018 increased by approximately \$48.5 million from the prior year primarily due to an increase in the net pension liability of approximately \$4.3 million and the adoption of GASB #75, with an impact of approximately \$50.3 million for the net OPEB liability, partially offset by a decrease in long-term liabilities of approximately \$4.1 million and other liabilities of approximately \$1.9 million.

The District's net position decreased by approximately \$3.6 million during the current fiscal year due to current year expenses exceeding current year revenues. Please see discussion following the next table regarding this decrease.

Approximately \$5.4 million of the District's net position reflects its net investment in capital assets (i.e., land, buildings, furniture and equipment, infrastructure, etc.) less any related outstanding debt/lease purchase obligations used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position of approximately \$5.4 million represents resources that are subject to external restrictions on how they may be used. The restrictions are for debt service and food service (\$3.6 million and \$1.8 million, respectively). The remaining portion of the District's net position is unrestricted net position (deficit) of approximately (\$95.4) million that may be used to meet the government's ongoing obligations to citizens and creditors. Table 2 shows the changes in net position for the current fiscal year 2018 as well as for the preceding fiscal year 2017:

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Table 2  
Changes in Net Position**

	Governmental Activities	
	2018 <sup>^</sup>	2017*
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 498,615	\$ 556,194
Operating Grants	34,238,825	31,609,755
General Revenues:		
Taxes	30,486,428	27,568,754
Other	747,490	294,306
Total Revenues	<u>65,971,358</u>	<u>60,029,009</u>
<b>Program Expenses</b>		
Instruction	37,523,497	34,352,771
Supporting Services	29,332,761	27,679,672
Interest and Other Charges	2,687,662	2,763,817
Total Program Expenses	<u>69,543,920</u>	<u>64,796,260</u>
Change in Net Position	(3,572,562)	(4,767,251)
Net Position, Beginning of Year, as Previously Reported	(28,963,749)	(24,196,498)
Cumulative Change in Accounting Principle - GASB #75	(52,097,586)	-
Net Position, Beginning of Year, Restated	<u>(81,061,335)</u>	<u>(24,196,498)</u>
Net Position, End of Year	<u>\$ (84,633,897)</u>	<u>\$ (28,963,749)</u>

\* 2017 amounts have been restated to reflect the conversion of Food Service balances from business-type activities to governmental activities. See Note I.C. in the notes to the financial statements for more information.

<sup>^</sup> The District adopted GASB #75 in FY 2018. See Financial Highlights section for more details.

***Governmental Activities***

The District's governmental activities net position decreased approximately \$3.6 million in 2018 compared to a decrease of approximately \$4.8 million in the prior year. This decrease was less than in the prior year primarily due to a 2017 tax refund that was issued to a company in the District's tax base, which did not happen again in 2018. Depreciation expense of approximately \$5.7 million was a significant factor in the decrease in the District's governmental activities net position.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

---

**FUND ANALYSIS**

*Governmental Funds*

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

For the year ended June 30, 2018, the District's governmental funds reported a combined fund balance of approximately \$19.0 million as compared to approximately \$18.0 million for the prior year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2018, the District's unassigned fund balance for all governmental funds was approximately \$10.5 million which solely represents the General Fund. Of the remainder, approximately \$3.2 million, \$3.4 million and \$1.8 million are restricted for capital projects, debt service, and food service, respectively, and approximately \$9 thousand is nonspendable for inventories.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was approximately \$10.5 million which was all unassigned.

The District's General Fund balance increased approximately \$1.1 million from the prior year. The fund balance in the General Fund is approximately 23% of 2018 General Fund expenditures.

The District's Major Funds include the General Fund, as described above, Special Revenue Fund, Special Revenue-EIA Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue-Food Service Fund.

The District's Special Revenue Fund and Special Revenue – EIA Fund, are used to account for revenues derived from the State of South Carolina and the Federal Government. Special Revenue funds generally do not have fund balances as revenues should be expended, unearned, or returned to the grantor.

The Debt Service Fund is shown in the accompanying financial statements of the District. This fund is used to account for the accumulation of funds for debt retirement. The District's debt millage rate remained at 78 mills. The fund balance in the Debt Service Fund increased approximately \$0.1 million in 2018. The fund balance for the Debt Service Fund at June 30, 2018 was approximately \$3.4 million which is restricted for debt service payments. Revenues increased over the prior year by approximately \$0.8 million, or 11%, primarily due to an increase in tax revenues of \$0.8 million, as a portion of the 2017 reduction in tax revenues for the District (related to the repayment of taxes to a company in the District's tax base) related to the debt service tax collections. Regularly scheduled debt service payments increased over the prior year by approximately \$0.3 million due to increased principal and interest payments.

The Capital Projects Fund is utilized to account for the District's major capital project expenditures. The District's Capital Projects Fund balance decreased by approximately \$0.4 million in 2018 to approximately \$3.2 million at June 30, 2018. The primary reason for the decrease is due to capital expenditures exceeding revenues and net transfers in during 2018.

The Food Service Fund is utilized to account for the District's food service program. The Food Service fund balance increased by approximately \$0.1 million during 2018 to approximately \$1.8 million at June 30, 2018, as revenues of approximately \$3.0 million exceeded expenditures and transfers out of approximately \$2.9 million.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. Budget amendments may occur during the year, but none in FY 2018 that caused the total budget to exceed the original approved General Fund budget. During fiscal year 2018, General Fund revenues came in approximately \$2.1 million higher than budgeted revenues, primarily due to higher tax revenues of approximately \$0.8 million and higher revenue from state sources of approximately \$0.9 million. Actual expenditures came in close to what was budgeted (\$0.4 million over budget primarily due to higher than expected substitute teacher and repairs and maintenance expenditures). The District's goal in 2018 was to maintain a strong unassigned fund balance and the district continues to budget conservatively.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2018, the District had approximately \$98.2 million in net capital assets. The total decrease in the District's net capital assets was approximately \$5.5 million. While there were capital asset additions of approximately \$0.2 million, depreciation expense was approximately \$5.7 million. Major capital asset events during the current fiscal year included:

- Depreciation expense of approximately \$5.7 million.
- Furniture and equipment capital asset additions of approximately \$0.2 million.

Table 3 shows fiscal 2018 balances compared to 2017:

**Table 3  
Capital Assets at June 30, 2018 and June 30, 2017  
(Net of Depreciation)**

	Government Activities	
	2018	2017
Land and Land Improvements	\$ 3,180,954	\$ 3,180,954
Buildings, Improvements, and Equipment	95,015,565	100,503,579
Totals	<u>\$ 98,196,519</u>	<u>\$ 103,684,533</u>

The District had outstanding construction commitments of approximately \$0.6 million at June 30, 2018 related to roof replacement projects at two of the District's schools. For more information regarding the District's capital assets see Note 4 to the financial statements.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

***Debt Administration***

At fiscal year-end, the District had approximately \$84.2 million in gross bonds and capital leases outstanding versus approximately \$87.3 million in the prior year, a decrease of approximately \$3.1 million as shown in Table 4. All of the District's debt is backed by the full faith and credit of the District as is typical with general obligation bond ("GOB") indebtedness.

**Table 4  
Outstanding Gross Debt, at Year End**

	Governmental Activities	
	2018	2017
General Obligation Bond, 2009	\$ 110,000	\$ 215,000
Qualified Zone Academy GOB, Series 2012	3,000,000	3,000,000
Capital Lease, 2013	3,297,000	6,306,000
General Obligation Refunding Bonds, 2015	32,405,000	32,405,000
General Obligation Refunding Bonds, 2016	45,380,000	45,380,000
Total Gross Debt	<u>\$ 84,192,000</u>	<u>\$ 87,306,000</u>

Key highlights related to the District's gross debt for fiscal year 2018 are as follows:

- Principal payments of approximately \$3.1 million were made on the various bonds.

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed 8% of the assessed value of all taxable property in the District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2018, the District's assessed property valuation was approximately \$102.3 million. The District had approximately \$1.4 million (\$3.0 million of the Qualified Zone Academy GOB less the funded debt service for the Qualified Zone Academy GOB of approximately \$1.6 million) of bonded debt subject to the 8% limit of approximately \$8.1 million resulting in unused legal debt margin of approximately \$6.7 million.

As noted earlier, other long-term obligations consist of premiums, and accrued compensated absences. More detailed information about the District's debt and other long-term obligations is presented in Note 9 to the financial statements.

**ECONOMIC FACTORS**

York School District One is located in the southwestern region of York County. The District encompasses the entire City of York and several smaller municipalities located on the western border of York County. The District has a tax base of \$102,263,000 million in 2018 which is a 1.7% increase from 2017. Recently, the District has seen growth in assessed valuation slow. Total property tax collections have historically been strong, averaging more than 90% collection rate.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**FY 2019 BUDGETS**

The FY 19 General Fund Budget of approximately \$46.6 million represents a 4.5% increase over FY 18. The main priorities for the FY 19 General Fund Budget were: (1) being able to maintain the same quality of education for our students due to the continuous shortfall in state funding, (2) maintaining manageable class sizes, and (3) have a balanced budget without using the districts unassigned fund balance. The District's goal is to continue to provide the same level of educational programs and to continue to improve academic performance. However, this goal continues to become more challenging with the effects of the passage of Act 388, which eliminated school operating millage on owner-occupied homes and replaced it with a less stable one percent sales tax increase.

Because this is a labor-intensive operation, the largest, budgeted expenditure increase pertains to personnel, which makes up approximately 87% of the General Fund budget. The base student cost, which is the determining factor for the majority of the state's formula funding provided to public districts, is projected to be funded at the rate determined by the State Budget and Control Board to keep pace with inflation. The state base student cost increased approximately 2% over 2018 (from \$2,425 to \$ 2,485). The Base Student Cost amount is still well below the projected amount determined by the State Budget and Control Board needed for inflation.

The Board of Trustees approved a 7.0 mill increase (increased to 196.6 mills from 189.6 mills in the prior year) for the 2018 property tax year for general operations of the District. The Board of Trustees also approved to maintain 78 mills for the 2018 property tax year for the District's scheduled debt service requirements.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide those interested with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at York County School District One, PO Box 770, York, South Carolina, 29745. In addition, the Comprehensive Annual Financial Report may be found on the District's website at: [www.york.k12.sc.us](http://www.york.k12.sc.us).

# **BASIC FINANCIAL STATEMENTS**

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2018**

	<b>PRIMARY GOVERNMENT Governmental Activities</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 13,609,290
Cash and Cash Equivalents, Restricted	64,494
Investments, Restricted	1,559,397
Cash and Investments Held by County Treasurer	5,744,455
Property Taxes Receivable, Net	5,240,207
Accounts Receivable, Net	4,767
Other Receivables, Net	15,528
Due from State	388,242
Due from Federal	1,248,777
Due from Other Governments	62,458
Inventories	9,197
Capital Assets:	
Non-Depreciable	3,180,954
Depreciable, Net	95,015,565
<b>TOTAL ASSETS</b>	<b>126,143,331</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Charges	10,906,691
Deferred Other Postemployment Benefit Plan Charges	1,849,648
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>12,756,339</b>
<b>LIABILITIES</b>	
Accounts Payable and Accrued Expenses	3,834,755
Accrued Interest Payable	1,187,551
Unearned Revenue	541,882
Non-Current Liabilities:	
Net Pension Liability	67,390,976
Net Other Postemployment Benefit Plan Liability	50,334,914
Long-Term Obligations - Due Within One Year	3,626,000
Long-Term Obligations - Due in More than One Year	91,062,934
<b>TOTAL LIABILITIES</b>	<b>217,979,012</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Credits	795,707
Deferred Other Postemployment Benefit Plan Credits	4,758,848
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,554,555</b>
<b>NET POSITION (DEFICIT)</b>	
Net Investment in Capital Assets	5,350,310
Restricted For:	
Debt Service	3,552,394
Special Revenue - Food Service	1,850,586
Unrestricted	(95,387,187)
<b>TOTAL NET POSITION</b>	<b>\$ (84,633,897)</b>

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



YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
<b>PRIMARY GOVERNMENT:</b>					
Governmental Activities:					
Instruction	\$ 37,523,497	-	20,348,231	-	\$ (17,175,266)
Support Services	29,381,761	498,615	13,939,594	-	(14,943,552)
Interest on Long-Term Obligations	2,687,662	-	-	-	(2,687,662)
Total Governmental Activities	69,592,920	498,615	34,287,825	-	(34,806,480)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 69,592,920</b>	<b>498,615</b>	<b>34,287,825</b>	<b>-</b>	<b>(34,806,480)</b>

**GENERAL REVENUES:**

General Revenues:	
Property Taxes Levied for General Purposes	15,075,561
Property Taxes Levied for Debt Service	7,473,782
State Revenue in Lieu of Taxes	7,507,266
Other Taxes	429,819
Investment Earnings	314,190
Intergovernmental Revenue - Not Restricted to Specific Programs	48,835
Miscellaneous - Not Restricted to Specific Programs	384,465
Total General Revenues	31,233,918

**CHANGE IN NET POSITION (3,572,562)**

NET POSITION - Beginning of Year, As Previously Reported	(30,014,410)
Conversion of Food Services from Business-Type Activities to Governmental Activities	1,050,661
Cumulative Change in Accounting Principle - GASB #75	(52,097,586)
NET POSITION - Beginning of Year, Restated	(81,061,335)

**NET POSITION - Ending of Year \$ (84,633,897)**

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

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,691,189	-	-
Cash and Cash Equivalents, Restricted	64,494	-	-
Investments, Restricted	-	-	-
Cash and Investments Held by County Treasurer	1,065,682	-	-
Receivables, Net:			
Taxes	3,845,107	-	-
Accounts	-	-	-
Other	-	15,528	-
Due From:			
State	128,526	18,422	241,294
Federal	-	1,248,777	-
Other Governments	62,041	235	182
Other Funds	2,398,791	97,676	310,568
Inventories	-	-	-
<b>TOTAL ASSETS</b>	<b>20,255,830</b>	<b>1,380,638</b>	<b>552,044</b>
<b>LIABILITIES AND FUND BALANCES</b>			
LIABILITIES:			
Accounts Payable	840,077	-	-
Accrued Salaries, Fringe & Benefits	2,883,963	-	-
Accrued Expenditures	110,715	-	-
Due To:			
Other Funds	2,680,796	1,165,794	234,203
Unearned Revenue	-	214,844	317,841
<b>TOTAL LIABILITIES</b>	<b>6,515,551</b>	<b>1,380,638</b>	<b>552,044</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	3,235,764	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,235,764</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>9,751,315</b>	<b>1,380,638</b>	<b>552,044</b>
FUND BALANCES:			
Fund Balances			
Nonspendable For:			
Inventories	-	-	-
Restricted For:			
Debt Service	-	-	-
Capital Projects	-	-	-
Special Revenue - Food Service	-	-	-
Unassigned	10,504,515	-	-
<b>TOTAL FUND BALANCES</b>	<b>10,504,515</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 20,255,830</b>	<b>1,380,638</b>	<b>552,044</b>

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

DEBT SERVICE	CAPITAL PROJECTS	SPECIAL REVENUE - FOOD SERVICE	TOTAL GOVERNMENTAL FUNDS
-	-	918,101	\$ 13,609,290
-	-	-	64,494
1,559,397	-	-	1,559,397
1,959,984	2,718,789	-	5,744,455
1,395,100	-	-	5,240,207
-	-	4,767	4,767
-	-	-	15,528
-	-	-	388,242
-	-	-	1,248,777
-	-	-	62,458
-	1,664,112	927,718	5,398,865
-	-	9,197	9,197
<b>4,914,481</b>	<b>4,382,901</b>	<b>1,859,783</b>	<b>33,345,677</b>
-	-	-	840,077
-	-	-	2,883,963
-	-	-	110,715
174,536	1,143,536	-	5,398,865
-	-	9,197	541,882
174,536	1,143,536	9,197	9,775,502
1,344,050	-	-	4,579,814
1,344,050	-	-	4,579,814
1,518,586	1,143,536	9,197	14,355,316
-	-	9,197	9,197
3,395,895	-	-	3,395,895
-	3,239,365	-	3,239,365
-	-	1,841,389	1,841,389
-	-	-	10,504,515
3,395,895	3,239,365	1,850,586	18,990,361
<b>4,914,481</b>	<b>4,382,901</b>	<b>1,859,783</b>	<b>\$ 33,345,677</b>

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

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

**JUNE 30, 2018**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 18,990,361</b>
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Amounts reported for the governmental activities in the Statement of Net Position are different because:

Outstanding property taxes and other revenues which will be collected in the future, but are not available soon enough to pay for the current period's expenditures are therefore unavailable in the funds.	4,579,814
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$178,363,321, and the accumulated depreciation is \$80,166,802.	98,196,519
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The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(57,279,992)
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The District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(53,244,114)
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Interest is recorded as an expenditure when due and payable in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end.	(1,187,551)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:	
Long-Term Debt	(84,192,000)
Net Premium	(10,229,462)
Compensated Absences	(267,472)
	<hr/>
	(94,688,934)

<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (84,633,897)</u></b>
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The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2018

