

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.



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014





# **YORK SCHOOL DISTRICT ONE**

York, South Carolina

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2014**



**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, 2014**

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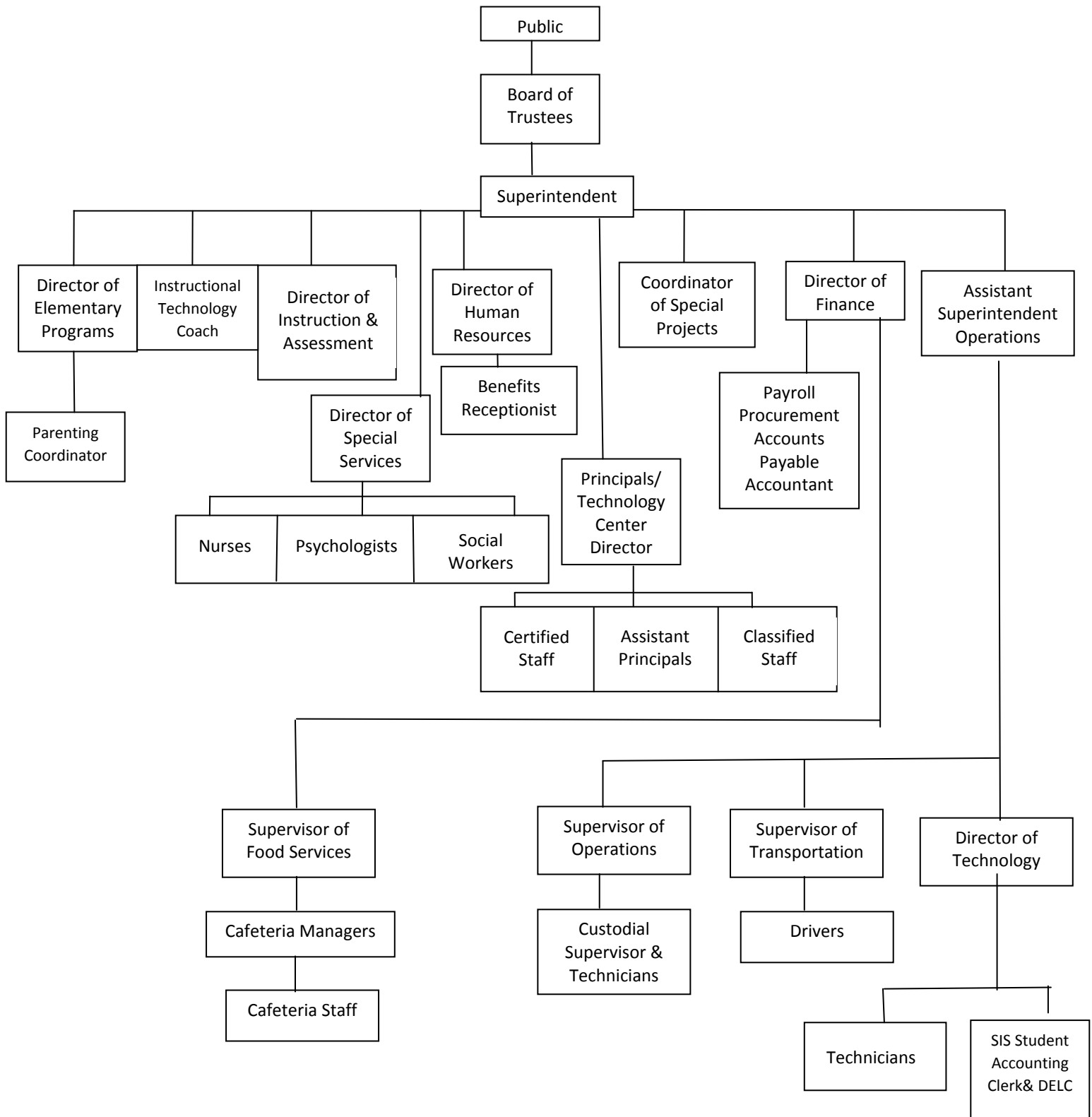
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YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

ORGANIZATION CHART



# YORK SCHOOL DISTRICT ONE

## List of Principal Officials

June 30, 2014

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

### **Board of Trustees**

Betty Johnson, Chair	Chris Revels, Vice Chair	Mike Smith, Secretary
	Shirley Harris	Dr. Al Johnson
	Melissa Patterson	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



Office of Finance  
Amy Hagner, Director

October 14, 2014

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, 2014. 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, 2014 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, 2014 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 \$96,578,435 for tax year 2013.

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 234,635 in 2012. This figure represents an approximate 3.6% 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 \$35,649 in 2012. The County's unemployment rate was 5.9% at June 30, 2014, which is lower than the rate at June 30, 2013, which was 8.2%. 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 2013-2014 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 quarterly and ranged by topics from online predators to prescription drug misuse.
- 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 14 third grade students reading significantly below grade level through an intensive six week summer program.
- A Standards Based Report Card was implemented at the elementary level. The report card is based upon the actual common core standards that are being taught at each grade level in Math and English Language Arts. For those subject areas, a performance level using E-Exceeds, P-Proficient, NY-Not Yet, U-Unsatisfactory will reflect each student's progress towards demonstrating understanding of each common core standard taught during the specific nine weeks.

- 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 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 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, 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.

#### Technology:

- The District has a Technology Coach that provides professional development and training to all employees in the district.
- The District replaced approximately 700 computers throughout the district.

#### Construction:

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

District-Wide Accomplishments for FY 2013-2014 were as follows:

- The District had seventeen teachers that were awarded Family Trust Grants. The grants fund projects that encourage unique and creative learning opportunities or enrich regular classroom activities.
- Hunter Street Elementary, York Intermediate School, and York Comprehensive High School earned the Palmetto Gold and Silver Award from the State for attaining high levels of absolute performance, high rates of growth, and for making substantial progress in closing the achievement gap.
- 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 second year of funding through the Elementary and Secondary School Counseling Grant in the amount of \$255,096. 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 \$39,613 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 was awarded five (5) grants from Clemson University Center for Workforce Development and Duke Energy Foundation. The first grant for \$5,000 purchased a robotic arm for use in the Project Lead the Way engineering courses at Floyd D Johnson Technology Center. The second grant totaling \$4,000 purchased Discovery Science for use at the middle school while the third grant also totaling \$4,000 provided a second session of the Summer Bridge to Manufacturing Program. The fourth and fifth grants totaling \$5,000 collectively, purchased materials for implementation of Lego Robotics at four elementary schools in the district. In addition to the five grants, the District also received \$2,500 to further promote STEM education.
- 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 \$276,438 for year 1 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 \$133,647 (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.



- The District participated in the York County Summer Feeding Program. Our students received nutritionally balanced meals at Jefferson Elementary, York Intermediate School, York Middle School, York Comprehensive High School, and York One through a partnership with the York County Summer Feeding Program. In addition, other students not participating in summer programs will also be able to receive meals through community feeding sites.
- The District received a grant for the second year in the amount of \$34,729 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.
- Harold C Johnson Elementary School received a Lowe's Toolbox for Education Grant in the amount of \$5,000. The school constructed an outdoor learning center for students where the students can learn many new science concepts through hands-on learning experiences.
- 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.

## **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 30<sup>th</sup>. The District maintains the modified accrual system for all governmental funds, and uses encumbrance accounting to accomplish budgetary controls at the function level. District policies allow funds to be transferred between function and object amounts as long as the total spending does not exceed the approved budget. Board approval is needed for supplemental appropriations that are additions to the budget. Encumbrances are utilized to assist in budgetary control and encumbrances lapse at fiscal year-end. The Board of Trustees is given a budget status report on a monthly basis, and is reviewed by the members of the Board.

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

Subsequent to the adoption of the budget by the Board, the 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 2013-2014 year, the District continued to spend the remaining \$3 million in QZAB 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 \$6,958,944. 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 2014. 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, 2013 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 twelfth consecutive year that the government has achieved these prestigious awards. These two awards are made only to governmental units that publish a comprehensive annual financial report that is easily readable, efficiently organized, and conform to program standards, as well as satisfy generally accepted accounting principles and applicable legal requirements.

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

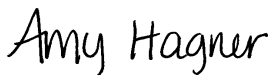
### **Acknowledgements**

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

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

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

Respectfully Submitted,

A handwritten signature in black ink that reads "Amy Hagner". The script is cursive and fluid.

Amy Hagner  
Director of Finance





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, 2013**

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, 2013*

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



Terrie S. Simmons, RSBA, CSBO  
President

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, 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, 2014, 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, 2014, 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.

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### ***Pending Implementation of Governmental Accounting Standards Board Statement on Pensions***

As discussed in Note 14, the Governmental Accounting Standards Board issued in June 2012 Statement No. 68, “*Accounting and Financial Reporting for Pensions*” (“*Statement*”). This Statement, which will be adopted by the District for the fiscal year ended June 30, 2015, will require the District to report a net pension liability on its applicable financial statements for its participation in the South Carolina Retirement System and the South Carolina Police Officers’ Retirement System (“*Plans*”). Based on recent information provided by the South Carolina Public Employee Benefit Authority, it is anticipated that the District’s share of the net pension liability associated with these Plans will decrease the District’s beginning net position by approximately \$61,148,000. Our opinion is not modified with respect to this matter

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison schedule for the General Fund, 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***

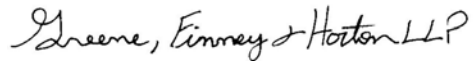
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The supplementary information, the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits 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 14, 2014 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 14, 2014



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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2014**

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**INTRODUCTION**

This discussion and analysis of York County School District One's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2014. 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 2013-2014 are as follows:

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year yielding a net position of approximately \$31.8 million. Of this amount, approximately \$13.7 million may be used to meet the District's ongoing obligations (unrestricted net position).
- The District's total net position decreased by approximately \$2.8 million compared to a \$4.4 million decrease in the prior year. The change compared to the prior year is primarily attributable to a decrease in expenses.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$15.4 million. The District had an increase of approximately \$1.4 million in the current year compared to a decrease of approximately \$1.1 million in the prior year. The change compared to the prior year is primarily attributable to decreased expenditures as the District made significant budget cuts from the prior year.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately \$7.0 million, which is approximately 19% percent of total General Fund expenditures. The entire amount is unassigned.
- The District's total capital assets decreased approximately \$5.7 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 \$2.0 million (2%) during the current fiscal year which was due principal payments of approximately \$2.0 million.
- During the 2014 fiscal year, the District's governmental fund type revenues were approximately \$53.4 million compared to approximately \$52.8 million in the prior year. This increase was primarily due to higher local and state revenues.
- The District had approximately \$56.9 million in expenses related to governmental activities; approximately \$25.0 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of approximately \$29.0 million provided the remaining funding.
- The District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB #65" or "Statement") in 2014. GASB #65 establishes accounting and financial reporting standards that require reclassification, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement supplements and extends the reach of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which was adopted by the District in 2013. The District's only former financial statement item that was affected by the implementation of GASB #65 was its deferred revenue liability (for unavailable – property taxes) in its statement of financial position. Under this Statement, deferred revenue that is not available or deferred revenue that is received by a government but is applicable to a future year should no longer be shown as a liability but will be reclassified and shown as a component of deferred inflows of resources.

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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2014**

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

*Statement of Activities*

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

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

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

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

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

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

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

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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2014**

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

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

*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.

*Other Information*

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

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

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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2014**

**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, assets exceeded liabilities by approximately \$31.8 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 2014, as well as the preceding fiscal year 2013:

**Table 1  
Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and Other Assets	\$ 22,132,431	\$ 20,751,050	1,133,886	918,935	23,266,317	\$ 21,669,985
Capital Assets, Net	119,207,531	124,793,764	608,962	714,919	119,816,493	125,508,683
Total Assets	<u>141,339,962</u>	<u>145,544,814</u>	<u>1,742,848</u>	<u>1,633,854</u>	<u>143,082,810</u>	<u>147,178,668</u>
<b>Liabilities</b>						
Other Liabilities	5,176,737	4,100,447	47,323	38,329	5,224,060	4,138,776
Long-Term Liabilities	106,018,192	108,355,900	-	-	106,018,192	108,355,900
Total Liabilities	<u>111,194,929</u>	<u>112,456,347</u>	<u>47,323</u>	<u>38,329</u>	<u>111,242,252</u>	<u>112,494,676</u>
<b>Net Position</b>						
Net Investment in Capital Assets	14,613,621	18,966,916	608,962	714,919	15,222,583	19,681,835
Restricted	2,919,412	3,678,473	-	-	2,919,412	3,678,473
Unrestricted	12,612,000	10,443,078	1,086,563	880,606	13,698,563	11,323,684
Total Net Position	<u>\$ 30,145,033</u>	<u>\$ 33,088,467</u>	<u>1,695,525</u>	<u>1,595,525</u>	<u>31,840,558</u>	<u>\$ 34,683,992</u>

The District's current and other assets at June 30, 2014 increased by approximately \$1.6 million from the prior year primarily due to an increase in the amounts held by the county treasurer. The District's capital assets at June 30, 2014 decreased by approximately \$5.7 million from the prior year due to depreciation expense of approximately \$5.7 million. The District's total liabilities at June 30, 2014 decreased by approximately \$1.3 million from the prior year primarily due to principal payments of approximately \$2.0 million partially offset by an increase in accrued interest of approximately \$0.8 million.

The District's net position decreased by approximately \$2.8 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 \$15.2 million (approximately 48%) 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.



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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2014**

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

An additional portion of the District's net position of approximately \$2.9 million (approximately 9%) 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 of approximately \$13.7 million (approximately 43%) may be used to meet the government's ongoing obligations to citizens and creditors.

