

Beaufort County School District

Beaufort, South Carolina

Approved Budget 2016-2017



For The Fiscal Year Ending June 30, 2017

Jeffrey Moss, Ed. D., Superintendent • beaufortschools.net

Beaufort County School District
Beaufort, South Carolina
Approved Budget

For The Fiscal Year Ending
June 30, 2017

Prepared By:

The Finance Department
Jeffrey C. Moss, Ed.D. Superintendent



Beaufort County School District

Mission/Vision Statement

Mission

The Beaufort County School District, through a personalized learning approach, will prepare graduates who compete and succeed in an ever-changing global society and career marketplace.

Vision

We will work with families and our diverse community to ensure that students perform at an internationally competitive level in a learning environment that is safe, nurturing and engaging.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Beaufort County School District
South Carolina**

For the Fiscal Year Beginning

July 1, 2015

Executive Director

Introductory Section



Beaufort County School District

2017 Board Members

Mary Cordray Chair

District 8 (Term 2013-2018)
21 Spindle Lane
Hilton Head Island, SC 29926
(H) 843-681-9838
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Laura Bush Vice Chair

District 9 (Term 2013-2016)
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(C) 843-290-2185

Evva Anderson Secretary

District 7 (Term 2013-2018)
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Bluffton, SC 29910
(H) 843-683-0680



Earl Campbell

District 1 (Term 2013-2016)
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(C) 843-476-7512

David Striebinger

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Michael F. Rivers, Sr.

District 3 (Term 2013-2018)
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(C) 843-263-8467

Joseph Dunkle

District 4 (Term 2014-2018)
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Port Royal, SC 29901
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District 5 (Term 2013-2018)
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Beaufort, SC 29906
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District 6 (Term 2013-2016)
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Okatie, SC 29909
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Bill Payne

District 10 (Term 2013-2018)
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Hilton Head Island, SC 29926
(H) 843-422-9793
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JoAnn Orischak

District 11 (Term 2013-2016)
29 Long Brow Road
Hilton Head Island, SC 29928
(H) 843-338-1737

BEAUFORT COUNTY SCHOOL DISTRICT

Administrative Office

2900 Mink Point Boulevard
Beaufort, South Carolina 29902

Senior Management

Jeffrey Moss, Ed.D.	Superintendent
Mr. Drew Davis	Chief Legal Services Officer
Dr. Dereck Rhoads	Chief Instructional Services Officer
Ms. Phyllis White, CPA, CGFO	Chief Finance and Operations Officer
Ms. Alice Walton	Chief Administrative and Human Resource Services Officer
Dr. Gregory McCord	Chief Auxiliary Services Officer

Officials Issuing Report

Ms. Phyllis White, CPA CGFO, Chief Finance and Operations Officer
Ms. Tonya Crosby, CPA, CGFO, Financial Services Officer
Mr. Louis Ackerman, Budget Analyst

Executive Summary



The Beaufort County School District (BCSD) is pleased to present the FY 2017 Adopted Budget. This budget has been prepared in accordance with state regulations and local policies covering the twelve month period from July 1, 2016 through June 30, 2017.

This document is the District's financial plan that will guide the Board staff and stakeholders in working toward the District's commitment to "ensure excellence in education for every learner that prepares each with the knowledge, skills and personal responsibility to succeed in a rapidly changing global society."

Introduction

The District is proud to publish and disseminate budget information to the Board and our community. This budget permits the District to continue its progress toward its strategic goals for improving student success in Beaufort County and to focus on its priorities of maintaining classroom momentum, maximizing resources, and minimizing tax increases.

The development, review, and consideration of the 2016-2017 Budget (the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Food Service Fund) was completed with a review of every budget and how it met the objectives of the District's Strategic Plan. Information on each of these funds is included in this document.

This budget document and the year-end Comprehensive Annual Financial Report (CAFR) are the primary sources used to present the financial plan and the results of programs and services of the District. The objective of this document is to provide transparency to the public about the District's financial plans and how they relate to the strategic goals. It represents the balance between the resources provided by the local, state, and federal sources and the educational needs of students.



Jeffrey C. Moss, Ed.D.
Superintendent

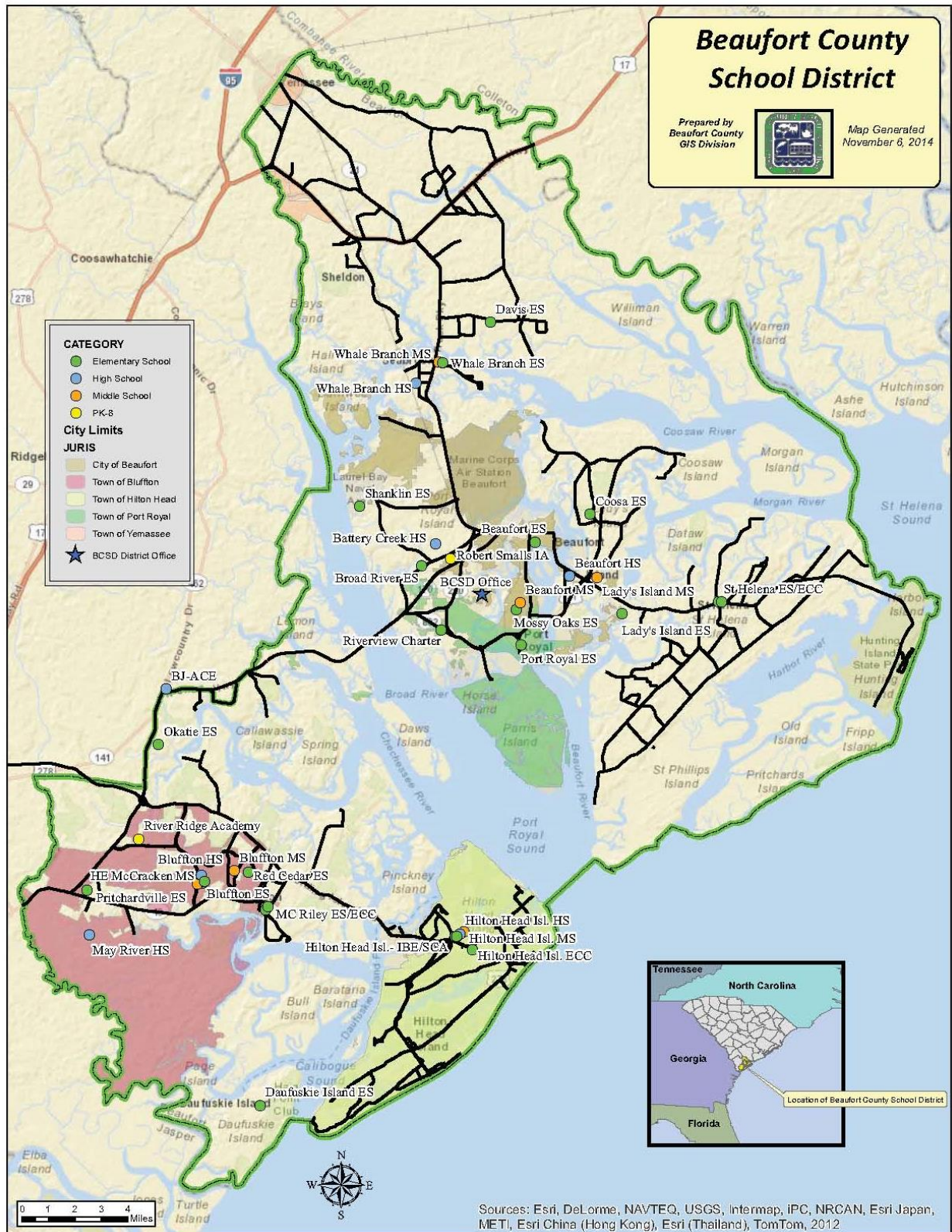
How this Document is Organized

The organization of this budget document fulfills several needs. First, the budget document provides transparent information on the resources needed to fulfill the organization's goals and beliefs. It is organized in a manner intended to enhance the reader's understanding of the Beaufort County School District's budget development, policies, management and processes and to foster community involvement in the budget process. The format conforms to the standards of budget presentation as recommended by the Government Finance Officers Association, and the document has been prepared to achieve the Distinguished Budget Presentation Award for the tenth consecutive year. It functions as a policy document, an operations guide, a financial plan, and as a communications device. The document contains the four major sections listed and defined below.

- The **Introductory Section** contains an overall view of the approved budget along with the *Executive Summary*. It also includes *The Strategic Plan* which explains the priorities set by the Board of Education and strategy to achieve success. A summary of accomplishments highlights the prior year's activity.
- The **Financial Section** includes an organizational chart, fund description and structure along with budget data in both summary and program levels for the General Fund and a *Comprehensive Budget Report* of all District funds. This section provides information on the General Fund, the Special Revenue Funds, Education Improvement Act (EIA) Funds, Debt Service Fund, Capital Projects Fund, Food Service Fund, Internal Service Fund and the Pupil Activity Funds. It includes financial policies and a description of the budget process. Information on fund balance, revenue trends and expenditures are included in this section.

The **Capital Section and Debt Service Section** include information about the District's ongoing capital projects, funded through bond referenda and under the 8% constitutional debt limit.

- The **Organizational Section** includes a description of the organization's departments along with positions summaries and departmental breakdowns.
- The **Informational Section** includes the following information of interest to District stakeholders:
 - Demographic Statistics
 - Principal Property Tax Payers
 - School Building Information
 - Property Assessment Information
 - List of Acronyms
 - Glossary



Beaufort County School District, 2016-2017 Budget

Facts About Beaufort County School District

The Beaufort County School District is the 10th largest school district in South Carolina. It serves 21,983¹ students in Beaufort County, which includes the City of Beaufort, Town of Hilton Head Island, Town of Bluffton, and Town of Port Royal among many others. Nestled between Charleston, South Carolina and Savannah, Georgia, Beaufort County is composed of hundreds of barrier and sea islands and its warm climate, pristine beaches and vibrant culture attract many people to the area.

The School District operates 32 schools, one charter school and a vocational school. It provides a program of public education from pre-kindergarten through grade twelve. In addition to the regular educational programs, the District offers programs in areas such as vocational education, career and technology education, aeronautics and engineering, STEM, International Baccalaureate program, Advanced Placement, Montessori, Mandarin Chinese, and early college high school.

The Beaufort County School District is governed by an 11 member elected board. Working within state laws and federal guidelines, the school board determines educational policy, employs the superintendent, authorizes the employment of all certified personnel on the recommendation of the superintendent and approves the annual operating, debt and capital budgets.

Board of Education members represent the electoral district in which they live and serve four-year terms on a staggered basis. Following each November election, the board meets in January to elect a chairman, vice chairman and a secretary, who serve in these positions for two years. Board members are paid for their service.

The District does not have fiscal autonomy from Beaufort County Council. The County Council reviews the proposed annual budget for reasonableness, approves the expenditure budget and levies the mills necessary to insure sufficient tax revenue is generated.

As one of the largest employers in Beaufort County, SC, the District employs approximately 3,000 people (including part-time employees). In addition, the District contracts several major services: food service, maintenance, custodial, grounds maintenance and substitute teachers.

The region's major economic drivers continue to be tourism and the military, which in turn support a range of industries such as hospitality, arts and culture, retail, real estate, construction, healthcare and recreation.

In July of 2013, the Board of Education appointed Jeffrey C. Moss, Ed.D. Superintendent of the Beaufort County School District. Dr. Moss is a 30-year education veteran who has served as a superintendent for over ten years. He joined Beaufort County Schools from Lee County Schools in Sanford, N.C., where he had been the Superintendent since January 2009.

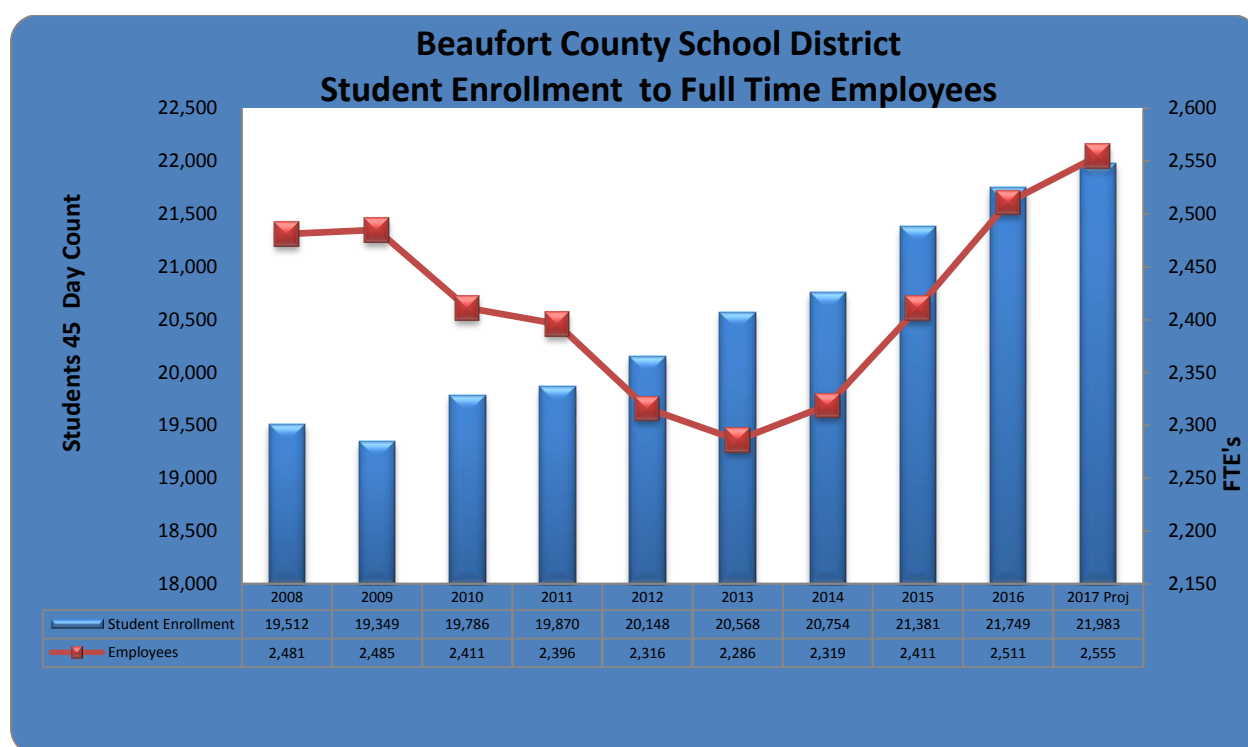
¹ 2016-2017 projected enrollment

Population

According to the 2015 Census estimates, Beaufort County has grown by 10.7% in five years, making it one of the fastest growing counties in the state. Other counties that grew faster during that period were Horry at 14.8% (Myrtle Beach), Berkeley at 14%, Dorchester at 11.6%, Charleston at 11.2%, and York at 11.1%. The Town of Bluffton continues to be the fastest growing area of the County. The population is expected to grow and continue to derive economic benefits from the tourism industry and the presence and expansion of its military facilities.

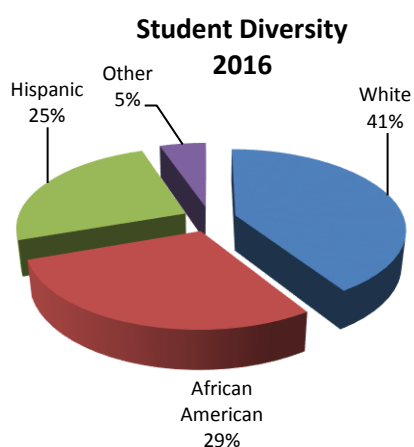
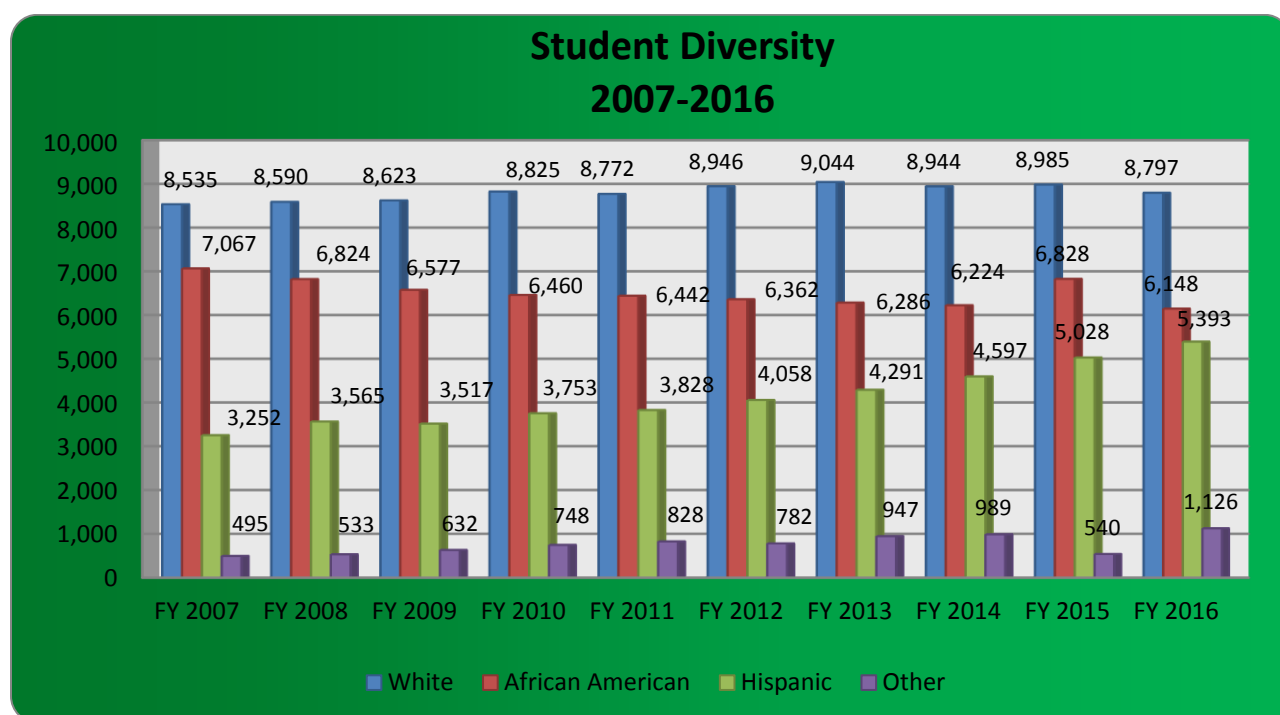
Student Enrollment

Student enrollment continues to show steady increases over the last several years. BCSD is budgeting conservatively for 21,983 students in FY 2017 and has increased staff for FY 2017 to meet the growing student enrollment and the opening of a new high school. The graph below depicts the trends of student enrollment and full time employees over a 10 year period. Student growth over this period is 12.6%.



Student Diversity

Beaufort County School District has a diverse population of students. This diversity allows its students to develop an understanding of the perspectives of people from different backgrounds and learn to function in multicultural, multiethnic environments. Yet, as schools become more diverse, demands increase to provide services that help all students succeed academically. The graph below shows the progression of students by ethnicity over the last ten years. Other includes students claiming two or more races.



From 2007 to 2016, the Hispanic population has increased from 16.8% to 25.1% of the total population. This represents a growth of 65.8% over the ten year period. Many of these students are English Language Learners who require specialized instruction and smaller class sizes. The adjacent graph represents the student diversity of the School District. Based on historical data, the administration anticipates an increase of 6% in the Hispanic population in FY 2017. Most of this growth is seen in the Bluffton and Hilton Head Island communities.

Budget Development Process

Many rules and laws govern the budget process for the School District. The extensive process begins as soon as the previous year's budget ends. The District expresses its financial plan through three types of budgets: the operating budget, the capital budget and the debt service budget.

Operating budget (or General Fund Budget) - a budget for the provision of annual resources to support the general operations of the District

Capital budget - a budget for the provision of necessary sites, buildings, major improvements and equipment

Debt Service budget - a budget for the provision of principal and interest payments on outstanding debt

The General Fund and the Debt Service Fund are the only funds appropriated by the Beaufort County Council. The budget must be certified by the Board and approved by Beaufort County Council by June 30 of each year. The Board of Education is involved at the very beginning of the process, and community discussions are held each year to encourage community input in the process. Final mill setting occurs in late June at final reading.

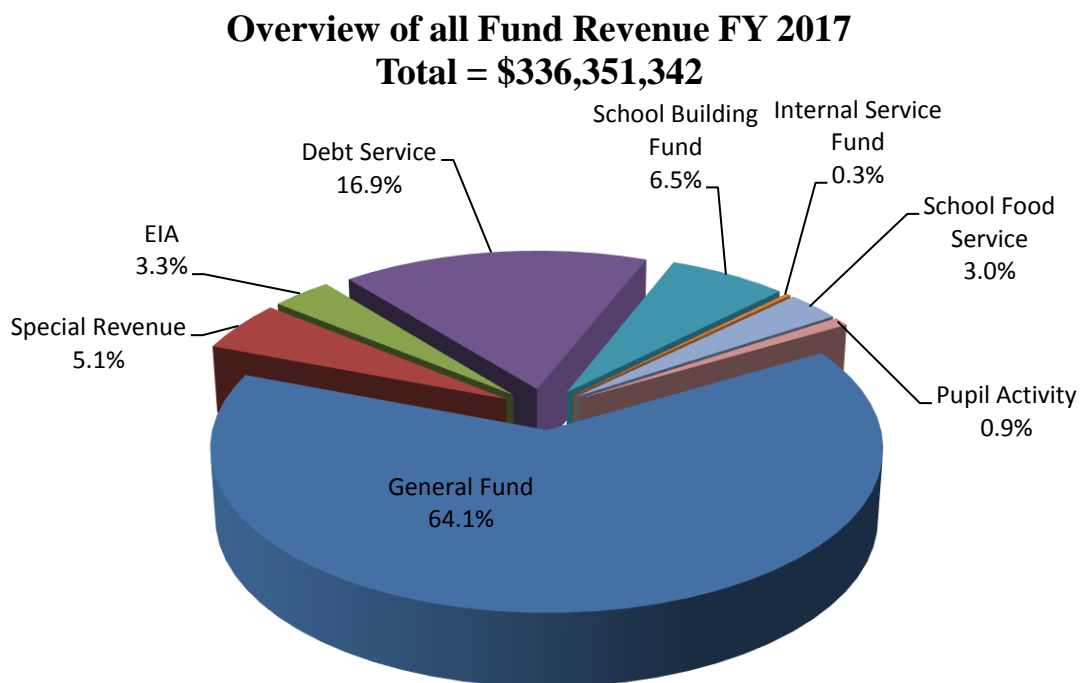


Budget at a Glance

The 2016-2017 Comprehensive Budget include multiple funds, totaling \$336 million. The following chart provides all expenditure budgets by fund.

	2015-2016	2016-2017	Change
	Approved Budget	Approved Budget	
Comprehensive Budget (Total)	\$360,024,373	\$336,351,342	(\$23,673,031)
General Fund	203,513,932	215,451,995	11,938,063
Special Revenue Funds	16,195,710	17,136,687	940,977
Education Improvement Act Funds	10,356,498	11,222,255	865,757
Debt Service Fund	53,028,100	56,687,225	3,659,125
School Building Fund	65,193,792	22,003,798	(43,189,994)
Internal Service Fund	900,000	900,000	-
School Food Service Fund	8,247,854	9,985,625	1,737,771
Pupil Activity Fund	2,588,487	2,963,757	375,270
Millage required for General Fund	103.5	111.5	8.0
Millage required for Debt Service	31.7	31.7	-
Total Millage Required	135.2	143.2	8.0
Projected Student Enrollment	*	21,749	21,983
			234

*Actual 2015-2016 45 day count



Overview of Funds

Governmental Fund Types

General Fund - \$215,451,995

The General Fund is the general operating fund of the School District and accounts for all revenues and expenditures except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law 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. This is a budgeted fund and the unassigned fund balance is considered a resource available for use. The expenditure budget of \$215,451,995 reflects a 5.9% increase over the FY 2016 budget.

Special Revenue Funds - \$17,136,687

Special Revenue Funds are budgeted funds used to account for financial resources provided by federal, state, and local projects and grants. Revenue from specific sources is legally restricted to expenditures for specified purposes. Each specific fund has defined objectives and responsibilities required by the funding source. These funds include but are not limited to Title I, Special Education, Adult Education, and Medicaid. The special revenue budgets are amended on a frequent basis because of timing of the receipt of funds. An increase of \$940,977 is expected in FY 2017 due to additional state funding to support teacher professional development, increased funding for Summer Reading Camps, and increases in grant awards.

Education Improvement Act - \$11,222,255

The Education Improvement Act (EIA) provides funding from the state through sales tax revenues. It includes but is not limited to At Risk, Aid to Districts funds, National Board Certified Teacher funding and pre-school programs. Since this source of funding is derived from sales tax, it is particularly volatile and is historically the target of budget reductions. An increase of \$865,757 is expected in FY 2017 due to an increase in Teacher Salary Supplements.

Debt Service Fund - \$56,687,225

The Debt Service Fund, a budgeted fund, is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs associated with the issuance of general obligation bonds for capital projects. The primary financing source for this fund is county property taxes.



School Building Fund (or Capital Projects Fund) - \$22,003,798

The School Building Fund is used to account for financial resources to be used for land acquisitions, school construction, equipping, and renovation of all major capital facilities. The funding comes primarily from the sale of general obligation bonds. With the completion of May River High School, capital expenditures are expected to decrease in FY 2017.

Proprietary Fund Types

The District's proprietary funds include School Food Service and the Internal Service Fund.

Internal Service Fund - \$900,000

The Internal Service Fund was established in FY 2006 to manage the insurance and risk management needs of the District. Transfers from the General fund are made at fiscal year-end based on savings in General Fund insurance budgets and have accumulated to a level that is sufficient to support the School District's outstanding insurance claims.

School Food Service Fund - \$9,985,625

The School Food Service Fund is used to account for the financial resources provided by state and federal agencies in addition to payments from students and adults for breakfast and lunch programs. In this fund, payments for food, the contracted services of the School District's vendor and other costs relating to the provision of meals are included.

Fiduciary Fund Types

Pupil Activity Fund - \$2,963,757

In a Fiduciary Fund the School District acts as a trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District cannot use these assets to finance its operations. The School District's Pupil Activity Fund is the only fiduciary fund. It is an unbudgeted fund, and it accounts for the receipt and disbursements of funds related to student activity organizations.



Priorities

The FY 2017 budget was built with the following priorities in mind:

1. **Students performing on grade level in all subjects by third grade** - Expansion of the **Pre-kindergarten program** is one of the major initiatives included in the 2016-2017 budget. This expansion began in 2014-2015 with a four phase process with an ultimate goal of serving all four year old children in Beaufort County. The School District is currently in Phase 3, which includes the addition of four new pre-K classroom in a new wing of HHIECC. Additionally, reading intervention teachers will be used to focus on literacy for grades kindergarten through 2nd grade. **Summer Reading Camp** was expanded to include all elementary students who are not substantially “on grade level” reading proficiency. **Literacy Coaches** or **State Reading Coaches** are present in every elementary and middle school to train teachers on effective teaching strategies. **Tutoring** funds were also provided to every school for additional support to students. We believe these initiatives will provide the foundational skills for future school success.
2. **Expand choice opportunities for parents in each attendance area** - School communities began to offer choice options for all schools in 2015-2016. Fifteen approved curriculum options are offered such as **International Baccalaureate, Classical Studies, Language Immersion, and Montessori**, among others. Choice options are being expanded in several schools for the 2016-2017 school year which largely include **Career and Technology Education (CATE) programs**. The construction of two CATE centers, one at Battery Creek High School and another at the new May River High School will offer programs such as culinary arts, agriscience, welding, automotive technologies, and public safety/law enforcement. Hilton Head Island High School also offers culinary arts.
3. **Provide quality teachers and administrators in every classroom and building** - The School District has established a recruitment model that will be essential to attracting and retaining high quality staff in upcoming years. The School District partners with outside organizations to recruit teachers in high needs areas. The District’s “Leadership Institute” was also designed to provide aspiring school principals with increased school leadership capacity.
4. **Increase technology opportunities for student learning** - The Connect2Learn initiative provides an opportunity for mobile devices to be placed in the hands of all students in grades K-12. In 2016-2017, the plan is to extend learning for all students in grades 3 through 12 outside of the school building by taking their devices home each day. This initiative will give students access to information, allow them to think critically, problem solve, collaborate and create while learning to safely, ethically, and effectively utilize 21st century tools.
5. **Teacher retention program** – The Board has authorized a locality supplement of \$1,000 a year increasing by an additional \$1,000 for each year a teachers returns up to \$5,000 limit. The Board’s goal is to increase teachers starting wages to \$40,000 in five years to address the high cost of living in our area.

These priorities were established in prior budget year and our Board wants to remain consistent and focused on these core goals. Making changes to meet these priorities requires multi-year planning and

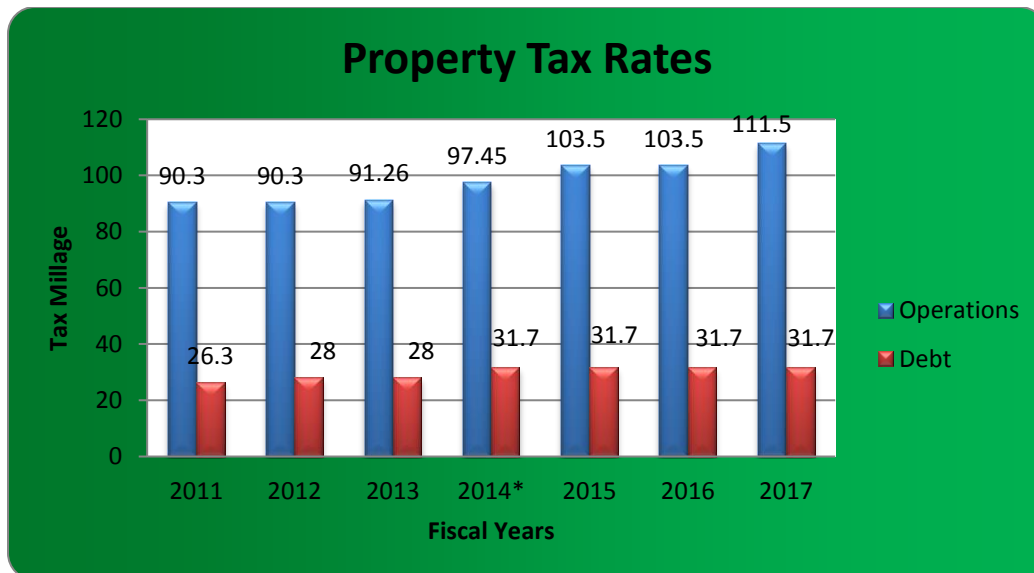
implementation. As initiatives are implemented that have a direct impact on instruction, the School District continues to find ways to maximize resources to support these efforts.

Impact on the Taxpayer

During times of a stabilizing economy, the School District strives to hold tax increases at a minimum. This has been difficult due to state mandated cost increases on an annual basis. The School District is also facing consistent enrollment increases which has created a need for additional schools. With new schools, comes unavoidable operating cost increases. We will continue to work toward balancing the needs of the taxpayers with those of the growing number of students in order to maintain a stable financial position and to accomplish the School District's overall mission.

Millage Levy

State law mandates a property reassessment every 5 years. Beaufort County underwent a reassessment in tax year 2013. As anticipated, the reassessment resulted in an overall decrease in assessed value, presenting a need for a roll forward of the operating millage in FY 2015. Millage rates were held steady in FY 2016, however the latest indicators show that collections will fall short of the budget by \$4.9 million. Due to the expected shortfall resulting from shifts of 6% properties to 4% properties, the FY 2017 property tax millage was increased by 8 mills to generate the amount of revenues needed for the current year and partially offset expected shortfalls of the prior year. The 2016-2017 General Fund budget is based upon an approved operating millage of 111.5. Debt service mills remained constant at 31.7 mills for FY 2017. Following is a graph of property tax millage for Beaufort County School District over a seven-year period:



* Reassessment Year with Roll Forward

Issues Impacting the FY 2017 Budget Year

Legislative Issues

Governor's Education Initiative

Act 388

The effects of Act 388, signed into law in June of 2006, continue to impact Beaufort County School District. Non-owner occupied homes have decreased because owners are changing residency status in order to avoid paying for school operations property taxes. The revenue previously generated cannot be regained under the current legislation.

In addition to eliminating property taxes from owner-occupied residences, effective in FY 2007-2008, this same legislation established an annual millage increase limit for all local governments and school districts based on the most recent CPI increase plus the percent growth in county population over the previous year. Permission from the governing authority (County) must be granted to increase millage. Under state statute, Districts who do not utilize the millage cap can bank the increases for three years. Districts may utilize this "lookback provision" and may add to the operating millage an amount not previously imposed for the three property tax years preceding the year to which the limit applies. Beaufort County School District utilized this provision in FY 2014 and will again in FY 2017.

Index of Taxpaying Ability

In conjunction with the property tax relief constraints, the current Educational Finance Act (EFA) funding established in 1977 severely limits the funding Beaufort County receives due to a formula base that is based on assessed value. Our County is perceived to be one of the wealthiest in the State based on our assessed value; therefore, Beaufort County continues to receive the least amount of EFA funding in the state. After a period of several years in which the School District received no EFA funds, the School District is beginning to benefit from increases in this revenue source due to a drop in assessed value during reassessment and an increase in enrollment.

Under these legislative constraints, along with the other state and federal mandates imposed, our District continues to be challenged to maintain our current level of operation. The School District will have to continue to make decisions that keep costs low to avoid using the fund balance.

Economic Conditions

The School District receives approximately 61% of its operating budget from Beaufort County property taxes. The remaining 38% is received from the State; 54% of which is funded through sales tax reimbursement as a part of Act 388. Due to a change in the Education Finance Act (EFA) funding formula, as well as our increase in enrollment, this has caused the District's state support to increase over the past three years. Prior to enactment of Act 388 in 2006, our local support was as high as 91%. Any fluctuations

in the economy could have a direct impact on educational funding. Because of this it continues to be important to pay close attention to revenue streams in fiscal year 2017 and future years to determine whether cost reductions will be required in the event revenues drop below budget.

Approximately 60% of the District's tax base is composed of Hilton Head Island, a popular destination for repeat annual visitors who either own a second home or consistently vacation on the island over consecutive years. The area is also home of the RBC Heritage Golf Tournament, an official PGA Tour event. Held annually since 1969, the tournament is hosted at Harbour Town Golf Links in April of each year and generates more than \$96 million into the State of South Carolina's economy attracting nearly 130,000 visitors annually.

The District also continues to derive economic benefits from the presence and expansion of military facilities, including the U.S. Marine Corps Recruit Depot, the Marine Corps Air Station and the Beaufort Naval Hospital. Currently, the Marine Corps Air Station-Beaufort consists of more than 700 Marines and Sailors along with 600 civilian personnel who ensure approximately 3,400 personnel of marine Air Group 31 and its component squadrons and tenant units are readily deployable. At the U.S. Marine Corps Recruit Depot, there are over 4,500 military and non-military personnel in our local areas supporting over 20,000 recruits. In 2014, approximately 64,000 people visited Parris Island. According to a 2015 study performed by the University of South Carolina's Moore School of Business entitled "The Economic Impact of South Carolina's Military Community: A Statewide and Regional Analysis," the total economic impact of these three military installations on Beaufort and neighboring Jasper counties was \$1.2 billion.

In 2009, Beaufort City Council signed a resolution supporting the Department of Defense's proposal to locate up to 11 joint strike fighter jets at the Air Station beginning in 2013. Because the U.S. Marine Corps is concentrating its training for pilots and crews of the F-35B Joint Strike Fighter at Beaufort, additional families with school-age children are moving into the area.



Tourism is a major industry in Beaufort County. According to the Economic and Fiscal Impact Analysis entitled "Estimated Impact of 2013 Tourist Spending on Beaufort County, South Carolina," tourists spent

approximately \$1.1 billion in Beaufort County and created over 17,000 jobs, representing approximately thirty percent of all jobs in Beaufort County.

The county's unemployment rate at 5.2% remains below the State of South Carolina's rate of 5.4% as of June 2016, signaling better unemployment conditions than most counties in the state. The rate has continued to drop over the past few years. The presence of military bases and the rebound of the tourism industry have contributed to this low rate.

Major taxpayers in the County remain virtually unchanged, with the top ten taxpayers including four local utility companies and major resorts. The County has a median family income of \$58,563 for calendar year 2016. This income level continually ranks the County as one of the highest in the State and is above national levels.

Despite having a high median family income, many of our students' families continue to be affected by a recovering economy. The number of students eligible for free and reduced meal prices has increased from 52% to 61% since 2007. These conditions have a financial impact on our community and schools. Economic conditions and outlook of the county and state play a substantial role in the financial condition of the District. Close attention to revenue streams must be paid in FY 2017 and future years.

FY 2017 General Fund Highlights

This FY 2017 budget represents a balance between keeping momentum in student achievement and minimizing tax payer impact. Local tax revenues for FY 2017 are based upon a millage rate of 111.5. This represents an increase of 8 mills from the prior year. This was necessary to recoup the anticipated losses in revenues in FY 2016 and to fund the mandated teacher salary increase as well as the operating costs of a new high school. Locality increases were provided in FY 2016 and increased in FY 2017 to attract qualified teachers and retain them for years to come.

Historical Effects on the Budget

Student enrollment has increased by 17.6% since 2005 (from 18,501 to 21,749) and eight new schools were built to accommodate the growth. A new pre-K through 8 school opened in August 2015 and a new high school has opened in August 2016. Despite this growth, the School District cut \$22.9 million between 2010 and 2013 to offset mandated increases by the State and other contractual requirements. Almost 200 positions were eliminated during that time period to balance the budget, including the closure of one elementary school. Since 2013, the School District has been forced to increase staff to meet the needs of growth in student enrollment. Major increases and decreases in the FY 2017 are summarized as follows:

Budget Increases/(Decreases)	
Increases due to state/federal mandates	5,381,827
Increases due to enrollment growth	2,874,956
Operational Increases	1,390,182
Program Expansions (CATE)	390,000
Other Increases	2,470,475
Major Decreases	<u>(569,377)</u>
Change in Budget	\$11,938,063

Details of Budget Increases/(Decreases) 2016-2017

Increases due to state/federal mandates

	<u>Amount</u>
2% Cost of Living Increases for Teachers	\$ 2,127,958
Salary step increase for certified staff	1,333,067
Benefit increase for retirement	814,305
Benefit increase for health insurance	803,997
4.5 Special Education teachers	292,500
JROTC Instructor Match	10,000
Total Increases due to state/federal mandates	<u>\$ 5,381,827</u>

Increases due to enrollment growth

25.8 School based employees	\$ 1,388,538
10 Teachers for additional growth	650,000
Athletic and Academic Stipends	356,279
Charter School Allocations (+38 students)	243,526
School Non-Salary Allocations	172,921
School Resource Officers	63,692
Total Increases due to enrollment growth	<u>\$ 2,874,956</u>

Operational Increases:

Contractual Increases (Custodial, Grounds, Maintenance)	\$ 565,114
Utilities	440,498
Property Insurance	261,845
Repairs Maintenance	62,725
Stormwater Utility	60,000
	<u>\$ 1,390,182</u>

Increases due to program expansion:

Career & Technical Education (CATE) - 6 teachers	\$ 390,000
Total Increases due to program expansion	<u>\$ 390,000</u>

Other Increases:

Additional Locality Supplement for teachers	\$ 1,866,651
Step increase for classified staff	414,783
Step increase for administrators	189,041
Total Other Increases	<u>\$ 2,470,475</u>

Decreases:

TAN Interest	\$ (5,000)
Telecommunications	(49,640)
Unemployment Claims	(10,000)
8 Staff moved to Special Revenue Funds	(495,000)
District Level Departmental	(9,737)
Total Decreases	<u>\$ (569,377)</u>

Grand Total	<u>\$ 11,938,063</u>
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General Fund Long-Term Budget Projection

On the following page is a summary of the District's 5-year budget projection. Many assumptions are made as we predict future revenues and expenditures. Additional revenues are needed in FY 2018 and beyond to support the projected expenditures and keep the fund balance inside of the Board's desired target of 13% to 15%.

Budget Projection-General Fund FY 2017- FY 2021 (\$ in millions)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Expenditures:					
Salaries	123.4	128.3	133.0	137.1	141.7
Benefits	45.0	46.2	48.0	50.1	51.9
New Students	1.1	1.1	1.1	1.1	1.1
Supplies	12.5	12.7	12.8	13.0	13.1
Repairs and Renewals	28.8	29.4	29.7	30.3	30.9
Charter School Allocation	4.7	4.8	4.8	4.9	4.9
Total Expenditures	215.5	222.5	229.4	236.4	243.5
Increase/(Decrease)	5.9%	3.3%	3.1%	3.0%	3.0%
Revenues:					
Taxes	131.6	133.0	134.3	135.6	137.0
Additional Revenue Needed*	0.0	6.0	9.0	14.0	20.0
Other Local Revenue	1.5	1.5	1.5	1.5	1.5
State	77.3	77.9	78.6	79.3	80.0
Federal	0.9	0.9	0.9	0.9	0.9
Total Revenues	211.3	219.3	224.3	231.3	239.4
Other Financing Sources					
Transfers from Special Revenue	5	5	5	5	5
Transfers from Other Funds	0.5	0.5	0.5	0.5	0.5
Total Other Financing Sources (Uses)	5.5	5.5	5.5	5.5	5.5
Total Revenue and Other Financing Sources	216.8	224.8	229.8	236.8	244.9
Surplus/Deficit	1.3	2.3	0.4	0.4	1.4
Projected Fund Balance	29.4	31.7	32.0	32.4	33.9
Projected Fund Balance as % of Next Year Expenditures	13.2%	13.8%	13.5%	13.3%	13.8%

* revenue needed to maintain fund balance to comply with Board policy

The Challenges Ahead

- **Continuing Instructional Momentum** - Sustaining the progress made in the last few years with existing resources.
- **Student Growth and Diversity** - Enrollment continues to climb, as does the number of students in poverty and students with limited English proficiency. There has been a 400+% increase in ESOL (English for Speakers of Other Languages) since 2006.
- **Unfunded Mandates** – There are many unfunded mandates that school districts are required by law to implement, each requiring a variety of additional resources. The School District will continue to comply with mandates, while seeking additional funding to support them.
- **Teacher Recruitment and Retention** – Strong focus will be placed on recruiting and retaining highly qualified teachers. Over 200 teachers (13%) are currently eligible for retirement. Raising teacher salaries will be increasingly important over the coming years and continue to be a priority during budget preparation.
- **Fund Balance Reserves** - The Board recognizes the importance of maintaining the fund balance at a level that provides financial stability for the District in the event of a catastrophic occurrence. A healthy fund balance also helps to keep interest costs low when borrowing for capital renewal and improvement needs.
- **Facilities Maintenance** - Appropriately funding capital projects to prevent the accumulation of deferred maintenance costs.

Board Policies

The Board fund balance policy requirements are the guide for long-term financing planning. This policy states that the General Fund maintains a desired target of an unassigned fund balance of 13 to 15% of next year's expenditures. It is crucial to regularly update the District's long-range financial plans to meet this directive.

Board policy requires that budget projections are updated each year, used as a starting point for discussion and planning, and revised each year to reflect trends and factors affecting enrollment numbers. The policy requires three to five years of historical information, as well as three to five years of projections. In addition, Board policy requires an annual updated five-year capital and debt plan. Typically these projections are revised more frequently than on an annual basis to monitor the District's borrowing capacity and financial stability.

Budget Contacts

Individuals who have questions regarding this budget document may contact:

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Conclusion

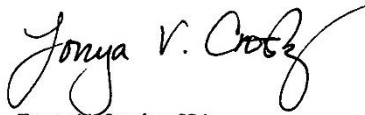
We appreciate the support provided by the Board, community, and staff needed to develop the FY 2017 budget. Despite the many challenges facing the School District, this budget utilizes the resources we are allocated in a manner that produces the biggest gains in achievement for the students of Beaufort County. Our District has seen significant gains in student achievement in the past few years, and we intend to maintain that momentum.

This budget allows our School District to maintain our reserves at an acceptable level, one which is essential to our bond rating and ultimately saves money for taxpayers. More importantly, it is prepared with a focus on putting children at the center of all decision making.

Respectfully,



Phyllis S. White, CPA
Chief Finance and Operations Officer



Tonya V. Crosby, CPA
Financial Services Officer

ORDINANCE NO. 2016 / 17

FY 2016-2017 BEAUFORT COUNTY SCHOOL DISTRICT BUDGET

An Ordinance to provide for the levy of tax for school purposes for Beaufort County for the fiscal year beginning July 1, 2016 and ending June 30, 2017, and to make appropriations for said purposes.

BE IT ORDAINED BY COUNTY COUNCIL OF BEAUFORT COUNTY:

SECTION 1. TAX LEVY

The County Council of Beaufort County hereby appropriates the funds as detailed in Sections 3 and 4 of this Ordinance and establishes the millage rates as detailed in Section 2 of this Ordinance.

SECTION 2. MILLAGE

In Fiscal Year 2016-2017 and in accordance with the laws of South Carolina, the County Auditor is hereby authorized and directed to levy a tax on the following mills on the dollar of assessed value of property within the County.

School Operations	111.50
School Bond Debt Service (Principal and Interest)	31.71

The values listed above, in accordance with Section 6-1-320(A)(2) of the *Code of Laws of South Carolina*, 1976, as amended.

	Prior Year Millage	% Average CPI	% Population Growth	Allowable Annual % Increase of Millage Rate	Millage Bank Used	Millage Bank Balance
2014	97.45	2.07%	2.21%	4.28%	-2.47%	1.81%
2015	103.5	1.46%	2.27%	3.73%	-3.73%	1.81%
2016	103.5	1.62%	2.50%	4.12%	0.00%	5.93%

These taxes shall be collected by the County Treasurer, as provided by law, and distributed in accordance with the provisions of this Ordinance and subsequent appropriations as may be hereafter passed by the County Council of Beaufort County.

SECTION 3. SCHOOL OPERATIONS APPROPRIATION

An amount of \$216,782,976 is hereby appropriated to the Beaufort County Board of Education to fund school operations and \$1,330,981 to be allocated to the general fund balance. This appropriation is to be spent in accordance with the school budget approved by the County Council of Beaufort County, and will be funded from the following revenue sources:

- A. \$131,662,584 to be derived from tax collections;
- B. \$ 77,261,805 to be derived from State revenues;
- C. \$ 900,000 to be derived from Federal revenues;
- D. \$ 1,493,500 to be derived from other local sources; and
- E. \$ 5,465,087 to be derived from inter-fund transfers.

The Beaufort County Board of Education is responsible for ensuring that the school expenditures do not exceed those amounts herein appropriated without first receiving the approval of a supplemental appropriation from County Council.

SECTION 4. BUDGETARY ACCOUNT BREAKOUT

The line-item budgets submitted by the Beaufort County Board of Education under separate cover for FY 2016-2017 are incorporated herein by reference and shall be part and parcel of this Ordinance.

SECTION 5. OUTSTANDING BALANCE APPROPRIATION

The balance remaining in each fund at the close of the prior fiscal year, where a reserve is not required by State or Federal law, is hereby transferred to the appropriate category of Fund Balance of that fund.

SECTION 6. TRANSFERS VALIDATED

All duly authorized transfers of funds heretofore made from one account to another, or from one fund to another during Fiscal Year 2017 are hereby approved.

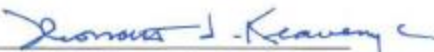
SECTION 7. EFFECTIVE DATE

This Ordinance shall be effective July 1, 2016. Approved and adopted on third and final reading this 27th day of June, 2016.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: 
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:


Thomas J. Keaveny, II, County Attorney

ATTEST:


Suzanne M. Rainey, Clerk to Council

First Reading: May 23, 2016

Second Reading: June 13, 2016

Public Hearings: May 23, 2016 and June 13, 2016

Third and Final Reading: June 27, 2016

Chronology

- Third and final reading occurred on June 13, 2016 / Vote 8:3
- Public hearing 2 of 2 occurred June 13, 2016
- Second reading occurred June 13, 2016 / Vote 8:2
- Public hearing 1 of 2 occurred May 23, 2016
- First reading occurred May 23, 2016 / Vote 10:1
- Finance Committee discussion and recommendation to approve FY 2016-2017 budget proposal on first reading. Approval occurred on May 16, 2016 / Vote 5:2
- First reading, by title only, was postponed on May 9, 2016 until the May 23, 2016 meeting / Vote 6:4:1
- Finance Committee discussion occurred April 18, 2016

Beaufort County School District Strategic Plan

In the spring of 2014, the Board of Education approved a new strategic plan for the next five years. The first stage of the process featured two days of discussions among a steering committee of 67 members representing a cross-section of our schools and community. This group agreed on the school district's mission, vision and core beliefs, and also agreed to align the new strategic plan's goals and objectives with five quality standards:

- Purpose and Direction
- Teaching and Assessing for Learning
- Using Results for Continuous Improvement
- Governance and Leadership
- Resources and Support Systems

The next step was the work of five Action Teams, with each team assigned to develop specific goals and strategies for one of the five quality standards listed above. Action Teams included educators, parents, students, business leaders and community members. When these five teams completed their work, the community at large was able to review their reports and send comments to the Strategic Plan Steering Committee. Then, with the public's feedback in hand, the Steering Committee reconvened to review the five Action Teams' recommendations and request revisions. Those revised Action Team reports went to the Board of Education and were approved on January 7, 2014. The final plan was sent to the South Carolina Department of Education in April 2014. The plan is updated annually by the Action Teams.

Goal

The goal is to become the best school district in South Carolina and the nation – one that produces capable, skilled and creative graduates who can become productive citizens who succeed and thrive in the global marketplace.

Mission

The Beaufort County School District, through a personalized learning approach, will prepare graduates who compete and succeed in an ever-changing global society and career marketplace.

Vision

The district will work with families and our diverse community to ensure that students perform at an internationally competitive level in a learning environment that is safe, nurturing and engaging.



Core beliefs

- Every student can learn using his or her valuable and unique talents and skills.
- Learning takes place when the physical, emotional, social and intellectual well-being of all students is assured at every level and during every transition.
- High expectations of the school community positively impact student success.
- Early childhood learning experiences form the foundation of future school success.
- Students learn best when they are engaged and provided with opportunities for problem solving and active participation.
- All students are entitled to learning experiences so that they can develop the competent and confident skills and knowledge needed to become successful and productive citizens.
- Investment, involvement and connection of all members of the school community are essential to a student's success.
- Frequent informal and formal assessment aligned to clearly defined learning objectives will provide improved student achievement.
- The collection, analysis and use of data from a variety of sources are critical to making decisions.
- Students should be prepared to compete and contribute in a changing global and multilingual society.

**2014-2019 Strategic Plan
Beaufort County School District
Last Updated 2014**



Purpose and Direction

ACTION TEAM WORK PROCESSES

COMMUNITY	Indicator 1: Engage in a comprehensive process to review, revise and communicate that our purpose is to create student success.	
	1.1.1	Host cluster School Improvement Council meetings.
	1.1.2	Host an annual district-wide School Improvement Council meeting.
	1.1.3	Host Board of Education community meetings.
	Indicator 2: Foster collaboration with community stakeholders and use their knowledge, skills and resources to support student learning.	
	1.2.1	Actively recruit volunteers within the community.
	1.2.2	Advertise volunteer opportunities and resources.
	1.2.3	Identify a person within each school to serve as volunteer coordinator.
	1.2.4	Develop relationships with business partners.
	1.2.5	Streamline the approval process for volunteers and reduce waiting periods.
	Indicator 3: Use system-wide strategies to listen to and communicate with stakeholders.	
	1.3.1	Develop forthright, genuine relationships with public opinion influencers.
	1.3.2	Hold Board of Education meetings in clusters through a rotating schedule.
	1.3.3	Host twice-yearly "Superintendent town hall meetings" in each high school attendance area.
	1.3.4	Establish and publicize a speakers bureau available to service organizations.
	1.3.5	Build confidence among stakeholders that a capable leadership team is in place.
STUDENTS & STAFF	Indicator 4: Communicate expectations and results for student learning and goals for improvement to all stakeholders.	
	1.4.1	Use a variety of methods to disseminate information to parents and stakeholders.
	1.4.2	Share best-practice strategies among schools for using newsletters.
	1.4.3	Establish top five objectives for the district and set measurables for evaluating success or failure.
	Indicator 5: Commit to a student- centered culture based on shared values and beliefs regarding teaching and learning; support challenging, equitable educational programs and learning experiences for all students. Each school will develop a shared set of values and beliefs and build a climate and culture that supports the district's mission and vision.	
	1.5.1	Student leaders share information, expectations, values and beliefs regarding teaching and learning with their peers.
	1.5.2	Student leaders meet with administrative teams (district-level administrative staff) to share values and receive district-wide information to share with their peers.
	1.5.3	Include classified and certified staff in the sharing process.
	1.5.4	Address students' overall sense of well-being – physical, social and emotional.

Resources and Support Systems

ACTION TEAM WORK PROCESSES

HUMAN RESOURCES	Indicator 1: Recruit, employ and mentor qualified professional staff capable of fulfilling assigned roles and responsibilities.	
	2.1.1	Investigate and balance staff benefit packages by comparing to local, regional and national packages.
	2.1.2	Develop or adopt programs and practices to improve the performance and retention rates of highly qualified staff.
	2.1.3	Improve five-year staff retention rates.

HUMAN RESOURCES	Indicator 2: Assign professional staff responsibilities based on their qualifications (i.e., professional preparation, ability, knowledge and experience).	
	2.2.1	Maintain equitable staff experience levels at the individual school level throughout the district.
	Indicator 3: Ensure that all staff participate in a continuous program of professional development.	
	2.3.1	Align professional development with goals for student achievement, individual staff needs and published teacher evaluation standards.
	2.3.2	Establish an ongoing system of tracking, monitoring, assessing and analyzing the effectiveness of professional development programs.
	2.3.3	Create a supportive and fulfilling work environment with conditions that support professional development time.
	Indicator 4: Provide and assign sufficient staff to meet the vision and purpose of each school.	
	2.4.1	Monitor staff-student ratios at individual schools and compare to changes in student achievement. Adjust ratios as needed to improve student achievement.



RESOURCES

Indicator 5: Budget sufficient resources to support educational programs and to implement plans for improvement.

2.5.1	Ensure that funds/resources support programs that are state and federally mandated as well as programs that current research have demonstrated to be effective in fostering student achievement and engagement.
2.5.2	Develop a long-range programming plan, including funding sources, to use in developing all new programming.

Indicator 6: Monitor all financial transactions through a recognized, regularly audited accounting system.

2.6.1	Maintain qualified employees on staff with professional certifications.
2.6.2	Utilize in-house and independent accounting professionals to develop regular reports with a focus on transparency.

Indicator 7: Equitably maintain the district's sites, facilities, services and equipment to provide an environment that is safe and orderly for all occupants.

2.7.1	Develop, establish and maintain short- and long-term planning processes for facilities construction, energy use, and technology systems and their maintenance.
2.7.2	Balance decisions based on facilities, capital resources and instructional programming needs.

I.T. & SECURITY

Indicator 8: Provide a technology infrastructure that supports schools' teaching, learning and operational needs.

2.8.1	Provide technology equipment to students on an equitable basis.
2.8.2	Train teachers on technology equipment, software and applications available in the classroom.
2.8.3	Provide resources needed to maintain existing technology equipment.

Indicator 9: Develop and keep current a written security and crisis management plan with appropriate training for stakeholders.

2.9.1	Regularly review existing plans, equipment and security measures with in-house staff and independent personnel trained in law enforcement.
2.9.2	Update and maintain relationships with local emergency management services.
2.9.3	Conduct ongoing training and monitoring of staff in emergency management procedures.

NEEDS & GUIDANCE

Indicator 10: Ensure that each student has access to guidance services that include, but are not limited to, counseling, appraisal, mentoring, staff consulting, referral and educational and career planning.

2.10.1	Base guidance services' procedures and staff-student ratios on state and nationally recognized standards.
2.10.2	Involve guidance services in classroom instruction to address differences in culture, values and lifestyles.
2.10.3	Educate parents, school staff and students about guidance services and outside resources.
2.10.4	Monitor parent, school staff, student and guidance counselor satisfaction with guidance services and administration.
2.10.5	Establish meeting student needs for guidance services as the primary mission. Other functions, such as administration and testing services, shall be addressed only after students' guidance services needs have been met.

Indicator 11: Provide appropriate support for students with special needs.

2.11.1	Improve special needs graduation rates with a focus on job readiness and other post-secondary opportunities.
2.11.2	Support programs to identify students with special needs, and expand opportunities for special education students
2.11.3	Educate parents, school staff and students about services available for special needs students, including gifted and talented, and the criteria to access those services.
2.11.4	Monitor parent, school staff and student satisfaction levels with services for students with special needs.
2.11.5	Ensure appropriate training for staff who work with special needs students, including gifted and talented.

NEEDS & GUIDANCE

Indicator 12: Provide services that support the counseling, assessment, referral, educational and career planning needs of all students.

2.12.1	Annually update individual graduation plans for all students in grades 8-12.
2.12.2	Increase the percentage of students graduating from high school "on time" in four years.
2.12.3	Begin career planning in middle school.
2.12.4	Develop programs that allow teachers to merge student career plans into instruction.
2.12.5	Annually decrease the percentage of students receiving in-school suspension, out-of-school suspension and expulsion.