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
<b>REVENUES</b>			
Local Sources:			
Taxes	\$ 14,842,406	-	-
Investment Earnings	178,348	-	-
Other Local Sources	248,799	458,535	8,850
State Sources	30,029,387	1,180,142	4,167,213
Federal Sources	-	3,494,318	-
Intergovernmental Revenue	-	48,835	-
<b>TOTAL REVENUE ALL SOURCES</b>	<b>45,298,940</b>	<b>5,181,830</b>	<b>4,176,063</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	25,523,911	3,125,794	2,375,721
Support Services	19,319,021	1,785,693	480,287
Intergovernmental	-	84,572	-
Capital Outlay	75,788	-	91,921
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Other Charges	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>44,918,720</b>	<b>4,996,059</b>	<b>2,947,929</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>380,220</b>	<b>185,771</b>	<b>1,228,134</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,549,766	-	-
Transfers Out	(800,000)	(185,771)	(1,228,134)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>749,766</b>	<b>(185,771)</b>	<b>(1,228,134)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>1,129,986</b>	<b>-</b>	<b>-</b>
FUND BALANCE, Beginning of Year, as Adjusted	9,374,529	-	-
<b>FUND BALANCE, End of Year</b>	<b>\$ 10,504,515</b>	<b>-</b>	<b>-</b>

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

DEBT SERVICE	CAPITAL PROJECTS	SPECIAL REVENUE - FOOD SERVICE	TOTAL GOVERNMENTAL FUNDS
7,413,055	-	-	\$ 22,255,461
74,473	57,587	3,782	314,190
-	1,042	634,280	1,351,506
429,819	-	204	35,806,765
-	-	2,455,401	5,949,719
-	-	-	48,835
<b>7,917,347</b>	<b>58,629</b>	<b>3,093,667</b>	<b>65,726,476</b>
-	-	-	31,025,426
-	747,961	2,841,742	25,174,704
-	-	-	84,572
-	1,501,601	-	1,669,310
3,114,000	-	-	3,114,000
3,686,498	-	-	3,686,498
27,606	-	-	27,606
<b>6,828,104</b>	<b>2,249,562</b>	<b>2,841,742</b>	<b>64,782,116</b>
<b>1,089,243</b>	<b>(2,190,933)</b>	<b>251,925</b>	<b>944,360</b>
-	1,809,818	-	3,359,584
(1,009,818)	-	(135,861)	(3,359,584)
(1,009,818)	1,809,818	(135,861)	-
<b>79,425</b>	<b>(381,115)</b>	<b>116,064</b>	<b>944,360</b>
3,316,470	3,620,480	1,734,522	18,046,001
<b>3,395,895</b>	<b>3,239,365</b>	<b>1,850,586</b>	<b>\$ 18,990,361</b>

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2018**

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<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 944,360</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	293,882
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	3,114,000
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	39,414
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Bond premiums are recorded in the year they are received in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities.	987,028
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(882)
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Changes in the District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(2,315,822)
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In the Statement of Activities the loss on the disposal of fixed assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets disposed.	(18,517)
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Changes in the District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(1,146,528)
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Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$251,017 were exceeded by depreciation expense of \$5,720,514 during the year.	(5,469,497)
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (3,572,562)</u></b>
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The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2018

	<b>AGENCY</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 479,741
Investments	23,314
Receivables	202
<b>TOTAL ASSETS</b>	<b>\$ 503,257</b>
<b>LIABILITIES</b>	
Due to Student Organizations	\$ 503,257
<b>TOTAL LIABILITIES</b>	<b>\$ 503,257</b>

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies**

**A) Reporting Entity**

**York School District One, South Carolina** (the "District"), established in 1954, is controlled by a Board of Trustees (the "Board"), which has oversight responsibility over the public school education activities in the District. The District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The District is governed by a seven member Board.

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

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

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

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

**B) Government-Wide and Fund Financial Statements**

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

*Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**B) Government-Wide and Fund Financial Statements (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

**C) Measurement Focus, Basis of Accounting, and Basis of Presentation**

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Fiduciary Fund financial statements are presented using the *accrual basis of accounting*. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, federal and state grant programs, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the government.

Fund financial statements report detailed information about the District. The focus of Governmental Fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary Funds are reported by fund type.

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

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**C) Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following major funds and fund types are used by the District.

**Governmental Fund Types** are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary Funds) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the District's major and non-major governmental fund types:

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

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

- i) The **Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for and report financial resources provided by federal, state, and local projects and grants that are restricted, committed or assigned for special education programs.
- ii) The **Education Improvement Act ("EIA") Fund, a major fund** and an unbudgeted fund, is used to account for and report the restricted revenues from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by the EIA.
- iii) The **Food Service Fund, a major fund** and an unbudgeted fund, is used to account for and report activity for the District's food service program.

The **Debt Service Fund, a major fund** and an unbudgeted fund, is used to account for the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest and related costs for the District.

The **Capital Projects Fund, a major fund** and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities except for those financed in the Enterprise Fund.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**C) Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

**Fiduciary Fund Types** are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include Agency Funds. Fiduciary Fund Types include the following:

The **Agency Fund**, an unbudgeted fund, accounts for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the District. This accounting reflects the agency relationship of the District with the student activity organization.

**Changes in Accounting Principle**

- Effective July 1, 2017, the District converted its food service activities from an enterprise fund to a special revenue fund. This change in accounting principle resulted in an increase to beginning fund balance of approximately \$684,000 for this fund, representing (a) the net book value of capital assets for food service equipment (\$422,000), as capital assets are not reported in governmental funds, and (b) the net pension balances related to the State retirement plans (\$1,106,000), as pension balances are not reported in the governmental funds. On its government-wide financial statements, the District recognized an increase to beginning net position for governmental activities of approximately \$1,051,000, as it no longer reports any business-type activities. There was no change in total net position for the District as a result of this change. Accordingly, the District is not reporting any proprietary/enterprise fund activities or balances as of and for the year ended June 30, 2018. Management believes that this new treatment for reporting its food service activities is preferable because they plan, internally budget, and report food service operations in the same manner as they do for all other governmental activities, using the modified accrual basis of accounting. In addition, since a significant amount of food service revenues are received from grants, this new treatment would be comparable and more consistent with the District's treatment of its other federal and state grant programs.
- The District adopted GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB #75") for the year ended June 30, 2018. The primary objective of GASB #75 is to improve accounting and financial reporting by state and local governments for other postemployment benefits ("OPEB"). It also improves information provided by state and local government employers about financial support for OPEB that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple-employer plan will now be required to recognize its proportionate share of the net OPEB liability of that plan. It is GASB's intention that GASB #75 will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the District's financial obligations to current and former employees for past services rendered.
- In particular, GASB #75 requires the District to recognize a net OPEB liability, any related deferred outflows/inflows of resources, and a more comprehensive measure of OPEB expense for any material amounts related to its participation in the South Carolina Retiree Health Insurance Trust Fund and the South Carolina Long-Term Disability Insurance Trust Fund, cost-sharing multiple-employer defined benefit OPEB plans ("OPEB Plans"), on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**C) *Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)***

***Changes in Accounting Principle (Continued)***

The adoption of GASB #75 had no impact on the District's governmental fund financial statements, which continue to report expenditures in the amount of the contributions made to the OPEB Plans. However, the adoption has resulted in the restatement of the District's net position as of July 1, 2017 for its government-wide financial statements to reflect the reporting of a net OPEB liability and deferred outflows of resources for its OPEB Plans in accordance with the provisions of GASB #75. Net position of the District's government-wide financial statements as of July 1, 2017 was decreased by approximately \$52,098,000 reflecting the cumulative change in accounting principle related to the adoption of this Statement. See Note 11 for more information regarding the District's OPEB Plans.

**D) *Budgetary Data***

Formal budgetary accounting is employed as a management tool for the District. Each budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United State of America. Prior to July 1 of each fiscal year, the York District Board of Trustees legally adopts an operating budget for the General Fund only. The budget is a legal document that establishes total expenditure limits with the same basis of accounting being used to reflect actual revenues and expenditures under accounting principles generally accepted in the United States of America. Budgetary control is established at the departmental level or by projects.

The Director of Finance is authorized to transfer budgeted amounts within and among departments; however, the Board of Trustees must approve any revisions that alter total expenditures. The legal level of control is at the fund level. All appropriations lapse at fiscal year-end. While budgets were transferred between function and object, there were no supplemental appropriations for the fiscal year that changed the total amount of the budget.

**E) *Encumbrances***

Encumbrance accounting is utilized to assist in budgetary control through the use of purchase orders, which are recorded in order to reserve the portion of the applicable appropriation during the year. Encumbrances open at year-end lapse, and are subject to reappropriation in the budget of the subsequent year and are not carried forward.

**F) *Prepaid Items and Inventories***

Prepaid items in the governmental funds are accounted for using the purchase method (expensed when paid).

Inventories in the Food Service Fund consist of purchased goods, supplies and United States Department of Agriculture (USDA) commodities, which are stated at values assigned by the USDA. Under the system for accounting for inventories, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting, and are subsequently charged to expenditures/expenses when consumed.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**G) Cash, Cash Equivalents, and Investments**

***Cash and Cash Equivalents***

The District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Pooled Investment Fund ("Pool") to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the pool are reported as investments.

***Investments***

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

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**G) Cash, Cash Equivalents, and Investments (Continued)**

***Investments (Continued)***

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

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

- Cash and Investments held by the County Treasurer which are property taxes collected by the District's fiscal agent that have not been remitted to the District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.
- Local Government Investment Pool ("Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement #72, "Fair Value Measurement and Application", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- Treasury bills are negotiable debt obligations issued by the U.S. government and backed by its full faith and credit, having a maturity of one year or less and are exempt from state and local taxes.

**H) Interfund Receivables and Payables**

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the Statement of Net Position. All trade and property taxes receivable are shown net of an allowance for uncollectibles.

**I) Compensated Absences**

District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for accumulated vacation days not to exceed 20 days. Unused sick leave is not reimbursed and therefore is not reported in the financial statements.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**I) *Compensated Absences (Continued)***

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." The entire compensated absence liability and expense is reported on the government-wide financial statements. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements.

**J) *Fund Balance***

GASB #54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The District classifies governmental fund balances as follows:

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

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

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

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Board adopted a policy that grants the Superintendent and the Finance Director the right to make assignments of fund balance for the District.

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

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

The District's fund balance policy is for the General Fund unassigned fund balance to be a minimum of 17% of current year General Fund operating expenditures.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

***K) Net Position***

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

***L) Use of Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures or expenses during the reporting period. Actual results could differ from those estimates.

***M) Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

***N) Fair Value***

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

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

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

Quoted prices for similar assets and liabilities in active markets.

Quoted prices for identical or similar assets or liabilities in inactive markets.

Inputs other than quoted market prices that are observable for the asset or liability.

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

***N) Fair Value (Continued)***

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

***O) Accrued Liabilities and Long-Term Obligations***

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, non-current portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts (if any) are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***P) Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has two types of deferred outflows of resources: (1) The District reports deferred pension charges in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The District reports deferred OPEB charges in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The deferred pension and OPEB charges are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

***P) Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has three types of deferred inflows of resources: (1) The District reports unavailable revenue for property taxes only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The District also reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) The District reports deferred OPEB credits in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The deferred pension and OPEB credits are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

***Q) Capital Assets***

General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value (as estimated by the District) at the date of donation.

The District maintains a capitalization threshold as follows:

<b>Asset Category</b>	<b>Capitalization Limits</b>
Land/non-depreciable land improvements (produce permanent benefits, i.e. filling and excavation costs)	All land will be capitalized
Depreciable land improvements (deteriorate with the use or passage of time, i.e. fencing, landscaping, lighting, paving)	\$100,000
Buildings, Building Improvements (must add square footage to asset and extend the useful life)	\$100,000
Intangible Assets	\$100,000
Equipment	\$5,000

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 1-Summary of Significant Accounting Policies (Continued)**

**Q) Capital Assets (Continued)**

The District's infrastructure assets have been reported with the buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is not capitalized for governmental activities as allowed by GAAP. The District does not maintain ownership of any public domain ("infrastructure") general capital assets.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category.

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

<b>Asset Category</b>	<b>Useful Life Range</b>
Land (not depreciated)	not applicable
Land improvements	20–50 years
Buildings and improvements	10–50 years
Furniture and equipment	3–12 years
Vehicles	3–10 years
Construction in progress (not depreciated)	not applicable

**R) Pensions and Other Employment Benefits**

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note 10 and Note 11) and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The District recognizes net pension and net OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the District's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 2-Deposits and Investments**

***Deposits***

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2018, none of the District's bank balances (including fiduciary funds) of approximately \$3,784,000 (book balance of approximately \$1,695,000) was exposed to custodial credit risk.

***Investments***

As of June 30, 2018, the District had the following investments:

Investment Type	Credit Rating <sup>^</sup>	Fair Value Level (1)	Fair Value	Weighted Average Maturity
State Local Government Investment Pool	NR	N/A	\$ 12,481,779	< 1 Year
Cash and Investments Held by County Treasurer	NR	N/A	5,744,455	< 1 Year
Government Money Market Mutual Fund	AAAm/Aaa-mf/Aammf	Level 1	1,559,397	< 1 Year
Total			<u>\$ 19,785,631</u>	

<sup>^</sup> If available, credit ratings are for Standard & Poor's, Moody's Investors Services, and Fitch Ratings.

(1) See Note 1(N) for definition of fair value hierarchy.

NR - Not rated.

N/A - Not applicable.

**Interest Rate Risk:** The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2018, none of the District's investments was exposed to custodial credit risk.

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

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 3-Property Taxes**

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

January 16-February 1	3% of tax
February 2-March 16	10% of tax
March 17 and thereafter	15 % of tax plus collection costs

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and is due by the end of the month. Property taxes are billed and collected by York County. Property tax revenue is recognized when collected and deposited to the District's account by the County Treasurer's Office. Real property taxes collected within 60 days after fiscal year end are also recognized as revenue for the year. Assessed values for real estate are established annually by the York County Tax Assessor at 4% of market value for legal residence and 6% of market value for rental and other real property.

For the year ended June 30, 2018, millage was set at 189.6 mills (184.6 mills in the prior year) to cover the District's general operating services and uses. The millage remained at 78.0 mills to cover the District's scheduled debt service requirements.

In addition, the District receives a prorated share, based on pupil attendance, of the County-wide 32 mill levy for school operations that is divided between the four Districts within the County, and an additional County-wide special 1 mill levy for school operations for the District having the lowest assessed valuation in the County, which is York School District One.

The records of the York County Treasurer's Office reported uncollected delinquent property taxes at June 30, 2018 of approximately \$3,332,000 for the General Fund (net of allowance for uncollectible portion of approximately \$139,000) and \$1,395,000 for the Debt Service Fund (net of allowance for uncollectible portion of \$58,000). In addition, there is approximately \$513,000 included in the General Fund's property tax receivable amount at June 30, 2018 that is revenue in lieu of taxes related to Property Tax Relief (Act 388).

Of these amounts, approximately \$3,236,000 and \$1,344,000, respectively, have been recorded as unavailable property taxes because they were not collected within sixty days after the year end and are not considered susceptible to accrual. Allowances for uncollectibles were not necessary for the other receivable accounts.

Included in property taxes receivable is approximately \$96,000 in the General Fund, and approximately \$51,000 in the Debt Service Fund, that has been recognized as revenue at June 30, 2018 because it was collected within sixty days after year end and is considered measurable and available. Also included in the General Fund's property tax receivable is approximately \$513,000 of revenue in lieu of taxes related to Property Tax Relief (Act 388) that has been recognized as revenue at June 30, 2018 because it was measurable and available.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 4-Capital Assets**

Capital asset activity for the District for the year ended June 30, 2018, was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance*</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital Assets, Not Being Depreciated:				
Land	\$ 3,180,954	-	-	\$ 3,180,954
Total Capital Assets, Not Being Depreciated	3,180,954	-	-	3,180,954
Capital Assets, Being Depreciated:				
Buildings and Improvements	167,656,557	-	81,982	167,574,575
Furniture and Equipment	5,602,255	251,017	157,961	5,695,311
Improvements Other than Buildings	1,912,481	-	-	1,912,481
Total Capital Assets Being Depreciated	175,171,293	251,017	239,943	175,182,367
Less: Accumulated Depreciation for:				
Buildings and Improvements	68,073,969	5,468,183	71,025	73,471,127
Furniture and Equipment	4,728,835	244,631	150,401	4,823,065
Improvements Other than Buildings	1,864,910	7,700	-	1,872,610
Total Accumulated Depreciation	74,667,714	5,720,514	221,426	80,166,802
Total Capital Assets, Being Depreciated, Net	100,503,579	(5,469,497)	18,517	95,015,565
Total Governmental Activities Capital Assets, Net	\$ 103,684,533	(5,469,497)	18,517	\$ 98,196,519

\*The furniture and equipment balances have been adjusted to include food service operations, which were moved from business-type activities to governmental activities. See Note 1.C for information about the change in accounting principle.

**Construction commitments**

At June 30, 2018, the District had remaining construction commitments of approximately \$557,000 for roof replacement projects at two of the District's schools.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 4-Capital Assets (Continued)**

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

	<u>Capital Asset Additions</u>	<u>Depreciation Expense</u>
<b>Governmental Activities:</b>		
Instruction	\$ 55,997	\$ 4,066,082
Support Services	195,020	1,654,432
Total - Governmental Activities	<u>\$ 251,017</u>	<u>\$ 5,720,514</u>

The cost and accumulated depreciation of equipment held under capital lease was approximately \$11,141,000 and approximately \$2,228,000, respectively, at June 30, 2018. Amortization of assets under capital lease obligations has been included with depreciation expense.