Table 2 shows the changes in net position for the current fiscal year 2014 as well as for the preceding fiscal year 2013:

**Table 2  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ -	-	615,816	616,173	615,816	\$ 616,173
Operating Grants	24,985,478	25,326,132	2,041,698	1,972,962	27,027,176	27,299,094
General Revenues:						
Taxes	28,012,600	26,653,231	-	-	28,012,600	26,653,231
Other	777,807	986,488	274	400	778,081	986,888
Total Revenues	<u>53,775,885</u>	<u>52,965,851</u>	<u>2,657,788</u>	<u>2,589,535</u>	<u>56,433,673</u>	<u>55,555,386</u>
<b>Program Expenses</b>						
Instruction	30,377,162	31,405,400	-	-	30,377,162	31,405,400
Supporting Services	20,253,881	21,161,233	-	-	20,253,881	21,161,233
Interest and Other Charges	6,224,137	5,053,739	-	-	6,224,137	5,053,739
Food Service	-	-	2,421,927	2,353,674	2,421,927	2,353,674
Total Program Expenses	<u>56,855,180</u>	<u>57,620,372</u>	<u>2,421,927</u>	<u>2,353,674</u>	<u>59,277,107</u>	<u>59,974,046</u>
Excess (Deficiency)						
Before Transfers	(3,079,295)	(4,654,521)	235,861	235,861	(2,843,434)	(4,418,660)
Transfers In (Out)	<u>135,861</u>	<u>135,861</u>	<u>(135,861)</u>	<u>(135,861)</u>	<u>-</u>	<u>-</u>
Change in Net Position	(2,943,434)	(4,518,660)	100,000	100,000	(2,843,434)	(4,418,660)
Net Position, Beginning of Year	33,088,467	37,607,127	1,595,525	1,495,525	34,683,992	39,102,652
Net Position, End of Year	<u>\$ 30,145,033</u>	<u>\$ 33,088,467</u>	<u>1,695,525</u>	<u>1,595,525</u>	<u>31,840,558</u>	<u>\$ 34,683,992</u>

***Governmental Activities***

The District's governmental activities net position decreased approximately \$2.9 million in 2014 compared to a decrease of approximately \$4.5 million in the prior year. This decrease was less than in the prior year primarily due to higher tax revenue (\$28.0 million in fiscal year 2014 compared to \$26.7 million in the prior year). Depreciation expense of approximately \$5.7 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, 2014**

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

*Business-Type Activities*

The District's business-type activities increased net position in 2014 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, 2014, the District's governmental funds reported a combined fund balance of approximately \$15.4 million as compared to approximately \$14.0 million for the prior year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2014, the District's unassigned fund balance for all governmental funds was approximately \$7.0 million which solely represents the General Fund. Of the remainder, approximately \$1.1 million and \$3.7 million is restricted and assigned for capital projects, respectively, approximately \$3.6 million is restricted for debt service, and approximately \$0.1 million is restricted for special revenue.

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 \$7.0 million which was all unassigned.

The District's General Fund balance increased approximately 5% from the prior year. The fund balance in the General Fund is approximately 19% 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 \$0.02 million in 2014. The fund balance for the Debt Service Fund at June 30, 2014 is approximately \$3.6 million which is restricted for the payment of debt service. Revenues increased over the prior year by approximately \$0.1 million, or 1.8%, 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 \$1.3 million in 2014 to approximately \$4.8 million at June 30, 2014. The primary reason is due to a transfer from the General Fund of approximately \$1.1 million.

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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2014**

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**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, 2014, 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 2014, 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 2014, 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 2014 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 2014, the District had approximately \$119.8 million net investment in capital assets. The total decrease in the District's net investment in capital assets was approximately \$5.7 million or approximately 5%. While there was approximately \$0.05 million in additions to capital assets, depreciation expense was approximately \$5.7 million. Major capital asset events during the current fiscal year included:

- Depreciation expense of approximately \$5.7 million.
- Furniture, equipment and other capital asset additions of approximately \$0.05 million.

Table 3 shows fiscal 2014 balances compared to 2013:

**Table 3  
Capital Assets at June 30, 2014 and June 30, 2013  
(Net of Depreciation)**

	Government Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land and Land Improvements	\$ 3,086,106	3,086,106	-	-	3,086,106	\$ 3,086,106
Buildings, Improvements and Equipment	116,121,425	121,707,658	608,962	714,919	116,730,387	122,422,577
Totals	<u>\$ 119,207,531</u>	<u>124,793,764</u>	<u>608,962</u>	<u>714,919</u>	<u>119,816,493</u>	<u>\$ 125,508,683</u>

The District does not have outstanding construction commitments at June 30, 2014. 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, 2014**

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

***Debt Administration***

At fiscal year-end, the District had approximately \$102.0 million in gross bonds and capital leases outstanding versus approximately \$104.0 million in the prior year, a decrease of approximately 2% 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 2014	Governmental Activities 2013
Qualified Zone Academy GOB, Series 2004	\$ 700,000	\$ 700,000
General Obligation Bond, 2009	49,900,000	50,000,000
Build America Bonds, 2009	35,000,000	35,000,000
Capital Lease, 2009	10,193,000	10,567,000
General Obligation Refunding Bond, 2011	3,185,000	4,715,000
Qualified Zone Academy GOB, Series 2012	3,000,000	3,000,000
Total Gross Debt	<u>\$ 101,978,000</u>	<u>\$ 103,982,000</u>

Key highlights related to the District's gross debt for the fiscal year 2014 are as follows:

- Principal payments of approximately \$2.0 million were made on the various bonds.

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed 8% of the assessed value of all taxable property in the District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2014, the District's assessed property valuation was approximately \$96.6 million. The District had approximately \$2.5 million (\$3.7 million of the Qualified Zone Academy GOB less the funded debt service for the Qualified Zone Academy GOB of approximately \$1.2 million) of bonded debt subject to the 8% limit of approximately \$7.7 million resulting in unused legal debt margin of approximately \$5.2 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 \$96,578,000 million in 2014 which is a 4.0% increase from 2013. 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, 2014**

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**FY 2015 BUDGETS**

The FY 15 General Fund Budget of approximately \$38.7 million represents a 4.1% increase over FY 14. The main priorities for the FY 15 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 0.9% over 2014 (from \$2,101 to \$ 2,120). 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 4 mill increase (increased to 179.6 mills from 175.6 mills in the prior year) for the 2014 property tax year for general operations of the District. The Board of Trustees also approved to maintain 78 mills for the 2014 property tax year for the District's scheduled debt service requirements.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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

**STATEMENT OF NET POSITION**

**JUNE 30, 2014**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,171,375	568,042	\$ 7,739,417
Cash and Cash Equivalents, Restricted	62,461	-	62,461
Investments, Restricted	1,150,630	-	1,150,630
Cash and Investments Held by County Treasurer	8,556,048	-	8,556,048
Property Taxes Receivable, Net	3,820,999	-	3,820,999
Accounts Receivable, Net	-	47,718	47,718
Other Receivables, Net	40,023	-	40,023
Due from State	548,056	-	548,056
Due from Federal	1,204,933	-	1,204,933
Due from Other Governments	48,503	206	48,709
Internal Balances	(470,597)	470,597	-
Inventories and Prepaid Items	-	47,323	47,323
Capital Assets:			
Non-Depreciable	3,086,106	-	3,086,106
Depreciable, Net	116,121,425	608,962	116,730,387
<b>TOTAL ASSETS</b>	<b>141,339,962</b>	<b>1,742,848</b>	<b>143,082,810</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	3,003,642	-	3,003,642
Accrued Interest Payable	1,645,050	-	1,645,050
Due to State Agencies	20,604	-	20,604
Unearned Revenue	507,441	47,323	554,764
Non-Current Liabilities:			
Due Within One Year	2,419,000	-	2,419,000
Due in More than One Year	103,599,192	-	103,599,192
<b>TOTAL LIABILITIES</b>	<b>111,194,929</b>	<b>47,323</b>	<b>111,242,252</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	14,613,621	608,962	15,222,583
Restricted For:			
Debt Service	2,919,412	-	2,919,412
Unrestricted	12,612,000	1,086,563	13,698,563
<b>TOTAL NET POSITION</b>	<b>\$ 30,145,033</b>	<b>1,695,525</b>	<b>\$ 31,840,558</b>

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

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

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2014**

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	Business-Type	Total
PRIMARY GOVERNMENT:					Activities	Activities	
Governmental Activities:							
Instruction	\$30,377,163	-	16,663,576	-	(13,713,587)	-	\$(13,713,587)
Support Services	20,253,880	-	8,321,902	-	(11,931,978)	-	(11,931,978)
Interest on Long-Term Obligations	6,224,137	-	-	-	(6,224,137)	-	(6,224,137)
Total Governmental Activities	56,855,180	-	24,985,478	-	(31,869,702)	-	(31,869,702)
Business-Type Activities:							
Food Services	2,421,927	615,816	2,041,698	-	-	235,587	235,587
Total Business-Type Activities	2,421,927	615,816	2,041,698	-	-	235,587	235,587
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 59,277,107</b>	<b>615,816</b>	<b>27,027,176</b>	<b>-</b>	<b>(31,869,702)</b>	<b>235,587</b>	<b>(31,634,115)</b>
<b>GENERAL REVENUES:</b>							
General Revenues:							
Property Taxes Levied for General Purposes					13,371,086	-	13,371,086
Property Taxes Levied for Debt Service					7,127,507	-	7,127,507
State Revenue in Lieu of Taxes					7,119,379	-	7,119,379
Other Taxes					394,628	-	394,628
Investment Earnings					36,241	274	36,515
Intergovernmental Revenue - Not Restricted to Specific Programs					707,069	-	707,069
Miscellaneous - Not Restricted to Specific Programs					34,497	-	34,497
Transfers In (Out)					135,861	(135,861)	-
Total General Revenues and Transfers					28,926,268	(135,587)	28,790,681
<b>CHANGE IN NET POSITION</b>					<b>(2,943,434)</b>	<b>100,000</b>	<b>(2,843,434)</b>
NET POSITION - Beginning of Year					33,088,467	1,595,525	34,683,992
<b>NET POSITION - Ending of Year</b>					<b>\$ 30,145,033</b>	<b>1,695,525</b>	<b>\$ 31,840,558</b>

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

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	GENERAL	SPECIAL REVENUE
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 7,171,375	-
Cash and Cash Equivalents, Restricted	62,461	-
Investments, Restricted	-	-
Cash and Investments Held by County Treasurer	4,049,809	-
Receivables, Net:		
Taxes	2,747,672	-
Other	23,000	17,023
Due From:		
State	122,257	6,247
Federal	-	1,204,933
Other Governments	48,503	-
Other Funds	2,131,033	134,345
<b>TOTAL ASSETS</b>	<b>\$ 16,356,110</b>	<b>1,362,548</b>
<b>LIABILITIES AND FUND BALANCES</b>		
LIABILITIES:		
Accounts Payable	\$ 318,595	-
Accrued Salaries, Fringe & Benefits	2,572,793	-
Accrued Expenditures	112,254	-
Due To:		
State Agencies	-	-
Other Funds	4,225,850	1,222,438
Unearned Revenue	-	67,502
<b>TOTAL LIABILITIES</b>	<b>7,229,492</b>	<b>1,289,940</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Property Taxes	2,167,674	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,167,674</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>9,397,166</b>	<b>1,289,940</b>
FUND BALANCES:		
Fund Balances		
Restricted For:		
Debt Service	-	-
Capital Projects	-	-
Assigned For:		
Special Education Programs	-	72,608
Capital Projects	-	-
Unassigned	6,958,944	-
<b>TOTAL FUND BALANCES</b>	<b>6,958,944</b>	<b>72,608</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 16,356,110</b>	<b>1,362,548</b>

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
-	-	-	\$ 7,171,375
-	-	-	62,461
-	1,150,630	-	1,150,630
-	3,376,568	1,129,671	8,556,048
-	1,073,327	-	3,820,999
-	-	-	40,023
419,552	-	-	548,056
-	-	-	1,204,933
-	-	-	48,503
284,656	-	3,707,385	6,257,419
<b>704,208</b>	<b>5,600,525</b>	<b>4,837,056</b>	<b>\$ 28,860,447</b>
-	-	-	\$ 318,595
-	-	-	2,572,793
-	-	-	112,254
20,604	-	-	20,604
243,665	1,036,063	-	6,728,016
439,939	-	-	507,441
<b>704,208</b>	<b>1,036,063</b>	<b>-</b>	<b>10,259,703</b>
-	989,031	-	3,156,705
-	989,031	-	3,156,705
<b>704,208</b>	<b>2,025,094</b>	<b>-</b>	<b>13,416,408</b>
-	3,575,431	-	3,575,431
-	-	1,129,671	1,129,671
-	-	-	72,608
-	-	3,707,385	3,707,385
-	-	-	6,958,944
-	3,575,431	4,837,056	15,444,039
<b>704,208</b>	<b>5,600,525</b>	<b>4,837,056</b>	<b>\$ 28,860,447</b>

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

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

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

**JUNE 30, 2014**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 15,444,039</b>
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Amounts reported for the governmental activities in the Statement of Net Position are different because:

Outstanding property taxes and other revenues which will be collected in the future, but are not available soon enough to pay for the current period's expenditures are therefore unavailable in the funds.	3,156,705
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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 \$175,054,102, and the accumulated depreciation is \$55,846,571.	119,207,531
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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.	(1,645,050)
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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	(101,978,000)
Net Premium	(3,745,581)
Compensated Absences	(294,611)
	(106,018,192)

<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 30,145,033</u></b>
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The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



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

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

**GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2014**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>
<b>REVENUES</b>		
Local Sources:		
Taxes	\$ 13,070,676	-
Investment Earnings	14,063	-
Other Local Sources	34,491	491,893
State Sources	24,235,243	478,133
Federal Sources	-	3,778,801
Intergovernmental Revenue	13,587	42,483
<b>TOTAL REVENUE ALL SOURCES</b>	<b>37,368,060</b>	<b>4,791,310</b>
<b>EXPENDITURES</b>		
Current:		
Instruction	21,316,222	3,251,952
Support Services	15,680,668	1,602,576
Intergovernmental	-	82,624
Capital Outlay	70,851	1,350
Debt Service:		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Other Charges	-	-
<b>TOTAL EXPENDITURES</b>	<b>37,067,741</b>	<b>4,938,502</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>300,319</b>	<b>(147,192)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	1,126,796	-
Transfers Out	(1,100,000)	(69,916)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>26,796</b>	<b>(69,916)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>327,115</b>	<b>(217,108)</b>
FUND BALANCE, Beginning of Year	6,631,829	289,716
<b>FUND BALANCE, End of Year</b>	<b>\$ 6,958,944</b>	<b>72,608</b>

