



Comprehensive Annual Financial Report

For the Year Ended June 30, 2015



York County, South Carolina

YORK SCHOOL DISTRICT ONE

York, South Carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015



Prepared By:

**York School District One
Office of Finance
Amy Hagner, Director**

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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ORGANIZATION CHART



YORK SCHOOL DISTRICT ONE

List of Principal Officials

June 30, 2015

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

Board of Trustees

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

Administrative

Title

Superintendent
Assistant Superintendent
Director of Early Childhood/Elementary Programs
Director of Human Resources
Director of Finance
Director of Instruction and Assessment
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

Name

Vernon Prosser, Ph.D.
Matt Brown
Patricia Allen
Maria Duncan
Amy Hagner
Mildred Huey Rowland, Ed.D.
Bryan Greeson
Sandy Brackett
Richard Podmore
Stan Quinn
Lisa Spangler
Ray Stemmer
Penny Sanders

Vernon Prosser
Superintendent



Amy Hagner
Assistant Superintendent

October 20, 2015

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, 2015. 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, 2015 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, 2015 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 \$97,677,469 for tax year 2014.

The District was created in 1954 by the consolidation of seven school districts within the County. The District has approximately 4,931 students in 2013-2014. For the 2014-2015 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 239,363 in 2013. This figure represents an approximate 5.5% 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 \$36,688 in 2013. The County's unemployment rate was 6.0% at June 30, 2015, which is slightly higher than the rate at June 30, 2014, which was 5.9%. 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 2014-2015 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 partnered with Keystone in the implementation of Keystone's Stepping Up grant program designed to provide intensive school based, family centered treatment services for students abusing alcohol and other substances.
- 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.
- The District hosted an Instructional Fair for all certified personnel. Teachers had the opportunity to attend a variety of instructional breakout sessions to offer an array of professional development opportunities throughout the day.
- Summer Reading Camp, implemented through funding through the SDE, served 28 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 expanded its partnership with York Technical College to plan an Early College program targeting high achieving 8th grade students. A total of 35 students qualified for program participation during the first year of implementation. 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.
- Through a partnership with the Upper Piedmont YMCA and a Target field trip grant, many of the district's elementary aged students participated in field trips to the Camp Cherokee Environmental program experiencing hands on science lessons in a natural led environment.

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.
- For the first time, the District's Teacher Advisory Group, implemented the Cougar in the Hat reading initiative which provided a book to every elementary aged student in the district.

Technology:

- The District has a Technology Coach that provides professional development and training to all employees in 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 2014-2015 were as follows:

- The District had eighteen 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.
- The District was awarded a third year of funding through the Elementary and Secondary School Counseling Grant in the amount of \$255,983. The grant enables the district to expand counseling services through an agreement with Catawba Family Center to place one school based mental health counselor in each school in the district, expand counseling services through an additional school psychologist and guidance counselor, implement Olweus bullying prevention in six schools and provide professional development for school counselors and school psychologists.
- The District received a \$37,681 grant from Sisters of Mercy Foundation to provide support for first generation college students who are academically capable but otherwise not motivated to graduate from high school and continue with college.
- The District Food Service Department received a \$10,000 grant from the State Department of Education to replace a 26 year old freezer.
- Sue Hilton received the Administrator of the Year from the South Carolina Counseling Association. The award recognizes her leadership for coordinating the implementation of the Olweus Bullying Prevention Program, coordinating the work of the districts mental health counselors, developing a program to address the needs of the students with alcohol and drug violations, and organizing quarterly meetings and activities for the districts school counselors.
- Three students from York Comprehensive High School raised \$1,624.19 in the districts first "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 districts efforts to prevent bullying.
- York School District received the "Energy Reduction Milestone Achievement" award from the State Energy Office. Legislation requires state agencies and public school districts to develop energy conservation plans towards an ultimate goal of a 20% reduction in energy use by 2020, as compared to 2000 levels.
- The District implemented 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 Bigger than Bullying 5K won both state DECA and national Pacer Awards.

- 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 2 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 two At Risk Student Innovation Grants in the amount of \$209,534 (total). The grant provides funding for an after school enrichment programs and a summer intercessions 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.
- Sue Hilton was awarded the Advocate of the Year by the Palmetto State School Counseling Association. This award is given to a person who has demonstrated her belief in support of school counseling programs that have had an impact on counselors and their students.
- 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. A total of 9,228 meals were served at the sites.
- The District received a grant for the third year in the amount of \$27,043 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 was expanded 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.
- York Comprehensive High School was recognized as the recipient of the National Athletic Trainers’ Association Safe Sports School award for its Cougar Sports Medicine Program. The award champions safety and recognizes secondary schools that provide safe environments for student athletes and reinforces the importance of providing the best level of injury prevention care, and treatment.

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 Finance Director 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 \$7,526,415. 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 2015. 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, 2014 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 thirteenth 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, with the first letters of each word being capitalized and prominent.

Amy Hagner
Assistant Superintendent
Finance and Operations



Government Finance Officers Association

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

Presented to

**York School District One
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

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, 2014*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons', written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director





Greene Finney & Horton

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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, 2015, 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, 2015, 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.

Change in Accounting Principle

As discussed in Note 1.C to the financial statements, in the year ended June 30, 2015 the District adopted the provisions of Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the introductory section and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Greene, Finney & Horton, LLP
Mauldin, South Carolina
October 20, 2015



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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

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, 2015. 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 2014-2015 are as follows:

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year yielding a net deficit of approximately \$21.0 million. Of this amount, approximately \$37.8 million was the District's unrestricted net deficit.
- The District's total net position decreased by approximately \$0.9 million compared to a \$2.8 million decrease in the prior year. The change compared to the prior year is primarily attributable to an increase in revenues.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$16.6 million. The District had an increase of approximately \$1.2 million in the current year compared to an increase of approximately \$1.4 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 \$7.5 million, which is approximately 20% percent of total General Fund expenditures. The entire amount is unassigned.
- The District's total capital assets decreased approximately \$5.5 million (approximately 5%) during the current fiscal year. The key factor was depreciation expense of approximately \$5.7 million.
- The District's total gross debt decreased by approximately \$5.6 million (5%) during the current fiscal year which was due principal payments of approximately \$3.0 million.
- During the 2015 fiscal year, the District's governmental fund type revenues were approximately \$55.9 million compared to approximately \$53.4 million in the prior year. This increase was primarily due to higher local and state revenues.
- The District had approximately \$57.3 million in expenses related to governmental activities; approximately \$26.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of approximately \$29.5 million provided the remaining funding.
- The District implemented Governmental Accounting Standard Boards ("GASB") Statement No. 68 "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*" ("GASB #68") and GASB Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*" ("GASB #71" and collectively "Statements") in 2015. These Statements require the District to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for their participation in the South Carolina Retirement System, a cost-sharing multiple-employer defined benefit pension plan, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e. the Statement of Net Position) and presents more extensive note disclosures.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS (CONTINUED)

The adoption of these Statements had no impact on the District's governmental fund financial statements, which continue to report expenditures in the amount of the contractually required contributions, as required by the South Carolina Public Employee Benefit Authority who administers the Plans. However, the adoption has resulted in the restatement of the District's net position as of July 1, 2014 for its government-wide financial statements and enterprise fund to reflect the reporting of net pension liabilities and deferred outflows of resources for each of its qualified Plans in accordance with the provisions of these Statements. Net position of the District's government-wide financial statements and enterprise fund as of July 1, 2014 was decreased by approximately \$15,375,000 and \$569,000, respectively, reflecting the cumulative change in accounting principle related to the adoption of these Statements. See Note 10.A in the notes to the financial statements for more information regarding the District's retirement plans.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Statement of Net Position

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

Statement of Activities

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). 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.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Reporting the District's Major Funds - Fund Financial Statements

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

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

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.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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.

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 exceeded assets by approximately \$21.0 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 2015, as well as the preceding fiscal year 2014:

**Table 1
Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2015 *	2014	2015 *	2014	2015 *	2014
Assets						
Current and Other Assets	\$ 25,516,380	22,132,431	1,316,079	1,133,886	26,832,459	\$23,266,317
Capital Assets, Net	113,840,410	119,207,531	506,164	608,962	114,346,574	119,816,493
Total Assets	<u>139,356,790</u>	<u>141,339,962</u>	<u>1,822,243</u>	<u>1,742,848</u>	<u>141,179,033</u>	<u>143,082,810</u>
Deferred Outflows of Resources						
Deferred Pension Charges	<u>4,514,439</u>	<u>-</u>	<u>50,027</u>	<u>-</u>	<u>4,564,466</u>	<u>-</u>
Liabilities						
Other Liabilities	6,844,898	5,176,737	26,718	47,323	6,871,616	5,224,060
Long-Term Liabilities	154,818,822	106,018,192	577,454	-	155,396,276	106,018,192
Total Liabilities	<u>161,663,720</u>	<u>111,194,929</u>	<u>604,172</u>	<u>47,323</u>	<u>162,267,892</u>	<u>111,242,252</u>
Deferred Inflows of Resources						
Deferred Pension Credits	<u>4,393,242</u>	<u>-</u>	<u>48,684</u>	<u>-</u>	<u>4,441,926</u>	<u>-</u>
Net Position						
Net Investment in Capital Assets	14,143,451	14,613,621	506,164	608,962	14,649,615	15,222,583
Restricted	2,184,969	2,919,412	-	-	2,184,969	2,919,412
Unrestricted	(38,514,153)	12,612,000	713,250	1,086,563	(37,800,903)	13,698,563
Total Net Position	<u><u>\$(22,185,733)</u></u>	<u><u>30,145,033</u></u>	<u><u>1,219,414</u></u>	<u><u>1,695,525</u></u>	<u><u>(20,966,319)</u></u>	<u><u>\$31,840,558</u></u>

* The District implemented GASB #68/71 for FY 2015.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The District's current and other assets at June 30, 2015 increased by approximately \$3.6 million from the prior year primarily due to an increase in cash. The District's capital assets at June 30, 2015 decreased by approximately \$5.5 million from the prior year due to depreciation expense of approximately \$5.7 million. The District's total liabilities at June 30, 2015 increased by approximately \$51.0 million from the prior year primarily due to the implementation of GASB 68 and the District recording the net pension liability.

The District's net position decreased by approximately \$0.9 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.

The largest portion of the District's net position of approximately \$14.6 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 \$2.2 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 (\$37.8) million may be used to meet the government's ongoing obligations to citizens and creditors.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Table 2 shows the changes in net position for the current fiscal year 2015 as well as for the preceding fiscal year 2014:

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2015 *	2014	2015 *	2014	2015 *	2014
Revenues						
Program Revenues:						
Charges for Services	\$ -	-	596,771	615,816	596,771	\$ 615,816
Operating Grants	26,777,487	24,985,478	2,448,014	2,041,698	29,225,501	27,027,176
General Revenues:						
Taxes	28,588,806	28,012,600	-	-	28,588,806	28,012,600
Other	795,308	777,807	561	274	795,869	778,081
Total Revenues	56,161,601	53,775,885	3,045,346	2,657,788	59,206,947	56,433,673
Program Expenses						
Instruction	31,353,768	30,377,162	-	-	31,353,768	30,377,162
Supporting Services	21,728,654	20,253,881	-	-	21,728,654	20,253,881
Interest and Other Charges	4,170,449	6,224,137	-	-	4,170,449	6,224,137
Food Service	-	-	2,816,279	2,421,927	2,816,279	2,421,927
Total Program Expenses	57,252,871	56,855,180	2,816,279	2,421,927	60,069,150	59,277,107
Excess (Deficiency)						
Before Transfers	(1,091,270)	(3,079,295)	229,067	235,861	(862,203)	(2,843,434)
Transfers In (Out)	135,861	135,861	(135,861)	(135,861)	-	-
Change in Net Position	(955,409)	(2,943,434)	93,206	100,000	(862,203)	(2,843,434)
Net Position, Beginning of Year, as Previously Reported	30,145,033	33,088,467	1,695,525	1,595,525	31,840,558	34,683,992
Cumulative Change in Accounting Principle - GASB #68/71	(51,375,357)	-	(569,317)	-	(51,944,674)	-
Net Position, Beginning of Year, Restated	(21,230,324)	33,088,467	1,126,208	1,595,525	(20,104,116)	34,683,992
Net Position, End of Year	<u>\$ (22,185,733)</u>	<u>30,145,033</u>	<u>1,219,414</u>	<u>1,695,525</u>	<u>(20,966,319)</u>	<u>\$31,840,558</u>

* The District implemented GASB #68/71 in FY 2015

Governmental Activities

The District's governmental activities net position decreased approximately \$1.0 million in 2015 compared to a decrease of approximately \$2.9 million in the prior year. This decrease was less than in the prior year primarily due to higher operating grants (\$26.8 million in fiscal year 2015 compared to \$25.0 million in the prior year). Depreciation expense of approximately \$5.6 million was a significant reason for the decrease in the District's governmental activities net position.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities

The District's business-type activities increased net position in 2015 by approximately \$0.1 million, compared to an increase of approximately \$0.1 million in the prior year. The District has a contract in place with their food service provider that guarantees an increase of \$0.1 million each year.