Teaching and Assessing for Student Learning

TEACHING	Indicator 1: Provide equitable and challenging learning experiences that ensure all students have sufficient opportunities to develop learning, thinking and life skills that lead to success at the next level.	
	3.1.1	Ensure that the curriculum in each grade level or course provides students with the opportunity to develop knowledge, thinking and life skills so that they may be successful at the next level.
	Indicator 2: Promote active engagement of students in the learning process, including opportunities for them to apply higher-order thinking skills.	
	3.2.1	Ensure the implementation and application of instructional practices that require active student engagement and higher-order thinking.
	Indicator 3: Allocate and protect instructional time to support student learning.	
	3.3.1	Ensure that district-wide procedures are in place to maximize instructional time.
	Indicator 4: Provide for articulation and alignment among all levels of schools.	
	3.4.1	Implement rigorous, organized PK-12 curricula consistently across all grade levels and courses to meet the needs of all learners. Curricula will appropriately support personalized student transitions across grade levels and school sites.
	Indicator 5: Implement interventions to help students meet expectations for student learning.	
	3.5.1	Anticipate, design and employ interventions that support student academic growth and development and that address the needs of learners at all ability levels.
	Indicator 6: Provide comprehensive information and media services that support the curricular and instructional programs.	
	3.6.1	Integrate, align and support information and media services across all grade levels, and which support courses that prepare 21st Century learners for a global society and career marketplace.
	Indicator 7: Ensure that all students and staff members have regular and ready access to instructional technology and a comprehensive collection of materials that supports the curricular and instructional program.	
	3.7.1	Ensure instructional and technological resources are current, accessible and replenished in alignment with required curricular and instructional programs.
	Indicator 8: Teachers will participate in collaborative learning communities and other professional learning to improve instruction and student learning.	
	3.8.1	Establish professional learning communities within schools and across grade levels and courses to ensure teacher collaboration to increase student achievement.

TEACHING	Indicator 9: Teachers will implement schools' Instructional processes in support of student learning.	
	3.9.1	Ensure the use of research-based teaching and learning strategies to engage PK-12 students in rigorous and relevant learning.
	Indicator 10: Ensure that mentoring, coaching and induction programs support instructional improvement consistent with schools' values and beliefs about teaching and learning.	
	3.10.1	Implement coaching, mentoring and induction programs that consistently support quality instruction that is aligned with schools' values and beliefs about teaching and learning.
	Indicator 11: Engage families in meaningful ways in their children's educations and keep them informed of their children's learning progress.	
	3.11.1	Regularly communicate with families regarding their children's learning. Provide meaningful opportunities for families to participate actively in their children's educations.
ASSESSING	Indicator 12: Gather, analyze and use data and research in making curricular and instructional choices.	
	3.12.1	Establish a systematic, collaborative process to ensure that teachers have opportunities to analyze and use student assessment data to inform instructional and curricular decisions.
	Indicator 13: Monitor school climate and take appropriate steps to ensure that it is conducive to student learning.	
	3.13.1	Ensure an environment that supports the academic, physical, social, emotional and cultural safety of all students that allows learners to maximize their potential.
	Indicator 14: Monitor and adjust curriculum, instruction and assessment systematically in response to data from multiple assessments of student learning and examinations of professional practice.	
	3.14.1	Regularly review curriculum, instruction and assessment with the expectation that modifications will be based on best practices and multiple sources of data.
	Indicator 15: School leaders will monitor and support the improvement of instructional practices to ensure student success.	
	3.15.1	Ensure best practices in instruction to positively impact student achievement.
	Indicator 16: Ensure grading and reporting practices on clearly defined criteria that represent the attainment of content knowledge and skills and that are consistent across grade levels and courses.	
	3.16.1	Establish and maintain consistent grading and reporting practices across grade levels and courses that reflect clearly defined criteria and the attainment of content knowledge and skills.

Documenting and Using Results for Continuous Improvement

ACTION TEAM WORK PROCESSES

ASSESSMENTS & MEASUREMENTS	Indicator 1: Establish performance measures for student learning that yield information that is reliable, valid and free of bias.	
	4.1.1	Use PASS, MAP, EOC, on-time high school graduation rate, HSAP, Lexile Levels, ACT/SAT and ESEA Waiver Scores – all of which are reliable, valid and free of bias – to monitor student achievement.
	4.1.2	Develop data teams to analyze data at district, cluster and school levels to identify strengths, weaknesses and action plans.
	4.1.3	Analyze performance measures and growth measures together, with consideration given to the performance of student demographic categories within schools.
	Indicator 2: Develop and implement a comprehensive assessment system for assessing progress toward meeting expectations for student learning.	
	4.2.1	Continue to administer MAP testing.
	4.2.2	Administer South Carolina's state standards assessments.
	4.2.3	Continue to administer a district-wide technology proficiency assessment.
	4.2.4	Develop and Implement school-wide common assessments (benchmarks) in science, social studies and writing.
	Indicator 3: Use student assessment data to improve teaching and learning processes. Survey teachers to determine needs to assessments and academic audits.	
	4.3.1	Survey teachers to determine their needs for professional development related to understanding and using data and academic audits.
	4.3.2	Use survey results to provide professional development that helps classroom teachers understand and use assessment data.
	4.3.3	Ensure that instructional coaches or other designees (i.e., district subject coordinators) meet with teachers on a regular basis to discuss assessment data and its use for driving instruction.
	4.3.4	Use multiple sources of data to make accurate and effective decisions on instruction.



ANALYSIS & DISSEMINATION

Indicator 4: Conduct a systematic analysis of instructional and organizational effectiveness and use the results to improve student performance.

4.4.1	Use student assessment data to evaluate instructional and organizational effectiveness.
4.4.2	Document community involvement, including parents, businesses, and faith-based, charitable and civic organizations.
4.4.3	Evaluate the effectiveness of community involvement quantitatively and qualitatively.

Indicator 5: Communicate and explain the results of student performance and school effectiveness to all stakeholders in a timely manner.

4.5.1	Continue to produce an annual "Community Report" that details academic performance, financial efficiencies, budgetary challenges and student demographics. Make reports available in multiple languages.
4.5.2	Continue to develop annual informational brochures for each school in the district containing pertinent information, including student testing performance, to be available in multiple languages.
4.5.3	Hold informational meetings for parents and other stakeholders to discuss the results and meaning of student performance on standardized tests.

Indicator 6: Use expanded comparison and trend data of student performance from comparable schools in evaluating effectiveness.

4.6.1	Use PASS, MAP, EOC, on-time high school graduation rates, HSAP, Lexile Levels, ACT/SAT, and ESEA waiver scores to compare changes in school performance locally, statewide and nationally.
4.6.2	Compare South Carolina schools and districts using performance and growth measures, together with comparison of student demographic categories within schools.
4.6.3	Upon implementation of South Carolina's state standards assessments, compare local data with schools and districts similar to ours.

Indicator 7: Demonstrate verifiable growth in student performance using formal and informal assessments.

4.7.1	Maintain current formal assessments through the use of MAP, PASS and writing benchmarks.
4.7.2	Develop a district-wide database of common formative assessments by grade level and subject area.

Indicator 8: Maintain a secure, accurate and complete student records system in accordance with state and federal regulations.

4.8.1	Continue to use the current records management systems of PowerSchool and Testview.
4.8.2	Establish a process of accountability for student data management.
4.8.3	Ensure that data is entered correctly and in a timely manner.

Governance and Leadership

ACTION TEAM WORK PROCESSES

BOARD OF EDUCATION	Indicator 1: The Board of Education will establish policies and support practices that ensure effective administration of the district.	
	5.1.1	Develop written policies that ensure a balance between proper controls and effective support of staff to ensure accountability for student and staff performance.
	Indicator 2: The Board of Education will operate responsibly and function effectively.	
	5.2.1	Maintain internal oversight, authorization and ethical leadership controls to ensure that services are provided effectively and assets safeguarded.
	5.2.2	Structure policy approval process so that each board member must carefully review and understand the controls, policies and procedures presented for ratification to ensure accountability for student and staff performance.
	5.2.3	Establish at least one annual professional development for Board members to enhance their abilities to advocate for students.
	Indicator 3: The Board of Education will ensure that district and school leaders have the autonomy to meet goals for achievement and instruction and to manage day-to-day operations effectively.	
	5.3.1	Establish clear policies that define “autonomy” for school leaders, making it clear what each level of staff is responsible for doing to improve student achievement and classroom instruction.
	5.3.2	Monitor and measure the achievement of established goals and provide the resources and support for staff to effectively manage day-to-day operations of the district and its schools to ensure accountability for district resources.
	5.3.3	Observe school environments through annual visits to all schools by all Board members so that they can make informed, student-centered decisions.
BOARD OF EDUCATION	Indicator 4: The Board of Education will conduct itself in a manner consistent with the district’s beliefs, purpose and direction.	
	5.4.1	Use professional ethics standards to guide Board members’ conduct to achieve a unity of purpose and ensure a quality education to each student.
	5.4.2	Create a positive organizational culture by working with the Superintendent and working together to adhere to the district’s mission, vision and core beliefs to enhance student learning.
	Indicator 5: Board of Education will advocate for the development and support of adequate financial resources.	
	5.5.1	Align instructional initiatives, budgets and other district and school plans with one another and support the Strategic Plan and Board policies to improve student achievement.
	5.5.2	Establish policies that drive efficiency and effectiveness to improve district office functions to better support schools.
	5.5.3	Seek alternative sources of funding and grants to supplement classroom needs.
	5.5.4	Advocate with legislators to develop sound education policies that benefit student learning.

LEADERSHIP & STAFF

Indicator 6: Leadership and staff will foster a culture consistent with the district's beliefs, mission and vision.	
5.6.1	Use communication links to parents and stakeholders to support individual academic growth of students.
5.6.2	Promote involvement by the community to create a culture of support for schools.
Indicator 7: Leadership and staff will engage stakeholders effectively in support of the district's mission and vision.	
5.7.1	Provide opportunities for stakeholders to volunteer, give feedback and contribute to schools to provide a sense of investment in the schools and community.
5.7.2	Foster and increase business partnerships, advisory councils and forums to assist with practical student learning inside and outside the classroom.
Indicator 8: Leadership and staff will establish supervision and evaluation processes that result in improved professional practice and student success.	
5.8.1	Research and provide professional development to improve professional practice and student success.
5.8.2	Use ongoing teacher evaluation processes to measure classroom effectiveness.
Indicator 9: Leadership and staff will ensure compliance with applicable local, state and federal laws, policies and regulations.	
5.9.1	Designate specific offices responsible for informing the Board and staff of changes in statutes and regulations, and for assisting with appropriate inspections to ensure compliance.
5.9.2	Maintain a dedicated phone line and/or email address to ensure that non-compliance will be investigated.

LEADERSHIP & STAFF

Indicator 10: Leadership and staff will employ a system provides accurate analysis and thorough review of student performance and school effectiveness.	
5.10.1	Provide a system for accurate analysis and review of student performance and school effectiveness that is guided by sound policies and practices.
5.10.2	Use uniform guidelines and standards that support student achievement goals and ensure consistent measurement.
5.10.3	Provide a balance between structure and flexibility that acknowledges and addresses the variety of ways in which students learn.
5.10.4	Improve student academic performance and educator effectiveness.
5.10.5	Use technology to help students reach their academic goals and prepare them for a technology-rich future.
Indicator 11: Leadership and staff will provide teachers and students with opportunities to lead.	
5.11.1	Develop opportunities for teachers to assume shared and distributed leadership roles to provide personal development and assist with student development.
5.11.2	Encourage and foster professional growth to prepare staff and students for future roles beyond the school district.
5.11.3	Encourage students to develop authentic and meaningful leadership roles in order to prepare them for college and/or careers after graduation.

LEADERSHIP & STAFF

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Accomplishments

Beaufort County School District – Improved school accountability ratings, increased high school graduation rates and the completion of a new high school are among the 2016 highlights for the Beaufort County School District.

Academic Highlights for 2016:

- National publications rank two district high schools among South Carolina’s best. Hilton Head Island High ranked No. 5 in South Carolina by U.S. News and World Report, and Bluffton High ranked No. 7. In addition, Hilton Head Island High ranked No. 6 in South Carolina and Bluffton High No. 12 in The Washington Post’s annual listing of “America’s Most Challenging High Schools.”
- The district earned a renewal of its national accreditation from AdvancED, a nonprofit organization that reviews school systems around the world. The AdvancED review places BCSD in the Top 10 among South Carolina schools and the Top 10 in the AdvancED network, which includes international rankings. All four district schools that applied for specialized STEM (Science, Technology, Engineering and Mathematics) certification were able to earn it.
- Five years ago, 69 percent of Beaufort County high school students graduated “on time” in four years. Today, the district’s graduation rate is 83 percent.
- The number of students enrolled in AP (Advanced Placement) classes increased over 4% from last year to this year.
- The number of dual enrollment students increased over 16% and the number of courses 11% from last year to this year.
- Beaufort County students outperformed the state in the percentage of students meeting the ACT Readiness Benchmark in all subject areas. Beaufort County was one of only eight districts testing more than 1,000 students to outperform the state in all four tested subjects.

Operational Highlights for 2016

- Despite the addition of a million square feet:
 - a. Energy use has been reduced from 54 million kilowatt-hours in 2006 to 42 million kilowatt-hours in 2015.
 - b. Water use has been reduced from 58.1 million gallons in 2006 to 46.9 million gallons in 2015.
- Over the past 16 years, the district has not had a negative finding in any of its annual independent audits.
- The Beaufort County School District has received bond ratings of Aa1 from Moody’s and AA from Standard & Poor’s.

- According to Moody's Investor's Service, "The district's financial position will remain sound given management's conservative budgeting practices, which include 10-year forecasting, targeted fund balance levels, and the prudent use of General Fund balance for one-time expenditures."
- For the 26th consecutive year, the District received national distinction by the Government Finance Officers Association for the Certificate of Achievement for Excellence in Financial Reporting. The GFOA certificate is the highest form of recognition in government accounting.
- The Beaufort County School District Finance Department earned for the ninth consecutive year national distinction by the Government Finance Officers Association for the submission of the FY 2015-2016 budget document. The award recognizes the commitment of the governing body and staff to meet the highest principles of governmental budgeting.

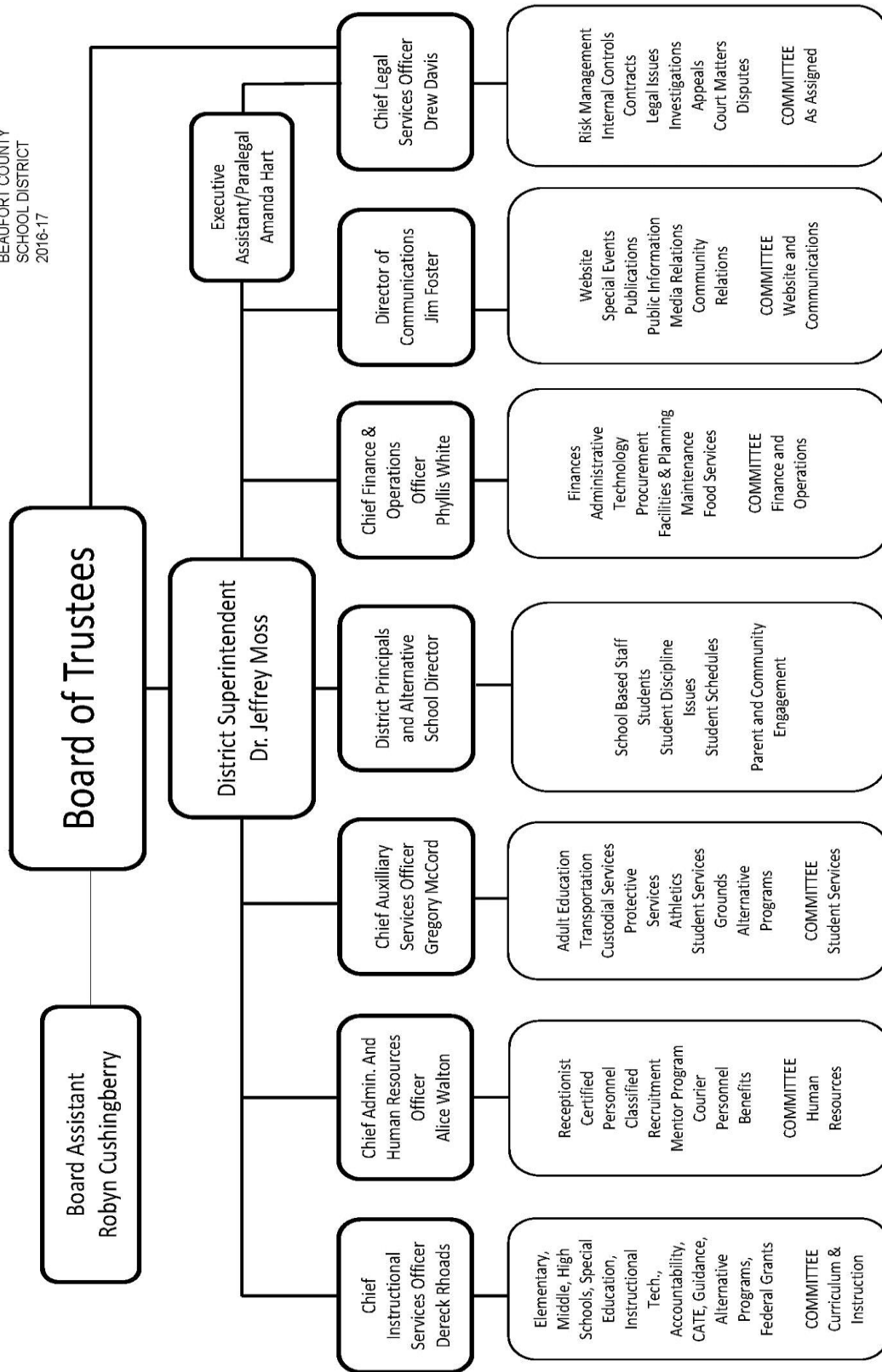
For the Future

- All district schools are now "schools of choice," meaning that parents can apply to send their children to any academic program at any school in the district, regardless of where they live. For the 2015-16 school year, more than 2,900 children were approved for enrollment in programs outside their zoned attendance areas.
- Connect2Learn has put a mobile computer in the hands of every student in grades 3-12. Middle and high school students can take their computers home to continue their learning outside school, giving them access to programs, files and schoolwork.
- We are dramatically expanding our career and technology courses designed to prepare students for high-paying jobs and industry certifications in rapidly emerging fields. New facilities with cutting-edge equipment are available at Battery Creek High, Hilton Head Island High and will soon be available at May River High.



Financial Section





FUNDING BY PROGRAM	General Fund	Special Revenue Fund	Education Improvement Act	Debt Service Fund	School Building Fund	Internal Service Fund	School Food Service	Pupil Activity Fund
INSTRUCTIONAL PROGRAMS								
Kindergarten Programs	X	X	X					
Primary Programs	X	X	X			X		
Elementary Programs	X	X	X					
High School Programs	X	X	X			X		
Vocational Programs	X	X	X					
Drivers Education Programs	X		X					
Montessori Programs	X		X					
Special Education Prog.	X	X	X			X		
Preschool Special Ed. Prog.	X	X	X					
Early Childhood Programs	X	X	X					
Gifted & Talented-Academic	X		X					
International Baccalaureate	X							
Homebound	X							
Gifted & Talented-Artistic	X							
Other Special Programs		X						
Limited English Proficiency	X							
Primary Summer School		X	X					
Elementary/High Summer School			X					
Instr Prog Beyond Reg School Day	X	X						
Adult Education Programs		X	X					
Parenting Instruction	X	X	X					
Instructional Pupil Activity	X							X
SUPPORT SERVICES								
Attendance & Social Work	X	X						
Guidance	X	X	X					
Health Services	X	X						
Psychological	X							
Career Specialist		X						
Improvement of Instruction	X	X	X					
Media Services	X	X	X					
Superv. Special Projs.	X	X	X					
Staff Development	X	X	X					
Board of Education	X							
Office of Superint.	X							
School Administration	X							
Fiscal Services	X							
Facilities and Construction	X				X			
Maintenance & Oper.	X	X				X		
Transportation	X	X	X					
Food Service	X	X					X	
School Safety	X							
Data Services	X							
Information Services	X	X						
Staff Services	X							
Technology	X		X					
Supporting Pupil Activ.	X	X						X
TOTAL COMMUNITY SERVICES		X						
TOTAL DEBT SERVICES	X			X				
TOTAL INTERGOVERNMENTAL	X	X					X	

Of the major funding sources for the FY 2017 budget, the General Funds makes up 64.1% of the budget. Instructional programs are also largely supported by Special Revenue Funds and Funding from the Education Improvement Act.

Summary of Accounting Policies

Board Policies and Monitoring

Beaufort County Board of Education adopted a governing process in May of 2008 and updated it in 2016. The Board established an updated strategic plan in the spring of 2014 establishing goals for the next five years. The Strategic Governance Policy as it stands today allows the Board to:

- Manage the District's affairs on a cost effective basis,
- Authorize the Superintendent to serve as the educational and administrative leader of the District,
- Empower District employees to perform their jobs effectively and grow their personal competence, and
- Support each learner in developing his/her potential by providing an excellent education in a safe and nurturing learning environment.

The Board not only established certain commitments and responsibilities for the governing body, but it also adopted performance expectations (PE) that are reasonable for District staff to achieve. These PE's were recently updated to better align to the strategic plan and Board policies. With the completion of the updated strategic plan, these performance expectations are reviewed annually by the Board and Senior Management to directly correlate with the District's vision, mission and the five quality standards.

- Purpose and Direction
- Governance and Leadership
- Teaching and Assessing for Learning
- Resources and Support Systems
- Documenting and Using Results for Continuous Improvement

Reporting Entity

The School Board members are elected by the public, have decision making authority, and the ability to significantly influence the operation of the school district. The Board is responsible for approving the annual operating budget, debt and capital budget.

The School District is not fiscally independent; therefore the Beaufort County Government acts in a fiduciary capacity by levying and collecting school taxes. Therefore, the annual operating budget must be approved by two governing bodies, the Board of Education and the Beaufort County Council.

Two of the School District's funds are appropriated, the General Fund and the Debt Service Fund. The Beaufort County Council has the authority to create the budget ordinance. The ordinance, as presented in the Introductory Section of this document, specifies revenue sources that will generate the funds needed to support the appropriation amount. Millage levies for both funds are stated in this document.

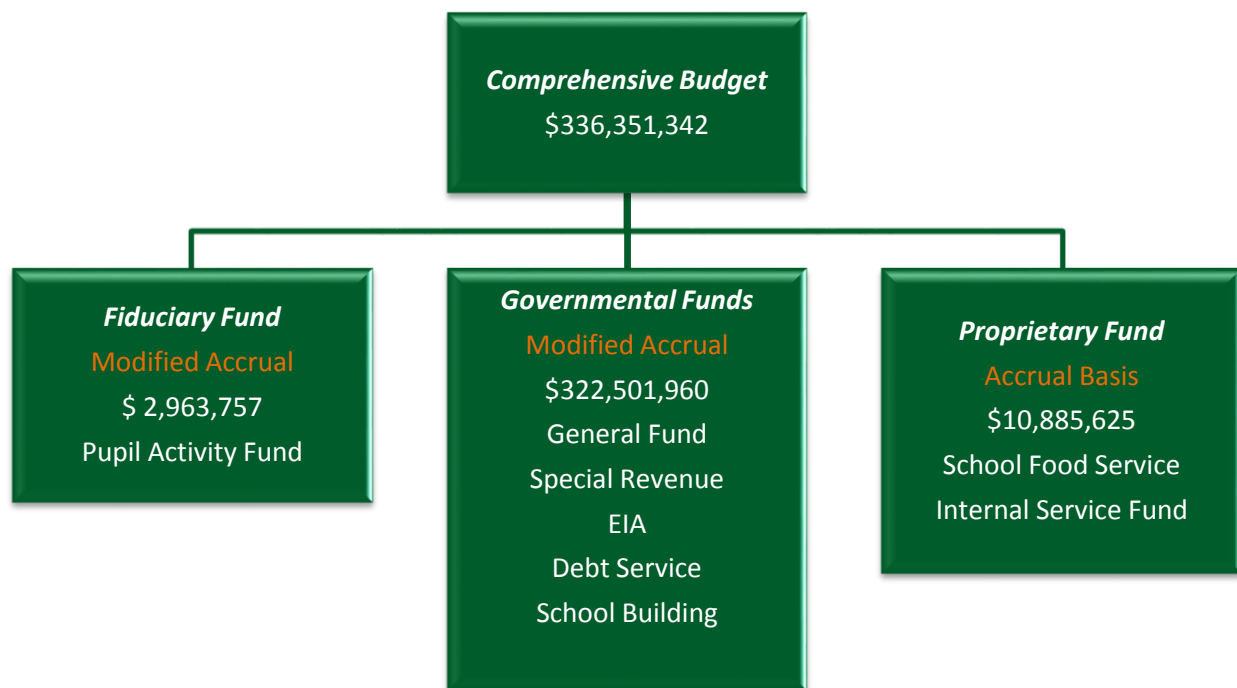
Basis of Accounting

Basis of accounting refers to the timing of recognition of revenues and expenditures or expenses in the accounts and in the financial statements when transactions are recorded in the financial statements. The basis of accounting used depends on the type of financial statements being prepared.

Beaufort County School District uses the budgetary basis of accounting in the preparation of its budget. It is important to readers of both the budget document and the School District's Comprehensive Annual Financial Report (CAFR) to understand the differences between the two documents in order for them to make more informed decisions for the benefit of the students. Budgetary basis refers to the basis of accounting used to estimate financial sources and uses in the budget.

For purposes of financial reporting, the District follows generally accepted accounting principles (GAAP). Governmental agencies are required to use modified accrual accounting for governmental funds in the District's financial statements. The accrual basis of accounting is used for proprietary funds. **For purposes of this budget document, the budgetary basis of accounting and the GAAP basis of accounting are the same.**

Below is a depiction of the fund structure by basis of accounting:



The Governmental Accounting Standards Board (GASB) requires that Comprehensive Annual Financial Reports (CAFR) contain fund financial statements as well as government-wide financial statements, each requiring a different basis of accounting.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable fiduciary funds are accounted for using a current financial resources measurement focus; that is, only current assets and current liabilities generally are included on the balance sheets. Operating statements of these funds present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current position.

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Proprietary type fund operating statements present increases (revenues) and decreases (expenses) in fund equity (net position).

Modified Accrual Basis of Accounting

The modified accrual basis of accounting is followed for all governmental type funds and fiduciary funds of the school district. Revenues are recognized in the accounting period in which they become susceptible to accrual that is both measurable (the amount of the transaction can be determined) and available (the amount is collectible within the current period or soon thereafter). Expenditures, other than long-term debt and the long term portion of accumulated vacation pay, are recorded when the fund liability is incurred. For the School District, available means they are expected to be received within sixty days of fiscal year end.

Accrual Basis of Accounting

The accrual basis of accounting is utilized by proprietary type funds, such as school food service, and government-wide financial statements. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when goods and services are received (whether cash disbursements are made at that time or not).



Other Financial Policies

Financial policies provide the Board of Education with a foundation for decision-making. These policies act as the guidelines and parameters by which the Board of Education must conform, and the goals toward which they must strive. Following is a discussion of various financial policies established by the Beaufort County School District.

Investments

The Board recommends the utilization of financial advisors when practicable to assist in managing the Board's debt portfolio, evaluating and executing transactions, monitoring and verifying fair pricing, making investment decisions and generally representing and acting in the Board's best interests.

The Board has an ongoing fiduciary responsibility to actively manage the proceeds of debt issued for public purposes in a manner that is consistent with state statutes governing the investment of public funds. Section 6.5.10 of the S.C. Code of Laws requires the School District's investments to be fully guaranteed by United States securities. Beaufort County School District's investments are fully collateralized.

Debt Policy

The School District, in conjunction with its Financial Advisor, manages its debt in accordance with the requirements of the SC Code of Laws and Article X, Section 15(7)(a) of the South Carolina Constitution. The objectives of the District's debt management policy include:

- Maintaining cost-effective access to the capital markets through prudent policies
- Maintaining moderate debt and debt service payments with effective planning and coordination
- Meeting significant capital demands through debt financing and alternate financing mechanisms
- Achieving the highest credit ratings
- Preventing large fluctuations in millage rates throughout the life span of the debt

Capital Expenditures

Board Policy requires the Superintendent to establish a cycle of renovation and new construction that provides classroom capacity consistent with instructional programs, as well as community and neighborhood needs. The District must develop and provide annual updates of a plan that establishes priorities for construction, renovation, and maintenance projects.

Capital expenditures for referendum projects are kept within the specific projects approved in the referendum. Funds may not be transferred among the projects within a referendum and additional projects may not be added using these funds.

Capital expenditures for capital renewal projects are approved each year by the Board of Education and funded through the borrowing means commonly known as 8% funds. Issuance of these types of funds are allowable under state constitution. Groups of projects are managed as a whole, and projects cannot be added or changed. Budgets of individual projects within the year may be increased or decreased depending on availability of funds. Any funds remaining in an 8% project may be consolidated and transferred to the next year's project or to the debt service fund for reduction of principal amounts outstanding.

Procurement

The Beaufort County School District abides by the Board-adopted Procurement Code for decisions relating to the purchasing of goods and services. As a division of the South Carolina Department of Education, the School District's code must be "substantially similar" to the SC Procurement Code.

The Procurement Department, a department of the Financial Services Office, administers all solicitations for bid on District contracts, processes purchase orders and administers the Purchasing Card Program while adhering to the requirements of the Procurement Code.

Based on the Procurement policy, the Procurement Department also provides semi-annual reports to the Board regarding School District contracts with Minority and Women-Owned Business Enterprises.

Budgeting Controls

The Beaufort County School District maintains budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Council of Beaufort County. Activities of the general fund and debt service fund are included in the annual appropriated budget. The legal level of control is at the fund level. To ensure compliance, budgetary controls are established by function and activity within each individual fund. The budgets of the District may be amended during the year with the appropriate approval levels.

Balanced Budget

A **balanced budget** is a budget for which expenditures are equal to revenues. It occurs when the total sum of money a government collects in a year is equal to the amount it spends on goods and services. The 2016-2017 approved budget of the Beaufort County School District is not a balanced budget due to its projected additional revenue adding to fund balance for 2016-2017.

Budget Transfers

The Superintendent grants principals/department heads the discretion to make non-salary budget transfers at the individual school level. Requests for changes to a school/departmental budget may be made by an electronic budget transfer. Budget transfers may only occur within a fund. For example, budget transfers reducing supplies in the general fund and increasing supplies in a special revenue fund are not allowed. Budget transfers with line items exceeding \$5,000 must be approved by the Chief Finance and Operations Officer (CFOO). Only the Superintendent or the CFOO is authorized to approve transfers of salary line items in the general fund.

Periodically, the CFOO will examine budget categories and estimate the year-end status of each. Based on these estimates, the Superintendent authorizes his/her designee to make budget transfers within the major categories. Transfers outside of program functions (e.g. instructional, support, etc.) exceeding \$50,000 must be approved by the Board of Education.

Each school/department is given a copy of approved budget transfers and a copy is maintained in the Finance Office. The distribution of the school/department copy serves as notification that the transfer was posted to the general ledger.



Budget transfer requests within the capital project funds are requested in writing by the project managers. Transfers to/from the District's construction contingency accounts must be authorized by the Facilities, Planning, and Construction Officer.

Carryover Funds

The administrative staff must operate the school system within the budget established for the particular department or school. Carryover funds in General Fund accounts are not permitted.

Fund Balance

The fund balance of governmental funds is the difference between its assets and liabilities, which represents available, expendable resources. This method of accounting focuses on working capital. The Board of Education is committed to providing sound, fiscal management for the District. In 2011, the Board modified its fund balance policy to maintain an unassigned fund balance no less than 10% of the next year's budgeted expenditures with a desired target between 13-15% not to exceed 15% of annual operating expenditures for the next fiscal year.

Summary of Policies

Each of the policies indicated above serves as a basis of decision-making for the administrators and the Board of Education of the Beaufort County School District.



The Budget Process

The annual budget is the financial plan for the operation of the school system. All financial processes begin with the adoption of the fiscal year budget. The budget provides the framework for both expenditures and revenues for the year. It translates educational programs and priorities for the district into financial terms.

The District will express its financial plan through three types of budgets: the operating budget, the capital budget and the debt service budget.

Operating budget - a budget for the provision of annual resources to support general operations of the District.

Capital budget - a budget for the provision of necessary sites, buildings, major improvements and equipment.

Debt Service budget - a budget for the provision of principal and interest payments on outstanding debt.

The General Fund is the only fund appropriated by the Beaufort County Council. The millage rate for the Debt Service Fund is set based on the total revenue needed for principal and interest payments as established by the School District.

The Operating Budget

The development of the **operating budget** begins late in the calendar year with the establishment of the budget calendar and ends with the adoption of the fiscal year budget by County Council near June 30th of each year. Below is a summary of the stages of the operating budget process for Beaufort County School District:

- Establish the Budget Calendar
- Determination of Budget Priorities
- Enrollment Projection
- Non-salaried School Budgets
- Salaried Budgets and Staffing Allocations
- Department budgets - Modified Zero Base
- Presentations to the Board
- Presentations to County Council
- Public Hearings
- Adoption of the Operating Budget



Establishing the Budget Calendar

The budget process begins with the development of the **budget calendar**. The calendar establishes the time frames necessary to develop the budget and seek approval from the Board of Education and the Beaufort County Council by June 30th of each year.

Budget Calendar**Fiscal Year 2016-2017**

Budget Office	January 29	Budget Resources Packages distributed to Department Heads
BOE	February 5-6	Board work session –overview and projections
Budget Office	February	Budget Office projects salaries & benefits
Department Heads	March 4	Budget Requests due to Budget Office
Budget Office	March	Budget Office reviews and summarizes the Budget Requests
Leadership Team/Principals	March	Leadership Team review of budget
Finance and Operations Committee	March 31	Superintendent’s preliminary budget
BOE	April 8-9	Board discussion on budget
County Council	April 18	Presentation to County Finance Committee
BOE	April 25-26	Special Board Meeting
Public Forum	May 5	Budget Presentations to Public - BLHS
Public Forum	May 9	Budget Presentations to Public - BCHS
Public Forum	May 10	Budget Presentations to Public – HHHS
County Council	May 16	Presentations to County Council Finance Committee
BOE	May 17	Board Certifies FY17 Budget
County Council	May 23	First Reading of the FY17 Budget with County Council
County Council	June 13	Second Reading of the FY17 Budget with County Council
County Council	June 27	Third Reading and Adoption of the FY17 Budget with County Council (if needed)
Budget Office	July 1	Execution of FY17 Budget

Determination of Budget Priorities

The budget process continues with the Leadership Team setting **budget priorities** for the new fiscal year. The staff then translates the priorities into monetary terms and begins the process of developing the budget.

Priorities will be based upon the needs identified during the budget planning process as determined by the following:

- Academic achievement goals as specified by the Board
- The needs of the District so that all segments of District programs are treated equitably within the available resources
- State and/or federal legal requirements for funding of programs
- Requirements and regulations of the regional accrediting agencies
- Availability of fiscal and other non-economic resources
- Need of the District to meet fund balance requirements

Per Pupil Supply Allocation

The non-salaried budget is derived using an average per pupil cost for elementary, middle and high schools. The average per pupil allocation is multiplied by the number of students from the enrollment projection to generate a school's budget. A lump sum figure along with historical data is distributed to the principals to help them formulate their budget for the upcoming year.

Original	
High School PPA	\$170
Middle School PPA	\$146
Elementary School PPA	\$136

The 10-day membership report is used to determine any differential in the projected to actual enrollment.

Academic Stipend Allocations

Level Allocations (60% of the allocation)

Elementary - \$1,497

Middle - \$14,965

High - \$29,933

Plus

Student Allocations (40% of the allocation)

\$8.11 per student

Athletic Stipend Allocations

Middle Schools

Stipends	\$43,283
Supplies	16,217
Transportation	<u>11,500</u>
Total	\$71,000

High Schools

High School athletic stipend, supply and transportation allocations are based on enrollment and location. The average allocation is \$303 per student, ranging from \$271,500 to 292,000. Distance to region competitions are factored into the allocation.

Salaried Budgets & Staffing Formula

The enrollment projection is used, in conjunction with the **staffing formula**, for allocating funds for staff positions for the following school year. The teacher/student ratio is also taken into consideration. The staffing formula is used to define the staff resources that are believed to be necessary to achieve the Board's goals. The staffing model represents what a typical elementary, middle, and high school should have for staffing based on the state's defined minimum program and accreditation standards. This model is designed to provide equity among the schools based on population and individual school needs and is reviewed each year for potential changes.

See Tables on pages 67 through 69 for the Staffing Formula

District administrators meet with each principal annually to discuss the staffing needs of the school. These meetings provide the principal an opportunity to express staffing needs in the supplemental and intervention programs based on data analyses. These needs are reviewed by district administrators for equity, appropriateness and availability of funds.

Certified staff are assigned based on different formulas for elementary, middle and high school (see staffing formula). For budget purposes, the Finance Office assigns a unit value for staff positions. A unit of certified staff is valued at the average teacher's salary plus benefits. Units are valued annually during budget development. The 10th day membership report will be used to determine the differential between the projected and actual enrollment. Staffing and supply allocations may be adjusted by the administration based on this information.

Projections of pay increases for certified staff are determined by the mandatory salary schedule established by the South Carolina Department of Education. The mandatory increase is placed into a formula, and a local supplement is added to the state's base. Any pay increases for certified staff in addition to those mandated by the South Carolina Department of Education must be approved by the Board. The state sets the tone of pay increases by mandating cost of living adjustments (COLA) for teachers. The administration proposes increases for other staff based on industry data, the consumer price index (CPI) and historical data.

Department budgets - Modified Zero Base (MZB)

The MZB format is used to determine the non-salaried budget for all programs that are not student driven. Each division administrator is responsible for the budget preparation of his or her division using the MZB format. Among others, the programs which use this format include:

- Early Childhood/Parenting
- Homebound
- Attendance and social work
- Health
- Instructional Services
- Board of Education
- Office of Superintendent
- Facilities Planning and Construction
- Financial Services
- Operations and Maintenance
- Pupil Transportation
- Administrative and Human Resource Services
- Auxiliary Services
- Data Services
- Technology Services
- Public/Community Relations

Department heads are provided annually with a budget package which includes a copy of the department's most recent budget, including the amounts spent to date, a mission and objective form, and a budget request form. Each are asked to prepare a budget for their department based on current and projected needs, enter the information (in detail) into the budget module of the district's accounting software and return a signed copy of the forms to the budget office.

Presentations to the Board and Public

The Superintendent has the overall responsibility for budget planning. Principals must develop and submit budgets for their schools after seeking input from the school staff, the School Improvement Council, and a representative from the parent-teacher organization. The budgets submitted by the principals should reflect the principal's judgment as to the most effective way to use resources to achieve the educational objectives of the school.

The Superintendent recommends an annual operating budget to the Board through a series of budget presentations. The Board will give careful consideration to the budget request as presented by the Superintendent and will review the allocations for fairness and consistency with the educational priorities of the school system. After approval by the Board, several presentations are made throughout the county to seek public opinion. The Board must approve the budget by majority vote and must certify it before the second reading with County Council.

Adoption of the Operating Budget

On the date specified by the Beaufort County Council, the Superintendent and the Board of Education will present, in a manner mutually agreed upon by the County Council and the Board of Education, the general operating budget for the operation of schools in the county for the ensuing fiscal year. Three readings of the budget occur before the operating budget is passed.

The final millage rates are set in June as a result of the joint efforts of School District and County staff. Any change to the millage rate after the approval requires an amended ordinance.

If the budget does not receive approval by June 30, the Superintendent will recommend that the Board adopt a continuing resolution based on last year's operating budget until the budget can be approved.

The Capital Budget

Each year a facilities assessment is completed to determine the capital renewal and improvement needs of the District. From this assessment, the Facilities, Planning and Construction office prepares a project listing for consideration by the Superintendent. The list is then presented to the Board of Education for approval. Funding is provided through the sale of general obligation bonds.

The Debt Service Budget

The budget for the debt service fund is determined by the financial needs to meet the principal and interest requirements on the outstanding debt. The amounts needed are then equated to a tax levy value, approved by the Board of Education and the appropriate levy is established by the Beaufort County Auditor.

**Beaufort County School District
Basic Staffing Allocation Formula
Elementary**

2016-2017

Position	Enrollment	FTE		Number of Work Days
Administrative Staff				
Principal	0+	1.0	@	260
Assistant Principal	0-750	1.0	@	210
	751+	2.0	@	210

Certified Staff

Teachers	Pre-K	20 to 1	@	190
	Kindergarten	24 to 1	@	190
	Grades 1-3	22 to 1	@	190
	Grade 4	24 to 1	@	190
	Grade 5	24 to 1	@	190
Related Arts Teachers				
Guidance Counselor	0-750	1.0	@	190
	751+	2.0	@	190
Media Specialist	0+	1.0	@	200
Math or Science Coach	Based on formula			
ESOL Teachers	Based on formula			
Literacy Teachers	Based on formula			
Gifted and Talented Teachers	Based on formula			

Classified Staff

Pre-K Assistant	1.0 per Pre-K classroom		@	190
Kindergarten Assistant	1.0 per Kindergarten classroom		@	190
Social Worker	Case Driven			
Media Assistant	0+	1.0	@	190
Computer Lab Assistant	0+	1.0	@	190
Nurse	0+	1.0	@	190
Data Specialist	0+	1.0	@	260
Bookkeeper	0+	1.0	@	260
Support Staff	0-750	1.0	@	260
	or 751+	1.0	@	260
	and	1.0	@	190
Bilingual Liaison	Based on formula			

Beaufort County School District
Basic Staffing Allocation Formula
Middle

2016-2017

Position	Enrollment	FTE		Number of Work Days
Administrative Staff				
Principal	0+	1.0	@	260
Assistant Principal	0-500	1.0	@	210
	501-850	2	@	210
	851+	3	@	210

Certified Staff

Teachers		21 to 1	@	190
(low enrollment in related arts areas may result in itinerant staff)				
Guidance Counselor	0-500	1	@	205
	501-850	2.0	@	205
	851+	3.0	@	205
Media Specialist	0+	1	@	200
Literacy Coach	Based on formula			
Math or Science Coach	Based on formula			
ESOL Teacher	Based on formula			

Classified Staff

Social Worker	Case Driven			
Media Assistant	0+	1.0	@	190
Computer Lab Assistant	0+	1.0	@	190
Nurse	0+	1.0	@	190
Data Specialist	0+	1.0	@	260
Bookkeeper	0+	1.0	@	260
Support Staff	0-500	1.0	@	260
	and	1.0	@	190
	or	501+	@	260
	and	2.0	@	190
	(one is 260 days, all others are 190 days)	or	750-1000	4.0 @ various
Behavior Interventionist (In School Suspension)	0+	1.0	@	180
Bilingual Liaison	Based on formula			
Behavior Mgmt Specialist	Case Driven			

**Beaufort County School District
Basic Staffing Allocation Formula
High**

2016-2017

Position	Enrollment	FTE		Number of Work Days
Administrative Staff				
Principal	0+	1.0	@	260
Assistant Principal	0-750	1.0	@	220
	751-1000	2.0	@	220
	1001-1500	3.0	@	220
	1501+	4.0	@	220
Athletic Director	0+	1.0	@	220

Certified Staff

Teachers		20.5 to 1	@	190
(low enrollment in related arts areas may result in itinerant staff)				
Guidance Counselor	300 to 1		@	205
Media Specialist	0+	1.0	@	200
Testing Lead Teacher	0+	0.5	@	190

Classified Staff

Social Worker	Case Driven			
Media Assistant	751+	1.0	@	190
Nurse	0+	1.0	@	190
Data Specialist	0+	1.0	@	260
Bookkeeper	0+	1.0	@	260
Support Staff	0-750	3.0	@	190
	751-1000	4.0	@	190
	1001-1250	5.0	@	190
	1251+	6.0	@	190
(one is 260 days, all others are 190 days)				
Behavior Interventionist	0+	1.0	@	180
Behavior Mgmt Specialist	Case Driven			@ 190

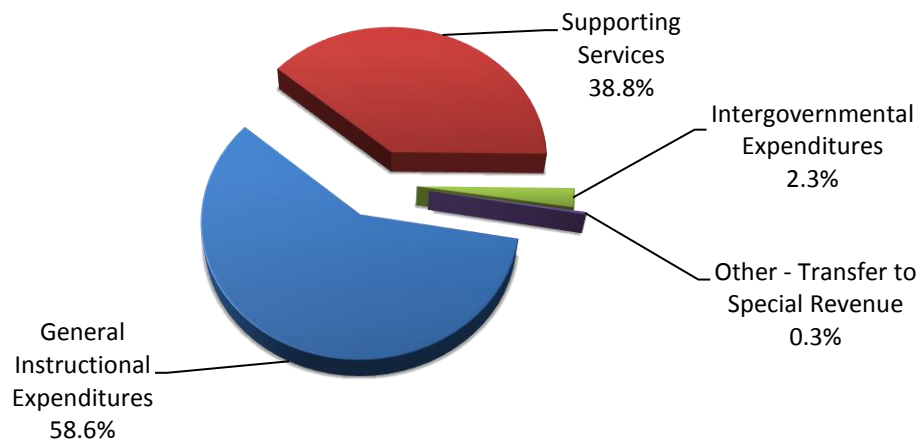
Beaufort County School District 2016-2017 General Fund Budget

The FY 2017 General Fund Budget was approved at \$215.5 million. The chart below is an overview of funding sources and expenditure uses.

GENERAL FUND

REVENUE	
Local Revenue	\$133,156,084
State Revenue	77,261,805
Federal Revenue	900,000
Other-Transfers from Special Revenue	5,465,087
Total Revenues	\$216,782,976
EXPENDITURES	
Instructional Expenditures	\$126,255,224
Supporting Services	83,631,563
Intergovernmental Expenditures	4,905,208
Other - Transfer to Special Revenue	660,000
Total Expenditures	\$215,451,995
Addition to Fund Balance	1,330,981
Grand Total	\$ 216,782,976

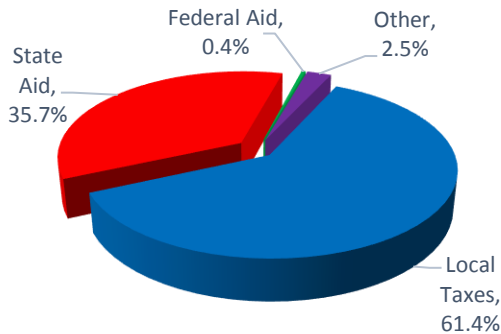
General Fund Expenditures FY 2017



Beaufort County School District 2016-2017 General Fund Revenue and Expenditures Highlights

Where it comes from...

FY 2017 Revenue Sources



Instructional and Instructional Support: Includes costs associated with providing instructional programs and the costs of supporting those programs (such as attendance, guidance, and literacy support).

District Support: Includes costs associated with support services for personnel, purchasing, and central administration. Also includes interest on tax anticipation note.

Transportation: Includes bus driver salaries and operational expenditures.

Academy for Career Excellence: Operations of vocational school.

Charter School: Payments to Riverview Charter School.

Utilities: Includes electric, natural gas, water & sewer, garbage disposal and telecommunications.

Facilities Maintenance: Building maintenance, custodial services, grounds maintenance, solid waste and recycling.

Technology: Includes costs associated with providing technology services.

Intergovernmental: Payments for County and Municipal storm water utility fees, School Resource Officers, fuel charges for fleet vehicles.

TAN Interest: Includes interest expense on Tax Anticipation Note

Local Taxes: Includes ad valorem tax and interest income

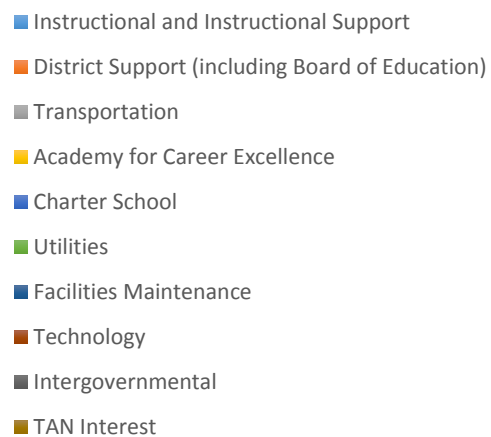
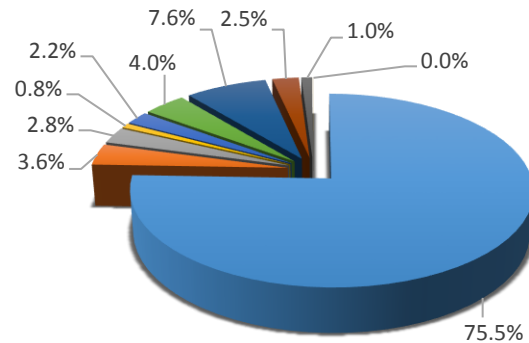
State Aid: Primarily includes sales tax revenue, Education Finance Act and other state revenue

Federal Aid: Includes Impact Aid and E-Rate

Other: Includes transfers from Special Revenue

Where is goes to ...

FY 2017 Expenditures



**Beaufort County School District
Multi-Year Comparison 2015, 2016 and 2017**

**Comparative Budgeted
Revenues and Expenditures
General Fund**

	FY 15 Original Budget	FY 15 Audited	FY 16 Original Budget	FY 16 Projected Actual	FY 17 Approved	Variance	% Change
Revenue:							
Local Revenue:							
Property Taxes	\$ 115,668,815	\$ 118,635,520	\$ 127,474,710	\$ 122,601,840	\$ 132,462,584	\$ 4,987,874	4%
Other Local	933,500	362,606	663,500	673,500	693,500	30,000	5%
Total Local Revenue	116,602,315	118,998,126	128,138,210	123,275,340	133,156,084	5,017,874	4%
State Revenue:							
Education Finance Act	6,692,187	7,611,828	8,062,118	6,550,412	12,720,180	\$ 4,658,062	0%
Fringe Benefits Employment Contributions	5,938,827	6,873,812	7,270,465	6,841,978	9,356,150	2,085,685	29%
Reimbursement for Local Property Tax Relief	7,036,261	7,036,261	7,036,261	7,036,261	7,036,261	0	0%
Sales Tax - Owner Occupied	43,360,281	43,294,332	43,960,281	43,970,226	44,216,582	256,301	1%
Other State Revenue	4,400,739	3,703,353	3,642,257	4,799,040	3,932,632	290,375	8%
Transfer from Special Revenue Fund EIA	3,994,372	4,122,926	4,044,025	4,090,919	5,015,087	971,062	24%
Transfer from Other Funds	450,000	472,789	450,000	450,000	450,000	0	0%
Total State Revenue	71,872,667	73,115,301	74,465,407	73,738,836	82,726,892	8,261,485	11%
Federal Revenue:							
PL 874 (Impact Aid)	50,000	9,610	50,000	-	50,000	\$ -	0%
Other Federal Revenue	850,000	856,566	850,000	900,000	850,000	0	0%
Total Federal Revenue	900,000	866,176	900,000	900,000	900,000	0	0%
Total General Fund Budgeted Revenues	\$ 189,374,982	\$ 192,979,603	\$ 203,503,617	\$ 197,914,176	\$ 216,782,976	\$ 13,279,359	7%
Expenditures:							
Salary and Benefits	\$ 141,454,641	\$ 139,622,901	\$ 154,017,088	\$ 150,508,473	\$ 168,363,187	14,346,099	9%
Non-salary	\$ 48,104,200	\$ 49,298,861	\$ 49,496,844	\$ 51,005,459	\$ 47,088,808	(2,408,036)	-5%
Total expenditures	\$ 189,558,841	\$ 188,921,762	\$ 203,513,932	\$ 201,513,932	\$ 215,451,995	\$ 11,938,063	6%
Add to/(Use of) Fund Balance	(183,859)	4,057,841	(10,315)	(3,599,756)	1,330,981	1,341,296	
Beginning Fund Balance	27,628,173	27,628,174	31,686,015	31,686,015	28,086,259		
Ending Fund Balance	27,444,314	31,686,015	31,675,700	28,086,259	29,417,240		
Beginning Fund Balance as a percentage of expenditures	14.6%	14.6%	15.6%	15.7%	13.0%		
Ending Fund Balance as a percentage of expenditures	14.5%	16.8%	15.6%	13.0%	13.2%		

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

**Comparative Budget Summary
General Fund**

Revenues by Source	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Approved Budget	Approved Budget	Increase/ (Decrease)	Percent Change
Local					
Ad Valorem (Current and Delinquent)	\$ 118,635,520	\$ 127,474,710	\$ 132,462,584	\$ 4,987,874	3.91%
Other Local	362,606	663,500	693,500	30,000	4.52%
Total Local Revenue	\$ 118,998,126	\$ 128,138,210	\$ 133,156,084	\$ 5,017,874	3.92%
State					
Sales Tax Reimbursement on Owner Occupied	43,294,332	43,960,281	44,216,582	\$ 256,301	0.58%
Fringe Benefits/Retiree Insurance	6,873,812	7,270,465	9,356,150	2,085,685	28.69%
Education Finance Act	7,611,828	8,062,118	12,720,180	4,658,062	57.78%
Reimbursement for Local Property Tax Relief	7,036,261	7,036,261	7,036,261	-	0.00%
Other State Property Tax	2,377,947	2,332,079	2,442,079	110,000	4.72%
Other State Revenue	1,325,407	1,310,178	1,490,553	180,375	100.00%
Total State Revenue	\$ 68,519,587	\$ 69,971,382	\$ 77,261,805	\$ 7,290,423	10.42%
Federal					
Other Federal Sources	\$ 866,176	\$ 900,000	\$ 900,000	\$ -	0.00%
Total Federal Revenue	\$ 866,176	\$ 900,000	\$ 900,000	\$ -	0.00%
Total Revenue	\$ 188,383,889	\$ 199,009,592	\$ 211,317,889	\$ 12,308,297	6.18%
Expenditures:					
Instruction					
Salaries	\$ 72,468,948	\$ 82,481,282	\$ 87,153,712	\$ 4,672,430	5.66%
Employee Benefits	26,764,056	29,659,691	31,615,466	1,955,775	6.59%
Purchased Services	4,497,364	3,509,980	4,140,569	630,589	17.97%
Materials & Supplies	4,080,285	3,004,858	3,063,605	58,747	1.96%
Other	184,835	280,474	319,372	38,898	13.87%
Total Instruction	\$ 107,995,488	\$ 118,936,285	\$ 126,292,724	\$ 7,356,439	6.19%
Supporting Services					
Salaries	\$ 29,810,627	\$ 31,224,858	\$ 36,242,890	\$ 5,018,032	16.07%
Employee Benefits	10,579,244	10,651,257	13,351,119	2,699,862	25.35%
Purchased Services	24,872,489	26,964,969	22,607,559	(4,357,410)	-16.16%
Materials & Supplies	8,885,019	8,886,523	9,525,932	639,409	7.20%
Capital Outlay	410,362	217,500	240,000	22,500	10.34%
Other	1,172,674	1,315,858	1,626,563	310,705	23.61%
Total Support	\$ 75,730,415	\$ 79,260,965	\$ 83,594,063	\$ 4,333,098	5.47%
Total Expenditures	\$ 183,725,903	\$ 198,197,250	\$ 209,886,787	\$ 11,689,537	5.90%
Intergovernmental Expenditures and Other Financing Sources (Uses)					
Transfers to Special Revenue	\$ (627,440)	\$ (650,000)	\$ (660,000)	\$ (10,000)	1.54%
Debt Service	(43,769)	(55,000)	(50,000)	5,000	-9.09%
Payment to Other Governmental Units	(28,215)	(40,000)	(40,000)	-	0.00%
Payment to Charter School	(4,386,436)	(4,461,682)	(4,705,208)	(243,526)	5.46%
Transfer to Food Service	(110,000)	(110,000)	(110,000)	-	0.00%
Transfers from Special Revenue	4,122,926	4,044,025	5,015,087	971,062	24.01%
Transfers from Other Funds	472,789	450,000	450,000	-	0.00%
Total Intergovernmental Expenditures and Other Financing Sources (Uses)	\$ (600,145)	\$ (822,657)	\$ (100,121)	\$ 722,536	-87.83%
Excess Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 4,057,841	\$ (10,315)	\$ 1,330,981	\$ (1,341,296)	

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

**Comparative Budget Summary
Debt Service Fund**

Revenues by Source	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Approved Budget	Approved Budget	Increase/ (Decrease)	Percent Change
Local					
Ad Valorem (Current and Delinquent)	\$ 53,051,946	\$ 53,208,460	\$ 56,083,882	\$ 2,875,422	5.40%
Other Local	19,931	-	-	-	0.00%
Total Local Revenue	\$ 53,071,877	\$ 53,208,460	\$ 56,083,882	\$ 2,875,422	5.40%
State					
Homestead exemption	\$ 1,051,572	\$ 1,000,000	\$ 1,000,000	\$ -	0.00%
Merchant's inventory tax	85,988	-	-	-	0.00%
Other State Property Tax	42,248	-	-	-	0.00%
Total State Revenue	\$ 1,179,808	\$ 1,000,000	\$ 1,000,000	\$ -	0.00%
Total Revenue	\$ 54,251,685	\$ 54,208,460	\$ 57,083,882	\$ 2,875,422	5.30%
Expenditures:					
Redemption of principal	\$ 33,898,000	\$ 40,040,539	\$ 28,556,000	\$ (11,484,539)	-28.68%
Interest	11,533,536	12,987,561	28,131,225	15,143,664	116.60%
Other Objects	451,091	-	-	-	0.00%
Total Expenditures	\$ 45,882,627	\$ 53,028,100	\$ 56,687,225	\$ 3,659,125	6.90%
Other Financing Sources (Uses)					
Proceeds of general obligation bonds	\$ 10,520,598	\$ -	\$ -	\$ -	0.00%
Premium on bonds sold	\$ 2,618,000	\$ -	\$ -	\$ -	0.00%
Proceeds of refunding debt	81,765,000	-	-	-	0.00%
Transfer to School Building Fund	(91,856,215)				0.00%
Transfer to EFC Debt Service Fund	(4,453,674)	-	-	-	0.00%
Total Other Financing Sources (Uses)	\$ (1,406,291)	\$ -	\$ -	\$ -	0.00%
Excess Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 6,962,767	\$ 1,180,360	\$ 396,657	\$ (783,703)	-66.40%
Beginning Fund Balance	\$ 12,248,778	\$ 19,211,545	\$ 20,391,905		
Ending Fund Balance	\$ 19,211,545	\$ 20,391,905	\$ 20,788,562		
Fund Balance as a % of CY Expenditures	41.9%	38.5%	36.7%		