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
-	7,031,199	-	\$ 20,101,875
-	15,702	6,476	36,241
8,600	-	30,744	565,728
3,081,446	394,628	-	28,189,450
-	650,999	-	4,429,800
-	-	-	56,070
<b>3,090,046</b>	<b>8,092,528</b>	<b>37,220</b>	<b>53,379,164</b>
1,640,431	-	-	26,208,605
455,640	-	872,992	18,611,876
-	-	-	82,624
72,956	-	11,046	156,203
-	2,003,000	-	2,003,000
-	5,021,648	-	5,021,648
-	11,231	-	11,231
2,169,027	7,035,879	884,038	52,095,187
<b>921,019</b>	<b>1,056,649</b>	<b>(846,818)</b>	<b>1,283,977</b>
-	-	2,174,936	3,301,732
(921,019)	(1,074,936)	-	(3,165,871)
(921,019)	(1,074,936)	2,174,936	135,861
-	<b>(18,287)</b>	<b>1,328,118</b>	<b>1,419,838</b>
-	3,593,718	3,508,938	14,024,201
-	<b>3,575,431</b>	<b>4,837,056</b>	<b>\$ 15,444,039</b>

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

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

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

**YEAR ENDED JUNE 30, 2014**

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<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 1,419,838</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	396,720
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	2,004,000
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.	(837,081)
Bond issuance costs are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities.	(674,386)
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.	319,209
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.	14,499
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 \$45,494 were exceeded by depreciation expense of \$5,631,727 during the year.	(5,586,233)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (2,943,434)</u></b>
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The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2014

	<u>ENTERPRISE</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 568,042
Receivables, Net:	
Accounts	47,718
Due From:	
Federal Agencies	206
Other Funds	470,597
Inventories	47,323
Total Current Assets	<u>1,133,886</u>
Non-Current Assets:	
Capital Assets	2,441,015
Less: Accumulated Depreciation	(1,832,053)
Total Non-Current Assets	<u>608,962</u>
<b>TOTAL ASSETS</b>	<u><b>1,742,848</b></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Unearned Revenue	47,323
Total Current Liabilities	<u>47,323</u>
<b>TOTAL LIABILITIES</b>	<u><b>47,323</b></u>
<b>NET POSITION</b>	
Invested in Capital Assets	608,962
Unrestricted	1,086,563
<b>TOTAL NET POSITION</b>	<u><b>\$ 1,695,525</b></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, 2014**

	<b><u>ENTERPRISE</u></b>
<b>OPERATING REVENUES</b>	
Proceeds from Sale of Meals	\$ 615,816
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	814,249
Purchased Services	1,303,218
Food Costs and Supplies	190,381
Depreciation	111,830
Other	2,249
<b>TOTAL OPERATING EXPENSES</b>	<b><u>2,421,927</u></b>
<b>OPERATING LOSS</b>	<b><u>(1,806,111)</u></b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Commodities Received from USDA	144,419
USDA Reimbursements	1,782,827
Interest	274
Other Revenue	114,452
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b><u>2,041,972</u></b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<b>235,861</b>
Transfer Out - Food Service Fund Indirect Costs	(135,861)
<b>CHANGE IN NET POSITION</b>	<b>100,000</b>
TOTAL NET POSITION, Beginning of Year	<u>1,595,525</u>
<b>TOTAL NET POSITION, End of Year</b>	<b><u><u>\$ 1,695,525</u></u></b>

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



YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2014

	<u>ENTERPRISE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Meal Sales	\$ 597,645
Receipts from Other Revenues	114,452
Payments to Employees for Services	(814,249)
Payments to Suppliers for Goods and Services	(1,351,429)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u><b>(1,453,581)</b></u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
USDA Reimbursement	1,807,865
Transfers to Other Funds	(232,459)
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u><b>1,575,406</b></u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(5,873)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u><b>(5,873)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Earnings	274
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u><b>274</b></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>116,226</b>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>451,816</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u><b>\$ 568,042</b></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	\$ (1,806,111)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation Expense	111,830
Non-Cash USDA Commodities Used	144,419
Other Non-Operating Revenues	114,452
Change In:	
Receivables	(18,171)
Inventories	(8,994)
Unearned Revenue	8,994
Net Cash Used in Operating Activities	<u><b>\$ (1,453,581)</b></u>
Non-Cash Transactions:	
Depreciation Expense	\$ 111,830
Commodities Used - USDA	144,419
	<u><b>\$ 256,249</b></u>

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

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2014

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	<b>AGENCY</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 469,705
Investments	21,902
Receivables	203
<b>TOTAL ASSETS</b>	<b><u>\$ 491,810</u></b>
<b>LIABILITIES</b>	
Due to Student Organizations	\$ 491,810
<b>TOTAL LIABILITIES</b>	<b><u>\$ 491,810</u></b>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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

**A) Reporting Entity**

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

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

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

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

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

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

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

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

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

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

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

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

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, 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.

The District implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*" ("GASB #65" or "Statement") in 2014. GASB #65 establishes accounting and financial reporting standards that require reclassification, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement supplements and extends the reach of GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", which was adopted by the District in 2013. The District's only former financial statement item that was affected by the implementation of GASB #65 was its deferred revenue liability (for unavailable – property taxes) in its statement of financial position. Under this Statement, deferred revenue that is not available or deferred revenue that is received by a government but is applicable to a future year should no longer be shown as a liability but will be reclassified and shown as a component of deferred inflows of resources.

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.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

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

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.

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.

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

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

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.

**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. The District applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements, as well as the requirements of Financial Accounting Standards Board ("FASB") Statements and interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs"), issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The District has elected not to apply the standards issued by those organizations after November 30, 1989 for the proprietary fund. This fund, however, has applied all applicable pronouncements issued by the Governmental Accounting Standards Board ("GASB").

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, 2014**

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**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, 2014**

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**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, 2014**

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

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

***Investments (Continued)***

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

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

- Cash and Investments held by the County Treasurer which are property taxes collected by the District's fiscal agent that have not been remitted to the District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.
- Local Government Investment Pool ("Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. 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, 2014

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**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 of the Board Members (a) in the annual budget or (b) 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, 2014**

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**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 liabilities. Net investment in capital assets, net of related debt, 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 the enabling legislation or through external restrictions imposed by creditors, grantors 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, 2014**

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**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 premiums.

***N) 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:

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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

**N) Capital Assets (Continued)**

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

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

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

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

**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, 2014, none of the District's bank balances (including fiduciary funds) of approximately \$2,839,000 (book balance of approximately \$1,390,000) was exposed to custodial credit risk.

**Investments**

As of June 30, 2014, the District had the following investments:

<b>Investment Type</b>	<b>Credit Rating</b>	<b>Fair Value</b>	<b>Weighted Average Maturity Less than One Year</b>
State Local Government Investment Pool	Unrated ^	\$ 6,903,079	\$ 6,903,079
Cash and Investments Held by County Treasurer	Unrated ^	8,556,048	8,556,048
U.S. Treasury Bills	*	633,705	633,705
Liquidity Funds	AAAm/Aaa-mf	516,925	516,925
<b>Total</b>		<b>\$ 16,609,757</b>	<b>\$ 16,609,757</b>

\* 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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**Note 2-Deposits and Investments (Continued)**

***Investments (Continued)***

**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, 2014, 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

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, 2014, millage was set at 175.6 mills (170.6 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

**Note 3-Property Taxes (Continued)**

The records of the York County Treasurer's Office reported uncollected delinquent property taxes at June 30, 2014 of approximately \$2,284,000 for the General Fund (net of allowance for uncollectible portion of approximately \$95,000) and \$1,073,000 for the Debt Service Fund (net of allowance for uncollectible portion of \$45,000). In addition, there is approximately \$464,000 included in the General Fund's property tax receivable amount at June 30, 2014 that is revenue in lieu of taxes related to Property Tax Relief (Act 388).

Of these amounts, approximately \$2,168,000 and \$989,000, 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 \$116,000 in the General Fund, and \$84,000 in the Debt Service Fund, that has been recognized as revenue at June 30, 2014 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 \$464,000 of revenue in lieu of taxes related to Property Tax Relief (Act 388) that has been recognized as revenue at June 30, 2014 because it was measurable and available.

**Note 4-Capital Assets**

Capital asset activity for the District for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,086,106	-	-	\$ 3,086,106
Total Capital Assets, Not Being Depreciated	3,086,106	-	-	3,086,106
Capital Assets, Being Depreciated:				
Buildings and Improvements	167,415,127	-	-	167,415,127
Furniture and Equipment	2,594,894	45,494	-	2,640,388
Improvements Other than Buildings	1,912,481	-	-	1,912,481
Total Capital Assets Being Depreciated	171,922,502	45,494	-	171,967,996
Less: Accumulated Depreciation for:				
Buildings and Improvements	46,154,347	5,510,393	-	51,664,740
Furniture and Equipment	2,226,410	113,634	-	2,340,044
Improvements Other than Buildings	1,834,087	7,700	-	1,841,787
Total Accumulated Depreciation	50,214,844	5,631,727	-	55,846,571
Total Capital Assets, Being Depreciated, Net	121,707,658	(5,586,233)	-	116,121,425
Total Governmental Activities Capital Assets, Net	\$ 124,793,764	(5,586,233)	-	\$ 119,207,531
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Furniture and Equipment	\$ 2,435,142	5,873	-	\$ 2,441,015
Less: Accumulated Depreciation	1,720,223	111,830	-	1,832,053
Total Business-Type Activities Capital Assets, Net	\$ 714,919	(105,957)	-	\$ 608,962

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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

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

	<u>Capital Asset Additions</u>	<u>Depreciation Expense</u>
<b>Governmental Activities:</b>		
Instruction	\$ 32,565	\$ 4,029,136
Support Services	12,929	1,602,591
Total - Governmental Activities	<u>\$ 45,494</u>	<u>\$ 5,631,727</u>
<b>Business-Type Activities:</b>		
Food Services	\$ 5,873	\$ 111,830
Total - Business-Type Activities	<u>\$ 5,873</u>	<u>\$ 111,830</u>

The cost and accumulated depreciation of equipment held under capital lease was approximately \$11,140,995 and approximately \$1,114,100, respectively, at June 30, 2014. 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, 2014 (all of which are expected to be repaid within one year), are summarized as follows:

	<u>Receivables</u>	<u>Payables</u>
<u>Governmental Funds:</u>		
General Fund	\$ 2,131,033	\$ 4,225,850
Special Revenue Fund	134,345	1,222,438
Special Revenue - EIA Fund	284,656	243,665
Debt Service Fund	-	1,036,063
Capital Projects Fund	3,707,385	-
<u>Proprietary Fund:</u>		
Enterprise - Food Service	470,597	-
Totals	<u>\$ 6,728,016</u>	<u>\$ 6,728,016</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, 2014**

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

Transfers from (to) other funds for the year ended June 30, 2014 consisted of the following:

	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$ 1,126,796	\$ 1,100,000
Special Revenue Fund	-	69,916
Special Revenue - EIA Fund	-	921,019
Debt Service Fund	-	1,074,936
Capital Projects Fund	2,174,936	-
<u>Proprietary Fund</u>		
Enterprise - Food Service	-	135,861
Totals	<u>\$ 3,301,732</u>	<u>\$ 3,301,732</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 \$1,075,000 to the Capital Projects Fund to fund construction cost associated with school construction and technology needs. The General Fund also transferred approximately \$1,100,000 to the capital projects fund for future capital needs.

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

The significant components of accounts payable and accrued expenses on the government-wide statement of net position at June 30, 2014, consisted of the following:

<b>Governmental Activities:</b>	
Accounts Payable	\$ 318,595
Accrued Salaries, Fringe, and Benefits	2,572,793
Accrued Expenses	112,254
Total Accounts Payable and Accrued Expenses - Governmental Activities	<u>\$ 3,003,642</u>

**Note 8-Short-Term Obligations**

The following is a summary of the changes in the District's short-term obligations for 2014:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Governmental Activities:</b>				
Tax Anticipation Note, 2013	\$ -	2,300,000	2,300,000	\$ -
General Obligation Bond, Series 2013A	-	277,000	277,000	-
General Obligation Bond, Series 2013B	-	803,000	803,000	-
Total Governmental Activities	<u>\$ -</u>	<u>3,380,000</u>	<u>3,380,000</u>	<u>\$ -</u>

The District issued a short-term Tax Anticipation Note ("TAN") in October 2013 for \$2,300,000. This TAN was issued to maintain a steady flow of cash until property taxes were received. The District repaid the TAN in January 2014 with interest of approximately \$11,000.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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

The District issued a short-term General Obligation Bond ("Bond") in September 2013 for \$277,000. This bond was issued for various capital improvements throughout the District. The District repaid the Bond in March 2014 with interest of approximately \$600.

The District issued a short-term General Obligation Bond ("Bond") in September 2013 for \$803,000. This Bond was issued to make a payment on the equipment capital lease. The District repaid the Bond in March 2014 with interest of approximately \$4,000.

**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 December 2004, the District issued \$700,000 General Obligation Qualified Zone Academy Bonds for the purchase of computer equipment at various schools within the District.
- 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 September 2009, the District issued \$35,000,000 in Build America Bonds to be used for the Referendum Project, maturing in March 2032. The American Recovery and Reinvestment Act of 2009 allowed governments to issue taxable bonds known as Build America Bonds to finance capital expenditures for which it could issue tax-exempt bonds and to elect to receive a subsidy payment for the United States Treasury equal to 35% of the amount of each interest payment on such taxable bonds. The available subsidy ("Interest Subsidy") received on these bonds is included as revenue of the Debt Service Fund.
- 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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

Details of the District's outstanding debt (which includes capital leases) at June 30, 2014 are comprised of the following issues:

Description of Issue	Original Issue Amount	Date of Issue	Date of Maturity	Interest Rate	Outstanding Balance
<b>Gross Debt:</b>					
Qualified Zone Academy Bonds, Series 2004	\$ 700,000	12/30/2004	12/15/2014	0.00%	\$ 700,000
Capital Lease, 2009	11,206,000	3/5/2009	12/1/2018	1.85%	10,193,000
General Obligation Bond, 2009	50,000,000	9/4/2009	3/1/2028	3.0-5.25%	49,900,000
Build America Bonds, 2009	35,000,000	9/17/2009	3/1/2032	3.75%	35,000,000
General Obligation Refunding Bond, 2011	6,310,000	12/8/2012	3/1/2016	2-3%	3,185,000
Qualified Zone Academy GOB, 2012	3,000,000	4/12/2012	3/1/2022	0.00%	3,000,000
<b>Total Gross Debt</b>	<b>\$ 106,216,000</b>				<b>\$ 101,978,000</b>

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, 2014:

Year Ended June 30,	Bonds Payable		Total
	Principal	Interest	
2015	2,370,000	4,605,150	6,975,150
2016	1,715,000	4,555,050	6,270,050
2017	100,000	4,503,350	4,603,350
2018	105,000	4,500,100	4,605,100
2019	110,000	4,495,900	4,605,900
2020-2024	27,385,000	20,198,963	47,583,963
2025-2029	35,160,000	12,862,305	48,022,305
2030-2032	24,840,000	2,917,690	27,757,690
<b>Totals</b>	<b>\$ 91,785,000</b>	<b>58,638,508</b>	<b>\$ 150,423,508</b>

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, 2014:

Year Ended June 30,	Capital Leases Payable		Total
	Principal	Interest	
2015	589,000	188,571	777,571
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
<b>Totals</b>	<b>\$ 10,193,000</b>	<b>707,662</b>	<b>\$ 10,900,662</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

**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, 2014, the District's assessed property valuation was approximately \$96,578,000. The District had approximately \$2,549,000 (\$3,700,000 of the 2004 and 2012 QZAB GOBs less the funded debt service fund for the QZAB of approximately \$1,151,000) of bonded debt subject to the 8% limit of approximately \$7,726,000, resulting in unused legal debt margin of approximately \$5,177,000.