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, 2015, the District's governmental funds reported a combined fund balance of approximately \$16.6 million as compared to approximately \$15.4 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, 2015, the District's unassigned fund balance for all governmental funds was approximately \$7.5 million which solely represents the General Fund. Of the remainder, approximately \$2.7 million and \$3.9 million is restricted and assigned for capital projects, respectively, and approximately \$2.5 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 \$7.5 million which was all unassigned.

The District's General Fund balance increased approximately 8% from the prior year. The fund balance in the General Fund is approximately 20% 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 decreased \$1.1 million in 2015. The fund balance for the Debt Service Fund at June 30, 2015 is approximately \$2.5 million which is restricted for the payment of debt service. Revenues increased over the prior year by approximately \$0.2 million, or 2.4%, primarily due to an increase in local tax revenue. Debt service payments decreased over the prior year by approximately \$0.2 million, or 2%.

The Capital Projects Fund is utilized to account for the District's major capital project expenditures. The District's Capital Projects Fund increased by approximately \$1.8 million in 2015 to approximately \$6.6 million at June 30, 2015. The primary reason is due to a transfer from the General Fund of approximately \$1.3 million.

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

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

FUND ANALYSIS (CONTINUED)

Proprietary Funds

The District's only Proprietary Fund is the Food Service Fund. This program had a net income of approximately \$0.1 million for the fiscal year ended June 30, 2015, compared to net income of approximately \$0.1 million for the prior year. The District has a contract in place with their food service provider that guarantees an increase of \$0.1 million each year.

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 2015, 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 2015, 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. Over the past several years, the District utilized some of the unassigned fund balance to balance the budget. The District's goal in 2015 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 2015, the District had approximately \$114.3 million net investment in capital assets. The total decrease in the District's net investment in capital assets was approximately \$5.5 million or approximately 5%. While there was approximately \$0.3 million in additions to capital assets, depreciation expense was approximately \$5.7 million and loss on disposal was approximately \$0.1 million. Major capital asset events during the current fiscal year included:

- Depreciation expense of approximately \$5.7 million.
- Furniture, equipment and other capital asset additions of approximately \$0.3 million.

Table 3 shows fiscal 2015 balances compared to 2014:

**Table 3
Capital Assets at June 30, 2015 and June 30, 2014
(Net of Depreciation)**

	Government Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land and Land Improvements	\$ 3,129,672	3,086,106	-	-	3,129,672	\$ 3,086,106
Buildings, Improvements and Equipment	110,710,738	116,121,425	506,164	608,962	111,216,902	116,730,387
Totals	<u>\$ 113,840,410</u>	<u>119,207,531</u>	<u>506,164</u>	<u>608,962</u>	<u>114,346,574</u>	<u>\$ 119,816,493</u>

The District does not have outstanding construction commitments at June 30, 2015. 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, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

At fiscal year-end, the District had approximately \$96.4 million in gross bonds and capital leases outstanding versus approximately \$102.0 million in the prior year, a decrease of approximately 5% 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 2015	Governmental Activities 2014
Qualified Zone Academy GOB, Series 2004	\$ -	\$ 700,000
General Obligation Bond, 2009	49,800,000	49,900,000
Build America Bonds, 2009	-	35,000,000
Capital Lease, 2009	9,604,000	10,193,000
General Obligation Refunding Bond, 2011	1,615,000	3,185,000
Qualified Zone Academy GOB, Series 2012	3,000,000	3,000,000
General Obligation Refunding Bonds, 2015	32,405,000	-
Total Gross Debt	<u>\$ 96,424,000</u>	<u>\$ 101,978,000</u>

Key highlights related to the District's gross debt for the fiscal year 2015 are as follows:

- Principal payments of approximately \$3.0 million were made on the various bonds.
- The Build America Bonds were refunded for approximately \$35.0 million.

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, 2015, the District's assessed property valuation was approximately \$97.7 million. The District had approximately \$2.2 million (\$3.0 million of the Qualified Zone Academy GOB less the funded debt service for the Qualified Zone Academy GOB of approximately \$0.8 million) of bonded debt subject to the 8% limit of approximately \$7.8 million resulting in unused legal debt margin of approximately \$5.6 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 \$97,678,000 million in 2015 which is a 1.1% increase from 2014. 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, 2015

FY 2016 BUDGETS

The FY 16 General Fund Budget of approximately \$40.4 million represents a 4.3% increase over FY 15. The main priorities for the FY 16 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 4.5% over 2015 (from \$2,120 to \$ 2,220). 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 182.1 mills from 179.6 mills in the prior year) for the 2015 property tax year for general operations of the District. The Board of Trustees also approved to maintain 78 mills for the 2015 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.



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

STATEMENT OF NET POSITION

JUNE 30, 2015

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	\$ 11,502,398	781,600	\$ 12,283,998
Cash and Cash Equivalents, Restricted	62,606	-	62,606
Investments, Restricted	775,537	-	775,537
Cash and Investments Held by County Treasurer	7,769,064	-	7,769,064
Property Taxes Receivable, Net	4,156,975	-	4,156,975
Accounts Receivable, Net	-	130,741	130,741
Other Receivables, Net	23,798	-	23,798
Due from State	440,216	-	440,216
Due from Federal	1,145,369	-	1,145,369
Due from Other Governments	5,930	11,507	17,437
Internal Balances	(365,513)	365,513	-
Inventories and Prepaid Items	-	26,718	26,718
Capital Assets:			
Non-Depreciable	3,129,672	-	3,129,672
Depreciable, Net	110,710,738	506,164	111,216,902
TOTAL ASSETS	139,356,790	1,822,243	141,179,033
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	4,514,439	50,027	4,564,466
LIABILITIES			
Accounts Payable and Accrued Expenses	4,850,975	-	4,850,975
Accrued Interest Payable	1,336,663	-	1,336,663
Unearned Revenue	657,260	26,718	683,978
Net Pension Liability	52,109,600	577,454	52,687,054
Non-Current Liabilities:			
Due Within One Year	2,627,000	-	2,627,000
Due in More than One Year	100,082,222	-	100,082,222
TOTAL LIABILITIES	161,663,720	604,172	162,267,892
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	4,393,242	48,684	4,441,926
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	14,143,451	506,164	14,649,615
Restricted For:			
Debt Service	2,184,969	-	2,184,969
Unrestricted	(38,514,153)	713,250	(37,800,903)
TOTAL NET POSITION	\$ (22,185,733)	1,219,414	\$ (20,966,319)

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, 2015

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	\$31,353,767	-	17,458,083	-	(13,895,684)	-	\$ (13,895,684)
Support Services	21,728,655	-	9,319,404	-	(12,409,251)	-	(12,409,251)
Interest on Long-Term Obligations	4,170,449	-	-	-	(4,170,449)	-	(4,170,449)
Total Governmental Activities	<u>57,252,871</u>	<u>-</u>	<u>26,777,487</u>	<u>-</u>	<u>(30,475,384)</u>	<u>-</u>	<u>(30,475,384)</u>
Business-Type Activities:							
Food Services	2,816,279	596,771	2,448,014	-	-	228,506	228,506
Total Business-Type Activities	<u>2,816,279</u>	<u>596,771</u>	<u>2,448,014</u>	<u>-</u>	<u>-</u>	<u>228,506</u>	<u>228,506</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 60,069,150</u>	<u>596,771</u>	<u>29,225,501</u>	<u>-</u>	<u>(30,475,384)</u>	<u>228,506</u>	<u>(30,246,878)</u>
GENERAL REVENUES:							
General Revenues:							
Property Taxes Levied for General Purposes					13,675,538	-	13,675,538
Property Taxes Levied for Debt Service					7,242,780	-	7,242,780
State Revenue in Lieu of Taxes					7,261,593	-	7,261,593
Other Taxes					408,895	-	408,895
Investment Earnings					55,878	561	56,439
Intergovernmental Revenue - Not Restricted to Specific Programs					700,078	-	700,078
Miscellaneous - Not Restricted to Specific Programs					39,352	-	39,352
Transfers In (Out)					135,861	(135,861)	-
Total General Revenues and Transfers					<u>29,519,975</u>	<u>(135,300)</u>	<u>29,384,675</u>
CHANGE IN NET POSITION					(955,409)	93,206	(862,203)
NET POSITION - Beginning of Year, as Previously Reported					30,145,033	1,695,525	31,840,558
Cumulative Change in Accounting Principle - GASB #68/71					(51,375,357)	(569,317)	(51,944,674)
NET POSITION - Beginning of Year, Restated					<u>(21,230,324)</u>	<u>1,126,208</u>	<u>(20,104,116)</u>
NET POSITION - Ending of Year					<u>\$ (22,185,733)</u>	<u>1,219,414</u>	<u>\$ (20,966,319)</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**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	GENERAL	SPECIAL REVENUE
ASSETS		
Cash and Cash Equivalents	\$ 11,502,398	-
Cash and Cash Equivalents, Restricted	62,606	-
Investments, Restricted	-	-
Cash and Investments Held by County Treasurer	2,337,699	-
Receivables, Net:		
Taxes	3,010,079	-
Other	-	23,798
Due From:		
State	103,776	195,280
Federal	-	1,145,369
Other Governments	5,930	-
Other Funds	2,183,662	240,852
TOTAL ASSETS	\$ 19,206,150	1,605,299
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts Payable	\$ 2,109,011	-
Accrued Salaries, Fringe & Benefits	2,630,801	-
Accrued Expenditures	111,163	-
Due To:		
Other Funds	4,476,878	1,322,202
Unearned Revenue	-	283,097
TOTAL LIABILITIES	9,327,853	1,605,299
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	2,351,882	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,351,882	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	11,679,735	1,605,299
FUND BALANCES:		
Fund Balances		
Restricted For:		
Debt Service	-	-
Capital Projects	-	-
Assigned For:		
Capital Projects	-	-
Unassigned	7,526,415	-
TOTAL FUND BALANCES	7,526,415	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,206,150	1,605,299

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
-	-	-	\$ 11,502,398
-	-	-	62,606
-	775,537	-	775,537
-	2,703,409	2,727,956	7,769,064
-	1,146,896	-	4,156,975
-	-	-	23,798
141,160	-	-	440,216
-	-	-	1,145,369
-	-	-	5,930
357,668	-	3,880,260	6,662,442
498,828	4,625,842	6,608,216	\$ 32,544,335
-	-	-	\$ 2,109,011
-	-	-	2,630,801
-	-	-	111,163
124,665	1,104,210	-	7,027,955
374,163	-	-	657,260
498,828	1,104,210	-	12,536,190
-	1,024,852	-	3,376,734
-	1,024,852	-	3,376,734
498,828	2,129,062	-	15,912,924
-	2,496,780	-	2,496,780
-	-	2,727,956	2,727,956
-	-	3,880,260	3,880,260
-	-	-	7,526,415
-	2,496,780	6,608,216	16,631,411
498,828	4,625,842	6,608,216	\$ 32,544,335

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, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 16,631,411
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Amounts reported for the governmental activities in the Statement of Net Position are different because:

Outstanding property taxes and other revenues which will be collected in the future, but are not available soon enough to pay for the current period's expenditures are therefore unavailable in the funds.	3,376,734
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$175,203,647, and the accumulated depreciation is \$61,363,237.	113,840,410
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The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(51,988,403)
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Interest is recorded as an expenditure when due and payable in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end.	(1,336,663)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:	
Long-Term Debt	(96,424,000)
Net Premium	(6,000,915)
Compensated Absences	(284,307)
	<hr/>
	(102,709,222)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (22,185,733)</u>
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The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.



