

***COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016***

BUILDING THE FOUNDATION FOR TOMORROW BY SPARKING
POTENTIAL AND INSPIRING SUCCESS.



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

YORK SCHOOL DISTRICT ONE

York, South Carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016



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, 2016

TABLE OF CONTENTS

DESCRIPTION	PAGE NUMBER
INTRODUCTORY SECTION	
Organization Chart	1
List of Principal Officials	2
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting - GFOA	13
Certificate of Excellence in Financial Reporting - ASBO	14
FINANCIAL SECTION	
Independent Auditor's Report	15
Management's Discussion and Analysis	17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet - Governmental Funds	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	34
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	36
Statement of Net Position - Proprietary Fund	37
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	38
Statement of Cash Flows - Proprietary Fund	39
Statement of Assets and Liabilities - Fiduciary Fund	40
Notes to the Financial Statements	41
Required Supplementary Information:	
<u>Budgetary Comparison Schedule - General Fund</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual	Schedule A-1 75
<u>Pension Plan Schedules:</u>	
Schedule of the District's Proportionate Share of the Net Pension Liability - South Carolina Retirement System	76
Schedule of the District's Contributions - South Carolina Retirement System	77
Schedule of the District's Proportionate Share of the Net Pension Liability - Police Officers Retirement System	78
Schedule of the District's Contributions - Police Officers Retirement System	79

(Continued)

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

DESCRIPTION		PAGE NUMBER
FINANCIAL SECTION (CONTINUED)		
Supplementary Information:		
Combining and Individual Fund Financial Schedules:		
<u>General Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual	Schedule A-2	83
<u>Special Revenue Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule B-1	92
Supplemental Listing of LEA Subfund Codes and Titles	Schedule B-2	104
Summary Schedule for Other Designated Restricted State Grants	Schedule B-3	105
<u>Education Improvement Act</u>		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs	Schedule B-4	106
Summary Schedule by Program	Schedule B-5	110
<u>Other Schedules</u>		
Detailed Schedule of Due to State Department of Education/Federal Government	Schedule B-6	111
<u>Debt Service Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule C-1	115
<u>Capital Projects Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule D-1	119
<u>Proprietary Fund - Enterprise Fund - Food Service Fund</u>		
Schedule of Revenues, Expenses, and Changes in Fund Net Position	Schedule E-1	123
<u>Fiduciary Fund - Agency - Pupil Activity Fund</u>		
Schedule of Receipts, Disbursements, and Changes in Due to Student Organizations	Schedule F-1	127
Schedule of Changes in Assets and Liabilities in Due to Student Organizations	Schedule F-2	128
Supplemental Schedule:		
<u>Supplemental State Department of Education Schedules</u>		
Location Reconciliation Schedule		129
STATISTICAL SECTION (UNAUDITED)		
<u>Financial Trends Information</u>		
Net Position by Component - Last Ten Fiscal Years - Accrual Basis of Accounting	Table 1	133
Changes in Net Position - Last Ten Fiscal Years - Accrual Basis of Accounting	Table 2	134
Fund Balances of Governmental Funds - Last Ten Fiscal Years - Modified Accrual Basis of Accounting	Table 3	136
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years - Modified Accrual Basis of Accounting	Table 4	137

(Continued)

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

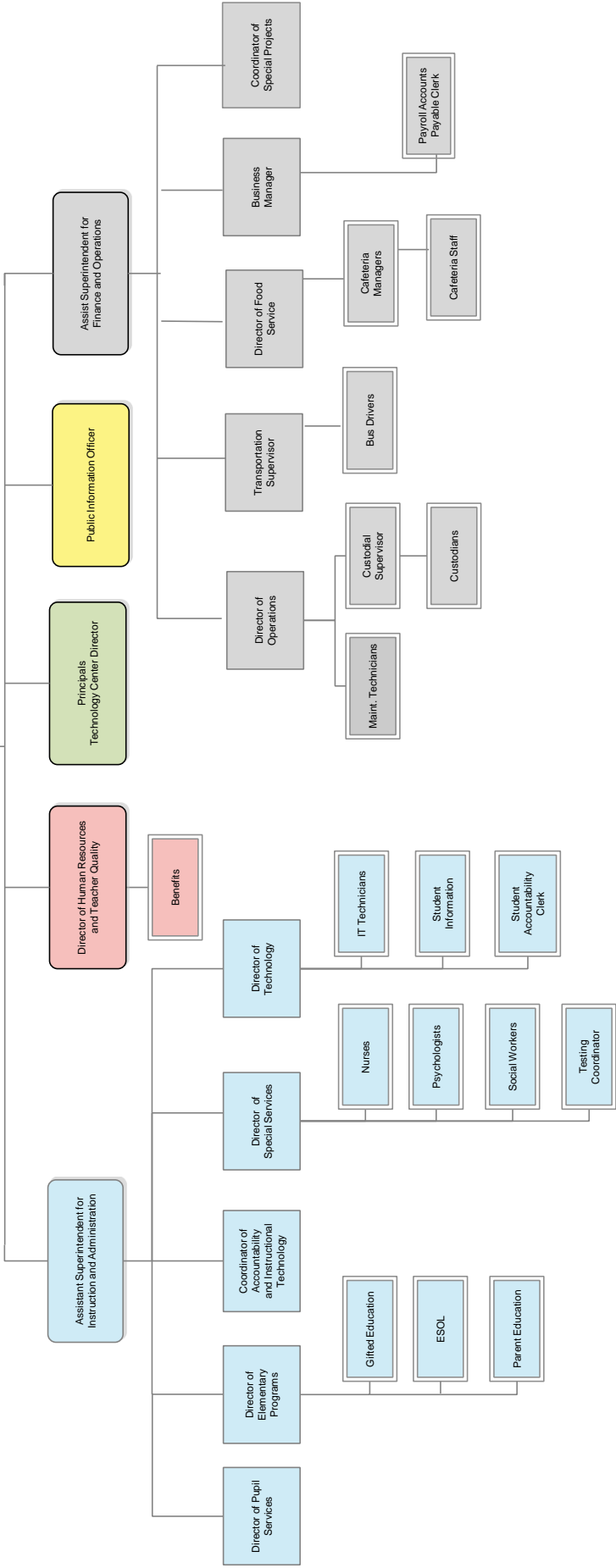
DESCRIPTION		PAGE NUMBER
STATISTICAL SECTION (UNAUDITED) (CONTINUED)		
<u>Revenue Capacity Information</u>		
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	Table 5	139
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	Table 6	140
Principal Property Taxpayers - Current and Nine Years Ago	Table 7	141
Property Tax Levies and Collections - Last Ten Fiscal Years	Table 8	142
<u>Debt Capacity Information</u>		
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	Table 9	143
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	Table 10	144
Direct and Overlapping Governmental Activities Debt - As of June 30, 2016	Table 11	145
Legal Debt Margin Information - Last Ten Fiscal Years	Table 12	146
<u>Demographic and Economic Information</u>		
Demographic and Economic Statistics - Last Ten Fiscal Years	Table 13	147
Principal Employers - Current Year and Nine Years Ago	Table 14	148
<u>Schedule of Operating Information</u>		
Full-Time Equivalent York School District One Employees by Function - Last Ten Fiscal Years	Table 15	149
Operating Indicators by Function - Last Ten Fiscal Years	Table 16	150
Capital Asset Statistics by Function - Last Ten Fiscal Years	Table 17	151
COMPLIANCE SECTION		
Schedule of Expenditures of Federal Awards		153
Notes to the Schedule of Expenditures of Federal Awards		154
Independent Auditor's Report - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		155
Independent Auditor's Report - Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance		157
Summary Schedule of Prior Audit Findings		159
Schedule of Findings and Questioned Costs		160



People of York School District One

Board of Trustees

Superintendent



YORK SCHOOL DISTRICT ONE

List of Principal Officials

June 30, 2016

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

Chris Revels, Chair	Betty Johnson	Mike Smith
	Diane Howell, Secretary	Dr. Al Johnson
	Dennis Wells	Chris Stephenson, Vice Chair

Administrative

Title

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

Vernon Prosser, Ed.D.

Amy Hagner

Patricia Allen

Oliver Love

Beverley Bowman

Bryan Greeson

Sandy Brackett

Todd Moon

Stan Quinn

Lisa Spangler

Ray Stemmer

Penny Sanders

Diana Smith, Ed.D.

Sherry Hernandez

Tim Cooper

Vernon Prosser
Superintendent



Amy Hagner
Assistant Superintendent

September 27, 2016

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, 2016. 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 & Horton, 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, 2016 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, 2016 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 \$101,487,984 for tax year 2015.

The District was created in 1954 by the consolidation of seven school districts within the County. The District has approximately 4,946 students in 2015-2016. For the 2016-2017 fiscal year, the district is projecting enrollment to remain about the same. The district currently operates ten schools: Hunter Street Elementary School (K-4), Jefferson Elementary School (K-4), Cotton Belt Elementary (K-4), Hickory Grove Sharon Elementary (K-6), Harold C Johnson Elementary (K-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 Catawba Mental Health, 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 a population of 251,195 in 2015. This figure represents an approximate 11% 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 \$37,903 in 2014. The County's unemployment rate was 5.4% at June 30, 2016, which is slightly lower than the rate at June 30, 2015, which was 6.0%. 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 7,883 in 2012.

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 2015-2016 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.
- The District purchased APEX licensing, enabling students to participate in online courses currently not offered in the traditional high school setting.
- 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 bullying to mental health issues facing students.
- 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 York County Early Learning Partnership 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. They provide prevention and treatment for uninsured and underinsured children in the district.
- Summer Reading Camp, implemented through funding through the SDE, served third grade students reading significantly below grade level through an intensive six week summer program.
- 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 8th 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.
- Through an At Risk Student Innovation Grant, the district offered after school and summer intercession programs to 150 at risk students at York Intermediate School, Jefferson Elementary School, and Harold C Johnson Elementary School.
- 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 inservice training.
- 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.

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 high school, purchased devices for individual schools and implemented a complete disaster recovery plan.
- The District completed a complete wireless overlay and we now have wireless access throughout the district.

Construction:

- Most of the construction work during the year related to enhancing safety and security features at all of the district facilities.

District-Wide Accomplishments for FY 2015-2016 were as follows:

- The District had thirteen 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.

- Five schools received Palmetto Gold and Silver Awards from the South Carolina Department of Education. The award program is designed to recognize and reward schools for attaining high levels of absolute performance, for attaining high rates of growth, and for making substantial progress in closing the achievement gap between disaggregated groups. Cotton Belt Elementary, York Comprehensive High School, Jefferson Elementary, York Intermediate School and Floyd D Johnson Technology Center received the awards.
- York Comprehensive High School Principal, Mr. Christopher Black, was named the State 4A Principal of the Year by the South Carolina High School League.
- York Comprehensive High School Athletic Director, Mr. Steve Boyd, was named State 4A Athletic Director of the Year by the South Carolina High School League.
- Three students from York Comprehensive High School raised \$1,265.22 in the district's second "Bigger than Bullying 5K." The students developed the idea for a DECA project that would involve students, staff and the entire community in the awareness of bullying and the school district's efforts to prevent bullying.
- The District was awarded six National School Lunch Program Assistance grants in the amount of \$97,289. The grant allowed the District to purchase much needed equipment for kitchens of six schools in the district.
- The District was awarded a grant from the South Carolina Department of Education to offer an extension to the regular Summer Reading Camp program. This program provided enhancement opportunities for children through collaboration with community groups including Kings Mountain National Military Park, York County Cultural and Heritage Museum and Bricks 4 Kids. The grant totaled \$45,000.
- The District continued the Olweus Bullying Prevention Program throughout the district and planned and implemented activities in conjunction with National Unity Day to prevent bullying. Students in the DECA program at Floyd D Johnson Technology Center, planned and implemented a 5K race as a community service project.
- The District, in collaboration with community partners including Winthrop University, S2TEM Center, Catawba Region Education Consortium, York County Culture and Heritage Museums, and Chester School District received the second round of funding through the Math Science Partnership Grant. The grant, totaling \$282,543 for year 3 of 3 years, provided professional development focusing on Math, Science, Engineering, and Technology for over 100 teachers in the form of graduate courses, summer institutes, summer immersion experience and externships with local businesses and industry.
- The District received an additional Math Science Partnership Grant to support Science, Technology, Engineering, and/or Mathematics (STEM) professional development at the middle school level. The district will provide professional development focused on technology and partner with Winthrop University and Discovery Place Education. The one year grant total is \$142,562.
- The District received two At Risk Student Innovation Grants in the amount of \$147,906 (total). The grant provides funding for an after school enrichment program and a summer intercession for at risk students at Jefferson Elementary School, Harold C Johnson Elementary School and York Intermediate School. The grant also provided curriculum supplies and materials for implementation of Positive Action.

- The District participated in the York County Summer Feeding Program. Our students received nutritionally balanced meals at Jefferson Elementary, York Intermediate School, York Middle School, York Comprehensive High School, and York One through a partnership with the York County Summer Feeding Program. In addition, other students not participating in summer programs will also be able to receive meals through community feeding sites.
- The District received a grant for the fourth year in the amount of \$20,802 from the Developmental Disabilities Council. Through the grant, the district continued implementation of a job coach program designed to offer job shadowing and internship experiences for high school students with disabilities in order to prepare them for employment upon completion of high school.
- Using Title III funds, the district initiated a two day per week after school program at Harold C. Johnson Elementary School for students with limited English Proficiency.
- 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. 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 Finance, 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 Director of Finance 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 30th. 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 2014-2015 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 \$8,385,819. 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, and Horton, LLP, was selected by the District's Board of Trustees to perform the Districts' annual audit for the fiscal years ending 2002 through 2016. In addition, the audit was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133. 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, 2015 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 fourteenth 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.

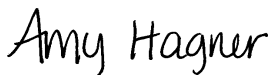
Acknowledgements

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, & Horton 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.

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, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

York School District One

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



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, the business-type 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, 2016, 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, the business-type activities, each major fund, and the aggregate remaining fund information of York School District One, South Carolina, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Supplementary and Other Information

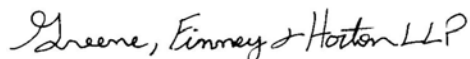
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *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 September 27, 2016 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.



Greene, Finney & Horton, LLP
Mauldin, South Carolina
September 27, 2016

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2016

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, 2016. 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 2016 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 \$24.2 million. Of this amount, approximately \$37.4 million was the District's unrestricted net deficit.
- The District's total net position decreased by approximately \$3.2 million compared to a \$0.9 million decrease in the prior year. The change compared to the prior year is primarily attributable to a loss from refunding recognized fully in fiscal year 2016.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$18.5 million. The District had an increase of approximately \$1.9 million in the current year compared to an increase of approximately \$1.2 million in the prior year. The change compared to the prior year is primarily attributable to increased revenues.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately \$8.4 million, which is approximately 21% percent of total General Fund expenditures. The entire amount is unassigned.
- The District's total capital assets decreased approximately \$5.4 million (5%) during the current fiscal year. The key factor was depreciation expense of approximately \$5.7 million, offset by various additions.
- The District's total gross debt decreased by approximately \$6.5 million (7%) during the current fiscal year which was due to regularly scheduled principal payments of approximately \$2.5 million. The remainder of the decrease was due to the 2016 refunding activity.
- During the fiscal year 2016, the District's governmental fund type revenues were approximately \$57.6 million compared to approximately \$55.9 million in the prior year. This increase was primarily due to higher local and state revenues.
- The District had approximately \$61.6 million in expenses related to governmental activities; approximately \$27.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) and transfers in combined were approximately \$30.5 million and provided the remaining funding.

