

# BEAUFORT COUNTY SCHOOL DISTRICT

## Beaufort, SC

### **Comprehensive Annual Financial Report**



For Fiscal Year Ended June 30, 2020

**Frank Rodriguez, Ph.D, Superintendent • [www.beaufortschools.net](http://www.beaufortschools.net)**



**BEAUFORT COUNTY SCHOOL DISTRICT  
BEAUFORT, SOUTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2020**



## **INTRODUCTORY SECTION**



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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# BEAUFORT COUNTY SCHOOL DISTRICT

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**BEAUFORT COUNTY SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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# BEAUFORT COUNTY SCHOOL DISTRICT

## 2020 Board Members



### **Board Chair**

Christina Gwozdz

### **Board Members**

Cathy Robine	Vice-Chair, District 8
William Smith	Secretary, District 3
Earl Campbell	District 1
David Striebinger	District 2
Tricia Fidrych	District 4
Richard Geier	District 5
John Dowling	District 6
Rachel Wisnefski	District 7
Melvin Campbell	District 10
JoAnn Orischak	District 11

# BEAUFORT COUNTY SCHOOL DISTRICT

## **Administrative Office**

2900 Mink Point Boulevard  
Beaufort, South Carolina 29902

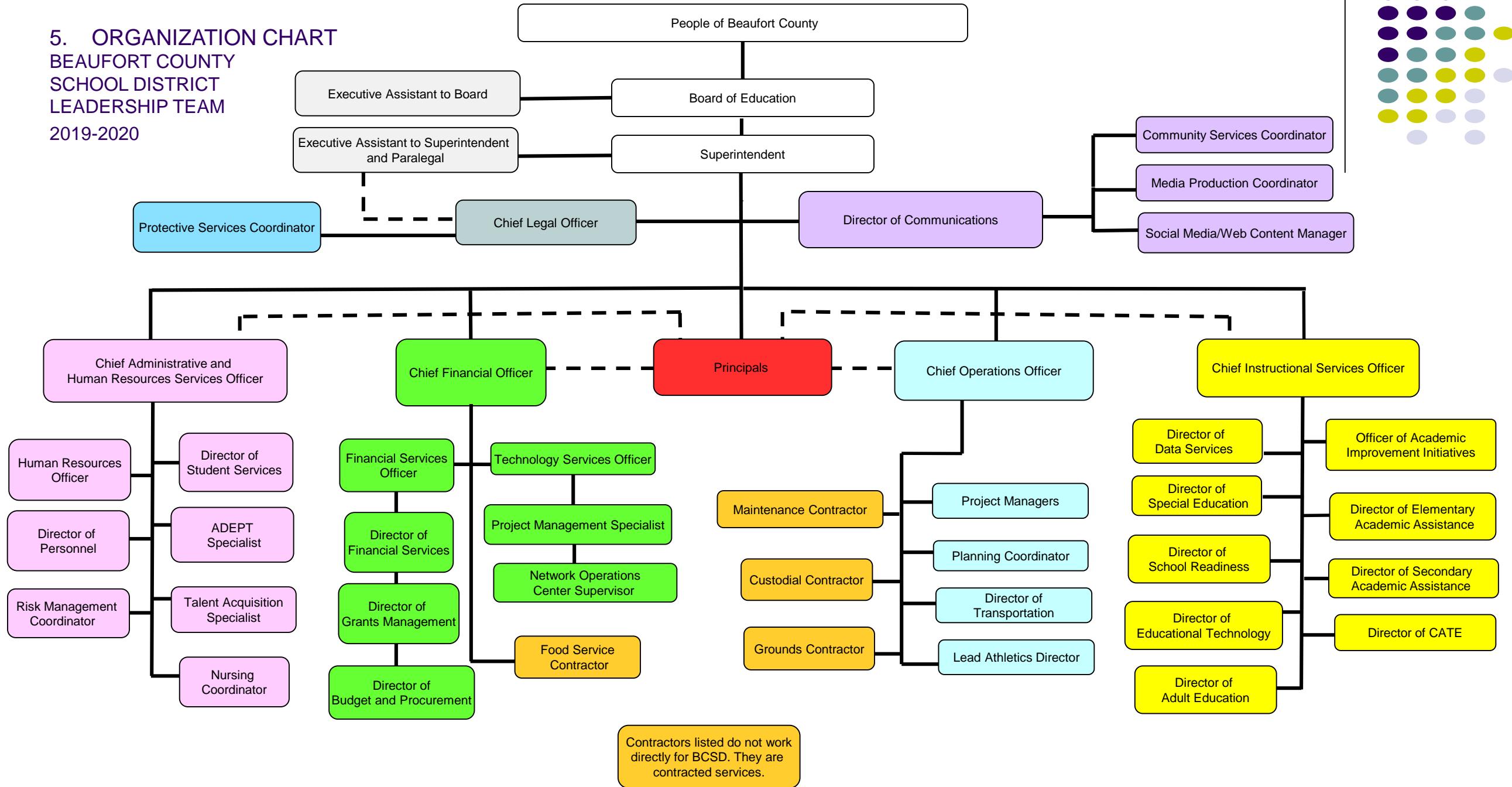
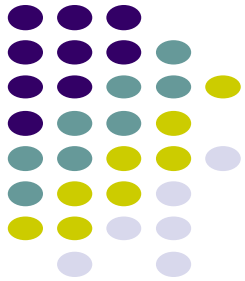
## **Senior Management**

Frank J. Rodriguez, Ph.D	Superintendent
Ms. Wendy Cartledge	Chief Legal Officer
Dr. Mary Stratos	Chief Instructional Services Officer
Ms. Tonya Crosby, CPA, CGFO	Chief Financial Officer
Ms. Alice Walton	Chief Administrative and Human Resource Services Officer
Mr. Robert Oetting	Chief Operations Officer