A summary of changes in long-term obligations for the year ended June 30, 2014 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	50,000,000	-	100,000	49,900,000	100,000
Build America Bonds, 2009	35,000,000	-	-	35,000,000	-
Capital Lease, 2009	10,567,000	-	374,000	10,193,000	589,000
General Obligation Refunding Bond, 2011	4,715,000	-	1,530,000	3,185,000	1,570,000
Qualified Zone Academy GOB, 2012	3,000,000	-	-	3,000,000	-
Total Gross Debt	103,982,000	-	2,004,000	101,978,000	2,259,000
Plus (Less) Deferred Amounts:					
Premium on GOB 2011	162,772	-	54,258	108,514	-
Premium on Build America Bonds 2009	278,538	-	15,056	263,482	-
Premium on GOB Series 2009	3,623,480	-	249,894	3,373,586	-
Total Net Debt	108,046,790	-	2,323,208	105,723,581	2,259,000
Compensated Absences	309,110	222,681	237,180	294,611	160,000
Total Governmental Activities	\$ 108,355,900	222,681	2,560,389	106,018,192	\$ 2,419,000

**Note 10-Retirement Plan**

**A) South Carolina Retirement System Retirement Plans**

Full time employees of the District are covered under two different retirement plans. District employees, except for police department employees participate in the South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan. District police officers participate in the South Carolina Police Officers' Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan.

The SCRS was established by the South Carolina state legislature on July 1, 1945, for the benefit of teachers and employees of the State and its political subdivisions. The PORS was established by the South Carolina state legislature on July 1, 1962, for the benefit of police officers and firemen. Both the SCRS and the PORS offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plans' provisions are established under Title 9 of the South Carolina Code of Laws and were originally administered by the South Carolina Budget and Control Board. Effective July 1, 2012, the South Carolina General Assembly transferred administration of the SCRS and PORS to the newly created South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. A comprehensive annual financial report containing financial statements and required supplementary information for the retirement benefits is issued and publicly available by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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

**A) *South Carolina Retirement System Retirement Plans (Continued)***

Benefits vest after five years of service, and vested members who retire at age sixty-five or with twenty eight years of service at any age, receive an annual benefit, payable monthly for life. The benefit is based on the length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. Reduced benefits are payable as early as age sixty.

The employee required contribution rates to the SCRS and SCPORS plans were 7.50% of covered salary for the years ended June 30, 2014, 7.00% for 2013 and 6.50% for 2012. The employer required contribution rate to the SCRS plan was 10.45%, 10.45%, and 9.39% for the years ended June 30, 2014, 2013, and 2012, respectively. The employer required contribution rate for the SCPORS was 12.44%, 11.90%, and 11.36% for the years ended June 30, 2014, 2013, and 2012, respectively. Because the contribution rates to the SCRS and the SCPORS are required, they are also actual contributions as well. Thus, the actual contribution rate and amount is 100% of the required contribution rate and amount for both plans for all years presented.

The State of South Carolina also provides an optional retirement plan ("State ORP"). It is a governmental plan administered as a qualified plan pursuant to Section 401(a) of the IRC. The State ORP is a defined contribution plan that provides retirement and survivor benefits for certain administrative positions which allows them to participate. As an alternative to the South Carolina Retirement System, employees eligible for the State ORP may choose between the State ORP plan or the SCRS plan. Employee required contribution rates to the State ORP were 7.50% of covered salary for the year ended June 30, 2014, 7.00% for 2013 and 6.50% for 2012. The employer required contribution rates are 10.45%, 10.45%, and 9.39% for the years ended June 30, 2014, 2013, and 2012. For which in 2014, 2013, and 2012, 5% of the employer required contribution is remitted to the employees authorized investment providers with the balance being remitted to the South Carolina Retirement System. Because the contribution rates to the State ORP are required, they are also actual contributions as well. Thus, the actual contribution rate and amount is 100% of the required contribution rate and amount for the State ORP for all years presented.

In addition to the above rates, participating employers have contributed (a) .15% of payroll for the SCRS and State ORP and .20% for SCPORS to provide a group life insurance benefit for their participants (for the current and preceding two years), (b) .20% of payroll for SCPORS to provide for accidental death coverage (for the current and preceding two years), and (c) 4.92%, 4.55%, and 4.3% surcharge on payroll for retiree health and dental insurance and group life insurance benefit for their active participants for the years ended June 30, 2014, 2013, and 2012, respectively.

All employers contribute at the actuarially required contribution rates. The School District had total wages of approximately \$28,690,000, \$30,508,000, and \$30,684,000, for the years ended June 30, 2014, 2013, and 2012, respectively. The following is a summary of the School District's eligible member wages and employee and employer contributions for the retirement plans:

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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

**A) South Carolina Retirement System Retirement Plans (Continued)**

Year Ended June 30th	Eligible Member Wages	Employee Contributions	Employer Contributions	Total Contributions
<b><u>SCRS</u></b>				
2014	\$ 26,767,002	2,007,526	4,154,239	\$ 6,161,765
2013	27,827,172	1,947,902	4,215,817	6,163,719
2012	\$ 27,909,062	1,814,089	3,861,219	\$ 5,675,308
<b><u>SCPORS</u></b>				
2014	\$ 451	35	80	\$ 115
2013	26,658	1,866	4,492	6,358
2012	\$ 1,125	73	254	\$ 327
<b><u>State ORP</u></b>				
2014	\$ 1,922,288	144,172	202,225	\$ 346,397
2013	1,958,117	127,278	198,749	326,027
2012	\$ 1,950,569	126,787	172,333	\$ 299,120

**B) Post-Employment Health Care Benefits**

In addition to the pension benefits, and in accordance with provisions of the State Appropriations Act, an employer contribution surcharge (4.92% for 2014) percent of covered payroll was added to State and Public School entities covered by the State Health Insurance Program. This assessment is for the purpose of providing retiree health insurance coverage on a pay-as-you-go basis, and is remitted to the Division of Insurance Services. No additional employee contributions are required. The annual contribution rate is determined based on a state-wide estimate of annual premiums and covered payroll. The expenditure recognized by the employer for the year ended June 30, 2014 was approximately \$1,412,000. There were on average 112 participants eligible to receive retiree health insurance coverage during 2014.

All postretirement benefits paid to the District's retired members are made from the SCRS and from South Carolina's General Fund (Health Care). The District has no liability beyond the payment of monthly contributions. See Note 10.A for more details.

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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**Note 11-Risk Management (Continued)**

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, 2014, totaled approximately \$160,000 for workers' compensation and \$135,000 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, 2014, 2013, and 2012.

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 County and the South Carolina Department of Revenue are in the process of having an outside appraiser value the tax payer and the current assessed values. At this time the outcome is not determinable thus the District has not accrued a liability.

**Note 13-Subsequent Events**

- A) Debt Issuance** – In September 2014, the District entered into a tax anticipation note ("TAN") for approximately \$4.8 million at an effective interest rate of 0.09% which is due in March 2015.
- B) Debt Issuance** – In September 2014, the District issued approximately \$1.6 million in General Obligation Bonds at a coupon rate of 1.25%. The bonds are scheduled to mature in March 2015. 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 4.0 mill increase (increased to 179.6 mills from 175.6 mills) for the 2015 property tax year for the District's general operations of the District.

**Note 14- Pending Implementation of GASB Statement on Pensions**

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" ("Statement"), was issued by the Governmental Accounting Standards Board ("GASB") in June 2012, is required to be implemented by the District for fiscal year ended June 30, 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that this new Statement 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

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**Note 14- Pending Implementation of GASB Statement on Pensions (Continued)**

In particular, this Statement will require the District to recognize a net pension liability (and related deferred outflows and inflows of resources) for its participation in the SCRS, PORS, and State ORP 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. It is anticipated that its implementation will not have a significant impact on the District's governmental funds.

The District has been in communications with the PEBA on the effect of implementing this Statement. Based on recent information provided by the PEBA, it is anticipated that the District's proportionate share of the net pension liability associated with the SCRS, PORS, and State OPP will decrease the District's beginning unrestricted net position for the year ended June 30, 2015 by approximately \$61,148,000.



York School District One  
York, South Carolina

Comprehensive Annual Financial Report

General Fund

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



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

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

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

**YEAR ENDED JUNE 30, 2014**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL (BUDGETARY BASIS)</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local Sources:				
Taxes	\$ 11,957,147	11,957,147	13,070,676	\$ 1,113,529
Investment Earnings	20,000	20,000	14,063	(5,937)
Other Local Sources	70,000	70,000	34,491	(35,509)
State Sources	23,738,263	23,738,263	24,235,243	496,980
Intergovernmental Revenue	25,000	25,000	13,587	(11,413)
<b>TOTAL REVENUE ALL SOURCES</b>	<b>35,810,410</b>	<b>35,810,410</b>	<b>37,368,060</b>	<b>1,557,650</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	21,269,016	21,269,016	21,316,222	(47,206)
Support Services	15,710,888	15,710,888	15,680,668	30,220
Capital Outlay	76,592	76,592	70,851	5,741
<b>TOTAL EXPENDITURES</b>	<b>37,056,496</b>	<b>37,056,496</b>	<b>37,067,741</b>	<b>(11,245)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,246,086)</b>	<b>(1,246,086)</b>	<b>300,319</b>	<b>1,546,405</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,246,086	1,246,086	1,126,796	(119,290)
Transfers Out	-	-	(1,100,000)	(1,100,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,246,086</b>	<b>1,246,086</b>	<b>26,796</b>	<b>(1,219,290)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>327,115</b>	<b>327,115</b>
FUND BALANCES, Beginning of Year	6,631,829	6,631,829	6,631,829	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 6,631,829</b>	<b>6,631,829</b>	<b>6,958,944</b>	<b>\$ 327,115</b>

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**

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
1000 Revenues from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 8,749,834	9,199,408	\$ 449,574
1140 Penalties & Interest on Taxes (Independent)	-	553,820	553,820
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	3,207,313	3,194,971	(12,342)
1240 Penalties & Interest on Taxes (Dependent)	-	122,477	122,477
1500 Earnings on Investments:			
1510 Interest on Investments	20,000	14,063	(5,937)
1900 Other Revenue from Local Sources:			
1910 Rentals	-	10,395	10,395
1950 Refund of Prior Year's Expenditures	-	278	278
1999 Revenue from Other Local Sources	70,000	23,818	(46,182)
Total Revenue from Local Sources	<u>12,047,147</u>	<u>13,119,230</u>	<u>1,072,083</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	25,000	13,587	(11,413)
Total Intergovernmental Revenue	<u>25,000</u>	<u>13,587</u>	<u>(11,413)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	658	658
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	293,673	401,283	107,610
3161 EAA Bus Driver Salary	-	1,835	1,835
3162 Transportation Workers' Compensation	-	28,226	28,226
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	4,555,447	4,712,640	157,193
3181 Retiree Insurance (No Carryover Provision)	1,069,577	1,169,857	100,280
3199 Other Restricted State Grants	-	384	384
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	726,695	730,702	4,007
3312 Primary	2,055,050	2,010,039	(45,011)
3313 Elementary	2,989,817	2,913,210	(76,607)
3314 High School	1,112,331	1,324,890	212,559
3315 Trainable Mentally Handicapped	46,134	49,457	3,323
3316 Speech Handicapped (Part-Time Program)	690,688	730,999	40,311
3317 Homebound	\$ 60,423	35,974	\$ (24,449)

(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, 2014**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 63,771	70,958	\$ 7,187
3322 Educable Mentally Handicapped	63,383	73,959	10,576
3323 Learning Disabilities	1,034,766	1,137,857	103,091
3324 Hearing Handicapped	34,514	26,550	(7,964)
3325 Visually Handicapped	28,210	17,879	(10,331)
3326 Orthopedically Handicapped	13,840	16,569	2,729
3327 Vocational	1,666,124	1,526,374	(139,750)
3330 Other EFA Programs:			
3331 Autism	97,864	135,564	37,700
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)	4,694,064	4,677,487	(16,577)
3830 Merchant's Inventory Tax	50,375	50,375	-
Total Revenue from State Sources	<u>23,738,263</u>	<u>24,235,243</u>	<u>496,980</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>35,810,410</u></b>	<b><u>37,368,060</u></b>	<b><u>1,557,650</u></b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	746,153	742,494	3,659
200 Employee Benefits	300,820	300,020	800
300 Purchased Services	14,000	34,773	(20,773)
400 Supplies and Materials	15,170	15,170	-
112 Primary Programs:			
100 Salaries	2,063,976	2,063,602	374
200 Employee Benefits	717,541	716,476	1,065
300 Purchased Services	23,360	61,732	(38,372)
400 Supplies and Materials	33,167	32,888	279
113 Elementary Programs:			
100 Salaries	5,260,095	5,259,487	608
200 Employee Benefits	1,779,454	1,779,262	192
300 Purchased Services	85,073	139,174	(54,101)
400 Supplies and Materials	105,147	103,878	1,269
500 Capital Outlay	2,351	1,823	528
600 Other Objects	\$ 45	45	\$ -