**Note 5-Interfund Receivables and Payables**

Interfund receivables and payables at June 30, 2018 (all of which are expected to be repaid within one year), are summarized in accordance to generally accepted accounting principles as disclosure requirements, as follows:

	<u>Receivables</u>	<u>Payables</u>
<b>Governmental Funds:</b>		
General Fund	\$ 2,398,791	\$ 2,680,796
Special Revenue Fund	97,676	1,165,794
Special Revenue - EIA Fund	310,568	234,203
Debt Service Fund	-	174,536
Capital Projects Fund	1,664,112	1,143,536
Special Revenue - Food Service Fund	927,718	-
Totals	<u>\$ 5,398,865</u>	<u>\$ 5,398,865</u>

All cash activities are recorded in the General Fund, and as a result, receivable and payables exist at year end that are either due to or due from the General Fund in the other funds. Various differences include Special Revenue payments not received from the State Department of Education until after the fiscal year ended, fringe amounts paid by the General Fund for the Food Service Fund, taxes receivable for Debt Service Fund, and building project costs.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 6-Transfers In and (Out)**

Transfers from (to) other funds for the year ended June 30, 2018 consisted of the following:

	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$1,549,766	\$ 800,000
Special Revenue Fund	-	185,771
Special Revenue - EIA Fund	-	1,228,134
Debt Service Fund	-	1,009,818
Capital Projects Fund	1,809,818	-
Special Revenue - Food Service Fund	-	135,861
Totals	<u>\$3,359,584</u>	<u>\$3,359,584</u>

Transfers typically include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice. In addition, the Debt Service Fund and the General Fund transferred approximately \$1,010,000 and \$800,000, respectively, to the Capital Projects Fund to fund construction cost associated with school construction and technology needs.

**Note 7-Accounts Payable and Accrued Expenses**

The significant components of accounts payable and accrued expenses on the government-wide statement of net position at June 30, 2018, consisted of the following:

<b>Governmental Activities:</b>	
Accounts Payable	\$ 840,077
Accrued Salaries, Fringe, and Benefits	2,883,963
Accrued Expenses	110,715
Total Accounts Payable and Accrued Expenses - Governmental Activities	<u>\$ 3,834,755</u>

**Note 8-Short-Term Obligations**

The following is a summary of the changes in the District's short-term obligations for 2018:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Governmental Activities:</b>				
General Obligation Bond, 2017A	\$ 1,916,000	-	1,916,000	\$ -
General Obligation Bond, 2018B	-	4,119,000	4,119,000	-
Total Governmental Activities	<u>\$ 1,916,000</u>	<u>5,819,000</u>	<u>6,035,000</u>	<u>\$ -</u>

The District issued a short-term General Obligation Bond ("Bond") in May 2017 for \$1,916,000. This bond was issued to fund various capital improvements throughout the District. The District repaid the Bond in March 2018 with interest of approximately \$45,000.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 8-Short-Term Obligations (Continued)**

The District issued a short-term General Obligation Bond ("Bond") in September 2017 for \$4,119,000. This Bond was issued to make a payment on the equipment capital lease and for various capital improvements throughout the District. The District repaid the Bond in March 2018 with interest of approximately \$55,000.

**Note 9-Long-Term Obligations**

Long-term obligations consist of general obligation bonds (including bond premiums), capital leases, and the liability for compensated absences. Principal and interest payments on the District's bonded debt are secured solely by ad valorem property taxes. Payments for the general obligation bonds are funded and recorded in the Debt Service Fund. Resources from the General Fund have been used to fund the capital lease and compensated absence liabilities.

On May 15, 2007, voters of the District approved a referendum authorizing the issuance of general obligation bonds in an amount not to exceed \$85,000,000, the proceeds of which will be used for the purpose of paying the capital costs for the following projects (collectively known as the "Referendum Projects"): (i) the construction of a new high school and technology center, and (ii) the construction of additions, renovations, and safety and security upgrades and improvements needed to enhance the general conditions and adequacy of existing facilities, including the conversion of an existing middle school to an additional elementary school, the conversion of the existing high school to a junior high school, and additional renovations to the alternative school and three elementary schools.

The uses of the proceeds of the general obligation bonds ("GOB") and capital lease issued by the District and outstanding at year end are as follows:

- In March 2009, the District entered into a Capital Lease in the amount of \$11,206,000 for the purchase of HVAC equipment for the new York Comprehensive High School and Technology Center. During fiscal year 2013, the District paid an immaterial fee and was able to reduce the interest rate from 4.68% to 1.85%.
- In September 2009, the District issued \$50,000,000 in General Obligation Bonds, maturing in March 2028. This issue was used to repay the \$50,000,000 General Obligation Bond Anticipation Notes that were issued in September 2008. A portion of this debt was advanced refunded in January 2016.
- In April 2012, the District issued \$3,000,000 in General Obligation Qualified Zone Academy Bonds for technology and capital improvements.
- In March 2015, the District issued \$32,405,000 in General Obligation Refunding Bonds to refund all of the remaining principal amount of the Build America Bonds, 2009.
- In January 2016, the District issued its Series 2016A General Obligation Advanced Refunding Bonds ("Series 2016A GORB") in the amount of \$45,380,000 (par value), receiving a premium of approximately \$9,890,000, to provide funds to advance refund a portion of the outstanding Series 2009A GOB in the amount of \$49,385,000. The portion of the 2009A GOB not defeased was \$415,000, for which the District will make annual payments through March 2019. As a result of the refunding, the Series 2009A GOB (excluding the portion not defeased) are considered to be defeased. Accordingly, the liability for the Series 2009A GOB has been removed from the governmental activities column in the Statement of Net Position, with the exception of the non-defeased portion. The District incurred approximately \$437,000 in issuance costs associated with the new debt. The reacquisition price exceeded the net carrying amount of the old debt by approximately \$2,470,000. This amount was recognized as an expense on the government wide financial statements in 2016 due to immateriality. This refunding was undertaken to take advantage of lower interest rates, with a reduction in the effective interest rate from 4.15% to 1.93%. The refunding also reduced total debt service payments over the next 12 years by approximately \$6,534,000 and resulted in an economic gain of approximately \$5,736,000.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 9-Long-Term Obligations (Continued)**

The District does not anticipate positive arbitrage on any of its indebtedness as of June 30, 2018.

Details of the District's outstanding debt (which includes capital leases) at June 30, 2018 are comprised of the following issues:

Description of Issue	Original Issue Amount	Date of Issue	Date of Maturity	Interest Rate	Outstanding Balance
Gross Debt:					
Capital Lease, 2013	\$ 11,206,000	3/5/2009	12/1/2018	1.85%	\$ 3,297,000
General Obligation Bond, 2009	50,000,000	9/4/2009	3/1/2028	3.0-5.25%	110,000
Qualified Zone Academy GOB, 2012	3,000,000	4/12/2012	3/1/2022	0.00%	3,000,000
General Obligation Refunding Bonds, 2015	32,405,000	3/18/2015	9/1/2032	3.25-4.00%	32,405,000
General Obligation Refunding Bonds, 2016	45,380,000	1/27/2016	3/1/2028	3.0-5.0%	45,380,000
Total Gross Debt	<u>\$ 148,301,000</u>				<u>\$ 84,192,000</u>

The following table represents debt service requirements on all outstanding bond obligations through maturity for the governmental activities of the District as of June 30, 2018:

Year Ended June 30,	Bonds Payable		Total
	Principal	Interest	
2019	\$ 110,000	3,455,913	\$ 3,565,913
2020	3,620,000	3,451,513	7,071,513
2021	3,965,000	3,270,513	7,235,513
2022	7,335,000	3,072,263	10,407,263
2023	4,985,000	2,855,513	7,840,513
2024-2028	29,820,000	10,192,313	40,012,313
2029-2033	31,060,000	3,168,000	34,228,000
Totals	<u>\$ 80,895,000</u>	<u>29,466,028</u>	<u>\$ 110,361,028</u>

The following table represents debt service requirements on all outstanding capital leases through maturity for the governmental activities of the District as of June 30, 2018:

Year Ended June 30,	Capital Leases Payable		Total
	Principal	Interest	
2019	\$ 3,297,000	60,995	\$ 3,357,995

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 9-Long-Term Obligations (Continued)**

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed 8% of the assessed value of all taxable property in the District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2018, the District's assessed property valuation was approximately \$102,263,000. The District had approximately \$1,441,000 (\$3,000,000 of the 2012 QZAB GOB less the funded debt service fund for the QZAB of approximately \$1,559,000) of bonded debt subject to the 8% limit of approximately \$8,181,000, resulting in unused legal debt margin of approximately \$6,740,000.

A summary of changes in long-term obligations for the year ended June 30, 2018 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Gross Debt:					
GOB, 2009	\$ 215,000	-	105,000	110,000	\$ 110,000
Capital Lease, 2013	6,306,000	-	3,009,000	3,297,000	3,297,000
QZAB, 2012	3,000,000	-	-	3,000,000	-
GORB, 2015	32,405,000	-	-	32,405,000	-
GORB, 2016	45,380,000	-	-	45,380,000	-
Total Gross Debt	87,306,000	-	3,114,000	84,192,000	3,407,000
Plus (Less) Deferred Amounts:					
Premium on GORB Series 2016	8,730,594	-	818,493	7,912,101	-
Premium on GORB Series 2015	2,485,896	-	168,535	2,317,361	-
Total Net Debt	98,522,490	-	4,101,028	94,421,462	3,407,000
Compensated Absences	266,591	220,170	219,289	267,472	219,000
Total Governmental Activities	\$ 98,789,081	220,170	4,320,317	94,688,934	\$ 3,626,000

**Note 10-Retirement Plan**

**A) Retirement Plan**

The District participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors ("PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission ("RSIC") as co-trustees of the Retirement Trust Funds.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

The PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the System' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

*Plan Description*

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

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

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

*Plan Membership*

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Plan Membership (Continued)*

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

*Plan Benefits*

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

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

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Plan Benefits (Continued)*

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

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

*Plan Contributions*

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

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

The Retirement System Funding and Administration Act of 2017 increases employer contribution rates to 13.56 percent for the SCRS and 16.24 percent for the PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for the SCRS and the PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for the SCRS and 21.24 percent for the PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty-year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Plan Contributions (Continued)*

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

	SCRS and State ORP Rates			PORS Rates		
	2016	2017	2018	2016	2017	2018
Employer Rate: <sup>^</sup>						
Retirement *	10.91%	11.41%	13.41%	13.34%	13.84%	15.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>11.06%</u>	<u>11.56%</u>	<u>13.56%</u>	<u>13.74%</u>	<u>14.24%</u>	<u>16.24%</u>
Employee Rate	<u>8.16%</u>	<u>8.66%</u>	<u>9.00%</u>	<u>8.74%</u>	<u>9.24%</u>	<u>9.75%</u>

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

\* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The required contributions and percentages of amounts contributed by the District to the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		State ORP Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed	Required	% Contributed
2018	\$ 4,025,150	100%	202,931	100%	\$ 442	100%
2017	3,319,551	100%	172,003	100%	-	100%
2016	\$ 3,007,647	100%	157,707	100%	\$ -	100%

Eligible payrolls of the District covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	State ORP Payroll	PORS Payroll	Total Payroll
2018	\$ 29,683,999	2,370,693	2,723	\$ 32,057,415
2017	28,715,841	2,621,995	-	31,337,836
2016	\$ 27,193,914	2,602,430	-	\$ 29,796,344

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Actuarial Assumptions and Methods*

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

The June 30, 2017, total pension liability, net pension liability, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

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

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.25%	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)	4.5% to 9.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

\* Includes inflation at 2.25%.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Actuarial Assumptions and Methods (Continued)*

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

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

*Long-Term Expected Rate of Return*

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Long-Term Expected Rate of Return (Continued)*

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>45.0%</b>		
Global Public Equity	31.0%	6.72%	2.07%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
<b>Real Assets</b>	<b>8.0%</b>		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Commodities	1.0%	6.26%	0.06%
<b>Opportunistic</b>	<b>17.0%</b>		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
<b>Diversified Credit</b>	<b>18.0%</b>		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions*

The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2017 measurement date, for the SCRS and PORS are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,244,437,494	25,732,829,268	\$ 22,511,608,226	53.3%
PORS	\$ 7,013,684,001	4,274,123,178	\$ 2,739,560,823	60.9%

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

At June 30, 2018, the District reported liabilities of approximately \$67,391,000 and \$0 for its proportionate share of the net pension liabilities for the SCRS and PORS, respectively. The net pension liabilities were measured as of June 30, 2017, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2016 that was projected forward to the measurement date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2017 measurement date, the District's SCRS proportion was 0.299361 percent, which was an increase of 0.003813 percent from its proportion measured as of June 30, 2016. At the June 30, 2017 measurement date, the District's PORS proportion was 0.00000 percent. There was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of approximately \$6,545,000 and \$(165) for the SCRS and PORS, respectively. At June 30, 2018, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 300,429	\$ 37,353
Change in Assumptions	3,945,018	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,881,239	-
Changes in Proportion and Differences Between the District's		
Contributions and Proportionate Share of Contributions	551,481	758,057
District's Contributions Subsequent to the Measurement Date	4,228,082	-
Total SCRS	<u>10,906,249</u>	<u>795,410</u>
<b>PORS</b>		
Changes in Proportion and Differences Between the District's		
Contributions and Proportionate Share of Contributions	-	297
District's Contributions Subsequent to the Measurement Date	442	-
Total PORS	<u>442</u>	<u>297</u>
Total SCRS and PORS	<u>\$ 10,906,691</u>	<u>\$ 795,707</u>

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 10-Retirement Plan (Continued)**

**A) Retirement Plan (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

Approximately \$4,228,000 and \$442 that were reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2019	\$ 1,556,800	(165)	\$ 1,556,635
2020	2,764,107	(132)	2,763,975
2021	2,069,414	-	2,069,414
2022	(507,564)	-	(507,564)
Total	<u>\$ 5,882,757</u>	<u>(297)</u>	<u>\$ 5,882,460</u>

*Discount Rate*

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

*Sensitivity Analysis*

The following table presents the sensitivity of the District's proportionate share of the net pension liability of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability of the SCRS	\$ 86,857,710	67,390,976	\$ 55,579,242

*Plans Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued CAFR containing financial statements and required supplementary information. The CAFR is publicly available through the Retirement Benefits' link on the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 11-Other Postemployment Benefit Plans**

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other postemployment benefits trusts, and retirement systems. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of the PEBA. By law, the SFAA also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits ("OPEB"). See Note 10 for more details on the PEBA and the SFAA.

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

*Plan Descriptions*

The Other Postemployment Benefits Trust Funds ("OPEB Trusts" or "OPEB Plans"), collectively refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability ("BLTD") Income Benefit Plan.

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

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

*Plan Benefits*

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

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 11-Other Postemployment Benefit Plans (Continued)**

*Plan Contributions and Funding Policies*

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to the PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments. Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs.

The covered payroll surcharge rates for the past three years were as follows:

	Year Ended June 30,		
	2016	2017	2018
Employer Contribution Rate <sup>^</sup>	5.33%	5.33%	5.50%

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

The required payroll surcharge, percentages of amounts contributed, and eligible payroll by the District covered by the SCRHITF for the past three years were as follows:

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2018	\$ 1,763,158	100%	\$ 32,057,415
2017	1,670,307	100%	31,337,836
2016	\$ 1,588,145	100%	\$ 29,796,343

The State (via state appropriations) and the PEBA - Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the District approximately \$295,000 for the year ended June 30, 2017 (measurement period) and approximately \$397,000 for the year ended June 30, 2018.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 11-Other Postemployment Benefit Plans (Continued)**

*Plan Contributions and Funding Policies (Continued)*

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

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

*Actuarial Assumptions and Methods*

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

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

The total OPEB liability, net OPEB liability, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2016 actuarial valuation. The total OPEB liability was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2017 using generally accepted actuarial principles.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 11-Other Postemployment Benefit Plans (Continued)**

*Actuarial Assumptions and Methods (Continued)*

The following table provides a summary of the actuarial assumptions and methods used in the latest valuation for the SCRHITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of plan investment expense: including inflation
Single Discount Rate:	3.56% as of June 30, 2017
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement System for the five-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the based tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 15 years
Aging Factors	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums
Notes:	There were no benefit changes during the year; the discount rate changed from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

*Long-Term Expected Rate of Return*

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. For actuarial purposes, the 4.00 percent assumed annual investment rate of return includes a 1.75 percent real rate of return and a 2.25 percent inflation component. This information is summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
<b>Conservative Fixed Income</b>	<b>100.0%</b>		
US Domestic Fixed Income	80.0%	2.09%	1.67%
Cash	20.0%	0.84%	0.17%
Total Expected Real Return	100.0%		1.84%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			4.09%
Investment Return Assumption			4.00%

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 11-Other Postemployment Benefit Plans (Continued)**

*Single Discount Rate*

The Single Discount Rate of 3.56% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the SCRHITF's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

*OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB*

The net OPEB liability ("NOL") is calculated separately for each system and represents that particular system's total OPEB liability determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2017 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 14,659,610,970	1,114,774,760	\$ 13,544,836,210	7.6%

The total OPEB liability is calculated by PEBA's actuary, and the fiduciary net position is reported in the PEBA's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB No. 74 in the PEBA's notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 are not applicable for other purposes, such as determining the OPEB Plans' funding requirements.