## **Officials Issuing Report**

Ms. Tonya Crosby, CPA, CGFO, Chief Financial Officer  
Mr. Reggie Murphy, Financial Services Officer

# 5. ORGANIZATION CHART BEAUFORT COUNTY SCHOOL DISTRICT LEADERSHIP TEAM 2019-2020



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December 15, 2020

To the Members of the Beaufort County Board of Education  
and Citizens of Beaufort County, South Carolina:

We are pleased to present the Comprehensive Annual Financial Report of the Beaufort County School District (the "School District") for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the School District. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management has established a comprehensive internal control framework. Internal accounting controls are designed to provide reasonable assurance that assets are properly safeguarded and accounted for and to ensure the reliability of accounting information for preparing financial statements in conformity with generally accepted accounting principles ("GAAP"). The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The School District's financial statements have been audited by Mauldin & Jenkins, LLC, an independent firm of certified public accountants. The independent auditor's report is presented as the first component of the financial section of this report. The School District also is required to undergo a federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. In addition to reporting on the fair presentation of the financial statements, the single audit places special emphasis on internal controls and legal requirements involved in the administration of federal awards. These reports are available in the School District's separately issued Single Audit Report located in the Single Audit Section of this document.

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

## **Relevant Financial Policies**

The majority of the School District's financial policies endorsed by the Board of Education policies and regulations remain unchanged: organize and optimize resources for improved academic results; deliver high academic results at a low per student cost; evaluate the use of resources for applicability to goals of the Board of Education's strategic plan; provide financial accountability and transparency to the citizens of Beaufort County; and carefully manage indebtedness and debt service. The Board of Education has a fund balance policy in compliance with Government Accounting Standards Board ("GASB") 54.

The School District uses zero-based budgeting as a tool to manage its exposure to rising costs and to assure spending efficiencies. Innovative approaches to continuous improvement are employed to streamline processes and eliminate waste and to measure process performance in meeting the goals of the Board of Education's strategic plan.

## **Profile of the District**

The School District serves approximately 22,000 students. Located along the Atlantic Ocean, its area covers 587 square miles including 64 major islands and thousands of small islands in the state's southeastern corner. Beaufort County is characterized by isolated small towns, islands, and farming communities.

The School District has 17 elementary schools, two pre-K-8 schools, six middle schools, six high schools, one charter school and one career center shared with neighboring Jasper County. It serves students in pre-kindergarten through grade 12 and includes programs such as: Montessori education, alternative education programs, English for Speakers of Other Languages ("ESOL"), vocational education, adult education, Science Technology Engineering and Math ("STEM"), Junior ROTC, and aeronautical engineering among others. In addition, two magnet programs, Advanced Math, Engineering and Science ("AMES"), have been established within two of our elementary schools, as well as a dual high school and college program at Whale Branch Early College High School. The School District partners with Beaufort-Jasper EOC Head Start to serve children ages birth to five years old. Additionally, the School District partners with the Technical College of the Lowcountry and the University of South Carolina-Beaufort to provide dual enrollment courses for high school students county-wide.

The School District is governed by the Board of Education (the "Board") which consists of eleven members elected from single member districts. The chief executive officer is the Superintendent of Schools, Dr. Frank Rodriguez, appointed by and responsible to the Board. An updated organizational chart of the management of the School District is included in the Introductory Section.

The School District does not have fiscal autonomy from Beaufort County. The County Council (an eleven-member council) reviews the School District's budget requests for reasonableness and levies the millage necessary in compliance with State Act 388 to ensure sufficient tax revenue is generated. Funds are appropriated on an annual basis for the general operating fund.

## **Factors Affecting Financial Conditions**

**Local Economy** – The School District receives approximately 61% of its operating budget from Beaufort County. The remaining 39% is primarily received from the State – 49% of which is funded through sales tax reimbursement as a part of Act 388. The School District's state support increased primarily due to an increase in the fringe benefit funding. The increase in the fringe benefit funding was due to an increase in teacher salaries. Prior to the enactment of Act 388 in 2006, the School District's local support was as high as 91%.

According to the 2019 Census estimates, Beaufort County has grown by 16.9% since the 2010 Census, making it the fifth fastest growing county in the state. The other four counties that grew faster during that period were Horry at 27.8%, Berkeley at 24.3%, Lancaster at 24.4%, and York at 21.3%. Since the 2010 Census, the student population has grown by 13.7% based on enrollment projected for the 2020-2021 school year.



The School 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 7,253 Marines, Sailors and civilian personnel in support of Marine Air Group 31. Its component squadrons and tenant units are readily deployable. At the U.S. Marine Corps Recruit Depot, there are over 6,000 military and non-military personnel in the School District's local area supporting the over 19,000 recruits. According to a 2017 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 \$2.3 billion and supported 19,060 job generating \$1.0 billion in labor income.

Tourism is the major industry in Beaufort County. In 2019, tourists spent approximately \$1.5 billion in Beaufort County, according to a report by Regional Transactions Concepts, LLC entitled "Estimated Impact of Beaufort County Tourism in 2019." In 2018, tourism was responsible for over 16,500 jobs and approximately \$15 million in net revenues for local governments. This figure excludes revenue generated by state and local accommodations tax, local hospitality and recreation taxes. Visitation to Beaufort County had decreased from the prior year as with other areas in this region due to adverse weather events.

Total retail sales were up 9.3% in 2019. County-wide, the number of residential new construction permits decreased from 2018 to 2019 by 0.3%. A large number of residences are currently under construction, particularly in the Bluffton area.

The County's unemployment rate at 7.4% remains below the State of South Carolina's rate of 8.9% as of June 2019. The rate has increased significantly since 2019, primarily due to the economic impact of COVID-19.

The most recent available information shows the County has a median family income of \$74,127 for calendar 2019. This income level continually ranks the County as one of the highest in the State and is above national levels.