(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, 2014**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
114 High School Programs:			
100 Salaries	\$ 3,328,536	3,325,916	\$ 2,620
200 Employee Benefits	1,177,015	1,176,543	472
300 Purchased Services	63,595	107,104	(43,509)
400 Supplies and Materials	105,633	106,258	(625)
500 Capital Outlay	25,617	25,617	-
600 Other Objects	4,266	4,266	-
115 Career and Technology Education Program:			
100 Salaries	862,037	860,108	1,929
200 Employee Benefits	269,684	268,208	1,476
300 Purchased Services - Other Than Tuition	18,511	19,703	(1,192)
400 Supplies and Materials	46,490	46,487	3
500 Capital Outlay	2,115	2,115	-
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	377,900	376,974	926
200 Employee Benefits	130,873	129,882	991
300 Purchased Services	-	3,924	(3,924)
122 Trainable Mentally Handicapped:			
100 Salaries	240,755	229,516	11,239
200 Employee Benefits	100,329	93,973	6,356
300 Purchased Services	-	3,011	(3,011)
123 Orthopedically Handicapped:			
100 Salaries	114,555	111,822	2,733
200 Employee Benefits	17,760	15,834	1,926
300 Purchased Services	900	883	17
124 Visually Handicapped:			
100 Salaries	21,825	15,791	6,034
200 Employee Benefits	9,475	6,287	3,188
300 Purchased Services	-	84	(84)
126 Speech Handicapped:			
100 Salaries	150,505	142,783	7,722
200 Employee Benefits	48,181	44,980	3,201
300 Purchased Services	961	1,002	(41)
127 Learning Disabilities:			
100 Salaries	976,508	973,863	2,645
200 Employee Benefits	312,759	312,646	113
300 Purchased Services	20,441	36,905	(16,464)
128 Emotionally Handicapped:			
100 Salaries	218,012	214,180	3,832
200 Employee Benefits	82,881	80,177	2,704
300 Purchased Services	\$ 25,000	13,943	\$ 11,057

(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, 2014**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	\$ 228,205	227,200	\$ 1,005
200 Employee Benefits	91,314	90,778	536
300 Purchased Services	4,000	5,976	(1,976)
139 Early Childhood Programs:			
100 Salaries	220,577	214,713	5,864
200 Employee Benefits	88,244	82,280	5,964
300 Purchased Services	-	2,436	(2,436)
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	171,305	161,173	10,132
200 Employee Benefits	59,196	51,431	7,765
300 Purchased Services	1,440	-	1,440
400 Supplies and Materials	5,000	-	5,000
145 Homebound:			
100 Salaries	107,209	99,393	7,816
200 Employee Benefits	40,330	32,629	7,701
300 Purchased Services	2,000	3,754	(1,754)
148 Gifted and Talented - Artistic:			
300 Purchased Services	-	15,450	(15,450)
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	188,531	186,781	1,750
200 Employee Benefits	93,489	92,642	847
300 Purchased Services	1,557	2,570	(1,013)
170 Summer School Programs:			
173 High School Summer School:			
100 Salaries	500	346	154
200 Employee Benefits	150	108	42
180 Adult/Continuing Educational Programs:			
182 Adult Secondary Education Programs:			
300 Purchased Services	25,000	-	25,000
188 Parenting/Family Literacy:			
100 Salaries	53,914	53,693	221
200 Employee Benefits	17,668	20,817	(3,149)
Total Instruction	<u>\$ 21,299,100</u>	<u>21,345,779</u>	<u>\$ (46,679)</u>

(Continued)

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

**GENERAL FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 178,149	164,545	\$ 13,604
200 Employee Benefits	55,606	50,451	5,155
300 Purchased Services	3,500	3,471	29
212 Guidance Services:			
100 Salaries	692,081	690,560	1,521
200 Employee Benefits	256,794	255,791	1,003
300 Purchased Services	1,276	908	368
400 Supplies and Materials	7,008	6,644	364
213 Health Services:			
100 Salaries	112,548	102,557	9,991
200 Employee Benefits	48,635	47,169	1,466
300 Purchased Services	1,065	1,065	-
400 Supplies and Materials	7,383	8,147	(764)
214 Psychological Services:			
100 Salaries	57,046	57,046	-
200 Employee Benefits	18,746	18,688	58
300 Purchased Services	2,150	2,228	(78)
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	174,638	158,681	15,957
200 Employee Benefits	62,588	58,536	4,052
300 Purchased Services	6,739	3,320	3,419
400 Supplies and Materials	19,456	21,354	(1,898)
222 Library and Media Services:			
100 Salaries	530,658	529,540	1,118
200 Employee Benefits	187,716	187,144	572
300 Purchased Services	2,984	4,577	(1,593)
400 Supplies and Materials	59,912	59,568	344
223 Supervision of Special Programs:			
100 Salaries	8,755	8,754	1
200 Employee Benefits	4,371	4,385	(14)
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	6,000	4,025	1,975
200 Employee Benefits	6,000	5,724	276
230 General Administrative Services:			
231 Board of Education:			
200 Employee Benefits	300,000	213,752	86,248
300 Purchased Services	19,200	19,471	(271)
318 Audit Services	48,000	42,000	6,000
600 Other Objects	\$ 16,700	16,396	\$ 304

(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, 2014**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
232 Office of Superintendent:			
100 Salaries	\$ 281,026	281,026	\$ -
200 Employee Benefits	83,462	82,802	660
300 Purchased Services	9,225	8,009	1,216
400 Supplies and Materials	19,473	15,516	3,957
600 Other Objects	21,900	16,263	5,637
233 School Administration:			
100 Salaries	2,404,170	2,387,806	16,364
140 Terminal Leave	-	8,810	(8,810)
200 Employee Benefits	845,685	838,630	7,055
300 Purchased Services	26,976	47,270	(20,294)
400 Supplies and Materials	19,035	17,133	1,902
500 Capital Outlay	7,008	7,008	-
600 Other Objects	623	373	250
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	254,185	251,812	2,373
200 Employee Benefits	85,310	85,138	172
300 Purchased Services	3,300	3,468	(168)
400 Supplies and Materials	75,000	72,686	2,314
600 Other Objects	12,300	10,625	1,675
254 Operation and Maintenance of Plant:			
100 Salaries	2,048,021	2,045,724	2,297
140 Terminal Leave	-	1,261	(1,261)
200 Employee Benefits	785,764	785,115	649
300 Purchased Services	581,500	720,122	(138,622)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	200,000	166,560	33,440
400 Supplies and Materials	220,000	393,046	(173,046)
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	1,800,000	1,590,820	209,180
500 Capital Outlay	6,500	4,080	2,420
255 Student Transportation (State Mandated):			
100 Salaries	848,516	938,123	(89,607)
200 Employee Benefits	355,019	351,624	3,395
300 Purchased Services	20,000	20,000	-
400 Supplies and Materials	6,000	9,659	(3,659)
256 Food Service:			
200 Employee Benefits	175,000	154,111	20,889
258 Security:			
300 Purchased Services	\$ 157,500	148,800	\$ 8,700

(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, 2014**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
300 Purchased Services	\$ 1,000	-	\$ 1,000
400 Supplies and Materials	8,900	9,608	(708)
263 Information Services:			
400 Supplies and Materials	6,034	5,524	510
264 Staff Services:			
100 Salaries	193,084	185,458	7,626
200 Employee Benefits	65,501	58,415	7,086
300 Purchased Services	7,690	6,528	1,162
400 Supplies and Materials	5,375	4,570	805
266 Technology and Data Processing Services:			
100 Salaries	289,553	275,216	14,337
200 Employee Benefits	93,768	88,139	5,629
300 Purchased Services	61,885	54,379	7,506
400 Supplies and Materials	220,866	209,637	11,229
500 Capital Outlay	33,000	30,207	2,793
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	394,255	440,979	(46,724)
200 Employee Benefits (Optional)	90,674	103,835	(13,161)
300 Purchased Services (Optional)	22,609	24,550	(1,941)
400 Supplies and Materials	15,000	15,000	-
Total Support Services	<u>15,757,396</u>	<u>15,721,962</u>	<u>35,434</u>
<b>TOTAL EXPENDITURES</b>	<b><u>37,056,496</u></b>	<b><u>37,067,741</u></b>	<b><u>(11,245)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	1,046,086	921,019	(125,067)
5280 Transfer from Other Funds Indirect Costs	200,000	205,777	5,777
424-710 Transfer to Capital Projects Fund	-	(1,100,000)	(1,100,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,246,086</u>	<u>26,796</u>	<u>(1,219,290)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>327,115</b>	<b>327,115</b>
FUND BALANCES, Beginning of Year	<u>6,631,829</u>	<u>6,631,829</u>	<u>-</u>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ 6,631,829</u></b>	<b><u>6,958,944</u></b>	<b><u>\$ 327,115</u></b>

York School District One  
York, South Carolina

Comprehensive Annual Financial Report

Special Revenue Funds

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

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

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

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203/242)</b>
<b>REVENUES</b>		
1000 Revenue from Local Sources:		
1900 Other Revenue from Local Sources:		
1930 Medicaid	\$ -	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	-	-
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	-	-
3177 Summer Reading Camp	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
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	-	-
Total Revenue from State Sources	-	-
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)	1,606,244	-
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)	\$ -	-

## Schedule B-1

Preschool Handicapped (CG Projects) (240)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	399,914	\$ 399,914
-	-	-	91,979	91,979
-	-	-	491,893	491,893
-	-	42,483	-	42,483
-	-	42,483	-	42,483
-	6,590	-	-	6,590
-	-	162,992	-	162,992
-	-	37,586	-	37,586
-	-	6,537	-	6,537
-	-	871	-	871
-	-	-	33,447	33,447
-	-	12,964	-	12,964
-	-	200,420	-	200,420
-	-	16,726	-	16,726
-	6,590	438,096	33,447	478,133
-	90,937	-	-	90,937
-	-	-	-	1,606,244
-	-	-	272,294	272,294
-	-	-	19,758	19,758
-	-	-	143,918	\$ 143,918

(Continued)

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

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203/242)</b>
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA) (Carryover Provision)	\$ -	1,196,292
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4900 Other Federal Sources:		
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>1,606,244</u>	<u>1,196,292</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>1,606,244</u></b>	<b><u>1,196,292</u></b>

**EXPENDITURES**

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	220,583	-
200 Employee Benefits	71,127	-
300 Purchased Services	9,756	-
112 Primary Programs:		
100 Salaries	660,520	-
200 Employee Benefits	236,043	-
300 Purchased Services	18,908	-
400 Supplies and Materials	-	-
113 Elementary Programs:		
100 Salaries	96,116	-
200 Employee Benefits	26,305	-
300 Purchased Services	1,359	-
400 Supplies and Materials	4,498	-
114 High School Programs:		
100 Salaries	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services - Other Than Tuition	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	\$ -	-

## Schedule B-1

Preschool Handicapped (CG Projects) (240)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	4,812	\$ 1,201,104
49,553	-	-	-	49,553
-	-	-	394,993	394,993
49,553	90,937	-	835,775	3,778,801
<b>49,553</b>	<b>97,527</b>	<b>480,579</b>	<b>1,361,115</b>	<b>4,791,310</b>
-	-	48,337	33,491	302,411
-	-	7,739	11,998	90,864
-	-	-	476	10,232
-	-	4,905	66,982	732,407
-	-	1,137	23,550	260,730
-	-	-	3,934	22,842
-	-	-	12,033	12,033
-	-	68,671	17,380	182,167
-	-	20,921	3,633	50,859
-	-	1,470	116,686	119,515
-	-	3,360	27,760	35,618
-	-	-	77,055	77,055
-	-	-	12,860	12,860
-	-	-	16,490	16,490
-	6,590	-	686	7,276
-	-	-	136	136
-	2,489	-	-	2,489
-	1,000	-	6,264	7,264
-	1,350	-	-	\$ 1,350

(Continued)

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

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203/242)</b>
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	\$ -	20,035
200 Employee Benefits	-	14,137
300 Purchased Services	-	53
400 Supplies and Materials	-	154
122 Trainable Mentally Handicapped:		
100 Salaries	20,925	74,495
200 Employee Benefits	14,338	25,119
300 Purchased Services	770	2,100
400 Supplies and Materials	-	2,515
123 Orthopedically Handicapped:		
400 Supplies and Materials	-	5,872
124 Visually Handicapped:		
100 Salaries	-	2,287
200 Employee Benefits	-	243
300 Purchased Services	-	91,632
400 Supplies and Materials	-	9,656
125 Hearing Handicapped:		
400 Supplies and Materials	-	4,581
126 Speech Handicapped:		
100 Salaries	-	56,529
200 Employee Benefits	-	22,530
300 Purchased Services	-	270
400 Supplies and Materials	-	2,890
127 Learning Disabilities:		
100 Salaries	-	148,037
200 Employee Benefits	-	50,124
300 Purchased Services	-	10,741
400 Supplies and Materials	-	661
128 Emotionally Handicapped:		
100 Salaries	-	93,085
200 Employee Benefits	-	38,395
300 Purchased Services	-	3,504
400 Supplies and Materials	\$ -	364



Preschool Handicapped (CG Projects) (240)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	\$ 20,035
-	-	-	-	14,137
-	-	-	77	130
-	-	-	-	154
-	-	-	801	96,221
-	-	-	-	39,457
-	-	-	715	3,585
-	-	-	776	3,291
-	-	-	-	5,872
-	-	-	-	2,287
-	-	-	-	243
-	-	-	-	91,632
-	-	-	-	9,656
-	-	-	-	4,581
-	-	-	122,110	178,639
-	-	-	38,843	61,373
-	-	-	-	270
-	-	-	-	2,890
-	-	-	22,195	170,232
-	-	-	8,797	58,921
-	-	-	737	11,478
-	-	-	1,155	1,816
-	-	-	-	93,085
-	-	-	-	38,395
-	-	-	-	3,504
-	-	-	-	\$ 364

(Continued)