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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2015

	GENERAL	SPECIAL REVENUE
REVENUES		
Local Sources:		
Taxes	\$ 13,491,332	-
Investment Earnings	30,543	-
Other Local Sources	39,350	286,722
State Sources	25,644,553	1,648,300
Federal Sources	165	3,532,569
Intergovernmental Revenue	4,616	39,513
TOTAL REVENUE ALL SOURCES	39,210,559	5,507,104
EXPENDITURES		
Current:		
Instruction	21,961,675	3,671,404
Support Services	16,496,940	1,735,583
Intergovernmental	-	82,061
Capital Outlay	68,050	9,000
Debt Service:		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Other Charges	-	-
TOTAL EXPENDITURES	38,526,665	5,498,048
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	683,894	9,056
OTHER FINANCING SOURCES (USES)		
Bond Proceeds	-	-
Premium on Issuance of General Obligation Bonds	-	-
Transfers In	1,183,577	-
Transfers Out	(1,300,000)	(81,664)
TOTAL OTHER FINANCING SOURCES (USES)	(116,423)	(81,664)
NET CHANGES IN FUND BALANCES	567,471	(72,608)
FUND BALANCE, Beginning of Year	6,958,944	72,608
FUND BALANCE, End of Year	\$ 7,526,415	-

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
-	7,206,959	-	\$ 20,698,291
-	17,521	7,814	55,878
896	-	-	326,968
2,925,875	408,895	-	30,627,623
-	655,949	-	4,188,683
-	-	-	44,129
2,926,771	8,289,324	7,814	55,941,572
1,172,307	-	-	26,805,386
726,078	-	885,589	19,844,190
-	-	-	82,061
62,334	-	241,538	380,922
-	37,959,000	-	37,959,000
-	4,913,319	-	4,913,319
-	175,284	-	175,284
1,960,719	43,047,603	1,127,127	90,160,162
966,052	(34,758,279)	(1,119,313)	(34,218,590)
-	32,405,000	-	32,405,000
-	2,865,101	-	2,865,101
-	-	2,890,473	4,074,050
(966,052)	(1,590,473)	-	(3,938,189)
(966,052)	33,679,628	2,890,473	35,405,962
-	(1,078,651)	1,771,160	1,187,372
-	3,575,431	4,837,056	15,444,039
-	2,496,780	6,608,216	\$ 16,631,411

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, 2015

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,187,372
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	220,029
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	37,959,000
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 Assets. This is the proceeds and premiums received in the current year	(35,270,101)
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.	308,387
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.	609,767
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.	10,304
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.	(613,046)
In the Statement of Activities the loss on the disposal of fixed assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets disposed.	(54,013)
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 \$276,028 were exceeded by depreciation expense of \$5,589,136 during the year.	(5,313,108)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (955,409)</u>
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The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

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

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2015

	<u>ENTERPRISE</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 781,600
Receivables, Net:	
Accounts	130,741
Due From:	
Other Funds	365,513
Other Governments	11,507
Inventories	26,718
Total Current Assets	<u>1,316,079</u>
Non-Current Assets:	
Capital Assets	2,436,579
Less: Accumulated Depreciation	(1,930,415)
Total Non-Current Assets	<u>506,164</u>
TOTAL ASSETS	<u>1,822,243</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	50,027
LIABILITIES	
Current Liabilities:	
Unearned Revenue	26,718
Total Current Liabilities	<u>26,718</u>
Noncurrent Liabilities:	
Net Pension Liability	577,454
Total Noncurrent Liabilities	<u>577,454</u>
TOTAL LIABILITIES	<u>604,172</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	48,684
NET POSITION	
Invested in Capital Assets	506,164
Unrestricted	713,250
TOTAL NET POSITION	<u>\$ 1,219,414</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, 2015

	<u>ENTERPRISE</u>
OPERATING REVENUES	
Proceeds from Sale of Meals	\$ 596,771
OPERATING EXPENSES	
Salaries and Benefits	876,602
Purchased Services	1,645,292
Food Costs and Supplies	182,582
Depreciation	109,799
Other	2,004
TOTAL OPERATING EXPENSES	<u>2,816,279</u>
OPERATING LOSS	<u>(2,219,508)</u>
NON-OPERATING REVENUES (EXPENSES)	
Commodities Received from USDA	140,443
USDA Reimbursements	2,028,985
Interest	561
Other Revenue	278,586
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>2,448,575</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	229,067
Transfer Out - Food Service Fund Indirect Costs	(135,861)
CHANGE IN NET POSITION	93,206
TOTAL NET POSITION, Beginning of Year, as Previously Reported	1,695,525
Cumulative Change in Accounting Principle - GASB #68/71	<u>(569,317)</u>
TOTAL NET POSITION, Beginning of Year, Restated	<u>1,126,208</u>
TOTAL NET POSITION, End of Year	<u>\$ 1,219,414</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, 2015

	ENTERPRISE
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Meal Sales	\$ 502,241
Receipts from Other Revenues	278,586
Payments to Employees for Services	(869,808)
Payments to Suppliers for Goods and Services	(1,689,435)
NET CASH USED IN OPERATING ACTIVITIES	(1,778,416)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
USDA Reimbursement	2,029,191
Transfers to Other Funds	(30,777)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	1,998,414
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(7,001)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(7,001)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	561
NET CASH PROVIDED BY INVESTING ACTIVITIES	561
NET INCREASE IN CASH AND CASH EQUIVALENTS	213,558
CASH AND CASH EQUIVALENTS, Beginning of Year	568,042
CASH AND CASH EQUIVALENTS, End of Year	\$ 781,600
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	\$ (2,219,508)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation Expense	109,799
Non-Cash USDA Commodities Used	140,443
Other Non-Operating Revenues	278,586
Change In:	
Receivables	(94,530)
Inventories	20,605
Unearned Revenue	(20,605)
Net Pension Liability	(24,140)
Deferred Pension Charges	(17,750)
Deferred Pension Credits	48,684
Net Cash Used in Operating Activities	\$ (1,778,416)
Non-Cash Transactions:	
Depreciation Expense	\$ 109,799
Commodities Used - USDA	140,443
	\$ 250,242

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, 2015

	AGENCY
ASSETS	
Cash and Cash Equivalents	\$ 530,876
Investments	20,921
Receivables	11,585
TOTAL ASSETS	<u>\$ 563,382</u>
LIABILITIES	
Due to Student Organizations	\$ 563,382
TOTAL LIABILITIES	<u>\$ 563,382</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, 2015

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, 2015

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, franchise taxes, licenses, 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, 2015

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, 2015

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

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

Significant New Accounting Standards Adopted – Change in Accounting Principle

The District implemented GASB Statement No. 68 “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27” (“GASB 68”) and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68” (“GASB 71” and collectively “Statements”) in 2015. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. In addition, state and local governments who participate in a cost-sharing multiple employer plan are now required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB’s intention that these Statements will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the District’s financial obligations to current and former employees for past services rendered. In particular, these Statements require the District to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System (“Plans”), cost-sharing multiple-employer defined benefit pension plans, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the statement of net position) and present more extensive note disclosures.

The adoption of these Statements had no impact on the District’s governmental fund financial statements, which continue to report expenditures in the amount of the contractually required contributions, as required by the South Carolina Public Employee Benefit Authority (“PEBA”) who administers the Plans. However, the adoption has resulted in the restatement of the District’s net position as of July 1, 2014 for its government-wide and enterprise fund financial statements to reflect the reporting of net pension liabilities and deferred outflows of resources for each of its qualified Plans in accordance with the provisions of these Statements. Net position of the District’s government-wide wide and enterprise fund financial statements as of July 1, 2014 was decreased by approximately \$51,375,000 and \$569,000, respectively, reflecting the cumulative change in accounting principle related to the adoption of these Statements . See Note 10.A for more information regarding the District’s retirement plans.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

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

Investments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

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

Investments (Continued)

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

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

- Cash and Investments held by the County Treasurer which are property taxes collected by the District's fiscal agent that have not been remitted to the District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.
- Local Government Investment Pool ("Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

J) Fund Balance (Continued)

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

M) Accrued Liabilities and Long-Term Obligations (Continued)

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.

N) 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. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

O) 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 their fair market values as of the date received.

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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1-Summary of Significant Accounting Policies (Continued)

P) 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.

Q) 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, 2015, none of the District's bank balances (including fiduciary funds) of approximately \$2,910,000 (book balance of approximately \$2,599,000) was exposed to custodial credit risk.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 2-Deposits and Investments (Continued)

Investments

As of June 30, 2015, the District had the following investments:

Investment Type	Credit Rating	Fair Value	Weighted Average Maturity Less than One Year
State Local Government Investment Pool	Unrated ^	\$ 10,299,625	\$ 10,299,625
Cash and Investments Held by County Treasurer	Unrated ^	7,769,065	7,769,065
Liquidity Funds	AAAm/Aaa-mf	775,537	775,537
Total		<u>\$ 18,844,227</u>	<u>\$ 18,844,227</u>

* Obligations of the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

^ Investments in 2a-7 like funds are not required to disclose interest rate risk (as the cash and investments in these funds have a weighted average maturity of 60 days or less). The County Treasurer invests the monies it holds in trust for governmental entities in separate accounts with the State Local Government Investment Pool. Thus, we have characterized this investment as a 2a-7 like fund.

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, 2015, none of the District's investments were 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, 2015

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, 2015, millage was set at 179.6 mills (175.6 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, 2015 of approximately \$2,528,000 for the General Fund (net of allowance for uncollectible portion of approximately \$105,000) and \$1,147,000 for the Debt Service Fund (net of allowance for uncollectible portion of \$48,000). In addition, there is approximately \$482,000 included in the General Fund's property tax receivable amount at June 30, 2015 that is revenue in lieu of taxes related to Property Tax Relief (Act 388).

Of these amounts, approximately \$2,352,000 and \$1,025,000, 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 \$176,000 in the General Fund, and \$122,000 in the Debt Service Fund, that has been recognized as revenue at June 30, 2015 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 \$482,000 of revenue in lieu of taxes related to Property Tax Relief (Act 388) that has been recognized as revenue at June 30, 2015 because it was measurable and available.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 4-Capital Assets

Capital asset activity for the District for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,086,106	43,566	-	\$ 3,129,672
Total Capital Assets, Not Being Depreciated	3,086,106	43,566	-	3,129,672
Capital Assets, Being Depreciated:				
Buildings and Improvements	167,415,127	117,212	102,721	167,429,618
Furniture and Equipment	2,640,388	115,250	23,762	2,731,876
Improvements Other than Buildings	1,912,481	-	-	1,912,481
Total Capital Assets Being Depreciated	171,967,996	232,462	126,483	172,073,975
Less: Accumulated Depreciation for:				
Buildings and Improvements	51,664,740	5,480,133	48,708	57,096,165
Furniture and Equipment	2,340,044	101,302	23,762	2,417,584
Improvements Other than Buildings	1,841,787	7,701	-	1,849,488
Total Accumulated Depreciation	55,846,571	5,589,136	72,470	61,363,237
Total Capital Assets, Being Depreciated, Net	116,121,425	(5,356,674)	54,013	110,710,738
Total Governmental Activities Capital Assets, Net	\$ 119,207,531	(5,313,108)	54,013	\$ 113,840,410
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Furniture and Equipment	\$ 2,441,015	7,001	11,437	\$ 2,436,579
Less: Accumulated Depreciation	1,832,053	109,799	11,437	1,930,415
Total Business-Type Activities Capital Assets, Net	\$ 608,962	(102,798)	-	\$ 506,164

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 4-Capital Assets (Continued)

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

	Capital Asset Additions	Depreciation Expense
	<u> </u>	<u> </u>
Governmental Activities:		
Instruction	\$ 103,657	\$ 4,021,732
Support Services	172,371	1,567,404
Total - Governmental Activities	<u>\$ 276,028</u>	<u>\$ 5,589,136</u>
Business-Type Activities:		
Food Services	\$ 7,001	\$ 109,799
Total - Business-Type Activities	<u>\$ 7,001</u>	<u>\$ 109,799</u>

The cost and accumulated depreciation of equipment held under capital lease was approximately \$11,141,000 and approximately \$1,393,000, respectively, at June 30, 2015. 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, 2015 (all of which are expected to be repaid within one year), are summarized as follows:

	Receivables	Payables
	<u> </u>	<u> </u>
<u>Governmental Funds:</u>		
General Fund	\$ 2,183,662	\$ 4,476,878
Special Revenue Fund	240,852	1,322,202
Special Revenue - EIA Fund	357,668	124,665
Debt Service Fund	-	1,104,210
Capital Projects Fund	3,880,260	-
<u>Proprietary Fund:</u>		
Enterprise - Food Service	365,513	-
Totals	<u>\$ 7,027,955</u>	<u>\$ 7,027,955</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, 2015

Note 6-Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2015 consisted of the following:

	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$ 1,183,577	\$ 1,300,000
Special Revenue Fund	-	81,664
Special Revenue - EIA Fund	-	966,052
Debt Service Fund	-	1,590,473
Capital Projects Fund	2,890,473	-
<u>Proprietary Fund</u>		
Enterprise - Food Service	-	135,861
Totals	<u>\$ 4,074,050</u>	<u>\$ 4,074,050</u>

Transfers are routinely made for indirect charges between the Special Revenue Fund, Enterprise – Food Service, Special Revenue - EIA Fund, and the General Fund. In addition, the Debt Service Fund transferred approximately \$1,590,000 to the Capital Projects Fund to fund construction cost associated with school construction and technology needs. The General Fund also transferred approximately \$1,300,000 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, 2015, consisted of the following:

Governmental Activities:	
Accounts Payable	\$ 2,109,011
Accrued Salaries, Fringe, and Benefits	2,630,801
Accrued Expenses	111,163
Total Accounts Payable and Accrued Expenses - Governmental Activities	<u>\$ 4,850,975</u>

Note 8-Short-Term Obligations

The following is a summary of the changes in the District's short-term obligations for 2015:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Tax Anticipation Note, 2014	\$ -	4,843,000	4,843,000	\$ -
General Obligation Bond, Series 2014C	-	1,591,000	1,591,000	-
Total Governmental Activities	<u>\$ -</u>	<u>6,434,000</u>	<u>6,434,000</u>	<u>\$ -</u>

The District issued a short-term Tax Anticipation Note ("TAN") in September 2014 for \$4,843,000. This TAN was issued to maintain a steady flow of cash until property taxes were received. The District repaid the TAN in March 2015 with interest of approximately \$21,000.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 8-Short-Term Obligations (Continued)

The District issued a short-term General Obligation Bond ("Bond") in September 2014 for \$1,591,000. 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 2015 with interest of approximately \$9,000.