Despite having a very high median family income, the number of students eligible for free and reduced-price meals has increased from 50% to 56% since 2010. To assist families in our community, the School District applied for and was granted permission from the USDA to declare eight schools Community Eligible Program schools. Under this program, all students in the schools receive free breakfast and lunch meals. Wherever high poverty conditions exist, it puts an increased financial burden on our community and schools.

**Long-Term Financial Planning** – The Board's fund balance policy requirements are the guide for long-term financial planning. The Board's policy requires the School District to maintain an unassigned fund balance not less than 15% of the next year's budgeted expenditures with a desired target between 15% to 17%. This guidance is a critical component for long-range financial planning.

Five-year operating budget projections are updated each year, used as a starting point for budget discussion and planning, and revised each year to reflect trends and factors affecting enrollment. In addition, ten-year capital and debt plans are updated annually to ensure financial stability while meeting the facility needs of the School District.

**Major Initiatives** – The top priorities for FY 2020 were teacher recruitment/retention and safety. The School District implemented a \$1,000 locality supplement in 2015-2016 as an incentive to offset the high cost of living in our County, especially in the area of Hilton Head Island. The goal was to increase this supplement by \$1,000 each year for five years. In 2018-2019 the supplement was increased by \$2,000 to reach the \$5,000 supplement a year early. The \$5,000 teacher supplement remained in the 2019-2020 budget.

**COVID-19** – The COVID-19 pandemic resulted in school closures across the state of South Carolina beginning March 16, 2020. This unprecedented event altered every aspect of our School District's operations. For the last quarter of the school year, our students received their education in a full virtual model. Fortunately, the School District was well-positioned to manage this learning model because of its one-to-one technology device model that was first implemented for all students several years ago. This model allowed the School District to have a seamless transition for students and staff.

The pandemic is expected to continue to affect the School District's operations and financial condition in the upcoming fiscal year. Enrollment is expected to decline, with students shifting to homeschool, small private schools and charter schools. The School District anticipates a negative impact on state funding, which is heavily reliant on sales tax revenue. Local tax collections are also uncertain as the closures put pressure on local businesses. The School District is in a strong financial position to mitigate the effects of the pandemic.

**Enrollment** – Student enrollment has been on the rise since 2010, averaging 1.3% per year over the last ten years. The growth has totaled 2.2% over the past four years indicating a slight growth in our local economy. Enrollment at the 45<sup>th</sup> day of 2019-2020 has reached 22,405 students, an increase of 131 students since the prior year. It should be noted that due to the pandemic, enrollment at the 45<sup>th</sup> day of the 2020-2021 school year has declined 5.25% to 21,229.

The face of our community is changing as demonstrated by our demographics. Since 2010, the School District's Hispanic population has increased from 19% to 29% of the total student population (from 3,753 to 6,415). This represents a growth of 71% over a ten-year period. Our school district currently has 39% Caucasian, 26% African American, 29% Hispanic and 6% other.

## **Accomplishments and Awards**

**Academic Achievements** – The School District continues to out-perform the state graduation rate of 82.1% despite a one percentage point drop from 86.9% for the Class of 2019 to 85.7% for the Class of 2020. That compares to 83.4% five years ago. South Carolina's statewide graduation rate for 2020 was 82.2%, up from 81.1% in 2019.

Beaufort County high school seniors' average SAT score of 1043 was higher than South Carolina's average, which dropped 2 points to 1019, and slightly below the nation's, which increased 8 points to 1051. Fifty-six percent of district seniors took the SAT compared to 56% of seniors statewide

**Financial Reporting Awards** – The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Beaufort County School District for its CAFR for the past 28 years. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

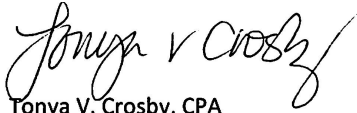
In addition to the award for excellence in financial reporting, the School District has not had a negative finding in any of its annual independent audits in the past 20 years.

## Acknowledgements

We wish to express our appreciation to the entire staff of the Finance Department whose dedicated efforts have enabled this report to be prepared on a timely basis.

In closing, sincere gratitude is expressed to the Board of Education for their leadership and dedication to the Beaufort County School District, its taxpayers, employees, and most importantly, its students. To the citizens of the Beaufort County School District, please accept our gratitude for your support of our successful School District.

Respectfully submitted,

A handwritten signature in black ink, reading "Tonya V. Crosby". The signature is fluid and cursive, with the first name "Tonya" being more prominent and the last name "Crosby" following in a similar style.

Tonya V. Crosby, CPA  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Beaufort County School District  
South Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrell*

Executive Director/CEO

## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

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**To the Honorable Chairman and Members of the Board of Education  
Beaufort County School District  
Beaufort, South Carolina**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Beaufort County School District** (the "School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Riverview Charter School, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Riverview Charter School, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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**Opinion**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 – 16, Schedule of the School District's Proportionate Share of the Net Pension Liability on pages 80 and 81, Schedule of the School District's Contributions – Pensions on pages 82 and 83, Schedules of School District's Proportionate Share of the Net OPEB Liability on page 84, Schedule of the School District's Contributions – OPEB on page 85, and the Budgetary Comparison Schedules for the General Fund, Special Projects Fund and the Education Improvement Act on pages 86 – 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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



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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2020 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Beaufort County School District's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 15, 2020

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## **Beaufort County School District**

### ***Management's Discussion and Analysis***

#### ***For the fiscal year ended June 30, 2020***

As management of the Beaufort County School District (the "School District"), we offer readers of the Beaufort County School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. Management encourages the readers to consider the information presented in this discussion in conjunction with additional information that is presented as part of this report. Readers are directed to the transmittal letter, financial statements, notes to the financial statements and statistical information to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

**Net Position** – The School District's total net position (as reported on the government-wide Statement of Net Position) as of June 30, 2020, was \$106.3 million. This amount reflects an increase of \$30.1 million which is primarily attributable to an increase in current and other assets due to the inflow of cash from the issuance of bonds purposed for the successful 2019 referendum.