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.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Reporting the District as a Whole - Government-Wide Financial Statements (Continued)

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). The District's activities are divided into two categories in the government-wide statements:

- **Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Local, state, and federal funds finance most of these activities.
- **Business-type activities:** The District charges fees to help cover the cost of certain services that it provides. Included within this activity is the food service program.

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

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 three categories: governmental funds, proprietary 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. Most 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.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Reporting the District's Major Funds - Fund Financial Statements (Continued)

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 five 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 and Capital Projects 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.

Proprietary Fund

The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its food service operation. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail; therefore, the proprietary fund financial statements provide more detailed information for the food service operation, which is considered a major fund of the District. The proprietary 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, 2016

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 \$24.2 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 2016, as well as the preceding fiscal year 2015:

**Table 1
Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$ 26,783,466	25,516,380	1,556,637	1,316,079	28,340,103	\$ 26,832,459
Capital Assets, Net	108,373,874	113,840,410	525,177	506,164	108,899,051	114,346,574
Total Assets	<u>135,157,340</u>	<u>139,356,790</u>	<u>2,081,814</u>	<u>1,822,243</u>	<u>137,239,154</u>	<u>141,179,033</u>
Deferred Outflows of Resources						
Deferred Pension Charges	<u>4,507,070</u>	<u>4,514,439</u>	<u>52,588</u>	<u>50,027</u>	<u>4,559,658</u>	<u>4,564,466</u>
Liabilities						
Other Liabilities	5,701,234	6,844,898	2,531	26,718	5,703,765	6,871,616
Long-Term Liabilities	158,776,758	154,818,822	657,432	577,454	159,434,190	155,396,276
Total Liabilities	<u>164,477,992</u>	<u>161,663,720</u>	<u>659,963</u>	<u>604,172</u>	<u>165,137,955</u>	<u>162,267,892</u>
Deferred Inflows of Resources						
Deferred Pension Credits	<u>847,467</u>	<u>4,393,242</u>	<u>9,888</u>	<u>48,684</u>	<u>857,355</u>	<u>4,441,926</u>
Net Position						
Net Investment						
in Capital Assets	6,943,438	14,143,451	525,177	506,164	7,468,615	14,649,615
Restricted	5,687,962	2,184,969	-	-	5,687,962	2,184,969
Unrestricted	(38,292,449)	(38,514,153)	939,374	713,250	(37,353,075)	(37,800,903)
Total Net Position	<u>\$ (25,661,049)</u>	<u>(22,185,733)</u>	<u>1,464,551</u>	<u>1,219,414</u>	<u>(24,196,498)</u>	<u>\$ (20,966,319)</u>

The District's current and other assets at June 30, 2016 increased by approximately \$1.5 million from the prior year primarily due to an increase in cash. The District's capital assets at June 30, 2016 decreased by approximately \$5.4 million from the prior year due to depreciation expense of approximately \$5.7 million, partially offset by various additions. The District's total liabilities at June 30, 2016 increased by approximately \$2.9 million from the prior year primarily due to an increase in the net pension liability.

The District's net position decreased by approximately \$3.2 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.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The largest portion of the District's net position (approximately \$7.5 million) 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 \$5.7 million represents resources that are subject to external restrictions on how they may be used. The restriction is for debt service. The remaining portion of the District's net position is unrestricted net position (deficit) of approximately (\$37.4) million 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 2016 as well as for the preceding fiscal year 2015:

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services	\$ -	-	615,767	596,771	615,767	\$ 596,771
Operating Grants	27,489,089	26,777,487	2,482,238	2,448,014	29,971,327	29,225,501
Capital Grants	107,795	-	-	-	107,795	-
General Revenues:						
Taxes	30,335,197	28,588,806	-	-	30,335,197	28,588,806
Other	205,774	795,308	1,664	561	207,438	795,869
Total Revenues	58,137,855	56,161,601	3,099,669	3,045,346	61,237,524	59,206,947
Program Expenses						
Instruction	32,481,326	31,353,768	-	-	32,481,326	31,353,768
Supporting Services	22,930,865	21,728,654	-	-	22,930,865	21,728,654
Interest and Other Charges	6,209,181	4,170,449	-	-	6,209,181	4,170,449
Food Service	-	-	2,846,331	2,816,279	2,846,331	2,816,279
Total Program Expenses	61,621,372	57,252,871	2,846,331	2,816,279	64,467,703	60,069,150
Excess (Deficiency)						
Before Transfers	(3,483,517)	(1,091,270)	253,338	229,067	(3,230,179)	(862,203)
Transfers In (Out)	8,201	135,861	(8,201)	(135,861)	-	-
Change in Net Position	(3,475,316)	(955,409)	245,137	93,206	(3,230,179)	(862,203)
Net Position, Beginning of Year	(22,185,733)	(21,230,324)	1,219,414	1,126,208	(20,966,319)	(20,104,116)
Net Position, End of Year	\$ (25,661,049)	(22,185,733)	1,464,551	1,219,414	(24,196,498)	\$ (20,966,319)

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities

The District's governmental activities net position decreased approximately \$3.5 million in 2016 compared to a decrease of approximately \$1.0 million in the prior year. This decrease was more than in the prior year primarily due to an increase in the net pension liability and a loss on the 2016 refunding recognized entirely in the current fiscal year. Depreciation expense of approximately \$5.7 million was a significant reason for the decrease in the District's governmental activities net position.

Business-Type Activities

The District's business-type activities increased net position in 2016 by approximately \$0.2 million, compared to an increase of approximately \$0.1 million in the prior year, primarily due to a more beneficial agreement with the District's food service provider (the District changed providers for fiscal year 2016).

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, 2016, the District's governmental funds reported a combined fund balance of approximately \$18.5 million as compared to approximately \$16.6 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, 2016, the District's unassigned fund balance for all governmental funds was approximately \$8.4 million which solely represents the General Fund. Of the remainder, approximately \$0.7 million and \$3.5 million is restricted and assigned for capital projects, respectively, and approximately \$5.9 million is restricted for debt service.

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 \$8.4 million which was all unassigned.

The District's General Fund balance increased approximately 11% from the prior year. The fund balance in the General Fund is approximately 21% of General Fund expenditures.

The District's Major Funds include General Fund, as described above, Special Revenue Fund, Special Revenue-EIA Fund, Debt Service Fund, and Capital Projects 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 \$3.4 million in 2016 due to a transfer from the capital projects fund. The fund balance for the Debt Service Fund at June 30, 2016 is approximately \$5.9 million which is restricted for the payment of debt service. Revenues decreased over the prior year by approximately \$0.4 million, or 5%, primarily due to a decrease in federal sources. Regularly scheduled debt service payments decreased over the prior year by approximately \$1.2 million due to decreased 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 \$2.3 million in 2016 to approximately \$4.3 million at June 30, 2016. The primary reason is due to a transfer to the Debt Service Fund of approximately \$3.0 million.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2016

FUND ANALYSIS (CONTINUED)

Proprietary Funds

The District's only Proprietary Fund is the Food Service Fund. This program had a net income of approximately \$0.2 million for the fiscal year ended June 30, 2016, compared to net income of approximately \$0.1 million for the prior year. The increase from the prior year is due to higher meal sales and a more favorable contract with the District's food service provider.

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. During the course of fiscal year 2016, budget amendments between functions within the General Fund were made, but none that caused the total budget to exceed the original approved General Fund budget. During fiscal year 2016, local revenue sources (taxes) were more than budgeted due to an increase in assessed value and an increase in millage. Actual expenses came in close to what was budgeted. The District's goal in 2016 was to restore the unassigned fund balance and the district continues to budget conservatively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the District had approximately \$108.9 million in net capital assets. The total decrease in the District's net investment in capital assets was approximately \$5.4 million or approximately 5%. While there was approximately \$0.3 million in additions to capital assets, 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 \$0.3 million.

Table 3 shows fiscal 2016 balances compared to 2015:

**Table 3
Capital Assets at June 30, 2016 and June 30, 2015
(Net of Depreciation)**

	Government Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land and Land Improvements	\$ 3,129,672	3,129,672	-	-	3,129,672	\$ 3,129,672
Buildings, Improvements and Equipment	105,244,202	110,710,738	525,177	506,164	105,769,379	111,216,902
Totals	\$ 108,373,874	113,840,410	525,177	506,164	108,899,051	\$ 114,346,574

The District does not have significant outstanding construction commitments at June 30, 2016. 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, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

At fiscal year-end, the District had approximately \$90.0 million in gross bonds and capital leases outstanding versus approximately \$96.4 million in the prior year, a decrease of approximately 7% 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 2016	Governmental Activities 2015
General Obligation Bond, 2009	\$ 315,000	\$ 49,800,000
General Obligation Refunding Bond, 2011	-	1,615,000
Qualified Zone Academy GOB, Series 2012	3,000,000	3,000,000
Capital Lease, 2013	8,852,000	9,604,000
General Obligation Refunding Bonds, 2015	32,405,000	32,405,000
General Obligation Refunding Bonds, 2016	45,380,000	-
Total Gross Debt	<u>\$ 89,952,000</u>	<u>\$ 96,424,000</u>

Key highlights related to the District's gross debt for the fiscal year 2016 are as follows:

- Principal payments of approximately \$2.5 million were made on the various bonds.
- The Series 2009A General Obligations Bonds were partially advanced refunded with the Series 2016A General Obligation Refunding 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, 2016, the District's assessed property valuation was approximately \$101.5 million. The District had approximately \$2.0 million (\$3.0 million of the Qualified Zone Academy GOB less the funded debt service for the Qualified Zone Academy GOB of approximately \$1.0 million) of bonded debt subject to the 8% limit of approximately \$8.1 million resulting in unused legal debt margin of approximately \$6.1 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 \$101,488,000 million in 2016 which is a 4% increase from 2016. 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, 2016

FY 2017 BUDGETS

The FY 17 General Fund Budget of approximately \$43.3 million represents a 7% increase over FY 16. The main priorities for the FY 17 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 7.0% over 2016 (from \$2,197 to \$ 2,350). 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 2.5 mill increase (increased to 184.6 mills from 182.1 mills in the prior year) for the 2016 property tax year for general operations of the District. The Board of Trustees also approved to maintain 78 mills for the 2016 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.



BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

JUNE 30, 2016

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	\$ 9,426,395	893,933	\$ 10,320,328
Cash and Cash Equivalents, Restricted	62,955	-	62,955
Investments, Restricted	1,034,132	-	1,034,132
Cash and Investments Held by County Treasurer	10,919,520	-	10,919,520
Property Taxes Receivable, Net	4,551,260	-	4,551,260
Accounts Receivable, Net	-	2,150	2,150
Other Receivables, Net	23,662	-	23,662
Due from State	183,401	-	183,401
Due from Federal	1,197,689	-	1,197,689
Due from Other Governments	42,475	-	42,475
Internal Balances	(658,023)	658,023	-
Inventories and Prepaid Items	-	2,531	2,531
Capital Assets:			
Non-Depreciable	3,129,672	-	3,129,672
Depreciable, Net	105,244,202	525,177	105,769,379
TOTAL ASSETS	135,157,340	2,081,814	137,239,154
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	4,507,070	52,588	4,559,658
LIABILITIES			
Accounts Payable and Accrued Expenses	3,932,328	-	3,932,328
Accrued Interest Payable	1,386,321	-	1,386,321
Unearned Revenue	382,585	2,531	385,116
Non-Current Liabilities:			
Net Pension Liability	56,345,790	657,432	57,003,222
Long-Term Obligations - Due Within One Year	2,850,000	-	2,850,000
Long-Term Obligations - Due in More than One Year	99,580,968	-	99,580,968
TOTAL LIABILITIES	164,477,992	659,963	165,137,955
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	847,467	9,888	857,355
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	6,943,438	525,177	7,468,615
Restricted For:			
Debt Service	5,687,962	-	5,687,962
Unrestricted	(38,292,449)	939,374	(37,353,075)
TOTAL NET POSITION	\$ (25,661,049)	1,464,551	\$ (24,196,498)

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, 2016

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	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental Activities:							
Instruction	\$32,481,326	-	17,397,992	-	(15,083,334)	-	\$(15,083,334)
Support Services	22,930,865	-	10,091,097	107,795	(12,731,973)	-	(12,731,973)
Interest on Long-Term Obligations	6,209,181	-	-	-	(6,209,181)	-	(6,209,181)
Total Governmental Activities	61,621,372	-	27,489,089	107,795	(34,024,488)	-	(34,024,488)
Business-Type Activities:							
Food Services	2,846,331	615,767	2,482,238	-	-	251,674	251,674
Total Business-Type Activities	2,846,331	615,767	2,482,238	-	-	251,674	251,674
TOTAL PRIMARY GOVERNMENT	\$ 64,467,703	615,767	29,971,327	107,795	(34,024,488)	251,674	(33,772,814)
GENERAL REVENUES:							
General Revenues:							
Property Taxes Levied for General Purposes					14,973,251	-	14,973,251
Property Taxes Levied for Debt Service					7,572,988	-	7,572,988
State Revenue in Lieu of Taxes					7,382,306	-	7,382,306
Other Taxes					406,652	-	406,652
Investment Earnings					135,668	1,664	137,332
Intergovernmental Revenue - Not Restricted to Specific Programs					36,994	-	36,994
Miscellaneous - Not Restricted to Specific Programs					33,112	-	33,112
Transfers In (Out)					8,201	(8,201)	-
Total General Revenues and Transfers					30,549,172	(6,537)	30,542,635
CHANGE IN NET POSITION					(3,475,316)	245,137	(3,230,179)
NET POSITION - Beginning of Year					(22,185,733)	1,219,414	(20,966,319)
NET POSITION - Ending of Year					\$(25,661,049)	1,464,551	\$(24,196,498)

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, 2016

	GENERAL	SPECIAL REVENUE
ASSETS		
Cash and Cash Equivalents	\$ 9,426,395	-
Cash and Cash Equivalents, Restricted	62,955	-
Investments, Restricted	-	-
Cash and Investments Held by County Treasurer	5,221,391	-
Receivables, Net:		
Taxes	3,309,618	-
Other	-	23,662
Due From:		
State	53,264	37,742
Federal	-	1,197,689
Other Governments	42,475	-
Other Funds	2,208,817	178,419
TOTAL ASSETS	\$ 20,324,915	1,437,512
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts Payable	\$ 943,899	-
Accrued Salaries, Fringe & Benefits	2,877,179	-
Accrued Expenditures	111,250	-
Due To:		
Other Funds	5,267,497	1,237,431
Unearned Revenue	-	200,081
TOTAL LIABILITIES	9,199,825	1,437,512
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	2,739,271	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,739,271	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	11,939,096	1,437,512
FUND BALANCES:		
Fund Balances		
Restricted For:		
Debt Service	-	-
Capital Projects	-	-
Assigned For:		
Capital Projects	-	-
Unassigned	8,385,819	-
TOTAL FUND BALANCES	8,385,819	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 20,324,915	1,437,512