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. The proceeds of these bonds were ultimately used for the Referendum Project.
- In December 2011, the District issued \$6,310,000 in General Obligation Refunding Bonds to refund all of the remaining principal amount of the General Obligation Refunding Bonds, Series 2004.
- 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 9-Long-Term Obligations (Continued)

Details of the District's outstanding debt (which includes capital leases) at June 30, 2015 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, 2009	\$ 11,206,000	3/5/2009	12/1/2018	1.85%	\$ 9,604,000
General Obligation Bond, 2009	50,000,000	9/4/2009	3/1/2028	3.0-5.25%	49,800,000
General Obligation Refunding Bond, 2011	6,310,000	12/8/2012	3/1/2016	2-3%	1,615,000
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	9/1/1932	3.25-4.00%	32,405,000
Total Gross Debt	<u>\$ 102,921,000</u>				<u>\$ 96,424,000</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, 2015:

Year Ended June 30,	Bonds Payable		Total
	Principal	Interest	
2016	\$ 1,715,000	3,759,792	\$ 5,474,792
2017	100,000	3,768,825	3,868,825
2018	105,000	3,765,575	3,870,575
2019	110,000	3,761,375	3,871,375
2020	3,965,000	3,756,975	7,721,975
2021-2025	29,525,000	15,259,713	44,784,713
2026-2030	35,150,000	7,834,738	42,984,738
2031-2032	16,150,000	975,400	17,125,400
Totals	<u>\$ 86,820,000</u>	<u>42,882,393</u>	<u>\$ 129,702,393</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, 2015:

Year Ended June 30,	Capital Leases Payable		Total
	Principal	Interest	
2016	\$ 752,000	177,674	\$ 929,674
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>\$ 9,604,000</u>	<u>519,092</u>	<u>\$ 10,123,092</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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, 2015, the District's assessed property valuation was approximately \$97,678,000. The District had approximately \$2,224,000 (\$3,000,000 of the 2012 QZAB GOB less the funded debt service fund for the QZAB of approximately \$776,000) of bonded debt subject to the 8% limit of approximately \$7,814,000, resulting in unused legal debt margin of approximately \$5,590,000.

A summary of changes in long-term obligations for the year ended June 30, 2015 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Gross Debt:					
Qualified Zone Academy GOB, Series 2004	\$ 700,000	-	700,000	-	\$ -
General Obligation Bond, 2009	49,900,000	-	100,000	49,800,000	100,000
Build America Bonds, 2009	35,000,000	-	35,000,000	-	-
Capital Lease, 2009	10,193,000	-	589,000	9,604,000	752,000
General Obligation Refunding Bond, 2011	3,185,000	-	1,570,000	1,615,000	1,615,000
Qualified Zone Academy GOB, 2012	3,000,000	-	-	3,000,000	-
General Obligation Refunding Bonds, 2015	-	32,405,000	-	32,405,000	-
Total Gross Debt	101,978,000	32,405,000	37,959,000	96,424,000	2,467,000
Plus (Less) Deferred Amounts:					
Premium on GOB 2011	108,514	-	54,257	54,257	-
Premium on Build America Bonds 2009	263,482	-	263,482	-	-
Premium on GOB Series 2009	3,373,586	-	249,895	3,123,691	-
Premium on GORB Series 2015	-	2,865,101	42,133	2,822,968	-
Total Net Debt	105,723,582	35,270,101	38,568,767	102,424,915	2,467,000
Compensated Absences	294,611	188,683	198,987	284,307	160,000
Total Governmental Activities	\$ 106,018,193	35,458,784	38,767,755	102,709,222	\$ 2,627,000

Note 10-Retirement Plan

A) Retirement Plan

The District participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, 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, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on 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. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

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%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (5.75%) 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, 2015

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, 2015

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. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and 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 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 board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the 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, 2015

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

Plan Contributions (Continued)

As noted above, 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:

	SCRS and State ORP Rates			PORS Rates		
	2013	2014	2015	2013	2014	2015
Employer Rate:						
Retirement *	10.45%	10.45%	10.75%	11.90%	12.44%	13.01%
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>10.60%</u>	<u>10.90%</u>	<u>12.30%</u>	<u>12.84%</u>	<u>13.41%</u>
Employee Rate	<u>7.00%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>7.00%</u>	<u>7.84%</u>	<u>8.41%</u>

* 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
2015	\$ 2,946,503	100%	125,036	100%	\$ -	100%
2014	2,837,302	100%	107,648	100%	58	100%
2013	\$ 2,949,680	100%	109,655	100%	\$ 3,279	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
2015	\$ 27,032,135	2,119,252	-	\$ 29,151,387
2014	26,767,002	1,922,288	451	28,689,741
2013	\$ 27,827,172	1,958,117	26,658	\$ 29,811,947

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

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

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company.

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. For the year ended June 30, 2014, NPL amounts and the change in NPL amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension
SCRS	\$ 42,955,205,796	25,738,521,026	\$ 17,216,684,770	59.92%
PORS	\$ 5,899,529,434	3,985,101,996	\$ 1,914,427,438	67.55%

At June 30, 2015, the District reported liabilities of approximately \$52,686,000 and \$1,000 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, 2014, 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, 2013 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 June 30, 2014, the District's SCRS proportion was 0.306019 percent, which was equal to its proportion measured as of June 30, 2013. At June 30, 2014, the District's PORS proportion was 0.00004 percent, which was equal to its proportion measured as of June 30, 2013.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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, 2015, the District recognized pension expense of approximately \$3,693,000 and \$70 SCRS and PORS, respectively. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 1,492,909	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,441,842
District's Contributions Subsequent to the Measurement Date	3,071,539	-
Total SCRS	<u>4,564,448</u>	<u>4,441,842</u>
PORS		
Differences Between Expected and Actual Experience	19	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	84
Total PORS	<u>19</u>	<u>84</u>
Total SCRS and PORS	<u>\$ 4,564,467</u>	<u>\$ 4,441,926</u>

Approximately \$3,072,000 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, 2016. 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
2016	\$ (648,688)	(16)	\$ (648,704)
2017	(648,688)	(16)	(648,704)
2018	(648,688)	(16)	(648,704)
2019	(1,002,868)	(17)	(1,002,885)
Total	<u>\$ (2,948,932)</u>	<u>(65)</u>	<u>\$ (2,948,997)</u>

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. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial cost method and assumptions used in the July 1, 2013, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Salary Increases	Levels off at 3.5%	Levels off at 4.0%
Includes Inflation at	2.75%	2.75%
Benefit Adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

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.

Former Job Class	Males	Females
Educators and Judges	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, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return 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%		
Cash	2%	0.30	0.01%
Short Duration	3%	0.60	0.02%
Domestic Fixed Income	13%		
Core Fixed Income	7%	1.10	0.08%
High Yield	2%	3.50	0.07%
Bank Loans	4%	2.80	0.11%
Global Fixed Income	9%		
Global Fixed Income	3%	0.80	0.02%
Emerging Markets Debt	6%	4.10	0.25%
Global Public Equity	31%	7.80	2.42%
Global Tactical Asset Allocation	10%	5.10	0.51%
Alternatives	32%		
Hedge Funds (Low Beta)	8%	4.00	0.32%
Private Debt	7%	10.20	0.71%
Private Equity	9%	10.20	0.92%
Real Estate (Broad Market)	5%	5.90	0.29%
Commodities	3%	5.10	0.15%
Total Expected Real Return	100%		5.88%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.63%

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 10-Retirement Plan (Continued)

A) Retirement Plan (Continued)

Discount Rate (Continued)

The following table presents the sensitivity of the District's proportionate share of the net pension liability of the Plans as of June 30, 2014 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	\$ 68,179,366	52,686,327	\$ 39,760,687
District's proportionate share of the net pension liability of the PORS	\$ 1,017	727	\$ 488

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

Payable to Plans

The District reported a payable of approximately \$584,000 to the PEBA as of June 30, 2015, representing required employer and employee contributions for the month of June 2015 for the SCRS and PORS. This amount is included in Accounts Payable on the financial statements and was paid in July 2015.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 10-Retirement Plan (Continued)

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 retires 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.

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 5.00%, 4.92%, and 4.55% for the years ended June 30, 2015, 2014, and 2013, respectively. The actual required employer contribution surcharge amounts were approximately \$1,457,000, \$1,412,000, and \$1,356,000 for the years ended June 30, 2015, 2014, and 2013, 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, 2015, totaled approximately \$186,000 for workers' compensation and \$154,000 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, 2015, 2014, and 2013.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 11-Risk Management (Continued)

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

Note 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 outcome is not determinable thus the District has not accrued a liability.

Note 13-Subsequent Events

- A) Debt Issuance** – In August 2015, the District entered into a tax anticipation note ("TAN") for approximately \$2.5 million at an effective interest rate of 0.09% which is due in March 2016.
- B) Debt Issuance** – In September 2015, the District issued approximately \$1.9 million in General Obligation Bonds at a coupon rate of 2.00%. The bonds are scheduled to mature in March 2016. 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.
- C) Millage Increase** – The Board of Trustees approved a 2.5 mill increase (increased to 182.1 mills from 179.6 mills) for the 2016 property tax year for the District's general operations of the District.

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, 2015

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 12,323,666	12,323,666	13,491,332	\$ 1,167,666
Investment Earnings	10,000	10,000	30,543	20,543
Other Local Sources	20,000	20,000	39,350	19,350
State Sources	25,164,301	25,164,301	25,644,553	480,252
Federal Sources	-	-	165	165
Intergovernmental Revenue	20,000	20,000	4,616	(15,384)
TOTAL REVENUE ALL SOURCES	37,537,967	37,537,967	39,210,559	1,672,592
EXPENDITURES				
Current:				
Instruction	22,084,248	22,084,248	21,961,675	122,573
Support Services	16,499,366	16,499,366	16,496,940	2,426
Capital Outlay	79,744	79,744	68,050	11,694
TOTAL EXPENDITURES	38,663,358	38,663,358	38,526,665	136,693
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,125,391)	(1,125,391)	683,894	1,809,285
OTHER FINANCING SOURCES (USES)				
Transfers In	1,125,391	1,125,391	1,183,577	58,186
Transfers Out	-	-	(1,300,000)	(1,300,000)
TOTAL OTHER FINANCING SOURCES (USES)	1,125,391	1,125,391	(116,423)	(1,241,814)
NET CHANGES IN FUND BALANCES	-	-	567,471	567,471
FUND BALANCES, Beginning of Year	6,958,944	6,958,944	6,958,944	-
FUND BALANCES, End of Year	\$ 6,958,944	6,958,944	7,526,415	\$ 567,471

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 TWO FISCAL YEARS

	Year Ended June 30,	
	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.306019%	0.306019%
District's Proportionate Share of the Net Pension Liability	\$ 52,686,327	\$ 54,888,892
District's Covered-Employee Payroll	\$ 28,689,289	\$ 29,785,288
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	183.64%	184.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	Year Ended June 30,	
	2015	2014
Contractually Required Contribution	\$ 3,071,539	\$ 2,944,948
Contributions in Relation to the Contractually Required Contribution:	3,071,539	2,944,948
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 29,151,387	\$ 28,689,289
Contributions as a Percentage of Covered-Employee Payroll:	10.54%	10.26%

**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 TWO FISCAL YEARS

	Year Ended June 30,	
	2015	2014
District's Proportion of the Net Pension Liability (Asset)	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	161.03%	2.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.55%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	Year Ended June 30,	
	2015	2014
Contractually Required Contribution	\$ -	\$ 58
Contributions in Relation to the Contractually Required Contribution:	-	58
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ -	\$ 451
Contributions as a Percentage of Covered-Employee Payroll:	0.00%	12.85%

**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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenues from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 8,913,907	9,633,037	\$ 719,130
1140 Penalties & Interest on Taxes (Independent)	-	716,580	716,580
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	3,409,759	3,141,715	(268,044)
1500 Earnings on Investments:			
1510 Interest on Investments	10,000	30,543	20,543
1900 Other Revenue from Local Sources:			
1910 Rentals	-	2,237	2,237
1930 Medicaid	-	18,461	18,461
1999 Revenue from Other Local Sources	20,000	18,652	(1,348)
Total Revenue from Local Sources	<u>12,353,666</u>	<u>13,561,225</u>	<u>1,207,559</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	20,000	4,616	(15,384)
Total Intergovernmental Revenue	<u>20,000</u>	<u>4,616</u>	<u>(15,384)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	655	655
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	307,111	394,768	87,657
3161 EAA Bus Driver Salary	-	1,829	1,829
3162 Transportation Workers' Compensation	28,767	28,119	(648)
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	4,772,640	4,990,321	217,681
3181 Retiree Insurance (No Carryover Provision)	1,169,857	1,155,638	(14,219)
3199 Other Restricted State Grants	-	84	84
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	577,605	617,691	40,086
3312 Primary	1,636,404	1,544,062	(92,342)
3313 Elementary	2,918,542	2,781,140	(137,402)
3314 High School	1,069,982	1,154,994	85,012
3315 Trainable Mentally Handicapped	49,420	51,716	2,296
3316 Speech Handicapped (Part-Time Program)	706,742	725,377	18,635
3317 Homebound	\$ 13,445	11,589	\$ (1,856)