**Revenues, Other Financing Sources and Expenditures** – Governmental revenues totaled \$345.9 million, other financing sources/(uses) totaled \$102.4 million, and expenditures totaled \$368.5 million for all Governmental Funds at the fund level. Fund balances increased by \$79.8M. This is largely attributable to the issuance of long-term debt for capital projects. General obligation bonds, slated for 2019 referendum and repair and maintenance of School District facilities, were issued in FY 2020.

**General Fund/Fund Balance** — The School District's principal operating fund, the General Fund, had \$253.9 million in revenues and other financing sources and \$242.7 million in expenditures and other financing uses, generating a net increase in fund balance of \$11.2 million. This resulted in an increase of the General Fund's fund balance from \$33.5 million to \$44.8 million or 17.6% of budgeted FY 2021 general fund expenditures.

**General Fund Budget** – Local tax collections were \$1,174,039 less than the amount budgeted, and total local sources of revenues were \$531,217 less than the budgeted amount. State revenues in the General Fund were \$828,750 more than the amount budgeted, chiefly due to an increase in state aid to classrooms. The original budget was designed with a planned deficit of \$1.1 million; however, primarily due to a reduction in current expenditures caused by the COVID-19 pandemic, fund balance was increased by \$11.2 million.

**Debt** – The School District sold \$94.3 million of long-term general obligation bonds in FY 2020. New bonds were issued to fund the 2019 referendum and major capital improvements on existing schools. The fund balance of the Debt Service Fund decreased by \$2.5 million to a total of \$16.6 million. This decrease was planned to maintain the debt service fund balance within the desired range for reserves.

**Major Capital Additions** – The School District's capital assets for governmental activities increased by \$5.5 million or 1.1%. This is attributable to the current year's completion of a high school gymnasium and performing arts center.

**Proprietary Funds** – The Enterprise Fund, the School District's Food Service Fund, ended the year with an increase in net position of \$445,852. This increase is primarily due to a reduction in operating expenses associated with the curtailment of school operations because of COVID-19. The Internal Service Fund, used as an Insurance Reserve Fund, had an increase in fund balance of \$48,030 to a net position of \$1,425,753. The increase is attributable to the receipt of insurance proceeds received during the fiscal year.

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**Beaufort County School District**  
***Management's Discussion and Analysis***  
***For the fiscal year ended June 30, 2020***

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** – The government-wide financial statements (Statement of Net Position and Statement of Activities) are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business. Short-term and long-term information about the School District's overall financial status is provided in these statements. These statements use the economic resources measurement focus and the accrual basis of accounting used by most private-sector companies. This basis of accounting recognizes revenue when earned, and expenses are recorded when an obligation has been incurred.

The government-wide financial statements include not only the School District itself (known as the primary government), but also the component unit Riverview Charter School, a charter school sponsored by the School District. Financial information for the charter school is reported separately from the financial information presented for the primary government itself. Additional information on the School District's component unit can be found on pages 127 – 130.

The Statement of Net Position and Statement of Activities report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

**Governmental Activities** – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

**Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The School District's food service activities are reported as business activities.

The Statement of Net Position presents information on all the School District's assets plus deferred outflows, and liabilities plus deferred inflows (except for those related to fiduciary funds), with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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

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## **Beaufort County School District**

### ***Management's Discussion and Analysis***

#### ***For the fiscal year ended June 30, 2020***

Both government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include general fund, special revenue fund, EIA fund, debt service, capital projects, and the internal service fund. The business-type activities of the School District include the food service fund.

The government-wide financial statements can be found on pages 17 – 19 of this report.

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

***Governmental funds*** – Most of the School District's basic services are included in governmental funds, which generally focus on: 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for near-term spending. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which recognizes revenue when it is measurable and available, and expenses are recorded when the related fund liability is incurred. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's education programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Proprietary funds*** – Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting. The School District's food service fund and the internal service fund are the only proprietary funds.

***Fiduciary funds*** – The School District is the 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 excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The School District's Student Activities Fund is the only fiduciary fund. Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting.

***Notes to the financial statements*** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 – 79.

***Other supplemental information*** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a comparison of the School District's budget for the year and other supplementary information schedules required either by the State Department of Education or the Certificate-of-Excellence program of the Government Finance Officers Association.

# Beaufort County School District

## Management's Discussion and Analysis

### For the fiscal year ended June 30, 2020

## Government-Wide Financial Analysis

The condensed statement of net position describes the financial position of the School District on June 30, 2020. In the case of the School District's Primary Government, assets and deferred outflows of resources were exceeded by liabilities and deferred inflows of resources by \$106.3 million.

The largest portion of the School District's net position reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although net investment in its capital assets is reported, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase in net investment in capital assets of \$22.1 million (8.6%) is due to an increase in unspent bond proceeds.

Unrestricted Net Position, the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased \$29.2 million (6.6%) from a \$443.3 million deficit at June 30, 2019, to a \$414.2 million deficit at June 30, 2020. The primary cause of the increase in Unrestricted Net Position is an increase in current assets. A summary of the School District's net position for 2020 compared to 2019 is presented below:

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total School District		Total Percent Change
	2019	2020	2019	2020	2019	2020	2019-2020
Current and other assets	\$ 125,290,282	\$ 207,481,574	\$ 2,852,112	\$ 2,850,684	\$ 128,142,394	\$ 210,332,258	64.1%
Capital assets	514,109,944	519,646,607	2,112,047	2,152,058	516,221,991	521,798,665	1.1%
Total assets	639,400,226	727,128,181	4,964,159	5,002,742	644,364,385	732,130,923	13.6%
Deferred outflows of resources	61,612,705	59,537,081	137,237	134,560	61,749,942	59,671,641	-3.4%
Current liabilities	89,899,426	87,545,585	1,486,239	779,510	91,385,665	88,325,095	-3.3%
Long-term liabilities	720,717,372	779,272,807	1,157,117	1,209,314	721,874,489	780,482,121	8.1%
Total liabilities	810,616,798	866,818,392	2,643,356	1,988,824	813,260,154	868,807,216	6.8%
Deferred inflows of resources	29,168,337	28,974,425	70,979	315,565	29,239,316	29,289,990	0.2%
Net position							
Net investment in capital assets	255,368,095	277,456,822	2,112,047	2,152,058	257,480,142	279,608,880	8.6%
Restricted for:							
Capital projects	30,359,266	11,566,194	-	-	30,359,266	11,566,194	-61.9%
Debt service	19,102,507	16,006,339	-	-	19,102,507	16,006,339	-16.2%
Food services	-	-	-	680,855	-	680,855	
Unrestricted	(443,602,072)	(414,156,908)	275,014	-	(443,327,058)	(414,156,908)	-6.6%
Total net position	\$ (138,772,204)	\$ (109,127,553)	\$ 2,387,061	\$ 2,832,913	\$ (136,385,143)	\$ (106,294,640)	-22.1%

# Beaufort County School District

## Management's Discussion and Analysis

### For the fiscal year ended June 30, 2020

The following table presents a summary of the changes in net position for the fiscal year ended June 30, 2020:

Changes in Net Position							Total Percent Change
	Governmental activities		Business-type activities		Total School District		
	2019	2020	2019	2020	2019	2020	2019-20
<b>REVENUES</b>							
Program revenues							
Charges for sales and services	\$ 74,350	\$ 1,383,084	\$ 1,750,372	\$ 1,869,576	\$ 1,824,722	\$ 3,252,660	78.3%
Operating grants and contributions	61,358,358	69,551,686	8,906,330	8,161,768	70,264,688	77,713,454	10.6%
Capital grants and contributions	-	-	-	-	-	-	0.0%
General revenues							
Property taxes	195,213,645	211,229,870	-	-	195,213,645	211,229,870	8.2%
Federal and state formula aid	57,713,475	58,060,250	-	-	57,713,475	58,060,250	60.0%
Other	6,305,689	4,646,644	1,920	1,658	6,307,609	4,648,302	-26.3%
Total revenues	320,665,517	344,871,534	10,658,622	10,033,002	331,324,139	354,904,536	7.1%
<b>EXPENSES</b>							
Instruction	159,073,172	184,578,382	-	-	159,073,172	184,578,382	16.0%
Support services	137,217,839	128,263,804	-	-	137,217,839	128,263,804	-6.5%
Community services	269,169	284,594	-	-	269,169	284,594	5.7%
Payments to charter schools and other governmental units	8,391,073	-	-	-	8,391,073	-	-100.0%
Interest and other charges	7,636,395	2,115,089	-	-	7,636,395	2,115,089	-72.3%
Food service	-	-	10,488,104	9,572,164	10,488,104	9,572,164	-8.7%
Total expenses	312,587,648	315,241,869	10,488,104	9,572,164	323,075,752	324,814,033	0.5%
Excess (deficiency) before transfers	8,077,869	29,629,665	170,518	460,838	8,248,387	30,090,503	264.8%
Transfers	3,882	14,986	(3,882)	(14,986)	-	-	0.0%
Increase in net position	8,081,751	29,644,651	166,636	445,852	8,248,387	30,090,503	264.8%
Net position, beginning of year	(146,853,955)	(138,772,204)	2,220,425	2,387,061	(144,633,530)	(136,385,143)	-5.7%
Restatement for GASB 75	-	-	-	-	-	-	0.0%
Net position, beginning of year as restated	(146,853,955)	(138,772,204)	2,220,425	2,387,061	(144,633,530)	(136,385,143)	0.0%
Net position, end of year	\$ (138,772,204)	\$ (109,127,553)	\$ 2,387,061	\$ 2,832,913	\$ (136,385,143)	\$ (106,294,640)	-22.1%
Component Units:							
Charter School							
Expenses						\$ 7,777,097	
Operating grants and contributions						7,168,338	
Increase (decrease) in net position						(608,759)	
Net position, beginning of year						(10,527,963)	
Net position, end of year						\$ (11,136,722)	

**Governmental Activities.** Governmental activities increased the School District's net position by \$29.5 million. Key elements of the increase are as follows:

Capital Assets increased by \$5.5 million due primarily to the completion of a new high school gymnasium and performing arts center and the \$2.2 million increase in equipment due to a bulk purchase of laptops for students.

Long-term liabilities outstanding increased by \$58.6 million (8.1%). As new referendum construction began, the need for additional bond issuances increased. The increase in debt outstanding resulted from the excess of new debt issued over the principal debt payments made. The School District issued \$94.3 million to fund projects in the 2019 referendum and ongoing capital improvements, subject to the 8% limitation. Principal payments of \$51.7 million were made.