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**Beaufort County School District
Three-Year comparison
Fiscal Years 2015, 2016 and 2017**

**Comparative Budgeted Expenditures and Other
Financing Uses -
General Fund**

Expenditures by Program	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Approved Budget	Approved Budget	Increase/ (Decrease)	Percent Change
Kindergarten Programs	\$ 7,504,412	\$ 8,224,735	\$ 8,043,806	\$ (180,929)	-2.2%
Primary Programs	24,249,971	25,938,993	27,406,060	1,467,067	5.7%
Elementary Programs	34,309,987	37,493,727	36,482,570	(1,011,157)	-2.7%
High School Programs	22,412,468	24,098,200	28,341,544	4,243,344	17.6%
Vocational Programs	3,561,029	3,774,758	4,307,319	532,561	14.1%
Driver Education Programs	0	0	255,791	255,791	100.0%
Montessori Programs	0	0	836,843	836,843	100.0%
Special Education Programs	10,657,462	12,442,773	12,749,772	306,999	2.5%
Preschool Special Ed. Programs	208,629	227,725	478,317	250,592	110.0%
Early Childhood Programs	2,849,148	3,368,787	3,457,167	88,380	2.6%
Gifted & Talented Programs	1,906,123	2,513,435	2,791,024	277,589	11.0%
International Baccalaureate Programs	0	0	206,060	206,060	100.0%
Homebound	124,686	151,400	151,400	0	0.0%
Gifted and Talented Artistic	30,299	35,000	63,289	28,289	80.8%
Limited English Proficiency Programs	0	0	49,285	49,285	100.0%
Instr Prog Beyond Reg School Day	49,288	521,784	521,621	(163)	0.0%
Parenting Instruction	0	15,072	12,918	(2,154)	-14.3%
Instructional Pupil	131,988	129,896	137,938	8,042	6.2%
TOTAL INSTRUCTION	\$ 107,995,490	\$ 118,936,285	\$ 126,292,724	\$ 7,150,379	6.19%
Attendance & Social Work	\$ 2,535,691	\$ 2,751,475	\$ 3,134,647	\$ 383,172	13.9%
Guidance	4,022,039	4,350,740	4,361,157	10,417	0.2%
Health Services	1,506,443	1,357,913	1,566,381	208,468	15.4%
Psychological	901,645	996,192	1,012,897	16,705	1.7%
Exceptional Program Services	57,805	0	0	0	100.0%
Improvement of Instruction	6,367,677	6,674,360	6,911,656	237,296	3.6%
Media Services	3,482,539	3,747,144	3,934,295	187,151	5.0%
Supervision of Special Projects	572,888	585,164	670,126	84,962	14.5%
Staff Development	822,810	751,853	833,021	81,168	10.8%
Board of Education	540,853	651,907	656,125	4,218	0.6%
Office of Superintendent	394,311	428,731	419,697	(9,034)	-2.1%
School Administration	13,445,390	13,935,560	14,707,236	771,676	5.5%
Fiscal Services	1,500,816	1,548,435	1,613,706	65,271	4.2%
Facilities Acquisition	23,771	28,099	27,023	(1,076)	-3.8%
Maintenance & Operations	22,465,299	23,629,483	25,151,985	1,522,502	6.4%
Transportation	6,171,267	5,986,488	5,964,174	(22,314)	-0.4%
Food Service	0	14,000	13,994	(6)	0.0%
School Safety	1,021,915	1,068,968	1,134,837	65,869	6.2%
Planning	105,682	105,846	107,809	1,963	1.9%
Information Services	327,746	333,053	333,211	158	0.0%
Staff Services	2,436,943	2,543,795	2,662,949	119,154	4.7%
Technology	4,522,050	5,085,474	5,294,298	208,824	4.1%
Supporting Pupil Activities	2,504,431	2,686,285	3,082,839	396,554	14.8%
TOTAL SUPPORT SERVICES	\$ 75,730,011	\$ 79,260,965	\$ 83,594,063	\$ 4,333,098	5.5%
TOTAL DEBT SERVICE	\$ 43,769	\$ 55,000	\$ 50,000	\$ (5,000)	-9.1%
Intergovernmental Expenditures					
Payments to other agencies	\$ 28,216	\$ 40,000	\$ 40,000	\$ -	0.0%
Payment to Charter School	4,386,436	4,461,682	4,705,208	243,526	5.5%
Total Intergovernmental Expend.	\$ 4,414,652	\$ 4,501,682	\$ 4,745,208	\$ 243,526	5.4%
TOTAL EXPENDITURES	\$ 188,183,922	\$ 202,753,932	\$ 214,681,995	\$ 11,722,003	5.9%
Other Financing Sources (Uses)					
Transfer - Food Service Fund	\$ (110,000)	\$ (110,000)	\$ (110,000)	\$ -	0.0%
Transfer - Special Revenue Fund	(627,440)	(650,000)	(660,000)	(10,000)	1.5%
Total Other Financing Sources (Uses)	\$ (737,440)	\$ (760,000)	\$ (770,000)	\$ (10,000)	1.3%
TOTAL GENERAL FUND EXPENDITURES AND OTHER FINANCING USES:	\$ 188,921,362	\$ 203,513,932	\$ 215,451,995	\$ 11,938,063	5.9%

Fiscal Year 2016-2017
**Combined Budget Statement
All Funds**

Revenues by Source	Governmental Funds	Proprietary and Fiduciary Funds	Total
Revenue			
Local	\$ 190,155,088	\$ 5,670,757	\$ 195,825,845
State	92,999,835	-	92,999,835
Federal	12,945,790	8,060,000	21,005,790
Total Revenues	\$ 296,100,713	\$ 13,730,757	\$ 309,831,470
Expenditures			
Instruction	141,465,300	870,410	142,335,710
Supporting Services	90,878,263	12,743,972	103,622,235
Community Services	319,155	-	319,155
Intergovernmental Expenditures	4,823,132	115,000	4,938,132
Other	40,000	-	40,000
Debt Services	56,737,225	-	56,737,225
Facilities Acquisition & Construction Services	22,003,798	-	22,003,798
Total Expenditures	\$ 316,266,873	\$ 13,729,382	\$ 329,996,255
Excess of Revenues Over (Under) Expenditures	(20,166,160)	\$ 1,375	\$ (20,164,785)
Other Financing Sources (Uses)			
Proceeds of General Obligation Bonds	15,215,798	-	15,215,798
Transfer to Special Revenue	(660,000)	-	(660,000)
Transfer to General Fund	(5,465,087)	(115,000)	(5,580,087)
Transfer to Food Service Fund	(110,000)		(110,000)
Transfer from General Fund	660,000	110,000	770,000
Transfer from Special Revenue	5,015,087	-	5,015,087
Transfer from Other Funds/Indirect Cost	450,000	-	450,000
	\$ 15,105,798	\$ (5,000)	\$ 15,100,798
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (5,060,362)	\$ (3,625)	\$ (5,063,987)
Estimated Fund Balance/Net Position, July 1	\$ 75,501,284	\$ 4,069,550	\$ 79,570,834
Fund Balance/Net Position, June 30	\$ 70,440,922	\$ 4,065,925	\$ 74,506,847
Percentage Change in Fund Balance/Net Position	-6.7%	-0.1%	-6.4%

**Beaufort County School District
Fiscal Year 2016-2017**

**Combined Budget Statement
All Governmental Funds**

Revenues by Source	General Fund	Special Revenue Fund	Education Improvement Act Fund	Debt Service Fund	School Building Fund	Total
Revenue						
Local	\$ 133,156,084	\$ 915,122	\$ -	\$ 56,083,882	\$ -	\$ 190,155,088
State	77,261,805	3,515,775	11,222,255	1,000,000	-	92,999,835
Federal	900,000	12,045,790	-	-	-	12,945,790
Total Revenues	\$ 211,317,889	\$ 16,476,687	\$ 11,222,255	\$ 57,083,882	\$ -	\$ 296,100,713
Expenditures						
Instruction	126,292,724	10,597,661	4,574,915	-	-	141,465,300
Supporting Services	83,594,063	5,651,947	1,632,253	-	-	90,878,263
Community Services	-	319,155	-	-	-	319,155
Payments to Charter School	4,705,208	117,924	-	-	-	4,823,132
Other	40,000	-	-	-	-	40,000
Debt Services	50,000	-	-	56,687,225	-	56,737,225
Facilities Acquisition & Construction Services	-	-	-	-	22,003,798	22,003,798
Total Expenditures	\$ 214,681,995	\$ 16,686,687	\$ 6,207,168	\$ 56,687,225	\$ 22,003,798	\$ 316,266,873
Excess of Revenues Over (Under) Expenditures	\$ (3,364,106)	\$ (210,000)	\$ 5,015,087	\$ 396,657	\$ (22,003,798)	\$ (20,166,160)
Other Financing Sources (Uses)						
Proceeds of General Obligation Bonds	-	-	-	-	15,215,798	15,215,798
Transfer to Special Revenue	(660,000)	-	-	-	-	(660,000)
Transfer to General Fund	-	(450,000)	(5,015,087)	-	-	(5,465,087)
Transfer to Food Service Fund	(110,000)	-	-	-	-	(110,000)
Transfer from General Fund	-	660,000	-	-	-	660,000
Transfer from Special Revenue	5,015,087	-	-	-	-	5,015,087
Transfer from Other Funds/Indirect Cost	450,000	-	-	-	-	450,000
	\$ 4,695,087	\$ 210,000	\$ (5,015,087)	\$ -	\$ 15,215,798	\$ 15,105,798
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 1,330,981	\$ -	\$ -	\$ 396,657	\$ (6,788,000)	\$ (5,060,362)
Estimated Fund Balance, July 1	\$ 28,086,259	\$ -	\$ -	\$ 23,315,025	\$ 24,100,000	\$ 75,501,284
Fund Balance, June 30	\$ 29,417,240	\$ -	\$ -	\$ 23,711,682	\$ 17,312,000	\$ 70,440,922
Percentage Change in Fund Balance	4.7%	0.0%	0.0%	1.7%	-28.2%	-6.7%

**Beaufort County School District
Fiscal Year 2016-2017**

**Combined Budget Statement
Non-Governmental Funds**

Revenues by Source	School Food Service	Internal Service Fund	Pupil Activity Fund	Total
Revenue				
Local	\$ 1,807,000	\$ 900,000	\$ 2,963,757	\$ 5,670,757
Federal	8,060,000	-	-	8,060,000
				-
Total Revenues	\$ 9,867,000	\$ 900,000	\$ 2,963,757	\$ 13,730,757
Expenditures				
Instruction	-	600,000	270,410	870,410
Supporting Services	9,750,625	300,000	2,693,347	12,743,972
				-
Total Expenditures	\$ 9,750,625	\$ 900,000	\$ 2,963,757	13,614,382
Total Intergovernmental Expend	\$ 115,000			115,000
Excess of Revenues Over (Under) Expenditures	\$ 1,375	\$ -	\$ -	\$ 1,375
Other Financing Sources (Uses)				
Transfer to Other Funds/Indirect Cost	(115,000)	-	-	(115,000)
Transfer from General Fund	110,000	-	-	110,000
Total Other Financing Sources (Uses)	\$ (5,000)	\$ -	\$ -	\$ (5,000)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (3,625)	\$ -	\$ -	\$ (3,625)
Estimated Fund Balance/Net Position, July 1	\$ 2,279,192	\$ 413,302	\$ 1,377,056	\$ 4,069,550
Fund Balance/Net Position, June 30	\$ 2,275,567	\$ 413,302	\$ 1,377,056	\$ 4,065,925
Percentage Change in Fund Balance/Net Position	-0.2%	0.0%	0.0%	-0.1%

Beaufort County School District, 2016-2017 Budget

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

**Comprehensive Budgeted Revenue and
Other Financing Sources -
Summary - All Funds**

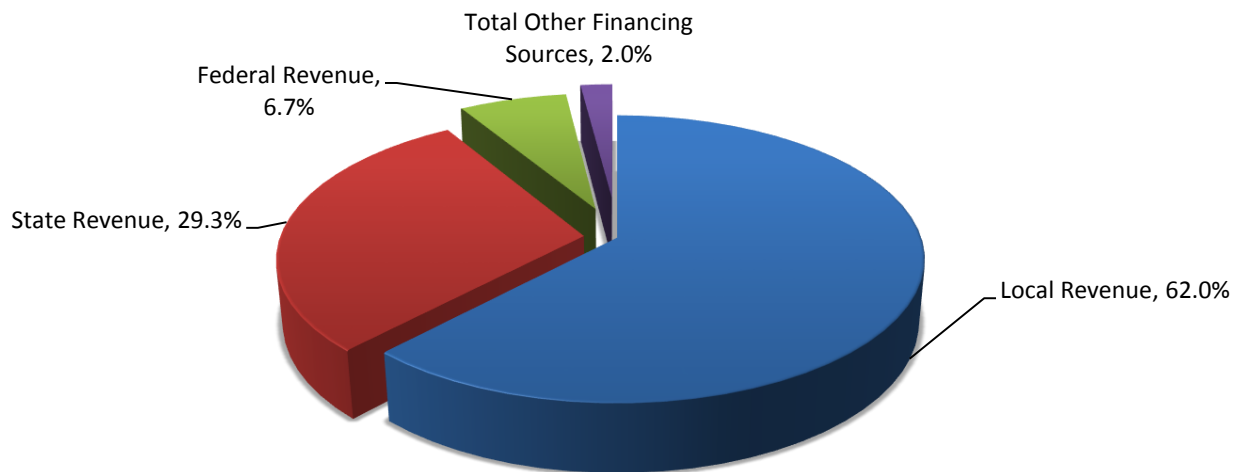
Revenue by Function	2014-15		2015-16		2016-17		2015-16 to 2016-17	
	Audited		Projected		Approved		Increase/ (Decrease)	Percent Change
	Actual		Actual		Budget			
Local Revenue								
General Fund	\$ 118,998,126	\$	123,275,340	\$	133,156,084	\$	9,880,744	8.0%
Special Revenue Fund	1,160,331		1,433,283		915,122		(518,161)	-36.2%
Debt Service Fund	53,208,427		53,927,374		56,083,882		2,156,508	4.0%
School Building Fund	944,069		1,255,477		-		(1,255,477)	-100.0%
School Food Service	2,153,507		1,844,596		1,807,000		(37,596)	-2.0%
Internal Service Fund	1,130,909		989,124		900,000		(89,124)	-9.0%
Pupil Activity Fund	2,321,489		2,825,548		2,963,757		138,209	4.9%
TOTAL LOCAL REVENUE	\$ 179,916,858	\$	185,550,742	\$	195,825,845	\$	10,275,103	5.5%
State Revenue								
General Fund	\$ 68,519,587	\$	69,197,917	\$	77,261,805	\$	8,063,888	11.7%
Special Revenue Fund	3,555,908		3,934,070		3,515,775		(418,295)	-10.6%
Education Improvement Act Fund	11,454,749		14,860,808		11,222,255		(3,638,553)	-24.5%
Debt Service Fund	1,179,808		1,202,871		1,000,000		(202,871)	-16.9%
School Building Fund	-		1,823		-		(1,823)	-100.0%
School Food Service	1,434		733		-		(733)	-100.0%
TOTAL STATE REVENUE	\$ 84,711,487	\$	89,198,222	\$	92,999,835	\$	3,801,613	4.3%
Federal Revenue								
General Fund	\$ 866,176	\$	900,000	\$	900,000	\$	-	0.0%
Special Revenue Fund	12,678,085		9,322,452		12,045,790		2,723,338	29.2%
School Building Fund	30,349		4,688		-		(4,688)	-100.0%
School Food Service	7,416,094		8,162,127		8,060,000		(102,127)	-1.3%
TOTAL FEDERAL REVENUE	\$ 20,990,704	\$	18,389,267	\$	21,005,790	\$	2,616,523	14.2%
TOTAL REVENUE	\$ 285,619,049	\$	293,138,231	\$	309,831,470	\$	16,693,239	5.7%

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

**Comprehensive Budgeted Revenue and
Other Financing Sources -
Summary - All Funds**

Revenue by Function	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
Other Financing Sources					
Proceeds of General Obligation Bonds	\$ 79,298,000	\$ 24,659,000	\$ 15,215,798	\$ (9,443,202)	-38.3%
Refunding bond proceeds	81,765,000	28,090,000	-	-	-100.0%
Premium on Bonds Sold	25,230,211	5,964,596	-	(5,964,596)	-100.0%
Transfers in	10,381,447	5,403,505	6,235,087	831,582	15.4%
Other Financing Sources	7,759	17,626	-	(17,626)	-100.0%
Total Other Financing Sources	\$ 196,682,417	\$ 64,134,727	\$ 21,450,885	\$ (14,593,842)	-66.6%
TOTAL REVENUE					
AND OTHER FINANCING SOURCES:	\$ 482,301,466	\$ 357,272,958	\$ 331,282,355	\$ 2,099,397	-7.3%

**2016-2017
Budgeted Revenue - All Funds**



**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

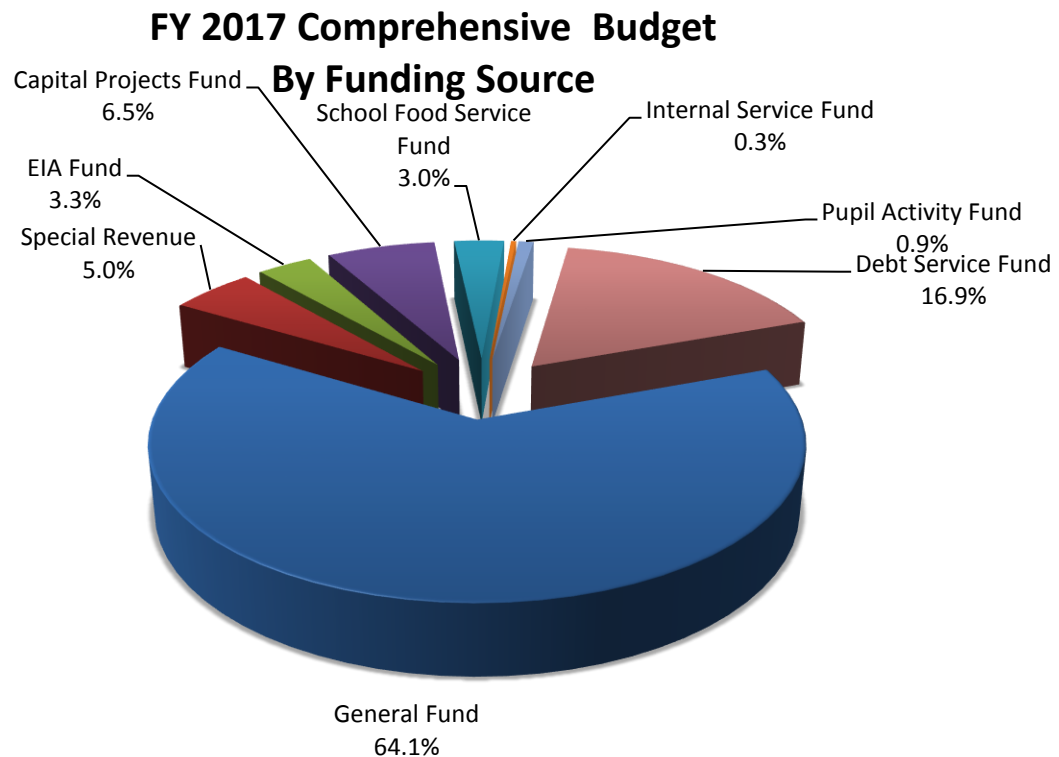
**Comprehensive Budgeted Expenditures and
Other Financing Uses -
Summary - All Funds**

Expenditures by Function	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
TOTAL INSTRUCTION	\$ 126,134,578	\$ 134,409,801	\$ 142,335,710	\$ 7,925,909	5.9%
GENERAL FUND	107,995,489	116,949,792	126,292,724	9,342,932	8.0%
SPECIAL REVENUE	12,029,670	10,983,071	10,597,661	(385,410)	-3.5%
EDUCATION IMPROVEMENT ACT	5,362,339	5,532,545	4,574,915	(957,630)	-17.3%
INTERNAL SERVICE FUND	550,878	673,279	600,000	(73,279)	-10.9%
PUPIL ACTIVITY	196,202	271,114	270,410	(704)	-0.3%
TOTAL SUPPORT SERVICES	\$ 165,087,089	\$ 157,729,383	\$ 125,626,033	\$ (32,103,350)	-20.4%
GENERAL FUND	75,730,414	78,300,271	83,594,063	5,293,792	6.8%
SPECIAL REVENUE	5,104,092	4,383,914	5,651,947	1,268,033	28.9%
EDUCATION IMPROVEMENT ACT	1,899,088	1,238,393	1,632,253	393,860	31.8%
SCHOOL BUILDING FUND	70,126,046	60,733,799	22,003,798	(38,730,001)	-63.8%
SCHOOL FOOD SERVICE FUND	9,666,599	10,041,702	9,750,625	(291,077)	-2.9%
INTERNAL SERVICE FUND	530,671	618,981	300,000	(318,981)	-51.5%
PUPIL ACTIVITY FUND	2,030,179	2,412,323	2,693,347	281,024	11.6%
TOTAL COMMUNITY SERVICES	\$ 301,236	\$ 308,435	\$ 319,155	\$ 10,720	3.5%
EDUCATION IMPROVEMENT ACT	\$ -	\$ 2,153	\$ -	\$ (2,153)	-100.0%
SPECIAL REVENUE	301,236	306,282	319,155	12,873	4.2%
TOTAL DEBT SERVICE	\$ 48,735,485	\$ 64,644,879	\$ 56,737,225	\$ (7,907,654)	-12.2%
GENERAL FUND	43,769	39,964	50,000	10,036	25.1%
DEBT SERVICE FUND	48,691,716	64,604,915	56,687,225	(7,917,690)	-12.3%
INTERGOVERNMENTAL EXPENDITURES	\$ 4,802,896	\$ 4,990,260	\$ 4,978,132	\$ (34,595)	-0.2%
GENERAL FUND	4,414,652	4,620,485	4,745,208	124,723	2.7%
SCHOOL BUILDING FUND	0	0	0	0	0.0%
FOOD SERVICE FUND	91,253	92,533	115,000	0	24.3%
SPECIAL REVENUE	226,596	208,524	117,924	(90,600)	-43.4%
EDUCATION IMPROVEMENT ACT	70,396	68,718	0	(68,718)	-100.0%
TOTAL EXPENDITURES	\$ 345,061,285	\$ 362,082,758	\$ 329,996,255	\$ (32,108,970)	-8.9%

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

**Comprehensive Budgeted Expenditures and
Other Financing Uses -
Summary - All Funds**

Expenditures by Function	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
OTHER FINANCING USES	10,381,447	39,439,281	6,355,087	(33,084,214)	-83.9%
GENERAL FUND	737,440	760,000	770,000	10,000	1.3%
SPECIAL REVENUE FUND	360,172	428,756	450,000	21,244	5.0%
EDUCATION IMPROVEMENT ACT	4,122,926	4,270,503	5,015,087	744,584	17.4%
DEBT SERVICE FUND	4,453,674	33,860,042	-	(33,860,042)	-100.0%
SCHOOL BUILDING FUND	594,617	-	-	-	0.0%
SCHOOL FOOD SERVICE FUND	112,618	119,980	120,000	20	0.0%
TOTAL FUND EXPENDITURES AND OTHER FINANCING USES:	\$ 355,442,732	\$ 401,522,039	\$ 336,351,342	\$ (65,170,697)	-16.2%



**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

**Comprehensive Budgeted Expenditures and
Other Financing Uses -
All Funds**

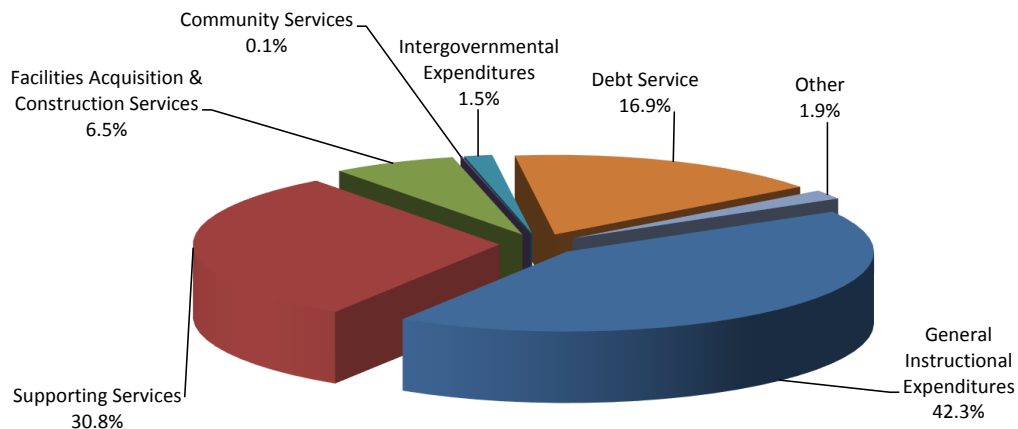
Expenditures by Program	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
Kindergarten Programs	\$ 7,870,686	\$ 7,846,496	\$ 8,188,627	\$ 342,131	4.4%
Primary Programs	28,347,440	28,038,244	30,560,377	2,522,133	9.0%
Elementary Programs	37,208,863	38,316,740	38,860,737	543,997	1.4%
High School Programs	24,898,028	24,425,563	30,119,941	5,694,378	23.3%
Vocational Programs	3,972,774	4,046,343	4,756,989	710,646	17.6%
Drivers Education Programs	-	254,599	256,541	1,942	0.8%
Montessori Programs	-	883,790	839,343	(44,447)	-5.0%
Special Education Prog.	13,882,673	15,018,494	15,854,470	835,976	5.6%
Preschool Special Education Programs	516,369	682,644	808,081	125,437	18.4%
Early Childhood Programs	4,068,744	4,893,818	4,814,525	(79,293)	-1.6%
Gifted & Talented	2,561,864	2,718,199	2,838,774	120,575	4.4%
International Baccalaureate Programs		183,491	206,060	22,569	12.3%
Homebound	124,686	165,008	151,400	(13,608)	-8.2%
Gifted & Talented Artistic	30,300	22,849	63,289	40,440	177.0%
Other Special Programs	13,952	13,172	100,081	86,909	659.8%
Limited English Proficiency Programs	-	3,525,861	49,285	(3,476,576)	-98.6%
Summer School Programs	360,843	1,205,734	896,451	(309,283)	-25.7%
Instr ProgBeyond Reg School Day	436,434	448,792	940,328	491,536	109.5%
Adult Education	543,422	404,736	525,101	120,365	29.7%
Parenting Instruction	969,310	929,861	1,096,962	167,101	18.0%
Instructional Pupil	328,189	385,367	408,348	22,981	6.0%
GENERAL FUND	\$ 107,995,489	\$ 116,949,792	\$ 126,292,724	\$ 9,342,932	8.0%
SPECIAL REVENUE	\$ 12,029,670	\$ 10,983,071	\$ 10,597,661	\$ (385,410)	-3.5%
EDUCATION IMPROVEMENT ACT	\$ 5,362,339	\$ 5,532,545	\$ 4,574,915	\$ (957,630)	-17.3%
INTERNAL SERVICE FUND	\$ 550,878	\$ 673,279	\$ 600,000	\$ (73,279)	-10.9%
PUPIL ACTIVITY	\$ 196,202	\$ 271,114	\$ 270,410	\$ (704)	-0.3%
TOTAL INSTRUCTION	\$ 126,134,578	\$ 134,409,801	\$ 142,335,710	\$ 11,422,421	5.9%
Attendance & Social Work	\$ 2,734,633	\$ 2,914,341	\$ 3,234,115	\$ 319,774	11.0%
Guidance	4,862,408	5,007,516	5,442,494	434,978	8.7%
Health Services	1,894,239	2,239,009	2,491,030	252,021	11.3%
Psychological	901,645	981,676	1,012,897	31,221	3.2%
Other Exceptional Programs	102,559	4,180	2,299	(1,881)	-45.0%
Improvement of Instruction	9,639,681	8,215,253	8,932,968	717,715	8.7%
Media Services	3,503,665	3,619,725	3,957,431	337,706	9.3%
Supervision of Special Projects	1,535,734	1,618,369	1,907,764	289,395	17.9%
Staff Development	1,519,542	1,657,318	2,202,502	545,184	32.9%
Board of Education	540,853	476,000	656,125	180,125	37.8%
Office of Superintendent	394,311	379,188	419,697	40,509	10.7%
School Administration	13,455,340	14,328,815	14,707,236	378,421	2.6%
Fiscal Services	1,500,816	1,565,276	1,613,706	48,430	3.1%
Facilities Acquisition and Construction	70,149,056	60,333,826	22,030,821	(38,303,005)	-63.5%
Maintenance & Operations	22,972,404	23,274,373	25,460,151	2,185,778	9.4%
Transportation	6,526,270	6,682,243	6,209,633	(472,610)	-7.1%
Food Service	9,668,530	10,108,594	9,847,597	(260,997)	-2.6%
School Safety	1,025,977	1,043,093	1,134,837	91,744	8.8%
Data Services	105,683	104,701	107,809	3,108	3.0%
Information Services	327,745	322,355	339,445	17,090	5.3%
Staff Services	2,485,026	2,621,213	2,662,949	41,736	1.6%
Technology	4,558,515	5,065,183	5,335,818	270,635	5.3%
Supporting Pupil Activity	4,682,458	5,167,136	5,916,709	749,573	14.5%
GENERAL FUND	\$ 75,730,414	\$ 78,300,271	\$ 83,594,063	\$ 5,293,792	6.8%
SPECIAL REVENUE	\$ 5,104,092	\$ 4,383,914	\$ 5,651,947	\$ 1,268,033	28.9%
EDUCATION IMPROVEMENT ACT	\$ 1,899,088	\$ 1,238,393	\$ 1,632,253	\$ 393,860	31.8%
CAPITAL PROJECTS	\$ 70,126,046	\$ 60,733,799	\$ 22,003,798	\$ (38,730,001)	-63.8%
SCHOOL FOOD SERVICE FUND	\$ 9,666,599	\$ 10,041,702	\$ 9,750,625	\$ (291,077)	-2.9%
INTERNAL SERVICE FUND	\$ 530,671	\$ 618,981	\$ 300,000	\$ (318,981)	-51.5%
PUPIL ACTIVITY FUND	\$ 2,030,179	\$ 2,412,323	\$ 2,693,347	\$ 281,024	11.6%
TOTAL SUPPORT SERVICES	\$ 165,087,089	\$ 157,729,383	\$ 125,626,033	\$ (32,103,350)	-20.4%

**Beaufort County School District
Three-Year Comparison
Fiscal Years 2015, 2016 and 2017**

**Comprehensive Budgeted Expenditures and
Other Financing Uses -
All Funds**

Expenditures by Program	2014-15	2015-16	2016-17	2015-16 to 2016-17	
	Audited Actual	Projected Actual	Approved Budget	Increase/ (Decrease)	Percent Change
EDUCATION IMPROVEMENT ACT	\$ -	\$ 2,153		\$ (2,153)	-100.0%
SPECIAL REVENUE	301,236	306,282	319,155	12,873	4.2%
TOTAL COMMUNITY SERVICES	\$ 301,236	\$ 308,435	\$ 319,155	\$ 10,720	3.5%
TOTAL DEBT SERVICE	\$ 48,735,485	\$ 64,644,879	\$ 56,737,225	\$ (7,907,654)	-12.2%
GENERAL FUND	\$ 43,769	\$ 39,964	\$ 50,000	\$ 10,036	25.1%
DEBT SERVICE FUND	48,691,716	64,604,915	56,687,225	(7,917,690)	-12.3%
Intergovernmental Expenditures					
Payments to other agencies	\$ 4,710,725	\$ 4,903,981	\$ 4,823,132	\$ (80,849)	-1.6%
Payments to State Department of Education	92,171	86,279	155,000	68,721	79.6%
TOTAL INTERGOVERNMENTAL	\$ 4,802,896	\$ 4,990,260	\$ 4,978,132	\$ (12,128)	-0.2%
TOTAL EXPENDITURES	\$ 345,061,285	\$ 362,082,758	\$ 329,996,255	\$ (32,086,503)	-8.9%
Other Financing Uses					
Transfer - General Fund	\$ 4,122,926	4,270,503	\$ 5,015,087	\$ 744,584	17.4%
Transfer - Special Revenue Fund	627,440	650,000	660,000	10,000	1.5%
Transfer - Special Revenues Indirect Cost	360,172	428,756	450,000	21,244	5.0%
Transfer - Food Service Fund	110,000	110,000	120,000	10,000	9.1%
Transfer - School Building Fund	594,617	-	-	-	0.0%
Transfer - Debt Service	4,453,674	33,860,042	-	(33,860,042)	-100.0%
Food Service Indirect Cost	112,618	119,980	110,000	(9,980)	-8.3%
TOTAL OTHER USES	\$ 10,381,447	\$ 39,439,281	\$ 6,355,087	\$ (33,084,194)	-83.9%
TOTAL FUND EXPENDITURES AND OTHER FINANCING USES:	\$ 355,442,732	\$ 401,522,039	\$ 336,351,342	\$ (65,170,697)	-16.2%

**Beaufort County School District
Comprehensive Budgeted Expenditures by Program
FY 2017
\$336,351,342**



Beaufort County School District, 2016-2017 Budget

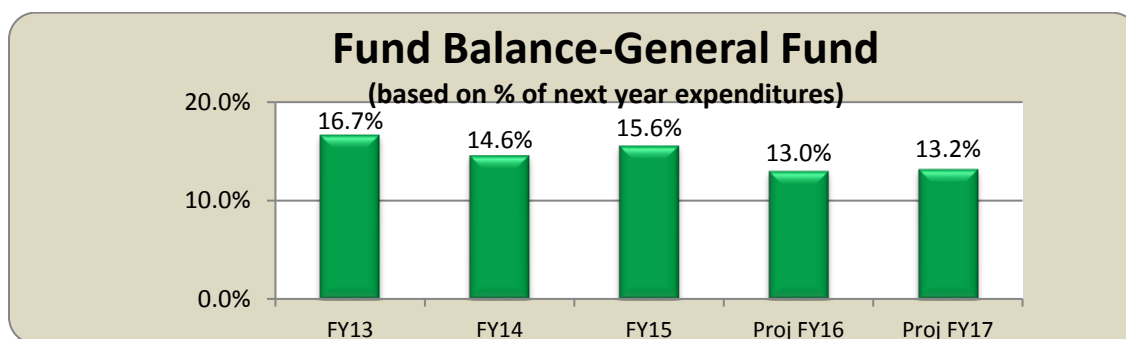
Fund Balance

The Board of Education is committed to providing sound, fiscal management for the District. To ensure this, the Board modified its unassigned fund balance policy for the General Fund no less than 10% of the next year's expenditures with a desired target between 13% and 15% of annual operating expenditures for the next fiscal year. This guidance is a critical component for long-range financial planning.

Changes in Fund Balance-General Fund

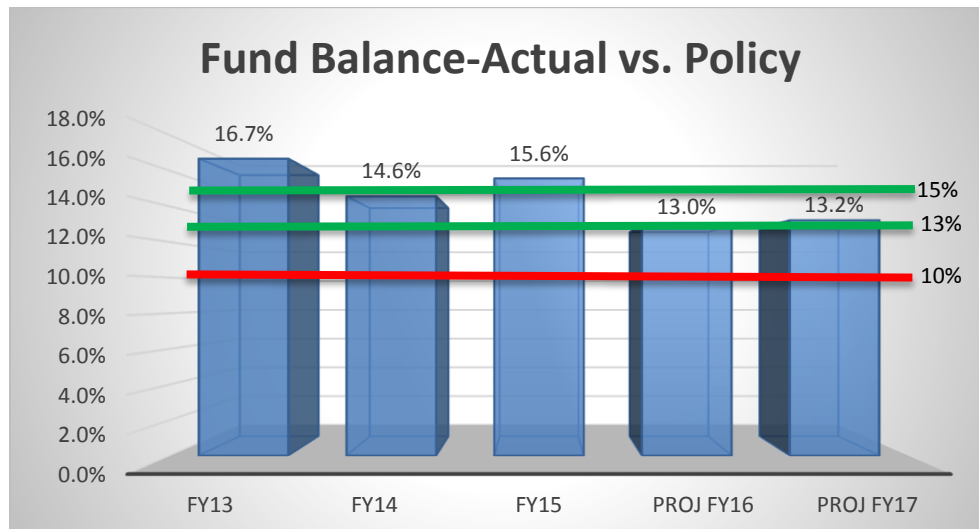
As demonstrated by the five-year comparison below, the fund balance has maintained a level above the minimum amount prescribed in the fund balance policy. Fluctuations in local tax collections have historically had a profound effect on the fund balance level. Below are historical summaries of the major changes in fund balance over the past few years:

- FY 2014-The revenue shortfall during this reassessment year was \$5.5 million, despite a roll forward of the operating millage.
- FY 2015 -A 6 mill increase was approved and local tax revenues exceeded budgeted revenues by \$3 million. State revenues exceeded budget projections by \$1.2 million.
- FY 2016 projected- Millage rates were held flat with expected increases in tax revenues as a result of increased property values. Movement of 6% properties to primary residences was underestimated, resulting in an overestimated mill value. A low property tax collection rate is expected to produce a maximum of \$4.9 million shortfall in addition to a \$725k shortfall in state revenues. These shortfalls are expected to be offset with an expenditure savings of \$2 million, resulting in a projected use of fund balance of \$3.6 million. The reduction takes the fund balance at year end to \$28.1 million, 13% of FY 2017 budgeted expenditures.
- FY 2017 projected- FY 2017 millage rates were increased to replace the shortfall in FY 2016 tax collections. Coupled with a \$12 million increase in expenditures, the fund balances is expected to increase by \$1.3 million, or 13.2% of following year's budgeted expenditures.
- FY 2018 and beyond- Until the millage rate can be stabilized to generate the revenue as approved by the County, fund balances will continue to be unpredictable in future years. The District and Beaufort County are actively working together to achieve a realistic collection rate. Maintaining a fund balance within Board policy is a major consideration during every budget deliberation.



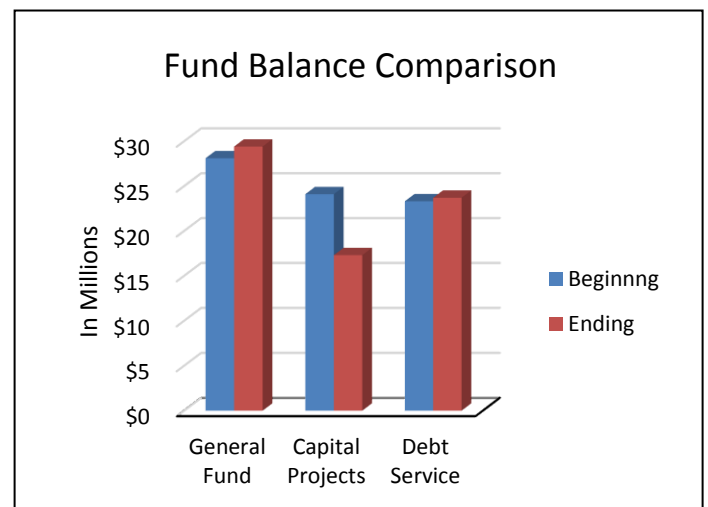
Fund Balance-Actual vs. Policy

Over the last few years, BCSD has successfully maintained its fund balance above the Board's minimum policy of 10% and at or above the minimum desired target of 13%. Unanticipated state and local revenues and conservative spending in FY13 and FY15 allowed the School District to rise above the 15% maximum threshold, with plans to bring it down in the following fiscal year. Five year projections show a fund balance between 13.2% and 13.8% to comply with Board policy.



Changes in Fund Balance

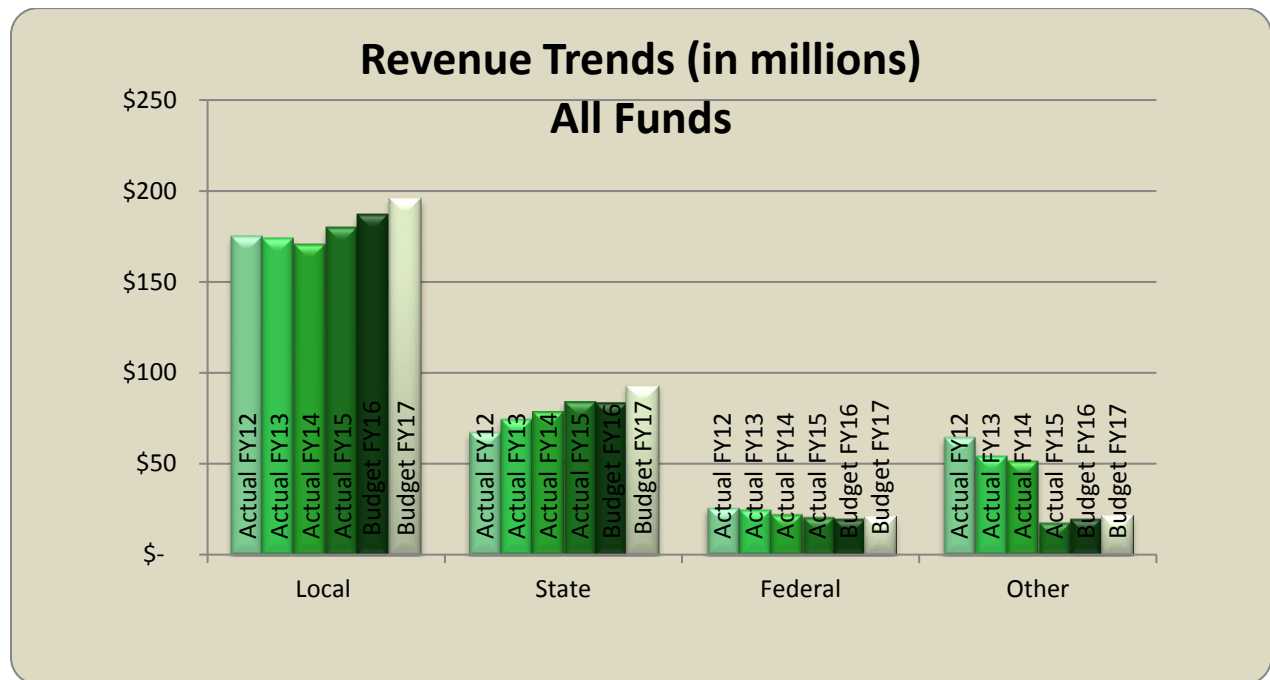
The following graph is a comparison of the beginning and projected ending fund balances for the General Fund, Capital Projects Fund, and the Debt Service Fund of the School District. The General Fund reserves are projected to increase by \$1.3 million during FY 2017. The Capital Projects Fund is expected to decrease by \$6.8 million due to the completion of the new high school. Debt Service Fund balance is projected to increase by \$396,657 due to the timing of debt payments.



	General Fund	Capital Projects	Debt Service
Beginning 7/1/2016	\$ 28.1	\$ 24.1	\$ 23.3
Ending 6/30/2017	\$ 29.4	\$ 17.3	\$ 23.7
Change in Fund Balance	\$ 1.3	\$ (6.8)	\$ 0.4
% Change	4.6%	-28.2%	1.7%

Revenue Trends

Below is a five-year illustration of Beaufort County School District's revenues from all funding sources. The School District heavily depends on local tax revenues to support its basic operations; however, federal and state funds are essential to the District's instructional initiatives. The school district obtains its revenues from four primary sources: local property taxes, state revenues, federal revenues and other revenues, such as general obligation bond proceeds.



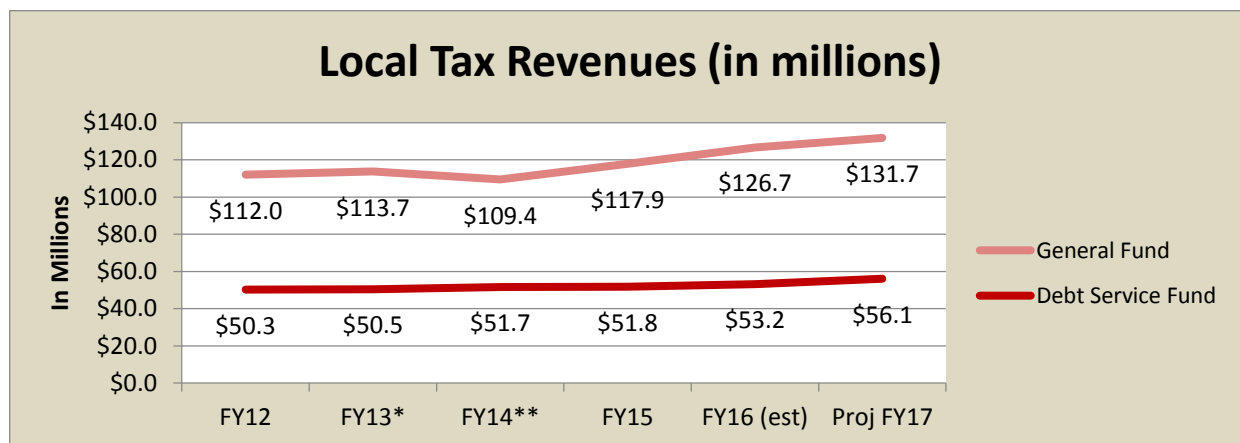
Local Revenues

Local property taxes are the primary source of revenue for the Beaufort County School District. Fifty-nine percent of all revenues are provided by local property taxes and other financing sources. The School District projects to receive \$195.8 million in local property tax revenues in FY 2017 based on operating and debt service millage approved by the Beaufort County Council.

Local property tax collections in the General Fund are expected to fall short of the budget of \$126.7 million in FY 2016 by \$4.9 million. Shifts of 6% to 4% properties have resulted in this shortfall. The operating millage rate of 103.5 has produced fewer revenues than anticipated; therefore the FY 2017 local property tax millage rate was increased by 8 mills to generate the amount of revenues needed for the current year and partially offset expected shortfalls of the prior year. The FY 2017 operating millage is anticipated to generate \$131.7 million in revenues.

The state's Act 388 eliminated full time resident property taxes as a source of income for supporting general operation of schools. Revenue was replaced by a state mandated 1% sales tax increase.

Individuals who own and occupy their homes pay no taxes for school operations. Individuals who own but do not occupy their homes full time are assessed at a 6% rate and taxed for school operations. The passage of Act 388 has incentivized changes from 6% to 4% homes, resulting in lost revenue to the School District. Hundreds of homeowners are approved each year for a change in primary residency to Beaufort County, resulting in the elimination of their school operations taxes. Those funds are permanently lost to the school system. Those shifts from 6% properties to 4% have a direct impact on the calculation of the mill value. The graph below illustrates the local tax revenue trends over the last six years:



* Includes 1 mill increase

** reassessment year with roll forward

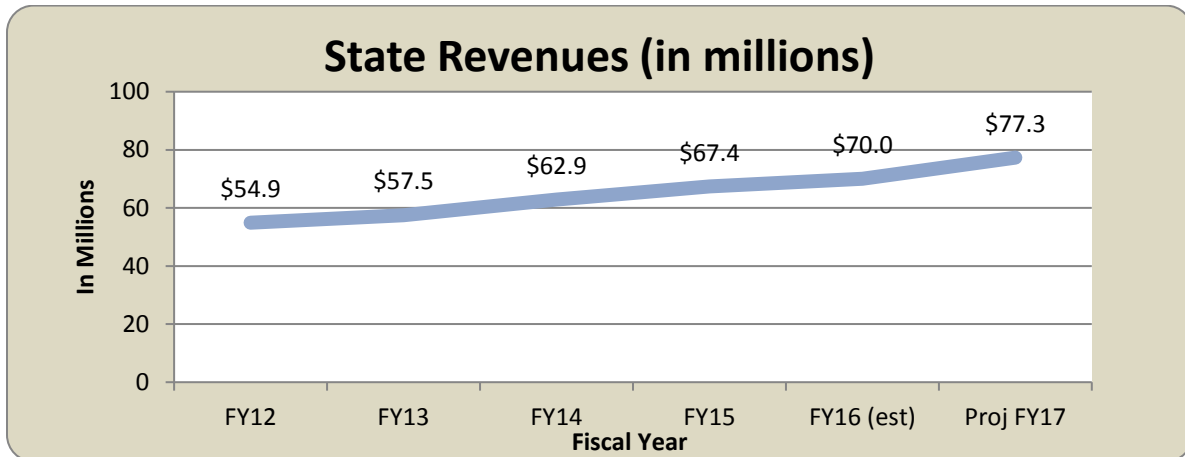
The Debt Service Fund, which is primarily operated with local property taxes, has increased in local property tax revenue since FY 2011. The mills have been incrementally raised to correct an incorrect rollback in millage that occurred in 2010. With a goal of revenue neutrality, the 2013 millage rate was rolled forward to a rate of 31.7 mills from 28 mills during reassessment. The School District maintained that millage rate for FY 2016 and will hold at the same rate for FY 2017. The School District projects to see modest growth in the assessed value for the upcoming year. The millage rate for debt has been carefully managed to reach the levels needed to support the School District's capital improvement program and retire outstanding debt in a manner expected by bond rating agencies and bond holders.

State Revenues

State aid includes grants, state sales tax revenue and other state allocations. Of the \$92.7 million in state revenues projected for FY 2017, \$77 million is anticipated for the General Fund and are used to support the day-to-day operations of the School District. State revenues supporting the General Fund include the sales tax reimbursement on owner occupied residences, Education Finance Act (EFA) funds, school bus drivers' salary funds, reimbursement for local property tax relief, retiree insurance and homestead exemptions. Budget projections are provided each year on these revenue streams by the South Carolina Department of Education.

The state's primary funding formula uses an index of taxpaying ability, a measure of each county's wealth, to determine the amount of required support under the EFA. The measurement is based on the value of

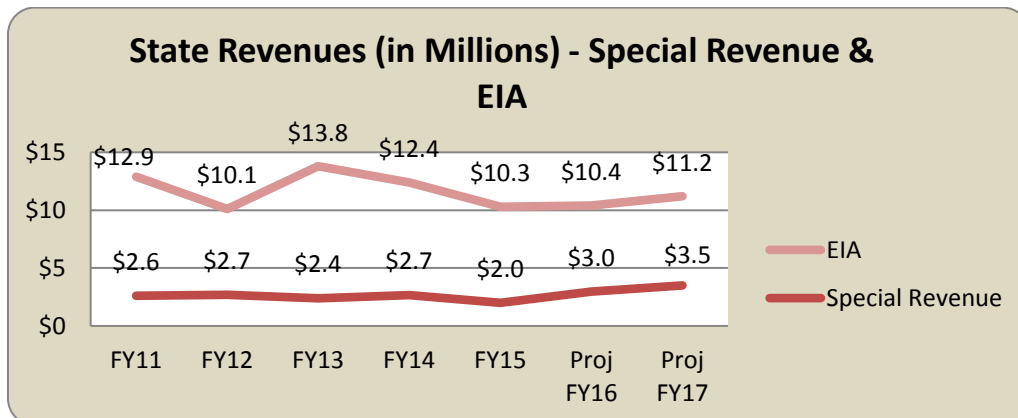
total assessed value of taxable property of each county as a percentage of the state wide total. According to the index, Beaufort County is one of the wealthiest counties in the state; therefore, it receives among the least state funding of school districts in South Carolina. EFA payments have grown from zero funding in 2011 to an anticipated \$12.7 million in 2017 (up from \$8 million in 2016) due to consolidating EIA categorical funds into EFA funds.



The state's Act 388 legislation replaced approximately \$44.2 million of the School District's local property tax revenues with state sales tax revenue. Local property tax relief makes up the largest portion of state funding and has shown steady growth due to enrollment increases in the last five years. FY 2017 state revenues are expected to grow by \$260,957.

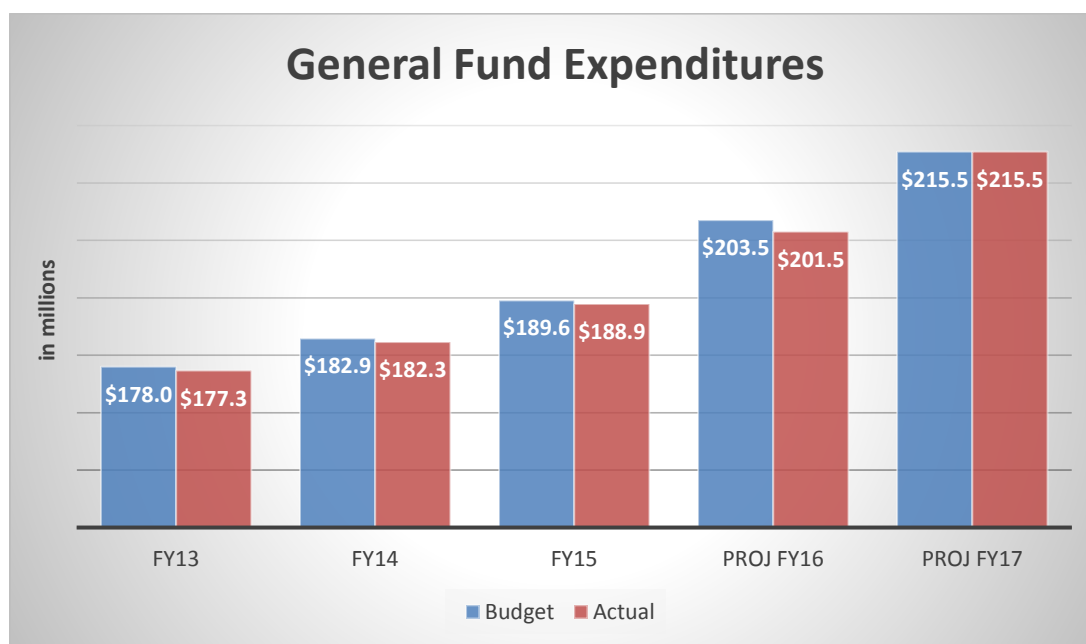
Another \$14.7 million is received in the Special Revenue and Education Improvement Act (EIA) funds. The Finance Office of the School District uses state budget projections, grant award letters and historical information to project the revenues from these sources for the FY 2017 budget.

State revenues in Special Revenue funds have increased and are restricted to technology professional development and reading interventions (Summer Reading Program). EIA funds have increased from the prior year by \$865,757, particularly in Teacher Salary Supplements. These funds are transferred to the General Fund to help offset the cost of teacher salaries.



Expenditure Trends

The FY 2017 General Fund budget was approved in the amount of \$215.5 million, an increase of 5.9% from the FY 2016 budget of \$203.5 million. BCSD has history of underspending by about 1% or approximately \$600,000. Spending in FY 2016 is expected to come under budget by about \$2,000,000 primarily due to staff vacancies.



The chart on the following page provides a five-year comparison of expenditures. Below are historical summaries of the major changes in expenditures over the past few years:

- FY 2013-A teacher step increase was mandated by the state for all eligible teachers along with a 2% cost of living increase totaling \$3.3 million. A 2% cost of living increase was also given to all other employees, with an additional 1% going to classified employees, the first increase for this group in three years. Benefits increases amounted to \$0.5 million. A decrease in operating costs was obtained due to the prior year's closing of Shell Point Elementary.
- FY 2014- A teacher step increase was mandated by the state for all eligible teachers amounting to \$1.3 million. Additional teachers and supplies to accommodate student growth was \$1.7 million. Benefit increases totaled \$2.1 million.
- FY 2015-A state mandated teacher step increase by the state for all eligible teachers of \$1.4 million was given. Benefits increased by \$2.5 million. Nine teaching positions moved to the General Fund due to reductions in state and federal funding. Enrollment grew by 627 students. Staff increased to accommodate growth in student enrollment.

- FY 2016 projected-River Ridge Academy opened with 950+ students in grades Pre-K through eight with operating costs of \$2.8 million. Step increases for all eligible teachers are included at a cost of \$1.3 million and \$2 million increases are due to losses in state and federal funding. A tutoring program was implemented at a cost of \$500,000.
- FY 2017 projected-May River High School will open with 930+ students in grades nine through twelve with operating costs of approximately \$5.4 million. Step increases for all eligible teachers and a 2% cost of living increase equaling \$2.1 million. Locality supplements are provided to each teacher, an increase of \$1.9 million from the prior year.