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

SPECIAL REVENUE - EIA	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	-	\$ 9,426,395
-	-	-	62,955
-	1,034,132	-	1,034,132
-	4,973,047	725,083	10,919,521
-	1,241,642	-	4,551,260
-	-	-	23,662
92,395	-	-	183,401
-	-	-	1,197,689
-	-	-	42,475
182,504	-	4,473,770	7,043,510
274,899	7,248,821	5,198,853	\$ 34,485,000
-	-	-	\$ 943,899
-	-	-	2,877,179
-	-	-	111,250
92,395	174,536	929,674	7,701,533
182,504	-	-	382,585
274,899	174,536	929,674	12,016,446
-	1,180,091	-	3,919,362
-	1,180,091	-	3,919,362
274,899	1,354,627	929,674	15,935,808
-	5,894,194	-	5,894,194
-	-	725,083	725,083
-	-	3,544,096	3,544,096
-	-	-	8,385,819
-	5,894,194	4,269,179	18,549,192
274,899	7,248,821	5,198,853	\$ 34,485,000

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, 2016

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 18,549,192
-------------------------------------------------	----------------------

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.	3,919,362
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

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 \$175,373,545, and the accumulated depreciation is \$66,999,671.	108,373,874
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

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.	(52,686,187)
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------

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.	(1,386,322)
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

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	(89,952,000)
Net Premium	(12,203,519)
Compensated Absences	(275,449)
	(102,430,968)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (25,661,049)</u>
-----------------------------------------------------	-------------------------------

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, 2016

	GENERAL	SPECIAL REVENUE
REVENUES		
Local Sources:		
Taxes	\$ 14,585,862	-
Investment Earnings	82,344	-
Other Local Sources	33,110	625,934
State Sources	26,365,607	963,737
Federal Sources	-	3,274,795
Intergovernmental Revenue	-	36,994
TOTAL REVENUE ALL SOURCES	41,066,923	4,901,460
EXPENDITURES		
Current:		
Instruction	23,246,436	2,660,093
Support Services	17,077,392	1,913,300
Intergovernmental	-	121,230
Capital Outlay	51,582	107,795
Debt Service:		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Other Charges	-	-
TOTAL EXPENDITURES	40,375,410	4,802,418
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	691,513	99,042
OTHER FINANCING SOURCES (USES)		
Issuance of General Obligation Bonds	-	-
Premium on Issuance of General Obligation Bonds	-	-
Payment to Refunded Bond Escrow Agent	-	-
Transfers In	1,267,891	-
Transfers Out	(1,100,000)	(99,042)
TOTAL OTHER FINANCING SOURCES (USES)	167,891	(99,042)
NET CHANGES IN FUND BALANCES	859,404	-
FUND BALANCE, Beginning of Year	7,526,415	-
FUND BALANCE, End of Year	\$ 8,385,819	-

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

SPECIAL REVENUE - EIA	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	7,417,749	-	\$ 22,003,611
-	29,337	23,987	135,668
2,484	-	20,646	682,174
3,725,990	406,651	-	31,461,985
-	-	-	3,274,795
-	-	-	36,994
3,728,474	7,853,737	44,633	57,595,227
1,955,283	-	-	27,861,812
687,373	-	917,612	20,595,677
-	-	-	121,230
102,830	-	543,463	805,670
-	2,467,000	-	2,467,000
-	3,963,931	-	3,963,931
-	435,029	-	435,029
2,745,486	6,865,960	1,461,075	56,250,349
982,988	987,777	(1,416,442)	1,344,878
-	45,380,000	-	45,380,000
-	9,890,126	-	9,890,126
-	(54,833,084)	-	(54,833,084)
-	3,907,656	3,035,061	8,210,608
(982,988)	(1,935,061)	(3,957,656)	(8,074,747)
(982,988)	2,409,637	(922,595)	572,903
-	3,397,414	(2,339,037)	1,917,781
-	2,496,780	6,608,216	16,631,411
-	5,894,194	4,269,179	\$ 18,549,192

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, 2016

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,917,781
---------------------------------------------------------------	---------------------

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.	542,628
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	51,852,000
Bond (including capital leases) proceeds provide current financial resources to governmental funds, but issuing debt or entering into capital leases increases long term liabilities in the Statement of Net Position. This is the proceeds and premiums received in the current year	(52,146,435)
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.	(49,659)
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.	563,831
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.	8,858
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.	(697,784)
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 \$169,898 were exceeded by depreciation expense of \$5,636,434 during the year.	(5,466,536)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (3,475,316)</u>
----------------------------------------------------------	------------------------------

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 NET POSITION

PROPRIETARY FUND

JUNE 30, 2016

	ENTERPRISE
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 893,933
Receivables, Net:	
Accounts	2,150
Due From:	
Other Funds	658,023
Inventories	2,531
Total Current Assets	<u>1,556,637</u>
Non-Current Assets:	
Capital Assets	2,564,239
Less: Accumulated Depreciation	(2,039,062)
Total Non-Current Assets	<u>525,177</u>
TOTAL ASSETS	<u>2,081,814</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	52,588
LIABILITIES	
Current Liabilities:	
Unearned Revenue	2,531
Total Current Liabilities	<u>2,531</u>
Noncurrent Liabilities:	
Net Pension Liability	657,432
Total Noncurrent Liabilities	<u>657,432</u>
TOTAL LIABILITIES	<u>659,963</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	9,888
NET POSITION	
Invested in Capital Assets	525,177
Unrestricted	939,374
TOTAL NET POSITION	<u>\$ 1,464,551</u>

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, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2016

	<u>ENTERPRISE</u>
OPERATING REVENUES	
Proceeds from Sale of Meals	\$ 615,767
OPERATING EXPENSES	
Salaries and Benefits	938,430
Purchased Services	1,560,196
Food Costs and Supplies	234,156
Depreciation	108,647
Other	4,902
TOTAL OPERATING EXPENSES	<u>2,846,331</u>
OPERATING LOSS	<u>(2,230,564)</u>
NON-OPERATING REVENUES (EXPENSES)	
Commodities Received from USDA	204,624
USDA Reimbursements	2,131,145
Interest	1,664
Other Revenue	146,469
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>2,483,902</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	253,338
Transfer Out - Food Service Fund Indirect Costs	(135,861)
Contributed Capital	<u>127,660</u>
CHANGE IN NET POSITION	245,137
TOTAL NET POSITION, Beginning of Year	<u>1,219,414</u>
TOTAL NET POSITION, End of Year	<u><u>\$ 1,464,551</u></u>

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 CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2016

	<u>ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Meal Sales	\$ 755,865
Receipts from Other Revenues	146,469
Payments to Employees for Services	(899,809)
Payments to Suppliers for Goods and Services	(1,594,630)
NET CASH USED IN OPERATING ACTIVITIES	<u>(1,592,105)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
USDA Reimbursement	2,131,145
Transfers to Other Funds	(428,371)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>1,702,774</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	1,664
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,664</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	112,333
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>781,600</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 893,933</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	\$ (2,230,564)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation Expense	108,647
Non-Cash USDA Commodities Used	204,624
Other Non-Operating Revenues	146,469
Change In:	
Receivables	140,098
Inventories	24,187
Unearned Revenue	(24,187)
Net Pension Liability	79,978
Deferred Pension Charges	(2,561)
Deferred Pension Credits	(38,796)
Net Cash Used in Operating Activities	<u>\$ (1,592,105)</u>
Non-Cash Transactions:	
Contributed Capital	\$ 127,660
Commodities Used - USDA	<u>204,624</u>
	<u>\$ 479,552</u>

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 ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2016

	AGENCY
ASSETS	
Cash and Cash Equivalents	\$ 576,153
Investments	22,919
Receivables	203
TOTAL ASSETS	<u>\$ 599,275</u>
LIABILITIES	
Due to Student Organizations	\$ 599,275
TOTAL LIABILITIES	<u>\$ 599,275</u>

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, 2016

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, 2016

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*, as is the Proprietary Fund financial statements. 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 and Enterprise Fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds 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, 2016

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.

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, 2016

Note 1-Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Fund are charges to students and teachers for breakfast, lunch and special sales. Operating expenses for the Enterprise Fund include the cost of sales, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary Fund types include the following fund:

The **Enterprise Fund, a major fund** and an unbudgeted fund, is used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is necessary for management accountability. The Food Service Fund is the District's only Enterprise Fund and is used to account for the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

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 organizations.

Change in Accounting Principle

The District implemented GASB Statement No. 72 "Fair Value Measurement and Application" ("GASB #72" or "Statement") for the year ended June 30, 2016. The primary objective of this Statement was to address accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The adoption of this Statement had no impact on the District's financial statements but did result in expanded note disclosures. See Note 2 for more information regarding the District's fair value disclosures.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1-Summary of Significant Accounting Policies (Continued)

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1-Summary of Significant Accounting Policies (Continued)

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

Investments (Continued)

- (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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1-Summary of Significant Accounting Policies (Continued)

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

Investments (Continued)

- 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. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, investments are carried at fair value determined annually based upon 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.
- 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 and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances." 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1-Summary of Significant Accounting Policies (Continued)

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 does not have a formally approved minimum fund balance policy, but generally attempts to keep its unassigned fund balance in the General Fund to be approximately two months of General Fund operating expenditures.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the Proprietary Fund 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, 2016

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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has one type of deferred outflows of resources. The District reports deferred pension charges in its government-wide statement of net position in connection with its net pension liability for its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

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(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1-Summary of Significant Accounting Policies (Continued)

P) Deferred Outflows/Inflows of Resources (Continued)

The District currently has two types of deferred inflows of resources: (1) The District reports unavailable revenue – property taxes only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The District also reports deferred pension credits in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers' Retirement System. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

Q) Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in the governmental funds. These 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.

Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective 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:

Asset Category	Capitalization Limits
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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 1-Summary of Significant Accounting Policies (Continued)

Q) Capital Assets (Continued)

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:

Asset Category	Useful Life Range
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

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. See Note 10.A and the required supplementary information immediately following the notes to the financial statements for more information. The District recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension 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 liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability 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 pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

S) Other Postemployment Benefits

Other Postemployment Benefits ("OPEB") cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see Note 10.B), regardless of the amount recognized as OPEB expense on the modified accrual basis of accounting. Annual OPEB cost is equal to the annual required contributions to the OPEB Plan, calculated in accordance with GAAP.

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, 2016, none of the District's bank balances (including fiduciary funds) of approximately \$4,378,000 (book balance of approximately \$2,214,000) was exposed to custodial credit risk.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 2-Deposits and Investments (Continued)

Investments

As of June 30, 2016, the District had the following investments:

Investment Type	Credit Rating [^]	Fair Value Level (1)	Fair Value	Weighted Average Maturity
State Local Government Investment Pool	NR	N/A	\$ 8,768,219	< 1 Year
Cash and Investments Held by County Treasurer	NR	N/A	10,919,520	< 1 Year
Government Money Market Mutual Fund	AAAm/Aaa-mf/NR	Level 1	1,034,132	< 1 Year
Total			<u>\$ 20,721,871</u>	

[^] If available, credit ratings are for Standard & Poor's, Moody's Investors Services, and Fitch Ratings.

(1) See Note 1 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, 2016, 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 3-Property Taxes (Continued)

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, 2016, millage was set at 182.1 mills (179.6 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, 2016 of approximately \$2,817,000 for the General Fund (net of allowance for uncollectible portion of approximately \$117,000) and \$1,242,000 for the Debt Service Fund (net of allowance for uncollectible portion of \$52,000). In addition, there is approximately \$493,000 included in the General Fund's property tax receivable amount at June 30, 2016 that is revenue in lieu of taxes related to Property Tax Relief (Act 388).

Of these amounts, approximately \$2,739,000 and \$1,180,000, 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 \$77,000 in the General Fund, and approximately \$62,000 in the Debt Service Fund, that has been recognized as revenue at June 30, 2016 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 \$493,000 of revenue in lieu of taxes related to Property Tax Relief (Act 388) that has been recognized as revenue at June 30, 2016 because it was measurable and available.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 4-Capital Assets

Capital asset activity for the District for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,129,672	-	-	\$ 3,129,672
Total Capital Assets, Not Being Depreciated	3,129,672	-	-	3,129,672
Capital Assets, Being Depreciated:				
Buildings and Improvements	167,429,618	-	-	167,429,618
Furniture and Equipment	2,731,876	169,898	-	2,901,774
Improvements Other than Buildings	1,912,481	-	-	1,912,481
Total Capital Assets Being Depreciated	172,073,975	169,898	-	172,243,873
Less: Accumulated Depreciation for:				
Buildings and Improvements	57,096,165	5,496,952	-	62,593,117
Furniture and Equipment	2,417,584	131,760	-	2,549,344
Improvements Other than Buildings	1,849,488	7,722	-	1,857,210
Total Accumulated Depreciation	61,363,237	5,636,434	-	66,999,671
Total Capital Assets, Being Depreciated, Net	110,710,738	(5,466,536)	-	105,244,202
Total Governmental Activities Capital Assets, Net	\$ 113,840,410	(5,466,536)	-	\$ 108,373,874
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Furniture and Equipment	\$ 2,436,579	127,660	-	\$ 2,564,239
Less: Accumulated Depreciation	1,930,415	108,647	-	2,039,062
Total Business-Type Activities Capital Assets, Net	\$ 506,164	19,013	-	\$ 525,177

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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>
Governmental Activities:		
Instruction	\$ 130,990	\$ 4,054,634
Support Services	38,908	1,581,800
Total - Governmental Activities	<u>\$ 169,898</u>	<u>\$ 5,636,434</u>
Business-Type Activities:		
Food Services	\$ 127,660	\$ 108,647
Total - Business-Type Activities	<u>\$ 127,660</u>	<u>\$ 108,647</u>

The cost and accumulated depreciation of equipment held under capital lease was approximately \$11,141,000 and approximately \$1,671,000, respectively, at June 30, 2016. 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, 2016 (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>
<u>Governmental Funds:</u>		
General Fund	\$ 2,208,817	\$ 5,267,497
Special Revenue Fund	178,419	1,237,431
Special Revenue - EIA Fund	182,504	92,395
Debt Service Fund	-	174,535
Capital Projects Fund	4,473,770	929,674
<u>Proprietary Fund:</u>		
Enterprise - Food Service	658,022	-
Totals	<u>\$ 7,701,532</u>	<u>\$ 7,701,532</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, 2016

Note 6-Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2016 consisted of the following:

	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$1,267,891	\$1,100,000
Special Revenue Fund	-	99,042
Special Revenue - EIA Fund	-	982,988
Debt Service Fund	3,907,656	1,935,061
Capital Projects Fund	3,035,061	3,957,656
<u>Proprietary Fund</u>		
Enterprise - Food Service	-	135,861
Totals	<u>\$8,210,608</u>	<u>\$8,210,608</u>

Transfers typically include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice. In addition, the Debt Service Fund transferred approximately \$1,005,000 to the Capital Projects Fund to fund construction cost associated with school construction and technology needs. The General Fund also transferred approximately \$1,100,000 to the capital projects fund for future capital 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, 2016, consisted of the following:

Governmental Activities:	
Accounts Payable	\$ 943,899
Accrued Salaries, Fringe, and Benefits	2,877,179
Accrued Expenses	111,250
Total Accounts Payable and Accrued Expenses - Governmental Activities	<u>\$ 3,932,328</u>

Note 8-Short-Term Obligations

The following is a summary of the changes in the District's short-term obligations for 2016:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Tax Anticipation Note, 2015B	\$ -	2,499,000	2,499,000	\$ -
General Obligation Bond, Series 2015B	-	1,919,000	1,919,000	-
Total Governmental Activities	<u>\$ -</u>	<u>4,418,000</u>	<u>4,418,000</u>	<u>\$ -</u>

The District issued a short-term Tax Anticipation Note ("TAN") in August 2015 for \$2,499,000. This TAN was issued to maintain a steady flow of cash until property taxes were received. The District repaid the TAN in March 2016 with interest of approximately \$17,000.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 8-Short-Term Obligations (Continued)

The District issued a short-term General Obligation Bond ("Bond") in September 2015 for \$1,919,000. 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 2016 with interest of approximately \$17,000.