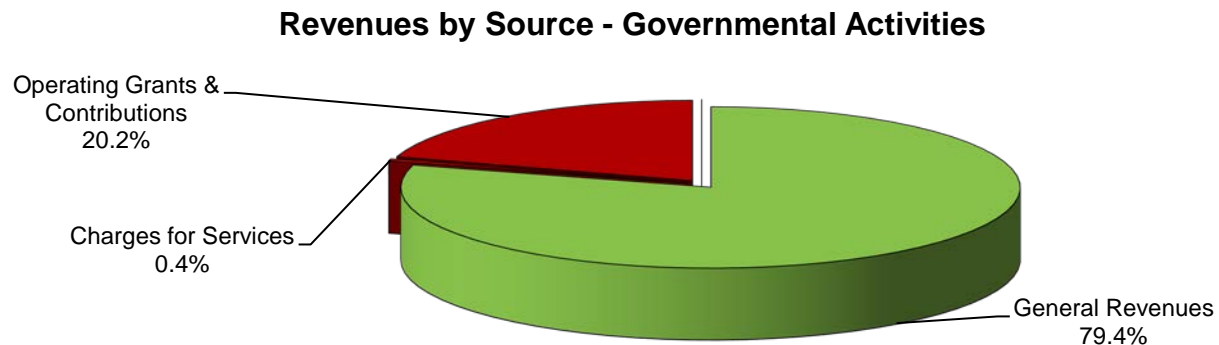
## Beaufort County School District

### Management's Discussion and Analysis

#### For the fiscal year ended June 30, 2020

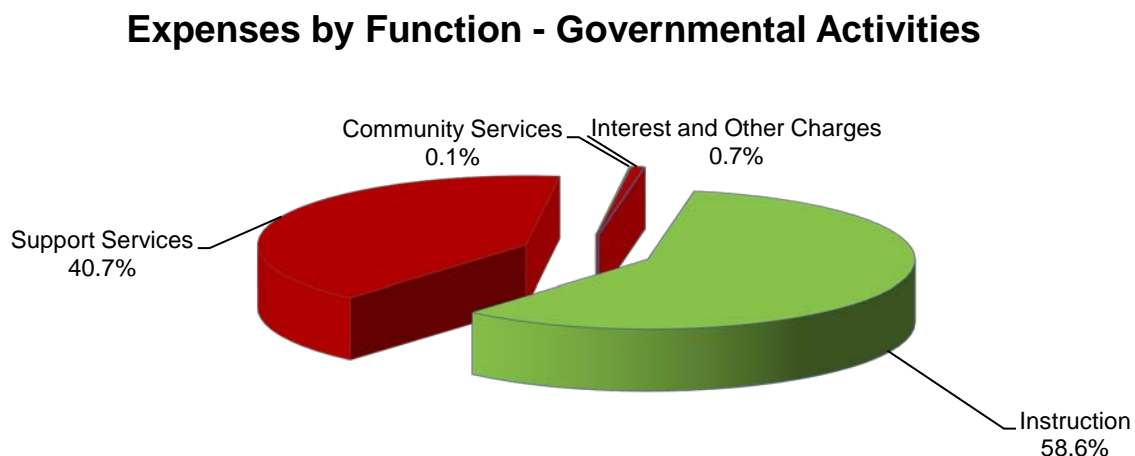
Beaufort County is still considered one of the wealthiest counties in the state since the state's primary funding formula, Education Finance Act ("EFA"), uses a wealth index based on county real estate values. Beaufort County's close proximity to the coast causes property values to have a higher value thereby providing less state support. The School District's EFA support was \$17.0 million based on the wealth index, up \$1.3 million from the prior year.

The School District's dependence on local and state tax revenues for government activities is apparent as is demonstrated below. Seventy-nine percent of all revenues are provided by general revenues which include local property taxes and federal and state aid, the majority of which is local property taxes.



The total cost of governmental activity programs and services increased \$2.7 million (0.8%) to \$315.2 million. Instructional expenses increased \$25.5 million to \$184.6 million, and support expenses decreased by \$9.0 million to \$128.3 million. Changes in instructional costs are attributable to an increase in staff to meet the needs of a growing population of students as well as increases in teacher's salaries and benefits.

The figure below represents the cost of five major School District activities: instruction, support services, community services, intergovernmental, and interest and other charges.





# Beaufort County School District

## Management's Discussion and Analysis

### For the fiscal year ended June 30, 2020

The table below shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Net Cost of Governmental Activities						
	Total cost of services		Total Percent Change	Net cost of services		Total Percent Change
	2019	2020	2019-2020	2019	2020	2019-20
Instruction	\$ 159,073,172	\$ 184,578,382	16.0%	\$ 120,887,530	\$ 143,226,928	18.5%
Support services	137,217,839	128,263,804	-6.5%	114,224,884	98,947,771	-13.4%
Community services	269,169	284,594	5.7%	15,058	17,311	15.0%
Payments to component units and						
Intergovernmental expenditures	8,391,073	-	-100.0%	8,391,073	-	-100.0%
Interest and other charges	7,636,395	2,115,089	-72.3%	7,636,395	2,115,089	-72.3%
Total	\$ 312,587,648	\$ 315,241,869	0.8%	\$ 251,154,940	\$ 244,307,099	-2.7%

The cost of all governmental activities this year was \$315.2 million.

The federal and state governments subsidized certain programs with grants and contributions (\$69.6 million).

Most of the School District's costs (\$249.9 million), however, were financed by the School District and local taxpayers.

This portion of governmental activities was financed with \$211.2 million in property taxes, \$58.0 million from grants and contributions, \$3.1 million of unrestricted investment earnings, and \$1.6 million of miscellaneous revenues.

The increase in instructional costs are attributable to an increase in staff to meet the needs of a growing population of students as well as increases in teacher's salaries and benefits.

The decrease in support services is primarily due to a reduction in utilities and supplies attributable to the remote learning environment experienced during the COVID-19 shutdown of schools.

The decrease in interest and other charges is primarily due to the effect of the timing of interest payments on the amount of interest accrued for outstanding bond issues.

**Business-type Activities.** The Net Position of business-type activities increased by \$445,852 from June 30, 2019 to June 30, 2020 to \$2.8 million. Key elements of the increase include:

Business-type expenses decreased by 8.7% to \$9.6 million due primarily to a decrease in number of meals served as a result of COVID-19 and the shutdown of schools.

Program Revenues – Charges for sales and service, which are primarily proceeds from meal sales, increased by 6.8% to \$1.9 million because of the operational change from providing meals at schools to delivery of boxed meals to students during the time of virtual learning.

Program Revenues – Operating Grants and Contributions, which are primarily federal reimbursements for meals served, decreased by 8.4% to \$8.2 million.