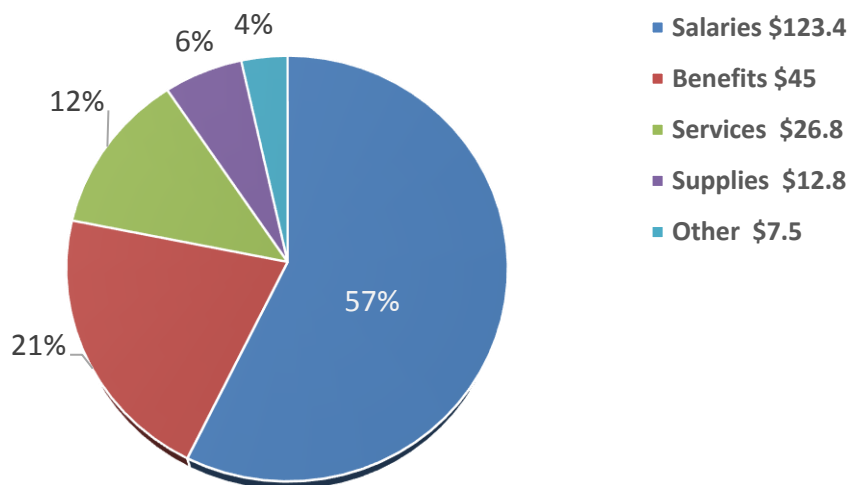
Expenditures-5 Year Comparison

	FY13	FY14	FY15	Proj FY16	Proj FY17
Budget	\$ 177,978,690	\$ 182,906,012	\$ 189,558,841	\$ 203,513,932	\$ 215,451,995
Actual	\$ 177,309,948	\$ 182,302,338	\$ 188,921,762	\$ 201,513,932	\$ 215,451,995
Increase From Budgeted	\$ 4,008,540	\$ 4,927,322	\$ 6,652,829	\$ 13,955,091	\$ 11,938,063
Prior Year	2.3%	2.8%	3.6%	7.4%	5.9%

Salaries and Benefits

Salaries and benefits comprise 78% of the School District's budget. This does not include all of the salaries and benefits paid by our contracted services for food service, custodial, grounds, maintenance and transportation. Through a formalized staffing process, school positions are standardized to provide equity among schools and are distributed based on projected student enrollment for FY 2016-2017. A staffing formula was established for each elementary, middle and high school, which may be found on pages 67, 68 and 69 of this document.

General Fund Spending by Object (in millions)



Following a one-year growth of 368 students (1.7%) coupled with a two-year growth of 992 students, the need for additional teachers in the upcoming school year was apparent. Enrollment increases, paired with the opening of a new high school and the expansion of Pre-K and CATE programs, resulted in the addition of 30 new teachers in the budget. Twelve new classified positions and two new administrators were also added. Increases in Special Revenue Funds resulted in the shift of 8 teaching positions from the General Fund, generating a savings in the General Fund budget of \$495,000.

The state of South Carolina requires an annual step increase for all eligible certified teachers. The cost of this budget item is \$1.3 million. In addition, a 2% cost of living increase was mandated by the state for teachers at a cost of \$2.1 million. The Board approved step increases for all eligible administrative and classified staff.

Applicable athletic and academic stipend allocations are distributed to applicable schools each year based on projected enrollment. The amounts of these allocation remain unchanged since FY 2011-2012.

Employee Benefits

The budget includes benefits including Social Security, Medicare, retirement, health, dental, life insurance, and workers' compensation. Retirement benefits are managed by the SC Public Benefit Authority (PEBA), and participation of employees of South Carolina school districts is mandatory. For FY 2017, the employer's share of retirement increased from 16.39% to 16.89%. Not only did the employer's share increase, but the employee retirement withholding rate increased from 8.16% to 8.66% as of July 1, 2016.

Health insurance premiums through the Blue Cross Blue Shield State Health Plan, the mandated plan for SC school districts, are estimated to increase by 0.8% as of January 1, 2017. Increased costs due to additional staff coupled with prior increases for the second half of the 2016 calendar year are expected to result in an increase of \$833,555. No increases are expected in Social Security, Medicare, dental, life insurance or workers' compensation. Benefit costs are estimated to increase by \$3.7 million to total \$44 million.



Instructional Programs

Many instructional programs and curricular initiatives are funded through Special Revenue and EIA (Education Improvement Act) funds. Below is a summary of the major instructional initiatives planned for the 2016-2017 school year and the Special Revenue funding sources which will support them. These programs may be supported with general fund money as well.

FY 2017 Utilization of Special Revenue Funds			
Instructional Initiatives	Intended Use of Program	Amounts	Special Revenue Funding Source
Title One	To supplement the core instructional programs at 15 high poverty schools	\$ 5,351,371	Title I
Special Education	The education of students with special needs in a way that addresses the student's individual differences and needs	\$ 4,064,309	IDEA, ESY and IDEA Preschool Funds
English Learners (EL)	An instructional program in English for speakers of other languages (EL) to teach basic vocabulary and grammar to students with a first language other than English	\$ 287,000	Title III
Adult Education	Program to increase adult literacy and to prepare adults for a high school diploma or its equivalency	\$ 715,009	Federal & State Adult Education Funds
Parenting & Family Literacy	Program provides a holistic, fully integrated, family-focused approach, providing parents and children most in need of improving their literacy skills with intensive, frequent and long-term educational and non-educational services.	\$ 690,418	Title I, At Risk Funds
Junior ROTC Program	A federal program sponsored by the United States Armed Forces in high schools to promote citizenship, leadership skills, and patriotism	\$ 974,144	Federal JROTC Funds
Summer School for MS & HS grades 6-12	Additional instructional days for most at risk students in grades 6-12 and credit recovery opportunities	\$ 150,000	At Risk Funds
Migrant Education	Support of high quality education program for migratory children	\$ 135,000	Title I
Gear Up	Graduation coaches follow cohort of students to promote high school graduation rate and continuation to post-secondary education	\$ 223,079	Federal Gear Up Grant
Career and Technology Education	A planned program of courses and learning experiences that begin to explore options of career awareness	\$ 485,770	Federal & State CATE Funds
9th Grade Orientation	A 1 day orientation for rising 9th graders to augment transition from middle school to high school	\$ 20,000	At Risk Funds
Alternative Education	Program for middle and high school students with chronic discipline issues and violations of law	\$ 1,711,184	At Risk Funds
Literacy Coaches	Provide most elementary schools with a Reading Coach to lead Reading Professional Development	\$ 1,066,410	Read to Succeed & At Risk
Summer Reading Camp	State-required program for 3rd graders to increase reading skills. District supports 1st, 2nd and 4th graders with local funds for reading remediation	\$ 1,463,659	State Summer Reading Camp Funds, State Reading Funds, & At Risk Funds
Total		\$ 17,337,353	

Service Contracts

Major School District contracts include substitutes, School Resource Officers, substitute teachers, crossing guards, grounds, custodial, and maintenance and all are outsourced. After many years of being outsourced, bus transportation is being brought back in-house during 2016-17. The FY 2017 budget includes \$11.7 million for these major contracts. With an average of a 3% CPI increase applied to existing contracts and the opening of a new high school, the total contract budgets increased by \$1 million.

Supplies

The budget includes \$12.6 million of supply costs in the General Fund. This category includes energy costs, maintenance supplies, instructional materials for schools, and operational supplies for the central office. There is an increase in the supply budget this year of \$689,827 that is primarily from increased per pupil allocations due to enrollment growth and the addition of the new high school.

Supply Allocation

A supply allocation is distributed among all schools each year based on projected enrollment. This per pupil allocation was reduced by 10% in the 2012 budget year, and has remained unchanged since that time. The allocation totals \$4.1 million for all schools, up from \$4 million in the prior year. Growth in student enrollment and a new high school are the primary reason for the change.

Utilities

Utilities of \$8.7 million are incorporated in the budget, including \$410,106 for the new high school. These costs include water and sewer, trash, telephone communication, electricity and propane gas. \$6.6 million of these costs are included in the supply category according to SC Department of Education guidelines.

Charter School

By approval of the Beaufort County School District Board of Education, the Riverview Charter School was established in Beaufort in the summer of 2009, opening its doors to approximately 494 students in grades kindergarten through six. The charter planned for a grade level increase each year until grade eight. Enrollment will increase by 38 students to 608 in the 2016-2017 school year. Along with the increased students is an increase in their per pupil allocation of \$243,526. Increases are attributable primarily to increases in state EFA and teacher salary supplement funding. The total allocation to the charter school is \$4.9 million, with a General Fund allocation of \$4.7 million and categorical funds of \$200,000. The charter school is funded on a weighted per pupil basis in compliance with a state formula. The School District receives no additional money to fund this expense.

Major Increases

The vast majority of the 2016-17 General Fund budget increases address budget priority #3, “provide quality teachers and administrators in every classroom and building.” By compensating staff well, the School District is able to competitively recruit and retain highly qualified teachers and administrators, thereby building its capacity to achieve priority #1 which is that students will perform on grade level in all subjects by third grade.

Locality salary supplements of \$1,000 were provided to all staff in FY 2016 to help offset the high cost of living in the area. These stipends were maintained in the FY 2017 budget with an additional \$1,000 added to certified teachers. This initiative was established to achieve the Board’s goal of raising the starting teacher salary to \$40,000 within the next five years.

Program expansion allows parents and students the opportunity to explore Career and Technology Education programs. Other choice options do not require budget increases as the School District intends to maintain the programs currently offered at no additional cost.

Many of the initiatives to address student performance will be funded through Special Revenue and EIA funds and will have little effect on the General Fund budget. Tutoring allocations, which are funded in the General Fund budget, are maintained at the same level as the prior year. Technology opportunities will be funded through Capital Projects Funds and supported with existing staff.

Increase Area	Budget Priority	Amount
External:		
State/Federal Mandates	3	\$ 5,381,827
Local - Enrollment	3	2,874,956
Operational	n/a	1,390,182
Internal:		
Other-Locality/Non Teacher Step	3	2,470,475
Program Expansion	2	390,000
Decreases	n/a	(569,377)
Net Increases		11,938,063
FY2015-2016 Budget		203,513,932
FY2016-2017 Approved Budget		\$ 215,451,995

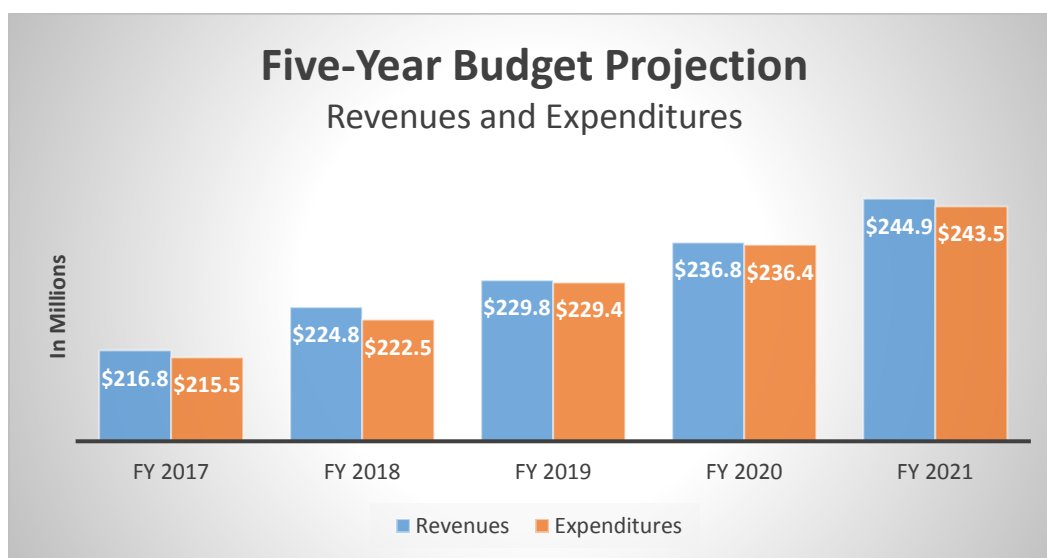
Long-Term Budget Projections

The Beaufort County Board of Education requires the Superintendent and his staff to develop an annual budget for Board approval that reflects a multi-year perspective, analyzes the current financial condition of the District, and presents a minimum of five-year financial needs and proposals to address the advancement of student achievement.

The Executive Summary provided a numerical depiction of this projection. This segment of the budget document serves to provide additional details of the budget assumptions used in the projection.

Revenues are based on the FY 2017 mill rate of 111.5. A 1% growth in the value of the mill is estimate for each year going forward. Additional revenues are needed to maintain the fund balance to comply with Board policy. These revenues may come from an increase in the mill rate or other revenue sources. State revenues are also expected to increase by 1% each year, primarily due to the School District's growth in enrollment. Federal revenues are expected to hold steady.

Expenditure projections include increases of about \$7 million per year on average. However, costs will increase at a higher rate in FY 2017 because of the opening of the new high school. (Details of those costs are included in the Capital Projects section of this document.) Budget assumptions include growth in student enrollment of 1% per year, increases in benefits of 1% per year and annual adjustments for inflation. Mandatory teacher salary increases and step increases for all staff are assumed. A 2% cost of living increase is also incorporated into long-term projections.



School Building Fund (Capital Projects)

The Facilities, Planning and Construction Office (FPC) prides itself with meeting its goal of being "On Time and Under Budget." The District recently completed construction of May River High School in the Bluffton area. It is a 238,616 square foot facility on 80 acres of a 220 acre campus and is built for a capacity of 1,400 students, offering room for additional expansion. This is an extraordinary facility that has been long awaited to relieve the overcrowding in high school in the Bluffton area for several years. The cost of construction was \$68 million and took two years to complete.

May River High School



Riverview Charter School additions are underway with anticipated completion in August 2016. A Pre-K wing was also added at Hilton Head Island Early Childhood Center, serving four classrooms of students.

In addition to the new construction, the district spent an additional \$2.5 million to upgrade technology devices during the 2015-2016 school year and over \$2.4 million is available for upgrades during the 2016-2017 school year.

Methodology

Work begins on the District's Capital Improvement Plan with analysis of projects expanding over a five year period. To start this process, key stakeholders are contacted to collect facility data. Capital Improvement Plan request forms are distributed to all school principals, FPC staff, maintenance staff, and outside consultants. The information collected from all groups is combined into the Capital Improvement Projects (CIP) database. This database retains a record of all entries made each year.

Once the data has been entered, the FPC staff begins to assign cost, categories (asset preservation, life safety/security, academic support, standardization/equity, energy efficiency, and low priority), and type of work to all entered items. Across the District, FPC staff strives to maintain equitable treatment of facility needs and assessments. When deciding how to fund the five year CIP, several factors are considered. These factors include CIP rating systems, emergency repairs, grouping of projects, and future school use changes.

The following items are major considerations for developing the five year plan:

- Targeting a limit of \$20 million per year in order to maintain financial stability in our debt plan.
- Limiting the number of schools receiving major work during the summer to allow suitable project management given the current level of staffing.
- Having a fixed schedule for renovation allowing the schools to better schedule summer activities.



2017– 2021 Five Year Plan and Capital Budget

The current five year plan shows all items suggested by principals, FPC, maintenance personnel and others. A review of the five year plan reveals several years that exceed the annual \$20 million goal established in our financial plan. The Facilities Planning Committee will meet prior to the presentation of the annual CIP budget to review all listed items. The purpose of that review will be to prioritize the requests to bring the overall budget within the \$20 million requested CIP range.

Estimated cost of projects submitted for the next five years:

Year	Total Cost
FY 2017	\$15,215,798
FY 2018	\$19,948,903
FY 2019	\$15,221,230
FY 2020	\$24,669,523
FY 2021	\$11,807,659

River Ridge Academy



Sales Tax Referendum

The Beaufort County Board of Education has voted to place a one-penny Educational Capital Improvement Sales and Use Tax Referendum on the November 8, 2016 general election ballot for consideration by local voters. If the referendum is successful, the debt millage can be decreased by over 42%. Funds from the one-penny sales tax referendum would be used exclusively for specified capital projects including building additions, HVAC upgrades, new construction, land purchases and roof replacements. If passed, new construction will affect operating budgets beginning in FY 2022.

Major Construction

Funding for capital improvement projects is appropriated by two methods, a voter approved referendum and an 8% constitutional debt limit. All planned and ongoing project currently fall under 8% financing. The last referendum project was completed in the 2015-2016 school year with the opening of River Ridge Academy.

8% Projects

In addition to referenda, the School District's borrowing power is restricted by state law. It provides that a local unit cannot at any time have total debt outstanding in an amount that exceeds 8% of the total assessed property value of the county. Funds of this type are used for capital renewal of the schools and administrative buildings. Other 8% projects are approved by the Board of Education each fiscal year based on need and the debt capacity. At the close of June 30, 2015, the legal debt margin was estimated to be \$43,084,792. Projects of \$17 million were approved shortly after year end, bringing the available debt capacity to \$26,084,792.

Summer 2016 Projects

Highlights of the summer of 2016 projects (FY 2017) include:

- **Beaufort Elementary** – paint corridors
- **Coosa Elementary** – paint corridors
- **Mossy Oaks Elementary** – paint corridors
- **Port Royal Elementary** – roof replacement
- **Shanklin Elementary** – roof replacement
- **Hilton Head Elementary** – HVAC upgrade
- **Bluffton Elementary** – window and exterior wall repairs
- **Okatie Elementary** – paint entire building interior
- **Lady's Island Middle** – replace fire alarm system
- **Battery Creek High** – paint entire building interior
- **Hilton Head Island High** – HVAC upgrades
- **May River High** – The new high school will be funded entirely with 8% capital funds approved in an amount not to exceed \$68 million.

Another funding option came from the issuance of **Qualified Zone Academy Bonds** (QZABs). QZABs are a financing instrument that can be used to carry out renovations and repairs as well as other improvements (any use except new construction). The federal government covers, on average, all of the interest on these bonds, thus enabling schools to save up to 50 percent of the costs of these construction projects. The interest payment is actually a tax credit, in lieu of cash, provided to financial institutions that hold the bonds. The funding from these bonds will pay for the construction on six projects amounting to \$6.8 million. These projects are scheduled to begin during the summer of 2016.

- **Beaufort Elementary** - roof replacement
- **Lady's Island Elementary** - roof replacement

- **Mossy Oaks Elementary** - roof replacement
- **Broad River Elementary** - roof replacement
- **Robert Smalls International Academy** - HVAC upgrades and replacement
- **Whale Branch Middle** - HVAC upgrades and replacement

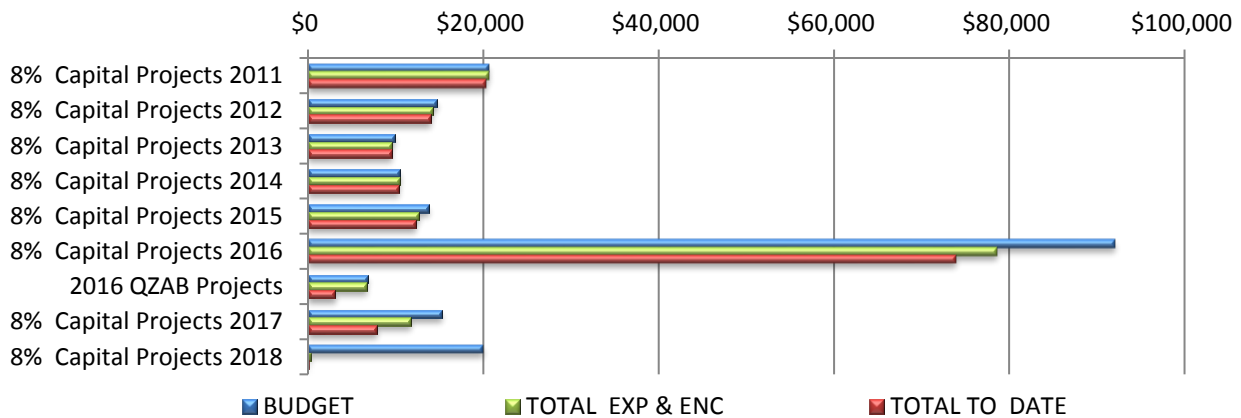
Summer 2017 Projects

The Board of Education approved the FY 2018 8% projects at a cost of \$19,948,903. Design will begin on the projects starting in the fall of 2016 for construction during the summer of 2017.

The focus of the upcoming projects is based on life safety concerns and asset preservation. Such renovation projects are often more difficult to complete as they typically require more time and effort to coordinate with the existing facility and school activities. The District will continue to pursue projects that not only reinvest in our facilities, but also ensure that all facilities provide proper learning environments for our students.

The table below shows balances of approved funds for capital building and improvements that are currently in process. These projects consist of a diverse group of projects ranging from roof repairs to new schools buildings.

8% Capital Projects							CONT. +
As of 6/30/2016	ORIGINAL APPROP	TRANFRS ADJSTMTS	REVISED BUDGET	TOTAL TO DATE	ENCUMB	TOTAL EXP & ENC	AVAILABLE BUDGET
8% Capital Projects 2011	\$20,575,247	\$0	\$20,575,248	\$20,286,176	\$347,864	\$20,634,040	(\$58,792)
8% Capital Projects 2012	\$13,503,694	\$1,181,737	\$14,685,431	\$14,016,864	\$148,397	\$14,165,262	\$520,170
8% Capital Projects 2013	\$9,846,159	(\$0)	\$9,846,159	\$9,507,159	\$41,995	\$9,549,154	\$297,005
8% Capital Projects 2014	\$10,418,478	\$0	\$10,418,478	\$10,335,430	\$99,586	\$10,435,016	(\$16,538)
8% Capital Projects 2015	\$13,742,903	(\$9,544)	\$13,733,359	\$12,293,375	\$335,095	\$12,628,470	\$1,104,889
8% Capital Projects 2016	\$15,389,959	\$76,594,000	\$91,983,959	\$73,882,711	\$4,682,778	\$78,565,489	\$13,418,470
2016 QZAB Projects	\$6,788,000	\$0	\$6,788,000	\$3,089,480	\$3,558,030	\$6,647,510	\$140,490
8% Capital Projects 2017	\$15,215,798	\$0	\$15,215,798	\$7,823,874	\$3,863,600	\$11,687,474	\$3,528,324
8% Capital Projects 2018	\$19,948,903	\$0	\$19,948,903	\$64,182	\$233,188	\$297,370	\$19,651,533
Total 8%	\$125,429,141	\$77,766,195	\$203,195,336	\$151,299,251	\$13,310,534	\$164,609,785	\$38,585,551



5 Year Capital Improvement Plan					
	Capital Renewal 8%				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Beaufort Elementary School	\$69,367			\$31,298	\$552,930
Coosa Elementary School	\$49,410	\$91,451	\$36,030	\$46,948	\$452,053
Lady's Island Elementary School		\$217,111	\$60,045		\$148,717
Mossy Oaks Elementary School	\$76,695	\$107,828	\$145,476	\$30,889	\$318,167
Port Royal Elementary School	\$162,147	\$247,185		\$51,746	\$261,684
St Helena Elementary School	\$156,313	\$130,536			\$746,448
Beaufort Middle School	\$112,500	\$27,750		\$663,818	\$357,691
Lady's Island Middle School	\$256,516	\$402,214	\$1,047,184	\$147,400	\$482,953
Beaufort High School		\$601,294		\$46,333	\$160,667
Beaufort Cluster Total	\$882,948	\$1,825,369	\$1,288,735	\$1,018,432	\$3,481,310
Broad River Elementary School	\$6,169	\$1,781,164			\$66,615
Shanklin Elementary School	\$1,096,477	\$151,898	\$271,788		\$268,201
Shell Point Elementary School					\$187,107
Robert Smalls International Academy	\$31,625	\$96,609		\$513,659	\$151,058
Battery Creek High School	\$498,422	\$155,791	\$204,887		\$613,728
Battery Creek Cluster Total	\$1,632,693	\$2,185,462	\$476,675	\$513,659	\$1,286,709
James J. Davis Early Childhood Center		\$78,353			
Whale Branch Elementary School		\$162,612			\$174,071
Whale Branch Middle School	\$64,516	\$342,805			\$65,333
Whale Branch Early College High		\$238,930		\$274,164	\$303,454
Whale Branch Cluster Total	\$64,516	\$822,700	\$0	\$274,164	\$542,858
Hilton Head Island Early Childhood Center	\$1,700,000	\$0	\$61,002		\$39,167
Hilton Head Island Elementary School	\$2,096,665	\$145,405	\$40,030	\$403,578	\$518,944
Hilton Head Island Elementary for Creative Arts		\$187,189		\$313,972	\$944,768
Daufuskie Island Elementary		\$0		\$584,443	
Hilton Head Island Middle School	\$50,947	\$349,433		\$83,463	\$336,253
Hilton Head Island High School	\$1,091,719	\$642,822	\$145,134	\$638,177	\$945,019
Hilton Head Island Cluster	\$4,939,331	\$1,324,849	\$246,166	\$2,023,633	\$2,784,151
Bluffton Elementary School	\$511,982	\$83,459		\$203,535	\$552,037
M.C. Riley Elementary School		\$382,863		\$119,187	\$326,068
Okatie Elementary School	\$227,310	\$18,791		\$17,381	\$251,750
Pritchardville Elementary School		\$0		\$323,717	
Red Cedar Elementary School		\$140,191	\$80,333		\$109,414
River Ridge Academy		\$102,498			
HE McCracken Middle School		\$1,550,901	\$292,665	\$173,937	\$142,600
Bluffton Middle School		\$322,985	\$408,564		\$170,734
May River High					\$151,566
Bluffton High School		\$586,017	\$459,179	\$341,752	\$634,872
Bluffton Cluster Total	\$739,292	\$3,187,705	\$1,240,741	\$1,179,509	\$2,339,041
School Totals	\$8,258,780	\$9,346,085	\$3,252,317	\$5,009,397	\$10,434,069
District Level Projects	\$6,957,018	\$10,602,818	\$11,968,913	\$19,660,126	\$1,373,590
Total	\$15,215,798	\$19,948,903	\$15,221,230	\$24,669,523	\$11,807,659

Estimated Impact on the Operating Budget

The summer projects over FY 2016 have primarily been for maintenance sustainability. Additional increases are expected in the operating budget for 2017 school year with the opening of May River High, Battery Creek High CATE Building and the addition at Hilton Head Island Early Childhood Center. The following tables includes total projected school staff and all associated maintenance and utilities to operate the schools.

2016-2017 Estimated Cost

Battery Creek High CATE Building	\$369,850
Hilton Head Island ECC	\$373,730
May River High	\$5,436,574
Estimated operating cost total:	\$6,180,154

Auditorium at May River High



BEAUFORT COUNTY SCHOOL DISTRICT
 PROJECTED OPERATING COSTS FOR
 BATTERY CREEK CATE BUILDING
 PROJECTED OPENING DATE: DECEMBER 2015
 Square Footage = 14,000

	<u>FY 2016-17</u>	
<u>Utilities</u>	\$	26,600

Maintenance

Cleaning	\$	22,400
Maint. Contracts	\$	10,850

<u>Additional Staff</u>	\$	210,000
<u>Additional supplies and books</u>	\$	100,000

Total Operating	\$	369,850
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Assumptions:

Electricity 2% increase over current year
 Other categories 2% over current year

BEAUFORT COUNTY SCHOOL DISTRICT
 PROJECTED OPERATING COSTS FOR
 HILTON HEAD ISLAND EARLY CHILDHOOD ADDITION
 PROJECTED OPENING DATE: AUGUST 2016
 Square Footage = 6,000

	<u>FY 2016-17</u>	
<u>Utilities</u>	\$	11,400

Maintenance

Cleaning	\$	9,600
Maint. Contracts	\$	4,650

<u>Additional Staff</u>	\$	317,200
<u>Additional supplies and books</u>	\$	30,880

Total Operating	\$	373,730
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Flight Simulator at Battery Creek High



PROJECTED OPENING DATE: AUGUST 2016

Square Footage = 238,616

Start Up Enrollment 1,000

FY 2016-17

Utilities

Electricity	\$	458,143
Natural Gas	\$	2,240
Water/Sewage	\$	30,000
Trash	\$	10,000
Telecommunications	\$	66,000

Maintenance

Grounds	\$	50,000
Cleaning	\$	381,786
Maint. Contracts	\$	184,927
Other Maintenance	\$	80,000

Athletic Allowances \$ 112,337

Academic Stipends \$ 39,223

Athletic Stipends \$ 180,000

Resource Officer - Contracted \$ 77,250

Miscellaneous operating cost \$ 1,000,000

Total Operating \$ 2,671,906

Assumptions:

Electricity 2% increase over current year

Other categories 2% over current year

Transportation assumed 8 buses@ \$25,000 each

Total Salaries/Ben. \$ 2,764,805

Total Operating \$ 2,671,906

Grand Total \$ 5,436,710

Debt

Objectives of Debt Program

The School District, in conjunction with its Financial Advisor, manages its debt to meet the following objectives:

- Maintain cost-effective access to the capital markets through prudent policies
- Maintain moderate debt and debt service payments with effective planning and coordination with schools/departments
- Meet significant capital demands through debt financing and alternate financing mechanisms
- Achieve the highest practice credit ratings
- Prevent large fluctuations in millage rates throughout the life span of the debt

These objectives were designed to develop a debt policy that would have the least impact on taxpayers of Beaufort County while still improving aging facilities, equipping schools with technology, and providing new facilities for a growing student population.

Outstanding Debt

At June 30, 2016, the School District had \$329.3 million in general obligation bonds outstanding. The debt includes a combination of bonds issued from the last three bond referenda and from bonds issued under the State's 8% constitutional debt limit. Details of those bonds are provided as follows; however, more details about the projects approved in these referenda may be found in the "Capital Projects" section of this document.

2008 Referendum

In the spring of 2008, voters approved a \$162.7 million bond referendum. This bond issue was used to fund the purchase of land for four new school sites, technology upgrades, to construct two early childhood centers in the Bluffton area and Pritchardville Elementary School and River Ridge Academy in the Bluffton area. Debt outstanding against 2008 referendum bonds totaled \$74.1 million at June 30, 2016.

2006 Referendum

During May 2006, a \$43.7 million bond referendum was passed. In this referendum, the following facilities were approved: an elementary school, a middle school, land for a high school, and additional funding for the completion of a high school. During December 2007, the School District issued \$43.7 million in general obligation bonds under the referendum. Debt outstanding at June 30, 2016 against these bonds totals \$36 million.

2000 Referendum

In March 2000, a School District referendum was passed approving the issuance of \$122 million in general obligation bonds. Debt outstanding at June 30, 2016 against these bonds totals \$71.8 million.

2006 IPRR Bonds

In December of 2006, the School District defeased an existing bond anticipation note with the issuance of a \$39.1 million Installment Purchase Refunding Revenue Bond (IPRR Bonds). For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the School District's financial statements.

The December 1, 2006 IPRR bonds are not an obligation of the School District; however, the Education Facilities Corporation (EFC) is a blended component unit and its debt is included with the School District's other obligations. Outstanding debt of \$30.6 million exists as of June 30, 2016.

Qualified Zone Academy Bonds (QZAB)

A grant was written and awarded for Qualified Zone Academy Bonds (QZAB) to fund eligible schools needing new roofs or heating and air conditioning systems. In October 2015, the School Board approved the issuance of Qualified Zone Academy Bonds (QZAB) not to exceed \$6.8 million in general obligation bonds for the approved projects. These bonds are subject to the 8% debt limit.

Tax Anticipation Note (TAN)

Each year, the School District issues a tax anticipation note (TAN) to supplement its cash flows during months of low tax collections. It issues the note in the fall and is required to repay it no later than April 15th of the following year. In June 2015, the Board approved the issuance of a \$16.1 million TAN that was repaid by March 2016. In June 2016, the District has approved a TAN in the amount of \$18.0 million for FY 2017.

Bond Anticipation Note (BAN)

During the FY 2016 there were no Bond Anticipation Notes issued and none are planned for FY 2017.

Legal Debt Limit

Article X, Section 15 of the Constitution of the State of South Carolina, as amended, empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district.

Bond indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of the School District voting in a referendum will not be considered in the

computation of the 8% limitation. As of June 30, 2016, the remaining debt margin available to the School District was approximately \$47.7 million.

The total debt outstanding against all referenda bonds not subject to the 8% limitation was \$181.9 million at June 30, 2016. In addition, the EFC IPRR bonds of \$30.6 million referenced earlier are not subject to the 8% limitation. As of the date of this report, the legal debt margin calculations as of June 30, 2016 are unaudited.

Legal Debt Margin Calculation as of June 30, 2016:

Assessed value	\$ 1,705,780,158
Debt limit (8 % of assessed value)	<u>136,462,413</u>
Debt applicable to limit:	
Total bonded debt	329,294,621
Less: Bond issuances	
approved by referendum	(209,962,000)
Less: Installment Purchase	
Revenue Bond	<u>(30,585,000)</u>
Total net debt applicable to limit	<u>88,747,621</u>
Legal debt margin	<u>\$ 47,714,792</u>

8% Debt

The current debt plan includes annual capital renewal projects in the amount of \$20 million over the next ten years. The District's debt millage rate allows the School District to pay down sufficient outstanding principal to maintain a financially stable debt program as well as meet the capital needs of a growing school district. Working within a set millage rate allows the School District to better manage the capital needs of the District's operations while providing a predictable tax liability to our citizens.

Bond Ratings

The School District maintains an "Aa1" underlying rating from Moody's Investor Service and an "AA" rating from Standard & Poor's for general obligation debt. Additional security is provided by the South Carolina School District Credit Enhancement Program (Government Obligations Rated Aa1), which applies to all of the School District's outstanding general obligation debt. Beaufort's bond ratings are some of the highest in the state of South Carolina and are attributable to our healthy fund balance, effective financial management and planning as well as the stability of the local economy.

Outstanding Debt

General obligation bonds consist of the following at June 30, 2016:

Date of Issue		Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2016
February 21, 2007	*	4.0-5.0	Sept./Mar.	2032	30,000,000	100,000
December 13, 2007	*	4.5-6.5	Sept./Mar.	2032	43,660,000	1,585,000
October 14, 2009	*	3.0-5.0	Sept./Mar.	2024	62,155,000	18,955,000
December 1, 2009	*	1.05	Sept./Mar.	2026	10,000,000	10,000,000
May 18, 2010	*	3.0-5.0	Sept./Mar.	2019	21,710,000	15,220,000
March 31, 2011		5.08	Mar./Sept.	2021	1,553,303	1,503,303
December 22, 2011		4.19	Sept./Mar.	2021	2,622,318	2,572,318
December 22, 2011	**	3.0-5.0	Sept./Mar.	2020	28,770,000	4,740,000
April 24, 2012	**	3.0-5.0	Sept./Mar.	2024	16,580,000	12,660,000
November 17, 2013		2.35	March	2028	22,000,000	21,087,000
March 1, 2014		1.25	Sept./Mar.	2034	25,000,000	24,050,000
February 19, 2015	*	2.0-5.0	Sept./Mar.	2025	95,945,000	88,150,000
March 31, 2015	*	3.0-5.0	Sept./Mar.	2032	62,500,000	62,500,000
December 3, 2015	✓	0.85	Sept./Mar.	2025	6,788,000	6,775,000
February 2, 2016	* ✓	5.0	Sept./Mar.	2024	28,090,000	28,090,000
May 17, 2016	✓	3.0	March	2017	722,000	722,000
					<u>\$ 458,095,621</u>	<u>\$ 298,709,621</u>

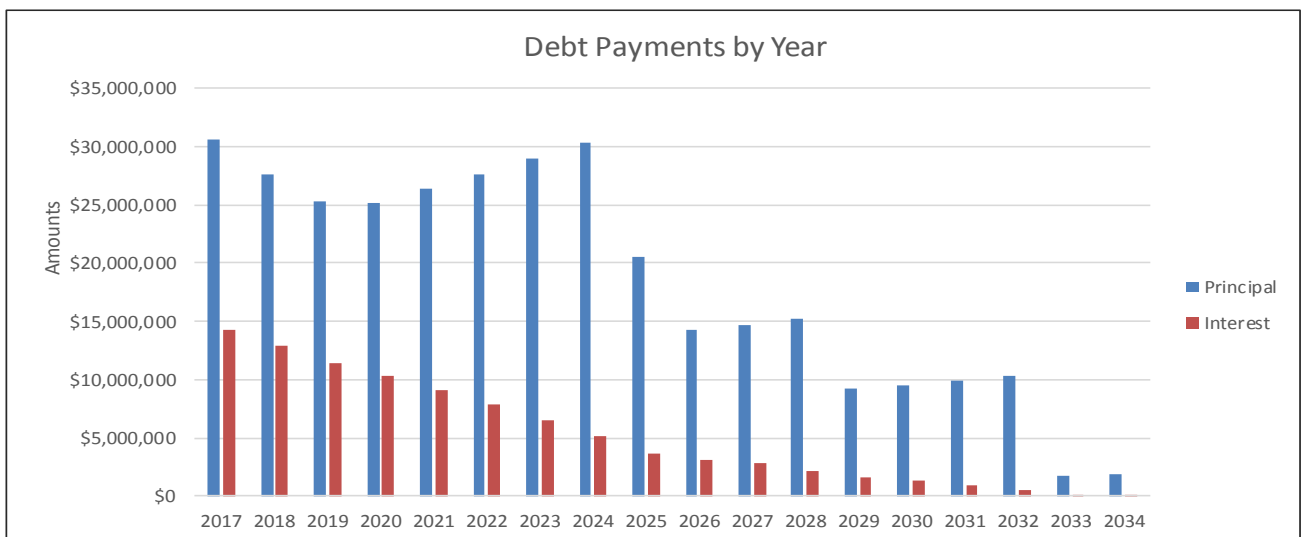
* Approved by bond referendum

** A portion was approved by bond referendum

IPRR Bonds

December 29, 2006	3.5-5.0	Dec./June	2031	\$ 39,095,000	\$ 30,585,000
Total IPRR Bonds				<u>\$ 39,095,000</u>	<u>\$ 30,585,000</u>

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2016 including interest payments over the life of the debt are as follows:



Organizational Section



**Beaufort County School District
Comparison of Positions
Four Year Comparison**

	2013-14	2014-15	2015-16*	2016-17*
District Leadership				
Superintendent	1	1	1	1
Chief Officers	4	4	5	5
Total District Leadership	5	5	6	6
	1	0	1	0
District Support				
Officers	4	5	3	3
Directors	17	21	21	21
Coordinators	15	16	18	18
Total District Support	36	42	42	42
<i>Net change from prior year</i>	0	6	0	0
School Leadership				
Principals	29	29	30	31
Assistant Principals	49	52	54	54
Athletic Directors	5	5	5	6
School Based Coordinators	6	11	12	12
Total School Leadership	89	97	101	103
<i>Net change from prior year</i>	2	8	4	2



School & District Staff

	2013-14	2014-15	2015-16*	2016-17*
Teachers	1455	1482	1545	1575
Media Specialists	29	29	30	31
Guidance Counselors	56	54	58	57
Nurses	29	30	35	36
Hall Monitors	11	0	0	0
Social Workers	21	21	23	24
Teacher Recruitment and Evaluation	1	1	1	1
Maint, Custod, Bus Drivers	20	20	15	15
Technology Network & Field Support	28	27	31	31
ROTC Instructors	11	12	13	13
Couriers	1	1	1	1
Food Service	17	14	13	13
Elementary Technology Instructional Assistants	26	28	28	28
Media Assistants	31	32	32	32
Bookkeepers	29	29	30	31
Attendance Specialists	29	29	31	32
Instructional Assistants	204	231	239	243
Other Support Staff	209	216	226	230
Total School & District Staff	2178	2256	2351	2393
<i>Net Change from prior year</i>	<i>26</i>	<i>78</i>	<i>95</i>	<i>42</i>
Board Members	11	11	11	11
Total (excluding substitute teachers)	2319	2411	2511	2555
<i>Net Change from prior year</i>	<i>29</i>	<i>92</i>	<i>100</i>	<i>44</i>
Enrollment Increase	189	624	368	234

* Opening of River Ridge Academy in 2015-16 and May River High in 2016-17

Organizational Units

Beaufort County Board of Education

The Board of Education is responsible for establishing policies governing the education of students in Beaufort County. It is to exercise legislative and judicial powers necessary to provide a quality education and to operate the School District in an effective and efficient manner. It establishes the goals of the community and monitors the progress through reports from the Superintendent.

Strategic Standards

The Board of Education oversees the progress of the goals in the strategic plan. It ensures that the administration is focused on meeting the progress standards stated below:

Standard 1	• Purpose and Direction
Standard 2	• Governance and Leadership
Standard 3	• Teaching and Assessing for Learning
Standard 4	• Resources and Support Systems
Standard 5	• Documenting and Using Results for Continuous Improvement

FY 2017 Key Budget Items – tied to Strategic Standard #4

- 1) Annual external fiscal audit - \$54,100
- 2) Outside Counsel - \$97,600
- 3) SC School Board Association Dues and subscriptions- \$50,000
- 4) Additional professional services – \$37,500

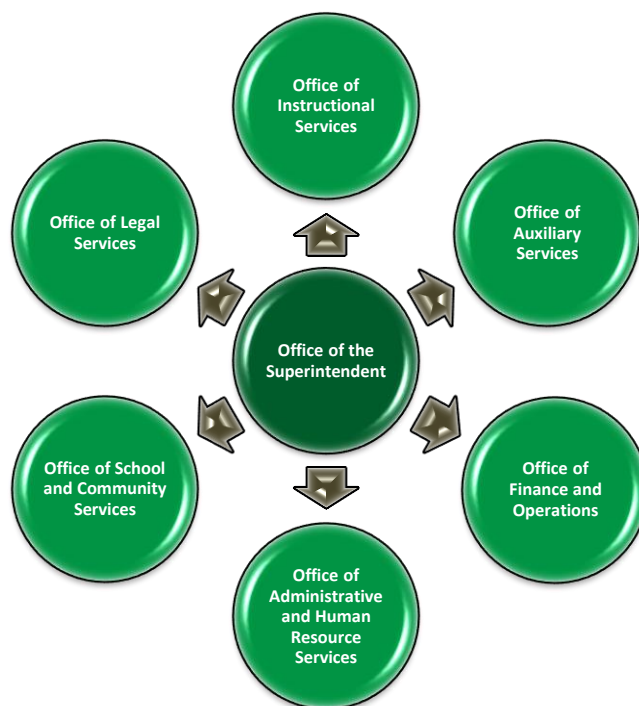


Board of Education					
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 164,584	\$ 174,519	\$ 198,811	\$ 209,757	\$ 213,975
Operating Purchases & Supplies	\$ 589,231	\$ 394,432	\$ 342,042	\$ 442,150	\$ 442,150
Total	\$ 753,815	\$ 568,951	\$ 540,853	\$ 651,907	\$ 656,125
Personnel					
Board Members	11	11	11	11	11
Classified	1	1	1.75	1.75	1.75
Total	12	12	12.75	12.75	12.75

Office of the Superintendent

The Office of the Superintendent provides the leadership and direction of the school district administration. It executes the Board of Education's policies and supervises the overall operation of the school district.

The Office of the Superintendent is constructed of six primary leadership departments each focused on a specific area in order to reach the goals of the strategic plan.



Action Process

- 1) Continue to improve academic achievement to meet the goals established by the Board of Education.
- 2) Provide Instructional leadership to the District.
- 3) Maximize use of resources to efficiently operate the District in financially challenging times.

FY2016 Key Budget Items – tied to Strategic Standard #2

- 1) Professional Development - \$9,500
- 2) Organizational Dues - \$6,500
- 3) Teacher of the year forum - \$9,500

Office of the Superintendent					
Expenditures by Category	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Budget	2016/2017 Budget
Salary & Benefits	\$ 248,055	\$ 361,252	\$ 368,355	\$ 380,731	\$ 371,697
Operating Purchases & Supplies	\$ 53,187	\$ 30,631	\$ 25,956	\$ 48,000	\$ 48,000
Total	\$ 301,242	\$ 391,883	\$ 394,311	\$ 428,731	\$ 419,697
Personnel					
Administrative	1	1	1	1	1
Classified	1	1	1	1	1
Total	2	2	2	2	2

Office of Instructional Services

The number one priority of the Office of Instructional Services is to support teaching and learning for teachers as they provide an outstanding education to the students of Beaufort County. The Instructional Services Department is responsible for assessing, developing, and evaluating curriculum; coordinating special programs; and providing for the continuous improvement of instruction. The Department provides leadership in Curriculum and Instruction. It supports administrators, teachers, and other instructional personnel as they engage all students in quality learning experiences leading to higher student achievement.

The department works collaboratively with the staff members in all programs in order to facilitate the full implementation of academic standards, the monitoring and assessment of student progress, and the use of effective teaching practices that will enhance academic success for all the students served.

Accomplishments – 2015-2016

- 1) Hosted the District's annual Summer Institute training program.
- 2) Expanded the Pre-K programs in six elementary schools.
- 3) Increased by the number of dual enrollment students by over 16% and the number of courses by 11% from the prior year.

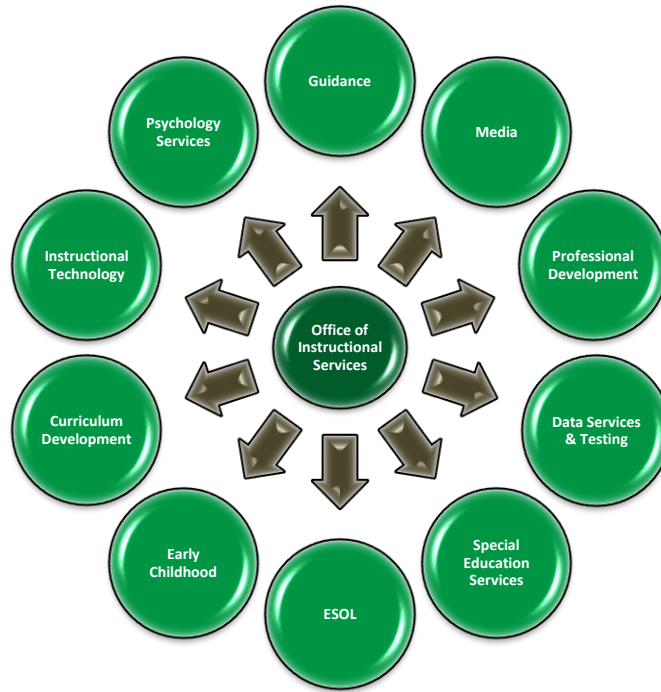
Goals for 2016-2017

- 1) Support district-wide School Choice program.
- 2) Implement and Support a district-wide Response to Intervention (RTI) program.
- 3) Support Connect 2 Learn
- 4) Implement and support a comprehensive assessment system and analysis of student learning data for increased student achievement.
- 5) Support a district-wide literacy plan K-12.

- 6) Support a district-wide collaborative improvement plan.
- 7) Implement and support district-wide science, technology, engineering, and math (STEM) program.
- 8) Maintain and expand articulated and aligned curriculum in all subject areas with corresponding assessments to ensure cohesive and focused instruction.
- 9) Support and provide ongoing professional development to all staff to ensure the implementation of best practice.
- 10) Promote student well-being through the support and development of social, emotional, and physical health programs.
- 11) Increase the number of students reading on grade level.
- 12) Increase the number of students that graduate.
- 13) Increase student achievement and close achievement gaps.
- 14) Promote innovative programs that will enhance academic achievement and provide skills that will compete in a global economy and society.

FY 2017 Key budget Items – tied to Strategic Standard #1, #3, #4 & #5

- 1) Professional Development - \$330,500
- 2) Summer Institute - \$389,175
- 3) IB program - \$197,560
- 4) Dual enrollment - \$350,000
- 5) Instructional software licenses - \$1,358,799
- 6) Fine Arts distribution to schools - \$67,500
- 7) College and Career Readiness Initiative - \$524,920



Office of Instructional Services					
	2012/2013*	2013/2014**	2014/2015***	2015/2016 ****	2016/2017
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 6,109,618	\$ 7,025,509	\$ 7,002,787	\$ 7,253,564	\$ 7,384,427
Operating Purchases & Supplies	\$ 3,292,808	\$ 2,490,837	\$ 2,903,158	\$ 3,481,325	\$ 4,050,611
Capital Outlay	58,836			-	-
Total	\$ 9,461,262	\$ 9,516,345	\$ 9,905,945	\$ 10,734,889	\$ 11,435,038
Personnel					
Administrative	16.5	16.5	25	26	30
Certified	1	41	53	45	38
Classified	6	11	11	12.7	12
Total	23.5	68.5	89	83.7	80

*FY 2013 - Instructional software expenses moved from Technology Services to Instructional Services and Student Services was split out of the department.

**FY 2014 certified personnel includes school instructional coaches and coordinators were added under instructional services.

***FY 2015 Special Education coordinators and teachers were added to the General Fund due to a reduction in IDEA funding.

****FY 2016 State funding was provided to support the cost of instructional coaches.



Office of Auxiliary Services

Auxiliary Services, formerly known as Student Services, is a vital part of the Beaufort County School District. The Auxiliary Services team develops, coordinates and implements prevention and intervention programs and services for students experiencing educational, social, health, and behavioral difficulties. The core staff members are Social Workers, Nurses, School Psychologists, Behavior Management Specialists, Alternative Program Staff and Adult Education Staff. These professionals work with parents, staff, community agencies, and others to assist students in their academics, health care, attendance, and personal, social and interpersonal matters.

Some of the developmental and preventive programs delivered by Auxiliary Services Staff include: attendance, youth suicide prevention, conflict resolution/peer mediation, child abuse and neglect, self-esteem, teen pregnancy prevention programs, along with character development/values education, parenting programs, disruptive youth programs, programs for homeless children, drug and alcohol related programs, health and wellness programs, behavior management programs and many other programs to assist students in being successful in school.

Beaufort County Schools ended the outsourcing of bus transportation on June 30, 2016. The summer of 2016 the School District was busy purchasing new school buses and hiring drivers. The transportation fleet consists of school district owned buses and buses provided by the state of SC. The ferry service from Daufuskie Island to Hilton Head Island remains outsourced.

Protective Services insures schools are safe for students, staff, and visitors. School resource officers are contracted through local law enforcement offices to serve in middle and high schools. Crossing guards are also contracted in

conjunction with local law enforcement departments and private security companies.

Custodial and grounds services keep all school and district building clean and maintained for a productive learning environment for students and employees. Grounds services cover all cutting and upkeep on athletic fields and school campuses throughout the district.

Accomplishments – 2015-2016

- 1) Implemented a drug testing program for students participating in athletics.
- 2) Successfully completed school of choice enrollment.

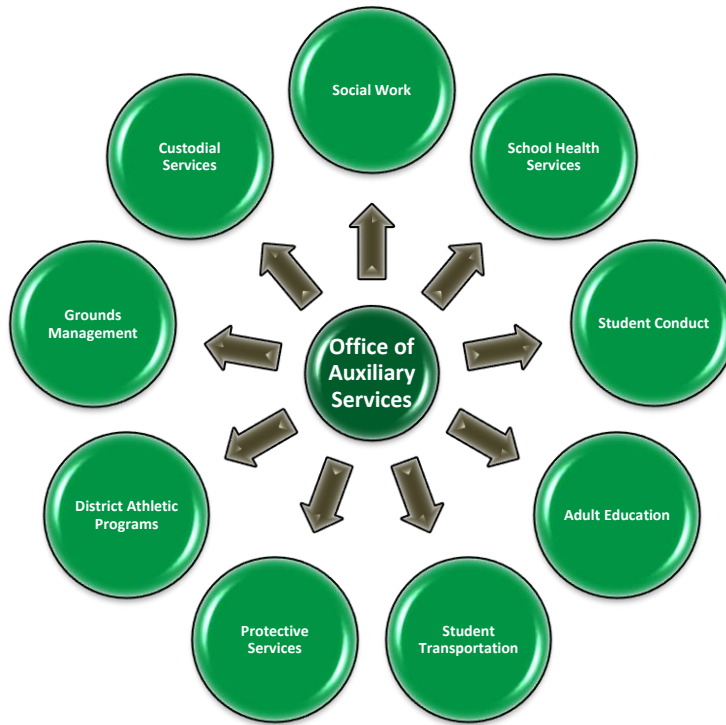
Goals for 2016-2017

- 1) Hire and maintain a pool of bus drivers.
- 2) Install GPS locators on all school buses.
- 3) Reduce suspensions and dropout rate.
- 4) Increase graduation rate.
- 5) Provide support to coaches & Athletic Directors.
- 6) Ensure that schools and sites are safe and secure.
- 7) Increase student attendance.
- 8) Implement district-wide character education.

FY 2017 Key Budget Items – tied to Strategic Standards #1, 3 & 4:

- 1) Educator handbooks - \$18,000
- 2) Athletic liability insurance-\$375,000
- 3) Cleaning services - \$5,869,733
- 4) Grounds Maintenance - \$1,570,297
- 5) Student Transportation \$5,964,174
- 6) SRO's and crossing guards \$1,011,901





Office of Auxiliary Services

	2012/2013*	2013/2014**	2014/2015	2015/2016	2016/2017***
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 1,573,916	\$ 1,280,155	\$ 892,800	\$ 1,085,132	\$ 5,980,691
Operating Purchases & Supplies	\$ 6,770,581	\$ 9,619,670	\$ 7,412,377	\$ 7,394,594	\$ 2,440,176
Capital Purchases	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Total	\$ 8,344,497	\$ 10,899,825	\$ 8,305,177	\$ 8,479,726	\$ 8,490,867

Personnel

Administrative	3	2	2	2	4
Classified	14	14	14	12	233
Total	17	16	16	14	237

* Office was included in Instructional Services in FY 2012 and in FY 2013 was split out to include transportation and protective services.

**Psychology Services were moved to Instructional Services and in FY 2013 District Athletic programs were added to Auxiliary Services.

***2017 -Transportation services no longer outsourced.

***2017 - Custodial and grounds services were moved under the Auxiliary Services Department.

Office of Finance and Operations

The Office of Finance and Operations provides the support for operations of all the schools and facilities in the district. The spectrum of the department operations starts from construction of new facilities to maintenance and upkeep of the existing buildings. Also included is the Finance Department which is responsible for monitoring budgets, providing financial status reports, procurement of goods and services, and acquiring funding to support those operations.

School Food Services assures that all students will have the nourishment they need each day to enhance their learning experience. The department provides nutrition education programs to students, parents, and employees. School Food Services is contracted to an outside vendor.

Technology Services supports and maintains an optimal technology environment for student education and administrative support in the Beaufort County School District. The mission of Technology Services is to provide a single point of contact for problem reporting, resolution and escalation of district approved technical and instructional resources for employees of Beaufort County School District. Our goal is to foster an environment that provides knowledge resources to promote self-help resolution. The customer service staff is committed to an optimal technical environment for student education and administrative support.

Facilities, Planning and Construction maintains the buildings and oversees all new construction in the school district. The department develops plans for capital improvement to meet the enrollment and programs needs of the Beaufort County School District.

Accomplishments – 2015-2016

- 1) Achieved an unqualified audit opinion for FY 2015.
- 2) Earned the Certificate of Excellence in Financial Reporting for FY 2015.

- 3) Earned the Distinguished Budget Presentation Award for FY 2016.
- 4) Integrated financial oversight of Beaufort Jasper Academy for Career Excellence.
- 5) Installed Tyler Content Manager to implement paperless document storage.
- 6) Installed and tested an automated travel request and reimbursement system.
- 7) From January 2015-2016 over 1,100 teachers attended BCSD Technology Visioning Day training sessions.
- 8) Completed District-wide wireless upgrade project.
- 9) Completed district-wide telephone system upgrade.
- 10) Final migration of all schools to Sharp managed print services.
- 11) Facilities, Planning and Construction completed May River High on time and under budget.
- 12) Implemented a new facilities use policy.

Goals for 2016-2017

Financial Services

Provide ongoing training of Finance staff to maintain and upgrade skills.

- 1) Provide ongoing bookkeeper training and feedback.
- 2) Continually improve communication and customer service.
- 3) Automate of financial processes to include the following:
 - a. Complete the implementation of Employee Expense requests & approvals
 - b. Implementation of Munis Tyler Content Manager
 - c. Research electronic time sheet possibilities for classified personnel using Munis Software.
- 4) Continue to hold continuous internal audits on district financial processes and provide feedback.
- 5) Continually monitor policies and procedures for ways to streamline and improve processes while complying

with best practices standards and legal guidelines.

- 6) Complete a successful external audit for FY 2016 receiving an unqualified auditor's opinion with no financial findings.
- 7) Receive Distinguished Budget Presentation Award for FY 2017.
- 8) Receive GFOA Certificate of Excellence in Financial Reporting for FY 2016.

Technology Services

- 1) Arrange buy-back for iPad 2 devices and refresh by rolling down the iPad Air's.
- 2) Continue to evaluate technology to increase wireless coverage for students throughout Beaufort County.
- 3) Continue to expand professional development opportunities for Technology Service staff.
- 4) Continue capital improvement projects, including data center and server refreshes, upgrades of school data closets and data electronics upgrades.
- 5) Continue to evaluate Connect2Learn.

Facilities, Planning and Construction

- 1) Complete all capital projects on time and within budget.
- 2) Establish, implement, and maintain design/construction standards throughout District projects and facilities.
- 3) Provide reports to ensure the Board of Education and the public are adequately informed on current and future capital projects.
- 4) Maintain the safety, energy efficiency, and operation of all facilities to a standard that instills pride in employees, students and the community.
- 5) Inform the public on the uses and need for the proposed 2016 Sales Tax Referendum.

Operations

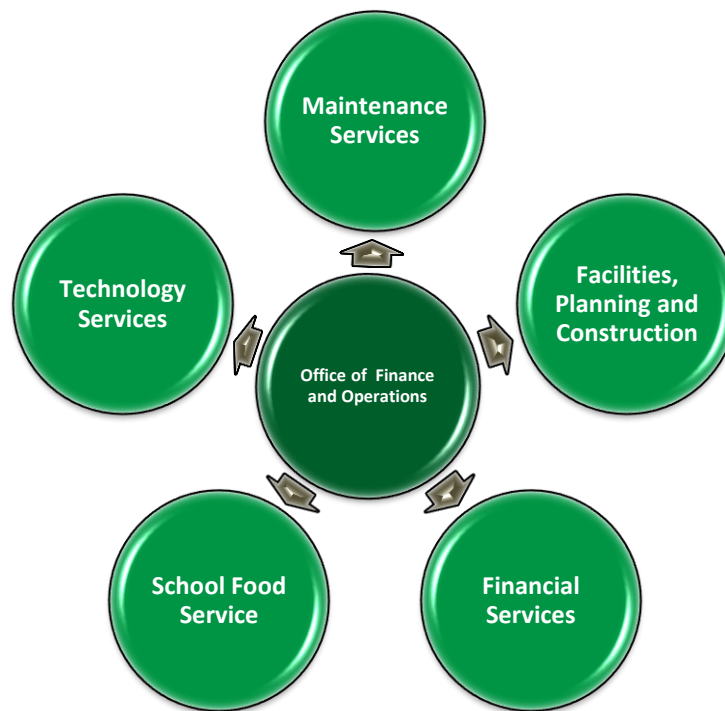
- 1) Continued implementation of facilities use program, including on-line software.
- 2) Ensure contracts are in place for all long term users of facilities.
- 3) Continue to enhance records management systems.
- 4) Actively market underutilized property using on-line bidding system.
- 5) Assist protective services coordinator in implementation of on-line security software which interfaces with facilities software.