(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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 74,380	55,727	\$ (18,653)
3322 Educable Mentally Handicapped	72,104	37,267	(34,837)
3323 Learning Disabilities	1,133,959	1,217,773	83,814
3324 Hearing Handicapped	26,940	22,315	(4,625)
3325 Visually Handicapped	18,020	49,632	31,612
3326 Orthopedically Handicapped	17,880	14,171	(3,709)
3327 Vocational	1,444,371	1,629,346	184,975
3330 Other EFA Programs:			
3331 Autism	126,050	160,757	34,707
3332 High Achieving Students	137,516	152,387	14,871
3334 Limited English Proficiency	68,976	72,243	3,267
3350 Residential Treatment Facilities (RTF)			
3351 Academic Assistance	227,201	237,306	10,105
3352 Pupils in Poverty	1,316,063	1,276,053	(40,010)
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)	4,808,434	4,819,701	11,267
3830 Merchant's Inventory Tax	50,375	50,375	-
Total Revenue from State Sources	<u>25,164,301</u>	<u>25,644,553</u>	<u>480,252</u>
4000 Revenue from Federal Sources:			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations (P.L. 874)	-	165	165
Total Revenue from Federal Sources	<u>-</u>	<u>165</u>	<u>165</u>
TOTAL REVENUE ALL SOURCES	<u>37,537,967</u>	<u>39,210,559</u>	<u>1,672,592</u>
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	976,262	974,988	1,274
200 Employee Benefits	383,900	382,961	939
300 Purchased Services	25,125	27,176	(2,051)
400 Supplies and Materials	17,781	17,606	175
600 Other Objects	150	150	-
112 Primary Programs:			
100 Salaries	2,170,528	2,162,368	8,160
200 Employee Benefits	773,246	770,808	2,438
300 Purchased Services	69,050	71,092	(2,042)
400 Supplies and Materials	34,693	30,346	4,347
600 Other Objects	\$ 150	150	\$ -

(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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
113 Elementary Programs:			
100 Salaries	\$ 5,115,404	5,106,035	\$ 9,369
200 Employee Benefits	1,777,614	1,770,577	7,037
300 Purchased Services	110,127	116,085	(5,958)
400 Supplies and Materials	102,110	102,578	(468)
500 Capital Outlay	2,453	2,453	-
600 Other Objects	150	75	75
114 High School Programs:			
100 Salaries	3,402,999	3,384,318	18,681
200 Employee Benefits	1,237,968	1,220,243	17,725
300 Purchased Services	113,000	160,727	(47,727)
400 Supplies and Materials	107,231	120,644	(13,413)
500 Capital Outlay	29,467	29,467	-
600 Other Objects	6,975	6,708	267
115 Career and Technology Education Program:			
100 Salaries	829,065	814,944	14,121
200 Employee Benefits	282,822	264,707	18,115
300 Purchased Services - Other Than Tuition	24,000	23,904	96
400 Supplies and Materials	48,093	46,101	1,992
500 Capital Outlay	2,000	1,865	135
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	381,522	375,038	6,484
200 Employee Benefits	147,388	133,090	14,298
300 Purchased Services	15,000	15,040	(40)
122 Trainable Mentally Handicapped:			
100 Salaries	310,685	309,861	824
200 Employee Benefits	133,013	132,821	192
300 Purchased Services	9,000	8,250	750
400 Supplies and Materials	-	309	(309)
123 Orthopedically Handicapped:			
100 Salaries	115,705	109,140	6,565
200 Employee Benefits	18,165	16,360	1,805
300 Purchased Services	1,225	1,178	47
124 Visually Handicapped:			
100 Salaries	15,202	15,202	-
200 Employee Benefits	7,858	7,744	114
300 Purchased Services	-	39	(39)
125 Hearing Handicapped:			
100 Salaries	-	16,018	(16,018)
200 Employee Benefits	-	3,772	(3,772)
126 Speech Handicapped:			
100 Salaries	216,394	199,747	16,647
200 Employee Benefits	71,881	67,656	4,225
300 Purchased Services	\$ 1,381	1,370	\$ 11

(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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
127 Learning Disabilities:			
100 Salaries	\$ 1,078,985	1,076,225	\$ 2,760
200 Employee Benefits	362,340	363,426	(1,086)
300 Purchased Services	21,359	22,751	(1,392)
400 Supplies and Materials	46	46	-
128 Emotionally Handicapped:			
100 Salaries	268,466	263,586	4,880
200 Employee Benefits	106,672	103,033	3,639
300 Purchased Services	25,000	22,780	2,220
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	172,094	162,961	9,133
200 Employee Benefits	80,364	67,270	13,094
300 Purchased Services	11,000	12,796	(1,796)
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	227,075	227,074	1
200 Employee Benefits	78,543	73,668	4,875
300 Purchased Services	1,440	114	1,326
400 Supplies and Materials	5,000	322	4,678
145 Homebound:			
100 Salaries	20,932	15,745	5,187
200 Employee Benefits	10,716	3,657	7,059
300 Purchased Services	17,000	16,532	468
147 CDEPP:			
200 Employee Benefits	17,000	16,622	378
300 Purchased Services	-	284	(284)
148 Gifted and Talented - Artistic:			
300 Purchased Services	27,000	26,251	749
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	197,884	197,458	426
200 Employee Benefits	97,692	93,248	4,444
300 Purchased Services	67	2,510	(2,443)
162 Limited English Proficiency:			
100 Salaries	79,950	79,087	863
200 Employee Benefits	22,000	21,309	691
170 Summer School Programs:			
173 High School Summer School:			
100 Salaries	1,000	328	672
200 Employee Benefits	\$ 400	75	\$ 325

(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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
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	53,693	-
200 Employee Benefits	22,668	22,634	34
300 Purchased Services	-	1,288	(1,288)
400 Supplies and Materials	-	477	(477)
600 Other Objects	-	1,500	(1,500)
Total Instruction	<u>22,118,168</u>	<u>21,995,461</u>	<u>122,707</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	117,019	114,553	2,466
200 Employee Benefits	40,786	35,530	5,256
300 Purchased Services	3,555	3,552	3
212 Guidance Services:			
100 Salaries	699,360	688,480	10,880
200 Employee Benefits	261,100	251,455	9,645
300 Purchased Services	1,967	1,162	805
400 Supplies and Materials	7,170	6,985	185
213 Health Services:			
100 Salaries	126,776	125,042	1,734
200 Employee Benefits	47,651	48,029	(378)
300 Purchased Services	487	487	-
400 Supplies and Materials	7,220	7,994	(774)
214 Psychological Services:			
100 Salaries	108,133	107,458	675
200 Employee Benefits	40,074	38,256	1,818
300 Purchased Services	2,980	2,928	52
400 Supplies and Materials	42	42	-
215 Exceptional Program Services:			
100 Salaries	40,400	38,952	1,448
200 Employee Benefits	17,550	15,837	1,713
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	248,246	246,472	1,774
200 Employee Benefits	75,205	74,814	391
300 Purchased Services	9,713	23,376	(13,663)
400 Supplies and Materials	\$ 32,776	28,273	\$ 4,503

(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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
222 Library and Media Services:			
100 Salaries	\$ 534,977	534,881	\$ 96
200 Employee Benefits	199,071	194,393	4,678
300 Purchased Services	7,673	8,659	(986)
400 Supplies and Materials	58,822	58,751	71
223 Supervision of Special Programs:			
100 Salaries	30,755	26,264	4,491
200 Employee Benefits	13,746	13,635	111
230 General Administrative Services:			
231 Board of Education:			
200 Employee Benefits	265,000	238,855	26,145
300 Purchased Services	22,200	20,470	1,730
318 Audit Services	48,000	42,660	5,340
600 Other Objects	17,200	16,592	608
232 Office of Superintendent:			
100 Salaries	281,026	281,026	-
140 Terminal Leave	-	7,509	(7,509)
200 Employee Benefits	87,472	85,162	2,310
300 Purchased Services	13,225	12,489	736
400 Supplies and Materials	19,473	17,070	2,403
600 Other Objects	21,900	18,150	3,750
233 School Administration:			
100 Salaries	2,446,290	2,434,435	11,855
140 Terminal Leave	-	4,637	(4,637)
200 Employee Benefits	911,084	907,221	3,863
300 Purchased Services	34,014	33,203	811
400 Supplies and Materials	16,646	16,761	(115)
500 Capital Outlay	6,324	6,324	-
600 Other Objects	351	351	-
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	253,996	244,625	9,371
200 Employee Benefits	89,605	84,956	4,649
300 Purchased Services	5,800	5,508	292
400 Supplies and Materials	78,500	77,455	1,045
600 Other Objects	2,500	19,159	(16,659)
254 Operation and Maintenance of Plant:			
100 Salaries	2,067,173	2,044,823	22,350
140 Terminal Leave	-	5,075	(5,075)
200 Employee Benefits	822,475	798,945	23,530
300 Purchased Services	693,500	730,653	(37,153)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	200,000	183,202	16,798
400 Supplies and Materials	330,000	387,104	(57,104)
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	1,800,000	1,635,240	164,760
500 Capital Outlay	\$ 6,500	6,422	\$ 78.00

(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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
255 Student Transportation (State Mandated):			
100 Salaries	\$ 921,382	961,421	\$ (40,039)
200 Employee Benefits	386,388	372,083	14,305
300 Purchased Services	20,000	24,649	(4,649)
400 Supplies and Materials	12,000	11,753	247
256 Food Service:			
200 Employee Benefits	175,000	165,375	9,625
258 Security:			
300 Purchased Services	168,500	190,809	(22,309)
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
300 Purchased Services	1,000	-	1,000
400 Supplies and Materials	7,500	7,148	352
263 Information Services:			
400 Supplies and Materials	6,034	1,661	4,373
264 Staff Services:			
100 Salaries	195,337	186,689	8,648
140 Terminal Leave	-	6,693	(6,693)
200 Employee Benefits	68,973	62,692	6,281
300 Purchased Services	9,690	9,497	193
400 Supplies and Materials	3,375	4,330	(955)
266 Technology and Data Processing Services:			
100 Salaries	311,817	285,372	26,445
200 Employee Benefits	99,845	88,214	11,631
300 Purchased Services	88,587	81,469	7,118
400 Supplies and Materials	132,045	277,020	(144,975)
500 Capital Outlay	33,000	21,518	11,482
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	488,326	504,965	(16,639)
200 Employee Benefits (Optional)	102,883	123,388	(20,505)
300 Purchased Services (Optional)	25,000	67,076	(42,076)
400 Supplies and Materials	15,000	15,040	(40)
Total Support Services	16,545,190	16,531,204	13,986
TOTAL EXPENDITURES	\$ 38,663,358	38,526,665	\$ 136,693

(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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	\$ 950,391	966,052	\$ 15,661
5280 Transfer from Other Funds Indirect Costs	175,000	217,525	42,525
424-710 Transfer to Capital Projects Fund	-	(1,300,000)	(1,300,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,125,391</u>	<u>(116,423)</u>	<u>(1,241,814)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	567,471	567,471
FUND BALANCES, Beginning of Year	<u>6,958,944</u>	<u>6,958,944</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 6,958,944</u>	<u>7,526,415</u>	<u>\$ 567,471</u>



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, 2015

	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	-	-
2000 Intergovernmental Revenue:		
2300 Payments from Non-Profit Entities (for First Steps)	-	-
Total Intergovernmental Revenue	-	-
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	-	-
3194 Digital Instructional Materials	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3607 6-8 Enhancement (Carryover Provision)	-	-
3610 K-5 Enhancement (Carryover Provision)	-	-
3620 Digital Instructional Materials	-	-
3630 K-12 Technology Initiative	-	-
Total Revenue from State Sources	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	198,928	\$ 198,928
-	-	-	87,794	87,794
-	-	-	286,722	286,722
-	-	39,513	-	39,513
-	-	39,513	-	39,513
-	6,771	-	-	6,771
-	-	169,540	-	169,540
-	-	36,535	-	36,535
-	-	810,587	-	810,587
-	-	273,933	-	273,933
-	-	33,870	-	33,870
-	-	985	-	985
-	-	82,307	-	82,307
-	-	-	27,043	27,043
-	-	19,722	-	19,722
-	-	169,607	-	169,607
-	-	10,895	-	10,895
-	-	6,505	-	6,505
-	6,771	1,614,486	27,043	\$ 1,648,300

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	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)	1,379,984	-
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)	-	1,117,512
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4900 Other Federal Sources:		
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>1,379,984</u>	<u>1,117,512</u>
TOTAL REVENUE ALL SOURCES	<u>1,379,984</u>	<u>1,117,512</u>

EXPENDITURES

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	255,789	-
200 Employee Benefits	94,631	-
300 Purchased Services	5,600	-
112 Primary Programs:		
100 Salaries	449,237	-
200 Employee Benefits	172,903	-
300 Purchased Services	9,259	-
400 Supplies and Materials	5,287	-
500 Capital Outlay	15,370	-
113 Elementary Programs:		
100 Salaries	136,536	-
200 Employee Benefits	42,695	-
300 Purchased Services	17,008	-
400 Supplies and Materials	4,631	-
500 Capital Outlay	\$ 20,800	-