At June 30, 2018, the District reported a liability of approximately \$50,335,000 for its proportionate share of the net OPEB liability for the SCRHITF. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability for the SCRHITF used to calculate the net OPEB liability was determined based on the most recent actuarial valuation report of June 30, 2016 that was projected forward to the measurement date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2017 measurement date, the District's proportion was 0.371617 percent; there was no change from its proportion measured as of June 30, 2016.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 11-Other Postemployment Benefit Plans (Continued)**

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

For the year ended June 30, 2018, the District recognized OPEB expense of approximately \$3,064,000 for the SCRHITF. At June 30, 2018, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 21,846
Change in Assumptions	-	4,736,281
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	86,490	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	-	721
Employer Contributions Subsequent to the Measurement Date	1,763,158	-
Total	<u>\$ 1,849,648</u>	<u>\$ 4,758,848</u>

Approximately \$1,763,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRHITF, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2019	\$ (740,281)
2020	(740,281)
2021	(740,281)
2022	(740,281)
2023	(761,904)
Thereafter	(949,330)
Total	<u>\$ (4,672,358)</u>

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

**Note 11-Other Postemployment Benefit Plans (Continued)**

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

The following table presents the sensitivity of the District's net OPEB liability for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.56%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.56%) or 1% point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB Liability	\$ 59,280,302	50,334,914	\$ 43,122,742

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following table presents the sensitivity of the District's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 7.00% decreasing to 4.15%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (6.00% decreasing to 3.15%) or 1% point higher (8.00% decreasing to 5.15%) than the current rate:

	1% Decrease (6.00% decreasing to 3.15%)	Current Healthcare Cost Trend Rate (7.00% decreasing to 4.15%)	1% Increase (8.00% decreasing to 5.15%)
Net OPEB Liability	\$ 41,276,715	50,334,914	\$ 62,063,104

*OPEB Plans' Fiduciary Net Position*

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

**Note 12-Risk Management**

The District is exposed to various risks of loss related to torts, theft of damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The District has property and casualty insurance with Surry Insurance and workers compensation insurance with Arthur J. Gallagher & Co. Risk Management Services, Inc. Through Surry Insurance, the District maintains general liability protection of \$1 million per occurrence, property coverage up to \$220 million per occurrence, \$5 million earthquake, \$5 million flood zone and \$1 million newly acquired buildings, automobile coverage to \$1 million per occurrence, school board legal liability of \$1 million per occurrence and activity bus accidents coverage to \$60,000 per occurrence.

The District pays annual premiums for its workers' compensation and property liability insurance coverage based upon the total payroll of the school district for each plan year. The annual premiums paid for the fiscal year ended June 30, 2018, totaled approximately \$263,000 for workers' compensation and \$166,000 for property coverage. The District maintains workers' compensation benefits coverage up to statutory limits through the Arthur J. Gallagher. There have been no significant reductions in insurance coverage as compared to the previous year. Insurance settlements did not exceed insurance coverage for the years ended June 30, 2018, 2017, and 2016.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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**Note 12-Risk Management (Continued)**

The District also participates in the State Health Plan through the South Carolina State Budget and Control Board Office of Insurance Services, a self-insured medical plan trust administered by the State Board. Through the Plan, permanent full time employees are eligible to receive health benefits up to a \$1 million lifetime limit. In addition, employees have the option of receiving health care benefits through health maintenance organizations and insurance carriers.

**Note 13-Tax Abatements**

*District's Tax Abatements*

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

*York County Tax Abatements*

The following table details which entities in the District have received tax abatements in the year ended June 30, 2018, as well as the District's portion of the County-wide taxes that have been abated:

<u>Entity</u>	<u>Taxes Abated</u>
Bluestar Silicones USA Corp.	\$ 225,406
Eagle Alloys Inc.	37,994
Lap Tech Industries Inc.	20,067
Meritor Heavy Vehicle Sys LLC	111,134
Silcotech Carolina Inc.	94,504
District's Portion of County-wide Abatements	<u>54,832</u>
Total Tax Abatements	<u><u>\$ 543,937</u></u>

**Note 14-Expenditures Over Budget**

The Board approved the expenditures in excess of the General Fund final budget but chose not to amend the budget.

**Note 15-Subsequent Events**

- A) Debt Issuance** – Subsequent to June 30, 2018, the District issued approximately \$4.1 million in General Obligation Bonds at a coupon rate of 3.50%. The bonds are scheduled to mature in March 2019. These bonds will be used for capital improvements in the District related to the capital improvement plan and to make payments on the capital lease.

## **REQUIRED SUPPLEMENTARY INFORMATION**





York School District One  
York, South Carolina

Comprehensive Annual Financial Report

General Fund

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL (BUDGETARY BASIS)</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local Sources:				
Taxes	\$ 13,992,973	13,992,973	14,842,406	\$ 849,433
Investment Earnings	45,000	45,000	178,348	133,348
Other Local Sources	10,000	10,000	248,799	238,799
State Sources	29,127,840	29,127,840	30,029,387	901,547
Intergovernmental Revenue	10,000	10,000	-	(10,000)
<b>TOTAL REVENUE ALL SOURCES</b>	<b>43,185,813</b>	<b>43,185,813</b>	<b>45,298,940</b>	<b>2,113,127</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	25,326,998	25,326,998	25,523,911	(196,913)
Support Services	19,127,428	19,127,428	19,319,021	(191,593)
Capital Outlay	76,722	76,722	75,788	934
<b>TOTAL EXPENDITURES</b>	<b>44,531,148</b>	<b>44,531,148</b>	<b>44,918,720</b>	<b>(387,572)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,345,335)</b>	<b>(1,345,335)</b>	<b>380,220</b>	<b>1,725,555</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,345,335	1,345,335	1,549,766	204,431
Transfers Out	-	-	(800,000)	(800,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,345,335</b>	<b>1,345,335</b>	<b>749,766</b>	<b>(595,569)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>1,129,986</b>	<b>1,129,986</b>
FUND BALANCES, Beginning of Year	9,374,529	9,374,529	9,374,529	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 9,374,529</b>	<b>9,374,529</b>	<b>10,504,515</b>	<b>\$ 1,129,986</b>

Note: The Board approved the expenditures in excess of the final budget but chose not to amend the budget.

Note: This schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,			
	2018	2017	2016	2015
District's Proportion of the Net Pension Liability (Asset)	0.299361%	0.295548%	0.300563%	0.306019%
District's Proportionate Share of the Net Pension Liability	\$ 67,390,976	63,128,617	57,003,222	52,686,327
District's Covered Payroll	\$ 31,337,836	29,796,343	29,151,387	28,689,289
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	215.05%	211.87%	195.54%	183.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.34%	52.91%	56.99%	59.92%
				56.39%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.  
The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.  
The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 4,228,082	3,491,554	3,165,354	3,071,539	\$ 2,944,948
Contributions in Relation to the Contractually Required Contribution:	4,228,082	3,491,554	3,165,354	3,071,539	2,944,948
Contribution Deficiency (Excess)	\$ -	-	-	-	\$ -
District's Covered Payroll	\$ 32,054,692	31,337,836	29,796,343	29,151,387	\$ 28,689,289
Contributions as a Percentage of Covered Payroll:	13.19%	11.14%	10.62%	10.54%	10.26%

**Notes to Schedule:**

The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.  
The contractually required contribution rate was increased from 11.56% to 13.56% of eligible payroll effective July 1, 2017.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
POLICE OFFICERS RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.00000%	0.00000%	0.00000%	0.00004%	0.00004%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	727 \$	788 \$
District's Covered Payroll	\$ -	-	-	451 \$	26,658 \$
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	161.03%	2.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.94%	60.44%	64.57%	67.55%	62.98%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.  
The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.  
The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
POLICE OFFICERS RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,			
	2018	2017	2016	2015
Contractually Required Contribution	\$ 442	-	-	-
Contributions in Relation to the Contractually Required Contribution:	442	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-
District's Covered Payroll	\$ 2,723	-	-	-
Contributions as a Percentage of Covered Payroll:	16.23%	0.00%	0.00%	0.00%
				12.85%

**Notes to Schedule:**

The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TWO FISCAL YEARS**

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	Year Ended June 30,	
	2018	2017
District's Proportion of the Net OPEB Liability	0.3711617%	0.371617%
District's Proportionate Share of the Net OPEB Liability	\$ 50,334,914	\$ 53,767,892
District's Covered Payroll	\$ 31,337,836	\$ 29,796,343
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	160.6%	180.5%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.6%	6.6%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date). The District adopted GASB #75 during the year ended June 30, 2018. Information is not available for prior years. The Discount rate changed from 2.92% as of the June 30, 2016 measurement date to 3.56% for the June 30, 2017 measurement date.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TWO FISCAL YEARS**

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	<b>Year Ended June 30,</b>	
	<b>2018</b>	<b>2017</b>
Contractually Required Contribution	\$ 1,763,158	\$ 1,670,307
Contributions in Relation to the Contractually Required Contribution	1,763,158	1,670,307
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 32,057,415	\$ 31,337,836
Contributions as a Percentage of Covered Payroll	5.50%	5.33%

**Notes to Schedule:**

The District adopted GASB #75 during the year ended June 30, 2018. Information is not available for prior years.



## **SUPPLEMENTARY INFORMATION**

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
1000 Revenues from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 10,781,031	10,851,701	\$ 70,670
1140 Penalties & Interest on Taxes (Independent)	-	417,821	417,821
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	3,211,942	3,516,257	304,315
1240 Penalties & Interest on Taxes (Dependent)	-	56,627	56,627
1500 Earnings on Investments:			
1510 Interest on Investments	45,000	178,348	133,348
1900 Other Revenue from Local Sources:			
1910 Rentals	-	8,655	8,655
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	10,000	240,144	230,144
Total Revenue from Local Sources	<u>14,047,973</u>	<u>15,269,553</u>	<u>1,221,580</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	10,000	-	(10,000)
Total Intergovernmental Revenue	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	652	652
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	404,479	548,718	144,239
3161 EAA Bus Driver Salary	-	1,127	1,127
3162 Transportation Workers' Compensation	-	23,001	23,001
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	6,236,367	6,119,699	(116,668)
3181 Retiree Insurance (No Carryover Provision)	1,111,017	1,212,084	101,067
3199 Other Restricted State Grants	-	110	110
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	627,859	676,972	49,113
3312 Primary	1,812,879	1,890,859	77,980
3313 Elementary	3,068,417	3,000,407	(68,010)
3314 High School	1,498,443	1,365,312	(133,131)
3315 Trainable Mentally Handicapped	62,116	66,309	4,193
3316 Speech Handicapped (Part-Time Program)	864,843	944,742	79,899
3317 Homebound	\$ 1,728	10,270	\$ 8,542
			(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 83,312	75,144	\$ (8,168)
3322 Educable Mentally Handicapped	62,772	65,930	3,158
3323 Learning Disabilities	1,478,459	1,613,697	135,238
3324 Hearing Handicapped	65,851	76,879	11,028
3325 Visually Handicapped	46,463	32,646	(13,817)
3326 Orthopedically Handicapped	16,209	16,273	64
3327 Vocational	1,613,756	1,720,111	106,355
3330 Other EFA Programs:			
3331 Autism	257,464	309,509	52,045
3332 High Achieving Students	185,554	197,272	11,718
3334 Limited English Proficiency	76,856	78,773	1,917
3350 Residential Treatment Facilities (RTF)			
3351 Academic Assistance	503,348	539,607	36,259
3352 Pupils in Poverty	1,464,017	1,487,321	23,304
3353 Dual Credit Enrollment	55,621	54,364	(1,257)
3375 Education Foundation Supplement	-	35,318	35,318
3392 NBC Excess EFA Formula	-	55,080	55,080
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,805,466	1,805,466	-
3820 Homestead Exemption (Tier 2)	586,051	586,051	-
3825 Reimbursement for Property Tax Relief (Tier 3)	5,088,118	5,065,374	(22,744)
3830 Merchant's Inventory Tax	50,375	50,375	-
3900 Other State Revenue:			
3993 PEBA on-Behalf	-	303,935	303,935
Total Revenue from State Sources	<u>29,127,840</u>	<u>30,029,387</u>	<u>901,547</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>43,185,813</u></b>	<b><u>45,298,940</u></b>	<b><u>2,113,127</u></b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	988,007	990,593	(2,586)
200 Employee Benefits	426,296	433,275	(6,979)
300 Purchased Services	33,151	39,946	(6,795)
400 Supplies and Materials	11,486	11,013	473
112 Primary Programs:			
100 Salaries	2,552,487	2,552,262	225
200 Employee Benefits	1,033,049	1,035,391	(2,342)
300 Purchased Services	86,153	93,002	(6,849)
400 Supplies and Materials	34,345	33,251	1,094
600 Other Objects	\$ -	490	\$ (490)

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
113 Elementary Programs:			
100 Salaries	\$ 5,393,313	5,392,748	\$ 565
200 Employee Benefits	1,974,578	1,974,940	(362)
300 Purchased Services	128,874	137,428	(8,554)
400 Supplies and Materials	96,377	95,428	949
114 High School Programs:			
100 Salaries	3,739,422	3,736,138	3,284
140 Terminal Leave	-	6,808	(6,808)
200 Employee Benefits	1,446,300	1,454,709	(8,409)
300 Purchased Services	91,914	134,661	(42,747)
400 Supplies and Materials	108,297	123,717	(15,420)
500 Capital Outlay	48,228	48,228	-
600 Other Objects	9,027	9,027	-
115 Career and Technology Education Program:			
100 Salaries	946,366	946,221	145
200 Employee Benefits	382,239	382,273	(34)
300 Purchased Services - Other Than Tuition	31,541	33,337	(1,796)
400 Supplies and Materials	47,968	48,115	(147)
600 Other Objects	2,500	3,490	(990)
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	436,629	436,312	317
200 Employee Benefits	184,406	184,322	84
300 Purchased Services	10,000	10,712	(712)
122 Trainable Mentally Handicapped:			
100 Salaries	513,398	513,303	95
200 Employee Benefits	236,132	237,184	(1,052)
300 Purchased Services	15,500	23,402	(7,902)
123 Orthopedically Handicapped:			
100 Salaries	107,125	106,660	465
200 Employee Benefits	29,925	30,557	(632)
300 Purchased Services	900	1,236	(336)
124 Visually Handicapped:			
100 Salaries	21,919	21,599	320
200 Employee Benefits	4,700	5,769	(1,069)
125 Hearing Handicapped:			
100 Salaries	33,000	42,827	(9,827)
200 Employee Benefits	8,300	11,439	(3,139)
400 Supplies and Materials	50	-	50
126 Speech Handicapped:			
100 Salaries	307,023	306,041	982
200 Employee Benefits	125,202	125,169	33
300 Purchased Services	\$ 200	-	\$ 200

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
127 Learning Disabilities:			
100 Salaries	\$ 1,461,921	1,461,842	\$ 79
200 Employee Benefits	568,336	568,211	125
300 Purchased Services	13,662	13,623	39
400 Supplies and Materials	18	-	18
128 Emotionally Handicapped:			
100 Salaries	257,678	257,389	289
200 Employee Benefits	109,373	109,349	24
300 Purchased Services	9,600	9,522	78
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	65,386	64,615	771
200 Employee Benefits	50,084	50,110	(26)
300 Purchased Services	1,500	1,274	226
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	219,697	219,478	219
200 Employee Benefits	74,609	74,693	(84)
300 Purchased Services	1,500	866	634
400 Supplies and Materials	2,200	2,191	9
145 Homebound:			
100 Salaries	26,000	25,723	277
200 Employee Benefits	6,829	6,809	20
300 Purchased Services	50,000	61,425	(11,425)
147 CDEP:			
100 Salaries	65,522	95,280	(29,758)
200 Employee Benefits	40,000	54,366	(14,366)
300 Purchased Services	13,820	23,241	(9,421)
400 Supplies and Materials	1,615	1,412	203
148 Gifted and Talented - Artistic:			
300 Purchased Services	26,727	26,626	101
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	267,813	269,999	(2,186)
200 Employee Benefits	130,561	132,832	(2,271)
300 Purchased Services	8,126	8,092	34
162 Limited English Proficiency:			
100 Salaries	139,452	139,632	(180)
200 Employee Benefits	50,896	52,539	(1,643)
300 Purchased Services	\$ -	2,319	\$ (2,319)

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
180 Adult/Continuing Educational Programs:			
182 Adult Secondary Education Programs:			
300 Purchased Services	\$ 25,000	25,000	\$ -
188 Parenting/Family Literacy:			
100 Salaries	25,275	25,275	-
200 Employee Benefits	15,699	15,383	316
Total Instruction	<u>25,375,226</u>	<u>25,572,139</u>	<u>(196,913)</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	109,326	109,326	-
200 Employee Benefits	38,367	38,235	132
300 Purchased Services	3,650	4,200	(550)
400 Supplies and Materials	450	210	240
212 Guidance Services:			
100 Salaries	717,048	716,923	125
200 Employee Benefits	292,807	298,671	(5,864)
300 Purchased Services	451	659	(208)
400 Supplies and Materials	6,560	6,260	300
213 Health Services:			
100 Salaries	157,600	156,983	617
200 Employee Benefits	61,761	61,754	7
300 Purchased Services	2,228	4,530	(2,302)
400 Supplies and Materials	6,320	7,614	(1,294)
214 Psychological Services:			
100 Salaries	189,095	189,010	85
140 Terminal Leave	-	480	(480)
200 Employee Benefits	68,178	68,166	12
300 Purchased Services	491	867	(376)
215 Exceptional Program Services:			
100 Salaries	30,681	31,545	(864)
200 Employee Benefits	8,771	8,426	345
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	510,764	509,857	907
200 Employee Benefits	163,323	163,287	36
300 Purchased Services	23,923	26,618	(2,695)
400 Supplies and Materials	28,177	27,844	333
222 Library and Media Services:			
100 Salaries	535,785	534,924	861
200 Employee Benefits	211,149	211,812	(663)
300 Purchased Services	8,578	24,223	(15,645)
400 Supplies and Materials	55,631	54,918	713
223 Supervision of Special Programs:			
100 Salaries	5,500	5,403	97
200 Employee Benefits	\$ 2,636	2,543	\$ 93