Food Service

- 1) Continue to work with State Department on Farm to School Program
- 2) Continue to focus on student satisfaction through on-going Student Advisory Council meetings.
- 3) Maintain excellent safety/sanitation standards.
- 4) Continue to participate in Fresh Fruits and Vegetables grant program.
- 5) Grow meal participation at all grade levels.

FY 2017 Key Budget Items – tied to Strategic Standards #2, #4, & #5

- 1) Utility cost - \$8,570,375
- 2) Building Maintenance - \$2,949,034
- 3) Property Insurance - \$2,719,441
- 4) Hardware and software contracts, site licenses, renewals , and online training - \$750,225
- 5) District business software applications \$781,279
- 6) Computer and iPad repairs \$163,920



Office of Finance and Operations

	2012/2013*	2013/2014	2014/2015	2015/2016	2016/2017
Expenditures by Category	Actual	Actual	Actual	Budget	Budget
Salary & Benefits	\$ 4,355,200	\$ 4,499,703	\$ 4,776,234	\$ 4,922,837	\$ 5,431,473
Operating Purchases & Supplies	23,283,442	23,157,234	23,465,706	25,278,500	26,593,348
Capital Outlay	175,233	339,225	375,678	210,000	170,000
Total	\$ 27,813,875	\$ 27,996,161	\$ 28,617,618	\$ 30,411,337	\$ 32,194,821
Personnel					
Administrative	18.5	16.5	17.5	17.5	16.5
Classified	29.5	23.5	42.5	42.5	43.5
Total	48	40	60	60	60

*Note: FY 2013 Student Transportation and Protective Services were moved under Auxiliary Services and Technology Services were moved under Operational Services

Office of School and Community Services

The Office of Communications works to build public understanding and support for schools in the Beaufort County School District. An arm of the Superintendent's Division, the Office of Communications keeps the citizens of the district regularly and thoroughly informed through a variety of methods. The office is responsible for internal and external communications, providing general information and customer service. Other functions include writing and distributing news releases, publications and award nominations, managing overall content of the district's website and social media platforms, and coordinating content on the district's mobile app. The office reviews requests for information, serves as a liaison with outside foundations and volunteer groups and coordinates district-wide awards ceremonies, dedications and other special events. It publishes annual reports and electronic district newsletters and videos. It also assists in coordinating news media coverage of the educational process in the Beaufort County School District.

Accomplishments – 2015-2016

- 1) South Carolina Chapter of the National School Public Relations Association awarded the Community Services department an award in photography for "Blue and Gold Graduation 2015."
- 2) Coordinated a series of superintendent's town hall meetings and student advisory council meetings that generated considerable productive feedback for the superintendent.

Goals for 2016-2017

- 1) Convert web-site over to new format.
- 2) Inform the public on the uses and need for the proposed one-penny education sales tax.
- 3) Collaboration with stakeholders and use their knowledge skills and resources to support student learning.
- 4) Use system-wide strategies to listen to and communicate with stakeholders.
- 5) Communicate expectations and results for student learning and goals for improvement to all stakeholders.

FY2017 Key Budget Items – tied to Strategic Standard #4

- 1) Marketing/communications initiatives \$18,000
- 2) Advertising - \$9,000



Office of School and Community Services					
Expenditures by Category	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Budget	2016/2017 Budget
Salary & Benefits	\$ 280,312	\$ 279,442	\$ 287,069	\$ 294,303	\$ 292,411
Operating Purchases & Supplies	\$ 43,680	\$ 24,196	\$ 40,676	\$ 38,750	\$ 40,800
Total	\$ 323,992	\$ 303,638	\$ 327,745	\$ 333,053	\$ 333,211
Personnel					
Administrative	3	3	3	3	3
Certified	0	0	0	0	0
Classified	0	0	0	0	0
Total	3	3	3	3	3

Office of Administrative and Human Resource Services

The goal of the Office of Administrative and Human Resource Services is to recruit, hire, retain and support employees to serve our current staff members, students and the community. Employee Services and Support includes retirement, benefits, certification, and personnel. Jointly reporting to the Office of Legal Services, the Risk Management Office administers the District self-insurance funds and excess insurance policies for workers compensation, general liability, crime, and property damage to buildings and equipment. This office investigates and processes all claims, negotiates coverage and premiums and provides liaison with excess insurance carriers, and authorizes payments from district claim funds as appropriate.

Accomplishments – 2015-2016

- 1) Processed 684 new staff members from full to part-time positions throughout the year.
- 2) Reviewed 2,191 applications posted for vacancies on AppliTrack.
- 3) Implemented a new automated substitute system using Aesop Absence Management System.
- 4) Implemented a new nationwide background screening for volunteers and contractors.
- 5) Increased employee participation from 25% to 89% for employee benefit file reviews.

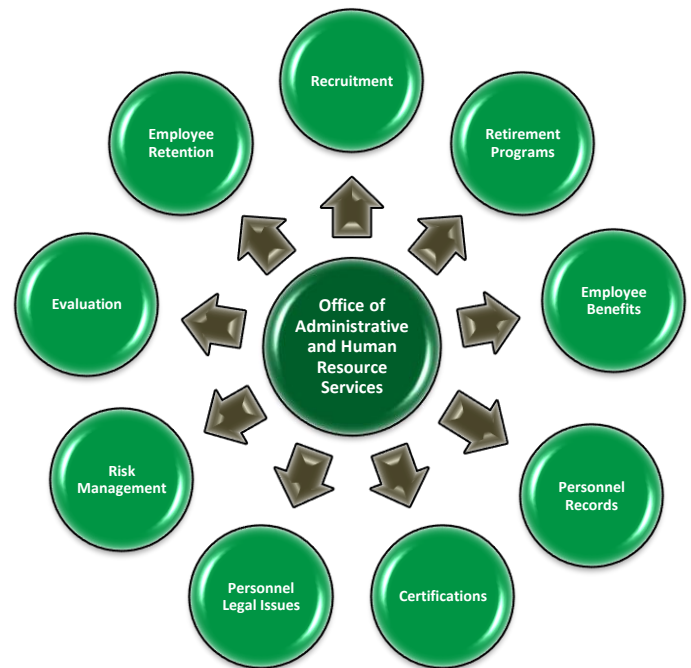
Goals for 2016-2017

Action Processes

- 1) Outsource substitute teachers to a personnel management company.
- 2) Transition all personnel files to electronic media to reduce storage space and improve access to employee records.

FY 2017 Key Budget Items – tied to Strategic Standard #4

- 1) Advertising and promoting for teacher recruitment and retention - \$285,000
- 2) Legal Services- \$100,000
- 3) Unemployment compensation \$900,000



Office of Administrative and Human Resources Services					
Expenditures by Category	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Budget	2016/2017 Budget
Salary & Benefits	\$ 1,686,024	\$ 1,633,737	\$ 2,059,373	\$ 1,863,195	\$ 1,995,849
Operating Purchases & Supplies	\$ 503,171	\$ 511,212	\$ 377,570	\$ 680,600	\$ 667,100
Capital Outlay	-	-	-	-	-
Total	\$ 2,189,195	\$ 2,144,949	\$ 2,436,943	\$ 2,543,795	\$ 2,662,949
Personnel					
Administrative	6	6	7	7	7
Certified	4	4	3	3	3
Classified	7	7	7	9.5	9
Total	17	17	17	19.5	19

All Beaufort County Schools

Elementary Schools

- Beaufort Elementary School
- Bluffton Early Childhood Center
- Bluffton Elementary School
- Broad River Elementary School
- Coosa Elementary School
- Daufuskie Island School
- Hilton Head Island Early Childhood Center
- Hilton Head Island Elementary School
- Hilton Head Island School for the Creative Arts
- James J. Davis Early Childhood Center
- Joseph S. Shanklin Elementary School
- Lady's Island Elementary School
- Michael C. Riley Early Childhood Center
- Michael C. Riley Elementary School
- Mossy Oaks Elementary School
- Okatie Elementary School
- Port Royal Elementary School
- Pritchardville Elementary School
- Red Cedar Elementary School
- St. Helena Elementary School
- Whale Branch Elementary School

Pre-K-8 Schools

- River Ridge Academy
- Robert Smalls International Academy

K-8 School

- Riverview Charter School

Middle Schools

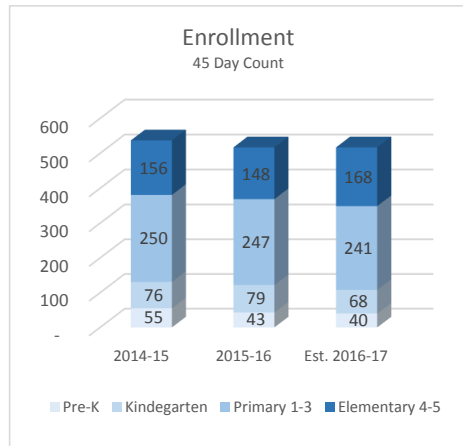
- Beaufort Middle School
- Bluffton Middle School
- H. E. McCracken Middle School
- Hilton Head Island Middle School
- Lady's Island Middle School
- Whale Branch Middle School

High Schools

- Battery Creek High School
- Beaufort High School
- Bluffton High School
- Hilton Head Island High School
- Islands Academy
- May River High School
- Whale Branch Early College High School

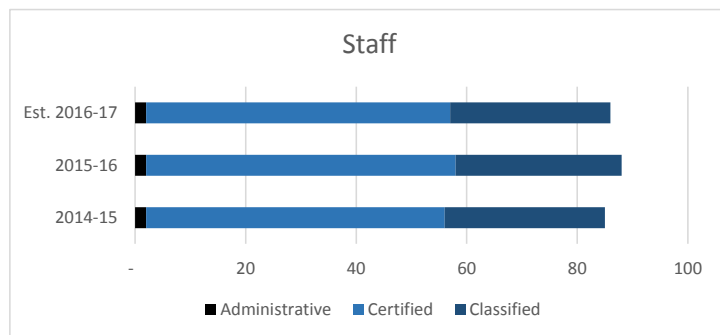
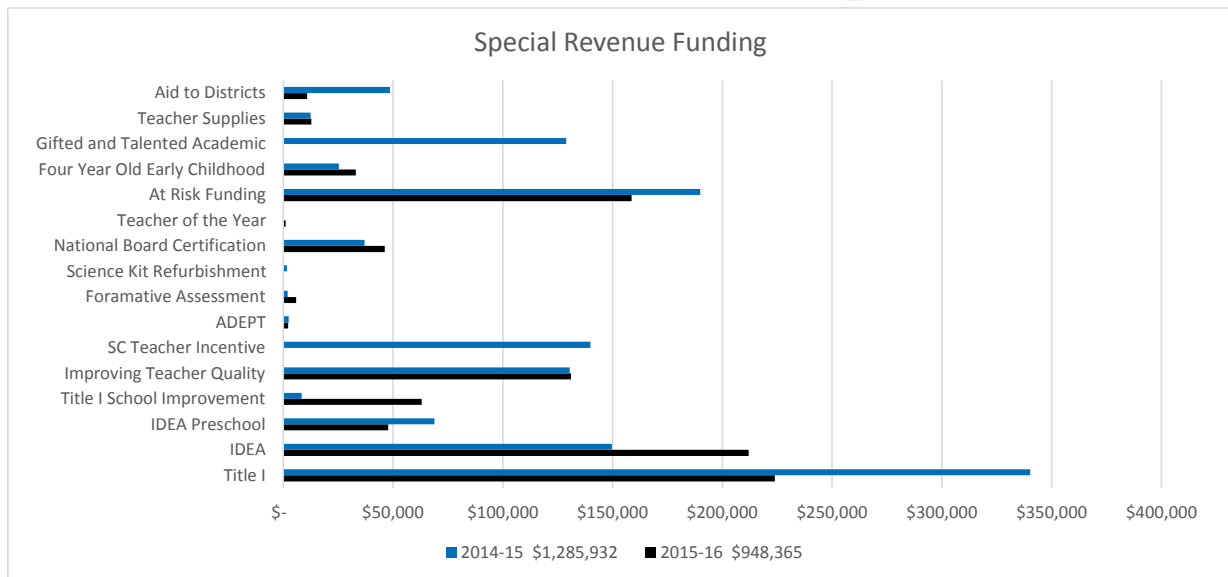
Beaufort Elementary

Beaufort Elementary was built in 1986 on the site of the former Beaufort High School location. The building has the capacity to hold 808 students. As a school of choice, it was the first in the District to offer a Montessori program. It also offers the AMES Academy dedicated to challenging the gifted learner academically.

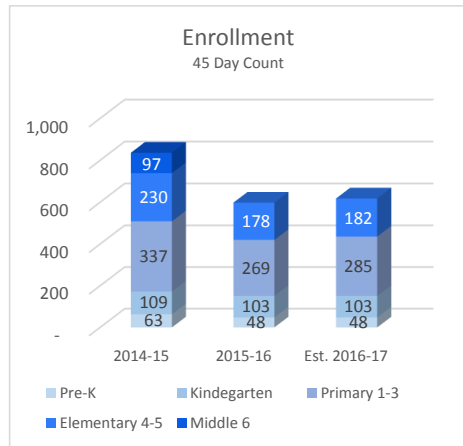


Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 3,449,581	\$ 3,620,366
Instructional Support	\$ 667,332	\$ 740,306
Maint, Security, & Tech.	\$ 590,522	\$ 564,336
Total:	\$ 4,707,435	\$ 4,925,008

Silver Award Winner 2015
General Performance



Bluffton Elementary & Early Childhood Center

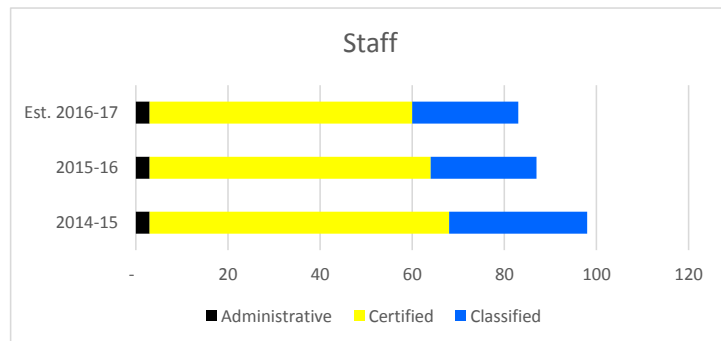
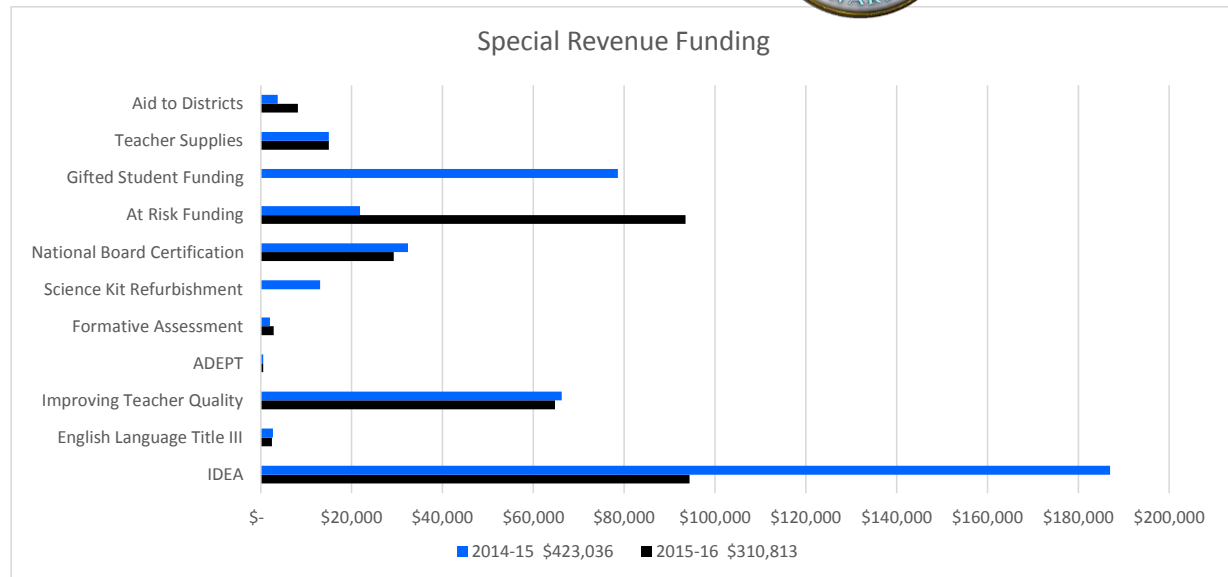


Bluffton Elementary was built in 2000 with a capacity for 519 students. An additional wing was added in 2008 which increased the capacity to 694. Overcrowding persisted at Bluffton Elementary until the Bluffton Early Childhood Center was opened in 2010 which added room for 400 Pre-K and Kindergarten students. Reassignment due to the opening of River Ridge Academy caused enrollment to drop in 2015-2016. Bluffton Elementary is listed as a school of choice for Animation, Creation, & Design.

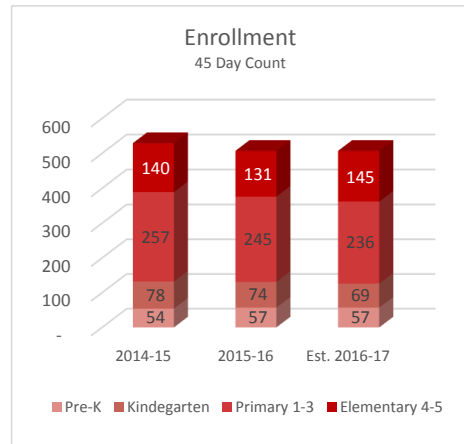


Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 4,267,105	\$ 3,971,877
Instructional Support	\$ 967,732	\$ 869,634
Maint, Security, & Tech.	\$ 852,143	\$ 728,467
Total:	\$ 6,086,980	\$ 5,569,978

Gold Award Winner 2015
General Performance



Broad River Elementary



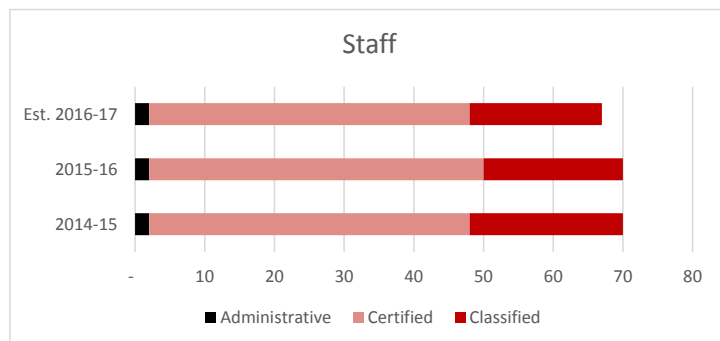
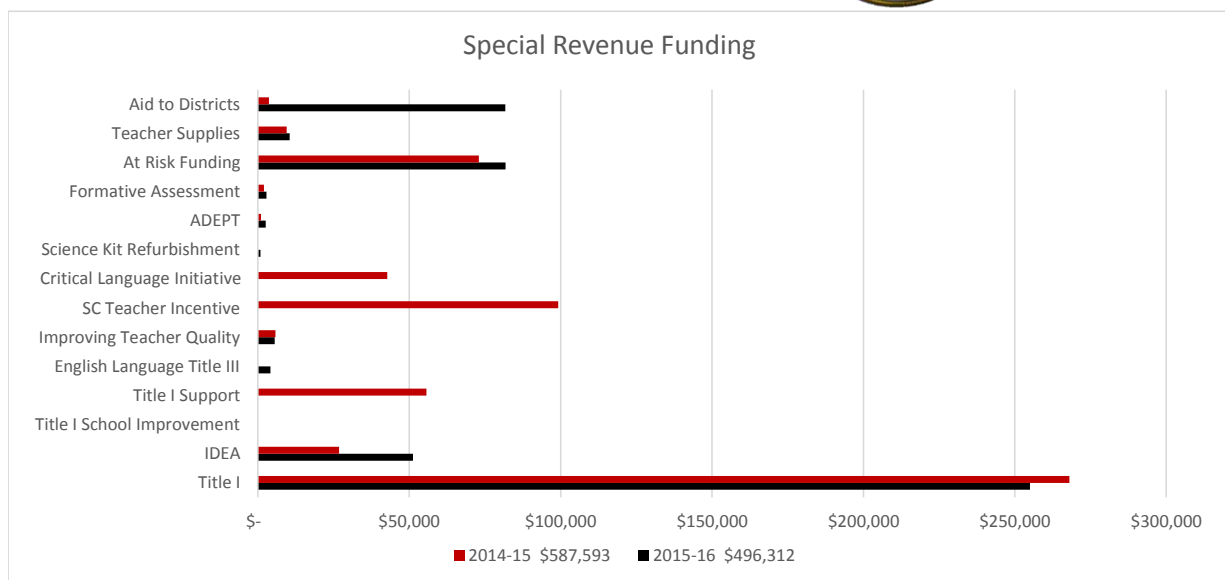
Broad River Elementary was built in 1957 and has the capacity to hold 536 students. The school was one of the original elementaries to pilot the Chinese Immersion program. Today it is offered as a school of choice for Dual Language Immersion Programs in Spanish or Chinese.



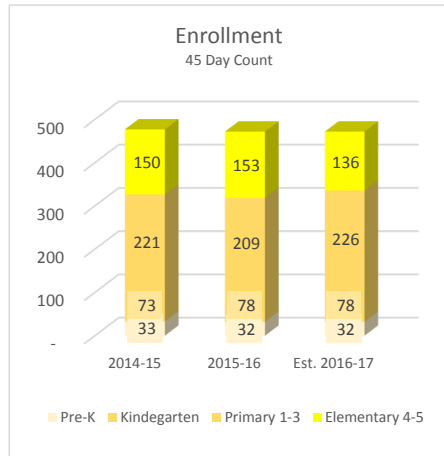
Award Winner 2015
Gold General Performance
Silver Closing Achievement Gaps



Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 2,947,707	\$ 3,137,360
Instructional Support	\$ 655,746	\$ 702,249
Maint, Security, & Tech.	\$ 317,500	\$ 366,674
Total:	\$ 3,920,953	\$ 4,206,283



Coosa Elementary



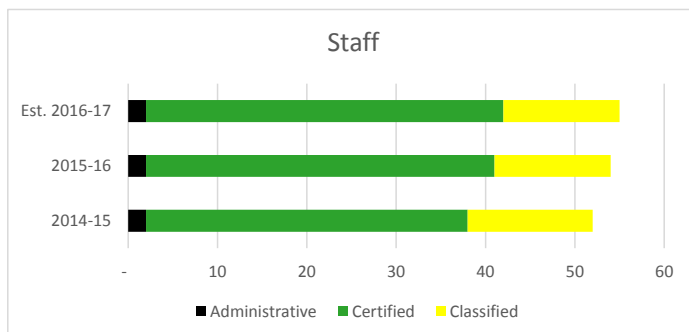
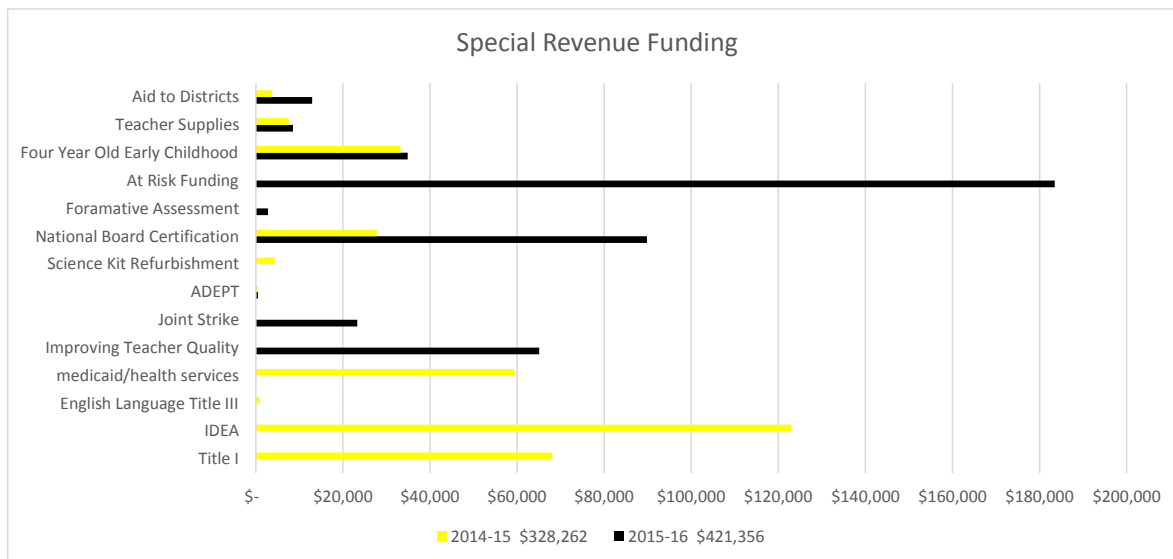
Coosa Elementary opened its doors in 1998. The school was built to house 476 students. Soon after its opening, the school was over capacity and mobile units were added to accommodate the overcrowding. For a time, the fifth grade was moved to Lady's Island Middle. In 2014-2015 the fifth grade was moved back to the school. As a school of choice, Coosa offers the "Learning Through Leadership Program."



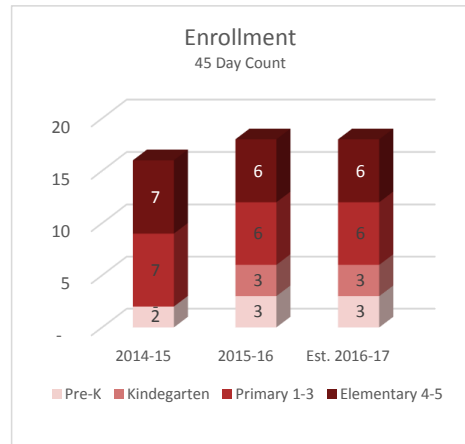
Gold Award Winner 2015
General Performance



Program Expenses	Un-Audited	
	Actual	Actual
General Fund	2014-15	2015-16
Instructional	\$ 2,778,322	\$ 2,584,499
Instructional Support	\$ 693,504	\$ 721,591
Maint, Security, & Tech.	\$ 365,162	\$ 398,595
Total:	\$ 3,836,987	\$ 3,704,685



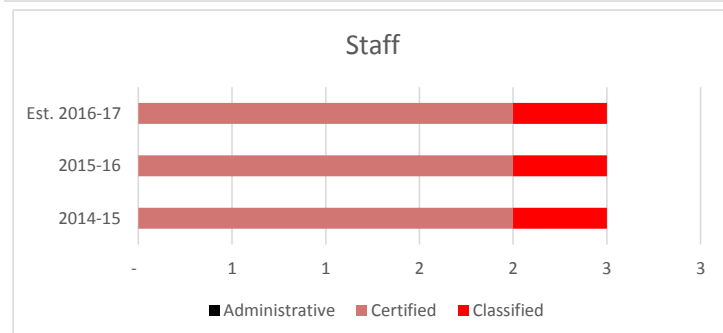
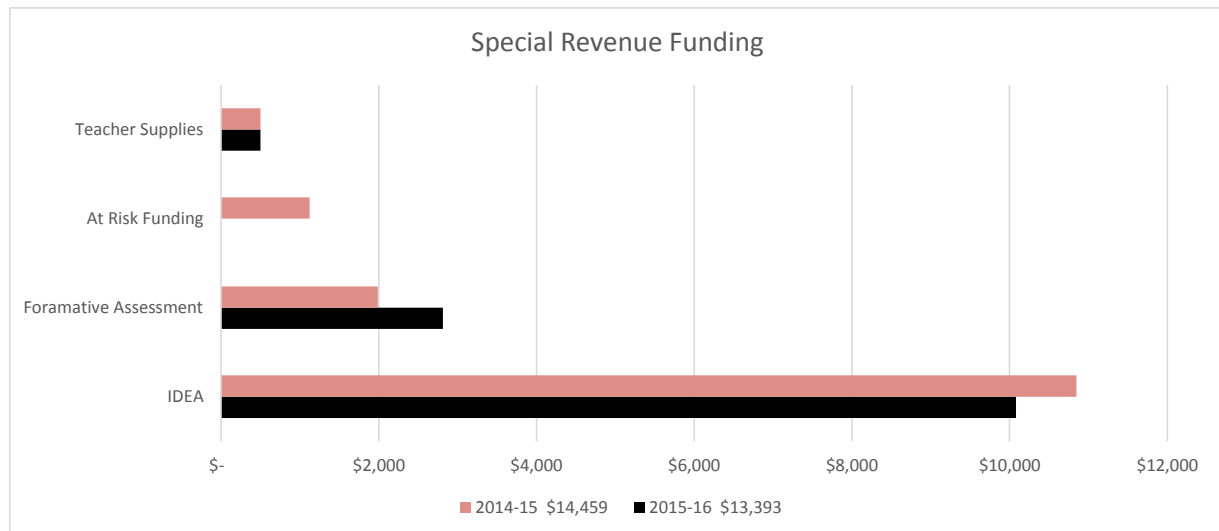
Daufuskie Elementary



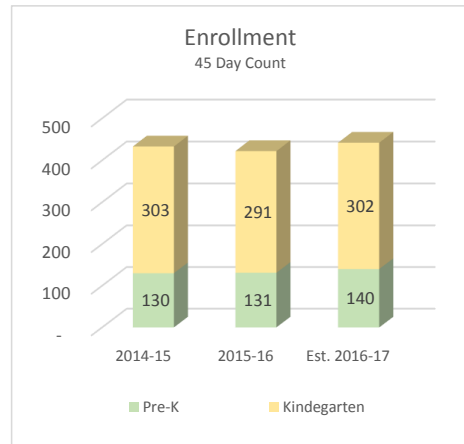
Daufuskie Elementary is the second oldest school in the District originally built in 1935. The Daufuskie Island School is only accessible by water, and the small school has been expanded over the years with the ability to now house 64 students. The small student body and staff fall under the supervision of Hilton Head Island School for Creative Arts leadership. The school participated in the Arts Infused program.



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 161,088	\$ 172,651
Instructional Support	\$ 39,014	\$ 22,479
Maint, Security, & Tech.	\$ 161,981	\$ 69,685
Total:	\$ 362,083	\$ 264,815



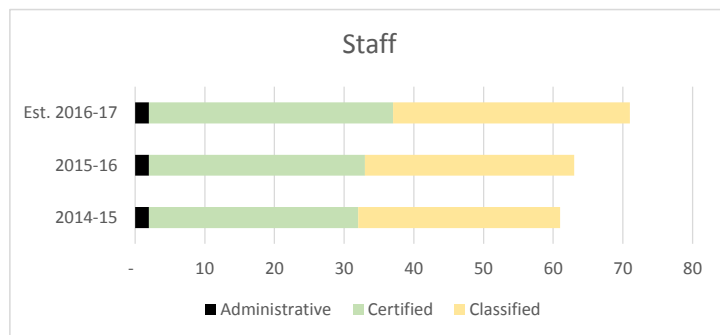
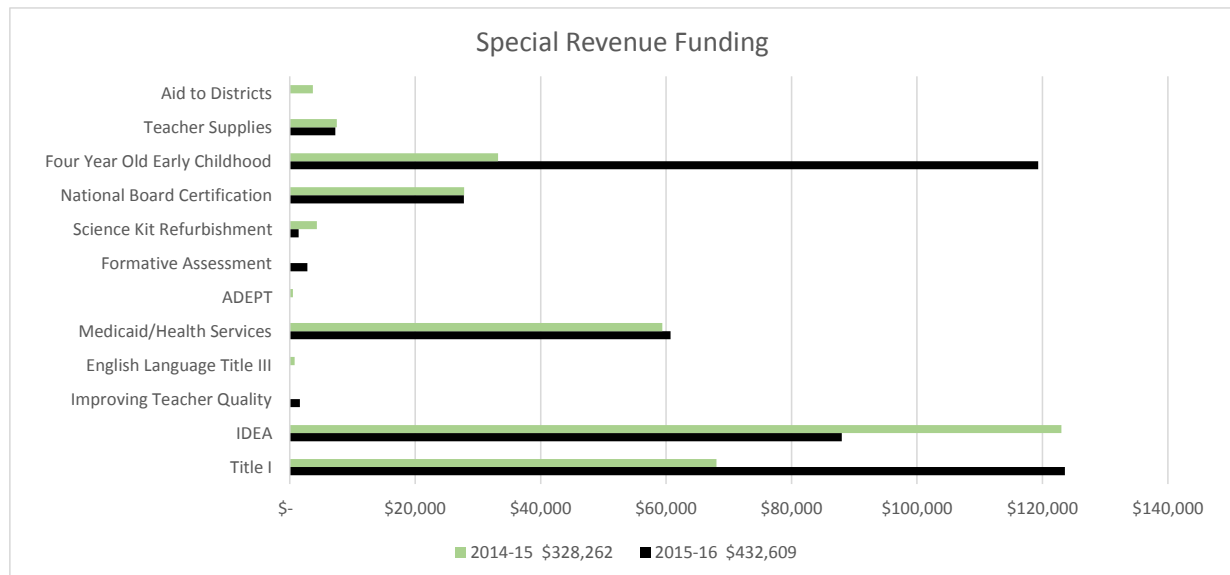
Hilton Head Island Early Childhood Center



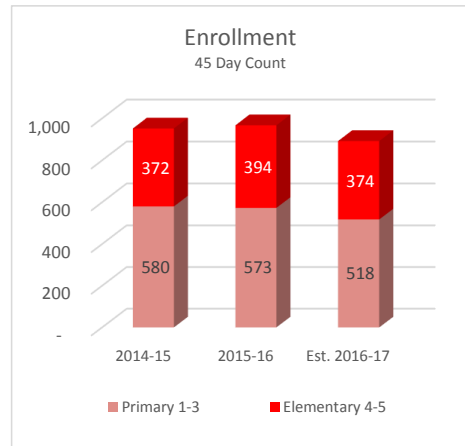
Hilton Head Island Early Childhood Center was built in 2006 with a capacity to hold 500 students. The school has undergone an expansion to add an additional wing to serve 4 pre-k classes starting the 2016-2017 school year.



Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 2,487,279	\$ 2,664,727
Instructional Support	\$ 646,691	\$ 624,589
Maint, Security, & Tech.	\$ 413,015	\$ 411,434
Total:	\$ 3,546,984	\$ 3,700,751



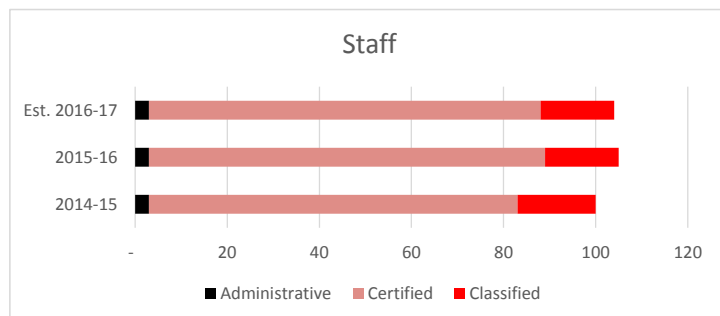
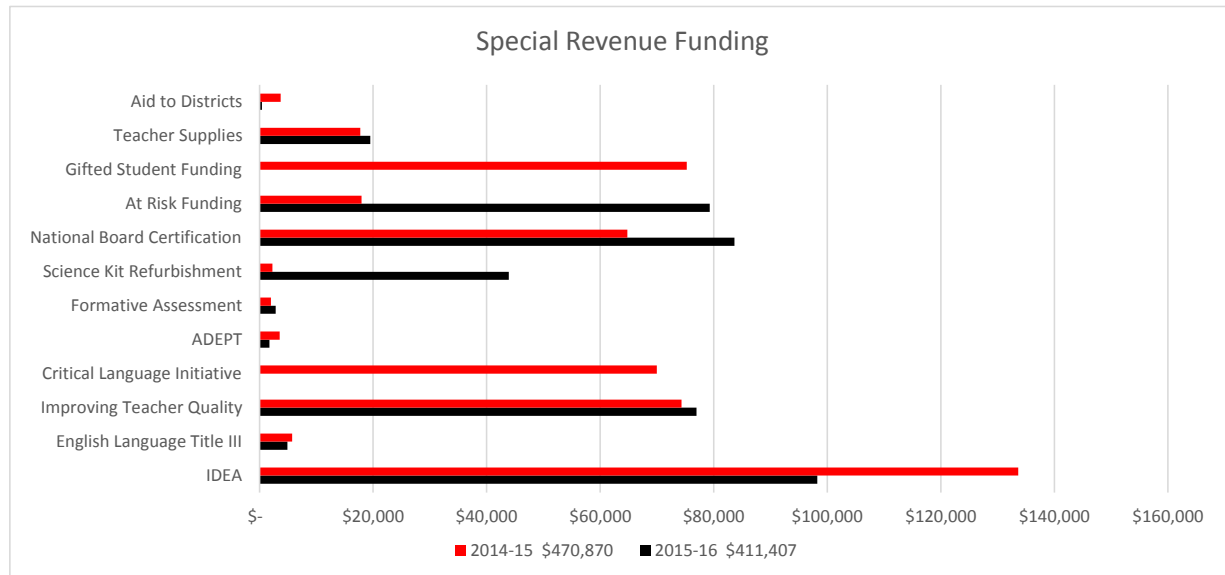
Hilton Head Island Elementary



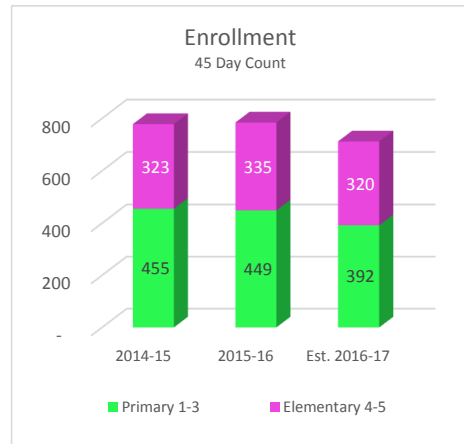
Hilton Head Island Elementary was built in 1974 with the capacity to hold 1,185 students. In 2001, it became one of the first schools in the United States to offer an International Baccalaureate Program (IB). As a school of choice, it offers the IB and Dual Language programs of Mandarin Chinese and Spanish.



Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 4,833,373	\$ 5,511,416
Instructional Support	\$ 1,010,832	\$ 999,815
Maint, Security, & Tech.	\$ 938,996	\$ 902,090
Total:	\$ 6,783,201	\$ 7,413,322



Hilton Head Island School for Creative Arts



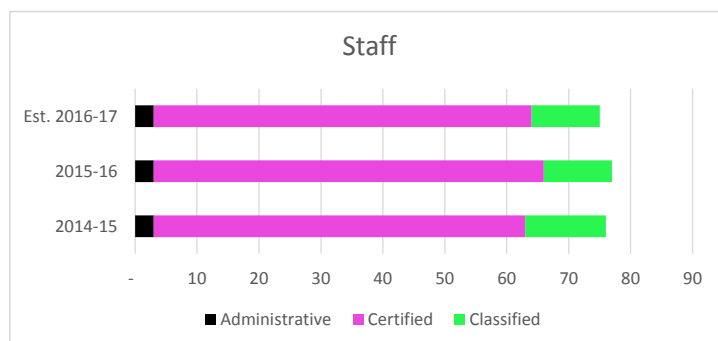
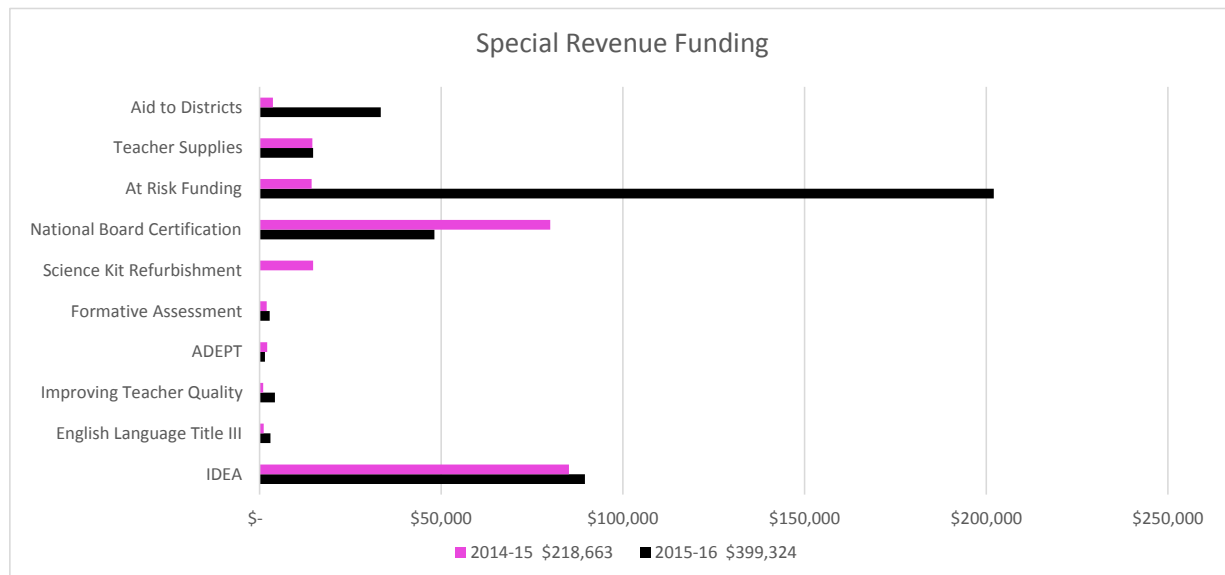
Hilton Head Island School for Creative Arts was built in 1988 as an addition to the elementary with a capacity to hold 749 students. In 2005 the school officially split to become the School for Creative Arts. It is offered as a school of choice for the Arts Infused Program.



Gold Award Winner 2015
General Performance

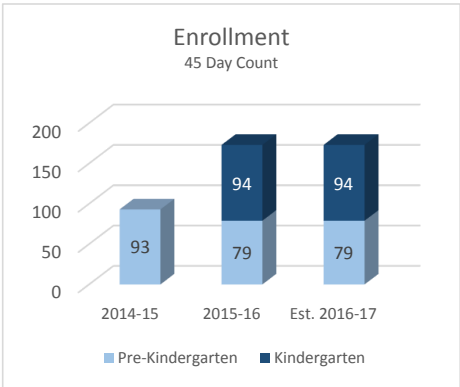


Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 3,889,066	\$ 3,946,936
Instructional Support	\$ 977,732	\$ 988,734
Maint, Security, & Tech.	\$ 378,478	\$ 358,373
Total:	\$ 5,245,276	\$ 5,294,043

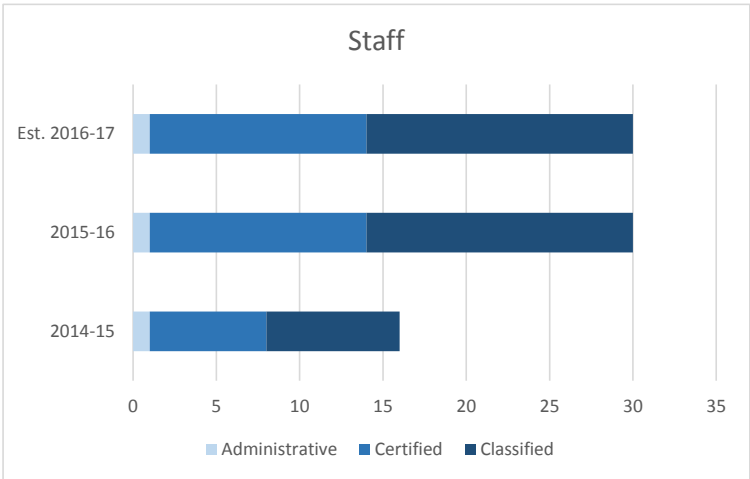
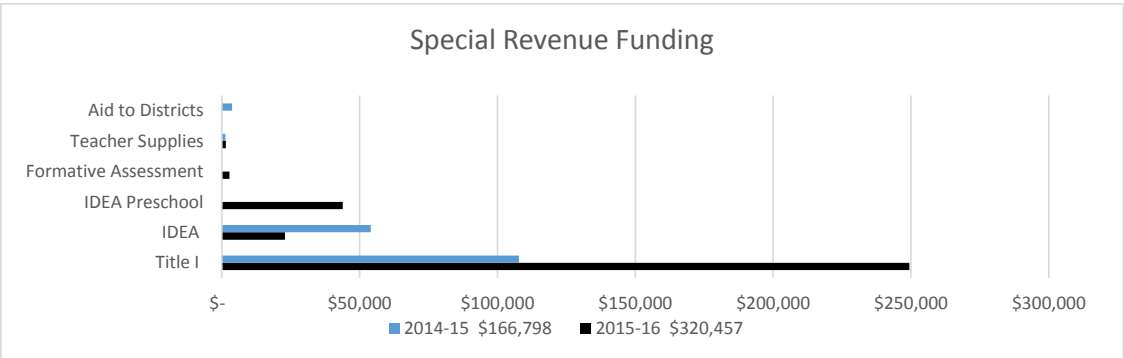


James J. Davis Early Childhood Center

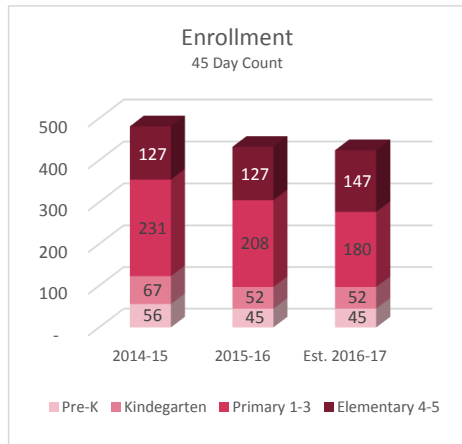
The James J. Davis Early Childhood Center was build in 1994 as an elementary school with the capacity to hold 512 students. Today it operates in conjunction with the supervision of Whale Branch Elementary School's principal. Pre-K and Kindergarten classes are housed at this location. The District also leases part of the building to Head Start program for their early childhood enrichment.



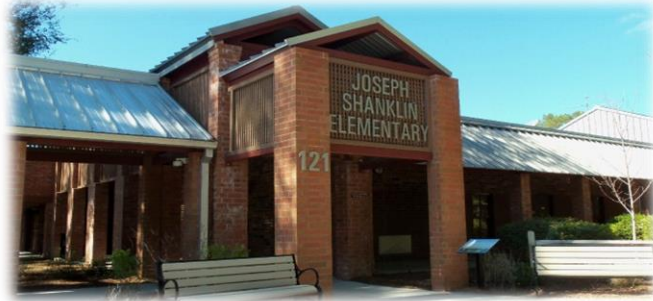
Program Expenses	Un-Audited	
	Actual	Actual
General Fund	2014-15	2015-16
Instructional	\$ 435,573	\$ 913,665
Instructional Support	\$ 177,248	\$ 192,852
Maint, Security, & Tech.	\$ 343,954	\$ 373,122
Total:	\$ 956,775	\$ 1,479,639



Joseph S. Shanklin Elementary



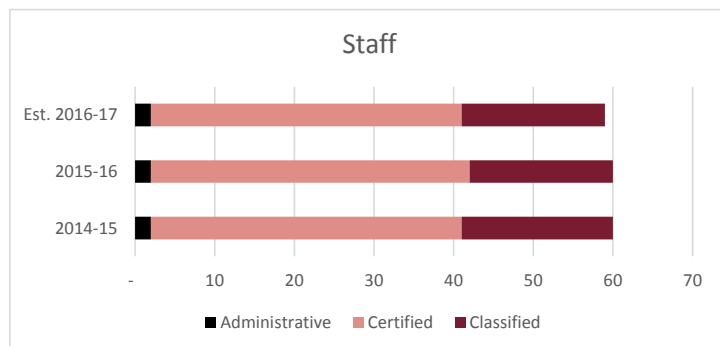
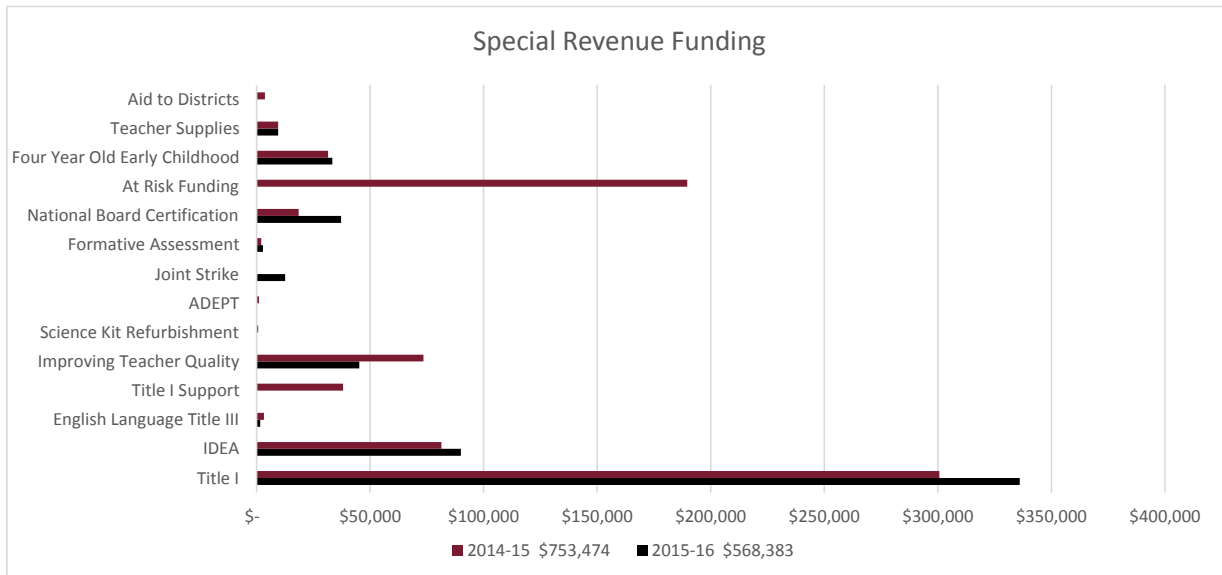
Joseph S. Shanklin Elementary was built in 1994 with a student capacity of 600 students. As a school of choice, it offers the "Learning Through Leadership Program."



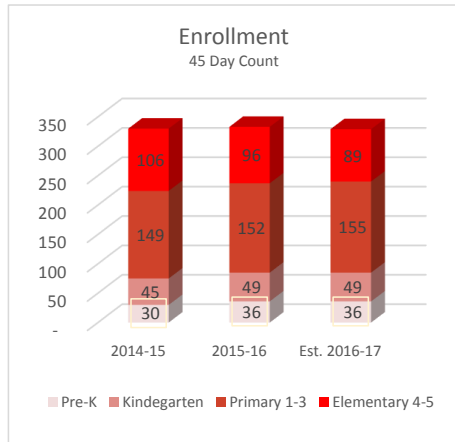
Award Winner 2015
Gold General Performance
Silver Closing Achievement Gaps



Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 2,504,562	\$ 2,685,240
Instructional Support	\$ 689,158	\$ 611,767
Maint, Security, & Tech.	\$ 494,080	\$ 522,137
Total:	\$ 3,687,800	\$ 3,819,144



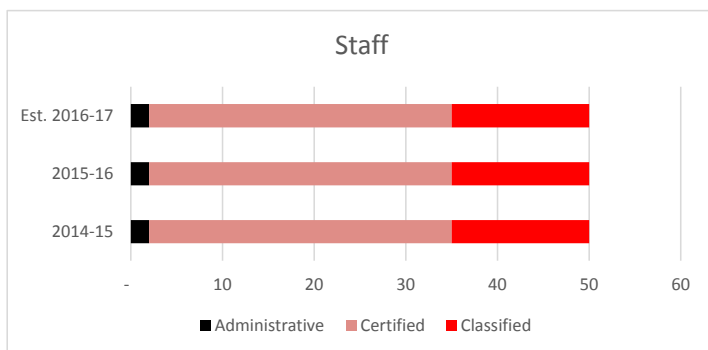
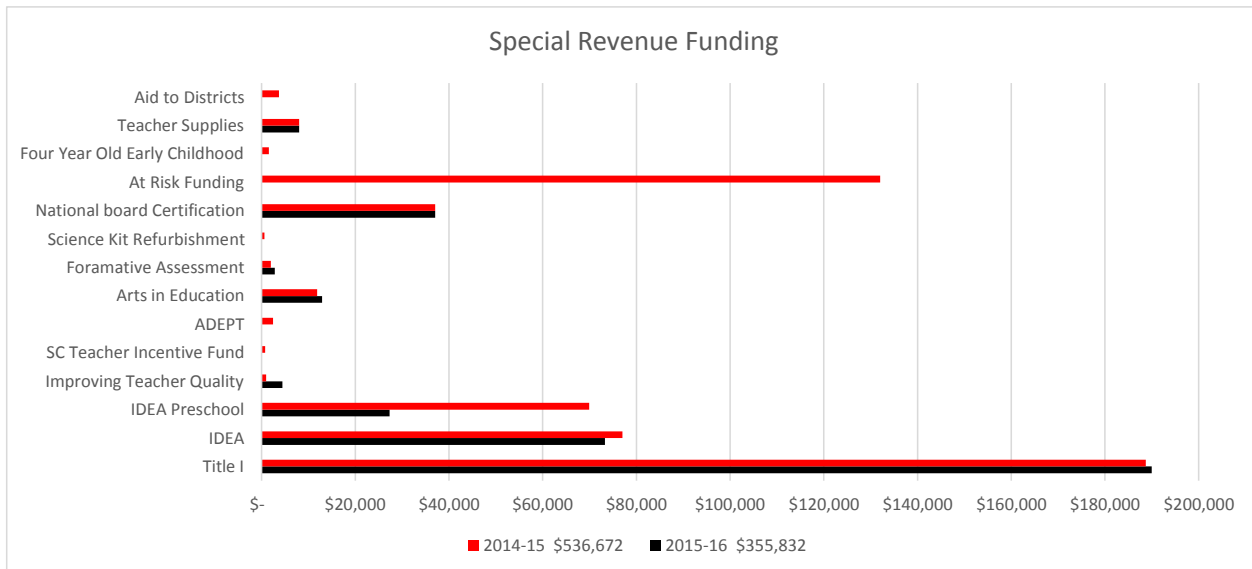
Lady's Island Elementary



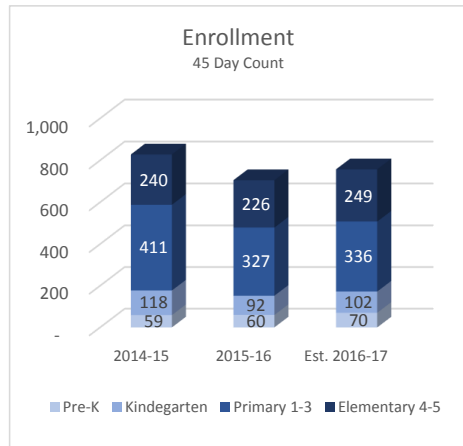
Lady's Island Elementary was built in 1963 and has the capacity to hold 404 students. In 2014-2015 the fifth grade was moved back to Lady's Island Elementary from Lady's Island Middle. In 2000, Lady's Island Elementary was the first school in the District to offer an arts-infused program and now offers as a school of choice.



Program Expenses	Un-Audited	
	Actual	Actual
General Fund	2014-15	2015-16
Instructional	\$ 2,227,431	\$ 2,250,043
Instructional Support	\$ 670,837	\$ 649,496
Maint, Security, & Tech.	\$ 310,648	\$ 385,442
Total:	\$ 3,208,916	\$ 3,284,981



Michael. C. Riley Elementary & Early Childhood Center



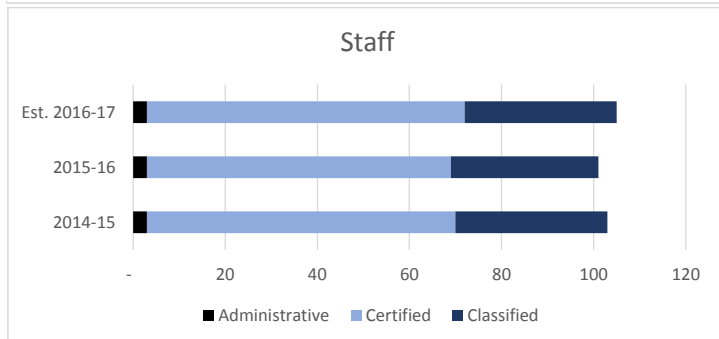
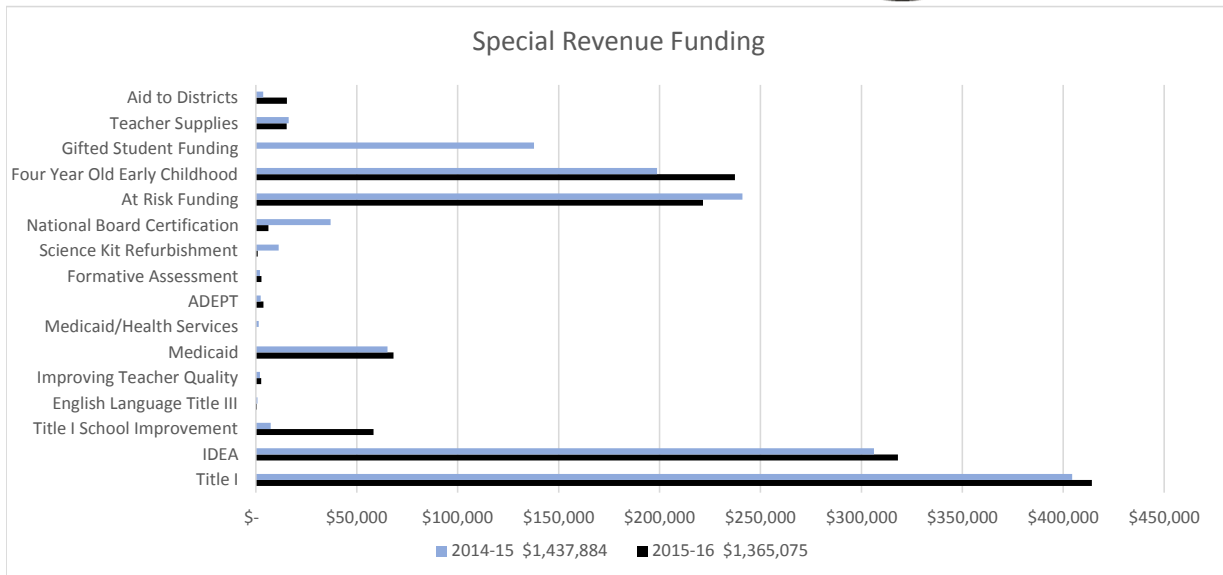
Michael C. Riley Elementary was built in 1991 with a capacity to hold 592 students. Mobile units were placed on the campus to hold additional students until 2010 when the Early Childhood Center was built on the campus expanding the capacity to 992 students. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. The school is offered as a school of choice for its "Learning Through Leadership" program.