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

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203/242)</b>
130 Pre-School Programs:		
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):		
100 Salaries	\$ -	21,000
200 Employee Benefits	-	17,647
300 Purchased Services	-	5,788
400 Supplies and Materials	-	1,916
139 Early Childhood Programs:		
100 Salaries	19,313	-
200 Employee Benefits	8,549	-
300 Purchased Services	959	-
400 Supplies and Materials	-	-
140 Special Programs:		
149 Other Special Programs:		
100 Salaries	-	961
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	41,001
200 Employee Benefits	-	13,308
300 Purchased Services	-	1,480
400 Supplies and Materials	-	431
170 Summer School Programs:		
173 High School Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
180 Adult/Continuing Educational Programs:		
188 Parenting/Family Literacy:		
100 Salaries	48,113	-
200 Employee Benefits	19,702	-
300 Purchased Services	3,237	-
400 Supplies and Materials	1,196	-
Total Instruction	<u>1,482,317</u>	<u>783,541</u>
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
100 Salaries	-	65,137
200 Employee Benefits	-	24,214
400 Supplies and Materials	\$ -	-

## Schedule B-1

Preschool Handicapped (CG Projects) (240)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
37,005	-	-	-	\$ 58,005
11,548	-	-	-	29,195
-	-	-	-	5,788
-	-	-	-	1,916
-	-	24,649	-	43,962
-	-	5,803	-	14,352
-	-	10,224	-	11,183
-	-	1,807	-	1,807
-	-	-	-	961
-	-	-	67,007	108,008
-	-	-	29,034	42,342
-	-	-	154	1,634
-	-	-	2,499	2,930
-	-	-	1,750	1,750
-	-	-	375	375
-	-	-	-	48,113
-	-	-	-	19,702
-	-	-	-	3,237
-	-	-	-	1,196
48,553	11,429	199,023	728,439	3,253,302
-	-	-	935	66,072
-	-	-	288	24,502
-	-	-	1,435	\$ 1,435

(Continued)

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

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203/242)</b>
212 Guidance Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
214 Psychological Services:		
100 Salaries	-	67,356
200 Employee Benefits	-	23,106
300 Purchased Services	-	1,957
400 Supplies and Materials	-	3,275
216 Vocational Placement Services:		
300 Purchased Services	-	-
217 Career Specialists Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
223 Supervision of Special Programs:		
100 Salaries	62,921	145,931
200 Employee Benefits	19,986	54,762
300 Purchased Services	3,734	1,559
400 Supplies and Materials	4,865	1,308
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
230 General Administration Services:		
233 School Administration:		
100 Salaries	-	-
200 Employee Benefits	\$ -	-

Preschool Handicapped (CG Projects) (240)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	32,857	52,572	52,961	\$ 138,390
-	12,241	23,145	12,287	47,673
-	-	-	99,208	99,208
-	-	-	35,983	35,983
-	-	-	136,751	136,751
-	-	-	51,102	51,102
-	-	-	92,035	159,391
-	-	-	30,116	53,222
-	-	-	-	1,957
-	-	-	-	3,275
-	25,000	-	-	25,000
-	-	64,337	-	64,337
-	-	22,938	-	22,938
-	-	76,964	9,602	86,566
-	-	24,874	1,249	26,123
-	-	-	565	565
-	-	-	23,251	232,103
-	-	-	7,659	82,407
-	-	-	1,689	6,982
-	-	-	-	6,173
-	-	-	27,300	27,300
-	-	-	6,265	6,265
-	16,000	-	77,044	93,044
-	-	-	19	19
-	-	-	20,148	20,148
-	-	-	6,151	\$ 6,151

(Continued)

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

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203/242)</b>
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased 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>91,506</u>	<u>388,605</u>
410 Intergovernmental Expenditures:		
411 Payments to SDE		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>1,573,823</u></b>	<b><u>1,172,146</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers, From (To) Other Funds:		
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(32,421)	(24,146)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(32,421)</u></b>	<b><u>(24,146)</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, Beginning of Year</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ -</u></b>	<b><u>-</u></b>

Preschool Handicapped (CG Projects) (240)	CATE (VA Projects) (207)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	33,594	\$ 33,594
-	-	-	9,102	9,102
-	-	-	3,190	3,190
-	-	-	7,626	7,626
-	-	-	1,566	1,566
-	-	-	5,690	5,690
-	-	16,726	-	16,726
-	86,098	281,556	754,811	1,602,576
-	-	-	82,624	82,624
-	-	-	82,624	82,624
<b>48,553</b>	<b>97,527</b>	<b>480,579</b>	<b>1,565,874</b>	<b>4,938,502</b>
(1,000)	-	-	(12,349)	(69,916)
(1,000)	-	-	(12,349)	(69,916)
-	-	-	<b>(217,108)</b>	<b>(217,108)</b>
-	-	-	289,716	289,716
-	-	-	<b>72,608</b>	<b>\$ 72,608</b>

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

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2014**

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**OTHER DESIGNATED RESTRICTED STATE GRANTS**

919	Education License Plates
926	Summer Reading Program
928	EEDA Career Specialists
937	Student Health and Fitness - PE Teachers
960	K-5 Enhancement (Carryover Provision)
965	Digital Instruction Materials
967	6-8 Enhancement (Carryover Provision)
990	First Steps

**OTHER SPECIAL REVENUE PROGRAMS**

201	Title I
207	Federal Vocational Project
212	Extended School Year - Federal
225	Mathematics and Science Partnerships Program, Title II (84.366B)
240	IDEA Preschool Outcomes
242	Individuals with Disabilities Education Act
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
267	Improving Teacher Quality (Carryover Provision)
271	JROTC
290	AIMS Grant
299	Medicaid Reimbursement
800	Target Grant
816	High School Summer School
817	PMD
831	PEP Grant
834	Allen Tate
835	Technology Professional Development
836	I3 Reading Recovery
837	Special Olympics
839	ABT Special Fund
840	Team Foundation
844	Sisters of Mercy Grant-Middle College
845	School Supply Donations
846	Guidance Incentive Grant
847	Elementary School Counseling Grant
848	Duke Energy Foundation Grant
849	AdvanceSC Summer Externships
851	Compass Boot Camp
852	Job Coach-DD Council Grant
854	Clemson/Duke Grants
855	Special Education Programs
856	Mayday Project-Homeless



YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2014

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 871	871	-	-	\$ -
926	3177	Summer Reading Camp	6,537	6,537	-	-	6,776
928	3118	EEDA Career Specialists	162,992	162,992	-	-	-
937	3127	Student Health and Fitness - PE Teachers	37,586	37,586	-	-	-
960	3610	K-5 Enhancement	200,420	200,420	-	-	-
965	3620	Digital Instructional Materials	16,726	16,726	-	-	10,895
967	3607	6-8 Enhancement	12,964	12,964	-	-	-
990	3680	First Steps FAMILY LITERACY Program	42,483	42,483	-	-	5,765
<b>Totals</b>			<b>\$ 480,579</b>	<b>480,579</b>	<b>-</b>	<b>-</b>	<b>\$ 23,436</b>

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

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2014**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	\$ 8,600
Total Revenue from Local Sources	<u>8,600</u>
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	2,134
3509 Arts in Education	10,586
3511 Professional Development	28,403
3518 Formative Assessment	11,806
3525 Career and Technology Education Equipment	72,956
3526 Refurbishment of K-8 Science Kits	22,731
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	341,797
3533 Teacher of the Year Awards	1,077
3538 Student at Risk of School Failure	889,033
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	147,783
3544 High Achieving Students	99,259
3550 Teacher Salary Increase (No Carryover Provision)	812,930
3555 School Employer Contributions (No Carryover Provision)	108,089
3558 Reading	22,653
3577 Teacher Supplies (No Carryover Provision)	95,975
3578 High Schools That Work/Making Middle Grades Work	7,661
3581 Student Health and Fitness-Nurses	185,560
3585 Aid to Districts-Special Education	22,387
3592 Work-Based Learning	20,149
3594 EEDA Supplemental Programs	178,477
Total Revenue from State Sources	<u>3,081,446</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>\$ 3,090,046</u></b>

(Continued)

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

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2014**

	<u><b>ACTUAL</b></u>
<b>EXPENDITURES</b>	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 15,000
200 Employee Benefits	3,480
112 Primary Programs:	
100 Salaries	148,256
200 Employee Benefits	38,711
300 Purchased Services	12,065
400 Supplies and Materials	47,021
113 Elementary Programs:	
100 Salaries	495,517
200 Employee Benefits	154,461
300 Purchased Services	10,236
400 Supplies and Materials	64,646
600 Other Objects	100
114 High School Programs:	
100 Salaries	148,109
200 Employee Benefits	41,871
300 Purchased Services	11,358
400 Supplies and Materials	23,938
600 Other Objects	200
115 Career and Technology Education Program:	
100 Salaries	7,500
200 Employee Benefits	1,740
400 Supplies and Materials	4,675
500 Capital Outlay	72,956
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	1,740
126 Speech Handicapped:	
100 Salaries	10,143
127 Learning Disabilities:	
100 Salaries	18,931
200 Employee Benefits	5,833
300 Purchased Services	22,444
128 Emotionally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	\$ 1,740

(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, 2014**

	<u><b>ACTUAL</b></u>
130 Pre-School Programs:	
133 Preschool Handicapped Self- Contained (5Yr. Olds)	
100 Salaries	\$ 7,500
200 Employee Benefits	1,740
139 Early Childhood Programs:	
100 Salaries	105,304
200 Employee Benefits	40,645
300 Purchased Services	1,843
400 Supplies and Materials	8,102
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	76,501
200 Employee Benefits	23,573
300 Purchased Services	701
148 Gifted and Talented - Artistic:	
300 Purchased Services	9,948
170 Summer School Programs:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	3,337
200 Employee Benefits	759
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
100 Salaries	43,371
200 Employee Benefits	12,392
Total Instruction	<u>1,713,387</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	65,714
200 Employee Benefits	23,104
213 Health Services:	
100 Salaries	141,774
200 Employee Benefits	48,290
214 Psychological Services:	
100 Salaries	5,435
200 Employee Benefits	2,306
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	21,049
200 Employee Benefits	\$ 1,626

(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, 2014**

	<b>ACTUAL</b>
222 Library and Media:	
100 Salaries	\$ 7,500
200 Employee Benefits	1,699
223 Supervision of Special Programs:	
100 Salaries	9,913
200 Employee Benefits	2,297
224 Improvement of Instruction-Curriculum Development:	
100 Salaries	23,100
200 Employee Benefits	2,874
300 Purchased Services	6,183
400 Supplies and Materials	14,115
230 General Administration Services:	
233 School Administration:	
100 Salaries	35,338
200 Employee Benefits	10,869
300 Purchased Services	2,037
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
300 Purchased Services	892
255 Student Transportation (State Mandated):	
100 Salaries	7,632
200 Employee Benefits	1,771
300 Purchased Services	20,122
Total Support Services	<u>455,640</u>
<b>TOTAL EXPENDITURES</b>	<b><u>2,169,027</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(921,019)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(921,019)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>
FUND BALANCE, Beginning of Year	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ -</u></b>

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2014

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 2,134	2,134	-	-	\$ -
3505 School Technology Initiative	-	-	-	-	9,690
3509 Arts in Education	10,586	10,586	-	-	2,014
3511 Professional Development	28,403	28,403	-	-	-
3518 Formative Assessment	11,806	11,806	-	-	-
3525 Career and Technology Education Equipment	72,956	72,956	-	-	4,258
3526 Refurbishment of K-8 Science Kits	22,731	22,731	-	-	20,758
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	341,797	341,797	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3538 Student at Risk of School Failure	889,033	889,033	-	-	106,022
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	147,783	147,783	-	-	-
3544 High Achieving Students	99,259	99,259	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	812,930	-	-	(812,930)	-
3555 School Employer Contributions (No Carryover Provision)	108,089	-	-	(108,089)	-
3558 Reading	31,253	31,253	-	-	-
3577 Teacher Supplies (No Carryover Provision)	95,975	95,975	-	-	-
3578 High Schools That Work/Making Middle Grades Work	7,661	7,661	-	-	17,316
3581 Student Health and Fitness-Nurses	185,560	185,560	-	-	-
3585 Aid to Districts-Special Education	22,387	22,387	-	-	-
3592 Work-Based Learning	20,149	20,149	-	-	-
3594 EEDA Supplemental Programs	178,477	178,477	-	-	39,481
3597 Aid to Districts	-	-	-	-	240,400
<b>Totals</b>	<b>\$ 3,090,046</b>	<b>2,169,027</b>	<b>-</b>	<b>(921,019)</b>	<b>\$ 439,939</b>

Note: Included in Program 3558 Revenues is \$8,600 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, 2014**

<b>Program</b>	<b>Project/ Grant Number</b>	<b>Revenue &amp; Subfund Code</b>	<b>Description</b>	<b>Amount Due to State Dept. of Education or Federal Government</b>	<b>Status of Amount Due to Grantors</b>
N/A	EIA	3526/326	Refurbishment of K-8 Science Kits	\$ 20,604	Paid after year end





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, 2014**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1200 Revenue from Local Governmental Units Other than LEAs:	
1210 Ad Valorem Taxes-Including Delinquent (Fiscally Dependent LEA)	\$ 6,593,672
1240 Penalties & Interest on Taxes (Dependent)	437,527
1500 Earnings on Investments:	
1510 Interest on Investments	15,702
Total Revenue from Local Sources	<u>7,046,901</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	375,618
3830 Merchant's Inventory Tax	19,010
Total Revenue from State Sources	<u>394,628</u>
4000 Revenue from Federal Sources:	
4900 Other Federal Sources:	
4999 Revenue from Other Federal Sources	650,999
Total Revenue from Federal Sources	<u>650,999</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>8,092,528</u></b>
<b>EXPENDITURES</b>	
500 Debt Service:	
610 Redemption of Principal	2,003,000
620 Interest	5,021,648
690 Other Objects (Includes Fees for Servicing Bonds)	11,231
Total Debt Service	<u>7,035,879</u>
<b>TOTAL EXPENDITURES</b>	<b><u>7,035,879</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
424-710 Transfer to Capital Projects Fund	(1,074,936)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,074,936)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(18,287)</b>
FUND BALANCE, Beginning of Year	<u>3,593,718</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 3,575,431</u></b>