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 until redemption in March 2016. 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 will be 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, 2016

Note 9-Long-Term Obligations (Continued)

The District does not anticipate positive arbitrage on any of its indebtedness as of June 30, 2016.

Details of the District's outstanding debt (which includes capital leases) at June 30, 2016 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%	\$ 8,852,000
General Obligation Bond, 2009	50,000,000	9/4/2009	3/1/2028	3.0-5.25%	315,000
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>\$ 89,952,000</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, 2016:

Year Ended June 30,	Bonds Payable		Total
	Principal	Interest	
2017	\$ 100,000	3,667,873	\$ 3,767,873
2018	105,000	3,460,113	3,565,113
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
2022-2026	29,345,000	12,923,563	42,268,563
2027-2031	35,620,000	6,035,125	41,655,125
2032	8,235,000	329,400	8,564,400
Totals	<u>\$ 81,100,000</u>	<u>36,594,010</u>	<u>\$ 117,694,010</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, 2016:

Year Ended June 30,	Capital Leases Payable		Total
	Principal	Interest	
2017	\$ 2,546,000	163,762	\$ 2,709,762
2018	3,009,000	116,661	3,125,661
2019	3,297,000	60,995	3,357,995
Totals	<u>\$ 8,852,000</u>	<u>341,418</u>	<u>\$ 9,193,418</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, 2016, the District's assessed property valuation was approximately \$101,488,000. The District had approximately \$1,966,000 (\$3,000,000 of the 2012 QZAB GOB less the funded debt service fund for the QZAB of approximately \$1,034,000) of bonded debt subject to the 8% limit of approximately \$8,119,000, resulting in unused legal debt margin of approximately \$6,153,000.

A summary of changes in long-term obligations for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Gross Debt:					
GOB, 2009	\$ 49,800,000	-	49,485,000	315,000	\$ 100,000
Capital Lease, 2013	9,604,000	-	752,000	8,852,000	2,546,000
GORB, 2011	1,615,000	-	1,615,000	-	-
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	96,424,000	45,380,000	51,852,000	89,952,000	2,646,000
Plus (Less) Deferred Amounts:					
Premium on GOB 2011	54,257	-	54,257	-	-
Premium on GORB Series 2016	-	9,890,126	341,039	9,549,087	-
Premium on GOB Series 2009	3,123,691	-	3,123,691	-	-
Premium on GORB Series 2015	2,822,968	-	168,536	2,654,432	-
Total Net Debt	102,424,916	55,270,126	55,539,523	102,155,518	2,646,000
Compensated Absences	284,307	194,674	203,532	275,449	204,000
Total Governmental Activities	<u>\$ 102,709,223</u>	<u>55,464,800</u>	<u>55,743,056</u>	<u>102,430,967</u>	<u>\$ 2,850,000</u>

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 Budget and Control Board (State Fiscal Accountability Authority effective July 1, 2015), 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. 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 (8.16%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (5.91%) and an incidental death benefit contribution (0.15%), if applicable, which is retained by SCRS.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, 2016

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 Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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 as follows for the past three years:

Required employer and employee contribution rates for the past three years were as follows:

	SCRS and State ORP Rates			PORS Rates		
	2014	2015	2016	2014	2015	2016
Employer Rate: [^]						
Retirement *	10.45%	10.75%	10.91%	12.44%	13.01%	13.34%
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>10.60%</u>	<u>10.90%</u>	<u>11.06%</u>	<u>12.84%</u>	<u>13.41%</u>	<u>13.74%</u>
Employee Rate	<u>7.50%</u>	<u>8.00%</u>	<u>8.16%</u>	<u>7.84%</u>	<u>8.41%</u>	<u>8.74%</u>

[^] 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
2016	\$ 3,007,647	100%	157,707	100%	\$ -	100%
2015	2,946,503	100%	125,036	100%	-	100%
2014	\$ 2,837,302	100%	107,648	100%	\$ 58	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
2016	\$27,193,914	2,602,430	-	\$29,796,344
2015	27,032,135	2,119,252	-	29,151,387
2014	\$26,767,002	1,922,288	451	\$28,689,741

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The June 30, 2015 total pension liability, net pension liability, and sensitivity information were determined by the PEBA's consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on the July 1, 2014 actuarial valuations as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2015 using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.50%	7.50%
Projected Salary Increases*	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* Includes inflation at 2.75%.

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014 valuations for the SCRS and PORS are as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014 actuarial valuations, was based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission ("RSIC") in collaboration with its investment consultant, Aon Hewitt. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted by the RSIC for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.5 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term	5.0%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	100.0%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.75%

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

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, 2015 measurement date, for the SCRS and PORS are presented in the following table:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 44,097,310,230	25,131,828,101	\$ 18,965,482,129	57.0%
PORS	\$ 6,151,321,222	3,971,824,838	\$ 2,179,496,384	64.6%

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.

At June 30, 2016, the District reported liabilities of approximately \$57,003,000 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, 2015, 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, 2014 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, 2015 measurement date, the District's SCRS proportion was 0.300563 percent, which was a decrease of 0.005456 from its proportion measured as of June 30, 2014. At the June 30, 2015 measurement date, the District's PORS proportion was 0.00000 percent, which was a decrease of 0.00004 from its proportion measured as of June 30, 2014.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

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

For the year ended June 30, 2016, the District recognized pension expense of approximately \$3,902,000 and \$(165) for the SCRS and PORS, respectively. At June 30, 2016, 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
SCRS		
Differences Between Expected and Actual Experience	\$ 1,012,753	\$ 101,940
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	381,551	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	-	754,788
District's Contributions Subsequent to the Measurement Date	3,165,354	-
Total SCRS	<u>4,559,658</u>	<u>856,728</u>
PORS		
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	-	627
Total PORS	<u>-</u>	<u>627</u>
Total SCRS and PORS	<u>\$ 4,559,658</u>	<u>\$ 857,355</u>

Approximately \$3,165,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. The District made no subsequent contributions to the PORS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2017	\$ 5,488	(165)	\$ 5,323
2018	5,488	(165)	5,323
2019	(342,377)	(165)	(342,542)
2020	868,977	(132)	868,845
Total	<u>\$ 537,576</u>	<u>(627)</u>	<u>\$ 536,949</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of the District's proportionate share of the net pension liability of the Plans as of June 30, 2015 to changes in the discount rate, calculated using the discount rate of 7.5 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.5 percent) or 1% point higher (8.5 percent) than the current rate:

System	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability of the SCRS	\$71,864,775	\$ 57,003,222	\$44,547,351
District's proportionate share of the net pension liability of the PORS	\$ -	-	\$ -

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 for the SCRS and PORS. The CAFR is publicly available through the Retirement Benefits' link on the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

B) Post-Employment Health Care Benefits

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State of South Carolina ("State") provides health, dental, and long-term disability benefits ("OPEB Plan") to retired State and school district employees and their covered dependents. The OPEB plans have been determined to be cost-sharing multiple-employer defined benefit plans and are administered by the Employee Insurance Program ("EIP"), a part of the State of South Carolina.

Generally, retirees are eligible for the health and dental benefits if they have established 10 years of retirement service credit. For new hires on or after May 2, 2008, 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. Benefits become effective when the former employee retirees under a state retirement system (i.e. SCRS, PORS, etc.). Basic long-term disability ("BLTD") benefits are provided to active state, school district and participating local government employees approved for disability. Complete financial statements for the OPEB plans may be obtained by writing to the PEBA Retirement Benefits and Insurance Benefits, 202 Arbor Lake Drive, Suite 360, Columbia, SC 29223.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 10-Retirement Plan (Continued)

B) Post-Employment Health Care Benefits (Continued)

The Code of Laws of the State, as amended, requires these post-employment healthcare and long-term disability benefits be funded through annual appropriation by the General Assembly for active employees to the EIP and participating retirees to the State of South Carolina except for the portion funded through the pension surcharge (retiree surcharge) who are not funded by State General Fund appropriations. Employers participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The District has no liability beyond the payment of monthly contributions.

The required employer contribution surcharge percentages were 5.33%, 5.00%, and 4.92% for the years ended June 30, 2016, 2015, and 2014, respectively. The actual required employer contribution surcharge amounts were approximately \$1,588,000, \$1,457,000, and \$1,412,000 for the years ended June 30, 2016, 2015, and 2014, respectively. The actual contribution rates and amounts were 100% of the required employer contribution surcharge percentages and amounts for the OPEB Plan for all years presented.

Note 11-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, 2016, totaled approximately \$214,000 for workers' compensation and \$156,000 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, 2016, 2015, and 2014.

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 12-Contingencies

There is a significant tax payer in the District that is currently appealing their assessed values. The South Carolina Department of Revenue had an outside appraiser value the taxpayer's current assessed value. At this time the final outcome has not been determined thus the District has not accrued a liability.

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

Note 13-Subsequent Events

- A) Debt Issuance** – Subsequent to June 30, 2016, the District issued approximately \$3.9 million in General Obligation Bonds at a coupon rate of 2.00%. The bonds are scheduled to mature in March 2017. 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.
- B) Millage Increase** – The Board of Trustees approved a 2.5 mill increase (increased to 184.6 mills from 182.1 mills) for the 2017 property tax year for the District's general operations of the District.



REQUIRED SUPPLEMENTARY INFORMATION

York School District One
York, South Carolina

Comprehensive Annual Financial Report

General Fund

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, 2016

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 12,773,904	12,773,904	14,585,862	\$ 1,811,958
Investment Earnings	10,000	10,000	82,344	72,344
Other Local Sources	20,000	20,000	33,110	13,110
State Sources	26,446,952	26,446,952	26,365,607	(81,345)
Intergovernmental Revenue	20,000	20,000	-	(20,000)
TOTAL REVENUE ALL SOURCES	39,270,856	39,270,856	41,066,923	1,796,067
EXPENDITURES				
Current:				
Instruction	23,170,783	23,170,783	23,246,436	(75,653)
Support Services	17,151,328	17,151,328	17,077,392	73,936
Capital Outlay	60,647	60,647	51,582	9,065
TOTAL EXPENDITURES	40,382,758	40,382,758	40,375,410	7,348
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,111,902)	(1,111,902)	691,513	1,803,415
OTHER FINANCING SOURCES (USES)				
Transfers In	1,111,902	1,111,902	1,267,891	155,989
Transfers Out	-	-	(1,100,000)	(1,100,000)
TOTAL OTHER FINANCING SOURCES (USES)	1,111,902	1,111,902	167,891	(944,011)
NET CHANGES IN FUND BALANCES	-	-	859,404	859,404
FUND BALANCES, Beginning of Year	7,526,415	7,526,415	7,526,415	-
FUND BALANCES, End of Year	\$ 7,526,415	7,526,415	8,385,819	\$ 859,404

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 THREE FISCAL YEARS

	Year Ended June 30,		
	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.300563%	0.306019%	0.306019%
District's Proportionate Share of the Net Pension Liability	\$57,003,222	52,686,327	\$54,888,892
District's Covered-Employee Payroll	\$29,151,387	28,689,289	\$29,785,288
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	195.54%	183.64%	184.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	Year Ended June 30,		
	2016	2015	2014
Contractually Required Contribution	\$ 3,165,354	3,071,539	\$ 2,944,948
Contributions in Relation to the Contractually Required Contribution:	3,165,354	3,071,539	2,944,948
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$29,796,343	29,151,387	\$28,689,289
Contributions as a Percentage of Covered-Employee Payroll:	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

**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 THREE FISCAL YEARS

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	Year Ended June 30,		
	2016	2015	2014
Contractually Required Contribution	\$ -	-	\$ 58
Contributions in Relation to the Contractually Required Contribution:	-	-	58
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ -	-	\$ 451
Contributions as a Percentage of Covered-Employee Payroll:	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



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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenues from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 9,656,404	10,317,211	\$ 660,807
1140 Penalties & Interest on Taxes (Independent)	-	899,102	899,102
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	3,117,500	3,229,986	112,486
1240 Penalties & Interest on Taxes (Dependent)	-	139,563	139,563
1500 Earnings on Investments:			
1510 Interest on Investments	10,000	82,344	72,344
1900 Other Revenue from Local Sources:			
1910 Rentals	-	4,620	4,620
1999 Revenue from Other Local Sources	20,000	28,490	8,490
Total Revenue from Local Sources	<u>12,803,904</u>	<u>14,701,316</u>	<u>1,897,412</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	20,000	-	(20,000)
Total Intergovernmental Revenue	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	1,248	1,248
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	320,156	330,480	10,324
3161 EAA Bus Driver Salary	-	1,127	1,127
3162 Transportation Workers' Compensation	-	28,114	28,114
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	5,107,117	5,391,399	284,282
3181 Retiree Insurance (No Carryover Provision)	1,155,638	1,048,473	(107,165)
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	652,113	567,103	(85,010)
3312 Primary	1,630,108	1,691,900	61,792
3313 Elementary	2,962,513	2,797,460	(165,053)
3314 High School	1,219,359	1,295,744	76,385
3315 Trainable Mentally Handicapped	54,598	46,030	(8,568)
3316 Speech Handicapped (Part-Time Program)	765,800	737,814	(27,986)
3317 Homebound	\$ 11,147	7,255	\$ (3,892)

(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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 58,833	69,768	\$ 10,935
3322 Educable Mentally Handicapped	14,044	60,884	46,840
3323 Learning Disabilities	1,285,635	1,254,075	(31,560)
3324 Hearing Handicapped	23,559	38,503	14,944
3325 Visually Handicapped	52,398	38,503	(13,895)
3326 Orthopedically Handicapped	14,960	14,764	(196)
3327 Vocational	1,720,145	1,576,663	(143,482)
3330 Other EFA Programs:			
3331 Autism	169,715	188,045	18,330
3332 High Achieving Students	160,879	155,242	(5,637)
3334 Limited English Proficiency	76,268	74,183	(2,085)
3350 Residential Treatment Facilities (RTF)			
3351 Academic Assistance	250,531	235,037	(15,494)
3352 Pupils in Poverty	1,347,163	1,333,487	(13,676)
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)	4,952,381	4,940,414	(11,967)
3830 Merchant's Inventory Tax	50,375	50,375	-
Total Revenue from State Sources	<u>26,446,952</u>	<u>26,365,607</u>	<u>(81,345)</u>
TOTAL REVENUE ALL SOURCES	<u>39,270,856</u>	<u>41,066,923</u>	<u>1,796,067</u>
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	838,790	837,946	844
200 Employee Benefits	332,989	332,953	36
300 Purchased Services	15,441	19,693	(4,252)
400 Supplies and Materials	15,048	14,689	359
600 Other Objects	107	107	-
112 Primary Programs:			
100 Salaries	2,447,599	2,448,358	(759)
200 Employee Benefits	887,502	887,024	478
300 Purchased Services	90,000	104,491	(14,491)
400 Supplies and Materials	34,739	34,824	(85)
600 Other Objects	63	63	-
113 Elementary Programs:			
100 Salaries	5,355,499	5,354,668	831
200 Employee Benefits	1,926,044	1,925,912	132
300 Purchased Services	192,295	204,571	(12,276)
400 Supplies and Materials	105,882	107,433	(1,551)
500 Capital Outlay	2,351	2,351	-
600 Other Objects	\$ 151	151	\$ -