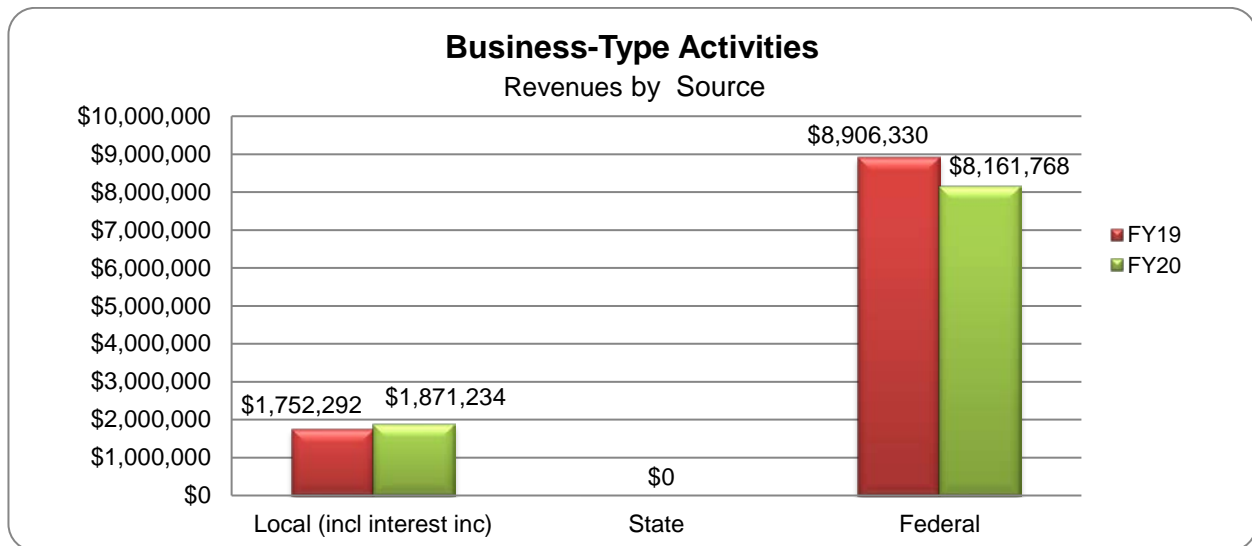
# Beaufort County School District

## Management's Discussion and Analysis

### For the fiscal year ended June 30, 2020

Food service operations produced a net gain of \$445,852 compared to the prior year's net gain of \$166,636. The increase is attributed to an increase in the fixed meal price under the Seamless Summer Feeding option made available due to the pandemic.

This operation receives no support from local property tax revenues. As demonstrated below, most of the revenue received (81.3%) is from federal sources, a decrease of 5.9 % of overall revenue from the prior year.

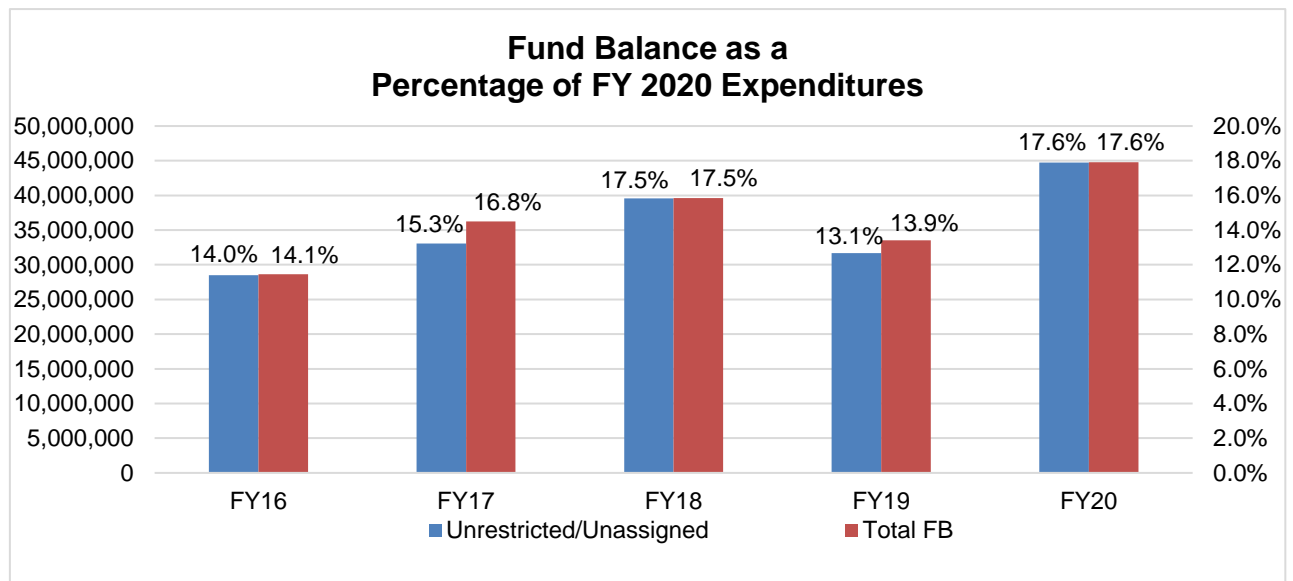


## Financial Analysis of the School District's Funds

**Governmental Funds.** Information about the School District's major funds begins on page 93. These funds are accounted for using the modified accrual basis of accounting and include the following funds: General Fund, Special Revenue, Special Revenue-EIA, Debt Service, Debt Service-EFC and Capital Projects. As the School District completed the year, its government funds reported combined fund balances of \$162.8 million – a \$79.8 million increase from last year's ending fund balances. The net change in fund balance was most significant in the capital projects fund (\$71.0 million increase) and the general fund (\$11.2 million increase). The capital projects fund increase is attributable to the issuance of \$94.3 million in general obligation bonds and the reduction in expenditures is the primary reason for the increase in the general fund.