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, 2014**

	<b><u>ACTUAL</u></b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 6,476
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	30,744
Total Revenue from Local Sources	<u>37,220</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>37,220</u></b>
<b>EXPENDITURES</b>	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	2,288
400 Supplies and Materials	870,704
500 Capital Outlay:	
540 Equipment	11,046
Total Support Services	<u>884,038</u>
<b>TOTAL EXPENDITURES</b>	<b><u>884,038</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	1,100,000
5240 Transfer from Debt Service Fund	1,074,936
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>2,174,936</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>1,328,118</b>
FUND BALANCE, Beginning of Year	<u>3,508,938</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 4,837,056</u></b>





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, 2014**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenues from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 274
1600 Food Service:	
1610 Lunch Sales to Pupils	401,455
1620 Breakfast Sales to Pupils	30,111
1630 Special Sales to Pupils	144,055
1640 Lunch Sales to Adults	25,310
1650 Breakfast Sales to Adults	1,138
1660 Special Sales to Adults	13,747
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	114,243
Total Revenue from Local Sources	<u>730,333</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	209
Total Revenue from State Sources	<u>209</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	1,415,703
4830 School Breakfast Program	367,124
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	144,419
Total Revenue from Federal Sources	<u>1,927,246</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>\$ 2,657,788</u></b>

(Continued)

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

**FOOD SERVICE FUND**

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

**YEAR ENDED JUNE 30, 2014**

	<b>ACTUAL</b>
<b>EXPENSES</b>	
256 Food Service:	
100 Salaries	\$ 684,506
200 Employee Benefits	129,743
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	1,303,218
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	190,381
500 Capital Outlay	111,830
600 Other Objects	2,249
Total Food Services Expenses	<u>2,421,927</u>
<b>TOTAL EXPENSES</b>	<b><u>2,421,927</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	(135,861)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(135,861)</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>100,000</b>
FUND NET POSITION, Beginning of Year	<u>1,595,525</u>
<b>FUND NET POSITION, End of Year</b>	<b><u>\$ 1,695,525</u></b>

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, 2014**

	<b><u>ACTUAL</u></b>
<b>RECEIPTS</b>	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 272
1700 Pupil Activities:	
1710 Admissions	71,851
1720 Bookstore Sales	13,177
1730 Pupil Organization Membership Dues and Fees	81,349
1740 Student Fees	93,006
1790 Other	1,028,122
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	33,389
1999 Revenue from Other Local Sources	15,000
Total Receipts from Local Sources	<u>1,336,166</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	<b><u>1,336,166</u></b>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity:	
660 Pupil Activity	144,825
Total Instruction	<u>144,825</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
660 Pupil Activity	816,577
272 Enterprise Activities:	
660 Pupil Activity	251,817
273 Trust and Agency Activities:	
660 Enterprise Activity	107,805
Total Pupil Activity Expenditures	<u>1,176,199</u>
<b>TOTAL DISBURSEMENTS</b>	<b><u>1,321,024</u></b>
<b>EXCESS/DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS</b>	<b>15,142</b>
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>476,668</u>
<b>DUE TO STUDENT ORGANIZATIONS, End of Year</b>	<b><u>\$ 491,810</u></b>

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

PUPIL ACTIVITY FUND

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

YEAR ENDED JUNE 30, 2014

	Balance at June 30, 2013	Additions	Deductions	Balance at June 30, 2014
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 456,330	1,604,032	1,590,656	\$ 469,706
Investments	20,135	2,766	1,000	21,901
Receivables	203	-	-	203
<b>TOTAL ASSETS</b>	<b>\$ 476,668</b>	<b>1,606,798</b>	<b>1,591,656</b>	<b>\$ 491,810</b>
<b>LIABILITIES</b>				
Due to Student Organizations	\$ 476,668	1,606,798	1,591,656	\$ 491,810
<b>TOTAL LIABILITIES</b>	<b>\$ 476,668</b>	<b>1,606,798</b>	<b>1,591,656</b>	<b>\$ 491,810</b>



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

**LOCATION RECONCILIATION SCHEDULE**

**YEAR ENDED JUNE 30, 2014**

00	District-Wide	Non-School	Central	\$	10,654,700
01	Education Service Center	Non-School	Central		399,005
02	Floyd D. Johnson Technology Center	Other Schools	School		1,874,765
03	York Comprehensive High School	High School	School		10,747,831
04	Transportation	Non-School	Central		6,289
06	District Office	Non-School	Central		4,493,711
08	Jefferson Elementary	Elementary	School		3,445,770
09	York Intermediate School	Middle School	School		4,765,858
15	York One Academy	Alternative	School		1,372,793
44	York Middle School	Middle School	School		5,468,259
45	Hickory Grove-Sharon Elementary	Elementary	School		2,825,054
46	Hunter Street Elementary	Elementary	School		3,086,621
47	Cotton Belt Elementary	Elementary	School		3,347,739
49	Harold C. Johnson Elementary	Elementary	School		3,349,743
<b>Total Expenditures/Disbursements for all funds</b>					<b>\$ 55,838,138</b>

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

General Fund	\$	37,067,741
Special Revenue Fund (Subfunds 200's, 800's, 900's)		4,938,502
Special Revenue Fund (Subfunds 300's)		2,169,027
Debt Service Fund		7,035,879
Capital Projects Funds (Subfund 500's)		884,038
Proprietary Funds:		
Enterprise-Food Service (Subfund 600)		2,421,927
Trust and Agency Fund (Subfund 700's)		1,321,024
<b>Total Expenditures/Disbursements for all funds</b>	<b>\$</b>	<b>55,838,138</b>



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

**STATISTICAL SECTION**

**YEAR ENDED JUNE 30, 2014**

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

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**Page Number**

**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.

117

**Revenue Capacity**

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

123

**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.

127

**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.

131

**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.

133

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									
	2005	2006	2007 <sup>1</sup>	2008	2009	2010	2011	2012 <sup>2</sup>	2013 <sup>3</sup>	2014 <sup>4</sup>
Governmental Activities										
Net Investment in Capital Assets	\$ 21,671,462	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
Restricted	4,173,007	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
Unrestricted	6,860,352	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
Total Governmental Activities Net Position	\$ 32,704,821	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
Business-Type Activities										
Net Investment in Capital Assets	\$ 412,773	396,129	594,204	651,386	556,727	489,544	920,634	810,596	714,919	\$ 608,962
Unrestricted	632,673	674,810	371,739	160,098	148,962	387,547	474,891	684,929	880,606	1,086,563
Total Business-Type Activities Net Position	\$ 1,045,446	1,070,939	965,943	811,484	705,689	877,091	1,395,525	1,495,525	1,595,525	\$ 1,695,525
Primary Government										
Net Investment in Capital Assets	\$ 22,084,235	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
Restricted	4,173,007	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
Unrestricted	7,493,025	10,209,801	10,842,475	12,417,659	11,114,079	11,878,296	11,947,463	10,067,015	11,323,684	13,698,563
Total Primary Government Net Position	\$ 33,750,267	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

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.

TABLE 2

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

UNAUDITED

	2005 <sup>1</sup>	2006 <sup>2</sup>	2007 <sup>2</sup>	2008 <sup>3</sup>	2009 <sup>4</sup>	2010	2011 <sup>5</sup>	2012 <sup>6</sup>	2013 <sup>7</sup>	2014 <sup>8</sup>
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 22,676,038	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
Support Services	15,835,973	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
Intergovernmental	1,926	107,061	127,534	79,628	87,181	-	-	-	-	-
Interest and Other Charges	808,355	667,277	631,973	691,178	1,600,223	4,009,483	4,558,142	5,243,748	5,053,739	6,224,137
Total Governmental Activities Expenses	39,322,292	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
Business-Type Activities:										
Food Services	1,989,215	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
Total Business-Type Activities Expenses	1,989,215	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
Total Primary Government Expenses	\$ 41,311,507	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
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Operating Grants and Contributions	\$ 21,430,844	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
Capital Grants and Contributions	478,135	263,985	-	108,240	129,927	-	10,061	-	-	-
Total Governmental Activities Program Revenues	21,908,979	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
Business-Type Activities:										
Charges for Services:										
Food Service	704,207	734,547	773,972	804,509	811,686	704,158	610,206	653,165	616,173	615,816
Operating Grants and Contributions	1,251,600	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
Total Business-Type Activities Program Revenues	1,955,807	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
Total Primary Government Program Revenues	\$ 23,864,786	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
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (17,413,313)	(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)
Business-Type Activities	(33,408)	25,345	8,419	(58,583)	(106,973)	170,584	249,554	235,248	235,461	235,587
Total Primary Government Net (Expense)/Revenue	\$ (17,446,721)	(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)

(Continued)

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

TABLE 2

	Fiscal Year									
	2005 <sup>1</sup>	2006 <sup>2</sup>	2007 <sup>2</sup>	2008 <sup>3</sup>	2009 <sup>4</sup>	2010	2011 <sup>5</sup>	2012 <sup>6</sup>	2013 <sup>7</sup>	2014 <sup>8</sup>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes by Source:										
Property Tax - General Operations	\$ 11,206,569	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
Property Tax - Debt Service	2,558,537	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
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
Other Taxes	2,513,710	2,537,384	2,587,843	295,889	313,147	325,576	345,228	363,665	379,302	394,628
Unrestricted Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	254,553	541,176	759,438	631,112	561,563	222,252	107,019	51,370	53,880	36,241
Transfers	-	-	113,580	98,948	-	-	(268,194)	135,861	135,861	135,861
Miscellaneous	89,427	95,674	5,629	38,981	10,116	28,192	220,597	258,078	186,138	34,497
Other Revenues	65,724	58,071	94,397	84,252	90,666	130,387	792,774	764,210	746,470	707,069
Total Governmental Activities	16,688,520	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
Business-Type Activities:										
Unrestricted Investment Earnings	3,030	148	165	3,072	1,178	818	686	613	400	274
Transfers	-	-	(113,580)	(98,948)	-	-	268,194	(135,861)	(135,861)	(135,861)
Total Business-Type Activities	3,030	148	(113,415)	(95,876)	1,178	818	268,880	(135,248)	(135,461)	(135,587)
Total Primary Government	\$ 16,691,550	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
<b>Change in Net Position:</b>										
Governmental Activities	\$ (724,793)	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)
Business-Type Activities	(30,378)	25,493	(104,996)	(154,459)	(105,795)	171,402	518,434	100,000	100,000	100,000
Total Primary Government	\$ (755,171)	556,167	947,868	5,563,250	2,922,433	2,188,120	(460,851)	(6,364,602)	(4,418,660)	\$ (2,843,434)

Note 1: Net Position decreased in 2005 because of a reduction in capital assets due to depreciation offset by a decrease in related debt as a result of principal payments and the General Obligation Bonds.

2: Net Position increased primarily due to an increase in revenue from Federal and State sources and an increase in investment earnings.

3: 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.

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

5: 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.

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

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

8: Net Position decreased in 2014 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

	2005	2006	2007	2008 <sup>1</sup>	2009 <sup>1</sup>	2010 <sup>1</sup>	2011 <sup>2</sup>	2012	2013	2014
General Fund										
Pre-GASB #54 <sup>3</sup>										
Reserved	\$ 33,088	-	-	-	-	-	-	-	-	\$ -
Unreserved	5,970,449	7,052,110	8,143,105	9,252,424	8,831,055	8,831,055	-	-	-	-
Post GASB #54 <sup>3</sup>										
Unassigned	-	-	-	-	-	-	8,655,615	7,719,414	6,631,829	6,958,944
Total General Fund	\$6,003,537	7,052,110	8,143,105	9,252,424	8,831,055	8,831,055	8,655,615	7,719,414	6,631,829	\$6,958,944
All Other Governmental Funds										
Pre-GASB #54 <sup>3</sup>										
Reserved	\$ -	-	-	1,751,334	25,792,756	18,665,991	-	-	-	\$ -
Unreserved, Reported In:										
Special Revenue Funds	45,673	45,748	50,408	14,893	44	-	-	-	-	-
Capital Projects Funds	2,074,276	1,629,979	1,354,755	1,894,403	665,809	849,512	-	-	-	-
Debt Service Funds	4,100,298	3,782,834	3,046,716	1,139,514	1,307,474	-	-	-	-	-
Post GASB #54 <sup>3</sup>										
Restricted	-	-	-	-	-	-	6,244,027	7,192,650	5,139,274	4,705,102
Assigned	-	-	-	-	-	-	728,415	214,549	2,253,098	3,779,993
Total All Other Governmental Funds	\$6,220,247	5,458,561	4,451,879	4,800,144	27,766,083	19,515,503	6,972,442	7,407,199	7,392,372	\$8,485,095

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

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

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



YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

UNAUDITED

		Fiscal Year									
		2005	2006	2007	2008	2009 <sup>1</sup>	2010 <sup>2</sup>	2011 <sup>3</sup>	2012	2013	2014 <sup>4</sup>
<b>Revenues</b>											
Local Sources:											
Taxes by Source:											
Property Tax - General Operations	\$	10,922,310	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
Property Tax - Debt Service		2,490,963	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
Investment Earnings		254,553	541,176	759,438	631,112	561,563	222,252	107,019	51,370	53,880	36,241
Other Local Sources		325,677	611,787	519,596	345,839	438,718	576,250	627,871	797,223	1,293,053	565,728
State Sources		21,501,491	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
Federal Sources		2,684,948	2,408,257	3,447,741	3,488,699	3,585,244	6,487,631	6,417,286	4,714,540	4,566,435	4,429,800
Intergovernmental Revenue		65,724	106,042	107,469	92,966	110,103	147,232	124,419	56,987	39,246	56,070
Total Revenues		38,245,666	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
<b>Expenditures</b>											
Current:											
Instruction	\$	22,791,188	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
Support Services		12,220,933	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
Intergovernmental		1,926	107,061	127,534	79,628	87,181	67,981	66,758	102,561	104,690	82,624
Capital Outlay		1,789,221	404,538	1,500,312	302,965	42,986,555	48,231,550	11,255,304	1,036,352	237,795	156,203
Debt Service:											
Principal		1,855,000	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
Interest and Fiscal Charges		865,179	719,234	668,799	732,755	576,043	4,169,007	5,448,658	5,531,424	5,182,558	5,021,648
Other Charges		-	-	-	-	232,162	843,465	16,717	142,538	282,954	11,231
Total Expenditures		39,523,447	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
Excess of Revenues Over (Under) Expenditures	\$	(1,277,781)	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