(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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
114 High School Programs:			
100 Salaries	\$ 3,551,939	3,550,092	\$ 1,847
140 Terminal Leave	3,300	5,119	(1,819)
200 Employee Benefits	1,322,626	1,322,587	39
300 Purchased Services	76,733	157,372	(80,639)
400 Supplies and Materials	124,002	143,441	(19,439)
500 Capital Outlay	23,612	23,612	-
600 Other Objects	7,987	7,987	-
115 Career and Technology Education Program:			
100 Salaries	809,042	808,194	848
140 Terminal Leave	-	789	(789)
200 Employee Benefits	277,648	276,795	853
300 Purchased Services - Other Than Tuition	32,058	32,803	(745)
400 Supplies and Materials	47,383	46,171	1,212
500 Capital Outlay	2,000	2,000	-
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	392,437	391,553	884
200 Employee Benefits	148,206	147,947	259
300 Purchased Services	5,500	5,418	82
122 Trainable Mentally Handicapped:			
100 Salaries	376,283	366,677	9,606
200 Employee Benefits	159,301	157,039	2,262
300 Purchased Services	10,110	9,729	381
123 Orthopedically Handicapped:			
100 Salaries	104,234	104,165	69
200 Employee Benefits	21,476	22,837	(1,361)
300 Purchased Services	900	791	109
124 Visually Handicapped:			
100 Salaries	19,790	18,646	1,144
200 Employee Benefits	7,457	6,971	486
300 Purchased Services	-	252	(252)
125 Hearing Handicapped:			
100 Salaries	25,000	21,357	3,643
200 Employee Benefits	8,000	5,134	2,866
126 Speech Handicapped:			
100 Salaries	175,188	170,372	4,816
200 Employee Benefits	61,283	60,130	1,153
300 Purchased Services	906	837	69
127 Learning Disabilities:			
100 Salaries	1,196,426	1,196,285	141
200 Employee Benefits	430,103	430,512	(409)
300 Purchased Services	42,725	42,511	214
400 Supplies and Materials	13	137	(124)
128 Emotionally Handicapped:			
100 Salaries	255,881	255,523	358
200 Employee Benefits	95,952	95,702	250
300 Purchased Services	\$ 26,000	25,787	\$ 213

(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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	\$ 88,659	76,573	\$ 12,086
200 Employee Benefits	60,784	54,953	5,831
300 Purchased Services	-	2,562	(2,562)
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds)			
300 Purchased Services	700	84	616
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	230,816	229,758	1,058
200 Employee Benefits	76,266	76,238	28
300 Purchased Services	1,645	774	871
400 Supplies and Materials	5,000	524	4,476
145 Homebound:			
100 Salaries	13,000	10,965	2,035
200 Employee Benefits	3,083	2,578	505
300 Purchased Services	12,000	16,902	(4,902)
147 CDEPP:			
200 Employee Benefits	34	34	-
300 Purchased Services	11,106	10,290	816
400 Supplies and Materials	2,577	2,154	423
148 Gifted and Talented - Artistic:			
300 Purchased Services	24,500	23,763	737
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	210,483	209,941	542
200 Employee Benefits	97,239	96,512	727
300 Purchased Services	60	3,795	(3,735)
162 Limited English Proficiency:			
100 Salaries	131,649	131,147	502
200 Employee Benefits	36,400	36,437	(37)
300 Purchased Services	-	2,643	(2,643)
400 Supplies and Materials	-	963	(963)
180 Adult/Continuing Educational Programs:			
182 Adult Secondary Education Programs:			
300 Purchased Services	25,000	25,000	-
188 Parenting/Family Literacy:			
100 Salaries	53,693	45,758	7,935
200 Employee Benefits	24,051	21,645	2,406
300 Purchased Services	1,500	1,468	32
400 Supplies and Materials	2,500	2,430	70
Total Instruction	<u>\$ 23,198,746</u>	<u>23,274,399</u>	<u>\$ (75,653)</u>

(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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 108,093	108,091	\$ 2
200 Employee Benefits	36,217	34,551	1,666
300 Purchased Services	3,004	3,004	-
400 Supplies and Materials	292	292	-
212 Guidance Services:			
100 Salaries	702,391	702,328	63
200 Employee Benefits	276,083	276,439	(356)
300 Purchased Services	563	835	(272)
400 Supplies and Materials	6,757	6,507	250
213 Health Services:			
100 Salaries	35,952	35,377	575
200 Employee Benefits	22,626	22,610	16
300 Purchased Services	1,365	1,365	-
400 Supplies and Materials	7,237	7,398	(161)
214 Psychological Services:			
100 Salaries	187,103	187,202	(99)
200 Employee Benefits	63,544	62,094	1,450
300 Purchased Services	2,383	7,625	(5,242)
400 Supplies and Materials	23	23	-
215 Exceptional Program Services:			
100 Salaries	35,360	35,354	6
200 Employee Benefits	15,283	15,248	35
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	536,572	535,245	1,327
140 Terminal Leave	-	10,177	(10,177)
200 Employee Benefits	173,877	173,149	728
300 Purchased Services	20,895	27,798	(6,903)
400 Supplies and Materials	34,939	25,433	9,506
222 Library and Media Services:			
100 Salaries	540,145	539,590	555
200 Employee Benefits	204,782	204,758	24
300 Purchased Services	906	7,889	(6,983)
400 Supplies and Materials	61,073	59,967	1,106
223 Supervision of Special Programs:			
100 Salaries	26,264	26,411	(147)
200 Employee Benefits	14,268	14,442	(174)
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	13,000	12,433	567
200 Employee Benefits	\$ 8,000	7,966	\$ 34

(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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
230 General Administrative Services:			
231 Board of Education:			
200 Employee Benefits	\$ 290,000	278,023	\$ 11,977
300 Purchased Services	22,200	14,094	8,106
318 Audit Services	48,000	57,000	(9,000)
600 Other Objects	19,200	24,981	(5,781)
232 Office of Superintendent:			
100 Salaries	195,026	194,613	413
140 Terminal Leave	-	11,250	(11,250)
200 Employee Benefits	64,854	64,811	43
300 Purchased Services	9,225	9,211	14
400 Supplies and Materials	22,623	25,460	(2,837)
600 Other Objects	21,900	16,115	5,785
233 School Administration:			
100 Salaries	2,411,706	2,403,789	7,917
140 Terminal Leave	-	7,420	(7,420)
200 Employee Benefits	908,909	908,824	85
300 Purchased Services	30,525	51,840	(21,315)
400 Supplies and Materials	17,370	17,749	(379)
500 Capital Outlay	3,184	3,184	-
600 Other Objects	252	252	-
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	287,500	287,318	182
200 Employee Benefits	102,675	101,933	742
300 Purchased Services	5,000	6,849	(1,849)
400 Supplies and Materials	86,000	82,572	3,428
600 Other Objects	2,500	9,151	(6,651)
254 Operation and Maintenance of Plant:			
100 Salaries	2,005,950	2,002,374	3,576
140 Terminal Leave	-	1,447	(1,447)
200 Employee Benefits	809,061	808,182	879
300 Purchased Services	788,500	782,785	5,715
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	200,000	150,355	49,645
400 Supplies and Materials	406,000	398,047	7,953
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	1,615,000	1,559,911	55,089
500 Capital Outlay	6,500	15,044	(8,544)
255 Student Transportation (State Mandated):			
100 Salaries	994,273	1,024,625	(30,352)
140 Terminal Leave	-	3,777	(3,777)
200 Employee Benefits	424,081	419,838	4,243
300 Purchased Services	21,000	1,941	19,059
400 Supplies and Materials	12,000	7,824	4,176
256 Food Service:			
200 Employee Benefits	\$ 175,000	161,531	\$ 13,469

(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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
258 Security:			
300 Purchased Services	\$ 181,500	231,517	\$ (50,017)
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
300 Purchased Services	1,000	1,140	(140)
400 Supplies and Materials	7,500	7,290	210
263 Information Services:			
400 Supplies and Materials	6,034	4,061	1,973
264 Staff Services:			
100 Salaries	193,933	193,815	118
200 Employee Benefits	63,945	61,885	2,060
300 Purchased Services	9,690	10,735	(1,045)
400 Supplies and Materials	3,375	5,352	(1,977)
266 Technology and Data Processing Services:			
100 Salaries	287,370	286,399	971
200 Employee Benefits	99,828	97,918	1,910
300 Purchased Services	106,837	87,655	19,182
400 Supplies and Materials	341,000	302,284	38,716
500 Capital Outlay	23,000	5,391	17,609
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	496,948	518,208	(21,260)
200 Employee Benefits (Optional)	115,041	130,691	(15,650)
300 Purchased Services (Optional)	87,000	75,949	11,051
400 Supplies and Materials	15,000	15,000	-
Total Support Services	17,184,012	17,101,011	83,001
TOTAL EXPENDITURES	\$ 40,382,758	40,375,410	\$ 7,348
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	\$ 936,902	982,988	\$ 46,086
5250 Transfer from Capital Projects Fund	-	50,000	50,000
5280 Transfer from Other Funds Indirect Costs	175,000	234,903	59,903
424-710 Transfer to Capital Projects Fund	-	(1,100,000)	(1,100,000)
TOTAL OTHER FINANCING SOURCES (USES)	1,111,902	167,891	(944,011)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	859,404	859,404
FUND BALANCES, Beginning of Year	7,526,415	7,526,415	-
FUND BALANCES, End of Year	\$ 7,526,415	8,385,819	\$ 859,404



York School District One
York, South Carolina

Comprehensive Annual Financial Report

Special Revenue Funds

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, 2016

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
REVENUES		
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	-	-
3177 Summer Reading Camp	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3198 Technology Professional Development (Carryover Only)	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3630 K-12 Technology Initiative	-	-
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
-	-	-	591,299	\$ 591,299
-	-	-	34,635	34,635
-	-	-	625,934	625,934
-	-	36,994	-	36,994
-	-	36,994	-	36,994
-	6,945	-	-	6,945
-	-	188,588	-	188,588
-	-	36,380	-	36,380
-	-	15,999	-	15,999
-	-	370,247	-	370,247
-	-	45,500	-	45,500
-	-	762	-	762
-	-	27,424	-	27,424
-	-	-	29,544	29,544
-	-	242,348	-	242,348
-	6,945	927,248	29,544	\$ 963,737

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2016

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
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)	1,256,748	-
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)	-	1,125,021
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4900 Other Federal Sources:		
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>1,256,748</u>	<u>1,125,021</u>
TOTAL REVENUE ALL SOURCES	<u>1,256,748</u>	<u>1,125,021</u>

EXPENDITURES

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	254,770	-
200 Employee Benefits	94,147	-
300 Purchased Services	14,450	-
112 Primary Programs:		
100 Salaries	398,948	-
200 Employee Benefits	146,509	-
300 Purchased Services	11,902	-
400 Supplies and Materials	6,624	-
113 Elementary Programs:		
100 Salaries	100,275	-
200 Employee Benefits	28,458	-
300 Purchased Services	4,810	-
400 Supplies and Materials	10,835	-
500 Capital Outlay	\$ 11,681	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	83,910	-	-	\$ 83,910
-	-	-	-	1,256,748
-	-	-	334,179	334,179
-	-	-	16,680	16,680
-	-	-	131,607	131,607
-	-	-	7,901	1,132,922
63,441	-	-	-	63,441
-	-	-	255,308	255,308
63,441	83,910	-	745,675	3,274,795
63,441	90,855	964,242	1,401,153	4,901,460
-	-	-	54,104	308,874
-	-	-	16,325	110,472
-	-	-	-	14,450
-	-	46,125	41,768	486,841
-	-	14,008	18,187	178,704
-	-	7,888	-	19,790
-	-	8,416	1,324	16,364
-	-	-	11,019	111,294
-	-	-	2,404	30,862
-	-	-	15,730	20,540
-	-	813	6,320	17,968
-	-	-	-	\$ 11,681

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2016

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
114 High School Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
300 Purchased Services - Other Than Tuition	-	-
400 Supplies and Materials	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	20,925
200 Employee Benefits	-	15,417
300 Purchased Services	-	545
400 Supplies and Materials	-	5,716
122 Trainable Mentally Handicapped:		
100 Salaries	-	17,433
200 Employee Benefits	-	12,520
300 Purchased Services	161	2,488
400 Supplies and Materials	-	13,702
123 Orthopedically Handicapped:		
400 Supplies and Materials	-	2,240
124 Visually Handicapped:		
100 Salaries	-	625
200 Employee Benefits	-	143
300 Purchased Services	-	69,118
400 Supplies and Materials	-	69
125 Hearing Handicapped:		
300 Purchased Services	-	10,295
400 Supplies and Materials	-	1,742
126 Speech Handicapped:		
100 Salaries	-	58,495
200 Employee Benefits	-	24,394
300 Purchased Services	-	34,191
400 Supplies and Materials	-	10,223
127 Learning Disabilities:		
100 Salaries	-	214,430
200 Employee Benefits	-	88,779
300 Purchased Services	-	10,324
400 Supplies and Materials	\$ -	9,991

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	78,992	\$ 78,992
-	-	-	447	447
-	-	-	23,569	23,569
-	11,945	-	-	11,945
-	2,000	-	-	2,000
-	-	-	1,570	1,570
-	-	-	-	20,925
-	-	-	-	15,417
-	-	-	-	545
-	-	-	-	5,716
-	-	-	-	17,433
-	-	-	-	12,520
-	-	-	-	2,649
-	-	-	-	13,702
-	-	-	-	2,240
-	-	-	-	625
-	-	-	-	143
-	-	-	-	69,118
-	-	-	-	69
-	-	-	-	10,295
-	-	-	-	1,742
-	-	-	45,602	104,097
-	-	-	10,821	35,215
-	-	-	-	34,191
-	-	-	-	10,223
-	-	-	20,802	235,232
-	-	-	-	88,779
-	-	-	-	10,324
-	-	-	500	\$ 10,491

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2016

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
128 Emotionally Handicapped:		
100 Salaries	\$ -	53,763
200 Employee Benefits	-	21,347
300 Purchased Services	-	5,969
400 Supplies and Materials	-	960
130 Pre-School Programs:		
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):		
100 Salaries	-	17,050
200 Employee Benefits	-	4,106
300 Purchased Services	-	707
400 Supplies and Materials	-	637
139 Early Childhood Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
140 Special Programs:		
147 CDEPP:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	41,582
200 Employee Benefits	-	14,450
300 Purchased Services	-	1,240
400 Supplies and Materials	-	11,823
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	47,214	-
200 Employee Benefits	21,944	-
300 Purchased Services	4,393	-
400 Supplies and Materials	115	-
Total Instruction	\$ 1,157,236	797,439

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	\$ 53,763
-	-	-	-	21,347
-	-	-	-	5,969
-	-	-	-	960
61,148	-	-	-	78,198
-	-	-	-	4,106
-	-	-	-	707
-	-	-	-	637
-	-	24,779	-	24,779
-	-	6,065	-	6,065
-	-	4,178	-	4,178
-	-	1,972	-	1,972
-	-	7,605	-	7,605
-	-	8,394	-	8,394
-	-	-	96,843	138,425
-	-	-	43,771	58,221
-	-	-	1,351	2,591
-	-	-	1,754	13,577
-	-	-	2,452	2,452
-	-	-	3,555	3,555
-	-	-	872	872
-	-	-	-	47,214
-	-	-	-	21,944
-	-	-	-	4,393
-	-	-	-	115
61,148	13,945	130,243	500,082	\$ 2,660,093