Schedule B-1

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	87,839	-	-	\$ 87,839
-	-	-	48,615	1,428,599
-	-	-	346,373	346,373
-	-	-	16,546	16,546
-	-	-	138,542	138,542
-	-	-	4,392	1,121,904
47,425	-	-	-	47,425
-	-	-	345,341	345,341
47,425	87,839	-	899,809	3,532,569
47,425	94,610	1,653,999	1,213,574	5,507,104
-	-	-	-	255,789
-	-	-	-	94,631
-	-	-	-	5,600
-	-	77,890	135,552	662,679
-	-	5,469	43,387	221,759
-	-	-	3,039	12,298
-	-	-	2,399	7,686
-	-	-	-	15,370
-	-	48,754	10,520	195,810
-	-	14,615	2,505	59,815
-	-	912	21,526	39,446
-	-	4,397	7,265	16,293
-	-	-	-	\$ 20,800

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
114 High School Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	20,477
200 Employee Benefits	-	14,791
300 Purchased Services	-	315
400 Supplies and Materials	-	1,348
122 Trainable Mentally Handicapped:		
100 Salaries	-	16,841
200 Employee Benefits	-	10,061
300 Purchased Services	-	818
400 Supplies and Materials	-	5,317
123 Orthopedically Handicapped:		
400 Supplies and Materials	-	4,862
124 Visually Handicapped:		
300 Purchased Services	-	66,757
400 Supplies and Materials	-	2,943
126 Speech Handicapped:		
100 Salaries	-	57,512
200 Employee Benefits	-	23,456
300 Purchased Services	-	430
400 Supplies and Materials	-	1,675
127 Learning Disabilities:		
100 Salaries	-	234,310
200 Employee Benefits	-	94,550
300 Purchased Services	-	1,202
400 Supplies and Materials	-	11,093
128 Emotionally Handicapped:		
100 Salaries	-	55,640
200 Employee Benefits	-	23,651
300 Purchased Services	-	5,906
400 Supplies and Materials	\$ -	897

Schedule B-1

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	99,929	\$ 99,929
-	-	-	4,987	4,987
-	-	-	15,830	15,830
-	-	-	17,132	17,132
-	6,771	-	-	6,771
-	4,420	8,025	206	12,651
-	9,000	-	-	9,000
-	-	-	-	20,477
-	-	-	-	14,791
-	-	-	-	315
-	-	-	-	1,348
-	-	-	-	16,841
-	-	-	-	10,061
-	-	-	700	1,518
-	-	-	348	5,665
-	-	-	-	4,862
-	-	-	-	66,757
-	-	-	-	2,943
-	-	-	61,307	118,819
-	-	-	14,679	38,135
-	-	-	-	430
-	-	-	-	1,675
-	-	-	20,760	255,070
-	-	-	6,892	101,442
-	-	-	-	1,202
-	-	-	-	11,093
-	-	-	-	55,640
-	-	-	-	23,651
-	-	-	-	5,906
-	-	-	-	\$ 897

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
130 Pre-School Programs:		
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):		
100 Salaries	\$ -	17,878
200 Employee Benefits	-	14,213
300 Purchased Services	-	2,119
400 Supplies and Materials	-	389
139 Early Childhood Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
140 Special Programs:		
147 CDEPP:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
149 Other Special Programs:		
300 Purchased Services	-	1,568
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	40,553
200 Employee Benefits	-	13,829
300 Purchased Services	-	1,040
400 Supplies and Materials	-	1,845
170 Summer School Programs:		
172 Elementary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
173 High School Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
180 Adult/Continuing Educational Programs:		
188 Parenting/Family Literacy:		
100 Salaries	31,392	-
200 Employee Benefits	11,852	-
300 Purchased Services	4,154	-
400 Supplies and Materials	1,046	-
Total Instruction	<u>\$ 1,278,190</u>	<u>748,286</u>

Schedule B-1

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
36,573	-	-	-	\$ 54,451
9,569	-	-	-	23,782
-	-	-	-	2,119
-	-	-	-	389
-	-	24,779	-	24,779
-	-	5,931	-	5,931
-	-	6,585	-	6,585
-	-	2,217	-	2,217
-	-	540,853	-	540,853
-	-	205,733	-	205,733
-	-	13,474	-	13,474
-	-	50,527	-	50,527
-	-	-	261	1,829
-	-	-	67,435	107,988
-	-	-	32,021	45,850
-	-	-	494	1,534
-	-	-	2,235	4,080
-	-	1,842	-	1,842
-	-	443	-	443
-	-	-	2,740	2,740
-	-	-	651	651
-	-	-	-	31,392
-	-	-	-	11,852
-	-	-	-	4,154
-	-	-	349	1,395
46,142	20,191	1,012,446	575,149	\$ 3,680,404

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
400 Supplies and Materials	\$ -	-
212 Guidance Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
214 Psychological Services:		
100 Salaries	-	67,356
200 Employee Benefits	-	23,099
300 Purchased Services	-	6,600
400 Supplies and Materials	-	6,863
215 Exceptional Program Services:		
100 Salaries	-	16,099
200 Employee Benefits	-	6,745
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	43,853	147,611
200 Employee Benefits	16,277	56,819
300 Purchased Services	1,847	5,859
400 Supplies and Materials	2,491	1,952
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):		
100 Salaries	-	-
200 Employee Benefits	-	-
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
-	-	-	15	\$ 15
-	32,857	59,815	52,924	145,596
-	12,921	24,654	14,504	52,079
-	-	-	94,275	94,275
-	-	-	3,790	3,790
-	-	-	50,316	117,672
-	-	-	16,915	40,014
-	-	-	-	6,600
-	-	-	-	6,863
-	-	-	-	16,099
-	-	-	-	6,745
-	23,641	-	-	23,641
-	-	62,433	-	62,433
-	-	22,639	-	22,639
-	-	281,115	1,125	282,240
-	-	96,340	266	96,606
-	-	-	27,438	218,902
-	-	-	9,598	82,694
-	-	-	19,215	26,921
-	-	-	-	4,443
-	-	-	38,400	38,400
-	-	-	9,043	9,043
-	5,000	-	251,687	256,687
-	-	-	3,269	3,269
-	-	-	5,420	5,420
-	-	-	998	998
-	-	53	1,483	\$ 1,536

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2015

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
254 Operation and Maintenance of Plant:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
255 Student Transportation (State Mandated):		
100 Salaries	-	-
200 Employee Benefits	-	-
260 Central Support Services:		
264 Staff Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
266 Technology and Data Processing Services:		
400 Supplies and Materials	-	-
Total Support Services	<u>64,468</u>	<u>339,003</u>
410 Intergovernmental Expenditures:		
411 Payments to SDE		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,342,658</u>	<u>1,087,289</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)	(37,326)	(30,223)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(37,326)</u>	<u>(30,223)</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
-	-	-	95	\$ 95
-	-	-	22	22
-	-	2,627	-	2,627
-	-	195	-	195
-	-	-	8,227	8,227
-	-	-	1,937	1,937
-	-	-	5,178	5,178
-	-	91,682	-	91,682
-	74,419	641,553	616,140	1,735,583
-	-	-	82,061	82,061
-	-	-	82,061	82,061
46,142	94,610	1,653,999	1,273,350	5,498,048
(1,283)	-	-	(12,832)	(81,664)
(1,283)	-	-	(12,832)	(81,664)
-	-	-	(72,608)	(72,608)
-	-	-	72,608	72,608
-	-	-	-	\$ -

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

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2015

OTHER DESIGNATED RESTRICTED STATE GRANTS

914	Digital Instruction Materials
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
960	K-5 Enhancement (Carryover Provision)
963	K-12 Technology Initiative
965	Digital Instruction Materials
967	6-8 Enhancement (Carryover Provision)
990	First Steps

OTHER SPECIAL REVENUE PROGRAMS

201	Title I
203	Individuals with Disabilities Education Act
205	IDEA Preschool Outcomes
207	Federal Vocational Project
212	Extended School Year - Federal
225	Mathematics and Science Partnerships Program, Title II (84.366B)
238	Title I Support
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	PMD
834	Allen Tate
835	Technology Professional Development
836	I3 Reading Recovery
837	Special Olympics
839	ABT Special Fund
844	Sisters of Mercy Grant-Middle College
845	School Supply Donations
846	Guidance Incentive Grant
847	Elementary School Counseling Grant
849	Advance SC Summer Externships
852	Job Coach-DD Council Grant
855	Special Education Programs
856	Mayday Project-Homeless
858	Bigger than Bullying
860	Graduate Coursework

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2015

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
914	3194	Digital Instructional Materials	\$ 82,307	82,307	-	-	\$ -
918	3198	Technology Professional Development	-	-	-	-	27,423
919	3193	Education License Plates	985	985	-	-	-
924	3134	CDEP Expansion	810,587	810,587	-	-	15,999
926	3177	Summer Reading Camp	33,870	33,870	-	-	15,719
928	3118	EEDA Career Specialists	169,540	169,540	-	-	-
935	3135	Reading Coaches	273,933	273,933	-	-	8,352
937	3127	Student Health and Fitness - PE Teachers	36,535	36,535	-	-	-
960	3610	K-5 Enhancement	169,607	169,607	-	-	-
963	3630	K-12 Technology Initiative	6,505	6,505	-	-	165,198
965	3620	Digital Instructional Materials	10,895	10,895	-	-	-
967	3607	6-8 Enhancement	19,722	19,722	-	-	-
990	3680	First Steps FAMILY LITERACY Program	39,513	39,513	-	-	7,168
Totals			\$1,653,999	1,653,999	-	-	\$ 239,859

**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, 2015

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	\$ 896
Total Revenue from Local Sources	<u>896</u>
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	7,321
3504 Level Data	5,334
3505 School Technology Initiative	10,142
3509 Arts in Education	2,014
3511 Professional Development	28,376
3518 Formative Assessment	23,454
3525 Career and Technology Education Equipment	62,334
3526 Refurbishment of K-8 Science Kits	24,042
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	364,473
3533 Teacher of the Year Awards	1,077
3538 Student at Risk of School Failure	629,240
3550 Teacher Salary Increase (No Carryover Provision)	823,569
3555 School Employer Contributions (No Carryover Provision)	142,483
3558 Reading	22,631
3577 Teacher Supplies (No Carryover Provision)	88,500
3578 High Schools That Work/Making Middle Grades Work	18,694
3581 Student Health and Fitness-Nurses	202,217
3592 Work-Based Learning	20,311
3594 EEDA Supplemental Programs	209,263
3597 Aid to Districts	240,400
Total Revenue from State Sources	<u>2,925,875</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 2,926,771</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, 2015

	<u>ACTUAL</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 15,000
200 Employee Benefits	3,498
112 Primary Programs:	
100 Salaries	150,285
200 Employee Benefits	39,621
300 Purchased Services	2,486
400 Supplies and Materials	36,744
113 Elementary Programs:	
100 Salaries	403,258
200 Employee Benefits	115,406
300 Purchased Services	5,660
400 Supplies and Materials	106,688
600 Other Objects	200
114 High School Programs:	
100 Salaries	106,005
200 Employee Benefits	31,689
300 Purchased Services	504
400 Supplies and Materials	19,500
600 Other Objects	200
115 Career and Technology Education Program:	
100 Salaries	7,500
200 Employee Benefits	1,742
400 Supplies and Materials	4,000
500 Capital Outlay	62,334
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	1,769
127 Learning Disabilities:	
100 Salaries	7,500
200 Employee Benefits	1,739
128 Emotionally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	\$ 1,747

(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, 2015

	<u>ACTUAL</u>
130 Pre-School Programs:	
133 Preschool Handicapped Self- Contained (5Yr. Olds)	
100 Salaries	\$ 7,500
200 Employee Benefits	1,748
139 Early Childhood Programs:	
100 Salaries	7,500
200 Employee Benefits	1,753
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	12,500
200 Employee Benefits	2,892
170 Summer School Programs:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	3,119
200 Employee Benefits	716
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
100 Salaries	43,371
200 Employee Benefits	13,467
Total Instruction	<u>1,234,641</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	65,714
200 Employee Benefits	23,748
300 Purchased Services	6,137
400 Supplies and Materials	4,965
213 Health Services:	
100 Salaries	263,133
200 Employee Benefits	109,699
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	19,068
200 Employee Benefits	4,478
222 Library and Media:	
100 Salaries	7,500
200 Employee Benefits	1,730
400 Supplies and Materials	2,000
223 Supervision of Special Programs:	
100 Salaries	14,440
200 Employee Benefits	\$ 3,277

(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, 2015

	ACTUAL
224 Improvement of Instruction-Curriculum Development:	
100 Salaries	\$ 25,911
200 Employee Benefits	1,299
300 Purchased Services	21,533
400 Supplies and Materials	28,406
250 Finance and Operations Services:	
254 Operation and Maintenance of Plant:	
400 Supplies and Materials	69,785
255 Student Transportation (State Mandated):	
100 Salaries	9,692
200 Employee Benefits	2,245
300 Purchased Services	25,842
260 Central Support Services:	
266 Technology and Data Processing Services:	
400 Supplies and Materials	15,476
Total Support Services	<u>726,078</u>
TOTAL EXPENDITURES	<u>1,960,719</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(966,052)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(966,052)</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, 2015