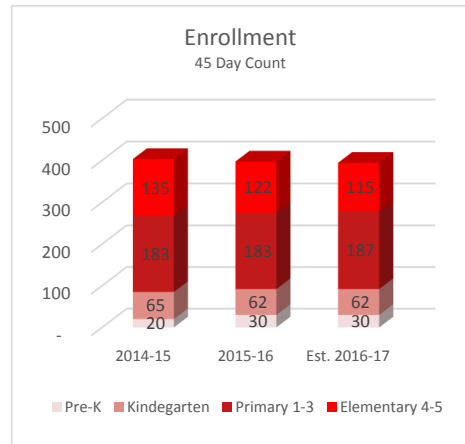
Silver Award Winner 2015
General Performance



Program Expenses	Un-Audited	
	Actual	Actual
General Fund	2014-15	2015-16
Instructional	\$ 3,385,517	\$ 3,840,194
Instructional Support	\$ 1,042,976	\$ 1,051,672
Maint, Security, & Tech.	\$ 724,706	\$ 741,089
Total:	\$ 5,153,200	\$ 5,632,955



Mossy Oaks Elementary



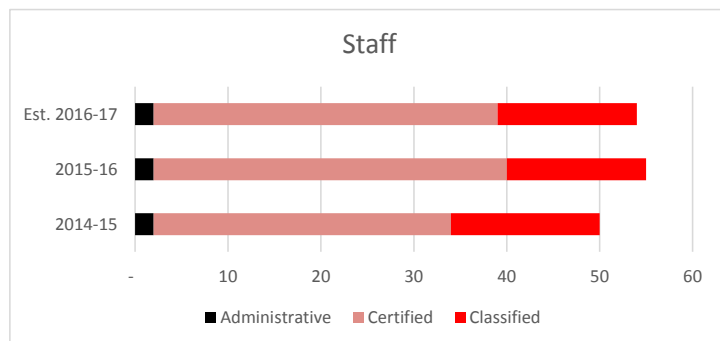
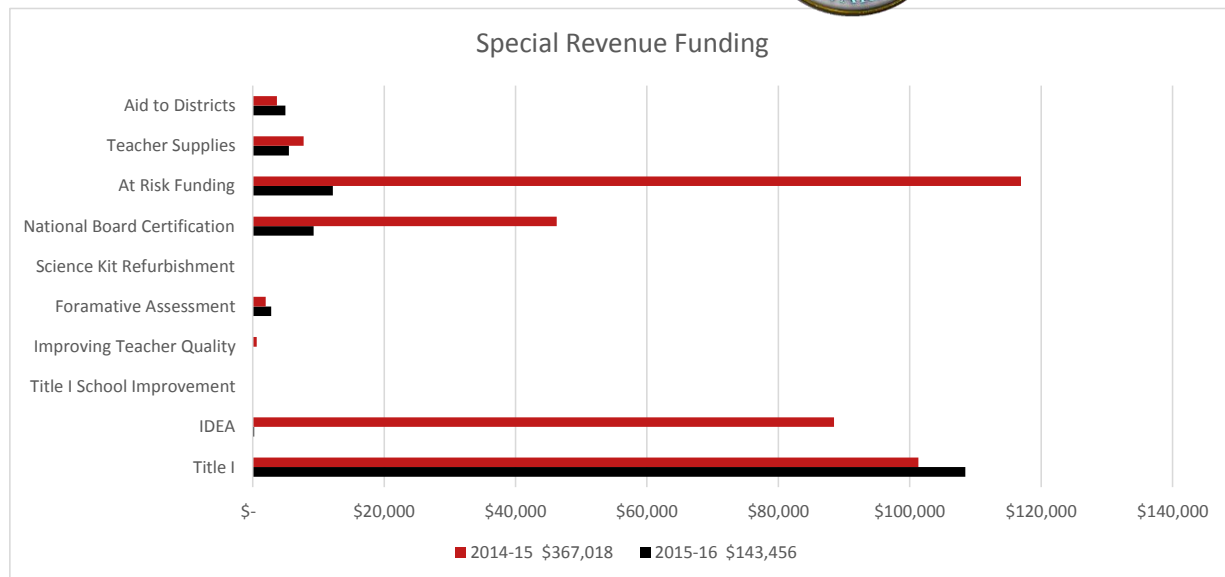
Mossy Oaks Elementary was built in 1962 with a capacity of 492 students. It has been an ABC (Arts in Basic Curriculum) school for many years and now is offered as a school of choice for its Arts Infused Program.



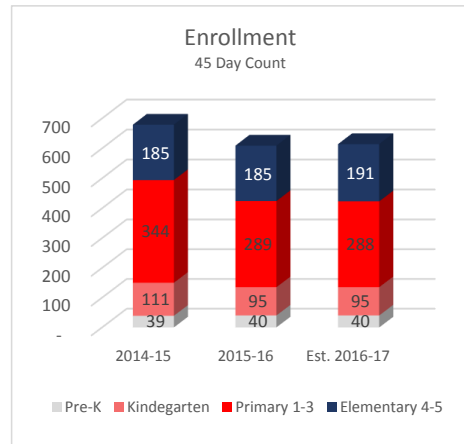
Award Winner 2015
Gold General Performance
Silver Closing Achievement Gaps



Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 2,431,694	\$ 2,736,059
Instructional Support	\$ 652,873	\$ 645,176
Maint, Security, & Tech.	\$ 364,569	\$ 372,940
Total:	\$ 3,449,135	\$ 3,754,175



Okatie Elementary



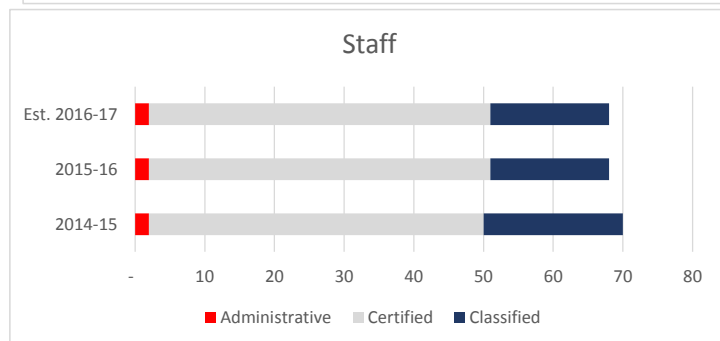
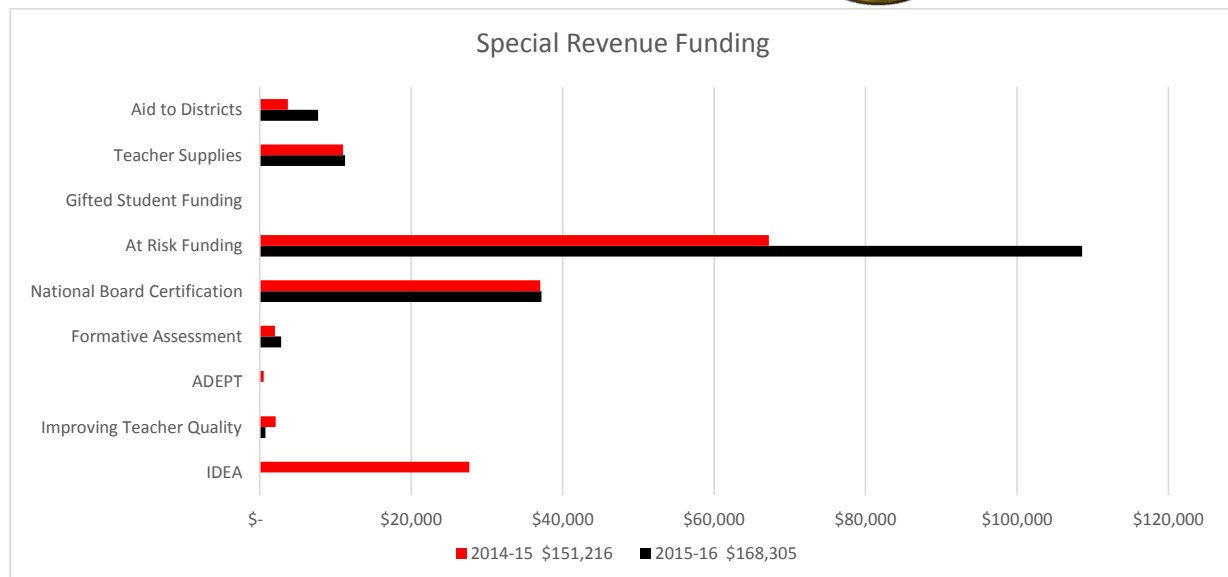
Okatie Elementary was built in 2004 with the capacity to hold 539 students. As with other Bluffton area schools, it was at capacity soon after opening. In 2008, an additional wing was added expanding the capacity to 719 students. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. Okatie offers "Learning Through Leadership" as a school of choice.



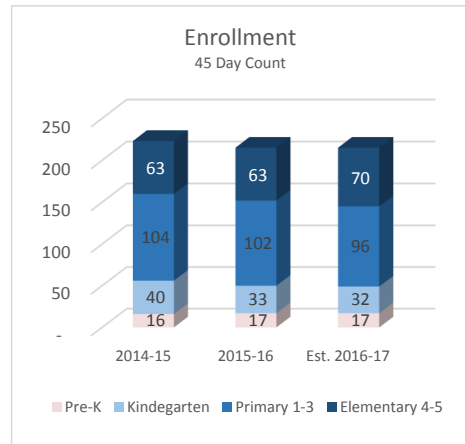
Gold Award Winner 2015
General Performance &
Closing Achievement Gaps



Program Expenses	Un-Audited	
	Actual	Actual
General Fund	2014-15	2015-16
Instructional	\$ 3,419,056	\$ 3,541,686
Instructional Support	\$ 792,258	\$ 772,320
Maint, Security, & Tech.	\$ 397,896	\$ 426,959
Total:	\$ 4,609,209	\$ 4,740,965



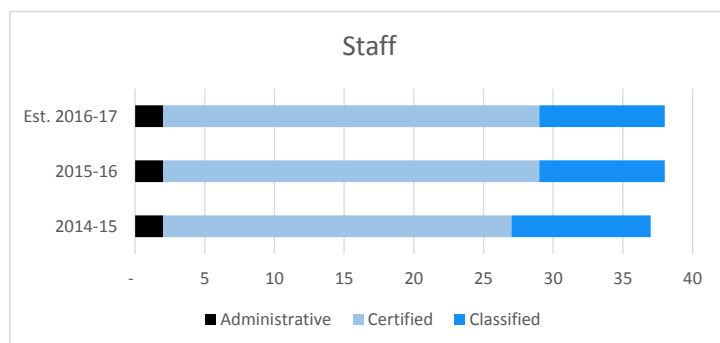
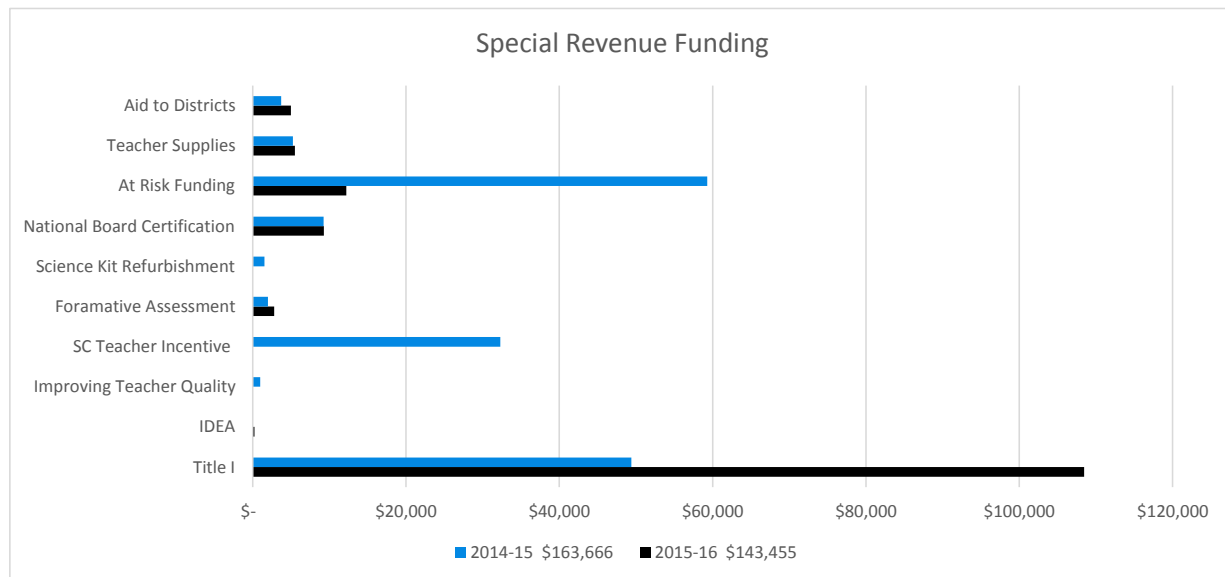
Port Royal Elementary



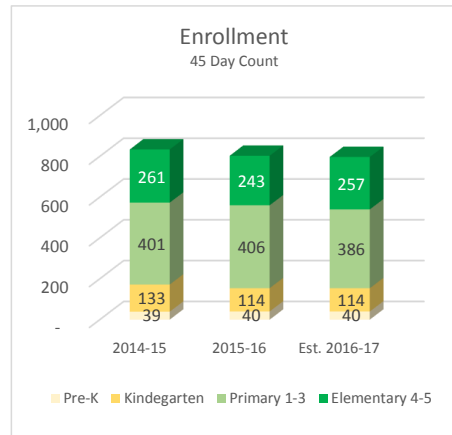
Port Royal Elementary was originally built in 1911 as a two room two story schoolhouse. Over time, renovations and additions have created the campus we have today. The school has the capacity for 328 students. Port Royal Elementary is listed as a school of choice for Project-Based Learning.



Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 1,450,253	\$ 1,534,978
Instructional Support	\$ 650,492	\$ 669,633
Maint, Security, & Tech.	\$ 283,258	\$ 299,820
Total:	\$ 2,384,002	\$ 2,504,431



Pritchardville Elementary



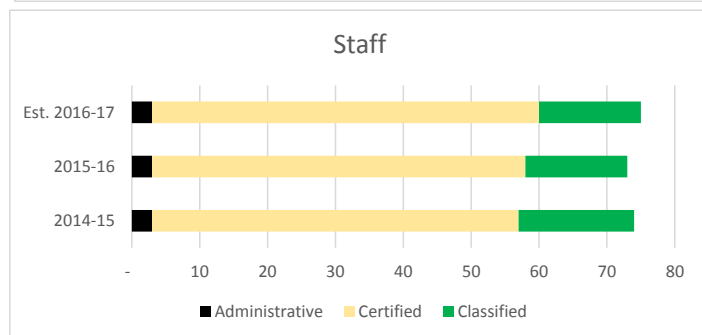
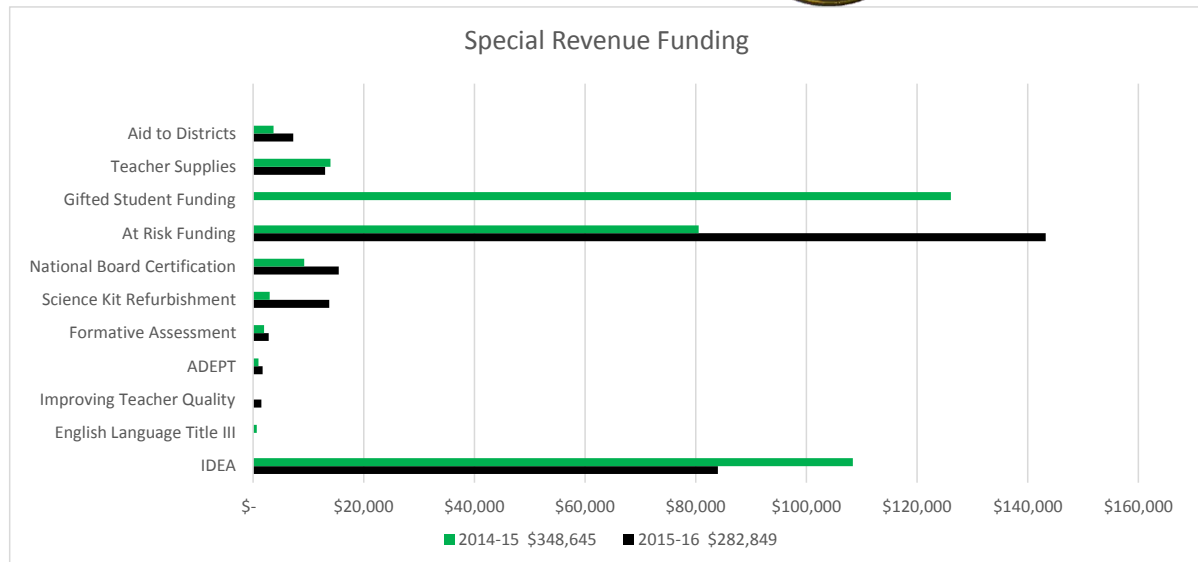
Pritchardville Elementary was built in 2010 with the capacity to hold 800 students. It was one of the first LEED certified schools in the District for its design. Pritchardville offers the Advanced Mathematics, Engineering and Science Program (AMES) and Project Based Learning as a school of choice.



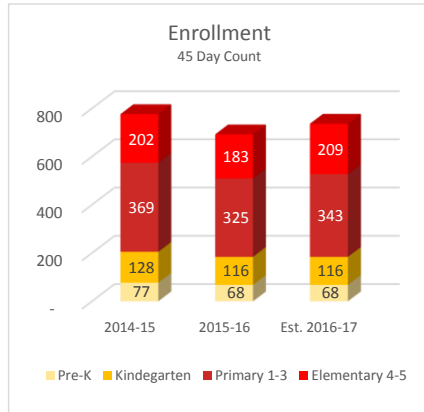
Award Winner 2015
Gold General Performance
Silver Closing Achievement Gaps



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 3,068,161	\$ 3,436,424
Instructional Support	\$ 976,540	\$ 996,502
Maint, Security, & Tech.	\$ 379,487	\$ 300,739
Total:	\$ 4,424,188	\$ 4,733,665



Red Cedar Elementary



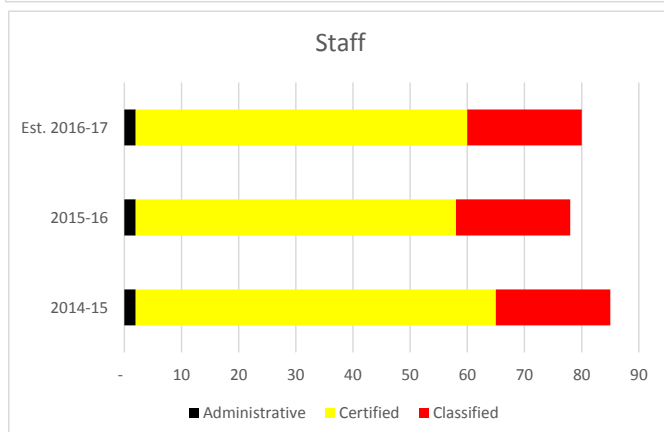
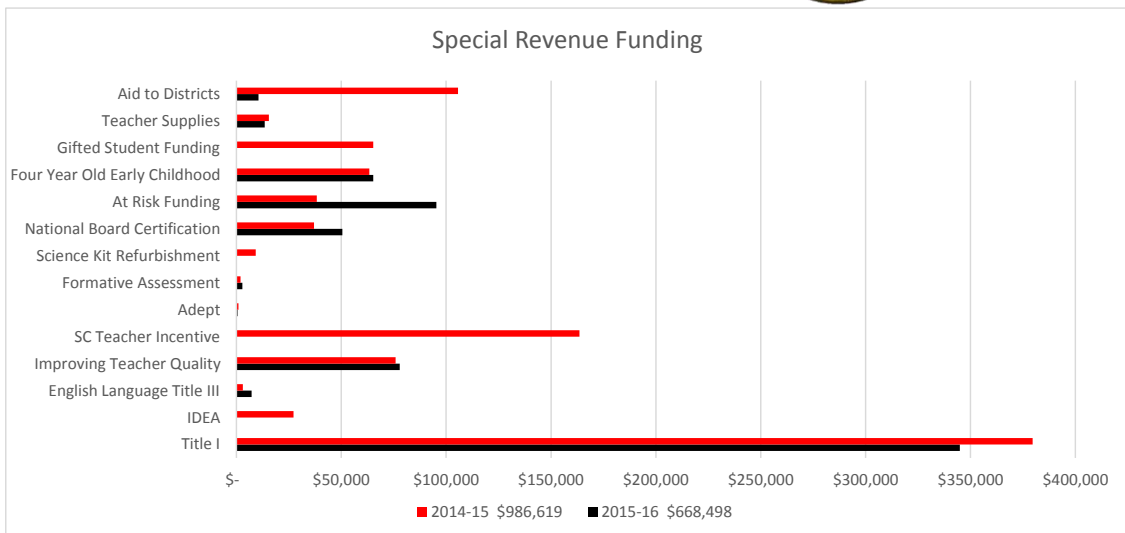
Red Cedar Elementary opened in 2009 as part of the building program to eliminate overcrowding in the Bluffton area. The school has the capacity to hold 800 students. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. Red Cedar offers "Project-Based Learning" as a school of choice.



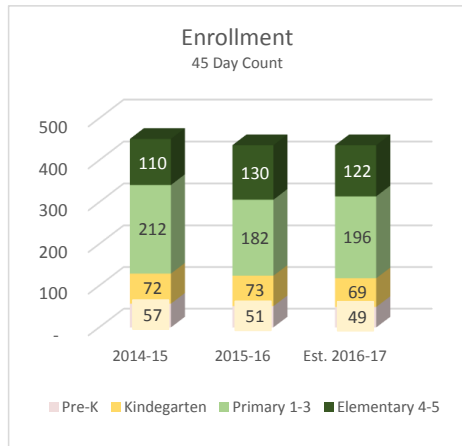
Award Winner 2015
Gold General Performance
Silver Closing Achievement Gaps



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 3,737,491	\$ 3,442,812
Instructional Support	\$ 897,598	\$ 813,846
Maint, Security, & Tech.	\$ 490,601	\$ 462,476
Total:	\$ 5,125,690	\$ 4,719,134



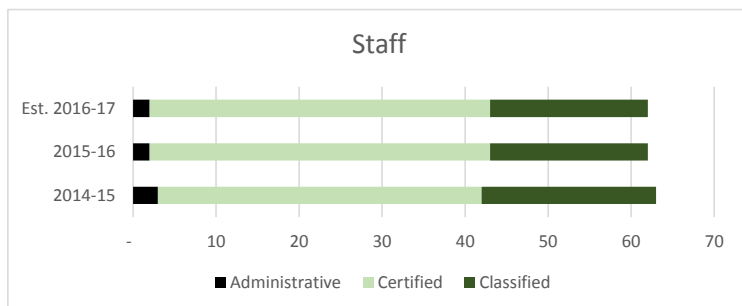
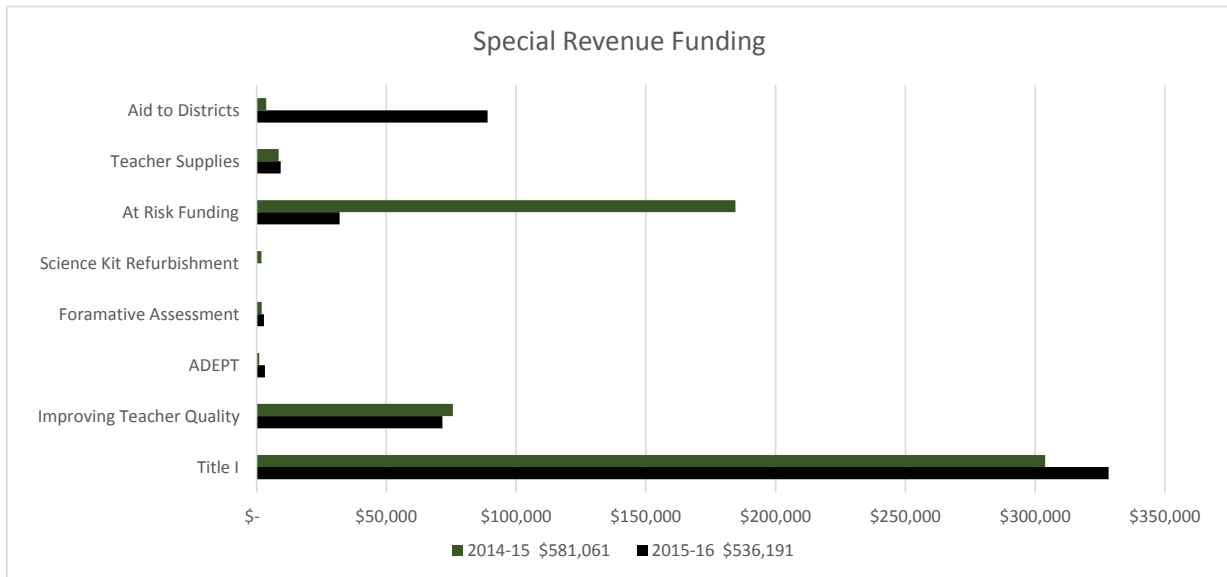
St. Helena Elementary



St. Helena Elementary was built in 1992 and an additional Early Childhood Center was added in 2004. The school has the capacity to accommodate 888 students. As a school of choice, St. Helena Elementary offers the Advanced Math, Engineering, and Science Program (AMES).

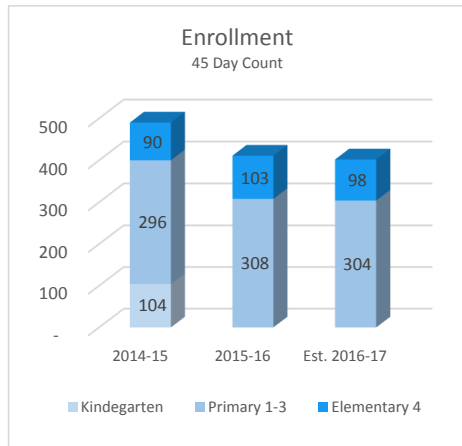


Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 2,453,509	\$ 2,420,702
Instructional Support	\$ 777,552	\$ 662,544
Maint, Security, & Tech.	\$ 582,738	\$ 604,756
Total:	\$ 3,813,799	\$ 3,688,002



Whale Branch Elementary

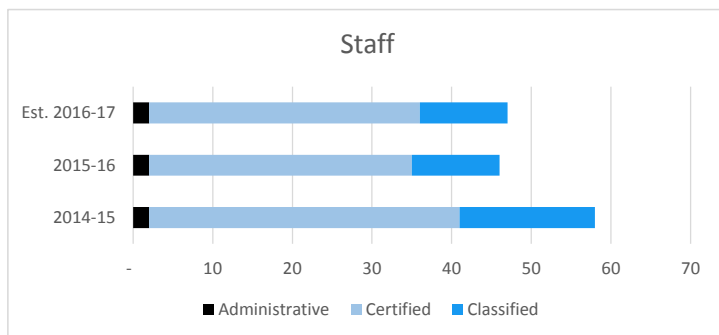
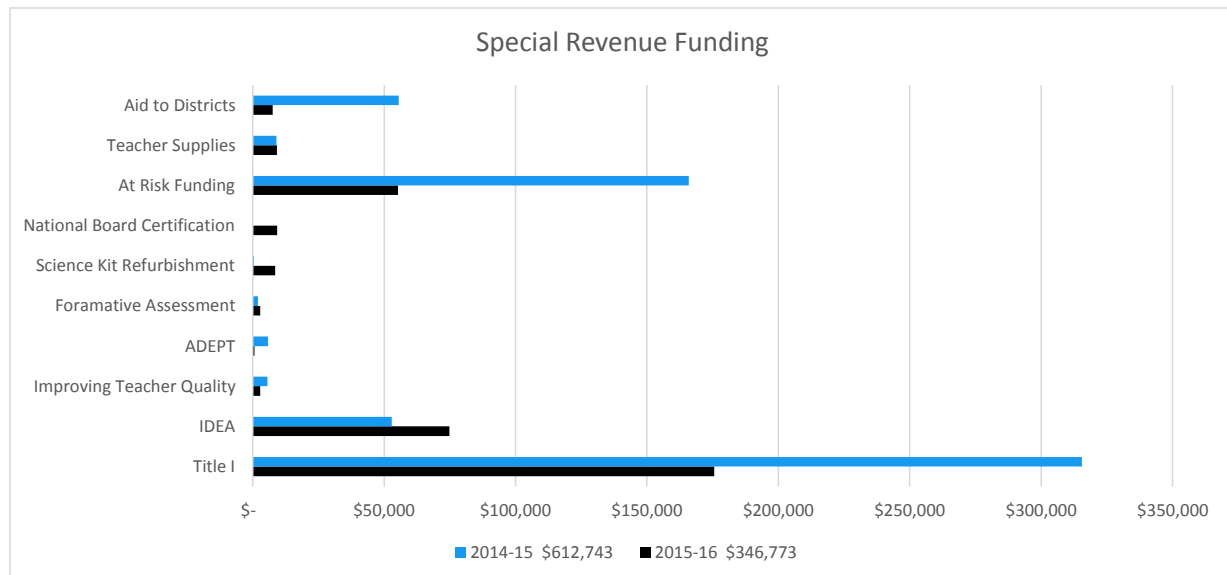
Whale Branch Elementary was built in 2000 with the capacity to hold 568 students. The Pre-K and Kindergarten classes feed in from J.J. Davis Early Childhood Center. As a school of choice, it offers an Arts Infused program.



Silver Award Winner 2015
General Performance



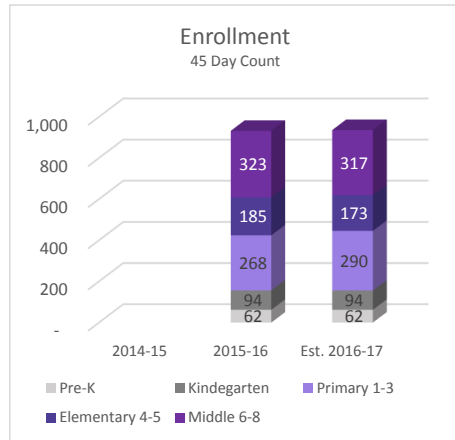
Program Expenses	Un-Audited	
	Actual	Actual
General Fund	2014-15	2015-16
Instructional	\$ 2,318,866	\$ 2,224,204
Instructional Support	\$ 549,993	\$ 628,654
Maint, Security, & Tech.	\$ 403,243	\$ 392,452
Total:	\$ 3,272,103	\$ 3,245,310



Tiger Sharks



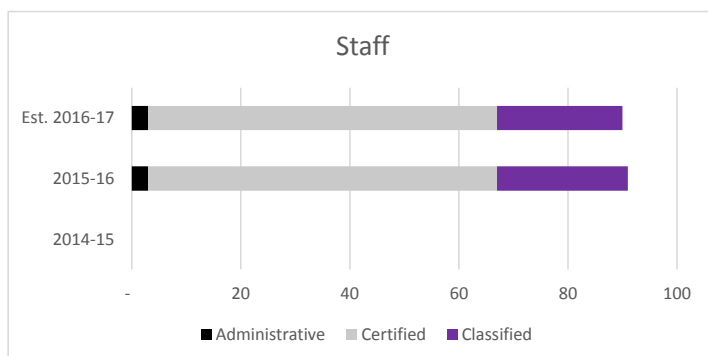
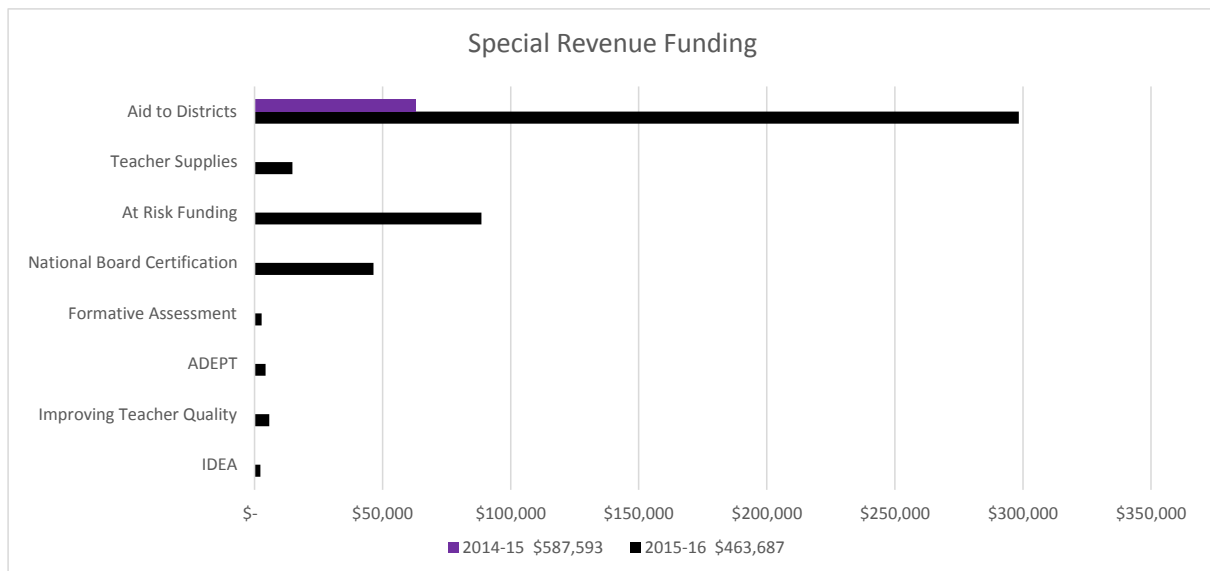
River Ridge Academy



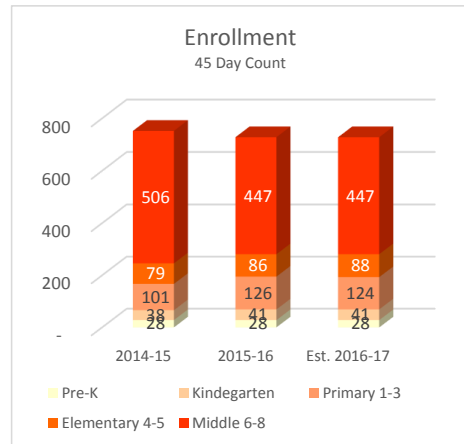
River Ridge Academy was built in 2015 as a Pre-K through 8th Grade to serve the growing Bluffton community. The building can hold a capacity of 900 students. River Ridge Academy offers the Montessori program and Project Lead the Way Launch/Gateway to Technology as a school of choice.



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 283,230	\$ 4,489,707
Instructional Support		\$ 1,053,762
Maint, Security, & Tech.		\$ 639,762
Total:	\$ 283,230	\$ 6,183,231



Robert Smalls International Academy

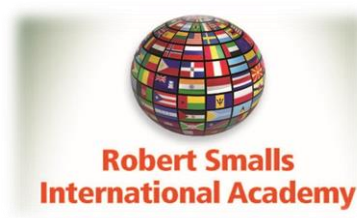
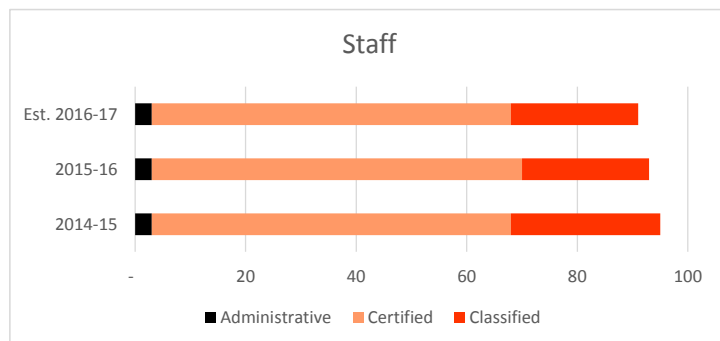
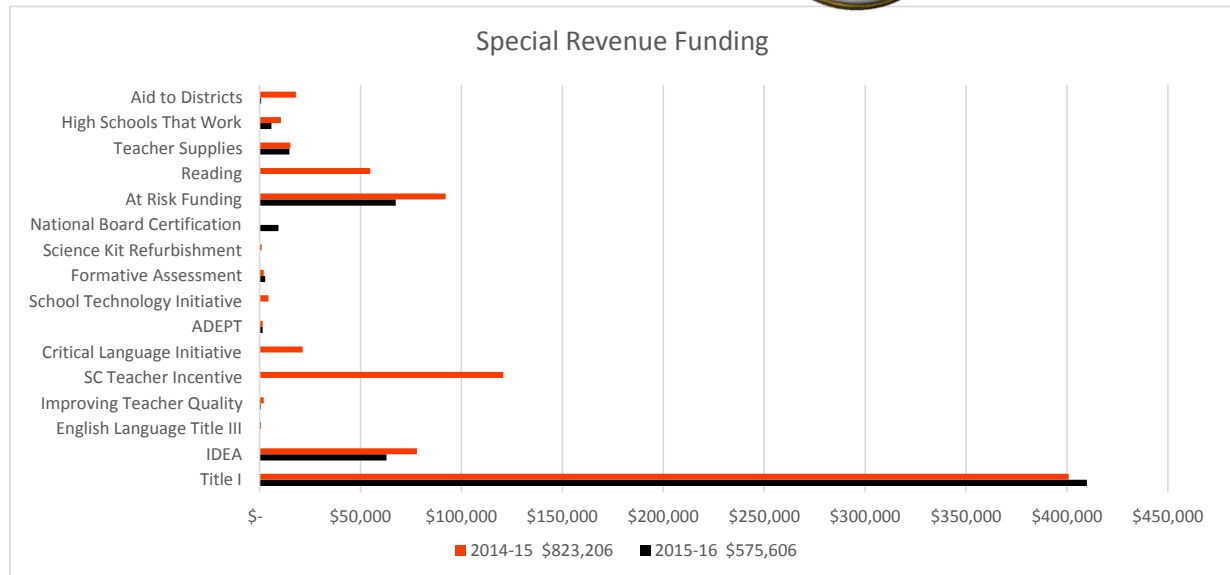


Robert Smalls International Academy was built in 1984 with the capacity to hold 777 students. In 2012-2013 school year, the middle school became a Pre-K through 8th Grade. It is offered as a school of choice with its Project-Based Learning program.

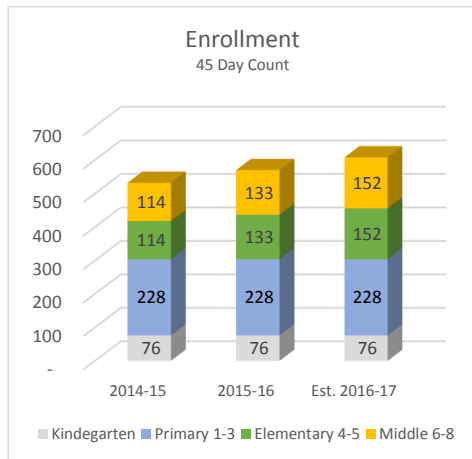


Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 4,096,886	\$ 4,364,113
Instructional Support	\$ 1,068,341	\$ 1,081,883
Maint, Security, & Tech.	\$ 776,985	\$ 796,460
Total:	\$ 5,942,212	\$ 6,242,456

Silver Award Winner 2015
General Performance



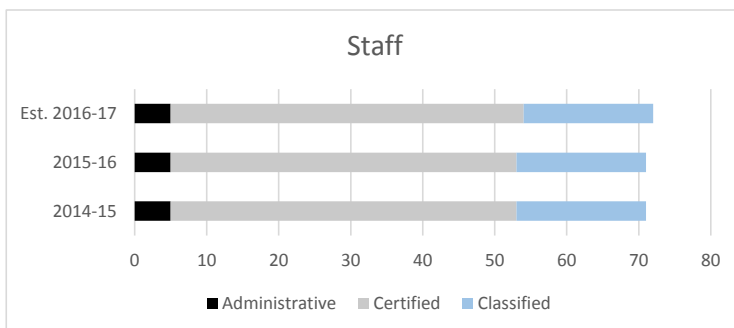
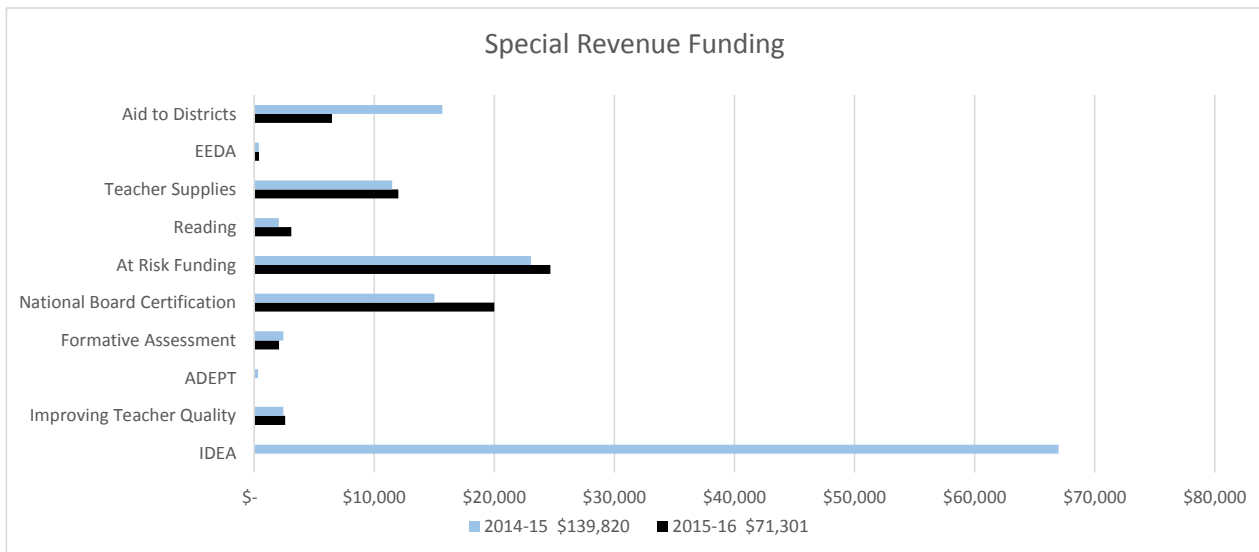
Riverview Charter School



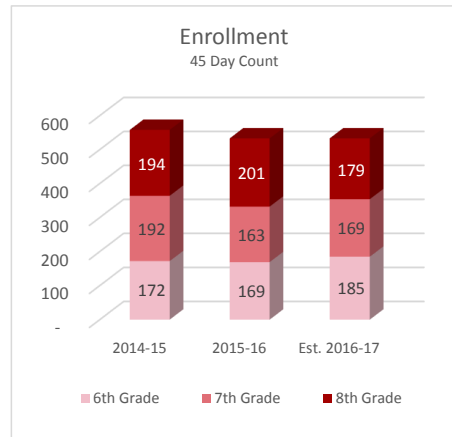
Riverview Charter School opened in 2010 as K-5th school and later expanded through 8th grade. The school is currently operating on the previous Shell Point Elementary campus with an enrollment of 527 students. While the school receives funding from the Beaufort County School District based on its charter requirements, Riverview operates independently from the other district schools and has no attendance zone. Enrollment into the charter school is based on a lottery system with a set number of students for each grade. Riverview Charter School focuses on teaching the Learning Community of Core Values.



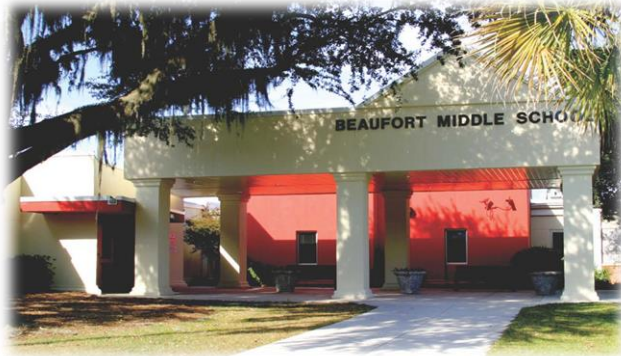
Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Transfer to Charter School	\$ 4,398,637	\$ 4,578,250
Maint, Security, & Tech.	\$ 12,201	\$ 17,303
Total:	\$ 4,410,838	\$ 4,595,553



Beaufort Middle



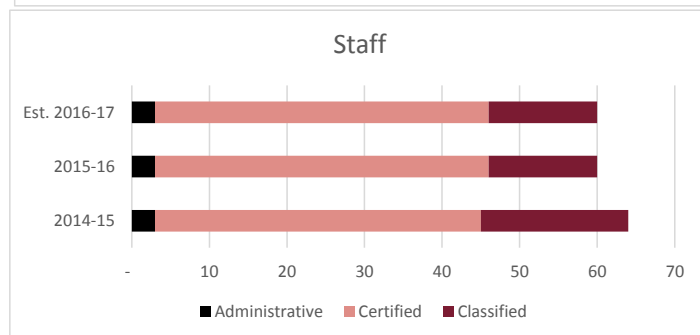
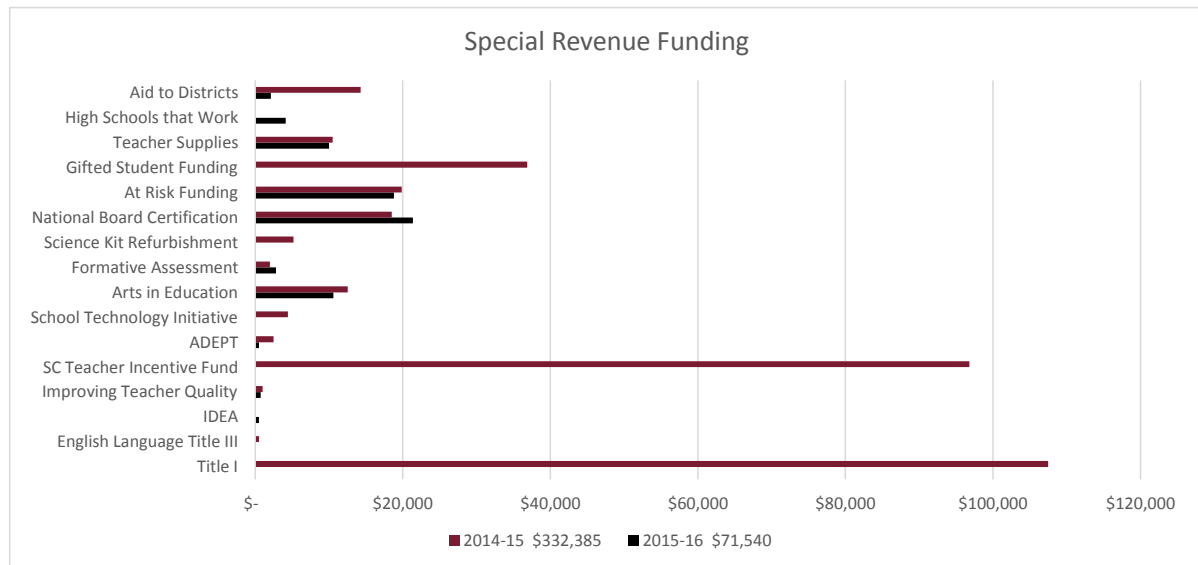
Beaufort Middle is currently located on the former Beaufort High site. In 2002 it was remodeled as a middle school with a capacity for 867 students. Beaufort Middle is offered as a school of choice for its Arts Infused Classical Studies.



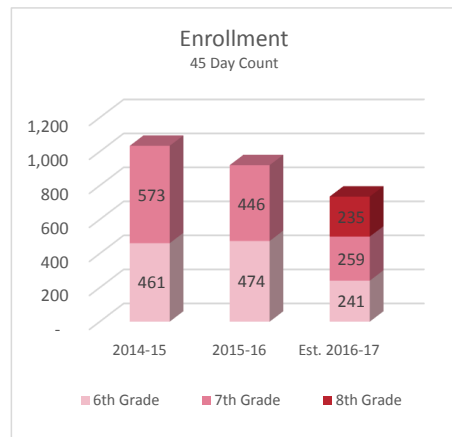
Silver Award Winner 2015
General Performance



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 2,615,896	\$ 2,757,106
Instructional Support	\$ 1,087,381	\$ 1,091,508
Maint, Security, & Tech.	\$ 703,987	\$ 666,232
Total:	\$ 4,407,264	\$ 4,514,846



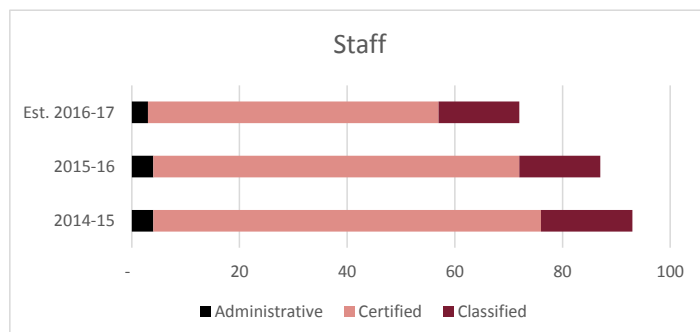
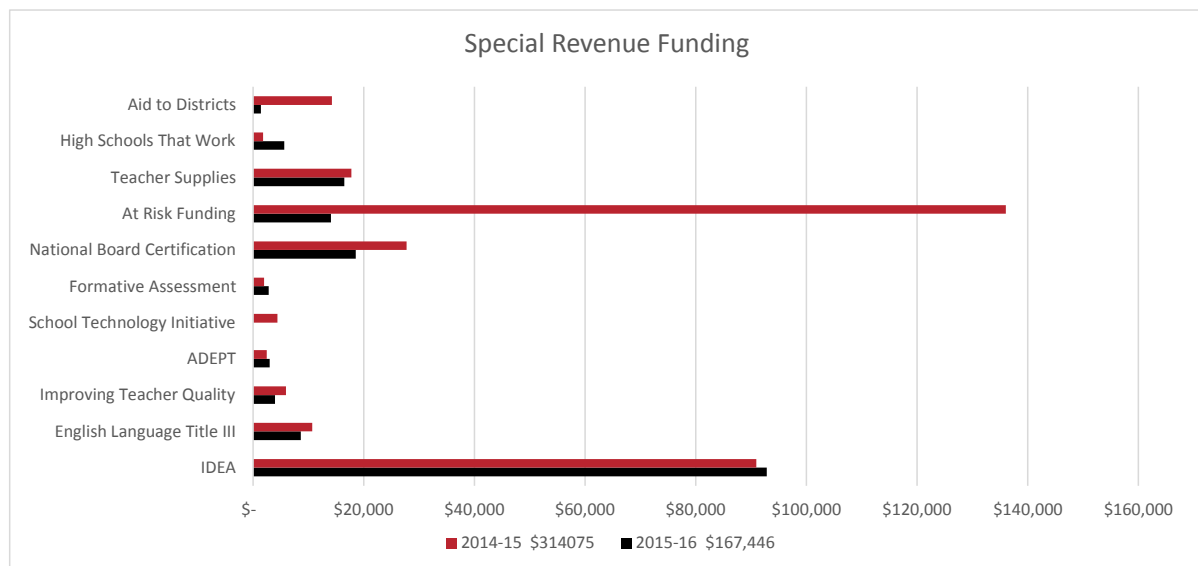
Bluffton Middle



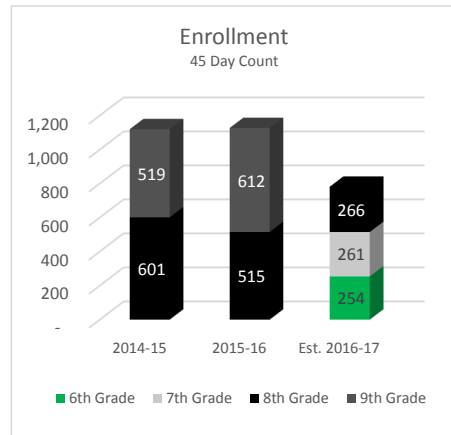
Bluffton Middle was built in 2010 with the capacity to hold 1,100 students. It has been operating since opening as a school for 6th and 7th grade only. Reassignment from the opening of River Ridge Academy caused an enrollment drop in 2015-2016. In the 2016-2017 school year, it will become a traditional middle school with 6th to 8th grade as part of the enrollment is rezoned to H.E. McCracken Middle. Bluffton Middle offers the Gateway to Technology program as school of choice.



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 4,581,973	\$ 4,707,133
Instructional Support	\$ 1,147,511	\$ 1,305,540
Maint, Security, & Tech.	\$ 808,365	\$ 701,416
Total:	\$ 6,537,849	\$ 6,714,089



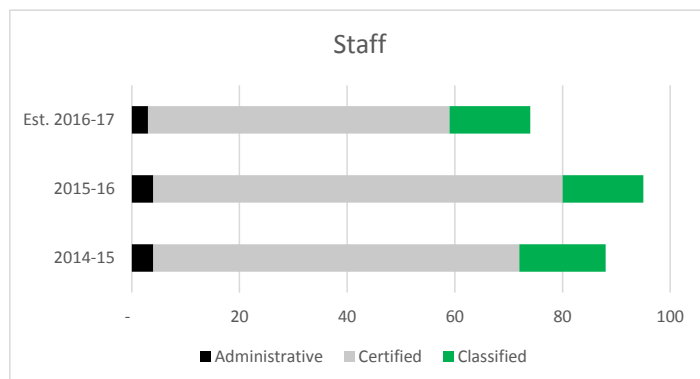
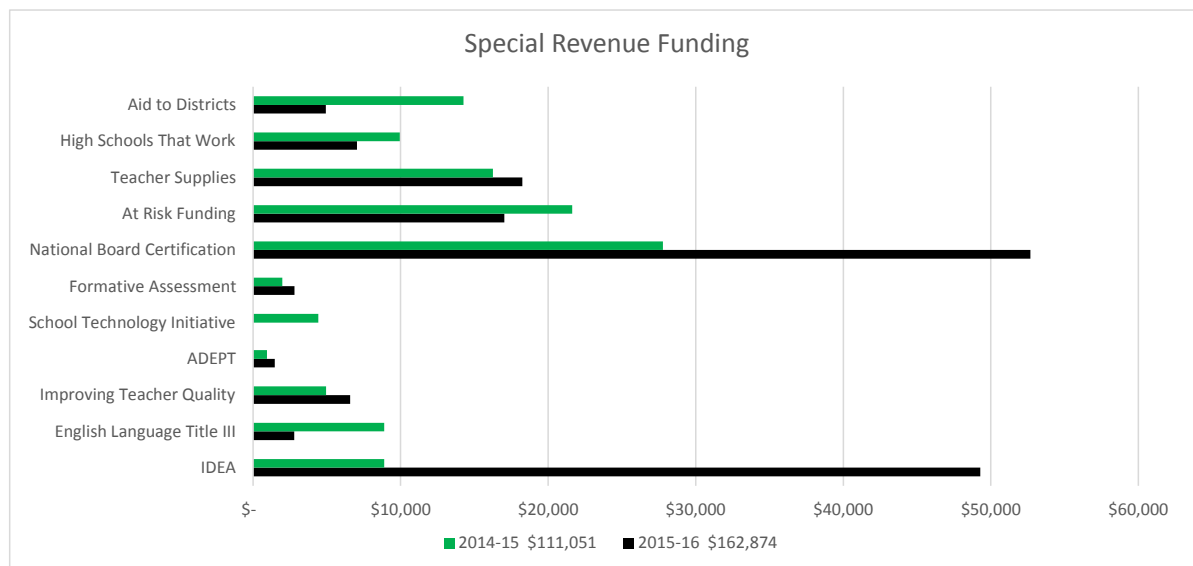
H.E. McCracken Middle



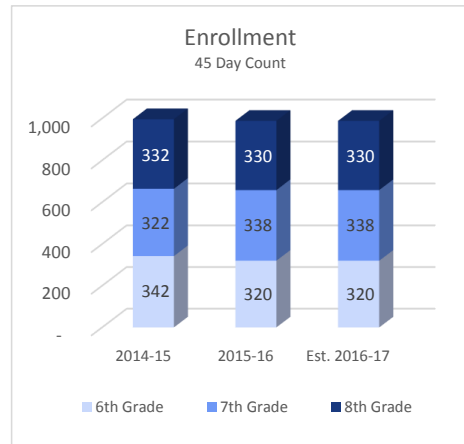
H.E. McCracken Middle was built in 2000 with the capacity to hold 666 students. In 2008, an additional wing was added expanding the school hold 941 students. Due to over crowding at Bluffton High, the freshman class was moved to H.E. McCracken Middle and became a school for 8th and 9th graders. With the opening of May River High the school will revert to a 6th to 8th grade middle school in the 2016-2017 school year. H.E. McCracken Middle is offers an Arts Infused Program and a Gateway to Technology program as a School of Choice.