(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

	Fiscal Year									
	2005	2006	2007	2008	2009 <sup>1</sup>	2010 <sup>2</sup>	2011 <sup>3</sup>	2012	2013	2014 <sup>4</sup>
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 93,561	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
Transfers Out	(93,561)	(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)
Proceeds of Bonds Sold	-	-	-	-	-	-	-	6,310,000	-	-
Premium on Bonds Sold	815,476	-	-	-	652,000	4,961,824	-	275,166	-	-
Issuance of General Obligation Bonds	1,100,000	-	-	-	50,000,000	85,000,000	-	3,000,000	-	-
Issuance of General Obligation Bond Anticipation Note	-	-	-	-	11,206,000	-	-	-	-	-
Issuance of Capital Leases	14,195,000	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	(14,873,823)	-	-	-	-	(50,000,000)	-	-	-	-
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,236,653	-	113,580	98,948	61,858,000	39,961,824	252,000	9,721,026	135,861	135,861
Net Change in Fund Balances	\$ (41,128)	286,887	84,313	1,457,584	22,544,570	(8,250,580)	(12,718,501)	(502,444)	(1,102,412)	\$ 1,419,838
Capital Asset Expenditures	\$ 486,839	177,944	1,506,604	4,108,971	43,486,645	49,475,954	14,954,086	1,859,880	38,913	\$ 51,367
Debt Service as a Percentage of Noncapital Expenditures	7.0%	7.5%	5.3%	6.0%	3.9%	10.9%	14.5%	22.4%	12.8%	13.5%

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

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

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

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

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				
2005	\$ 31,570,824	7,454,624	13,121,530	20,253,608	\$ 72,400,586	169.40	\$ 1,256,366,181	5.8%
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%

Source: York County Government

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

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

**TABLE 6**

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

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	York School District One			Overlapping Rates <sup>1</sup>			Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage <sup>3</sup>	Total Millage	City of York Millage	York County		
					Incorporated Millage	Unincorporated <sup>2</sup> Millage	
2005	132.40	37.00	169.40	108.00	62.20	6.50	346.10
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

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**

<b>Taxpayer</b>	<b>2014</b>			<b>2005</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Duke Energy Corporation/Duke Power Company	\$ 4,713,160	1	4.9%	\$ 4,240,580	1	5.9%
Plains LPG Services	3,044,086	2	3.1%	-		0.0%
York Electric Coop Inc.	2,877,403	3	3.0%	2,838,226	2	3.9%
Meritor Heavy Vehicle Systems LLC*	1,185,618	4	1.2%	1,965,508	3	2.7%
BellSouth Telecommunications	1,111,710	5	1.1%	1,359,280	4	1.9%
Maclean Power York LLC	1,075,080	6	1.1%	695,670	7	1.0%
Ajax Rolled Ring & Machine LLC	1,010,200	7	1.0%	-		0.0%
Champion Laboratories Inc.*	811,665	8	0.8%	878,931	6	1.2%
Bluestar Silicones USA Corp	735,250	9	0.8%	-		0.0%
Eagle Alloys Inc.	581,823	10	0.6%	1,054,447	5	1.5%
Suburban Propane LP	-		0.0%	555,430	8	0.8%
Canton Textile Mills Inc.	-		0.0%	471,678	9	0.7%
Ambassador Packaging Inc.	-		0.0%	334,340	10	0.5%
<b>Totals</b>	<b>\$ 17,145,995</b>		<b>17.7%</b>	<b>\$ 14,394,090</b>		<b>19.9%</b>

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
2005	2004	\$ 16,713,467	\$ 15,216,283	91.0%	617,106	\$ 15,833,389	94.7%
2006	2005	17,315,980	16,309,532	94.2%	379,776	16,689,308	96.4%
2007	2006	18,857,879	17,630,520	93.5%	945,500	18,576,020	98.5%
2008	2007	23,235,452	22,567,694	97.1%	317,870	22,885,564	98.5%
2009	2008	23,671,957	23,197,288	98.0%	584,111	23,781,399	100.5%
2010	2009	24,499,484	24,084,395	98.3%	589,269	24,673,664	100.7%
2011	2010	25,686,385	24,260,746	94.4%	935,674	25,196,420	98.1%
2012	2011	26,539,951	25,053,108	94.4%	724,792	25,777,900	97.1%
2013	2012	27,330,092	25,670,016	93.9%	556,068	26,226,084	96.0%
2014	2013	\$ 28,489,872	\$ 27,039,331	94.9%	-	\$ 27,039,331	94.9%

Source: York County Government

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

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

**TABLE 9**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Capital Leases</b>			
2005	\$ 17,985,000	-	\$ 17,985,000	0.3%	\$ 95
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 <sup>1</sup>	60,960,000	11,206,000	72,166,000	1.0%	318
2010	94,680,000	11,206,000	105,886,000	1.4%	468
2011	93,345,000	11,006,000	104,351,000	1.3%	453
2012	99,299,000	10,806,000	110,105,000	1.3%	\$ 469
2013	97,479,790	10,567,000	108,046,790	N/A	N/A
2014	\$ 95,530,582	10,193,000	\$ 105,723,582	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 and 2014 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**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2005	\$ 17,985,000	4,100,298	\$ 13,884,702	1.1%	\$ 73
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%	N/A
2014	\$ 95,530,582	3,575,431	\$ 91,955,151	5.3%	N/A

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

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

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

Fiscal years 2012, 2013 and 2014 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, 2014**

**UNAUDITED**

<b>Governmental Unit</b>	<b>Governmental Activities Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Debt Repaid with Property Taxes:			
City of York	\$ 7,064,898	100.0%	\$ 7,064,898
York County Government	\$ 49,816,918	8.2%	4,084,515
Subtotal, Overlapping Debt			11,149,413
York School District One Direct Debt			105,723,582
Total Direct and Overlapping Debt			<u>\$ 116,872,995</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 5,800,046	5,862,960	6,699,399	6,844,341	7,049,955	7,225,861	7,166,700	7,409,001	7,494,572	\$ 7,726,275
Total Net Debt Applicable to Debt Limit	900,000	700,000	700,000	700,000	435,411	356,955	286,000	3,213,528	2,881,895	2,549,370
Legal Debt Margin	\$ 4,900,046	5,162,960	5,999,399	6,144,341	6,614,544	6,868,906	6,880,700	4,195,473	4,612,677	\$ 5,176,905
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	15.5%	11.9%	10.4%	10.2%	6.2%	4.9%	4.0%	43.4%	38.5%	33.0%

Legal Debt Margin Calculation for Fiscal Year

Total Assessed Value	\$ 96,578,435
Debt Limit (8% of Total Assessed Value)	7,726,275
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	101,978,000
Less: Debt Service Fund Balance	(1,150,630)
Less: Debt Issued Through Referendum	(98,278,000)
Total Amount of Debt Applicable to Debt Limit	2,549,370
Legal Debt Margin	\$ 5,176,905

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**

<b>Fiscal Year Ended June 30</b>	<b>(1) Population</b>	<b>(2) Personal Income*</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>
2005	190,097	\$ 5,685,147	\$ 29,904	4,896	7.8%
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	N/A	N/A	N/A	4,906	8.2%
2014	N/A	N/A	N/A	4,931	5.9%

**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 EIGHT YEARS AGO**

**UNAUDITED**

<b>Employer</b>	<b>2014</b>			<b>2006</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Rock Hill School District	2,209	1	2.09%	2,065	1	2.03%
Wells Fargo Home Mortgage	2,171	2	2.05%	1,500	2	1.48%
Ross Distribution	1,790	3	1.69%	852	5	0.84%
Piedmont Medical Center	1,534	4	1.45%	-		
Winthrop University	1,296	5	1.23%	-		
Fort Mill School District	1,233	6	1.17%	804	6	0.79%
Duke Power Catawba Nuclear Station	1,228	7	1.16%	1,071	3	1.06%
Clover School District	1,011	8	0.96%	794	10	0.78%
York County Government	983	9	0.93%	798	9	0.79%
Comporium Communications	852	10	0.81%	-		
Abitibi Bowater, Inc.	-			1,039	4	1.02%
Stacy's	-			800	7	0.79%
U. S. Foodservice	-			800	8	0.79%
<b>Totals</b>	<b>14,307</b>		<b>13.53%</b>	<b>10,523</b>		<b>10.37%</b>

Source: York County Government and South Carolina Virtual Onestop.

Note: These figures represent Top County Employers. Figures are not available for York School District One. 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Instruction										
Teachers	346	350	355	365	365	358	350	344	341	338
Librarians	8	8	8	8	8	8	8	9	9	8
Guidance	12	12	13	13	13	13	13	14	15	16
Other	87	90	90	90	95	93	95	95	95	89
Support Services										
Principals	9	9	9	9	9	9	9	10	10	10
Assistant Principals	11	11	12	12	12	12	12	13	13	12
Administration	9	9	10	10	10	10	10	11	11	11
Other	180	186	187	186	188	186	192	195	195	188
Business-Type Activities										
Food Services	50	47	52	50	50	53	55	59	57	57
Total	712	722	736	743	750	742	744	750	746	729

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			
2005	4,896	\$ 35,014,047	\$ 7,152	2.7%	\$38,513,937	\$ 7,866	6.3%	346	14	51.4%
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%

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									
	2005	2006	2007	2008	2009	2010	2011 <sup>1</sup>	2012 <sup>2</sup>	2013	2014
<b>Elementary</b>										
Cotton Belt Elementary (1998)										
Square Feet	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650	88,650
Capacity	695	695	695	695	695	695	695	695	695	695
Enrollment	625	666	689	737	737	711	552	394	376	383
Hickory Grove-Sharon Elementary (1987)										
Square Feet <sup>1</sup>	73,769	73,769	73,769	73,769	73,769	73,769	73,769	73,769	73,769	73,769
Capacity	580	580	580	580	580	580	580	580	580	580
Enrollment	405	395	386	380	386	397	405	368	383	383
Hunter Street Elementary (1982)										
Square Feet <sup>2</sup>	90,093	90,093	90,093	90,093	90,093	90,093	90,093	90,093	90,093	90,093
Capacity	920	920	920	920	920	920	920	920	920	920
Enrollment	738	768	746	797	757	738	589	411	388	378
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	553	545	555	578	615	609	499	432	417	425
Harold C Johnson Elementary (2012)										
Square Feet	-	-	-	-	-	-	-	124,245	124,245	124,245
Capacity	-	-	-	-	-	-	-	800	800	800
Enrollment	-	-	-	-	-	-	-	407	415	418

(Continued)

YORK SCHOOL DISTRICT ONE  
YORK, SOUTH CAROLINA

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)

LAST TEN FISCAL YEARS

UNAUDITED

School	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 <sup>1</sup>	2012 <sup>2</sup>	2013	2014
<b>Intermediate School</b>										
York Intermediate School (1988)										
Square Feet	119,536	119,536	119,536	119,536	119,536	119,536	119,536	119,536	119,536	119,536
Capacity	765	765	765	765	765	765	765	765	765	765
Enrollment	719	699	697	666	682	707	672	707	683	639
<b>Middle School</b>										
York Middle School (1974)										
Square Feet	192,692	192,692	192,692	192,692	192,692	192,692	192,692	192,692	192,692	192,692
Capacity	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030
Enrollment	796	789	825	795	821	769	783	795	823	836
<b>High</b>										
York Comprehensive High & Technology Center (2010)										
Square Feet	-	-	-	-	-	-	385,326	385,326	385,326	385,326
Capacity	1,030	1,030	1,030	1,030	1,030	1,030	2,000	2,000	2,000	2,000
Enrollment	1,030	1,083	1,052	1,038	1,068	1,073	1,440	1,419	1,421	1,469

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, 2014**

<b>LEA Subfund Code</b>	<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b><u>US Department of Agriculture</u></b>				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 367,124
600	National School Lunch Program - Cash Assistance	10.555	N/A	1,415,703
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	144,419
Total 10.553 & 10.555				<u>1,927,246</u>
<b>Total US Department of Agriculture</b>				<b><u>1,927,246</u></b>
<b><u>US Department of Education</u></b>				
Pass-through State Department of Education:				
201	Title I	84.010	14BA089	1,606,244
Total 84.010				<u>1,606,244</u>
Individuals with Disabilities Education Act:				
242	Special Education - Grants to States	84.027A	13CA089	237,626
242	Special Education - Grants to States	84.027A	14CA089	958,666
212	Extended School Year	84.027A	14CO089	4,812
240	Special Education - Preschool Grants	84.173	13CG089	11,759
240	Special Education - Preschool Grants	84.173	14CG089	37,794
Total 84.027 & 84.173				<u>1,250,657</u>
207	Occupational Education (subprogram 24)	84.048	14VA089	90,937
Total 84.048				<u>90,937</u>
264	Title III - English Language Acquisition	84.365A	13BP089	1,528
264	Title III - English Language Acquisition	84.365A	14BP089	18,230
267	Title II - Improving Teacher Quality	84.367	13TQ089	85
267	Title II - Improving Teacher Quality	84.367	14TQ089	143,833
225	AIMS Grant (Alliance in Math/Science Success)	84.366B	14MS089	145,332
290	AIMS Grant (Alliance in Math/Science Success)	84.366B	13MS089	126,962
831	PEP Grant	84.215F	N/A	14,830
847	Elementary School Counseling	84.215E	N/A	295,274
<b>Total US Department of Education</b>				<b><u>3,693,912</u></b>
<b><u>US Department of Defense</u></b>				
Direct Programs:				
271	JROTC	12.000	N/A	84,888
<b>Total US Department of Defense</b>				<b><u>84,888</u></b>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>				<b><u>\$ 5,706,046</u></b>

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, 2014**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of York School District One, York, South Carolina (the "District") for the year ended June 30, 2014. 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, 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, 2014, 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 14, 2014.

**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 14, 2014



**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, 2014. 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, 2014.

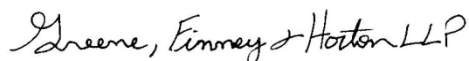
**Report on Internal Control Over Compliance**

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 14, 2014

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2014**

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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, 2014

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

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	<u>          </u> Yes	<u>    X    </u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	<u>          </u> Yes	<u>    X    </u> 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?	<u>          </u> Yes	<u>    X    </u> No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A; 84.173	IDEA
84.366B	AIMS Grant (Alliance in Math/Science Success)

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

Auditee qualified as low-risk auditee?	<u>    X    </u> Yes	<u>          </u> No
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**Section II - Financial Statement Findings**

NONE

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

NONE