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	\$ 6,000	6,092	\$ (92)
200 Employee Benefits	7,000	8,338	(1,338)
300 Purchased Services	140	140	-
230 General Administrative Services:			
231 Board of Education:			
200 Employee Benefits	265,000	262,692	2,308
300 Purchased Services	22,800	31,250	(8,450)
318 Audit Services	48,000	44,360	3,640
400 Supplies and Materials	-	334	(334)
600 Other Objects	19,200	18,575	625
232 Office of Superintendent:			
100 Salaries	197,306	197,506	(200)
140 Terminal Leave	-	11,705	(11,705)
200 Employee Benefits	68,374	67,810	564
300 Purchased Services	9,225	8,679	546
400 Supplies and Materials	8,593	8,144	449
600 Other Objects	21,900	19,999	1,901
233 School Administration:			
100 Salaries	2,621,109	2,608,999	12,110
140 Terminal Leave	-	11,843	(11,843)
200 Employee Benefits	1,042,843	1,042,480	363
300 Purchased Services	52,979	58,877	(5,898)
400 Supplies and Materials	21,811	21,158	653
500 Capital Outlay	494	494	-
600 Other Objects	2,250	2,250	-
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	307,742	307,702	40
200 Employee Benefits	119,968	119,458	510
300 Purchased Services	14,000	18,207	(4,207)
400 Supplies and Materials	101,000	138,547	(37,547)
600 Other Objects	3,000	3,225	(225)
254 Operation and Maintenance of Plant:			
100 Salaries	2,057,681	2,057,313	368
140 Terminal Leave	-	16,323	(16,323)
200 Employee Benefits	888,816	888,346	470
300 Purchased Services	1,110,013	1,134,154	(24,141)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	200,000	197,176	2,824
400 Supplies and Materials	447,000	622,239	(175,239)
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	1,792,000	1,616,025	175,975
255 Student Transportation (State Mandated):			
100 Salaries	1,324,307	1,348,126	(23,819)
200 Employee Benefits	554,514	564,051	(9,537)
300 Purchased Services	24,000	30,560	(6,560)
400 Supplies and Materials	22,000	21,444	556
600 Other Objects	\$ -	176	\$ (176)

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
256 Food Service:			
200 Employee Benefits	\$ 170,000	169,544	\$ 456
258 Security:			
300 Purchased Services	199,619	199,534	85
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
300 Purchased Services	1,000	1,831	(831)
400 Supplies and Materials	9,700	12,317	(2,617)
263 Information Services:			
400 Supplies and Materials	434	428	6
264 Staff Services:			
100 Salaries	245,209	244,193	1,016
140 Terminal Leave	-	340	(340)
200 Employee Benefits	89,684	89,660	24
300 Purchased Services	11,000	13,021	(2,021)
400 Supplies and Materials	7,000	13,577	(6,577)
266 Technology and Data Processing Services:			
100 Salaries	325,470	331,136	(5,666)
140 Terminal Leave	-	3,485	(3,485)
200 Employee Benefits	116,909	117,116	(207)
300 Purchased Services	106,837	106,505	332
400 Supplies and Materials	455,500	454,895	605
500 Capital Outlay	28,000	27,066	934
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	509,992	516,992	(7,000)
200 Employee Benefits (Optional)	143,563	145,775	(2,212)
300 Purchased Services (Optional)	98,000	101,391	(3,391)
400 Supplies and Materials	17,690	17,690	-
Total Support Services	<u>19,155,922</u>	<u>19,346,581</u>	<u>(190,659)</u>
<b>TOTAL EXPENDITURES</b>	<b><u>44,531,148</u></b>	<b><u>44,918,720</u></b>	<b><u>(387,572)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	1,145,335	1,228,134	82,799
5280 Transfer from Other Funds Indirect Costs	200,000	321,632	121,632
424-710 Transfer to Capital Projects Fund	-	(800,000)	(800,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,345,335</u>	<u>749,766</u>	<u>(595,569)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>1,129,986</b>	<b>1,129,986</b>
FUND BALANCES, Beginning of Year	<u>9,374,529</u>	<u>9,374,529</u>	<u>-</u>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ 9,374,529</u></b>	<b><u>10,504,515</u></b>	<b><u>\$ 1,129,986</u></b>



York School District One  
York, South Carolina

Comprehensive Annual Financial Report

Special Revenue Funds

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

- i) The **Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for and report financial resources provided by federal, state, and local projects and grants that are restricted, committed or assigned for special education programs.
- ii) The **Education Improvement Act (“EIA”) Fund, a major fund** and an unbudgeted fund, is used to account for and report the restricted revenues from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by the EIA.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2018**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
<b>REVENUES</b>		
1000 Revenue from Local Sources:		
1900 Other Revenue from Local Sources:		
1930 Medicaid	\$ -	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>
2000 Intergovernmental Revenue:		
2300 Payments from Non-Profit Entities (for First Steps)	-	-
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3113 12-Months (Ag.) Program	-	-
3118 EEDA Career Specialist	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3134 CDEP Expansion	-	-
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3177 Summer Reading Camp	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3630 K-12 Technology Initiative	-	-
3900 Other State Revenue:		
3999 Revenue from Other State Sources	-	-
Total Revenue from State Sources	<u>\$ -</u>	<u>-</u>

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	425,909	\$ 425,909
-	-	-	32,626	32,626
-	-	-	458,535	458,535
-	-	48,835	-	48,835
-	-	48,835	-	48,835
-	10,364	-	-	10,364
-	-	235,765	-	235,765
-	-	45,793	-	45,793
-	-	62,111	-	62,111
-	-	374,145	-	374,145
-	-	163,149	-	163,149
-	-	11,726	-	11,726
-	-	582	-	582
-	-	-	1,500	1,500
-	-	162,758	-	162,758
-	-	-	112,249	112,249
-	10,364	1,056,029	113,749	\$ 1,180,142

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2018**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I	\$ -	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	1,646,952	-
4325 Mathematics and Science Partnerships Program, Title II (Carryover Provision)	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III (Carryover Provision)	-	-
4351 Improving Teacher Quality (Carryover Provision)	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA) (Carryover Provision)	-	1,254,976
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4900 Other Federal Sources:		
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>1,646,952</u>	<u>1,254,976</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>1,646,952</u></b>	<b><u>1,254,976</u></b>
<b>EXPENDITURES</b>		
100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	203,909	-
200 Employee Benefits	92,306	-
300 Purchased Services	9,317	-
400 Supplies and Materials	-	-
112 Primary Programs:		
100 Salaries	461,721	-
200 Employee Benefits	186,270	-
300 Purchased Services	45,030	-
400 Supplies and Materials	110,539	-
113 Elementary Programs:		
100 Salaries	190,002	-
200 Employee Benefits	59,158	-
300 Purchased Services	12,778	-
400 Supplies and Materials	\$ 2,115	-

<b>Preschool Handicapped (CG Projects) (205)</b>	<b>CATE (VA Projects) (207)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Totals</b>
-	89,602	-	-	\$ 89,602
-	-	-	-	1,646,952
-	-	-	79,426	79,426
-	-	-	1,048	1,048
-	-	-	187,541	187,541
-	-	-	11,142	1,266,118
50,158	-	-	-	50,158
-	-	-	173,473	173,473
50,158	89,602	-	452,630	3,494,318
<b>50,158</b>	<b>99,966</b>	<b>1,104,864</b>	<b>1,024,914</b>	<b>5,181,830</b>
-	-	-	58,587	262,496
-	-	-	15,725	108,031
-	-	-	20,216	29,533
-	-	-	2,185	2,185
-	-	29,436	59,665	550,822
-	-	11,337	26,836	224,443
-	-	-	-	45,030
-	-	80,843	1,668	193,050
-	-	8,152	-	198,154
-	-	-	-	59,158
-	-	-	3,165	15,943
-	-	-	7,620	\$ 9,735

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2018**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
114 High School Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
300 Purchased Services - Other Than Tuition	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	34,761
200 Employee Benefits	-	25,159
300 Purchased Services	-	6,465
400 Supplies and Materials	-	10,694
122 Trainable Mentally Handicapped:		
300 Purchased Services	-	1,415
400 Supplies and Materials	-	9,867
123 Orthopedically Handicapped:		
400 Supplies and Materials	-	4,714
124 Visually Handicapped:		
300 Purchased Services	-	49,157
400 Supplies and Materials	-	788
125 Hearing Handicapped:		
300 Purchased Services	-	32,026
400 Supplies and Materials	-	2,844
126 Speech Handicapped:		
100 Salaries	-	65,870
200 Employee Benefits	-	28,488
300 Purchased Services	-	1,210
400 Supplies and Materials	-	3,447
127 Learning Disabilities:		
100 Salaries	-	244,950
200 Employee Benefits	-	102,809
300 Purchased Services	-	8,629
400 Supplies and Materials	\$ -	67,131

<b>Preschool Handicapped (CG Projects) (205)</b>	<b>CATE (VA Projects) (207)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Totals</b>
-	-	-	73,865	\$ 73,865
-	-	-	1,623	1,623
-	-	-	339	339
-	-	-	4,587	4,587
-	15,364	-	-	15,364
-	3,000	-	-	3,000
-	-	-	-	34,761
-	-	-	-	25,159
-	-	-	-	6,465
-	-	-	-	10,694
-	-	-	-	1,415
-	-	-	-	9,867
-	-	-	-	4,714
-	-	-	-	49,157
-	-	-	-	788
-	-	-	-	32,026
-	-	-	-	2,844
-	-	-	8,817	74,687
-	-	-	2,325	30,813
-	-	-	-	1,210
-	-	-	-	3,447
-	-	-	-	244,950
-	-	-	-	102,809
-	-	-	1,111	9,740
-	-	-	-	\$ 67,131

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2018**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
128 Emotionally Handicapped:		
100 Salaries	\$ -	47,222
200 Employee Benefits	-	29,484
300 Purchased Services	-	23,352
400 Supplies and Materials	-	5,932
130 Pre-School Programs:		
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):		
100 Salaries	-	10,728
200 Employee Benefits	-	7,426
300 Purchased Services	-	7,695
400 Supplies and Materials	-	911
139 Early Childhood Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
140 Special Programs:		
147 CDEP:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	25,645
200 Employee Benefits	-	12,487
300 Purchased Services	-	1,000
400 Supplies and Materials	-	16,957
162 Limited English Proficiency:		
300 Purchased Services	-	-
170 Summer School Programs:		
173 High School Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
180 Adult/Continuing Educational Programs:		
188 Parenting/Family Literacy:		
100 Salaries	69,726	-
200 Employee Benefits	35,519	-
300 Purchased Services	4,106	-
400 Supplies and Materials	309	-
Total Instruction	\$ 1,482,805	889,263



Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	\$ 47,222
-	-	-	-	29,484
-	-	-	-	23,352
-	-	-	-	5,932
45,425	-	-	-	56,153
1,889	-	-	-	9,315
-	-	-	-	7,695
-	-	-	-	911
-	-	25,275	-	25,275
-	-	6,896	-	6,896
-	-	11,588	-	11,588
-	-	5,078	-	5,078
-	-	-	18,665	18,665
-	-	-	5,275	5,275
-	-	-	6,896	6,896
-	-	62,111	37,368	99,479
-	-	-	52,849	78,494
-	-	-	26,074	38,561
-	-	-	1,306	2,306
-	-	-	1,961	18,918
-	-	-	940	940
-	-	-	5,975	5,975
-	-	-	1,689	1,689
-	-	-	-	69,726
-	-	-	-	35,519
-	-	-	-	4,106
-	-	-	-	309
47,314	18,364	240,716	447,332	\$ 3,125,794

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2018**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
200 Support Services:		
210 Pupil Services:		
212 Guidance Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
214 Psychological Services:		
100 Salaries	-	6,000
200 Employee Benefits	-	1,594
300 Purchased Services	-	28,540
400 Supplies and Materials	-	3,438
215 Exceptional Program Services:		
100 Salaries	-	9,468
200 Employee Benefits	-	2,529
216 Vocational Placement Services:		
300 Purchased Services	-	-
217 Career Specialists Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
223 Supervision of Special Programs:		
100 Salaries	49,107	145,749
200 Employee Benefits	20,291	60,653
300 Purchased Services	1,107	29,366
400 Supplies and Materials	272	7,228
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	34,000	100,303	-	\$ 134,303
-	7,590	41,028	-	48,618
-	-	110,789	143,690	254,479
-	-	54,267	59,587	113,854
-	-	-	-	6,000
-	-	-	-	1,594
-	-	-	-	28,540
-	-	-	-	3,438
-	-	-	-	9,468
-	-	-	-	2,529
-	33,512	-	-	33,512
-	-	67,036	-	67,036
-	-	27,398	-	27,398
-	-	266,178	-	266,178
-	-	107,967	-	107,967
-	-	-	49	49
-	-	1,200	14,153	210,209
-	-	339	5,032	86,315
-	-	-	52,653	83,126
-	-	-	-	7,500
-	-	-	23,790	23,790
-	-	-	6,326	6,326
-	6,500	-	51,219	57,719
-	-	-	5,324	\$ 5,324

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2018**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
250 Finance and Operations Services:		
255 Student Transportation (State Mandated):		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
256 Food Service:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services (Exclude Energy)	-	-
400 Supplies and Materials (Include Energy)	-	-
260 Central Support Services:		
264 Staff Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
266 Technology and Data Processing Services:		
400 Supplies and Materials	-	-
Total Support Services	<u>70,777</u>	<u>294,565</u>
410 Intergovernmental Expenditures:		
411 Payments to SDE		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>1,553,582</u></b>	<b><u>1,183,828</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers, From (To) Other Funds:		
431-791 Special Revenue Fund Indirect Costs		
(Use Only for Transfer of Indirect Costs to General Fund)	(93,370)	(71,148)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(93,370)</u>	<u>(71,148)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>
FUND BALANCES, Beginning of Year	<u>-</u>	<u>-</u>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ -</u></b>	<b><u>-</u></b>

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	1,700	6,960	\$ 8,660
-	-	472	1,862	2,334
-	-	-	2,386	2,386
-	-	-	1,749	1,749
-	-	-	494	494
-	-	-	86,957	86,957
-	-	-	8,223	8,223
-	-	-	2,282	2,282
-	-	-	1,865	1,865
-	-	85,471	-	85,471
-	81,602	864,148	474,601	1,785,693
-	-	-	84,572	84,572
-	-	-	84,572	84,572
<b>47,314</b>	<b>99,966</b>	<b>1,104,864</b>	<b>1,006,505</b>	<b>4,996,059</b>
(2,844)	-	-	(18,409)	(185,771)
(2,844)	-	-	(18,409)	(185,771)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	\$ -

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES**

**YEAR ENDED JUNE 30, 2018**

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**OTHER DESIGNATED RESTRICTED STATE GRANTS**

919	Education License Plates
924	CDEP Expansion
926	Summer Reading Program
928	EEDA Career Specialists
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
963	K-12 Technology Initiative
990	First Steps

**OTHER SPECIAL REVENUE PROGRAMS**

212	Extended School Year - Federal
225	AIMS II - Alliance in Math Science Success
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
267	Improving Teacher Quality (Carryover Provision)
271	JROTC
299	Medicaid Reimbursement
816	High School Summer School
817	Profound Mental Disabled
833	Special Needs Transportation
834	Allen Tate Donation
835	Technology Professional Development
839	ABT Special Fund
845	School Supply Donations
856	Mayday Project-Homeless
858	Bigger than Bullying Proceeds
860	Graduate Coursework
861	HCJ-Fidelity
865	Meritor-FDJTC & YMS
866	I3DP
867	Courageous Cougars
868	EIA Equipment Sale Proceeds
869	EOC - Community Block Grant
871	Kings Mountain Grant
872	Youth Risk Behavior Study
873	Transition Advisory Council
874	YMS DHEC Recycling Education Grant
875	Summer Feeding Program

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2018

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 582	582	-	-	\$ -
924	3134	CDEP Expansion	62,111	62,111	-	-	-
926	3177	Summer Reading Camp	11,726	11,726	-	-	-
928	3118	EEDA Career Specialists	235,765	235,765	-	-	-
935	3135	Reading Coaches	374,145	374,145	-	-	-
936	3136	Student Health and Fitness - Nurses	163,149	163,149	-	-	-
937	3127	Student Health and Fitness - PE Teachers	45,793	45,793	-	-	-
963	3630	K-12 Technology Initiative	162,758	162,758	-	-	-
990	3680	First Steps FAMILY LITERACY Program	48,835	48,835	-	-	9,333
<b>Totals</b>			<b>\$1,104,864</b>	<b>1,104,864</b>	<b>-</b>	<b>-</b>	<b>\$ 9,333</b>

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2018**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	\$ 8,850
Total Revenue from Local Sources	<u>8,850</u>
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	4,608
3507 Aid to Districts - Technology	111
3509 Arts in Education	12,454
3511 Professional Development	27,800
3512 Technology Professional Development (Carryover Only)	26,625
3518 Adoption List of Formative Assessment	27,865
3519 Grade 10 Assessments	24,583
3525 Career and Technology Education Equipment (Carryover Only)	7,812
3526 Refurbishment of Science Kits	19,640
3528 Industry Credentials/Certifications	34,897
3529 Career & Technology Education	141,194
3532 National Board Salary Supplement (No Carryover Provision)	390,602
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3538 Student at Risk of School Failure	570,679
3541 CDEP (Child Development Education Program) - Full Day 4K	773,035
3550 Teacher Salary Increase (No Carryover Provision)	1,056,963
3555 Teacher Salary Fringe (No Carryover Provision)	171,171
3557 Summer Reading Program	35,250
3558 Reading	40,323
3577 Teacher Supplies (No Carryover Provision)	104,775
3578 High Schools That Work/Making Middle Grades Work (Carryover Only)	23,707
3587 Maintenance of State Financial Support (MES) Tier I	259,333
3594 EEDA Supplemental Programs	289,804
3595 EEDA - Supplies and Materials	19,649
3597 Aid to Districts	103,256
Total Revenue from State Sources	<u>4,167,213</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>\$ 4,176,063</u></b>