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2016

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
200 Support Services:		
210 Pupil Services:		
212 Guidance Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
214 Psychological Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	21,400
400 Supplies and Materials	-	15,721
215 Exceptional Program Services:		
100 Salaries	-	13,748
200 Employee Benefits	-	5,910
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	-	-
223 Supervision of Special Programs:		
100 Salaries	40,634	152,942
200 Employee Benefits	15,714	59,332
300 Purchased Services	164	12,866
400 Supplies and Materials	203	5,191
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
300 Purchased Services	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	46,042	70,102	9,132	\$ 125,276
-	-	31,396	3,541	34,937
-	-	-	15,000	15,000
-	-	-	177,929	177,929
-	-	-	75,916	75,916
-	-	-	10,031	10,031
-	-	-	1,893	1,893
-	-	-	-	21,400
-	-	-	-	15,721
-	-	-	-	13,748
-	-	-	-	5,910
-	25,868	-	-	25,868
-	-	63,529	-	63,529
-	-	23,561	-	23,561
-	-	277,715	1,200	278,915
-	-	92,532	294	92,826
-	-	-	40,910	234,486
-	-	-	16,595	91,641
-	-	-	28,197	41,227
-	-	-	-	5,394
-	-	6,100	50,900	57,000
-	-	1,486	11,939	13,425
-	5,000	1,646	201,460	208,106
-	-	-	1,900	1,900
-	-	-	436	\$ 436

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2016

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
255 Student Transportation (State Mandated):		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
256 Food Service:		
500 Capital Outlay	-	-
260 Central Support Services:		
264 Staff Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
266 Technology and Data Processing Services:		
100 Salaries	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
Total Support Services	<u>56,715</u>	<u>287,110</u>
410 Intergovernmental Expenditures:		
411 Payments to SDE		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,213,951</u>	<u>1,084,549</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
431-791 Special Revenue Fund Indirect Costs		
(Use Only for Transfer of Indirect Costs to General Fund)	(42,797)	(40,472)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(42,797)</u>	<u>(40,472)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCES, Beginning of Year	<u>-</u>	<u>-</u>
FUND BALANCES, End of Year	<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
-	-	4,581	227	\$ 4,808
-	-	434	-	434
-	-	377	-	377
-	-	-	107,795	107,795
-	-	-	1,873	1,873
-	-	-	798	798
-	-	-	1,223	1,223
-	-	16,901	-	16,901
-	-	1,291	-	1,291
-	-	242,348	7,172	249,520
-	76,910	833,999	766,361	2,021,095
-	-	-	121,230	121,230
-	-	-	121,230	121,230
61,148	90,855	964,242	1,387,673	4,802,418
(2,293)	-	-	(13,480)	(99,042)
(2,293)	-	-	(13,480)	(99,042)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	\$ -

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

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2016

OTHER DESIGNATED RESTRICTED STATE GRANTS

918	Technology Professional Development
919	Education License Plates
924	CDEP Expansion
926	Summer Reading Program
928	EEDA Career Specialists
935	Reading Coaches
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	Mathematics and Science Partnerships Program, Title II (84.366B)
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
834	Allen Tate Donation
835	Technology Professional Development
836	I3 Reading Recovery
839	ABT Special Fund
844	Sisters of Mercy Grant-Middle College
845	School Supply Donations
847	Elementary School Counseling Grant
852	Job Coach-DD Council Grant
856	Mayday Project-Homeless
858	Bigger than Bullying Proceeds
859	NS Lunch Equipment Assistance
860	Graduate Coursework
861	HCJ-Fidelity
862	Wal-mart Grant-Esc
863	FDJTC Misc State Funds
864	Level Data
865	Meritor-FDJTC & YMS

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2016

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
918	3198	Technology Professional Development	\$ 27,424	27,424	-	-	\$ -
919	3193	Education License Plates	762	762	-	-	-
924	3134	CDEP Expansion	15,999	15,999	-	-	20,000
926	3177	Summer Reading Camp	45,500	45,500	-	-	19,402
928	3118	EEDA Career Specialists	188,588	188,588	-	-	-
935	3135	Reading Coaches	370,247	370,247	-	-	14,484
937	3127	Student Health and Fitness - PE Teachers	36,380	36,380	-	-	-
963	3630	K-12 Technology Initiative	242,348	242,348	-	-	87,329
990	3680	First Steps FAMILY LITERACY Program	36,994	36,994	-	-	10,174
Totals			\$ 964,242	964,242	-	-	\$ 151,389

**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, 2016

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	\$ 2,484
Total Revenue from Local Sources	<u>2,484</u>
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	2,992
3504 Level Data	3,000
3505 School Technology Initiative	9,548
3509 Arts in Education	12,600
3511 Professional Development	28,268
3518 Formative Assessment	24,224
3525 Career and Technology Education Equipment	102,830
3526 Refurbishment of K-8 Science Kits	18,849
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	390,726
3533 Teacher of the Year Awards	1,077
3538 Student at Risk of School Failure	623,615
3541 CDEPP (Child Development Education Pilot Program)	746,586
3550 Teacher Salary Increase (No Carryover Provision)	854,788
3555 School Employer Contributions (No Carryover Provision)	128,200
3557 Summer Reading Program	35,101
3558 Reading	29,357
3577 Teacher Supplies (No Carryover Provision)	91,250
3578 High Schools That Work/Making Middle Grades Work	15,478
3581 Student Health and Fitness-Nurses	177,168
3592 Work-Based Learning	19,901
3594 EEDA Supplemental Programs	143,201
3595 EEDA - Supplies and Materials - Career Awareness	9,317
3597 Aid to Districts	257,914
Total Revenue from State Sources	<u>3,725,990</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 3,728,474</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, 2016

	<u>ACTUAL</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 15,000
200 Employee Benefits	3,567
112 Primary Programs:	
100 Salaries	104,877
200 Employee Benefits	26,205
300 Purchased Services	13,791
400 Supplies and Materials	48,613
113 Elementary Programs:	
100 Salaries	475,333
200 Employee Benefits	140,563
300 Purchased Services	2,380
400 Supplies and Materials	48,564
600 Other Objects	800
114 High School Programs:	
100 Salaries	106,988
200 Employee Benefits	32,042
300 Purchased Services	9,960
400 Supplies and Materials	22,463
115 Career and Technology Education Program:	
100 Salaries	7,500
200 Employee Benefits	1,781
400 Supplies and Materials	4,000
500 Capital Outlay	102,830
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	1,806
127 Learning Disabilities:	
100 Salaries	7,500
200 Employee Benefits	1,793
128 Emotionally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	1,784
130 Pre-School Programs:	
133 Preschool Handicapped Self- Contained (5Yr. Olds)	
100 Salaries	\$ 7,500
200 Employee Benefits	1,792

(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, 2016

	<u>ACTUAL</u>
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	\$ 12,500
200 Employee Benefits	2,953
147 CDEPP:	
100 Salaries	527,611
200 Employee Benefits	224,997
300 Purchased Services	10,623
400 Supplies and Materials	2,978
170 Summer School Programs:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	4,102
200 Employee Benefits	964
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
100 Salaries	51,306
200 Employee Benefits	15,647
Total Instruction	<u>2,058,113</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	65,550
200 Employee Benefits	24,374
300 Purchased Services	9,317
400 Supplies and Materials	4,150
213 Health Services:	
100 Salaries	174,201
200 Employee Benefits	56,562
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	19,213
200 Employee Benefits	4,682
300 Purchased Services	10,850
400 Supplies and Materials	11,150
222 Library and Media:	
100 Salaries	7,500
200 Employee Benefits	1,767
400 Supplies and Materials	2,000
223 Supervision of Special Programs:	
100 Salaries	14,091
200 Employee Benefits	\$ 3,369

(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, 2016

	ACTUAL
224 Improvement of Instruction-Curriculum Development:	
100 Salaries	\$ 20,992
200 Employee Benefits	1,901
300 Purchased Services	14,692
400 Supplies and Materials	28,386
250 Finance and Operations Services:	
252 Fiscal Services:	
300 Purchased Services	5,375
254 Operation and Maintenance of Plant:	
300 Purchased Services	67,229
255 Student Transportation (State Mandated):	
100 Salaries	8,638
200 Employee Benefits	1,313
300 Purchased Services	21,571
400 Supplies and Materials	41,649
260 Central Support Services:	
266 Technology and Data Processing Services:	
400 Supplies and Materials	66,851
Total Support Services	<u>687,373</u>
TOTAL EXPENDITURES	<u>2,745,486</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(982,988)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(982,988)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2016

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 2,992	2,992	-	-	\$ -
3504 Level Data Reimbursement	3,000	3,000	-	-	-
3505 School Technology Initiative	9,548	9,548	-	-	-
3509 Arts in Education	12,600	12,600	-	-	-
3511 Professional Development	28,268	28,268	-	-	-
3512 Technology Professional Development	-	-	-	-	27,230
3518 Formative Assessment	24,224	24,224	-	-	-
3525 Career and Technology Education Equipment	102,830	102,830	-	-	3,251
3526 Refurbishment of K-8 Science Kits	18,849	18,849	-	-	22,462
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	390,726	390,726	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3535 Reading Coaches	-	-	-	-	8,000
3538 Student at Risk of School Failure	623,615	623,615	-	-	-
3541 Child Development Education Program (CDEP)	746,586	746,586	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	854,788	-	-	(854,788)	-
3555 School Employer Contributions (No Carryover Provision)	128,200	-	-	(128,200)	-
3557 Summer Reading Program	35,101	35,101	-	-	11,754
3558 Reading	31,841	31,841	-	-	17,670
3577 Teacher Supplies (No Carryover Provision)	91,250	91,250	-	-	-
3578 High Schools That Work/Making Middle Grades Work	15,478	15,478	-	-	20,458
3581 Student Health and Fitness-Nurses	177,168	177,168	-	-	-
3592 Work-Based Learning	19,901	19,901	-	-	-
3594 EEDA Supplemental Programs	143,201	143,201	-	-	-
3595 EEDA Professional Development Funds	9,317	9,317	-	-	9,206
3597 Aid to Districts	257,914	257,914	-	-	62,473
Totals	\$ 3,728,474	2,745,486	-	(982,988)	\$ 182,504

Note: Included in Program 3558 Revenues is \$2,484 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, 2016

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



York School District One
York, South Carolina

Comprehensive Annual Financial Report

Debt Service Fund

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, 2016

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1200 Revenue from Local Governmental Units Other than LEAs:	
1210 Ad Valorem Taxes-Including Delinquent (Fiscally Dependent LEA)	\$ 6,847,018
1240 Penalties & Interest on Taxes (Dependent)	570,731
1500 Earnings on Investments:	
1510 Interest on Investments	29,337
Total Revenue from Local Sources	<u>7,447,086</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	387,641
3830 Merchant's Inventory Tax	19,010
Total Revenue from State Sources	<u>406,651</u>
TOTAL REVENUE ALL SOURCES	<u>7,853,737</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	2,467,000
620 Interest	3,963,931
690 Other Objects (Includes Fees for Servicing Bonds)	435,029
Total Debt Service	<u>6,865,960</u>
TOTAL EXPENDITURES	<u>6,865,960</u>
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	9,890,126
5130 Proceeds of Refunding Debt	45,380,000
441-720 Payment to Refunded Debt Escrow Agent	(54,833,084)
Interfund Transfers, From (To) Other Funds:	
5250 Transfer from Capital Projects Fund	3,907,656
424-710 Transfer to Capital Projects Fund	(1,935,061)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,409,637</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	3,397,414
FUND BALANCE, Beginning of Year	<u>2,496,780</u>
FUND BALANCE, End of Year	<u>\$ 5,894,194</u>



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

Comprehensive Annual Financial Report

Capital Projects Fund

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, 2016

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 23,987
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	20,646
Total Revenue from Local Sources	<u>44,633</u>
TOTAL REVENUE ALL SOURCES	<u>44,633</u>
EXPENDITURES	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	65,749
400 Supplies and Materials	851,862
500 Capital Outlay:	
525 Buildings	6,250
530 Improvements Other Than Buildings	524,603
540 Equipment	12,611
Total Support Services	<u>1,461,075</u>
TOTAL EXPENDITURES	<u>1,461,075</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	1,100,000
5240 Transfer from Debt Service Fund	1,935,061
420-710 Transfer to General Fund (Exclude Indirect Cost)	(50,000)
423-710 Transfer to Debt Service Fund	(3,907,656)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(922,595)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,339,037)
FUND BALANCE, Beginning of Year	<u>6,608,216</u>
FUND BALANCE, End of Year	<u>\$ 4,269,179</u>



York School District One York, South Carolina

Comprehensive Annual Financial Report Proprietary Fund-Enterprise-Food Service

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use of the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Fund are charges to students and teachers for breakfast, lunch and special sales. Operating expenses for the Enterprise Fund include the cost of sales, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Proprietary Fund types include the following fund:

The **Enterprise Fund, a major fund** and an unbudgeted fund, is used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is necessary for management accountability. The Food Service Fund is the District's only Enterprise Fund and is used to account for 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, 2016

	ACTUAL
REVENUES	
1000 Revenues from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,664
1600 Food Service:	
1610 Lunch Sales to Pupils	447,925
1620 Breakfast Sales to Pupils	12,007
1630 Special Sales to Pupils	126,610
1640 Lunch Sales to Adults	21,490
1650 Breakfast Sales to Adults	329
1660 Special Sales to Adults	7,406
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	146,263
Total Revenue from Local Sources	<u>763,694</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	206
Total Revenue from State Sources	<u>206</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	1,487,379
4830 School Breakfast Program	539,192
4850 Cash in Lieu Commodities (Food Distribution Program) (Carryover Provision)	14,058
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	204,624
4999 Revenue from Other Federal Sources	90,516
Total Revenue from Federal Sources	<u>2,335,769</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 3,099,669</u>

(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, 2016

	<u>ACTUAL</u>
EXPENSES	
256 Food Service:	
100 Salaries	\$ 732,336
140 Terminal Leave	4,063
200 Employee Benefits	202,031
300 Purchased Services (Exclude Energy Costs)	42,204
393 Direct Purchased Services	1,517,992
400 Supplies and Materials (Include Energy Costs)	234,156
500 Capital Outlay	108,647
600 Other Objects	4,902
Total Food Services Expenses	<u>2,846,331</u>
TOTAL EXPENSES	<u>2,846,331</u>
OTHER FINANCING SOURCES (USES)	
5999 Contributed Capital	127,660
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	(135,861)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,201)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	245,137
FUND NET POSITION, Beginning of Year	<u>1,219,414</u>
FUND NET POSITION, End of Year	<u>\$ 1,464,551</u>