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 7,321	7,321	-	-	\$ -
3504 Level Data Reimbursement	5,334	5,334	-	-	3,000
3505 School Technology Initiative	10,142	10,142	-	-	9,548
3509 Arts in Education	2,014	2,014	-	-	-
3511 Professional Development	28,376	28,376	-	-	-
3518 Formative Assessment	23,454	23,454	-	-	-
3525 Career and Technology Education Equipment	62,334	62,334	-	-	3,947
3526 Refurbishment of K-8 Science Kits	24,042	24,042	-	-	17,124
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	364,473	364,473	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3538 Student at Risk of School Failure	629,240	629,240	-	-	52,381
3550 Teacher Salary Increase (No Carryover Provision)	823,569	-	-	(823,569)	-
3555 School Employer Contributions (No Carryover Provision)	142,483	-	-	(142,483)	-
3558 Reading	23,527	23,527	-	-	9,854
3577 Teacher Supplies (No Carryover Provision)	88,500	88,500	-	-	-
3578 High Schools That Work/Making Middle Grades Work	18,694	18,694	-	-	11,102
3581 Student Health and Fitness-Nurses	202,217	202,217	-	-	-
3592 Work-Based Learning	20,311	20,311	-	-	-
3594 EEDA Supplemental Programs	209,263	209,263	-	-	-
3595 EEDA Professional Development Funds	-	-	-	-	9,293
3597 Aid to Districts	240,400	240,400	-	-	257,914
Totals	\$ 2,926,771	1,960,719	-	(966,052)	\$ 374,163

Note: Included in Program 3558 Revenues is \$896 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, 2015

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, 2015

	<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)	\$ 6,719,109
1240 Penalties & Interest on Taxes (Dependent)	487,850
1500 Earnings on Investments:	
1510 Interest on Investments	17,521
Total Revenue from Local Sources	<u>7,224,480</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	389,885
3830 Merchant's Inventory Tax	19,010
Total Revenue from State Sources	<u>408,895</u>
4000 Revenue from Federal Sources:	
4900 Other Federal Sources:	
4999 Revenue from Other Federal Sources	655,949
Total Revenue from Federal Sources	<u>655,949</u>
TOTAL REVENUE ALL SOURCES	<u>8,289,324</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	37,959,000
620 Interest	4,913,319
690 Other Objects (Includes Fees for Servicing Bonds)	175,284
Total Debt Service	<u>43,047,603</u>
TOTAL EXPENDITURES	<u>43,047,603</u>
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	2,865,101
5130 Proceeds of Refunding Debt	32,405,000
Interfund Transfers, From (To) Other Funds:	
424-710 Transfer to Capital Projects Fund	(1,590,473)
TOTAL OTHER FINANCING SOURCES (USES)	<u>33,679,628</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,078,651)
FUND BALANCE, Beginning of Year	<u>3,575,431</u>
FUND BALANCE, End of Year	<u>\$ 2,496,780</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, 2015

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 7,814
Total Revenue from Local Sources	<u>7,814</u>
TOTAL REVENUE ALL SOURCES	<u>7,814</u>
EXPENDITURES	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	105,427
400 Supplies and Materials	780,162
500 Capital Outlay:	
510 Land	43,566
530 Improvements Other Than Buildings	183,019
540 Equipment	14,953
Total Support Services	<u>1,127,127</u>
TOTAL EXPENDITURES	<u>1,127,127</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	1,300,000
5240 Transfer from Debt Service Fund	1,590,473
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,890,473</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	1,771,160
FUND BALANCE, Beginning of Year	<u>4,837,056</u>
FUND BALANCE, End of Year	<u>\$ 6,608,216</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, 2015

	ACTUAL
REVENUES	
1000 Revenues from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 561
1600 Food Service:	
1610 Lunch Sales to Pupils	414,929
1620 Breakfast Sales to Pupils	11,984
1630 Special Sales to Pupils	138,009
1640 Lunch Sales to Adults	21,319
1650 Breakfast Sales to Adults	569
1660 Special Sales to Adults	9,961
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	278,378
Total Revenue from Local Sources	<u>875,710</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	208
Total Revenue from State Sources	<u>208</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	1,470,450
4830 School Breakfast Program	456,895
4850 Cash in Lieu Commodities (Food Distribution Program) (Carryover Provision)	18,567
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	140,443
4999 Revenue from Other Federal Sources	83,073
Total Revenue from Federal Sources	<u>2,169,428</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 3,045,346</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, 2015

	<u>ACTUAL</u>
EXPENSES	
256 Food Service:	
100 Salaries	\$ 727,024
200 Employee Benefits	149,578
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	1,645,292
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	182,582
500 Capital Outlay	109,799
600 Other Objects	2,004
Total Food Services Expenses	<u>2,816,279</u>
TOTAL EXPENSES	<u>2,816,279</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	(135,861)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(135,861)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	93,206
FUND NET POSITION, Beginning of Year, as Previously Reported	1,695,525
Cumulative Change in Accounting Principle - GASB #68/71	(569,317)
TOTAL NET POSITION, Beginning of Year, Restated	<u>1,126,208</u>
FUND NET POSITION, End of Year	<u>\$ 1,219,414</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, 2015

	<u>ACTUAL</u>
RECEIPTS	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 298
1700 Pupil Activities:	
1710 Admissions	61,860
1720 Bookstore Sales	14,706
1730 Pupil Organization Membership Dues and Fees	93,004
1740 Student Fees	139,850
1790 Other	1,044,543
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	30,512
1999 Revenue from Other Local Sources	15,040
Total Receipts from Local Sources	<u>1,399,813</u>
TOTAL RECEIPTS ALL SOURCES	<u>1,399,813</u>
DISBURSEMENTS	
190 Instructional Pupil Activity:	
660 Pupil Activity	212,905
Total Instruction	<u>212,905</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
660 Pupil Activity	712,572
272 Enterprise Activities:	
660 Pupil Activity	280,251
273 Trust and Agency Activities:	
660 Enterprise Activity	122,513
Total Pupil Activity Expenditures	<u>1,115,336</u>
TOTAL DISBURSEMENTS	<u>1,328,241</u>
EXCESS/DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS	71,572
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>491,810</u>
DUE TO STUDENT ORGANIZATIONS, End of Year	<u>\$ 563,382</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, 2015

	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2015</u>
ASSETS				
Cash and Cash Equivalents	\$ 469,706	1,632,600	1,571,429	\$ 530,877
Investments	21,901	1,019	2,000	20,920
Receivables	203	11,382	-	11,585
TOTAL ASSETS	<u>\$ 491,810</u>	<u>1,645,001</u>	<u>1,573,429</u>	<u>\$ 563,382</u>
LIABILITIES				
Due to Student Organizations	\$ 491,810	1,645,001	1,573,429	\$ 563,382
TOTAL LIABILITIES	<u>\$ 491,810</u>	<u>1,645,001</u>	<u>1,573,429</u>	<u>\$ 563,382</u>

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

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2015

00	District-Wide	Non-School	Central	\$	46,800,481
01	Education Service Center	Non-School	Central		331,243
02	Floyd D. Johnson Technology Center	Other Schools	School		1,941,465
03	York Comprehensive High School	High School	School		11,323,944
04	Transportation	Non-School	Central		5,848
06	District Office	Non-School	Central		4,218,628
08	Jefferson Elementary	Elementary	School		3,578,392
09	York Intermediate School	Middle School	School		4,757,206
15	York One Academy	Alternative	School		1,411,064
44	York Middle School	Middle School	School		5,778,114
45	Hickory Grove-Sharon Elementary	Elementary	School		3,189,005
46	Hunter Street Elementary	Elementary	School		3,337,552
47	Cotton Belt Elementary	Elementary	School		3,689,133
49	Harold C. Johnson Elementary	Elementary	School		3,942,607
Total Expenditures/Disbursements for all funds					\$ 94,304,682

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

General Fund	\$	38,526,665
Special Revenue Fund (Subfunds 200's, 800's, 900's)		5,498,048
Special Revenue Fund (Subfunds 300's)		1,960,719
Debt Service Fund		43,047,603
Capital Projects Funds (Subfund 500's)		1,127,127
Proprietary Funds:		
Enterprise-Food Service (Subfund 600)		2,816,279
Trust and Agency Fund (Subfund 700's)		1,328,241
Total Expenditures/Disbursements for all funds	\$	94,304,682



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

STATISTICAL SECTION

YEAR ENDED JUNE 30, 2015

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.

135

Revenue Capacity

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

141

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.

145

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.

149

Operating Information

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

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



YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2006	2007 ¹	2008	2009	2010	2011	2012 ²	2013 ³	2014 ⁴	2015 ⁵
Governmental Activities										
Net Investment in Capital Assets	\$ 19,828,214	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
Restricted	3,872,290	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
Unrestricted	9,534,991	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)
Total Governmental Activities Net Position	\$ 33,235,495	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)
Business-Type Activities										
Net Investment in Capital Assets	\$ 396,129	594,204	651,386	556,727	489,544	920,634	810,596	714,919	608,962	\$ 506,164
Unrestricted	674,810	371,739	160,098	148,962	387,547	474,891	684,929	880,606	1,086,563	713,250
Total Business-Type Activities Net Position	\$ 1,070,939	965,943	811,484	705,689	877,091	1,395,525	1,495,525	1,595,525	1,695,525	\$ 1,219,414
Primary Government										
Net Investment in Capital Assets	\$ 20,224,343	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
Restricted	3,872,290	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
Unrestricted	10,209,801	10,842,475	12,417,659	11,114,079	11,878,296	11,947,463	10,067,015	11,323,684	13,696,563	(37,800,903)
Total Primary Government Net Position	\$ 34,306,434	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)

Note 1: The net position of business-type activities decreased from 2006 to 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

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

TABLE 2

UNAUDITED

	2006 ¹	2007 ¹	2008 ²	2009 ³	2010	2011 ⁴	2012 ⁵	2013 ⁶	2014 ⁷	2015 ⁸
Expenses										
Governmental Activities:										
Instruction	\$ 23,847,428	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
Support Services	15,571,155	15,642,947	17,699,361	18,348,659	18,109,229	31,000,076	22,852,514	21,161,233	20,253,881	21,728,654
Intergovernmental	107,061	127,534	79,628	87,181	-	-	-	-	-	-
Interest and Other Charges	667,277	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
Total Governmental Activities Expenses	40,192,921	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
Business-Type Activities:										
Food Services	2,062,350	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
Total Business-Type Activities Expenses	2,062,350	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
Total Primary Government Expenses	\$ 42,255,271	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
Program Revenues										
Governmental Activities:										
Charges for Services:										
Operating Grants and Contributions	\$ 23,309,937	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
Capital Grants and Contributions	263,985	-	108,240	129,927	-	10,061	-	-	-	-
Total Governmental Activities Program Revenues	23,573,922	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
Business-Type Activities:										
Charges for Services:										
Food Service	734,547	773,972	804,509	811,686	704,158	610,206	653,165	616,173	615,816	596,771
Operating Grants and Contributions	1,353,148	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
Total Business-Type Activities Program Revenues	2,087,695	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
Total Primary Government Program Revenues	\$ 25,661,617	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
Net (Expense)/Revenue										
Governmental Activities	\$ (16,618,999)	(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)
Business-Type Activities	25,345	8,419	(58,583)	(106,973)	170,584	249,554	235,248	235,461	235,587	228,506
Total Primary Government Net (Expense)/Revenue	\$ (16,593,654)	(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)

(Continued)

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	2006 ¹	2007 ¹	2008 ²	2009 ³	2010	Fiscal Year				2015 ⁸
						2011 ⁴	2012 ⁵	2013 ⁶	2014 ⁷	
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax - General Operations	\$ 11,507,591	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
Property Tax - Debt Service	2,409,777	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
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
Other Taxes	2,537,384	2,587,843	295,889	313,147	325,576	345,228	363,665	379,302	394,628	408,895
Unrestricted Investment Earnings	541,176	759,438	631,112	561,563	222,252	107,019	51,370	53,880	36,241	55,878
Transfers	-	113,580	98,948	-	-	(268,194)	135,861	135,861	135,861	135,861
Miscellaneous	95,674	5,629	38,981	10,116	28,192	220,597	258,078	186,138	34,497	39,352
Other Revenues	58,071	94,397	84,252	90,666	130,387	792,774	764,210	746,470	707,069	700,078
Total Governmental Activities	17,149,673	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
Business-Type Activities:										
Unrestricted Investment Earnings	148	165	3,072	1,178	818	686	613	400	274	561
Transfers	-	(113,580)	(98,948)	-	-	268,194	(135,861)	(135,861)	(135,861)	(135,861)
Total Business-Type Activities	148	(113,415)	(95,876)	1,178	818	268,880	(135,248)	(135,461)	(135,587)	(135,300)
Total Primary Government	17,149,821	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
Change in Net Position:										
Governmental Activities	\$ 530,674	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)
Business-Type Activities	25,493	(104,996)	(154,459)	(105,795)	171,402	518,434	100,000	100,000	100,000	93,206
Total Primary Government	\$ 556,167	947,868	5,563,250	2,922,433	2,188,120	(460,851)	(6,364,602)	(4,418,660)	(2,843,434)	\$ (862,203)

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 expenses. Net Position in business-type activities increased because of a decrease in expenses and contributed capital, partially offset by a transfer to the General Fund for indirect costs.