(Continued)



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2018**

	<u><b>ACTUAL</b></u>
<b>EXPENDITURES</b>	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 15,000
200 Employee Benefits	4,026
112 Primary Programs:	
100 Salaries	108,515
200 Employee Benefits	29,380
300 Purchased Services	23,625
400 Supplies and Materials	48,557
113 Elementary Programs:	
100 Salaries	432,913
200 Employee Benefits	144,418
300 Purchased Services	36,336
400 Supplies and Materials	70,701
600 Other Objects	1,950
114 High School Programs:	
100 Salaries	93,129
200 Employee Benefits	34,147
300 Purchased Services	3,000
400 Supplies and Materials	54,327
600 Other Objects	200
115 Career and Technology Education Program:	
100 Salaries	15,000
200 Employee Benefits	4,032
300 Purchased Services - Other Than Tuition	10,532
400 Supplies and Materials	65,361
500 Capital Outlay	91,921
600 Other Objects	535
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	12,500
200 Employee Benefits	4,011
122 Trainable Mentally Handicapped:	
100 Salaries	5,000
200 Employee Benefits	\$ 1,342

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2018**

	<u><b>ACTUAL</b></u>
127 Learning Disabilities:	
100 Salaries	\$ 7,500
200 Employee Benefits	2,013
300 Purchased Services	28,686
400 Supplies and Materials	140,505
128 Emotionally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	2,013
400 Supplies and Materials	3,000
130 Pre-School Programs:	
133 Preschool Handicapped Self- Contained (5Yr. Olds)	
100 Salaries	7,500
200 Employee Benefits	2,013
300 Purchased Services	4,250
400 Supplies and Materials	71,817
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	12,500
200 Employee Benefits	3,298
147 CDEP:	
100 Salaries	559,176
200 Employee Benefits	230,882
400 Supplies and Materials	3,580
160 Other Exceptional Programs:	
161 Autism:	
300 Purchased Services	4,250
400 Supplies and Materials	4,383
170 Summer School Programs:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	5,673
200 Employee Benefits	1,498
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
100 Salaries	41,340
200 Employee Benefits	13,807
Total Instruction	<u>\$ 2,467,642</u>

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2018**

	<u><b>ACTUAL</b></u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	\$ 62,323
200 Employee Benefits	23,866
300 Purchased Services	16,731
400 Supplies and Materials	7,593
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
300 Purchased Services	13,309
400 Supplies and Materials	11,547
222 Library and Media:	
100 Salaries	6,790
200 Employee Benefits	1,784
400 Supplies and Materials	2,200
223 Supervision of Special Programs:	
100 Salaries	62,950
200 Employee Benefits	25,641
300 Purchased Services	2,442
224 Improvement of Instruction-Curriculum Development:	
100 Salaries	34,069
200 Employee Benefits	2,522
300 Purchased Services	28,846
400 Supplies and Materials	28,344
250 Finance and Operations Services:	
254 Operation and Maintenance of Plant:	
400 Supplies and Materials	28,890
255 Student Transportation (State Mandated):	
100 Salaries	23,872
200 Employee Benefits	5,892
300 Purchased Services	26,486
400 Supplies and Materials	13,962
256 Food Services:	
400 Supplies and Materials	16,890
260 Central Support Services:	
264 Staff Services:	
400 Supplies and Materials	17,261
266 Technology and Data Processing Services:	
300 Purchased Services	7,324
400 Supplies and Materials	8,753
Total Support Services	<u>480,287</u>
<b>TOTAL EXPENDITURES</b>	<u><b>\$ 2,947,929</b></u>
	(Continued)

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2018

	<u>ACTUAL</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	\$ (1,228,134)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,228,134)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	-
FUND BALANCE, Beginning of Year	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u><u>\$ -</u></u>

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

**SUMMARY SCHEDULE BY PROGRAM**

**YEAR ENDED JUNE 30, 2018**

<b>Program</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>EIA Interfund Transfers In/(Out)</b>	<b>Other Fund Transfers In/(Out)</b>	<b>EIA Fund Unearned Revenue</b>
3500 Education Improvement Act:					
3502 ADEPT	\$ 4,608	4,608	-	-	\$ -
3507 Aid to Districts - Technology	111	111	-	-	65,244
3509 Arts in Education	12,454	12,454	-	-	-
3511 Professional Development	27,800	27,800	-	-	25,788
3512 Technology Professional Development (Carryover Only)	26,625	26,625	-	-	-
3518 Adoption of Formative Assessment	27,865	27,865	-	-	-
3519 Grade 10 Assessments	24,583	24,583	-	-	-
3525 Career and Technology Education Equipment (Carryover Only)	7,812	7,812	-	-	-
3526 Refurbishment of Science Kits	19,640	19,640	-	-	24,449
3528 Industry Credentials/Certifications	34,897	34,897	-	-	22,826
3529 Career & Technology Education	141,194	141,194	-	-	28,713
3532 National Board Salary Supplement (No Carryover Provision)	390,602	390,602	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3538 Student at Risk of School Failure	570,679	570,679	-	-	-
3541 CDEP (Child Development Education Program) - Full Day 4K	773,035	773,035	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	1,056,963	-	-	(1,056,963)	-
3555 Teacher Salary Fringe (No Carryover Provision)	171,171	-	-	(171,171)	-
3557 Summer Reading Program	35,250	35,250	-	-	60,589
3558 Reading	49,173	49,173	-	-	12,188
3577 Teacher Supplies (No Carryover Provision)	104,775	104,775	-	-	-
3578 High Schools That Work/Making Middle Grades Work	23,707	23,707	-	-	-
3587 Maintenance of State Financial Support (MES) Tier I	259,333	259,333	-	-	-
3594 EEDA Supplemental Programs	289,804	289,804	-	-	-
3595 EEDA - Supplies and Materials	19,649	19,649	-	-	8,141
3597 Aid to Districts	103,256	103,256	-	-	69,903
<b>Totals</b>	<b>\$ 4,176,063</b>	<b>2,947,929</b>	<b>-</b>	<b>(1,228,134)</b>	<b>\$ 317,841</b>

Note: Included in Program 3558 Revenues is \$8,850 of Other Local Sources Revenue (Revenue Code #1999).

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

<b>Program</b>	<b>Project/ Grant Number</b>	<b>Revenue &amp; Subfund Code</b>	<b>Description</b>	<b>Amount Due to State Dept. of Education or Federal Government</b>	<b>Status of Amount Due to Grantors</b>
			None		

York School District One  
York, South Carolina

Comprehensive Annual Financial Report

Debt Service Fund

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The ***Debt Service Fund, a major fund*** and an unbudgeted fund, is used to account for the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest and related costs for the District.





**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2018**

	<b><u>ACTUAL</u></b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1200 Revenue from Local Governmental Units Other than LEAs:	
1210 Ad Valorem Taxes-Including Delinquent (Fiscally Dependent LEA)	\$ 7,107,052
1240 Penalties & Interest on Taxes (Dependent)	306,003
1500 Earnings on Investments:	
1510 Interest on Investments	74,473
Total Revenue from Local Sources	<u>7,487,528</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	410,809
3830 Merchant's Inventory Tax	19,010
Total Revenue from State Sources	<u>429,819</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>7,917,347</u></b>
<b>EXPENDITURES</b>	
500 Debt Service:	
610 Redemption of Principal	3,114,000
620 Interest	3,686,498
690 Other Objects (Includes Fees for Servicing Bonds)	27,606
Total Debt Service	<u>6,828,104</u>
<b>TOTAL EXPENDITURES</b>	<b><u>6,828,104</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
424-710 Transfer to Capital Projects Fund	(1,009,818)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,009,818)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>79,425</b>
FUND BALANCE, Beginning of Year	<u>3,316,470</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 3,395,895</u></b>



York School District One  
York, South Carolina

Comprehensive Annual Financial Report

Capital Projects Fund

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The ***Capital Projects Fund, a major fund*** and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities except for those financed in the Enterprise Fund.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2018**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 57,587
1999 Revenue from Other Local Sources	1,042
Total Revenue from Local Sources	<u>58,629</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>58,629</u></b>
<b>EXPENDITURES</b>	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	133,946
400 Supplies and Materials	614,015
500 Capital Outlay:	
520 Construction Services	276,974
530 Improvements Other Than Buildings	1,006,428
540 Equipment	30,669
550 Vehicles	187,530
Total Support Services	<u>2,249,562</u>
<b>TOTAL EXPENDITURES</b>	<b><u>2,249,562</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	800,000
5240 Transfer from Debt Service Fund	1,009,818
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>1,809,818</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(381,115)</b>
FUND BALANCE, Beginning of Year	<u>3,620,480</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 3,239,365</u></b>



**York School District One  
York, South Carolina**

**Comprehensive Annual Financial Report**

**Special Revenue Fund - Food Service**

---

The ***Food Service Fund, a major fund*** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received from (a) breakfast, lunch, and other food sales and (b) from the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.





**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**FOOD SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

**YEAR ENDED JUNE 30, 2018**

	<b><u>ACTUAL</u></b>
<b>REVENUES</b>	
1000 Revenues from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 3,782
1600 Food Service:	
1610 Lunch Sales to Pupils	358,666
1620 Breakfast Sales to Pupils	5,597
1630 Special Sales to Pupils	103,035
1640 Lunch Sales to Adults	21,867
1650 Breakfast Sales to Adults	1,011
1660 Special Sales to Adults	8,440
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	135,664
Total Revenue from Local Sources	<u>638,062</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	204
Total Revenue from State Sources	<u>204</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program and Special Milk Program	1,472,482
4830 School Breakfast Program (Carryover Provision)	551,528
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	221,054
4999 Revenue from Other Federal Sources	210,337
Total Revenue from Federal Sources	<u>2,455,401</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>\$ 3,093,667</u></b>

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**FOOD SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

**YEAR ENDED JUNE 30, 2018**

	<b><u>ACTUAL</u></b>
<b>EXPENSES</b>	
256 Food Service:	
100 Salaries	\$ 711,192
200 Employee Benefits	166,087
300 Purchased Services (Exclude Energy Costs)	50,031
393 Direct Purchased Services	1,637,504
400 Supplies and Materials (Include Energy Costs)	273,198
600 Other Objects	3,730
Total Food Services Expenses	<u>2,841,742</u>
<b>TOTAL EXPENSES</b>	<b><u>2,841,742</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	(135,861)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(135,861)</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>116,064</b>
FUND BALANCE, Beginning of Year, as Adjusted	<u>1,734,522</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 1,850,586</u></b>

York School District One  
York, South Carolina

Comprehensive Annual Financial Report

Fiduciary Fund-Agency-Pupil Activity

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***Fiduciary Fund Types*** are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include Agency Funds. Fiduciary Fund Types include the following:

The ***Agency Fund***, an unbudgeted fund, accounts for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for the general operation of the District. This accounting reflects the agency relationship of the District with the student activity organizations.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**PUPIL ACTIVITY FUND**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
DUE TO STUDENT ORGANIZATIONS**

**YEAR ENDED JUNE 30, 2018**

	<b><u>ACTUAL</u></b>
<b>RECEIPTS</b>	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 304
1700 Pupil Activities:	
1710 Admissions	53,351
1720 Bookstore Sales	10,840
1730 Pupil Organization Membership Dues and Fees	114,672
1740 Student Fees	147,968
1790 Other	1,217,707
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	11,300
1999 Revenue from Other Local Sources	17,690
Total Receipts from Local Sources	<u>1,573,832</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	<b><u>1,573,832</u></b>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity:	
660 Pupil Activity	215,118
Total Instruction	<u>215,118</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
660 Pupil Activity	910,234
272 Enterprise Activities:	
660 Pupil Activity	377,830
273 Trust and Agency Activities:	
660 Enterprise Activity	140,272
Total Pupil Activity Expenditures	<u>1,428,336</u>
<b>TOTAL DISBURSEMENTS</b>	<b><u>1,643,454</u></b>
<b>EXCESS/DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS</b>	<b>(69,622)</b>
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>572,879</u>
<b>DUE TO STUDENT ORGANIZATIONS, End of Year</b>	<b><u>\$ 503,257</u></b>

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**PUPIL ACTIVITY FUND**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES IN DUE TO STUDENT ORGANIZATIONS**

**YEAR ENDED JUNE 30, 2018**

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2018</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 548,223	1,574,971	1,643,453	\$ 479,741
Investments	24,453	(1,139)	-	23,314
Receivables	203	-	1	202
<b>TOTAL ASSETS</b>	<u><u>\$ 572,879</u></u>	<u><u>1,573,832</u></u>	<u><u>1,643,454</u></u>	<u><u>\$ 503,257</u></u>
<b>LIABILITIES</b>				
Due to Student Organizations	\$ 572,879	1,573,832	1,643,454	\$ 503,257
<b>TOTAL LIABILITIES</b>	<u><u>\$ 572,879</u></u>	<u><u>1,573,832</u></u>	<u><u>1,643,454</u></u>	<u><u>\$ 503,257</u></u>

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**LOCATION RECONCILIATION SCHEDULE**

**YEAR ENDED JUNE 30, 2018**

<b>LOCATION ID</b>	<b>LOCATION DESCRIPTION</b>	<b>EDUCATION LEVEL</b>	<b>COST TYPE</b>	<b>TOTAL EXPENDITURES</b>
00	District-Wide	Non-School	Central	\$ 13,581,543
01	Education Service Center	Non-School	Central	429,707
02	Floyd D. Johnson Technology Center	Other Schools	School	2,241,483
03	York Comprehensive High School	High School	School	12,262,492
04	Transportation	Non-School	Central	4,550
06	District Office	Non-School	Central	4,821,272
08	Jefferson Elementary	Elementary	School	4,105,422
09	York Intermediate School	Middle School	School	5,354,642
15	York One Academy	Alternative	School	1,321,393
44	York Middle School	Middle School	School	6,334,746
45	Hickory Grove-Sharon Elementary	Elementary	School	3,664,912
46	Hunter Street Elementary	Elementary	School	3,696,219
47	Cotton Belt Elementary	Elementary	School	3,960,843
49	Harold C. Johnson Elementary	Elementary	School	4,646,346
<b>Total Expenditures/Disbursements for all funds</b>				<b>\$ 66,425,570</b>

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

General Fund	\$ 44,918,720
Special Revenue Fund (Subfunds 200's, 800's, 900's)	4,996,059
Special Revenue - EIA Fund (Subfunds 300's)	2,947,929
Debt Service Fund	6,828,104
Capital Projects Funds (Subfund 500's)	2,249,562
Special Revenue - Food Service Fund (Subfund 600)	2,841,742
Trust and Agency Fund (Subfund 700's)	1,643,454
<b>Total Expenditures/Disbursements for all funds</b>	<b>\$ 66,425,570</b>





**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**STATISTICAL SECTION**

**YEAR ENDED JUNE 30, 2018**

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This section of the York School District One's (the "District") comprehensive annual financial report presents detailed trend and other information as a context for understanding what the information in the financial statements, notes to the financial statements, required supplementary information and other supplementary information says about the District's overall financial health.

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**Page Number**

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**Financial Trends**

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

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**Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

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**Debt Capacity**

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

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**Demographic and Economic Information**

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

153

**Operating Information**

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

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



YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2009	2010	2011	2012 <sup>1</sup>	2013 <sup>2</sup>	2014 <sup>3</sup>	2015 <sup>4</sup>	2016	2017	2018 <sup>5</sup>
Governmental Activities										
Net Investment in Capital Assets	\$ 31,649,088	29,906,714	29,003,866	24,764,029	18,966,916	14,613,621	14,143,451	6,943,438	8,360,535	\$ 5,350,310
Restricted	420,091	3,653,551	3,595,291	3,461,012	3,678,473	2,919,412	2,184,969	5,687,962	3,372,828	5,402,980
Unrestricted	10,965,117	11,490,749	11,472,572	9,382,086	10,443,078	12,612,000	(38,514,153)	(38,292,449)	(41,747,773)	(95,387,187)
Total Governmental Activities Net Position	\$ 43,034,296	45,051,014	44,071,729	37,607,127	33,088,467	30,145,033	(22,185,733)	(25,661,049)	(30,014,410)	\$ (84,633,897)
Business-Type Activities										
Net Investment in Capital Assets	\$ 556,727	489,544	920,634	810,596	714,919	608,962	506,164	525,177	421,988	\$ -
Unrestricted	148,962	387,547	474,891	684,929	880,606	1,086,563	713,250	939,374	628,673	-
Total Business-Type Activities Net Position	\$ 705,689	877,091	1,395,525	1,495,525	1,595,525	1,695,525	1,219,414	1,464,551	1,050,661	\$ -
Primary Government										
Net Investment in Capital Assets	\$ 32,205,815	30,396,258	29,924,500	25,574,625	19,681,835	15,222,583	14,649,615	7,468,615	8,782,523	\$ 5,350,310
Restricted	420,091	3,653,551	3,595,291	3,461,012	3,678,473	2,919,412	2,184,969	5,687,962	3,372,828	5,402,980
Unrestricted	11,114,079	11,878,296	11,947,463	10,067,015	11,323,684	13,698,563	(37,800,903)	(37,353,075)	(41,119,100)	(95,387,187)
Total Primary Government Net Position	\$ 43,739,985	45,928,105	45,467,254	39,102,652	34,683,992	31,840,558	(20,966,319)	(24,196,498)	(28,963,749)	\$ (84,633,897)

Note 1: The net position of governmental activities decreased from 2011 to 2012 due to an increase in instructional expenses.

Note 2: The net position of governmental activities decreased from 2012 to 2013 due to an increase in property tax revenue.

Note 3: The net position of governmental activities decreased from 2013 to 2014 due to expenses exceeding revenues in the current fiscal year.