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 4,497,395	\$ 5,170,609
Instructional Support	\$ 1,436,903	\$ 1,378,729
Maint, Security, & Tech.	\$ 769,616	\$ 755,021
Total:	\$ 6,703,914	\$ 7,304,359



Hilton Head Island Middle

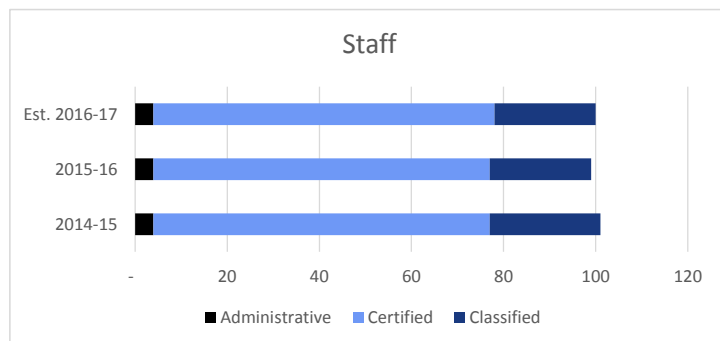
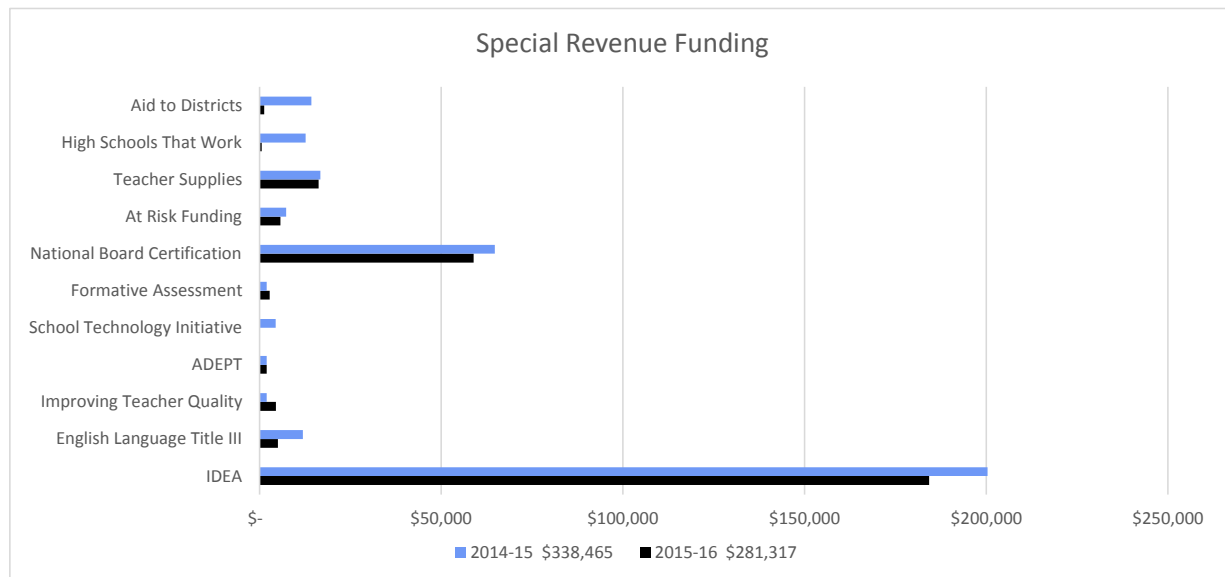


Hilton Head Island Middle was built in 1992 with a capacity to hold 819 students. Today, the campus can accommodate almost 1,000. Hilton Head Island Middle offers the International Baccalaureate program as their School of Choice.



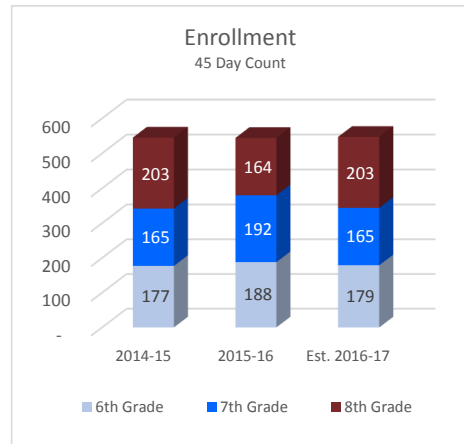
Program Expenses	Actual	Un-Audited Actual
	2014-15	2015-16
General Fund		
Instructional	\$ 4,809,583	\$ 4,640,891
Instructional Support	\$ 1,272,822	\$ 1,342,796
Maint, Security, & Tech.	\$ 717,170	\$ 787,207
Total:	\$ 6,799,575	\$ 6,770,894

Silver Award Winner 2015
General Performance



Lady's Island Middle

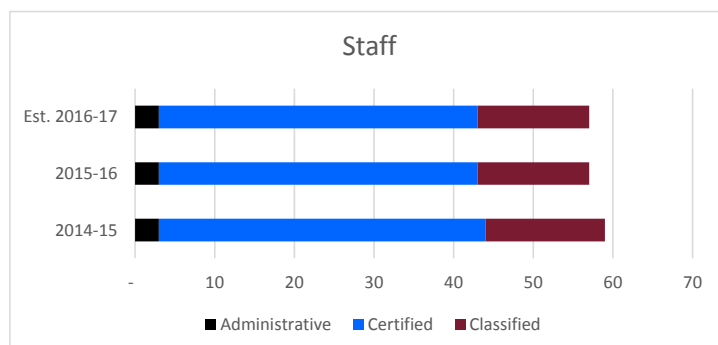
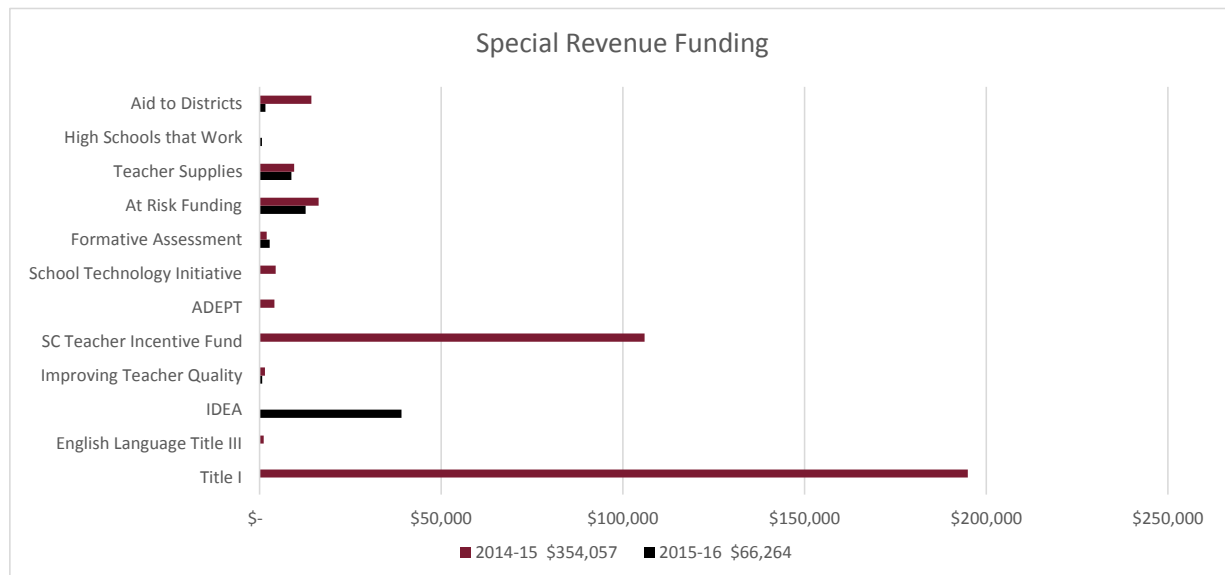
Lady's Island Middle was built in 1984 with the capacity to hold 1,209 students. Lady's Island Middle offers as their school of choice Arts Infused and Gateway to Technology programs that incorporates art, science, technology, engineering and math.



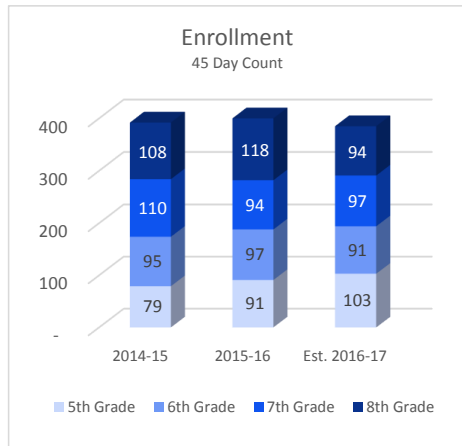
Silver Award Winner 2015
General Performance



Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 2,555,327	\$ 2,719,308
Instructional Support	\$ 1,137,689	\$ 1,198,475
Maint, Security, & Tech.	\$ 798,474	\$ 849,801
Total:	\$ 4,491,490	\$ 4,767,584



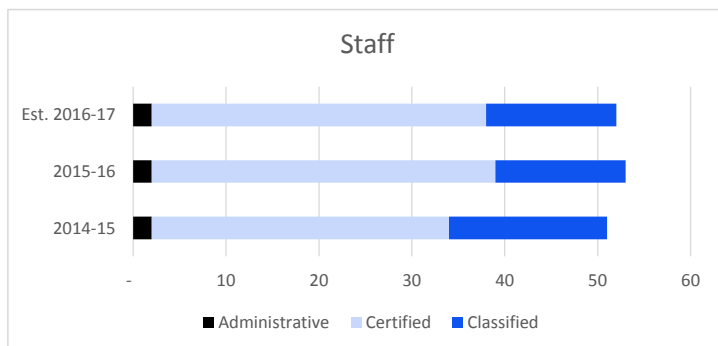
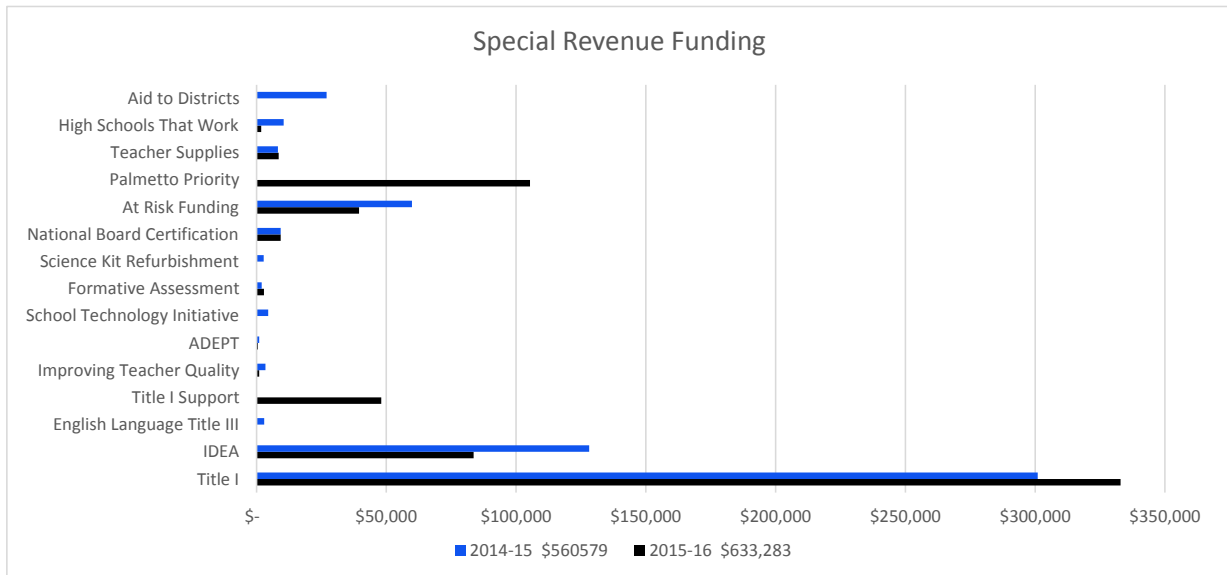
Whale Branch Middle



Whale Branch Middle was built in 2000 with the capacity to hold 774 students. As a school of choice, Whale Branch Middle offers Arts Infused and Gateway to Technology which focuses on art, science, technology, engineering, and math.

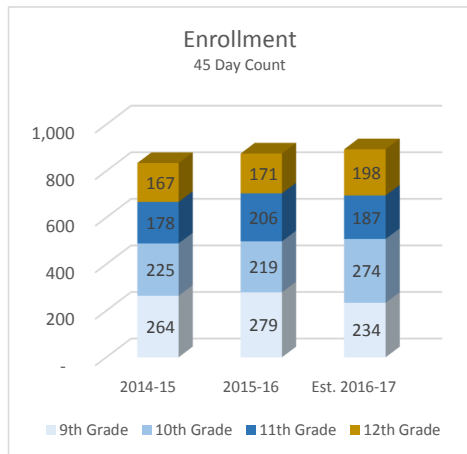


Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 2,102,938	\$ 2,109,532
Instructional Support	\$ 874,079	\$ 881,713
Maint, Security, & Tech.	\$ 536,954	\$ 809,046
Total:	\$ 3,513,971	\$ 3,800,291

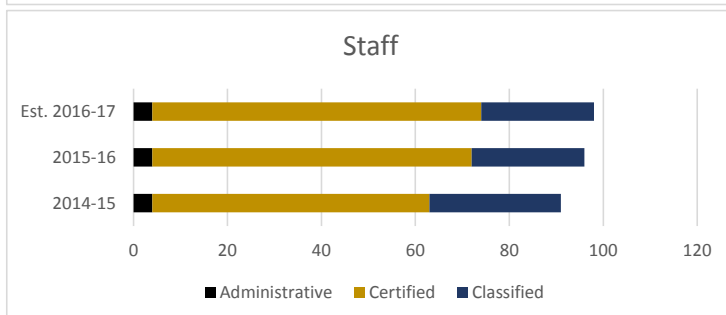
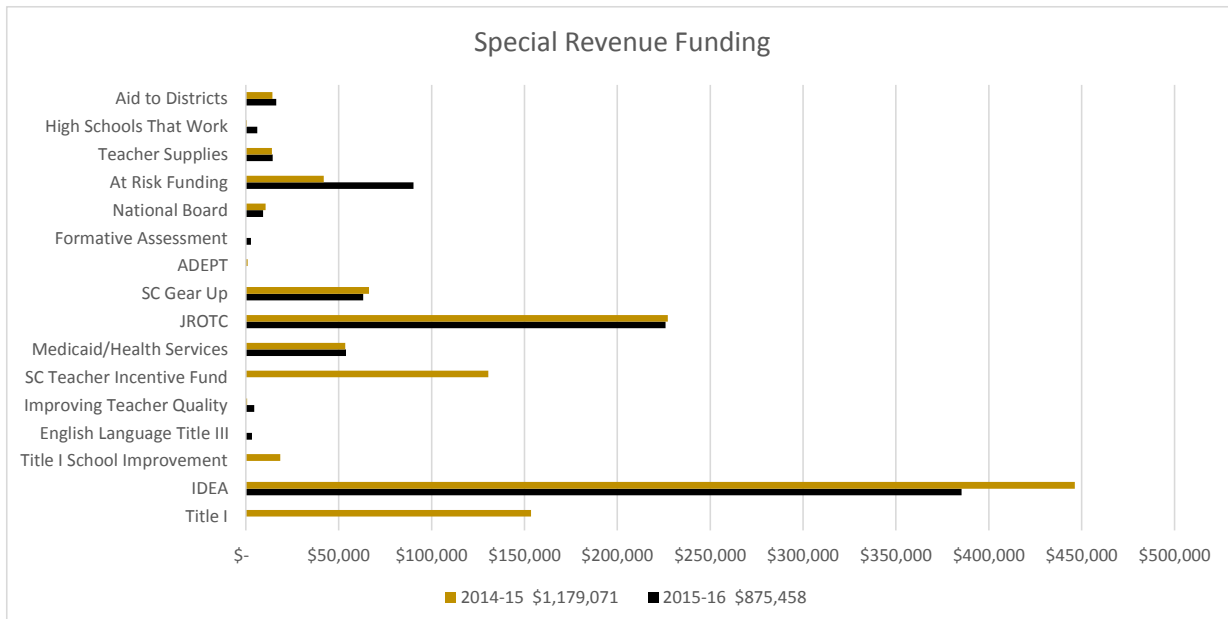


Battery Creek High School

Battery Creek High was built in 1992 with a capacity to hold 1,352 students. As a school of choice, Battery Creek High offers College and Career Cluster Communities. The emphasis is on five career themes: Finance, Hospitality and Tourism, Information Technology, Health Sciences, and Engineering through an Aerospace program. Its new Career and Technology Education building offers Agri-Science, Avionics, Culinary Arts and Mechatronics.

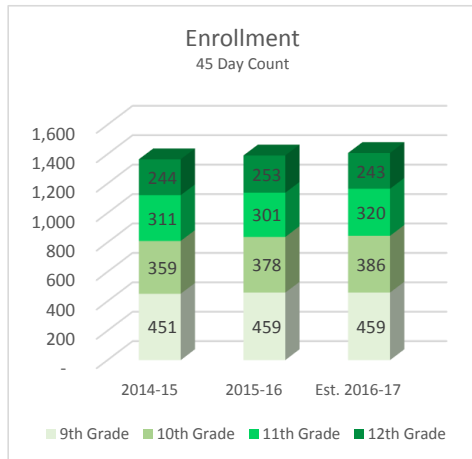


Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 3,867,398	\$ 4,260,518
Instructional Support	\$ 1,439,170	\$ 1,391,666
Maint, Security, & Tech.	\$ 1,097,148	\$ 1,202,969
Total:	\$ 6,403,716	\$ 6,855,153



Beaufort High School

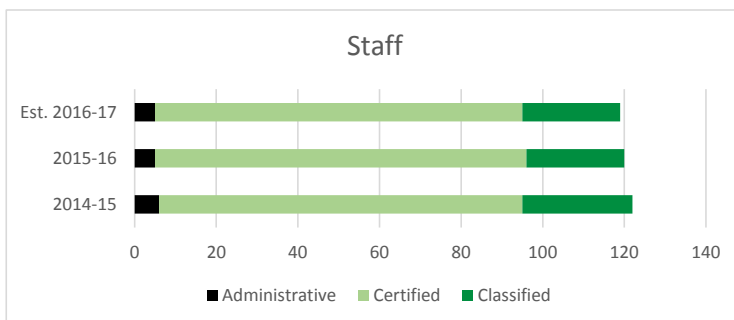
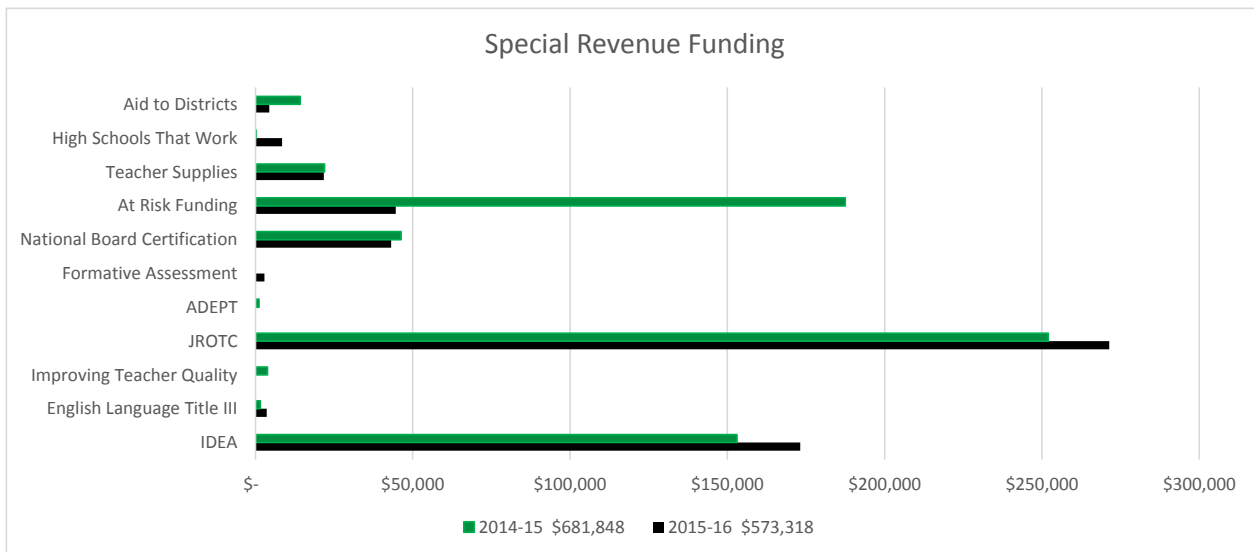
Beaufort High was built in 2000 with a capacity to hold 1,357 students. Beaufort High offers High School Academies as a school of choice. Programs are designed around small defined areas of study: School of Arts, Communication & Technology, the School of Medical and Consumer Sciences, and the School of International Studies and Education.



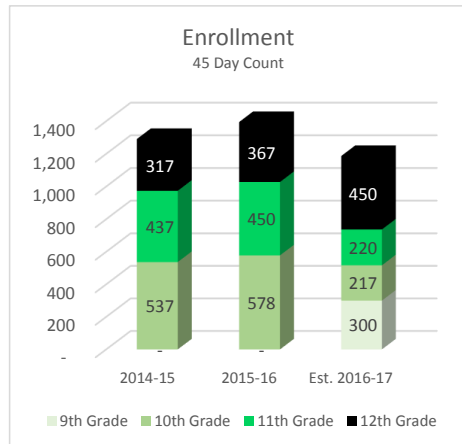
Gold Award Winner 2015
General Performance



Program Expenses	Un-Audited	
	Actual	Actual
General Fund	2014-15	2015-16
Instructional	\$ 6,451,938	\$ 6,475,677
Instructional Support	\$ 1,836,501	\$ 2,044,013
Maint, Security, & Tech.	\$ 1,264,737	\$ 1,257,568
Total:	\$ 9,553,176	\$ 9,777,258



Bluffton High School

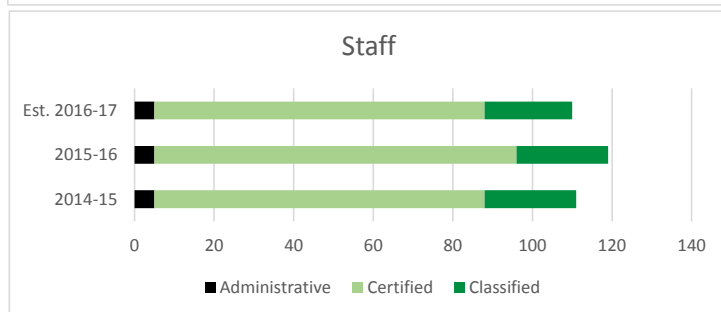
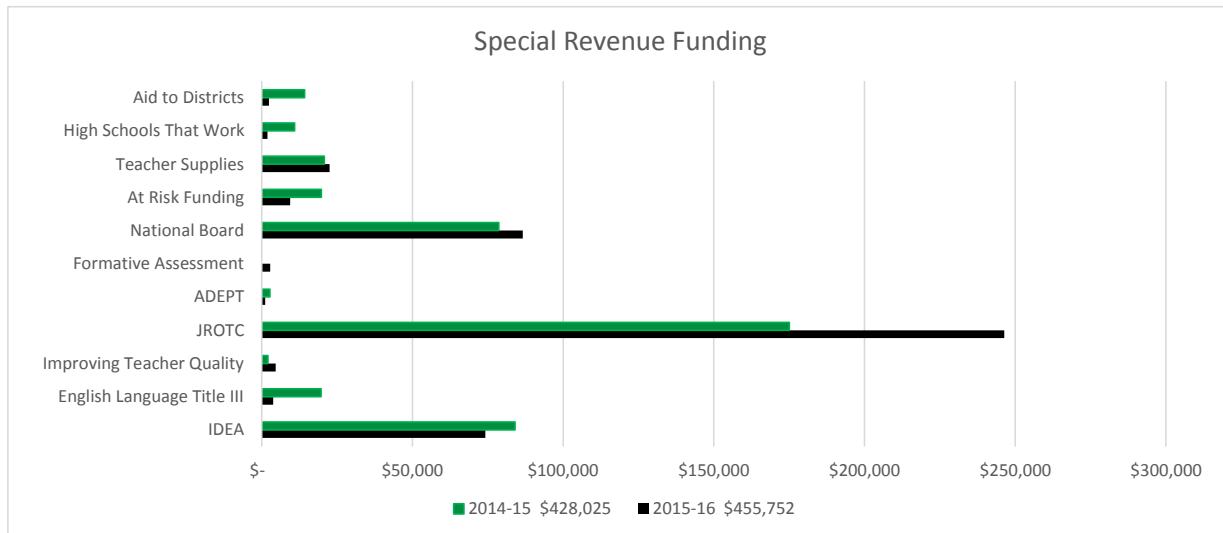


Bluffton High School was built in 2005 with a capacity for 1,131 students. After the first year, the school was already over capacity. Since 2010, the freshmen class has been attending McCracken Middle School. In the 2016-2017 year the freshman class will move back to Bluffton High with the opening of May River High. Bluffton High offers as school of choice the College and Career Cluster Communities and Project Lead the Way which are both aided by the Technical College of the Lowcountry.

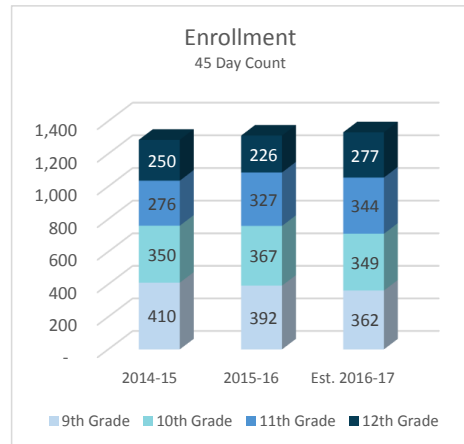


Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 5,751,859	\$ 6,362,245
Instructional Support	\$ 1,705,056	\$ 1,931,634
Maint, Security, & Tech.	\$ 1,156,231	\$ 1,261,662
Total:	\$ 8,613,145	\$ 9,555,541

Gold Award Winner 2015
General Performance



Hilton Head Island High

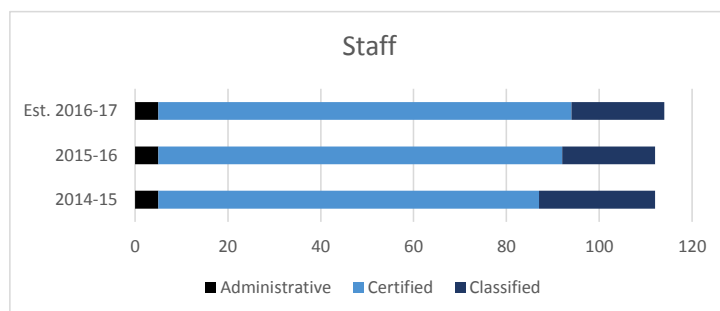
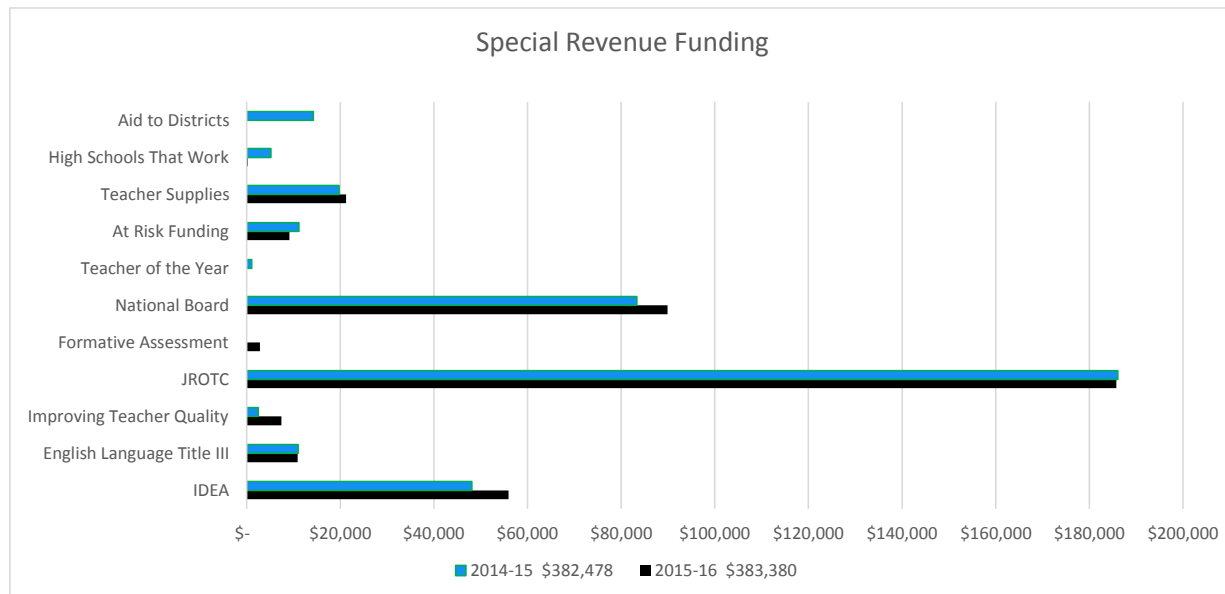


Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 5,730,792	\$ 6,073,686
Instructional Support	\$ 1,321,508	\$ 1,700,873
Maint, Security, & Tech.	\$ 1,243,578	\$ 1,265,174
Total:	\$ 8,295,878	\$ 9,039,733

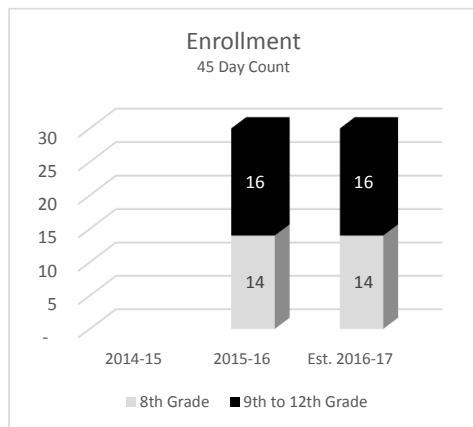
Hilton Head Island High was built in 1983 with a capacity to hold 1,295 students. Hilton Head Island High offers as a school of choice the International Baccalaureate College and Career Cluster Communities. Students in the IB program can receive an IB Diploma recognized by universities around the world.



Gold Award Winner 2015
General Performance &
Closing Achievement Gaps



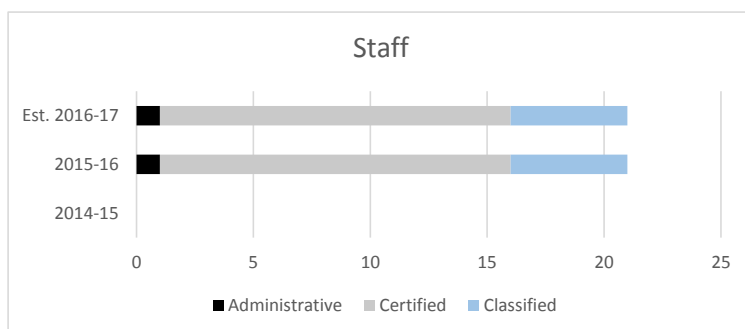
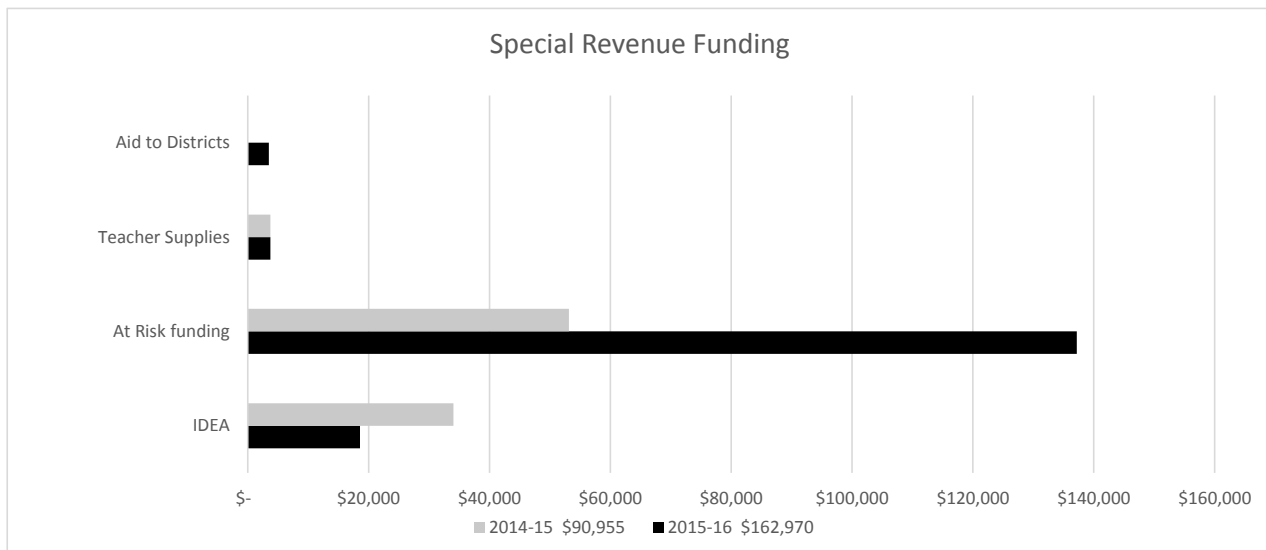
Islands Academy



Islands Academy is an alternative school setting serving students grades 6-12. Enrollment into Islands Academy will be through an application process or administrative placement to provide support for students who are at risk of not graduating with their cohort and will have an opportunity to complete an individualized, strategic graduation plan that may allow them to return to their home schools. Some students may be encouraged to enroll for the purpose of completing standard courses in English, Math, Science, and Social Studies. Courses are offered in a smaller setting that provides a more individualized and blended learning experience that is unlike that of the comprehensive high school. Total enrollment is capped at 250 with a projected student/teacher ratio of 15 to 1.

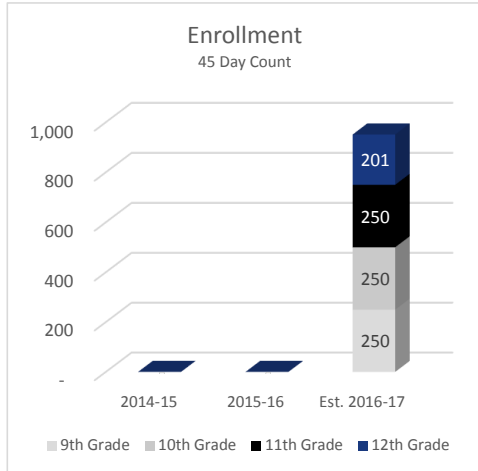


Program Expenses	Actual	Un-Audited Actual
General Fund	2014-15	2015-16
Instructional	\$ 1,182,934	\$ 1,238,816
Instructional Support	\$ 183,031	\$ 267,986
Maint, Security, & Tech.	\$ 197,765	\$ 233,132
Total:	\$ 1,563,730	\$ 1,739,933

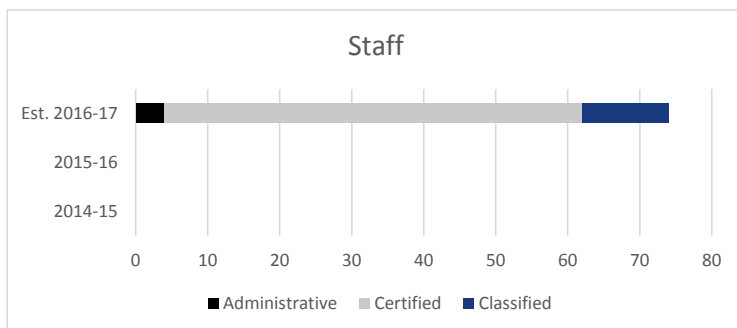
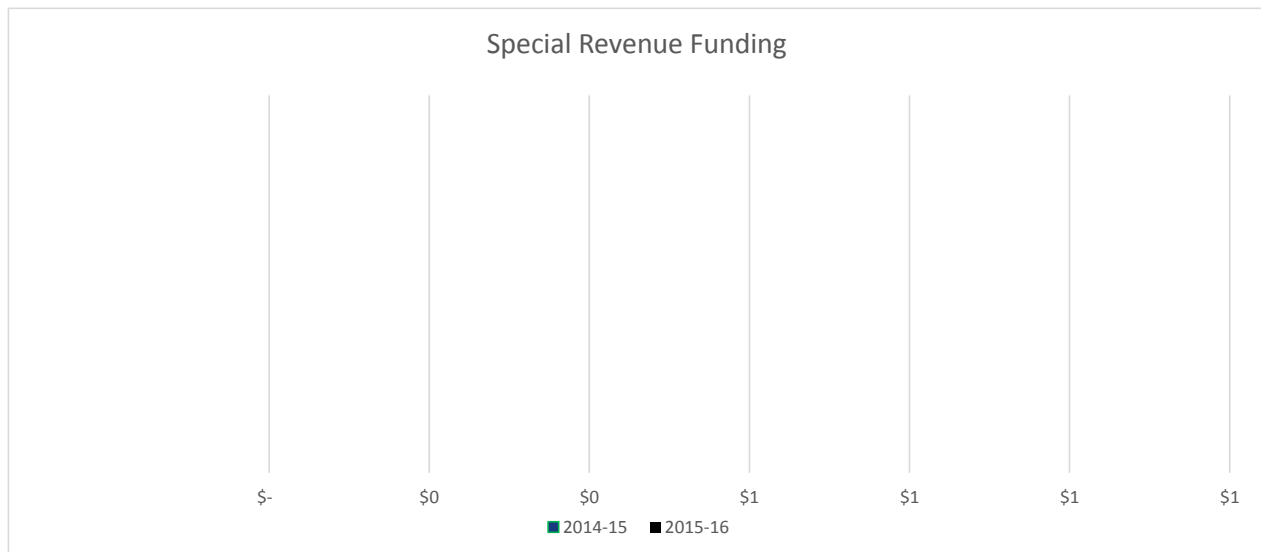


May River High

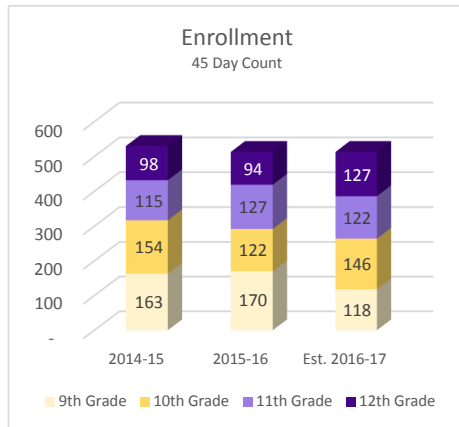
May River High opened in August of 2016 with a capacity to hold 1,400 students. As a school of choice, May River High offers the Acceleration Academy and Project Lead the Way. The Acceleration Academy focuses on earned college credits in accelerated programs. Project Lead the Way offers a concentration in science, technology, engineering, and math.



Program Expenses	Un-Audited Actual
General Fund	2015-16
Instructional	\$ 441
Instructional Support	\$ 57,742
Maint, Security, & Tech.	\$ 3,218
Total:	\$ 61,402



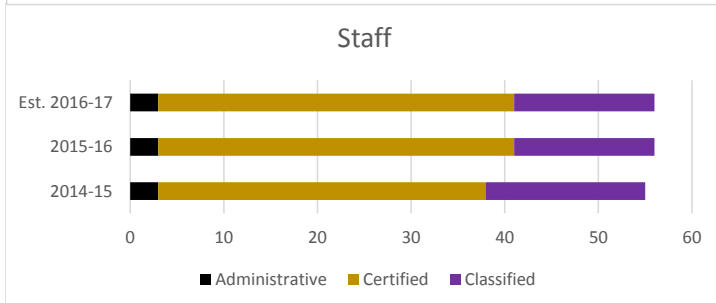
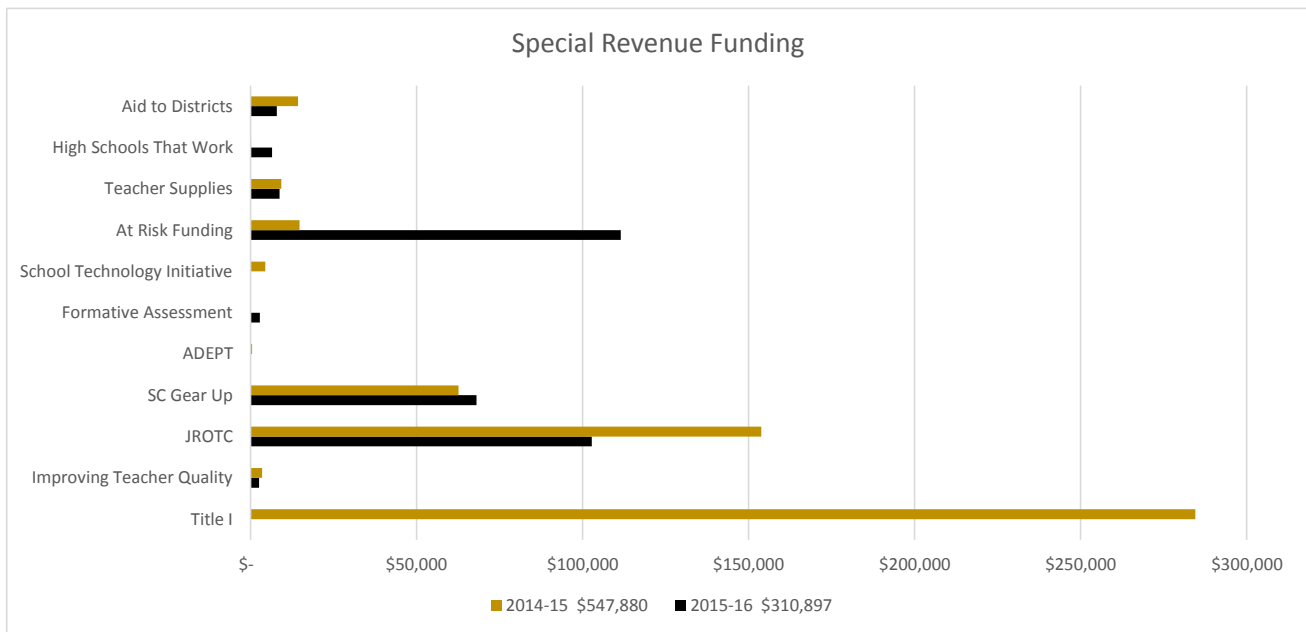
Whale Branch Early College High



Whale Branch Early College High was built in 2010 with a capacity to hold 650 students. As a school of choice, it offers the Early College Program. In association with the Technical College of the Lowcountry, students can earn a two year Associate's Degree along with their high school diploma.



Program Expenses	Un-Audited	
	Actual 2014-15	Actual 2015-16
General Fund		
Instructional	\$ 2,485,706	\$ 2,636,134
Instructional Support	\$ 1,178,378	\$ 1,241,537
Maint, Security, & Tech.	\$ 830,540	\$ 877,884
Total:	\$ 4,494,624	\$ 4,755,555



Beaufort County School District Performance Measures

Standard 1 - Purpose and direction

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GOAL FY 2015
Attendance Rates - Goal 96%	96.6%	96.8%	96.5%	96.7%	94.5%	96.0%
Dropout Rates	1.7%	2.5%	2.4%	3.8%	2.1%	1.0%
Graduation District	69.9%	75.1%	75.3%	78.3%	78.7%	80.0%
Graduation State	74.0%	76.2%	77.7%	80.0%	80.3%	
Value of college scholarships earned (Millions)	\$15.9	\$14.4	\$22.8	\$27.0	\$30.0	\$25.0
Percent of students enrolled in JROTC	13.9%	15.3%	19.3%	20.1%	18.9%	21.0%
Suspensions	2,468	2,159	1,818	2,089	2,170	1,636
Expulsions	28	34	47	17	27	15

Standard 2 - Resources and support systems

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GOAL FY 2015
District Energy Consumption (KWH)	45,925,315	40,253,857	39,254,386	39,112,403	39,787,540	40,000,000
Note: 6 new schools have opened between FY 2010 and FY 2011						
Number of maintenance work orders submitted	22,207	25,301	25,563	25,973	26,264	
Number of maintenance work orders completed	22,207	25,301	25,562	25,964	25,588	
Percent completed	100.0%	100.0%	100.0%	100.0%	97.4%	100%

Standard 3 - Teaching and assessing for learning

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GOAL FY 2015
100% Highly Qualified Teacher	95.4%	93.7%	93.0%	89.0%	89.0%	95%
Percent of Teachers with Advanced Degrees 70%	61.4%	62.9%	63.1%	63.0%	63.4%	65%
Teacher Attendance goal of 96%	94.4%	94.4%	94.5%	94.8%	93.3%	96%
Student Teacher Ratio	20.9 to 1	21.7 to 1	22.6 to 1	22.4 to 1	31.6 to 1	22.6 to 1
Prime Instructional Time	89.0%	89.4%	89.2%	89.6%	86.1%	90%

Standard 4 - Governance and Leadership

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GOAL FY 2015
Receipt of GFOA certificates for excellence in financial reporting	received	received	received	received	received	to receive
Unqualified Audit Opinion findings	None	None	None	None	None	None
Receipt of GFOA certificates for distinguished budget presentation	received	received	received	received	received	to receive
Manage actual spending of General Fund budget within 1%	99.86%	99.84%	99.62%	99.67%	99.64%	99.70%
Total dollar amount spent with Procurement Card	\$13,927,928	\$11,983,046	\$14,732,817	\$20,837,775	\$24,927,972	\$21,500,000
Rebate from Procurement Card	\$90,532	\$89,873	\$110,496	\$197,959	\$371,427	\$204,250
State Certified Contract Awards to Minority Business	7	7	2	2	1	5
Enrollment Projection	19,834	19,983	20,148	20,568	20,754	21,620
Enrollment Actual	19,870	20,148	20,568	20,754	21,381	21,620
Enrollment Accuracy Rate per 45 day count +/- 1%	100.2%	100.8%	102.1%	100.9%	103.0%	100.0%

Standard 5 - Documenting and using results for continuous improvement

SAT Scores - At this time 2015 test score results have not be released

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GOAL FY 2015
Percentage of Seniors Taking the SAT	59%	67%	65%	67%	68%	65%

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2015
District Critical Reading	471	465	482	481	477	483
State Critical Reading	482	477	479	483	483	
National Critical Reading	497	491	491	492	489	
District Math	472	469	482	483	482	483
State Math	490	487	484	487	483	
National Math	514	505	503	501	498	
District Writing	453	449	467	460	463	462
State Writing	464	458	460	459	462	
National Writing	489	481	480	478	475	
District Combined	1397	1383	1431	1424	1422	1429
State Combined	1436	1422	1423	1429	1429	
National Combined	1500	1477	1474	1471	1471	

Exceeds or met state averages

Exceeds or met national averages



American College Test (ACT)

		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	GOAL
Number of Students Testing		354	382	431	558	591	FY 2015
District	English	19.6	19.1	20.1	19.8	19.7	19.8
State	English	19.4	19.5	19.7	19.7	19.8	
National	English	20.6	20.5	20.2	20.3	20.4	
District	Math	20.4	20.2	20.9	20.2	20.6	20.2
State	Math	20.3	20.2	20.3	20.3	20.2	
National	Math	21.1	21.1	20.9	20.9	20.8	
District	Reading	20.1	20	21.1	21.2	21.1	20.9
State	Reading	20.3	20.4	20.8	20.9	20.9	
National	Reading	21.3	21.3	21.1	21.3	21.4	
District	Science	20	20.1	20.8	19.4	20.9	20.4
State	Science	20.1	20.1	20.3	20.4	20.4	
National	Science	20.9	20.9	20.7	20.8	20.9	
District	Composite	20.1	19.9	20.8	20.6	20.7	20.4
State	Composite	20.1	20.2	20.4	20.4	20.4	
National	Composite	21.1	21.1	20.9	21.0	21.0	

Exceeds or met state averages

Exceeds or met national averages



Federal School Rating System

* Due to changes in Federal Law new data will not be available

until a new methodology is approved by the U.S. Education Department.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*	GOAL
						FY 2015
Started 2012 to replace AYP* Federal School Rating System	N/A	86.3*	82.1	82.9	Unavailable	85.4
State Average	N/A	80.6	83.8	85.4	Unavailable	

HSAP (High School Assessment Program)

High School Assessment Program	75.5%	80.1%	84.2%	81.2%*	N/A	N/A
State Average	84.9%	85.7%	87.1%	77.4%	N/A	

*Program ended in 2014 and was replaced by the end-of-course exams.

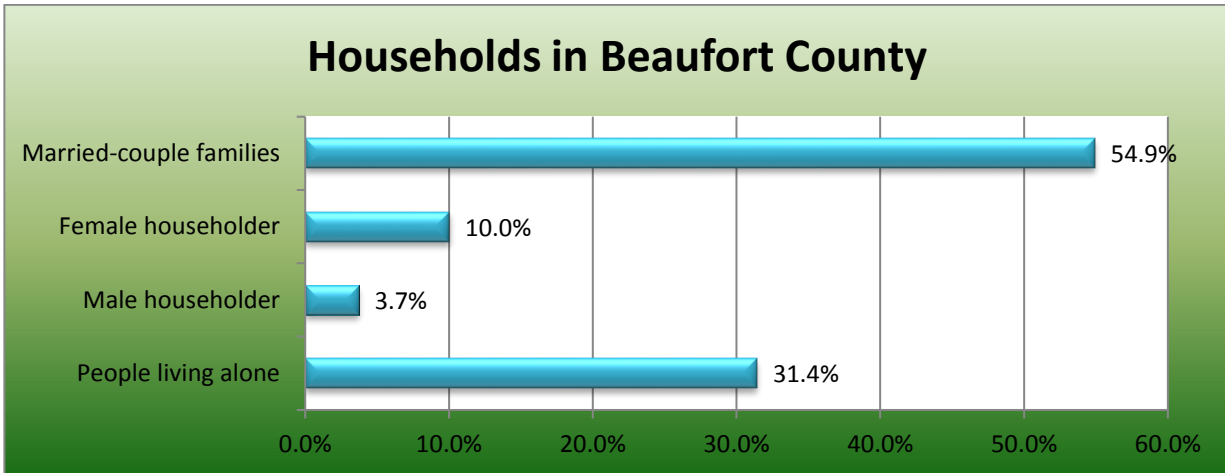
End-of-Course Test

						GOAL TO MEET OR EXCEED STATE AVG.
Algebra1/Math for the Technologies 2	N/A	N/A	N/A	N/A	81.0%	85.7%
English 1	N/A	N/A	N/A	N/A	73.7%	75.1%
Biology 1	N/A	N/A	N/A	N/A	81.1%	77.8%
US History and the Constitution	N/A	N/A	N/A	N/A	71.5%	69.1%
All Subjects	N/A	N/A	N/A	N/A	77.0%	77.3%

Informational Section

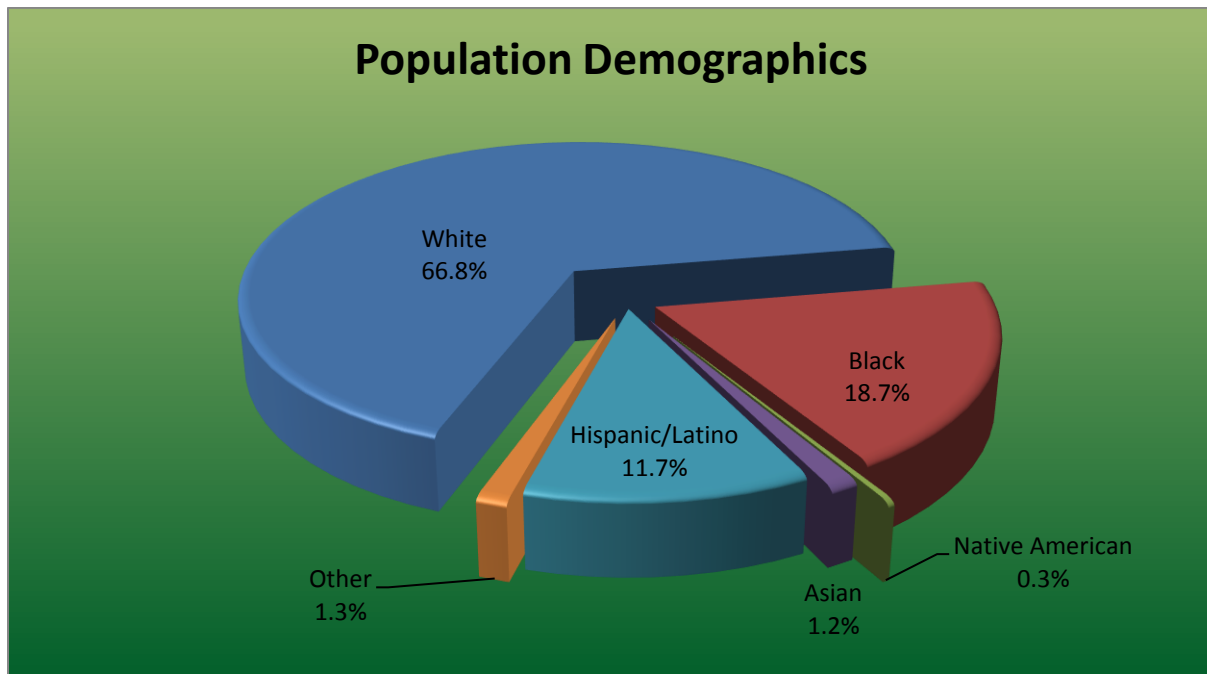


Households in Beaufort County: In 2014 there were 65,054 households in Beaufort County. Families made up 68.6 percent of the households in Beaufort County. This figure includes both married-couple families (54.9 percent) and other families (13.7 percent). Nonfamily households made up 31.4 percent of all households in Beaufort County. Most of the nonfamily households were people living alone.



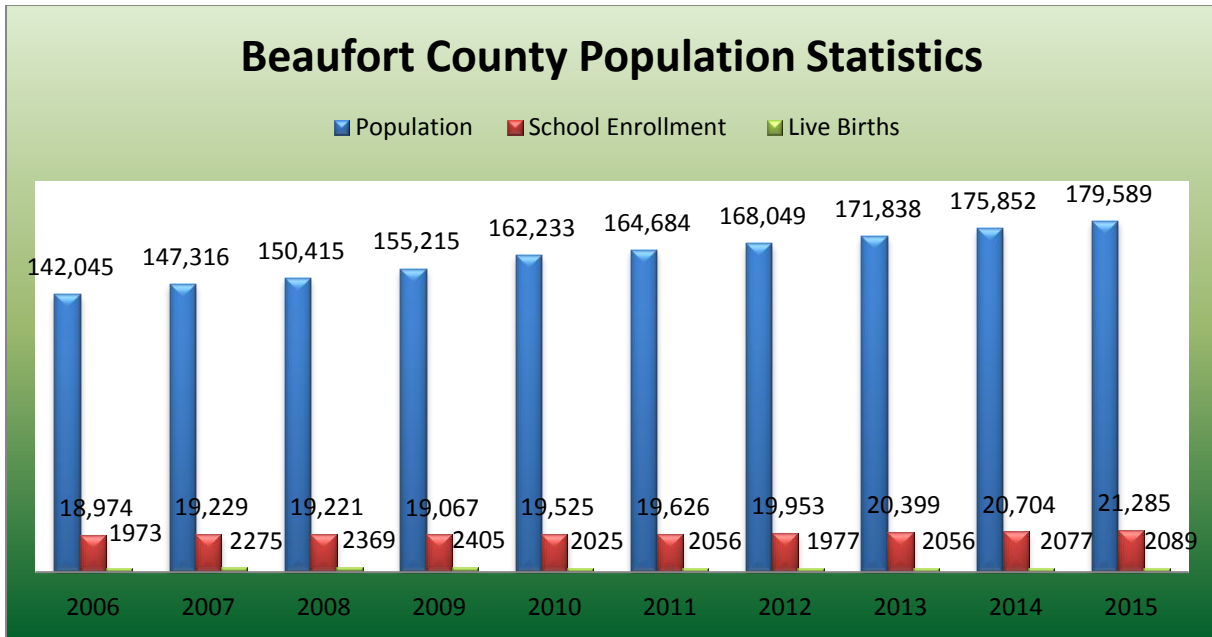
Source: U.S. Census Bureau, 2014 American Fact Finder

Population Demographics: Census estimates for 2014 projected an 18.7 percent Black or African American population; less than 0.3 percent was American Indian and Alaska Native; 1.2 percent was Asian. 1.3 percent reported two or more races. Almost twelve percent of the people in Beaufort County were Hispanic. Sixty-six percent of the people in Beaufort County were White non-Hispanic.