York School District One
York, South Carolina

Comprehensive Annual Financial Report

Fiduciary Fund-Agency-Pupil Activity

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, 2016

	<u>ACTUAL</u>
RECEIPTS	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 566
1700 Pupil Activities:	
1710 Admissions	75,392
1720 Bookstore Sales	15,042
1730 Pupil Organization Membership Dues and Fees	102,404
1740 Student Fees	132,615
1790 Other	1,077,709
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	24,802
1999 Revenue from Other Local Sources	15,000
Total Receipts from Local Sources	<u>1,443,530</u>
TOTAL RECEIPTS ALL SOURCES	<u>1,443,530</u>
DISBURSEMENTS	
190 Instructional Pupil Activity:	
660 Pupil Activity	208,039
Total Instruction	<u>208,039</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
660 Pupil Activity	776,005
272 Enterprise Activities:	
660 Pupil Activity	301,301
273 Trust and Agency Activities:	
660 Enterprise Activity	122,292
Total Pupil Activity Expenditures	<u>1,199,598</u>
TOTAL DISBURSEMENTS	<u>1,407,637</u>
EXCESS/DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS	35,893
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>563,382</u>
DUE TO STUDENT ORGANIZATIONS, End of Year	<u>\$ 599,275</u>

**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, 2016

	<u>Balance at June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2016</u>
ASSETS				
Cash and Cash Equivalents	\$ 530,876	1,441,532	1,396,255	\$ 576,153
Investments	20,921	1,998	-	22,919
Receivables	11,585	-	11,382	203
TOTAL ASSETS	<u>\$ 563,382</u>	<u>1,443,530</u>	<u>1,407,637</u>	<u>\$ 599,275</u>
LIABILITIES				
Due to Student Organizations	\$ 563,382	1,443,530	1,407,637	\$ 599,275
TOTAL LIABILITIES	<u>\$ 563,382</u>	<u>1,443,530</u>	<u>1,407,637</u>	<u>\$ 599,275</u>

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

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2016

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
00	District-Wide	Non-School	Central	\$ 12,488,110
01	Education Service Center	Non-School	Central	383,899
02	Floyd D. Johnson Technology Center	Other Schools	School	1,999,368
03	York Comprehensive High School	High School	School	11,756,342
04	Transportation	Non-School	Central	12,970
06	District Office	Non-School	Central	4,665,944
08	Jefferson Elementary	Elementary	School	3,347,867
09	York Intermediate School	Middle School	School	4,824,380
15	York One Academy	Alternative	School	1,832,813
44	York Middle School	Middle School	School	5,606,364
45	Hickory Grove-Sharon Elementary	Elementary	School	2,912,874
46	Hunter Street Elementary	Elementary	School	3,485,637
47	Cotton Belt Elementary	Elementary	School	3,287,150
49	Harold C. Johnson Elementary	Elementary	School	3,900,599
Total Expenditures/Disbursements for all funds				\$ 60,504,317

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

General Fund	\$ 40,375,410
Special Revenue Fund (Subfunds 200's, 800's, 900's)	4,802,418
Special Revenue Fund (Subfunds 300's)	2,745,486
Debt Service Fund	6,865,960
Capital Projects Funds (Subfund 500's)	1,461,075
Enterprise-Food Service Fund (Subfund 600)	2,846,331
Trust and Agency Fund (Subfund 700's)	1,407,637
Total Expenditures/Disbursements for all funds	\$ 60,504,317



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

STATISTICAL SECTION

YEAR ENDED JUNE 30, 2016

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.

Page Number

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.

133

Revenue Capacity

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

139

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.

143

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.

147

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.

149

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									
	2007 ¹	2008	2009	2010	2011	2012 ²	2013 ³	2014 ⁴	2015 ⁵	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 20,631,404	24,550,988	31,649,088	29,906,714	29,003,866	24,764,029	18,966,916	14,613,621	14,143,451	\$ 6,943,438
Restricted	3,186,219	3,197,519	420,091	3,653,551	3,595,291	3,461,012	3,678,473	2,919,412	2,184,969	5,687,962
Unrestricted	10,470,736	12,257,561	10,965,117	11,490,749	11,472,572	9,382,086	10,443,078	12,612,000	(38,514,153)	(38,292,449)
Total Governmental Activities Net Position	\$ 34,288,359	40,006,068	43,034,296	45,051,014	44,071,729	37,607,127	33,088,467	30,145,033	(22,185,733)	\$ (25,661,049)
Business-Type Activities										
Net Investment in Capital Assets	\$ 594,204	651,386	556,727	489,544	920,634	810,596	714,919	608,962	506,164	\$ 525,177
Unrestricted	371,739	160,098	148,962	387,547	474,891	684,929	880,606	1,086,563	713,250	939,374
Total Business-Type Activities Net Position	\$ 965,943	811,484	705,689	877,091	1,395,525	1,495,525	1,595,525	1,695,525	1,219,414	\$ 1,464,551
Primary Government										
Net Investment in Capital Assets	\$ 21,225,608	25,202,374	32,205,815	30,396,258	29,924,500	25,574,625	19,681,835	15,222,583	14,649,615	\$ 7,468,615
Restricted	3,186,219	3,197,519	420,091	3,653,551	3,595,291	3,461,012	3,678,473	2,919,412	2,184,969	5,687,962
Unrestricted	10,842,475	12,417,659	11,114,079	11,878,296	11,947,463	10,067,015	11,323,684	13,698,563	(37,800,903)	(37,353,075)
Total Primary Government Net Position	\$ 35,254,302	40,817,552	43,739,985	45,928,105	45,467,254	39,102,652	34,683,992	31,840,558	(20,966,319)	\$ (24,196,498)

Note 1: The net position of business-type activities decreased in 2007 due to indirect costs. Fiscal year 2007 was the first year the District charged the business-type activity indirect cost.

Note 2: The net position of governmental activities decreased from 2011 to 2012 due to an increase in instructional expenses.

Note 3: The net position of governmental activities decreased from 2012 to 2013 due to an increase in property tax revenue.

Note 4: The net position of governmental activities decreased from 2013 to 2014 due to expenses exceeding revenues in the current fiscal year.

Note 5: The District implemented GASB #68/71 in 2015

TABLE 2

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2007 ¹	2008 ²	2009 ³	2010	2011 ⁴	2012 ⁵	2013 ⁶	2014 ⁷	2015 ⁸	2016
Expenses										
Governmental Activities:										
Instruction	\$ 26,438,222	26,799,632	27,385,121	27,821,416	15,655,936	29,530,775	31,405,400	30,377,162	31,353,768	\$ 32,481,326
Support Services	15,642,947	17,699,361	18,348,659	18,109,229	31,000,076	22,852,514	21,161,233	20,253,881	21,728,664	22,930,865
Intergovernmental	127,534	79,628	87,181	-	-	-	-	-	-	-
Interest and Other Charges	631,973	691,178	1,600,223	4,009,483	4,558,142	5,243,748	5,053,739	6,224,137	4,170,449	6,209,181
Total Governmental Activities Expenses	42,840,676	45,269,799	47,421,184	49,940,128	51,214,154	57,627,037	57,620,372	56,855,180	57,252,871	61,621,372
Business-Type Activities:										
Food Services	2,199,283	2,382,546	2,613,166	2,328,847	2,088,496	2,345,603	2,353,674	2,421,927	2,816,279	2,846,331
Total Business-Type Activities Expenses	2,199,283	2,382,546	2,613,166	2,328,847	2,088,496	2,345,603	2,353,674	2,421,927	2,816,279	2,846,331
Total Primary Government Expenses	\$ 45,039,959	47,652,345	50,034,350	52,268,975	53,302,650	59,972,640	59,974,046	59,277,107	60,069,150	\$ 64,467,703
Program Revenues										
Governmental Activities:										
Charges for Services:										
Operating Grants and Contributions	\$ 24,723,152	26,742,351	25,520,016	25,645,279	24,093,028	24,587,788	25,326,132	24,985,478	26,777,487	\$ 27,489,089
Capital Grants and Contributions	-	108,240	129,927	-	10,061	-	-	-	-	107,795
Total Governmental Activities Program Revenues	24,723,152	26,850,591	25,649,943	25,645,279	24,103,089	24,587,788	25,326,132	24,985,478	26,777,487	27,596,884
Business-Type Activities:										
Charges for Services:										
Food Service	773,972	804,509	811,686	704,158	610,206	653,165	616,173	615,816	596,771	615,767
Operating Grants and Contributions	1,433,730	1,519,454	1,694,507	1,795,273	1,727,844	1,927,686	1,972,962	2,041,698	2,448,014	2,482,238
Total Business-Type Activities Program Revenues	2,207,702	2,323,963	2,506,193	2,499,431	2,338,050	2,580,851	2,589,135	2,657,514	3,044,785	3,098,005
Total Primary Government Program Revenues	\$ 26,930,854	29,174,554	28,156,136	28,144,710	26,441,139	27,168,639	27,915,267	27,642,992	29,822,272	\$ 30,694,889
Net (Expense)/Revenue										
Governmental Activities	\$ (18,117,524)	(18,419,208)	(21,771,241)	(24,294,849)	(27,111,065)	(33,039,249)	(32,294,240)	(31,869,702)	(30,475,384)	\$ (34,024,488)
Business-Type Activities	8,419	(58,583)	(106,973)	170,584	249,554	235,248	235,461	235,587	228,506	251,674
Total Primary Government Net (Expense)/Revenue	\$ (18,109,105)	(18,477,791)	(21,878,214)	(24,124,265)	(26,861,511)	(32,804,001)	(32,058,779)	(31,634,115)	(30,246,878)	\$ (33,772,814)

(Continued)

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	2007 ¹	2008 ²	2009 ³	2010	2011 ⁴	Fiscal Year				2016
						2012 ⁵	2013 ⁶	2014 ⁷	2015 ⁸	
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax - General Operations	\$ 13,045,784	10,616,344	10,860,700	12,000,042	11,962,753	11,455,061	12,403,242	13,371,086	13,675,538	\$ 14,973,251
Property Tax - Debt Service	2,563,717	6,089,120	6,510,217	6,986,312	6,319,740	6,759,604	6,887,351	7,127,507	7,242,780	7,572,988
State Revenue in Lieu of Taxes	-	6,282,271	6,453,060	6,618,806	6,651,863	6,786,798	6,983,336	7,119,379	7,261,593	7,382,306
Other Taxes	2,587,843	295,889	313,147	325,576	345,228	363,665	379,302	394,628	408,895	406,652
Unrestricted Investment Earnings	759,438	631,112	561,563	222,252	107,019	51,370	53,880	36,241	55,878	135,668
Transfers	113,580	98,948	-	-	(268,194)	135,861	135,861	135,861	135,861	8,201
Miscellaneous	5,629	38,981	10,116	28,192	220,597	258,078	186,138	34,497	39,352	33,112
Other Revenues	94,397	84,252	90,666	130,387	792,774	764,210	746,470	707,069	700,078	36,994
Total Governmental Activities	19,170,388	24,136,917	24,799,469	26,311,567	26,131,780	26,574,647	27,775,580	28,926,268	29,519,975	30,549,172
Business-Type Activities:										
Unrestricted Investment Earnings	165	3,072	1,178	818	686	613	400	274	561	1,664
Transfers	(113,580)	(98,948)	-	-	268,194	(135,861)	(135,861)	(135,861)	(135,861)	(8,201)
Total Business-Type Activities	(113,415)	(95,876)	1,178	818	268,880	(135,248)	(135,461)	(135,587)	(135,300)	(6,537)
Total Primary Government	\$ 19,056,973	24,041,041	24,800,647	26,312,385	26,400,660	26,439,399	27,640,119	28,790,681	29,384,675	\$ 30,542,635
Change in Net Position:										
Governmental Activities	\$ 1,052,864	5,717,709	3,028,228	2,016,718	(979,285)	(6,464,602)	(4,518,660)	(2,943,434)	(955,409)	\$ (3,475,316)
Business-Type Activities	(104,996)	(154,459)	(105,795)	171,402	518,434	100,000	100,000	100,000	93,206	245,137
Total Primary Government	\$ 947,868	5,563,250	2,922,433	2,188,120	(460,851)	(6,364,602)	(4,418,660)	(2,843,434)	(862,203)	\$ (3,230,179)

- Note 1: Net Position increased primarily due to an increase in revenue from Federal and State sources and an increase in investment earnings.
- 2: Debt Service Property Tax increased because debt service millage increased from 32 mills to 78 mills in fiscal year 2008. This was due to a bond referendum that was passed in May 2007. There is a new line item for State Revenue in Lieu of Taxes due to Act 388. The amount was significant enough to be separated out on the report.
- 3: The District did not charge indirect cost to Food Service in 2009.
- 4: Net Position in governmental activities decreased primarily due to a decrease in property tax and state revenue, partially offset by increase 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.
- 5: Net Position decreased in 2012 due to an increase in instructional expenses.
- 6: Net Position decreased in 2013 due to an increase in property tax revenue.
- 7: Net Position decreased in 2014 due to expenses exceeding revenues.
- 8: Net Position decreased in 2015 due to expenses exceeding revenues.
- 9: Net Position decreased in 2016 due to expenses exceeding revenues.

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	2007	2008 ¹	2009 ¹	2010 ¹	2011 ²	2012	2013	2014	2015	2016
General Fund										
Pre-GASB #54 ³										
Unreserved	\$ 8,143,105	9,252,424	8,831,055	8,831,055	-	-	-	-	-	\$ -
Post GASB #54 ³	-	-	-	-	8,655,615	7,719,414	6,631,829	6,958,944	7,526,415	8,385,819
Unassigned										
Total General Fund	<u>\$ 8,143,105</u>	<u>9,252,424</u>	<u>8,831,055</u>	<u>8,831,055</u>	<u>8,655,615</u>	<u>7,719,414</u>	<u>6,631,829</u>	<u>6,958,944</u>	<u>7,526,415</u>	<u>\$ 8,385,819</u>
All Other Governmental Funds										
Pre-GASB #54 ³										
Reserved	\$ -	1,751,334	25,792,756	18,665,991	-	-	-	-	-	\$ -
Unreserved, Reported In:										
Special Revenue Funds	50,408	14,893	44	-	-	-	-	-	-	-
Capital Projects Funds	1,354,755	1,894,403	665,809	849,512	-	-	-	-	-	-
Debt Service Funds	3,046,716	1,139,514	1,307,474	-	-	-	-	-	-	-
Post GASB #54 ³										
Restricted	-	-	-	-	6,244,027	7,192,650	5,139,274	4,705,102	5,224,736	6,619,277
Assigned	-	-	-	-	728,415	214,549	2,253,098	3,779,993	3,880,260	3,544,096
Total All Other Governmental Funds	<u>\$ 4,451,879</u>	<u>4,800,144</u>	<u>27,766,083</u>	<u>19,515,503</u>	<u>6,972,442</u>	<u>7,407,199</u>	<u>7,392,372</u>	<u>8,485,095</u>	<u>9,104,996</u>	<u>\$ 10,163,373</u>