Note 4: The District implemented GASB #68/71 in 2015

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

UNAUDITED

	2009 <sup>1</sup>	2010	2011 <sup>2</sup>	2012 <sup>3</sup>	2013 <sup>4</sup>	2014 <sup>5</sup>	2015 <sup>6</sup>	2016 <sup>7</sup>	2017 <sup>8</sup>	2018 <sup>9</sup>
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 27,385,121	27,821,416	15,655,936	29,530,775	31,405,400	30,377,162	31,353,768	32,481,326	34,352,771	\$ 37,523,497
Support Services	18,348,659	18,109,229	31,000,076	22,852,514	21,161,233	20,253,881	21,728,654	22,930,865	24,328,809	29,381,761
Intergovernmental	87,181	-	-	-	-	-	-	-	-	-
Interest and Other Charges	1,600,223	4,009,483	4,558,142	5,243,748	5,053,739	6,224,137	4,170,449	6,209,181	2,763,817	2,687,862
Total Governmental Activities Expenses	47,421,184	49,940,128	51,214,154	57,627,037	57,620,372	56,855,180	57,252,871	61,621,372	61,445,397	69,592,920
Business-Type Activities:										
Food Services	2,613,166	2,328,847	2,088,496	2,345,603	2,353,674	2,421,927	2,816,279	2,846,331	3,350,863	-
Total Business-Type Activities Expenses	2,613,166	2,328,847	2,088,496	2,345,603	2,353,674	2,421,927	2,816,279	2,846,331	3,350,863	-
Total Primary Government Expenses	\$ 50,034,350	52,268,975	53,302,650	59,972,640	59,974,046	59,277,107	60,069,150	64,467,703	64,796,260	\$ 69,592,920
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Operating Grants and Contributions	\$ 25,520,016	25,645,279	24,093,028	24,587,788	25,326,132	24,985,478	26,777,487	27,489,089	29,095,326	\$ 34,287,825
Charges for Services:	-	-	-	-	-	-	-	-	-	498,615
Capital Grants and Contributions	129,927	-	10,061	-	-	-	-	107,795	-	-
Total Governmental Activities Program Revenues	25,649,943	25,645,279	24,103,089	24,587,788	25,326,132	24,985,478	26,777,487	27,596,884	29,095,326	34,786,440
Business-Type Activities:										
Charges for Services:										
Food Service	811,686	704,158	610,206	653,165	616,173	615,816	596,771	615,767	556,194	0
Operating Grants and Contributions	1,694,507	1,795,273	1,727,844	1,927,686	1,972,962	2,041,698	2,448,014	2,482,238	2,514,429	0
Total Business-Type Activities Program Revenues	2,506,193	2,499,431	2,338,050	2,580,851	2,589,135	2,657,514	3,044,785	3,098,005	3,070,623	-
Total Primary Government Program Revenues	\$ 28,156,136	28,144,710	26,441,139	27,168,639	27,915,267	27,642,992	29,822,272	30,694,889	32,165,949	\$ 34,786,440
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (21,771,241)	(24,294,849)	(27,111,065)	(33,039,249)	(32,294,240)	(31,869,702)	(30,475,384)	(34,024,488)	(32,350,071)	\$ (34,806,480)
Business-Type Activities	(106,973)	170,584	249,554	235,248	235,461	235,587	228,506	251,674	(280,240)	-
Total Primary Government Net (Expense)/Revenue	\$ (21,878,214)	(24,124,265)	(26,861,511)	(32,804,001)	(32,058,779)	(31,634,115)	(30,246,878)	(33,772,814)	(32,630,311)	\$ (34,806,480)

(Continued)

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

UNAUDITED

	2009 <sup>1</sup>	2010	2011 <sup>2</sup>	2012 <sup>3</sup>	2013 <sup>4</sup>	2014 <sup>5</sup>	2015 <sup>6</sup>	2016 <sup>7</sup>	2017 <sup>8</sup>	2018 <sup>9</sup>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes by Source:										
Property Tax - General Operations	\$ 10,860,700	12,000,042	11,962,753	11,455,061	12,403,242	13,371,086	13,675,538	14,973,251	13,042,887	\$ 15,075,561
Property Tax - Debt Service	6,510,217	6,986,312	6,319,740	6,759,604	6,887,351	7,127,507	7,242,780	7,572,988	6,706,877	7,473,782
State Revenue in Lieu of Taxes	6,453,060	6,618,806	6,651,863	6,786,798	6,983,336	7,119,379	7,261,593	7,382,306	7,401,702	7,507,266
Other Taxes	313,147	325,576	345,228	363,665	379,302	394,628	408,895	406,652	417,288	429,819
Unrestricted Investment Earnings	561,563	222,252	107,019	51,370	53,880	36,241	55,878	135,668	222,520	314,190
Transfers	-	-	(268,194)	135,861	135,861	135,861	135,861	8,201	135,860	-
Miscellaneous	10,116	28,192	220,597	258,078	186,138	34,497	39,352	33,112	27,571	384,465
Other Revenues	90,666	130,387	792,774	764,210	746,470	707,069	700,078	36,994	42,005	48,835
Total Governmental Activities	24,799,469	26,311,567	26,131,780	26,574,647	27,775,580	28,926,268	29,519,975	30,549,172	27,996,710	31,233,918
Business-Type Activities:										
Unrestricted Investment Earnings	1,178	818	686	613	400	274	561	1,664	2,210	-
Transfers	-	-	268,194	(135,861)	(135,861)	(135,861)	(135,861)	(8,201)	(135,860)	-
Total Business-Type Activities	1,178	818	268,880	(135,248)	(135,461)	(135,587)	(135,300)	(6,537)	(133,650)	-
Total Primary Government	\$ 24,800,647	26,312,385	26,400,660	26,439,399	27,640,119	28,790,681	29,384,675	30,542,635	27,863,060	\$ 31,233,918
<b>Change in Net Position:</b>										
Governmental Activities	\$ 3,028,228	2,016,718	(979,285)	(6,464,602)	(4,518,660)	(2,943,434)	(955,409)	(3,475,316)	(4,353,361)	\$ (3,572,562)
Business-Type Activities	(105,795)	171,402	518,434	100,000	100,000	100,000	93,206	245,137	(413,890)	-
Total Primary Government	\$ 2,922,433	2,188,120	(460,851)	(6,364,602)	(4,418,660)	(2,843,434)	(862,203)	(3,230,179)	(4,767,251)	\$ (3,572,562)

Note 1: The District did not charge indirect cost to Food Service in 2009.

2: Net Position in governmental activities decreased primarily due to a decrease in property tax and state revenue, partially offset by increase in expenses. Net Position in business-type activities increased because of a decrease in expenses and contributed capital, partially offset by a transfer to the General Fund for indirect costs.

3: Net Position decreased in 2012 due to an increase in instructional expenses..

4: Net Position decreased in 2013 due to an increase in property tax revenue.

5: Net Position decreased in 2014 due to expenses exceeding revenues.

6: Net Position decreased in 2015 due to expenses exceeding revenues.

7: Net Position decreased in 2016 due to expenses exceeding revenues.

8: Net Position decreased in 2017 due to expenses exceeding revenues.

9: Net Position decreased in 2018 due to expenses exceeding revenues. The District also converted food service balances from business type activities to governmental activities.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

UNAUDITED

	2009 <sup>1</sup>	2010 <sup>1</sup>	2011 <sup>2</sup>	2012	2013	2014	2015	2016	2017	2018
General Fund										
Pre-GASB #54 <sup>3</sup>										
Unreserved	\$ 8,831,055	8,831,055	-	-	-	-	-	-	-	\$ -
Post GASB #54 <sup>3</sup>	-	-	8,655,615	7,719,414	6,631,829	6,958,944	7,526,415	8,385,819	9,374,529	10,504,515
Unassigned										
Total General Fund	\$ 8,831,055	8,831,055	8,655,615	7,719,414	6,631,829	6,958,944	7,526,415	8,385,819	9,374,529	\$ 10,504,515
All Other Governmental Funds										
Pre-GASB #54 <sup>3</sup>										
Reserved	\$25,792,756	18,665,991	-	-	-	-	-	-	-	\$ -
Unreserved, Reported In:										
Special Revenue Funds	44	-	-	-	-	-	-	-	-	-
Capital Projects Funds	665,809	849,512	-	-	-	-	-	-	-	-
Debt Service Funds	1,307,474	-	-	-	-	-	-	-	-	-
Post GASB #54 <sup>3</sup>										
Non-Spendable	-	-	-	-	-	-	-	-	-	9,197
Restricted	-	-	6,244,027	7,192,650	5,139,274	4,705,102	5,224,736	6,619,277	6,936,950	8,476,649
Assigned	-	-	728,415	214,549	2,253,098	3,779,993	3,880,260	3,544,096	-	-
Total All Other Governmental Funds	\$27,766,083	19,515,503	6,972,442	7,407,199	7,392,372	8,485,095	9,104,996	10,163,373	6,936,950	\$ 8,485,846

Note 1: The reserved amount in other Governmental Funds represents unspent bond proceeds from a GO Bond issued specifically for capital improvements at three schools and construction of the new high school and technology center.

Note 2: The restricted amount in other Governmental Funds decreased in 2011 due to spent bond proceeds.

Note 3: The District implemented GASB #54 "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB #54") in 2011. GASB #54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The District has elected to apply GASB #54 prospectively - and thus has provided fund balance information before ("Pre") and after ("Post") its implementation.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2009 <sup>1</sup>	2010 <sup>2</sup>	2011 <sup>3</sup>	2012	2013	2014 <sup>4</sup>	2015 <sup>5</sup>	2016	2017 <sup>6</sup>	2018
<b>Revenues</b>										
Local Sources:										
Taxes by Source:										
Property Tax - General Operations	\$ 10,523,477	11,639,110	11,292,158	12,072,613	12,284,522	13,070,676	13,491,332	14,585,862	12,779,549	\$ 14,842,406
Property Tax - Debt Service	6,317,140	6,854,792	6,488,272	6,893,791	6,839,683	7,031,199	7,206,959	7,417,749	6,603,645	7,413,055
Investment Earnings	561,563	222,252	107,019	51,370	53,880	36,241	55,878	135,668	222,520	314,190
Other Local Sources	438,718	576,250	627,871	797,223	1,293,053	565,728	326,968	682,174	372,515	1,351,506
State Sources	28,402,867	25,537,127	24,943,976	27,191,788	27,722,640	28,189,450	30,627,623	31,461,985	33,376,733	35,806,765
Federal Sources	3,565,244	6,487,631	6,417,286	4,714,540	4,566,435	4,429,800	4,188,683	3,274,795	3,192,639	5,949,719
Intergovernmental Revenue	110,103	147,232	124,419	56,987	39,246	56,070	44,129	36,994	42,005	48,835
Total Revenues	49,919,112	51,464,394	50,001,001	51,778,312	52,799,459	53,379,164	55,941,572	57,595,227	56,589,606	65,726,476
<b>Expenditures</b>										
Current:										
Instruction	\$ 27,585,814	27,440,170	25,932,428	27,084,309	27,188,035	26,208,604	26,805,387	27,861,812	29,476,178	\$ 31,025,426
Support Services	16,549,787	17,644,625	18,716,637	20,164,598	19,302,700	18,611,877	19,844,189	20,595,677	21,226,258	25,174,704
Intergovernmental	87,181	67,981	66,758	102,561	104,690	82,624	82,061	121,230	76,968	84,572
Capital Outlay	42,986,555	48,231,550	11,255,304	1,036,352	237,795	156,203	380,922	805,670	1,627,572	1,669,310
Debt Service:										
Principal	1,215,000	1,280,000	1,535,000	7,940,000	1,739,000	2,003,000	37,959,000	2,467,000	2,646,000	3,114,000
Interest and Fiscal Charges	576,043	4,169,007	5,448,658	5,531,424	5,182,558	5,021,648	4,913,319	3,963,931	3,875,040	3,686,498
Other Charges	232,162	843,465	16,717	142,538	282,954	11,231	175,284	435,029	35,163	27,606
Total Expenditures	89,232,542	99,676,798	62,971,502	62,001,782	54,037,732	52,095,187	90,160,162	56,250,349	58,963,179	64,782,116
Excess of Revenues Over (Under) Expenditures	\$(39,313,430)	(48,212,404)	(12,970,501)	(10,223,470)	(1,238,273)	1,283,977	(34,218,590)	1,344,878	(2,373,573)	\$ 944,360

(Continued)

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

UNAUDITED

	2009 <sup>1</sup>	2010 <sup>2</sup>	2011 <sup>3</sup>	2012	2013	2014 <sup>4</sup>	2015 <sup>5</sup>	2016	2017 <sup>6</sup>	2018
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 5,909,165	3,820,132	2,576,760	2,021,579	2,859,865	3,301,732	4,074,050	8,210,608	6,128,849	\$ 3,359,584
Transfers Out	(5,909,165)	(3,820,132)	(2,324,760)	(1,885,719)	(2,724,004)	(3,165,871)	(3,938,189)	(8,074,747)	(5,992,989)	(3,359,584)
Proceeds of Bonds Sold	-	-	-	6,310,000	-	-	32,405,000	-	-	-
Premium on Bonds Sold	652,000	4,961,824	-	275,166	-	-	2,865,101	9,890,126	-	-
Issuance of General Obligation Bonds	-	85,000,000	-	3,000,000	-	-	-	45,380,000	-	-
Issuance of General Obligation Bond Anticipation Note	50,000,000	-	-	-	-	-	-	-	-	-
Issuance of Capital Leases	11,206,000	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Debt Escrow Agent	-	(50,000,000)	-	-	-	-	-	(54,833,084)	-	-
Total Other Financing Sources (Uses)	61,858,000	39,961,824	252,000	9,721,026	135,861	135,861	35,405,962	572,903	135,860	-
Net Change in Fund Balances	\$ 22,544,570	(8,250,580)	(12,718,501)	(502,444)	(1,102,412)	1,419,838	1,187,372	1,917,781	(2,237,713)	\$ 944,360
Capital Asset Expenditures	\$ 43,486,645	49,475,954	14,954,086	1,859,880	38,913	51,367	283,029	297,558	517,919	\$ 251,017
Debt Service as a Percentage of Noncapital Expenditures	3.9%	10.9%	14.5%	22.4%	12.8%	13.5%	47.7%	11.5%	11.2%	10.5%

Note 1: Expenditures increased due to the construction of a new high school and technology center that is scheduled to open August 2010. Total Other Financing Sources increased due to issuance of new debt to cover the cost of building the new high school.

Note 2: Federal revenues increased due to funding from the American Reinvestment and Recovery Act (ARRA) from the federal government and state revenues decreased due to several budget cuts made throughout the year. Expenditures increased due to the construction of a new high school and technology center that opened August 2010.

Note 3: Expenses decreased due to the completion of the new high school and technology center.

Note 4: Expenses decreased due to significant budget cuts the District made from the previous year.

Note 5: Total expenses and revenues increase due to the refunding of \$32.0 million in bonds.

Note 6: Expenses exceeded revenue due to a tax refund related to prior years to a company in the District's tax base.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**TABLE 5**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Assessed Real Property		Assessed Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other				
2009	\$ 43,938,947	10,306,667	10,996,153	22,882,672	\$ 88,124,439	226.60	\$ 1,564,332,138	5.6%
2010	46,065,336	9,435,069	9,819,226	25,317,432	90,637,063	232.60	1,609,116,187	5.6%
2011	47,047,440	9,636,223	9,416,207	23,972,973	90,072,843	237.60	1,616,240,947	5.6%
2012	49,550,485	10,148,894	10,071,795	23,313,608	93,084,782	242.60	1,644,357,375	5.7%
2013	49,283,332	10,818,292	10,717,983	23,339,873	94,159,480	248.60	1,777,877,552	5.3%
2014	50,074,064	10,256,115	11,713,607	24,867,478	96,911,264	253.60	1,727,340,196	5.6%
2015	50,622,858	10,368,462	12,489,726	24,682,992	98,164,038	257.60	1,750,810,848	5.6%
2016	49,140,103	10,786,778	12,568,993	29,501,610	101,997,484	260.10	1,769,603,493	5.8%
2017	49,881,824	10,949,659	13,902,785	26,599,637	101,333,905	262.60	1,779,223,872	5.7%
2018	\$ 51,425,956	11,288,614	13,410,604	26,669,877	\$ 102,795,051	267.60	\$ 1,814,369,188	5.7%

Source: York County Government

Note: Property in the county was last reassessed for fiscal year 2012. Tax rates are per \$1,000 of assessed value. Beginning in fiscal year 2003, the state legislature decreased the vehicle tax assessment rate by .75% per year until the rate is lowered to 6% in fiscal year 2008.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**TABLE 6**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	York School District One			Overlapping Rates <sup>1</sup>			Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Millage	City of York Millage	York County Incorporated Millage	York County Unincorporated <sup>2</sup> Millage	
2009	148.60	78.00	226.60	115.00	66.00	9.60	417.20
2010	154.60	78.00	232.60	115.00	66.00	9.60	423.20
2011	159.60	78.00	237.60	115.00	66.00	9.60	428.20
2012	164.60	78.00	242.60	115.00	62.50	9.40	429.50
2013	170.60	78.00	248.60	115.00	64.50	9.40	437.50
2014	175.60	78.00	253.60	115.00	64.50	9.40	442.50
2015	179.60	78.00	257.60	117.20	68.70	9.40	452.90
2016	182.10	78.00	260.10	117.20	69.70	9.60	456.60
2017	184.60	78.00	262.60	117.20	72.80	9.60	462.20
2018	189.60	78.00	267.60	117.20	74.80	9.80	469.40