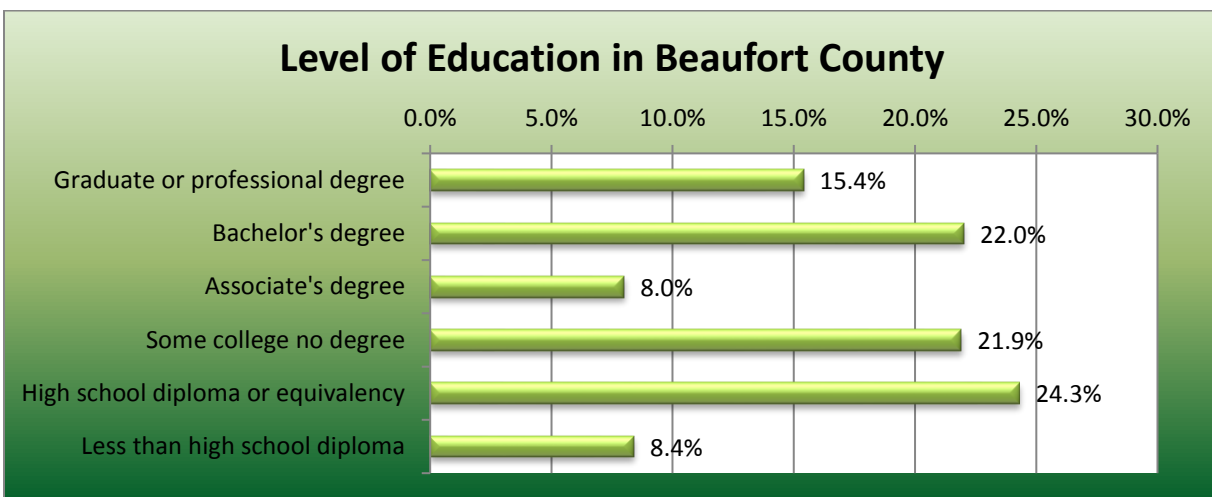
Source: U.S. Census Bureau, 2014 Census Estimates

Beaufort County Population Statistics: The below graph indicates the population growth over the last ten years. The population in Beaufort County has increased by 26% over the last ten years while the student population has increased by 11%. The live birth rate has increased by 0.6% from 2014 to 2015.



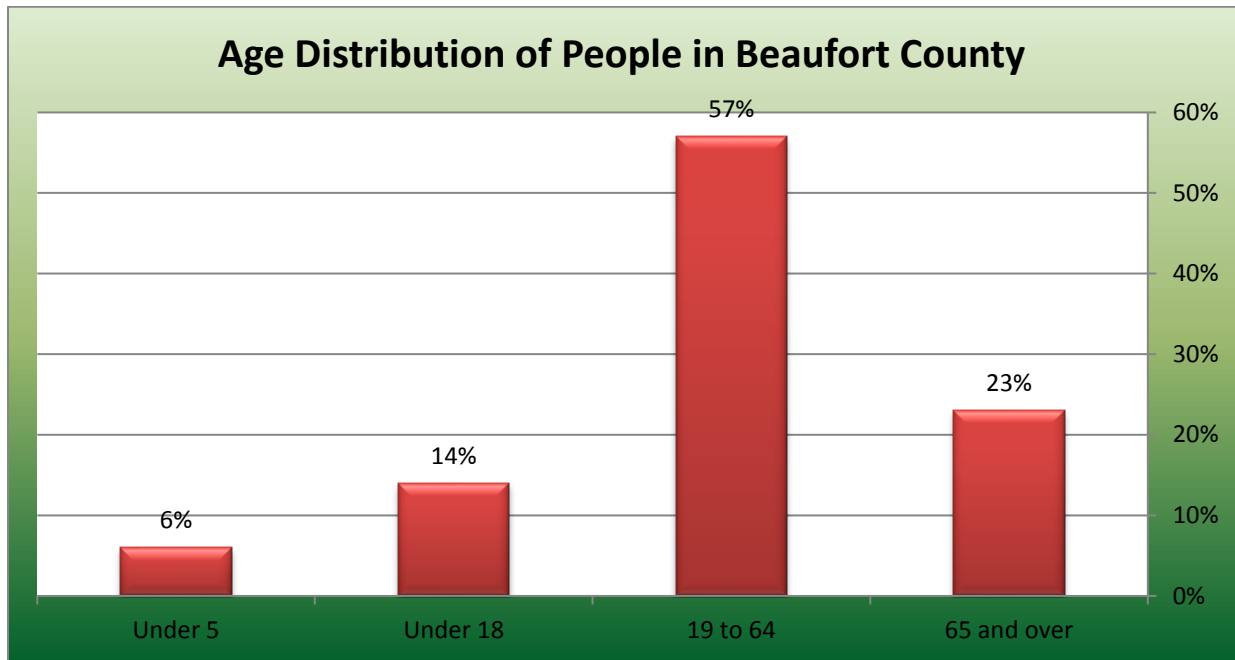
U.S. Census Bureau, 2014 Census Estimates
 School Enrollment represents 135th day provided by District staff
 Real Estate Center at Texas A&M University

Level of Education in Beaufort County: In 2014, 91.6 percent of the population had at least graduated from high school or had higher education and 37.4 percent had a bachelor's degree or higher.



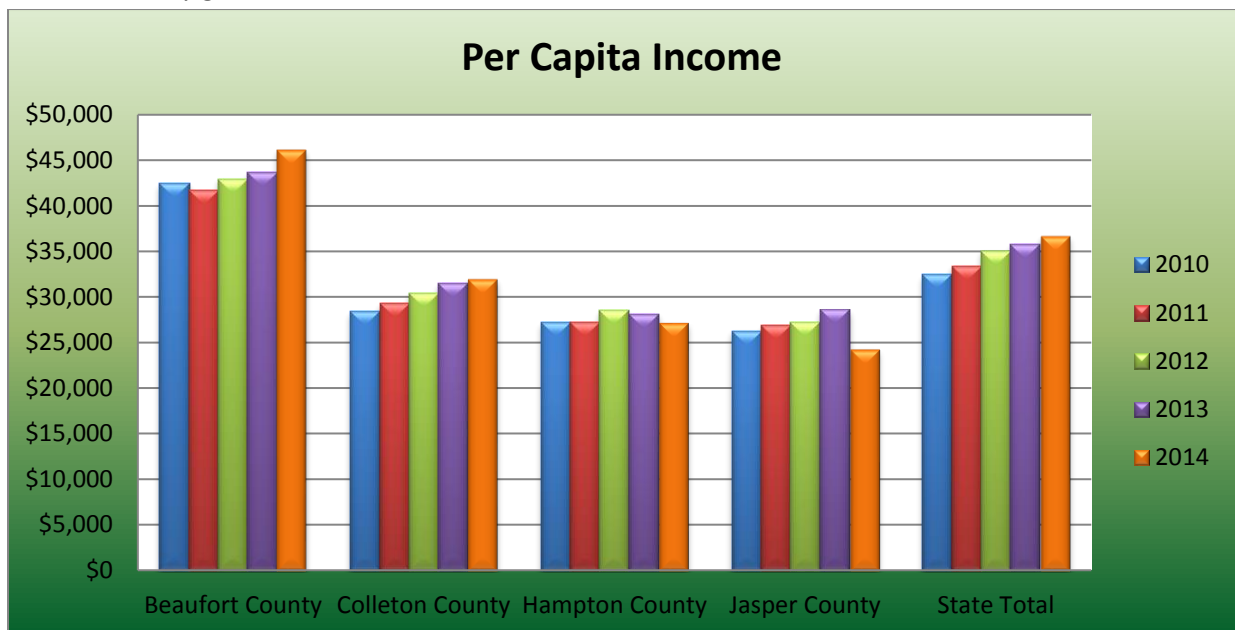
Source: U.S. Census Bureau, 2014 American Fact Finder

Age Distribution of People in Beaufort County: In 2014, Beaufort County had a total population of 175,852 of which 51% were females 49% were males. Twenty percent of the population was under 18 years and 23 percent was 65 years and older.



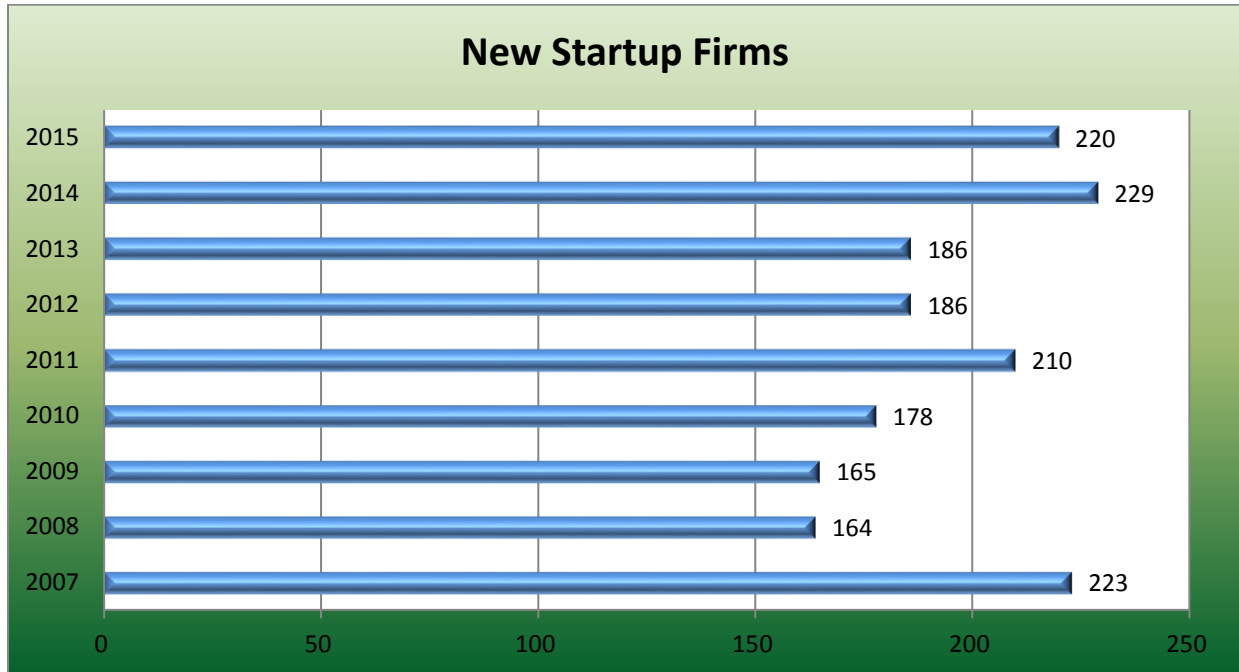
Source: U.S. Census Bureau, 2014 American Fact Finder

Per Capita Income: Beaufort County has the highest per capita income of the three adjacent counties and is currently 26% higher than the State of South Carolina's total per capita income. Per capita income has gained for the last three years in Beaufort County. Between 2013 and 2014 the per capita income in Beaufort County gained \$2,449.



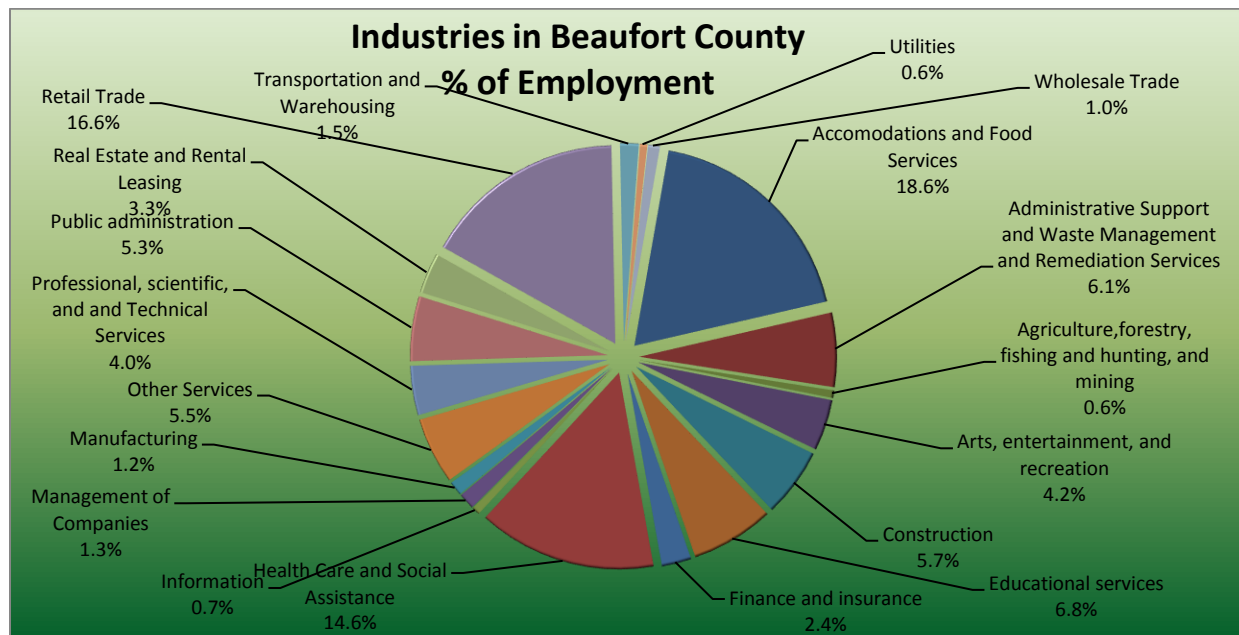
Source: U.S. Department of Commerce Bureau of Economic Analysis

New Startup Firms: The table sets forth the number of new businesses opened in Beaufort County each year between 2007 and 2015.



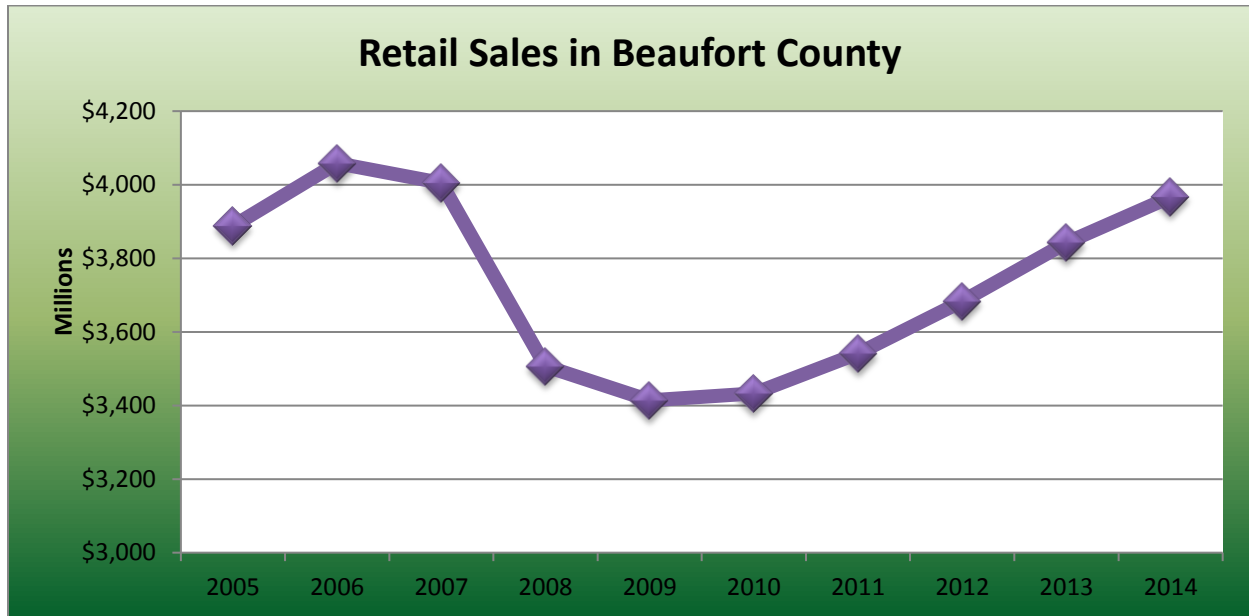
Source: S.C. Department of Employment & Workforce Q4 2015

Industries in Beaufort County as a % of Employment: In the third quarter of 2015, for the employed population 16 years and older, the two leading industries in Beaufort County were accommodations and food service at 19.9% and retail trade at 16.0%.



Source: S.C. Department of Commerce – 2015- Q4

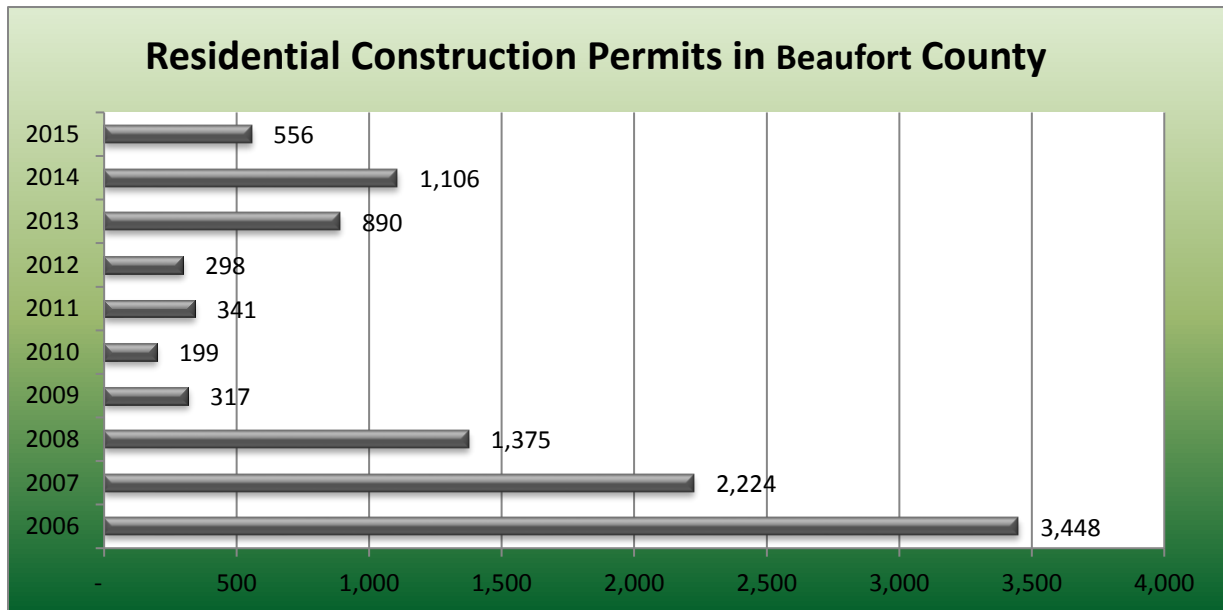
Retail Sales in Beaufort County: The State of South Carolina rate of sales tax on all retail sales is 6%. The following graphs shows the level of gross retail sales over the last ten years for which information is available for businesses located in Beaufort County.



Year Ended December 31, 2014

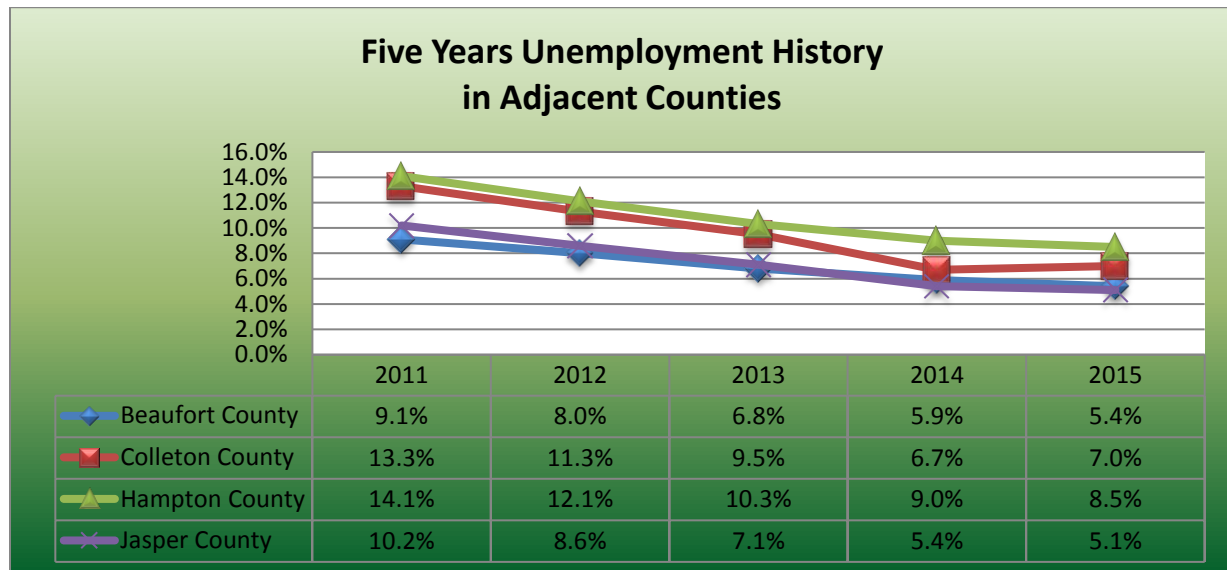
Source: South Carolina Department of Commerce

Residential Construction Permits in Beaufort County: The following information shows the approximate number of building permits issued for residential construction in Beaufort County during 2005 to 2014. New residential construction decreased between 2014 and 2015 by 50%.



Source: State of the Cities Data System Building Permits Database

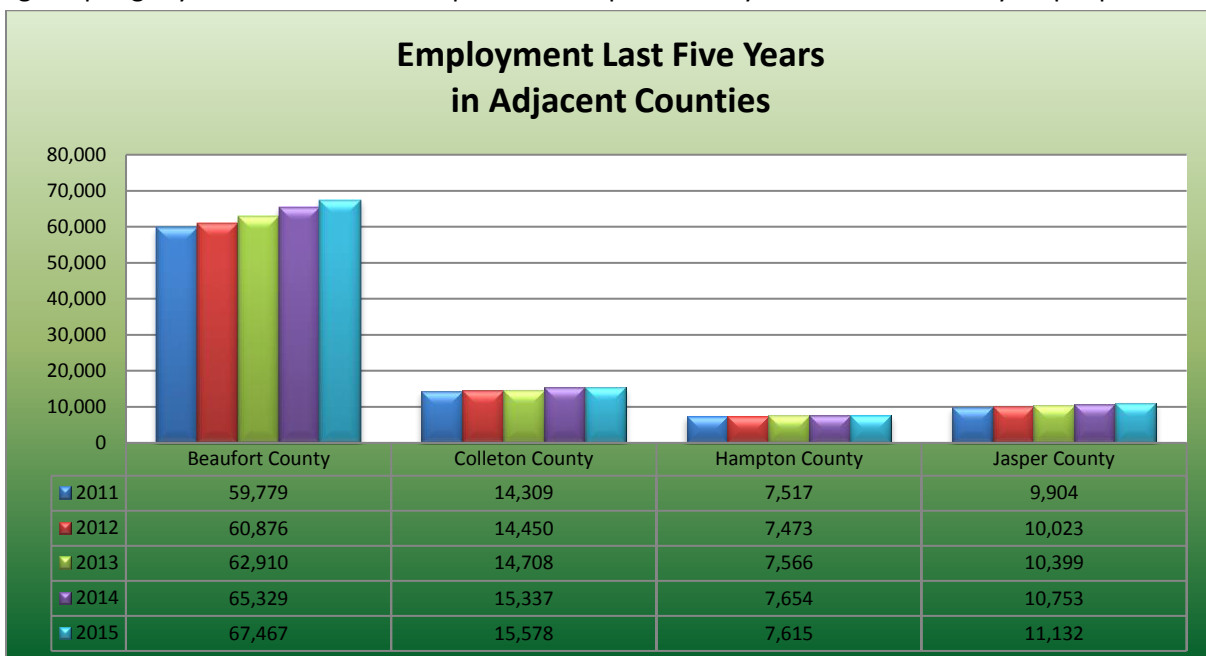
Five Years Unemployment History in Adjacent Counties: Unemployment moved down to 5.7% state wide from July 2013 to June 2014. Beaufort County has managed to maintain its unemployment rate to below the state average. Unemployment slightly decreased over the past year in all surrounding counties as well.



Data as of Dec. 2015

Source: SC Unemployment Security Commission

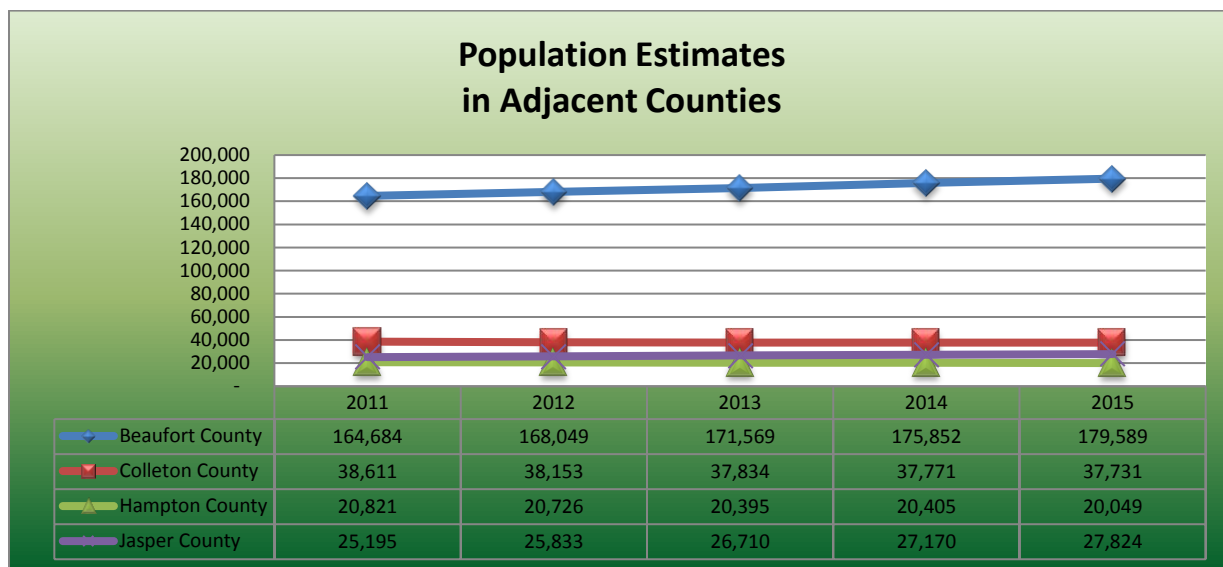
Employment Last Five Years in Adjacent Counties: The number of people employed in three counties edged up slightly in 2015 with the exception of Hampton County which went down by 39 people.



Data as of Dec. 2015

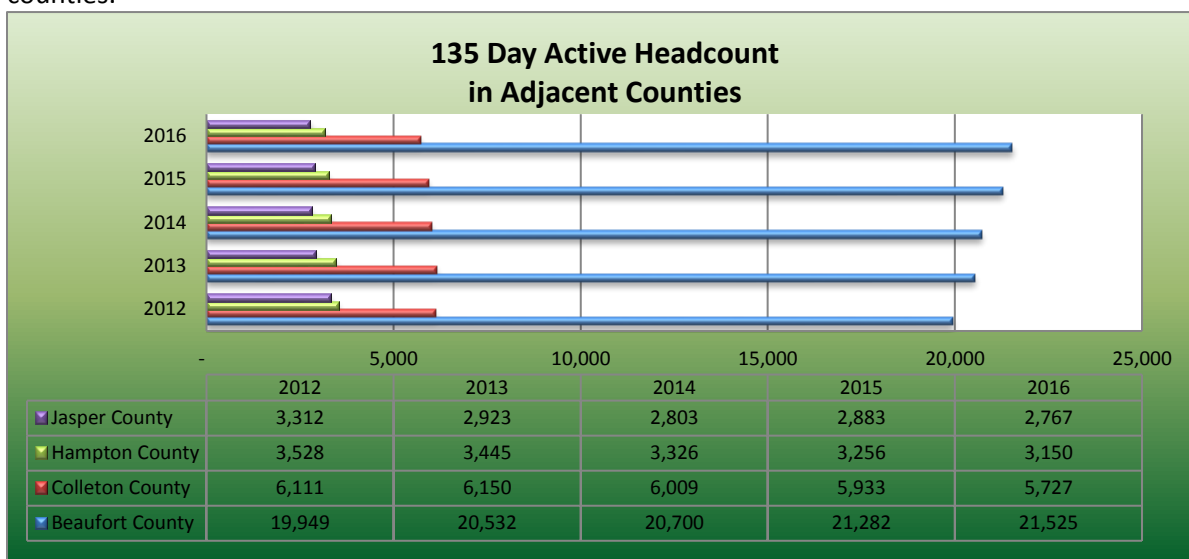
Source: SC Unemployment Security Commission

Population Estimates in Adjacent Counties: Beaufort County's population is almost five times larger than Colleton's population which is the next largest of the surrounding three counties. The surrounding counties are largely rural areas with large tracks of timber and farm land. Beaufort County is the largest metropolitan area between Charleston, SC and Savannah, GA.



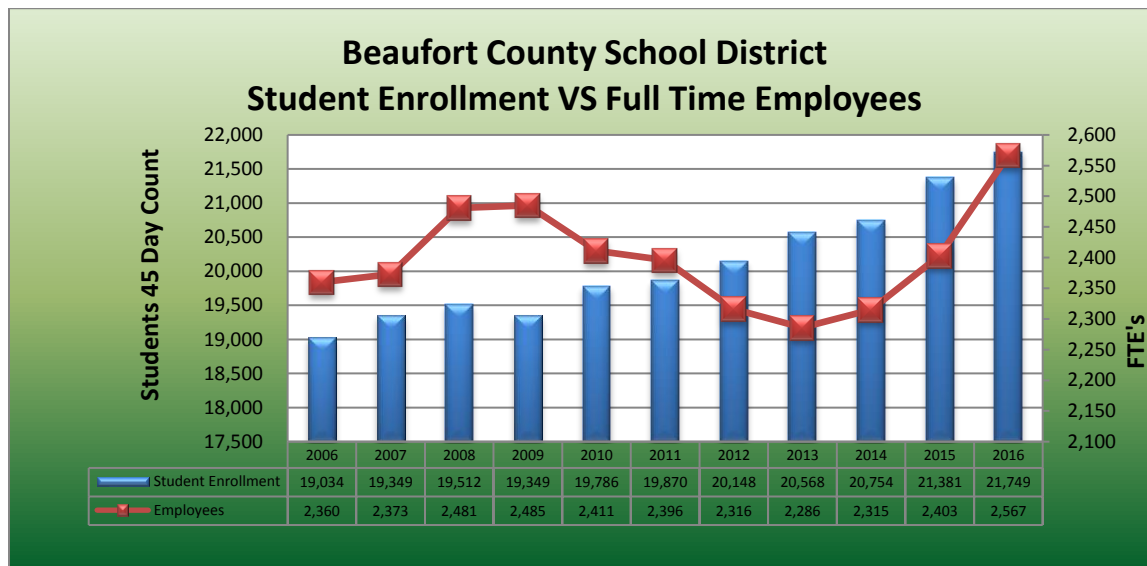
Source: U.S Census Bureau

135 Day Active Headcount in Adjacent Counties: The 135 day active headcount is a “snap-shot” of actively enrolled students that is taken at different times of the year to satisfy local, state and federal data collection needs and also to ensure that school districts are adequately funded, according to student population. The graph below shows the student enrollment at the 135th day in Beaufort and the surrounding three counties. Beaufort County has over three times the enrollment of any surrounding counties.



Source: SC Department of Education school year July to June

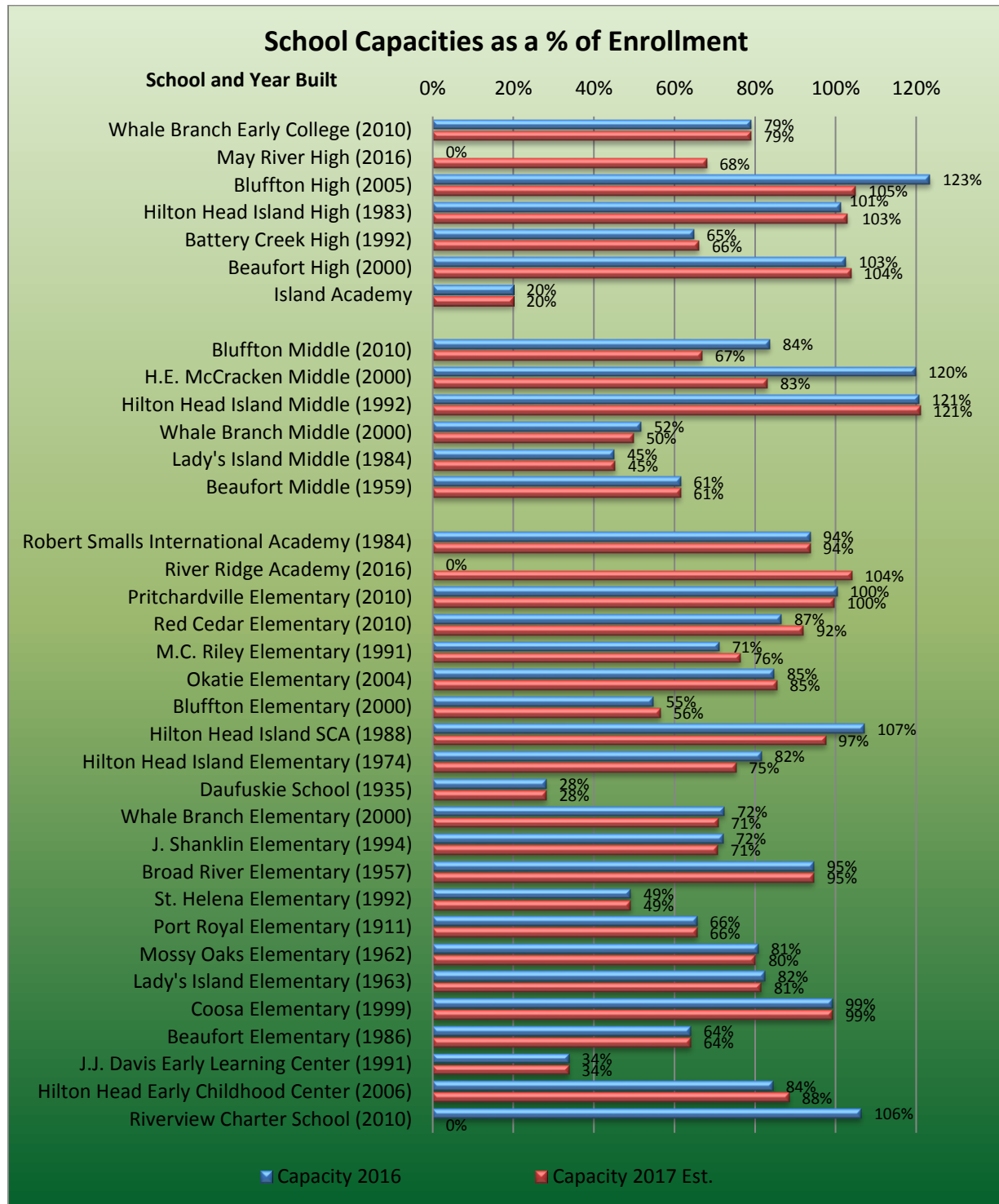
Beaufort County School District Student Enrollment vs. FTE: Student enrollment has continued to increase since 2009. Staffing has increased to meet the growing needs of the student enrollment.



Source: Beaufort County School District 45 day count



School Capacities as a % of Enrollment: The chart below displays the percent of enrollment at each school in Beaufort County. Between 2016 and 2017, the school district rezoned the Bluffton Cluster to move students into May River High.



Beaufort County, South Carolina
20 Largest Employers
(Listed Alphabetically)

Corporation Name

Atlantic Personnel, Inc.
Beaufort County School District
Beaufort Memorial Hospital
Bi-Lo, LLC
Carecore National, LLC
County of Beaufort
Cypress Club, Inc.
Department of Defense
Hargray Communications Group, Inc.
Lowes Home Centers, Inc.
Marine Corps Community Services
Marriott Resorts Hosp. Corp.
Montage Hotels and Resorts, LLC
Publix Super Markets, Inc.
Sea Pines Resort, LLC
Southern Bread, LLC
Technical College of the Lowcountry
Tenet Physician Services of Hilton Head
The Greenery, Inc.
Wal-Mart Associates, Inc.

Source: S.C. Department of Employment & Workforce – 2015 –Q4

BEAUFORT COUNTY SCHOOL DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year		Assessed Value		Total	Total		Ratio of Total
Ended	Tax	Real	Personal	Assessed	Direct	Market	Assessed Value to
June 30,	Year	Property	Property	Value	Rate	Value	Estimated
							Market Value
2006	2005	1,342,243,568	162,980,756	1,505,224,324	96.50	29,534,639,416	5.1%
2007	2006	1,397,740,562	184,669,523	1,582,410,085	108.70	33,989,675,633	4.7%
2008	2007	1,452,621,579	207,538,743	1,660,160,322	122.80	35,379,094,810	4.7%
2009	2008	1,551,233,656	243,531,884	1,794,765,540	130.60	34,551,352,560	5.2%
2010	2009	1,645,452,516	234,553,487	1,880,006,003	114.70	48,670,062,917	3.9%
2011	2010	1,643,802,430	222,701,792	1,866,504,222	116.60	48,058,028,845	3.9%
2012	2011	1,646,959,918	183,636,390	1,830,596,308	118.30	47,214,321,842	3.9%
2013	2012	1,650,397,429	182,152,336	1,832,549,765	119.30	45,837,938,940	4.0%
2014	2013	1,473,195,546	196,428,055	1,669,623,601	129.20	41,740,590,025	4.0%
2015	2014	1,456,623,792	224,587,180	1,681,210,972	135.20	Not Available	N/A

Source: Beaufort County Treasurer

BEAUFORT COUNTY SCHOOL DISTRICT
 TEN LARGEST TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO
 (UNAUDITED)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
South Carolina Electric & Gas	\$ 22,235,150	1	1.3%	\$ 11,031,238	2	0.73%
Marriott Ownership Resorts, Inc.	19,208,180	2	1.1%	17,131,042	1	1.14%
Palmetto Electric Coop, Inc.	9,878,690	3	0.6%	7,977,662	3	0.53%
Columbia Properties Hilton Head	4,764,090	4	0.3%	3,885,920	6	0.26%
Bluffton Telephone Company	4,586,690	5	0.3%	3,352,910	8	0.22%
SCG Hilton Head Property LLC	4,260,000	6	0.2%	3,678,552	5	0.24%
Hargray Telephone Company	3,269,920	7	0.2%	4,610,887	4	0.31%
Sea Pines Resort LLC	3,242,760	8	0.2%	2,721,390	9	0.18%
COROC/Hilton Head	2,528,960	9	0.1%	N/A	N/A	N/A
Preserve at Port Royal LLC	1,876,850	10	0.1%	N/A	N/A	N/A
Greenwood Development Corp	N/A	N/A	N/A	3,597,579	7	0.24%
Palmetto Bluff Uplands LLC	N/A	N/A	N/A	118,773	10	0.01%
Total	<u>\$ 75,851,290</u>		<u>4.4%</u>	<u>\$ 58,105,953</u>		<u>3.9%</u>

Source: Beaufort County Auditor

Acronym Index

-- A --

ACE – Academy for Career Excellence

ADA - Americans with Disabilities Act

ADEPT- Assisting Developing & Evaluating Professional Teaching

ADM - Average Daily Membership

AMES - Advanced Math Engineering Science academic magnet program

AP - Advanced Placement

ARRA - American Recovery and Reinvestment Act

AYP - Adequate Yearly Progress

-- B --

BAN – Bond Anticipation Note

BCSD – Beaufort County School District

BI – Behavior Interventionist

BMS – Behavior Management Specialist

BSCF – Base Student Cost Formula

BYOD – Bring Your Own Device

-- C --

CAFR – Comprehensive Annual Financial Report

CATE – Career and Technology Education

CIP - Capital Improvement Program

COSO – Chief Operational Services Officer

-- D --

DSS - Department of Special Services

Acronym Index

-- E --

ED - Emotional Disabilities

EFA – Education Finance Act

EFC - Educational Facilities Corporation

EIA – Education Improvement Act

EPA - Environmental Protection Agency

ESEA – Elementary and Secondary Education Act

ESOL - English for Speakers of Other Languages

-- F --

FLSA - Fair Labor Standards Act

FMLA - Family and Medical Leave Act

FPC – Facility Planning and Construction

FRM - Free and Reduced Price Meals

FSA - Flexible Spending Accounts

FT - Full-Time

FTE - Full-Time Equivalent

FY - Fiscal Year

-- G --

GAAP - Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board

GF- General Fund

GFOA - Government Finance Officers Association

GIS - Geographic Information System

Acronym Index

GT - Gifted and Talented

-- H --

HR - Human Resources

HS - High School

HHIECC – Hilton Head Island Early Childhood Center

HVAC - Heating, Ventilation, and Air Conditioning

-- I --

IB - International Baccalaureate

IBMYP - International Baccalaureate Middle Years Program

IDEA - Individuals with Disabilities Education Act

IEP - Individualized Education Program

ISD – Instructional Services Department

IT - Information Technology

-- J --

JROTC - Junior Reserve Officers Training Corps

-- L --

LAN - Local Area Network

LEED - Leadership in Energy & Environmental Design

LEP - Limited English Proficient

-- M --

MS - Middle School

MYP-Middle Years Program (International Baccalaureate)

Acronym Index

MZB – Modified Zero Base

-- **N** --

NCLB - No Child Left Behind

-- **P** --

PASS – Palmetto Assessment of State Standards

PBIS – Positive Behavior Intervention Support

PE - Physical Education

PGA – Professional Golf Association

PT - Part-Time

PTA - Parent Teacher Association

PTO - Parent Teacher Organization

PTSA - Parent Teacher Student Association

-- **R** --

RFP - Request for Proposal

RFQ – Request for Quote

-- **S** --

SRO – School Resource Officer

STEM - Science Technology Engineering Mathematics program

-- **T** --

TAN – Tax Anticipation Note

TAP – Teacher Assessment Program

TERI – Teacher and Employee Retention Incentive

TIF – Tax Increment Financing

Acronym Index

-- U --

USDA - United States Department of Agriculture

-- W --

WAN- Wide Area Network

GLOSSARY

Acceleration Academy	An instructional approach that engages students with multiple learning pathways that include opportunities to earn college credits while still in high school, as well as opportunities to earn national career-related certifications in high-paying careers. The Academy features partnerships with local colleges, businesses and the armed forces; extracurricular clubs that reinforce academics; and access to cutting-edge technology and highly trained staff.
Accrual Basis	The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements. See Cost of Services Measurement Focus.
Accrued Expenses	Expenses incurred but not due until a later date.
Ad Valorem Tax	A tax levied on the assessed value of real and personal property. This tax is also known as property tax.
Advanced Placement (AP)	A cooperative educational endeavor sponsored by colleges and universities. It offers students in high school the opportunity to receive college credits while attending high school.
Alternative Programs	An instructional program for students that experience difficulty in a traditional school environment. The District's alternative middle and high school provides smaller classes and individualized instruction, coupled with a focus on personal and social development. The school offers high expectations for student achievement, self-paced credit recovery and in-house counseling for students and families.
AMES	Advanced Math, Engineering and Science Academy is a program for gifted and high-achieving students. The instructional program is based on rigorous math and science foundational skills taught through the use of science and engineering projects. The AMES learning environment is designed to actively engage students in exploration, discovery, experimentation and mastery of standards. Students take responsibility for their own learning and are engaged in higher levels of thought through application of knowledge to real-world problems, class discussion and the use of exciting resources.
Appropriation	An act of a legislature authorizing money to be paid from the treasury for a specified use.
Appropriation Ordinance	An ordinance by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual operating budget is enacted into law by the legislative body.
Arts Infused	An arts curriculum that focuses on providing extensive opportunities for all students to learn through creative instructional approaches and to express themselves in the arts. It provides students with a creative learning environment that includes performances, exhibitions of artwork and special performing groups. Students have opportunities to build community relationships and to participate in a quality, comprehensive arts education that includes dance, music, theatre, visual arts and creative writing.

GLOSSARY

Assessed Valuation	Basis for determining property taxes (ad valorem tax). Assessor determines valuation of residential real property (home and land) at 100% of market value, including commercial.
Average Teacher Salary	The sum of individual teacher salaries divided by the number of teachers. This included all contracted full time certified teachers for the school year. The value does not include additional supplements or stipends.
Balanced Budget	A budget in which proposed expenditures do not exceed total estimated revenues and reserves.
Board of Education	The elected body which has been created in accordance with state law and geographical boundaries within the county. The Board of Education is entrusted with the responsibilities for educational activities for the school district.
Bond	Written promise to pay a specified sum of money, called the face value or principal, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified date.
Budget	A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body.
Budget Calendar	The schedule of key dates used in preparation and adoption of the annual budget.
Budget Document	The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates. In addition to the budget document, an appropriation ordinance will be necessary to put the budget into effect.
Budget Message	A general discussion of the budget as presented in writing by the BCSD to the County Council. The budget message contains an explanation of the principal budget items, an outline of the BCSD's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.
Budgetary Accounts	Accounts used to enter the formally adopted annual operating budget into the general ledger as part of the management control technique of formal budgetary integration.
CAFR	See Comprehensive Annual Financial Report.
Capital Improvement Budget	The budgeted costs to provide infrastructure, development, construction and other related items. Funding is provided from various sources.

GLOSSARY

Capital Outlay	Expenditures for assets costing more than \$5,000.
Career and Technology Education	An instructional initiative serving students in grades 7-12 through state-approved course offerings leading to career concentrations, work-based learning opportunities, and/or industry credentials.
Classical Studies	An instructional program offered at the middle or high school levels and offer a college preparatory course of study with mandatory courses in English, world language, math, science, social studies and a school wide participation in world culture studies. There is an emphasis on academics with a focus on critical thinking, participation in Socratic seminars and web-based learning. A strong focus will be on the arts as well as the development of character, school pride, student leadership, personal accountability, structured discipline, along with civic responsibilities and community service.
Comprehensive Annual Financial Report (CAFR)	The official annual report of a government. It includes Government-Wide Financial Statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.
Connect2Learn	An instructional initiative that provides a mobile device to all students in grades K-12, allowing them to access information, think critically, problem solve, collaborate, and create.
Contracted Services	Services provided by outside companies, individuals or even other governmental units.
Core Services	These are the unique, independent and major functions provided by a department, which directly support its "mission statement".
Cost of Services Measurement Focus	The measurement focus applied to proprietary funds, non-expendable trust funds, and pension trust funds. All assets and all liabilities whether current or non-current are reported on their balance sheets, and their operating statements present "capital maintenance" information (revenues and expenses).
Debt Service Fund	A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
Delinquent Taxes	Unpaid taxes on or after the penalty date.
Department	An administrative division of the school district which covers overall management responsibility for a group of related operations within a functional area.
Dropout Rate	The percentage of students who leave high school during a single year that do not complete their course of studies or graduate without transferring to another school or institution.
Early Childhood Center	School facilities designed to serve Pre-K and Kindergarten students.

GLOSSARY

Early College	An instructional approach where students can earn both a high school diploma and up to two years of college credit at the same time. Early college high schools increase exposure to post-secondary study while reducing or eliminating college costs as students prepare for the job market or further study.
Employment Status	Full Time (FT): Appointments averaging not less than 37.5 hours per week. Part Time (PT): Appointments averaging less than 37.5 hours per week.
Ethnicity	The classification of groups of people according to race, nationality and cultural origin.
Expenditures	<p>Decreases in net current assets. Expenditures include debt service, capital outlay and those current operating costs, which require the use of the current assets.</p> <p>The difference between an expenditure and an expense is the difference in what is being measured. Expenditures measure current outlays (the flow of current resources) while expenses measure total costs (total resources used; also known as capital maintenance). For example, purchases of fixed assets (buildings and equipment) and of inventories are expenditures at the date of purchase, because they cause the outflow or the tie-up of current assets. They are not expenses, however, until they are used or used up, because they are still a resource until consumed. Another example is depreciation, which is not an expenditure because no current assets are used when depreciation is incurred, but which is an expense because it allocates the total cost as the depreciable fixed asset is used. See Modified Accrual Basis and Measurement Focus.</p>
Expenses	Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures. See Expenditures.
Fiduciary Funds	Funds used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.
Fiscal Year	A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. The BCSD's fiscal year ends June 30.
Fixed Assets	Assets which are intended to be held or used for a long term, such as land, buildings, improvements other than buildings, machinery and equipment. In common usage, the term refers only to operating facilities and equipment, not to long-term investments and other non-current assets.
Fund	An accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.
Fund Balance	The fund equity of governmental funds and trust funds. The term is used in this budget document for the Proprietary Funds to represent that portion of the retained earnings that is equity as a result of operating revenue and expenses and is non-capital in nature.

GLOSSARY

F.T.E. (Full Time Equivalent)	2,080 hours worked equate to 1.0 full time position, based upon an eight-hour workday. 1,950 hours worked equate to 1.0 full time position, based upon a seven and one-half hour day.
GAAP	Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording.
General Fund	The fund used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered a major fund.
General Ledger	A book, file, or other device, which contains the accounts, needed to reflect the financial position and the results of operations of an entity. In double entry accounting, the debits and credits in the general ledger are equal. Therefore, the debit balances equal the credit balances.
General Obligation Bonds	Bonds for the payment of which the full faith and credit of the BCSD are pledged.
Grants	Contributions or gifts of cash or other assets from another government or agency intended to be used for a specific purpose, activity or facility.
Governmental Funds	Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used.
High School Academies	Small learning communities within larger schools. Courses and program elements prepare students for college and career within a focused field of studies and major area of emphasis. Students enroll in core academic courses as well as career focused classes. Examples include School of Arts, Communications & Technology, Health Professions, and International Studies & Education.
Income	A term in proprietary fund type accounting to represent (1) revenues or (2) the excess of revenues over expenses. See Operating Income, Income Before Operating Transfers, and Net Income.
Income Before Operating Transfers	Proprietary fund operating income adjusted by non-operating revenues and non-operating expenses.
Interdepartmental Charges	Consists of administration, accounting and central treasury fees charged to enterprise, special revenue and school funds.
Interest Income	Revenue associated with BCSD management activities of investing idle cash in approved securities.
Interfund Transfers	There are two types of interfund transfers. Both types involve the permanent (or at least long-term) movement of resources between funds. For any one transaction, the transfer-in and the transfer-out must be classified in the same way, so that the total operating transfers-in for the entire municipality equal the total operating transfers-out and the total residual equity transfers-in equal the total residual equity transfers-out.

GLOSSARY

Intergovernmental Revenues	Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.
Internal Control	<p>Internal control comprises the plan of the organization, and all of the coordinate methods and measures adopted within a government to accomplish its objectives.</p> <p><u>Administrative control</u> includes, but is not limited to; the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions. Such authorization is a management function directly associated with the responsibility for achieving the objectives of the government and is the starting point for establishing accounting control of transactions.</p> <p><u>Accounting control</u> comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:</p> <ul style="list-style-type: none">a. Transactions are executed in accordance with management's general or specific authorization.b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.c. Access to assets is permitted only in accordance with management's authorization.d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. <p>The foregoing definitions are not necessarily mutually exclusive because some of the procedures and records comprehended in accounting control may also be involved in administrative control.</p>
Internal Service Funds	To account for the financing of goods and services provided by one department or agency to other departments or agencies of the School District. When services are rendered, charges are made to the users and revenue is accumulated in the Internal Service Funds to cover cost of operations.
International Baccalaureate	An instructional initiative offered as a School Choice in the Hilton Head Island schools. The program is offered to students K-12 to help develop the intellectual, personal, emotional, and social skills to live, learn, and work in a rapidly globalizing world. It is a recognized leader in the field of international education, encouraging students to be active learners, well-rounded individuals, and engaged citizens of the world.

GLOSSARY

Language Immersion	A form of education in which students are taught literacy and content in two different languages during the school day. The day is usually split in half providing content learning in the English language and then switching to the second language and content for the other half of the day. Students have the advantage of learning not only required subject area content but also to become fluent in a second language at the same time. Chinese and Spanish dual language immersion programs are currently offered and designed to develop and implement a sustainable, sequential, standards based continuum of second language instruction.
Lease-Purchase Agreements	Contractual agreements, which are termed “leases,” but which in substance, amount to purchase contracts for equipment and machinery.
Learning through Leadership	A comprehensive learning model through student leadership development based on the Leader in Me, or similar approach. The Leader in Me program is a whole-school transformation model. Based on The 7 Habits of Highly Effective People®, The Leader in Me produces transformational results such as higher academic achievement, few discipline problems, and increased engagement among teachers and parents. The Leader in Me equips students with the self-confidence and skills they need to thrive in the 21 st century economy. Learning Through Leadership program goals include: fostering a student’s self-esteem, discipline, responsibility, confidence, and creativity. Students learn to set and meet goals, effectively cooperate with people of various backgrounds and cultures, and resolve conflicts and solve problems.
Major Funds	<p>The General Fund is always considered a major fund. In addition, governments may report as major funds whatever other individual governmental funds considered to be of particular importance to financial statement users. At a minimum, governmental funds other than the general fund must be reported as major funds if they meet <i>both</i> of the following criteria:</p> <p><i>10% criterion.</i> An individual governmental fund reports at least 10% of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures. <i>5% criterion.</i> An individual governmental fund reports at least 5% of the total for both governmental and enterprise funds of any one of the items for which it met the 10% criterion. If an individual fund is expected to meet the minimum criteria for mandatory major fund reporting in some years but not in others, a government might elect to always report it as a major fund to enhance consistency from year to year.</p>
Mill Levy	Rate applied to assessed valuation to determine property tax. A mill is 1/10th of a penny or \$1.00 of tax for each \$1,000 of assessed value.
Mission Statement	A statement of purpose for why the department or function exists.

GLOSSARY

Modified Accrual Basis	The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for: (1) prepaid insurance and similar items which need not be reported; (2) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (3) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (4) principal and interest on long-term debt which are generally recognized when due. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.
Montessori	A philosophy of teaching with a focus on critical thinking skills, developmentally appropriate instruction, multicultural curriculum, multi-sensory curriculum, integrated curriculum and cooperative learning. The Montessori method is based on a child's natural desire to learn. Students actively learn within a prepared environment of attractive, carefully sequenced materials and engage in many independent tasks that they complete at their own pace. The Montessori program is organized into multi-aged classrooms that include the lower elementary for 1st through 3rd graders and the upper elementary that include 4th and 5th graders.
Numeracy	The ability to understand and use numbers, especially the numbers encountered in everyday life. It is considered to include the ability to count, and to add, subtract, multiply and divide two integers.
Operating Budget	Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing of acquisition, spending, and service delivery activities of BCSD are controlled. The use of annual operating budgets is usually required by charter. The annual operating budget is essential to sound financial management.
Operating Expenses	The cost for personnel, materials and equipment required to function on a daily basis.
Operating Income	The excess of proprietary fund operating revenues over operating expenses.
Personnel Services	Salaries and related costs (benefits) of permanent, part time and temporary employees.
Project Based Learning	An experimentally focused education using real-world problems to capture student interest and provoke serious thinking as the students acquire and apply new knowledge in a problem-solving context. The teacher plays the role of facilitator, working with students to frame worthwhile questions, structuring meaningful tasks, coaching knowledge development, as well as thinking and social skills, and carefully assessing what students have learned from the experience. Typical projects present a problem to solve.
Project Lead the Way/Gateway to Technology	Curriculum that encourages hands-on engagement, problem solving and the use of technology for research, collaboration and project presentation. The high school courses (PLTW) are designed to prepare students to pursue a post-secondary education and careers in math,

GLOSSARY

(PLTW/GTT)	science, engineering, and technology. The middle school engineering program (GTT) features a project-based curriculum and program so that students may design and test their ideas with advanced modeling software. Students study mechanical and computer control systems, robotics and animation and explore the importance and how to reduce, conserve and produce energy.
Projected	Estimation of revenues and expenditures based on past trends, current economic conditions and future financial forecasts.
Property Tax	A tax levied on the assessed value of real and personal property. This tax is also known as Ad Valorem tax.
Proprietary Funds	These funds are used to account for activities where the determination of net income is necessary or useful to provide sound financial administration. Goods or services from such activities can be provided either to outside parties or to other departments or agencies primarily within the government.
Refund	<ol style="list-style-type: none">(1) The recovery of an item previously expensed or the repayment of an item previously recorded as revenue. Such refunds should be included in revenues, expenditures, or expenses of the current accounting period.(2) To pay back or allow credit for an amount because of an over-collection or because of the return of an object sold. Such charges or credits should be made to the account where the original transaction was recorded.(3) To provide for the payment of an obligation through cash or credit secured by a new obligation.
Reserve	<ol style="list-style-type: none">(1) An account used to segregate a portion of fund balance to indicate that it is not available for expenditure; and(2) An account used to segregate a portion of fund equity as legally set aside for a specific future use.
Resources	Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.
Revenues	<ol style="list-style-type: none">(1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues.(2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers-in are classified separately from revenues. See Interfund Transfers and Refunds.

GLOSSARY

School, Academy	A school housing both elementary and middle school students. Academies house students from Pre-K through eight and focus on an area of studies.
School, Elementary	A school that is composed of students not above the sixth grade. Most elementary schools are Pre-K to fifth grade.
School, High	A school offering the final years of courses necessary to graduate. High schools typically house grade nine through twelve.
School, Middle	Grades between elementary and high school. Typically middle schools are grade six through eight.
Service Area	A geographic area that provides specific/additional services not provided for on a general basis. A service area also has taxing authority to provide the special service.
Special Education	Instructional activities designed for students with various learning disabilities or handicaps.
Spending Measurement Focus	The measurement focus applied to governmental funds and expendable trust funds. Under it, only current assets and current liabilities are generally reported on their balance sheets, and their operating statements present "financial flow" information (revenues and expenditures). See Modified Accrual Basis.
Summer Institute	An annual professional development event occurring in August of each year, where administrators, teachers and support staff join together for three days of learning, collaborating, and networking with their peers. The 2016 event was titled "Growing Literacy Leaders" and offered nearly 130 sessions.
Summer Reading Camp	A state mandated instructional program requiring all third graders who are not substantially on grade level with reading proficiency to attend extra days of school. BCSD extends this requirement to all elementary students in grades 1-5.
Target Budgets	Desirable expenditure levels provided to departments in developing the coming year's recommended budget. Based on prior year's adopted budget, excluding one-time expenditures, projected revenues and reserve requirements.