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.

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	2006	2007	2008 ¹	2009 ¹	2010 ¹	2011 ²	2012	2013	2014	2015
General Fund										
Pre-GASB #54 ³										
Unreserved	\$ 7,052,110	8,143,105	9,252,424	8,831,055	8,831,055	-	-	-	-	\$ -
Post GASB #54 ³										
Unassigned	-	-	-	-	-	8,655,615	7,719,414	6,631,829	6,958,944	7,526,415
Total General Fund	<u>\$ 7,052,110</u>	<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>
All Other Governmental Funds										
Pre-GASB #54 ³										
Reserved	\$ -	-	1,751,334	25,792,756	18,665,991	-	-	-	-	\$ -
Unreserved, Reported In:										
Special Revenue Funds	45,748	50,408	14,893	44	-	-	-	-	-	-
Capital Projects Funds	1,629,979	1,354,755	1,894,403	665,809	849,512	-	-	-	-	-
Debt Service Funds	3,782,834	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
Assigned	-	-	-	-	-	728,415	214,549	2,253,098	3,779,993	3,880,260
Total All Other Governmental Funds	<u>\$ 5,458,561</u>	<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>

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

	2006	2007	2008	2009 ¹	2010 ²	2011 ³	2012	2013	2014 ⁴	2015 ⁵
Revenues										
Local Sources:										
Taxes by Source:										
Property Tax - General Operations	\$ 11,423,919	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
Property Tax - Debt Service	2,433,880	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
Investment Earnings	541,176	759,438	631,112	561,563	222,252	107,019	51,370	53,880	36,241	55,878
Other Local Sources	611,787	519,596	345,839	438,718	576,250	627,871	797,223	1,293,053	565,728	326,968
State Sources	23,138,968	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
Federal Sources	2,408,257	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
Intergovernmental Revenue	106,042	107,469	92,966	110,103	147,232	124,419	56,987	39,246	56,070	44,129
Total Revenues	40,664,029	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
Expenditures										
Current:										
Instruction	\$ 23,609,369	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
Support Services	13,241,940	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
Intergovernmental	107,061	127,534	79,628	87,181	67,981	66,758	102,561	104,690	82,624	82,061
Capital Outlay	404,538	1,500,312	302,965	42,986,555	48,231,550	11,255,304	1,036,352	237,795	156,203	380,922
Debt Service:										
Principal	2,295,000	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
Interest and Fiscal Charges	719,234	668,799	732,755	576,043	4,169,007	5,448,658	5,531,424	5,182,558	5,021,648	4,913,319
Other Charges	-	-	-	232,162	843,465	16,717	142,538	282,954	11,231	175,284
Total Expenditures	40,377,142	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
Excess of Revenues Over (Under) Expenditures	\$ 286,887	(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)

(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

	2006	2007	2008	2009 ¹	2010 ²	2011 ³	2012	2013	2014 ⁴	2015 ⁴
Other Financing Sources (Uses)										
Transfers In	\$ 982,953	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
Transfers Out	(982,953)	(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)
Proceeds of Bonds Sold	-	-	-	-	-	-	6,310,000	-	-	32,405,000
Premium on Bonds Sold	-	-	-	652,000	4,961,824	-	275,166	-	-	2,865,101
Issuance of General Obligation Bonds	-	-	-	-	85,000,000	-	3,000,000	-	-	-
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)	-	-	-	-	-
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
Net Change in Fund Balances	\$ 286,887	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
Capital Asset Expenditures	\$ 177,944	1,506,604	4,108,971	43,486,645	49,475,954	14,954,086	1,859,880	38,913	51,367	\$ 283,029
Debt Service as a Percentage of Noncapital Expenditures	7.5%	5.3%	6.0%	3.9%	10.9%	14.5%	22.4%	12.8%	13.5%	47.7%

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				
2006	\$ 32,862,970	7,708,598	12,362,541	21,133,850	\$ 74,067,959	172.90	\$ 1,303,890,413	5.7%
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%

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 Millage ³	Total Millage	City of York Millage	York County		
					Incorporated Millage	Unincorporated ² Millage	
2006	137.90	35.00	172.90	112.00	66.80	8.90	360.60
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

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	2015			2006		
	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	\$ 4,375,000	1	4.5%	\$ 4,291,330	1	5.8%
Plains LPG Services	3,044,086	2	3.1%	-		0.0%
York Electric Coop Inc.	2,834,953	3	2.9%	3,052,204	2	4.1%
Bluestar Silicones USA Corp	1,400,334	4	1.4%	-		0.0%
Meritor Heavy Vehicle Systems LLC*	1,393,366	5	1.4%	2,091,494	3	2.8%
Maclean Power York LLC	1,033,390	6	1.1%	649,040	7	0.9%
Ajax Rolled Ring & Machine LLC	983,800	7	1.0%	-		0.0%
BellSouth Telecommunications	892,610	8	0.9%	1,376,800	5	1.9%
Champion Laboratories Inc.*	768,180	9	0.8%	829,620	6	1.1%
Eagle Alloys Inc.	568,907	10	0.6%	1,419,679	4	1.9%
Suburban Propane LP	-		0.0%	530,030	8	0.7%
Canton Textile Mills Inc.	-		0.0%	471,678	9	0.6%
Hella Lighting Corporation	-		0.0%	427,426	10	0.6%
Totals	\$ 17,294,626		17.6%	\$ 15,139,301		20.4%

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
2006	2005	\$ 17,315,980	\$ 16,309,532	94.2%	382,045	\$ 16,691,577	96.4%
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%	-	\$ 27,419,374	94.5%

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			
2006	\$ 15,690,000	-	\$ 15,690,000	0.2%	\$ 79
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	N/A	N/A
2015	\$ 92,820,916	9,604,000	\$ 102,424,916	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, and 2015 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
2006	\$ 15,690,000	3,782,834	\$ 11,907,166	0.9%	\$ 60
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%	N/A
2015	\$ 92,820,916	2,496,780	\$ 90,324,136	5.2%	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, and 2015 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, 2015

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
City of York	\$ 6,285,152	100.0%	\$ 6,285,152
York County Government	\$ 44,587,872	8.2%	3,658,750
Subtotal, Overlapping Debt			9,943,902
York School District One Direct Debt			102,424,916
Total Direct and Overlapping Debt			<u>\$ 112,368,818</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 5,862,960	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
Total Net Debt Applicable to Debt Limit	700,000	700,000	700,000	435,411	356,955	286,000	3,213,528	2,881,895	2,549,370	2,224,463
Legal Debt Margin	\$ 5,162,960	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
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	11.9%	10.4%	10.2%	6.2%	4.9%	4.0%	43.4%	38.5%	33.0%	28.5%
										\$ 97,677,469
										7,814,198
										96,424,000
										(775,537)
										(93,424,000)
										2,224,463
										\$ 5,589,735

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 therein without voter approval.

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
2006	199,035	\$ 6,281,780	\$ 31,657	4,972	7.1%
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	N/A	N/A	N/A	4,931	5.9%
2015	N/A	N/A	N/A	4,973	6.0%

Data Sources:

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

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

TABLE 14

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Employer	2014			2006		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Ross Distribution	2,487	1	1.99%	852	7	0.84%
Rock Hill School District	2,209	2	1.76%	2,282	1	2.25%
Wells Fargo Home Mortgage	1,953	3	1.56%	1,500	3	1.48%
Piedmont Medical Center	1,550	4	1.24%	1,550	2	1.53%
Fort Mill School District	1,419	5	1.13%	804	8	0.79%
Duke Power Catawba Nuclear Station	1,228	6	0.98%	1,071	5	1.06%
Winthrop University	1,219	7	0.97%	1,111	4	1.09%
Clover School District	1,019	8	0.81%	-		
York County Government	989	9	0.79%	-		
Schaeffler	900	10	0.72%	-		
Abitibi Bowater, Inc.	-		-	1,039	6	1.02%
Stacy's	-		-	800	9	0.79%
U. S. Foodservice	-		-	800	10	0.79%
Totals	14,973		11.96%	11,809		11.63%

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. Information for the 2005 year is not readily available. The last information available is for the 2006 year.

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Instruction										
Teachers	350	355	365	365	358	350	344	341	338	340
Librarians	8	8	8	8	8	8	9	9	8	8
Guidance	12	13	13	13	13	13	14	15	16	17
Other	90	90	90	95	93	95	95	95	89	90
Support Services										
Principals	9	9	9	9	9	9	10	10	10	10
Assistant Principals	11	12	12	12	12	12	13	13	12	12
Administration	9	10	10	10	10	10	11	11	11	11
Other	186	187	186	188	186	192	195	195	188	188
Business-Type Activities										
Food Services	47	52	50	50	53	55	59	57	57	59
Total	722	736	743	750	742	744	750	746	729	735

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			
2006	4,972	\$ 36,958,370	\$ 7,433	3.9%	\$39,525,644	\$ 7,950	1.1%	350	14	53.0%
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%

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									
	2006	2007	2008	2009	2010	2011 ¹	2012 ²	2013	2014	2015
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	666	689	737	737	711	552	394	376	383	426
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	395	386	380	386	397	405	368	383	383	375
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	768	746	797	757	738	589	411	388	378	376
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	545	555	578	615	609	499	432	417	425	412
Harold C Johnson Elementary (2012)										
Square Feet	-	-	-	-	-	-	124,245	124,245	124,245	124,245
Capacity	-	-	-	-	-	-	800	800	800	800
Enrollment	-	-	-	-	-	-	407	415	418	419

(Continued)

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)

LAST TEN FISCAL YEARS

UNAUDITED

School	Fiscal Year									
	2006	2007	2008	2009	2010	2011 ¹	2012 ²	2013	2014	2015
<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	699	697	666	682	707	672	707	683	639	604
<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	789	825	795	821	769	783	795	823	836	788
<u>High</u>										
York Comprehensive High & Technology Center (2010)										
Square Feet	-	-	-	-	-	385,326	385,326	385,326	385,326	385,326
Capacity	1,030	1,030	1,030	1,030	1,030	2,000	2,000	2,000	2,000	2,000
Enrollment	1,083	1,052	1,038	1,068	1,073	1,440	1,419	1,421	1,469	1,573

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, 2015

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	\$ 456,895
600	National School Lunch Program - Cash Assistance	10.555	N/A	1,470,450
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	140,443
600	National School Lunch Program - Cash Assistance	10.555	N/A	18,567
Total 10.553 & 10.555				<u>2,086,355</u>
Total US Department of Agriculture				<u>2,086,355</u>
Department of Social Services				
600	Child and Adult Care Food Program	10.558	N/A	83,073
US Department of Education				
Pass-through State Department of Education:				
201	Title I	84.010	15BA089	1,379,984
238	Title I - School Support	84.010A	14BM089	48,615
Total 84.010				<u>1,428,599</u>
Individuals with Disabilities Education Act:				
203	Special Education - Grants to States	84.027A	14CA089	225,792
203	Special Education - Grants to States	84.027A	15CA089	891,720
212	Extended School Year	84.027A	15CO089	4,392
205	Special Education - Preschool Grants	84.173	14CG089	12,226
205	Special Education - Preschool Grants	84.173	15CG089	35,199
Total 84.027 & 84.173				<u>1,169,329</u>
207	Occupational Education (subprogram 24)	84.048	15VA089	87,839
Total 84.048				<u>87,839</u>
264	Title III - English Language Acquisition	84.365A	14BP089	1,497
264	Title III - English Language Acquisition	84.365A	15BP089	15,049
267	Title II - Improving Teacher Quality	84.367	14TQ089	4,284
267	Title II - Improving Teacher Quality	84.367	15TQ089	134,258
225	AIMS Grant (Alliance in Math/Science Success)	84.366B	14MS089	112,367
225	AIMS Grant (Alliance in Math/Science Success)	84.366B	15MS089	234,006
847	Elementary School Counseling	84.215E	N/A	258,442
Total US Department of Education				<u>3,445,670</u>
US Department of Defense				
Direct Programs:				
271	JROTC	12.000	N/A	86,899
Total US Department of Defense				<u>86,899</u>
TOTAL FEDERAL ASSISTANCE EXPENDED				<u>\$ 5,701,997</u>

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, 2015

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, 2015. 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.

**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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 20, 2015.

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
Mauldin, South Carolina
October 20, 2015



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133**

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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

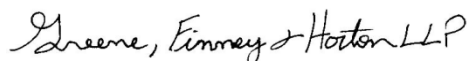
Report on Internal Control Over Compliance

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Greene, Finney & Horton, LLP
Mauldin, South Carolina
October 20, 2015

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2015

There were no OMB Circular A-133 audit findings in the prior year.

YORK SCHOOL DISTRICT ONE
YORK, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

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 section 510(a) of Circular A-133?	_____ Yes	_____ X	No
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Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: _____ 300,000

Auditee qualified as low-risk auditee?	_____ X	Yes	_____	No
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Section II - Financial Statement Findings

NONE

Section III - Federal Awards Findings and Questioned Costs

NONE