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									
	2007	2008	2009 ¹	2010 ²	2011 ³	2012	2013	2014 ⁴	2015 ⁵	2016
Revenues										
Local Sources:										
Taxes by Source:										
Property Tax - General Operations	\$ 12,899,509	10,459,282	10,523,477	11,639,110	11,292,158	12,072,613	12,284,522	13,070,676	13,491,332	\$ 14,585,862
Property Tax - Debt Service	2,543,974	5,916,832	6,317,140	6,854,792	6,488,272	6,893,791	6,839,683	7,031,199	7,206,959	7,417,749
Investment Earnings	759,438	631,112	561,563	222,252	107,019	51,370	53,880	36,241	55,878	135,668
Other Local Sources	519,596	345,839	438,718	576,250	627,871	797,223	1,293,053	565,728	326,968	682,174
State Sources	23,336,215	29,624,480	28,402,867	25,537,127	24,943,976	27,191,788	27,722,640	28,189,450	30,627,623	31,461,985
Federal Sources	3,447,741	3,488,699	3,565,244	6,487,631	6,417,286	4,714,540	4,566,435	4,429,800	4,188,683	3,274,795
Intergovernmental Revenue	107,469	92,966	110,103	147,232	124,419	56,987	39,246	56,070	44,129	36,994
Total Revenues	43,613,942	50,559,210	49,919,112	51,464,394	50,001,001	51,778,312	52,799,459	53,379,164	55,941,572	57,595,227
Expenditures										
Current:										
Instruction	\$ 25,095,555	26,543,604	27,585,814	27,440,170	25,932,428	27,084,309	27,188,035	26,208,604	26,805,387	\$ 27,861,812
Support Services	14,696,009	19,581,622	16,549,787	17,644,625	18,716,637	20,164,598	19,302,700	18,611,877	19,844,189	20,595,677
Intergovernmental	127,534	79,628	87,181	67,981	66,758	102,561	104,690	82,624	82,061	121,230
Capital Outlay	1,500,312	302,965	42,986,555	48,231,550	11,255,304	1,036,352	237,795	156,203	380,922	805,670
Debt Service:										
Principal	1,555,000	1,960,000	1,215,000	1,280,000	1,535,000	7,940,000	1,739,000	2,003,000	37,959,000	2,467,000
Interest and Fiscal Charges	668,799	732,755	576,043	4,169,007	5,448,658	5,531,424	5,182,558	5,021,648	4,913,319	3,963,931
Other Charges	-	-	232,162	843,465	16,717	142,538	282,954	11,231	175,284	435,029
Total Expenditures	43,643,209	49,200,574	89,232,542	99,676,798	62,971,502	62,001,782	54,037,732	52,095,187	90,160,162	56,250,349
Excess of Revenues Over (Under) Expenditures	\$ (29,267)	1,358,636	(39,313,430)	(48,212,404)	(12,970,501)	(10,223,470)	(1,238,273)	1,283,977	(34,218,590)	\$ 1,344,878

(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

	2007	2008	2009 ¹	2010 ²	2011 ³	2012	2013	2014 ⁴	2015 ⁴	2016
Other Financing Sources (Uses)										
Transfers In	\$ 3,433,716	7,383,651	5,909,165	3,820,132	2,576,760	2,021,579	2,859,865	3,301,732	4,074,050	\$ 8,210,608
Transfers Out	(3,320,136)	(7,284,703)	(5,909,165)	(3,820,132)	(2,324,760)	(1,885,719)	(2,724,004)	(3,165,871)	(3,938,189)	(8,074,747)
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)	113,580	98,948	61,858,000	39,961,824	252,000	9,721,026	135,861	135,861	35,405,962	572,903
Net Change in Fund Balances	\$ 84,313	1,457,584	22,544,570	(8,250,580)	(12,718,501)	(502,444)	(1,102,412)	1,419,838	1,187,372	\$ 1,917,781
Capital Asset Expenditures	\$ 1,508,604	4,108,971	43,486,645	49,475,954	14,954,086	1,859,880	38,913	51,367	283,029	\$ 297,558
Debt Service as a Percentage of Noncapital Expenditures	5.3%	6.0%	3.9%	10.9%	14.5%	22.4%	12.8%	13.5%	47.7%	11.5%

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.

**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				
2007	\$ 40,559,408	9,513,935	12,078,450	21,590,697	\$ 83,742,490	168.60	\$ 1,473,162,396	5.7%
2008	41,968,432	9,212,583	11,745,855	22,627,396	85,554,266	220.60	1,499,423,067	5.7%
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%

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 ¹			Total Direct and Overlapping Rates	
	Operating Millage	Debt Service ³		City of York Millage	York County Incorporated Millage			York County Unincorporated ² Millage
		Operating Millage	Debt Service ³		City of York Millage	York County Incorporated Millage		
2007	136.60	32.00	168.60	115.00	62.60	9.40	355.60	
2008	142.60	78.00	220.60	115.00	66.00	9.40	411.00	
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	

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.

3: In 2008, Debt Service millage increased 46 mills due to an \$85 million bond referendum that was passed in May 2007.

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation/Duke Power Company	\$ 8,338,470	1	8.2%	\$ 3,631,990	1	4.9%
Plains LPG Services	3,035,152	2	3.0%	-		
York Electric Coop Inc.	2,815,913	3	2.8%	3,099,239	2	4.2%
FOMAS Inc.	1,548,180	4	1.5%	-		
Maclean Power York LLC	1,493,478	5	1.5%	593,180	8	0.8%
Bluestar Silicones USA Corp	1,291,880	6	1.3%	-		
Meritor Heavy Vehicle Systems LLC*	1,212,400	7	1.2%	1,888,948	3	2.6%
BellSouth Telecommunications	924,810	8	0.9%	1,465,690	4	2.0%
D & S Express	605,680	9	0.6%	-		
Ambassador Packaging Inc.	563,460	10	0.6%	-		
Eagle Alloys Inc.	-			1,410,711	5	1.9%
Hella Lighting Corporation	-			1,100,364	6	1.5%
Champion Laboratories Inc.*	-			799,519	7	1.1%
Canton Textile Mills Inc.	-			527,400	9	0.7%
Suburban Propane LP	-			496,750	10	0.7%
Totals	<u>\$ 21,829,423</u>		<u>21.4%</u>	<u>\$ 15,013,791</u>		<u>20.3%</u>

Source: York County Government

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 8

PROPERTY TAX LEVIES AND COLLECTIONS

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
2007	2006	\$ 18,857,879	\$ 17,630,520	93.5%	946,944	\$ 18,577,464	98.5%
2008	2007	23,235,452	22,567,694	97.1%	322,659	22,890,353	98.5%
2009	2008	23,671,957	23,197,288	98.0%	588,035	23,785,323	100.5%
2010	2009	24,499,484	24,084,395	98.3%	594,581	24,678,976	100.7%
2011	2010	25,686,385	24,260,746	94.4%	946,671	25,207,417	98.1%
2012	2011	26,539,951	25,053,108	94.4%	742,924	25,796,032	97.2%
2013	2012	27,330,092	25,670,016	93.9%	629,778	26,299,794	96.2%
2014	2013	28,489,872	27,039,331	94.9%	581,006	27,620,337	96.9%
2015	2014	29,002,778	27,419,374	94.5%	573,795	27,993,169	96.5%
2016	2015	\$ 30,685,830	\$ 29,250,819	95.3%	-	\$ 29,250,819	95.3%

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

Fiscal Year Ended June 30	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases			
2007	\$ 14,135,000	-	\$ 14,135,000	0.2%	\$ 68
2008	12,175,000	-	12,175,000	0.2%	56
2009 ¹	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	N/A	N/A
2016	\$ 84,223,691	8,852,000	\$ 93,075,691	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 and 2016 are shown net 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

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2007	\$ 14,135,000	3,046,716	\$ 11,088,284	0.8%	\$ 53
2008	12,175,000	1,139,514	11,035,486	0.7%	51
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%	N/A
2016	\$ 84,223,691	5,894,194	\$ 78,329,497	4.4%	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 and 2016 are shown net of related premiums, discounts, and adjustments.

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

Table 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2016

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
City of York	\$ 5,808,739	100.0%	\$ 5,808,739
York County Government	\$167,813,977	8.5%	14,307,441
Subtotal, Overlapping Debt			20,116,180
York School District One Direct Debt			93,075,691
Total Direct and Overlapping Debt			<u>\$ 113,191,871</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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 6,699,399	6,844,341	7,049,955	7,225,861	7,166,700	7,409,001	7,494,572	7,726,575	7,814,198	\$ 8,119,039
Total Net Debt Applicable to Debt Limit	700,000	700,000	435,411	356,955	286,000	3,213,528	2,881,895	2,549,370	2,224,463	1,965,868
Legal Debt Margin	\$ 5,999,399	6,144,341	6,614,544	6,868,906	6,880,700	4,195,473	4,612,677	5,177,205	5,589,735	\$ 6,153,171
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	10.4%	10.2%	6.2%	4.9%	4.0%	43.4%	38.5%	33.0%	28.5%	24.2%

Legal Debt Margin Calculation for Fiscal Year

Total Assessed Value	\$ 101,487,984
Debt Limit (8% of Total Assessed Value)	8,119,039
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	89,952,000
Less: Debt Service Fund Balance	(1,034,132)
Less: Debt Issued Through Referendum	(86,952,000)
Total Amount of Debt Applicable to Debt Limit	1,965,868
Legal Debt Margin	\$ 6,153,171

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 eight percent (8%) of the assessed value of the property 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

Fiscal Year Ended June 30	(1) Population	(2) Personal Income*	(2) Per Capita Personal Income	(3) School Enrollment	(4) Unemployment Rate
2007	208,827	\$ 6,804,919	\$ 32,627	4,977	5.7%
2008	217,448	7,305,787	33,203	5,018	6.1%
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	N/A	N/A	4,973	6.0%
2016	N/A	N/A	N/A	4,946	5.4%

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

Employer	2016			2007		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Rock Hill School District	2,483	1	1.98%	2,185	1	2.15%
Fort Mill School District	2,442	2	1.95%	912	9	0.90%
Wells Fargo Home Mortgage	1,828	3	1.46%	1,469	4	1.45%
Lash Group	1,800	4	1.44%	-		
Piedmont Medical Center	1,600	5	1.28%	1,600	3	1.58%
Clover School District	1,310	6	1.05%	-		
Schaeffler	1,270	7	1.01%	840	10	0.83%
Duke Power Catawba Nuclear Station	1,228	8	0.98%	1,100	7	1.08%
Winthrop University	1,185	9	0.95%	1,129	6	1.11%
York County Government	1,100	10	0.88%	-		
Ross Distribution	-		-	1,800	2	1.77%
CitiFinancial	-		-	1,411	5	1.39%
Duke Power Catawba Nuclear Station	-		-	1,100	7	1.08%
Abitibi Bowater	-		-	957	8	0.94%
Totals	<u>16,246</u>		<u>12.98%</u>	<u>14,503</u>		<u>14.29%</u>

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Instruction										
Teachers	355	365	365	358	350	344	341	338	340	342
Librarians	8	8	8	8	8	9	9	8	8	8
Guidance	13	13	13	13	13	14	15	16	17	17
Other	90	90	95	93	95	95	95	89	90	92
Support Services										
Principals	9	9	9	9	9	10	10	10	10	10
Assistant Principals	12	12	12	12	12	13	13	12	12	12
Administration	10	10	10	10	10	11	11	11	11	11
Other	187	186	188	186	192	195	195	188	188	189
Business-Type Activities										
Food Services	52	50	50	53	55	59	57	57	59	59
Total	736	743	750	742	744	750	746	729	735	740

Source: York School District One Personnel Department

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			
2007	4,977	\$ 39,919,098	\$ 8,021	7.9%	\$42,208,703	\$ 8,481	6.7%	355	14	53.3%
2008	5,018	46,204,854	9,208	14.8%	44,578,621	8,884	4.8%	365	14	52.6%
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%	342	14	65.8%

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

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

School	Fiscal Year									
	2007	2008	2009	2010	2011 ¹	2012 ²	2013	2014	2015	2016
Elementary										
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	689	737	737	711	552	394	376	383	426	378
Hickory Grove-Sharon Elementary (1987)										
Square Feet ¹	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	380	386	397	405	368	383	383	375	369
Hunter Street Elementary (1982)										
Square Feet ²	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	746	797	757	738	589	411	388	378	376	398
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	555	578	615	609	499	432	417	425	412	420
Harold C Johnson Elementary (2012)										
Square Feet	-	-	-	-	-	124,245	124,245	124,245	124,245	124,245
Capacity	-	-	-	-	-	800	800	800	800	800
Enrollment	-	-	-	-	-	407	415	418	419	420

(Continued)

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)

LAST TEN FISCAL YEARS

UNAUDITED

School	Fiscal Year									
	2007	2008	2009	2010	2011 ¹	2012 ²	2013	2014	2015	2016
<u>Intermediate School</u>										
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	697	666	682	707	672	707	683	639	604	613
<u>Middle School</u>										
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	825	795	821	769	783	795	823	836	788	766
<u>High</u>										
York Comprehensive High & Technology Center (2010)										
Square Feet	-	-	-	-	385,326	385,326	385,326	385,326	385,326	385,326
Capacity	1,030	1,030	1,030	1,030	2,000	2,000	2,000	2,000	2,000	2,000
Enrollment	1,052	1,038	1,068	1,073	1,440	1,419	1,421	1,469	1,573	1,582

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, 2016

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
US Department of Agriculture				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 539,192
600	National School Lunch Program	10.555	N/A	1,487,379
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	204,624
600	National School Lunch Program - Cash Assistance	10.555	N/A	14,058
	Total 10.553 & 10.555			2,245,253
859	National School Lunch Program Equipment Assistance Grant	10.579	N/A	107,795
	Total US Department of Agriculture			2,353,048
Department of Social Services				
600	Child and Adult Care Food Program	10.558	N/A	90,516
US Department of Education				
Pass-through State Department of Education:				
201	Title I	84.010	16BA	1,256,748
	Total 84.010			1,256,748
Individuals with Disabilities Education Act:				
203	Special Education - Grants to States	84.027	15CA	255,812
203	Special Education - Grants to States	84.027	16CA	755,267
203	Special Education - Grants to States	84.027A	Supp	37,875
203	Special Education - Grants to States	84.027A	Winter Supp	76,067
212	Extended School Year	84.027A	N/A	7,901
205	Special Education - Preschool Grants	84.173	15CG	14,461
205	Special Education - Preschool Grants	84.173	16CG	48,980
	Total 84.027 & 84.173			1,196,363
207	Occupational Education	84.048A	16VA	83,910
	Total 84.048A			83,910
264	Title III - English Language Acquisition	84.365A	16BP	13,580
264	Title III - English Language Acquisition	84.365A	15BP	2,147
264	Title III - English Language Immigrant	84.365B	15BP	953
267	Improving Teacher Quality	84.367A	16TQ	130,602
267	Improving Teacher Quality	84.367A	15TQ	1,005
225	AIMS Grant (Alliance in Math/Science Success)	84.366B	16MS	236,980
225	AIMS Grant (Alliance in Math/Science Success)	84.366B	15MS	45,886
225	STEM Alliance	84.366B	16MS	51,313
847	Elementary School Counseling	84.215E	N/A	52,291
	Total US Department of Education			3,071,778
US Department of Defense				
Direct Programs:				
271	JROTC	12.000	N/A	95,222
	Total US Department of Defense			95,222
TOTAL FEDERAL ASSISTANCE EXPENDED				\$ 5,610,564

There were no expenditures to subrecipients for the year ended June 30, 2016.

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, 2016

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, 2016. 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 and non-operating expenses in the Enterprise Fund.

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 & Horton

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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, the business-type 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 27, 2016.

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*.

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.

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
September 27, 2016





**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, 2016. 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, 2016.

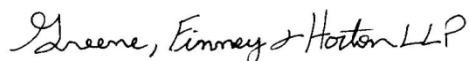
Report on Internal Control Over Compliance

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. 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.



Greene, Finney & Horton, LLP
Mauldin, South Carolina
September 27, 2016

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2016

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, 2016

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
--------------------------------------------------------------------------------------------------------------------	-----------	---------	----

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
--------------------------------------------------------------------------	------------

Auditee qualified as low-risk auditee?	_____ X	Yes	_____	No
----------------------------------------	---------	-----	-------	----

Section II - Financial Statement Findings

NONE

Section III - Federal Awards Findings and Questioned Costs

NONE