Source: York School District One and York County Government

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

2: The Unincorporated tax rates for York County are levied on all property for taxpayers who do not reside within a municipality.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**TABLE 7**

**PRINCIPAL PROPERTY TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

**UNAUDITED**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 5,542,650	1	5.4%	\$ 3,576,800	1	4.1%
York Electric Coop Inc.	2,861,540	2	2.8%			
Plains LPG Services	1,837,652	3	1.8%			
Meritor Heavy Vehicle Systems LLC	1,511,254	4	1.5%	866,403	7	1.0%
Maclean Power York LLC	1,416,848	5	1.4%	987,487	6	1.1%
FOMAS Inc.	1,338,250	6	1.3%			
Bluestar Silicones USA Corp	1,283,252	7	1.2%			
BellSouth Telecommunications	1,166,540	8	1.1%	1,317,580	3	1.5%
D & S Express	732,880	9	0.7%			
FC Real Estate-York LLC	554,964	10	0.5%			
Hella Lighting Corporation				1,889,705	2	2.1%
Buddy Clawson Construction Inc.				1,120,090	4	1.3%
Eagle Alloys Inc	-			1,026,273	5	1.2%
Champion Laboratories Inc.	-			846,756	8	1.0%
Canton Textile Mills Inc.	-			527,400	9	0.6%
Mercedes Benz US International	-			350,350	10	0.4%
Totals	<u>\$ 18,245,830</u>		<u>17.7%</u>	<u>\$ 12,508,844</u>		<u>14.2%</u>

Source: York County Government

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**TABLE 8**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Tax Year	Local Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	\$ 23,671,957	\$ 23,197,288	98.0%	982,126	\$ 24,179,414	102.1%
2010	2009	24,499,484	24,084,395	98.3%	998,764	25,083,159	102.4%
2011	2010	25,686,385	24,260,746	94.4%	1,366,034	25,626,780	99.8%
2012	2011	26,539,951	25,053,108	94.4%	1,172,365	26,225,473	98.8%
2013	2012	27,330,092	25,670,016	93.9%	1,085,814	26,755,830	97.9%
2014	2013	28,489,872	27,039,331	94.9%	1,152,652	28,191,983	99.0%
2015	2014	29,002,778	27,419,374	94.5%	1,105,801	28,525,175	98.4%
2016	2015	30,685,830	29,250,819	95.3%	1,015,219	30,266,038	98.6%
2017	2016	30,410,753	28,666,380	94.3%	728,180	29,394,560	96.7%
2018	2017	\$ 31,201,118	\$ 29,668,772	95.1%	-	\$ 29,668,772	95.1%

Source: York County Government

Note: Due to collections of prior years delinquents some fiscal years had total property tax collections as a percentage of the annual levy that exceeds 100 percent.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**TABLE 9**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Capital Leases</b>			
2009 <sup>1</sup>	\$ 60,960,000	11,206,000	\$ 72,166,000	1.0%	\$ 318
2010	94,680,000	11,206,000	105,886,000	1.4%	468
2011	93,345,000	11,006,000	104,351,000	1.3%	453
2012	99,299,000	10,806,000	110,105,000	1.3%	469
2013	97,479,790	10,567,000	108,046,790	1.2%	451
2014	95,530,582	10,193,000	105,723,582	1.1%	431
2015	92,820,916	9,604,000	102,424,916	1.0%	408
2016	84,223,691	8,852,000	93,075,691	0.9%	\$ 360
2017	81,000,000	6,306,000	87,306,000	N/A	N/A
2018	\$ 80,895,000	3,297,000	\$ 84,192,000	N/A	N/A

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

Note 1: The District issued \$61,206,000 million in debt in Fiscal Year 2009. \$11,206,000 was an Equipment Acquisition Lease.

Note 2: Fiscal years 2012, 2013, 2014, 2015, 2016, 2017 and 2018 are shown gross of related premiums, discounts, and adjustments

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**TABLE 10**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2009	\$ 60,960,000	1,307,474	\$ 59,652,526	3.8%	\$ 263
2010	94,680,000	4,561,274	90,118,726	5.6%	399
2011	93,345,000	3,639,058	89,705,942	5.6%	389
2012	99,299,000	3,604,799	95,694,201	5.8%	408
2013	97,479,790	3,593,718	93,886,072	5.3%	392
2014	95,530,582	3,575,431	91,955,151	5.3%	375
2015	92,820,916	2,496,780	90,324,136	5.2%	360
2016	84,223,691	5,894,194	78,329,497	4.4%	\$ 303
2017	81,000,000	3,316,470	77,683,530	4.4%	N/A
2018	\$ 80,895,000	3,395,895	\$ 77,499,105	4.3%	N/A

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

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

See the Schedule of Demographic and Economic Statistics for population data.

Fiscal years 2012, 2013, 2014, 2015, 2016 and 2017 are shown net of related premiums, discounts, and adjustment

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**Table 11**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**AS OF JUNE 30, 2018**

**UNAUDITED**

<b>Governmental Unit</b>	<b>Governmental Activities Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Debt Repaid with Property Taxes:			
City of York	\$ 5,339,451	100.0%	\$ 5,339,451
York County Government	\$ 142,997,283	8.0%	11,374,076
Subtotal, Overlapping Debt			16,713,527
York School District One Direct Debt			84,192,000
Total Direct and Overlapping Debt			<u>\$ 100,905,527</u>

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

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

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

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 12

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 7,049,955	7,225,861	7,166,700	7,409,001	7,494,572	7,726,575	7,814,198	8,119,039	8,039,846	\$ 8,181,006
Total Net Debt Applicable to Debt Limit	435,411	356,955	286,000	3,213,528	2,881,895	2,549,370	2,224,463	1,965,868	1,705,657	1,440,603
Legal Debt Margin	\$ 6,614,544	6,868,906	6,880,700	4,195,473	4,612,677	5,177,205	5,589,735	6,153,171	6,334,189	\$ 6,740,403
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	6.2%	4.9%	4.0%	43.4%	38.5%	33.0%	28.5%	24.2%	21.2%	17.6%

Legal Debt Margin Calculation for Fiscal Year

Total Assessed Value	\$ 102,262,577
Debt Limit (8% of Total Assessed Value)	8,181,006
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	87,603,000
Less: Debt Service Fund Balance	(1,559,397)
Less: Debt Issued Through Referendum	(84,603,000)
Total Amount of Debt Applicable to Debt Limit	1,440,603
Legal Debt Margin	\$ 6,740,403

Note: Article Eight (8), Section Seven (7) of the South Carolina Constitution of 1895, as amended, provides that no government shall incur any bonded debt which shall exceed

Assessed value obtained from York County Auditor's Office.



**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**TABLE 13**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>(1) Population</b>	<b>(2) Personal Income*</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>
2009	227,003	\$ 7,559,634	\$ 33,302	5,091	15.2%
2010	226,073	7,468,372	32,906	5,035	15.8%
2011	230,528	7,850,232	34,053	4,967	13.0%
2012	234,635	8,364,450	35,649	4,933	10.8%
2013	239,363	8,781,682	36,688	4,906	8.2%
2014	245,124	9,299,290	37,903	4,931	5.9%
2015	251,195	9,992,132	39,778	4,973	6.0%
2016	258,526	\$ 10,486,063	\$ 40,561	4,946	4.9%
2017	266,439	N/A	N/A	4,946	4.0%
2018	N/A	N/A	N/A	5,004	4.0%

**Data Sources:**

- (1) South Carolina Division of Research and Statistics. This number represents the County population.
- (2) U.S. Department of Commerce, Bureau of the Census.  
These numbers represent the County personal income and per capita income.
- (3) York School District One.
- (4) South Carolina Employment Security Commission.  
This number represents the County unemployment rate for the month of June for the corresponding year.
- \* In Thousands.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**TABLE 14**

**PRINCIPAL EMPLOYERS**

**CURRENT YEAR AND NINE YEARS AGO**

**UNAUDITED**

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Lash Group	2,900	1	2.32%			
Rock Hill School District	2,484	2	1.98%	2,475	1	2.44%
Ross Stores, Inc.	2,391	3	1.91%	1,800	4	1.77%
LPL Financial	2,000	4	1.60%			
Fort Mill School District	1,732	5	1.38%	1,226	6	1.21%
Piedmont Medical Center	1,650	6	1.32%	1,480	5	1.46%
Schaeffler Group USA, Inc.	1,304	7				
Winthrop University	1,170	8	0.93%	853	10	0.84%
York County	1,146	9	0.92%			
Clover School District	1,137	10	0.91%			
Wells Fargo	-		0.00%	2,154	2	2.12%
CitiFinancial	-		-	1,850	3	1.82%
Duke Power Catawba Nuclear Station	-		-	1,200	7	1.18%
Comporium Communications	-		-	1,035	8	1.02%
Abitibi Bowater	-		-	912	9	0.90%
<b>Totals</b>	<b>17,914</b>		<b>13.27%</b>	<b>14,985</b>		<b>14.76%</b>

Source: York County Government and South Carolina Virtual Onestop.

Note: These figures represent Top County Employers. Figures are not available for York School District One.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 15

FULL-TIME EQUIVALENT YORK SCHOOL DISTRICT ONE EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 <sup>1</sup>
Governmental Activities										
Instruction										
Teachers	365	358	350	344	341	338	340	345	350	352
Librarians	8	8	8	9	9	8	8	8	8	8
Guidance	13	13	13	14	15	16	17	17	17	17
Other	95	93	95	95	95	89	91	94	97	98
Support Services										
Principals	9	9	9	10	10	10	10	10	10	10
Assistant Principals	12	12	12	13	13	12	12	12	13	13
Administration	10	10	10	11	11	11	11	11	11	11
Other	188	186	192	195	195	188	188	189	189	254
Business-Type Activities										
Food Services	50	53	55	59	57	57	59	59	60	
Total	750	742	744	750	746	729	736	745	755	763

Source: York School District One Personnel Department

Note 1: 2018 amounts have been restated to reflect the conversion of Food Service from business-type activities to governmental activities.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 16

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Pupil Enrollment	Modified Accrual Basis of Accounting			Accrual Basis of Accounting			Teaching Staff	Pupil/ Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
		Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change			
2009	5,091	\$ 43,878,901	\$ 8,619	-6.4%	\$45,820,961	\$ 9,000	1.3%	365	14	52.8%
2010	5,035	45,152,776	8,968	4.0%	45,930,645	9,122	1.4%	358	14	57.0%
2011	4,967	44,732,540	9,006	0.4%	46,656,012	9,393	3.0%	350	14	59.0%
2012	4,933	47,494,006	9,628	6.9%	52,383,289	10,619	13.0%	344	14	63.0%
2013	4,906	46,878,379	9,555	-0.8%	52,566,633	10,715	0.9%	341	14	61.4%
2014	4,931	44,914,336	9,109	-4.7%	50,631,043	10,268	-4.2%	338	15	61.7%
2015	4,973	46,906,921	9,432	3.5%	53,082,422	10,674	4.0%	340	15	62.4%
2016	4,946	49,013,748	9,910	5.1%	55,412,191	11,203	5.0%	345	14	65.8%
2017	4,946	50,814,567	10,274	3.7%	58,681,580	11,864	5.9%	350	14	64.5%
2018	5,004	\$ 56,312,308	\$ 11,253	9.5%	\$66,905,258	\$ 13,370	12.7%	352	14	61.1%

Sources: York School District One

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

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

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**CAPITAL ASSET STATISTICS BY FUNCTION**

TABLE 17

**LAST TEN FISCAL YEARS**

**UNAUDITED**

School	Fiscal Year									
	2009	2010	2011 <sup>1</sup>	2012 <sup>2</sup>	2013	2014	2015	2016	2017	2018
<b>Elementary</b>										
Cotton Belt Elementary (1998)										
Square Feet	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650
Capacity	695	695	695	695	695	695	695	695	695	695
Enrollment	737	711	552	394	376	383	426	378	372	371
Hickory Grove-Sharon Elementary (1987)										
Square Feet <sup>1</sup>	73,769	73,769	73,769	73,769	73,769	73,769	73,769	73,769	73,769	73,769
Capacity	580	580	580	580	580	580	580	580	580	580
Enrollment	386	397	405	368	383	383	375	369	392	412
Hunter Street Elementary (1982)										
Square Feet <sup>2</sup>	90,093	90,093	90,093	90,093	90,093	90,093	90,093	90,093	90,093	90,093
Capacity	920	920	920	920	920	920	920	920	920	920
Enrollment	757	738	589	411	388	378	376	398	388	399
Jefferson Elementary (1998)										
Square Feet	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	615	609	499	432	417	425	412	420	417	452
Harold C Johnson Elementary (2012)										
Square Feet	-	-	-	124,245	124,245	124,245	124,245	124,245	124,245	124,245
Capacity	-	-	-	800	800	800	800	800	800	800
Enrollment	-	-	-	407	415	418	419	420	407	433

(Continued)

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)**

TABLE 17

**LAST TEN FISCAL YEARS**

**UNAUDITED**

School	Fiscal Year									
	2009	2010	2011 <sup>1</sup>	2012 <sup>2</sup>	2013	2014	2015	2016	2017	2018
<b><u>Intermediate School</u></b>										
York Intermediate School (1988)										
Square Feet	119,536	119,536	119,536	119,536	119,536	119,536	119,536	119,536	119,536	119,536
Capacity	765	765	765	765	765	765	765	765	765	765
Enrollment	682	707	672	707	683	639	604	613	646	648
<b><u>Middle School</u></b>										
York Middle School (1974)										
Square Feet	192,692	192,692	192,692	192,692	192,692	192,692	192,692	192,692	192,692	192,692
Capacity	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030
Enrollment	821	769	783	795	823	836	788	766	751	744
<b><u>High</u></b>										
York Comprehensive High & Technology Center (2010)										
Square Feet	-	-	385,326	385,326	385,326	385,326	385,326	385,326	385,326	385,326
Capacity	1,030	1,030	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Enrollment	1,068	1,073	1,440	1,419	1,421	1,469	1,573	1,582	1,573	1,545

Sources: Various York School District One Departments.

Note: 1 In 2011, the District opened a new high school and technology center. York Junior High School moved into the old high school building.  
Harold C Johnson Middle School moved into the old York Junior High School.

2 In 2012, the District opened Harold C Johnson Elementary School.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2018**

<b>LEA Subfund Code</b>	<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>US Department of Agriculture</b>				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 551,528
600	National School Lunch Program	10.555	N/A	1,472,482
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	172,054
875	Summer Feeding Program	10.559	N/A	95,423
Total 10.553, 10.555, & 10.559				2,291,487
<b>Passed Through Department of Social Services</b>				
600	Child and Adult Care Food Program	10.558	N/A	210,337
<b>Total US Department of Agriculture</b>				<b>2,501,824</b>
<b>US Department of Education</b>				
Pass-through State Department of Education:				
201	Title I	84.010	18BA	1,601,065
201	Title I - Mini Grant	84.010	S010A160040	45,887
Total 84.010				1,646,952
Individuals with Disabilities Education Act:				
203	Special Education - Grants to States	84.027	16CA	75,833
203	Special Education - Grants to States	84.027	17CA	386,962
203	Special Education - Grants to States	84.027	18CA	792,181
212	Extended School Year	84.027A	ESY	11,142
205	Special Education - Preschool Grants	84.173	17CG	1,196
205	Special Education - Preschool Grants	84.173	18CG	48,962
Total 84.027 & 84.173				1,316,276
207	Occupational Education	84.048A	18VA	89,602
Total 84.048A				89,602
264	Title III - English Language Acquisition	84.365A	18BP	1,048
Total 84.365A				1,048
267	Improving Teacher Quality	84.367A	17TQ	45
267	Improving Teacher Quality	84.367A	18TQ	179,375
267	Improving Teacher Quality - Mini Grant	84.367A	18Mini	3,203
267	Improving Teacher Quality - Mini Grant 2	84.367A	18Mini	4,918
Total 84.367A				187,541
225	STEM Alliance	84.366B	18MS	79,426
Total 84.366B				79,426
<b>Total US Department of Education</b>				<b>3,320,845</b>
<b>US Department of Defense</b>				
Direct Programs:				
271	JROTC	12.000	N/A	77,340
<b>Total US Department of Defense</b>				<b>77,340</b>
<b>US Department of the Interior</b>				
Direct Programs:				
871	Kings Mountain Grant	15.931	N/A	710
<b>Total US Department of the Interior</b>				<b>710</b>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>				<b>\$ 5,900,719</b>

There were no expenditures to subrecipients for the year ended June 30, 2018.

See accompanying notes to the schedule of expenditures of federal awards.

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2018**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of York School District One, York, South Carolina (the "District") for the year ended June 30, 2018. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B – Basis of Accounting**

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

**C – Relationship to Financial Statements**

Federal award expenditures are reported in the District's financial statements as expenditures in the Special Revenue Funds.

**D – Relationship to Federal Financial Reports**

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

**E – Indirect Cost Rate**

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





# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

### INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
York School District One  
York, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of York School District One, South Carolina (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2018.

#### Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

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## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Greene Finney, LLP".

Greene Finney, LLP  
Mauldin, South Carolina  
October 30, 2018



**Greene Finney, LLP**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

The Board of Trustees  
York School District One  
York, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited York School District One, South Carolina's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**Report on Internal Control Over Compliance**

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

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

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

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

A handwritten signature in cursive script that reads "Greene Finney, LLP".

Greene Finney, LLP  
Mauldin, South Carolina  
October 30, 2018

**YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2018**

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There were no audit findings in the prior year.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2018

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X No
Significant deficiency(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ X None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ X No
Significant deficiency(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?	_____ Yes	_____ X No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	National School Breakfast and Lunch Cluster

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

NONE

**Section III - Federal Awards Findings and Questioned Costs**

NONE