The general fund is the chief operating fund of the School District. The following graph shows the general fund's unassigned fund balance as a percentage of current year budgeted expenditures and other financing uses. Our Board requires a 15-17% fund balance measured against the next year's expenditure budget.

**Beaufort County School District**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2020**



The graph above can be used to measure the overall financial health of the School District. The General Fund unassigned fund balance of \$44,742,601 at June 30, 2020 represents 17.6% of budgeted FY 2021 expenditures or approximately sixty-four days of operations. The School District has engaged measures to ensure the fund balance is maintained within acceptable levels to meet Board policy. The Board's policy is to maintain a 15% to 17% unassigned fund balance of the next year's projected expenditure budget. Measures to do this include cost containment and seeking alternative revenue sources through grants and lease agreements, as well as a collaborative relationship with County Council who approves the millage rate for general operations. In FY 2020, the School District budgeted for a net decrease in fund balance of \$1,072,583. However, due to an increase in property tax revenues and a reduction in expenditures, fund balance was improved by \$11.2 million. The increase in property tax revenues is attributable to raising the ad valorem tax millage rate from 104.6 to 114.0 and the onset of COVID-19 and the shutdown of face-to-face instruction resulted in the reduction of expenditures.

The School District's Special Revenue and EIA Funds are used to account for revenues derived from the State of South Carolina and the Federal Government. Most Special Revenue Funds do not have fund balances as revenues should be expended, deferred or returned to the grantor. Total revenue for Special Revenue funds decreased by \$787,780 and total revenue for EIA funds decreased by \$13,664, the result of the expiration of a major federal grant in 2019. The School District maintains adequate carryover balances to support long-term initiatives and to offset potential reductions in state and federal allocations.

The Debt Service fund shown in the accompanying financial statements of the School District includes the regular School District Debt Service fund and the Educational Facilities Corporation ("EFC") Debt Service Fund. Both funds are used to account for the accumulation of funds for debt retirement. The debt millage rate held steady at 31.7 mills in FY 2020, a rate needed to adequately support the School District's scheduled debt payments. The fund balance for the regular School District Debt Service decreased by \$2.5 million primarily due to an intentional plan to maintain the fund balance within a desired range for reserves. The fund balance for the EFC Debt Service Fund decreased by \$6,576 to a total of \$37,174. The EFC Debt Service Fund is funded by the issuance of short-term bonds that are recorded as a transfer from the regular School District Debt Service Fund to the EFC Debt Service Fund. The amount of the short-term bonds issued are planned to equal the debt payments made from the EFC Debt Service Fund, so no material change in fund balance is expected.

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## **Beaufort County School District**

### ***Management's Discussion and Analysis***

#### ***For the fiscal year ended June 30, 2020***

The School District uses Capital Projects Funds to account for school construction and improvement projects which are primarily financed through bond referenda or 8% debt issues. The Capital Projects fund balance increased by \$71.0 million to a total of \$101.4 million. The relatively large change in fund balance is primarily due to the issuance of a \$75 million general obligation bond for the first phase of design and construction of the 2019 referendum projects. General obligation bonds are issued annually in an amount to fund ongoing referendum projects and sustain ongoing repair and maintenance functions.

**Proprietary Funds.** The School District's proprietary funds consist of the School District's Food Service operations and the Internal Service Fund. The proprietary funds provide the same type of information found in the government-wide statements but in more detail.

Food Service operations, which are outsourced to an external vendor, are business-type activities, while the other proprietary fund, the Internal Service Fund, is a governmental activity. The Internal Service Fund was established at the end of FY 2006 for insurance and risk management services to include:

- Payment of claims (under \$25,000 deductible per claim),
- Obtain services or programs to enable the School District to maintain insurance or purchase additional coverage,
- Provide services or programs aimed at reducing hazards or exposures thereby reducing the cost of insurance, and
- Utilize actuarial or other consulting services related to our commercial insurance programs that will benefit the program.

Net position in the Internal Service Fund increased from \$1,377,723 at June 30, 2019 to \$1,425,753 at June 30, 2020. This is the result of insurance proceeds recorded in FY 2020.

### **General Fund Budgetary Highlights**

As always, the School District's budget was developed utilizing a long-term approach. It is essential to consider projected expenditures over the next five years, especially for a School District that has historically experienced an annual increase in enrollment. The School District faced \$12.9 million in increased costs primarily due to salary/benefits increases, enrollment growth, state and federally mandated increases, contractual increases and program expansion. In order to minimize the impact of these increases, the District budgeted an increase in local revenue of \$6.5 million and in state revenue of \$7.5 million. The School District's FY 2020 general fund expenditure budget increased by \$12.9 million to \$254.3 million. Beaufort County Council increased the operating millage from 104.6 to 114.0 due to a \$9.3 million deficit in revenues received during tax year 2019.

The key revenue highlights for FY 2020 are as follows:

- Total actual property tax revenues for the General Fund of \$148.6 million were less than the final budgeted revenues of \$149.7 million. This \$1.2 million deficit is primarily due to a lower than expected collection rate and the economic effects of COVID-19 on Beaufort County.
- State revenues exceeded the final budget by \$828,750 million primarily due to an increase in fringe benefits revenue.

# Beaufort County School District

## Management's Discussion and Analysis

### For the fiscal year ended June 30, 2020

- Federal revenues reflect collections of multi-year E-rate and impact aid reimbursements. These funds represent reimbursements for telecommunications upgrades, wireless access points and other technology infrastructure. The E-rate reimbursements are dependent upon the release of federal funds, therefore, very unpredictable and difficult to budget.
- A tax anticipation note ("TAN") in the amount of \$14.3 million was drawn down in the Fall of 2019 and repaid in January 2020. Since the fund balance is inadequate to support operational costs during periods of low revenue collections of local property taxes, the School District continues to be dependent on short-term borrowing. Once tax collections resume in January, the TAN is repaid.
- Total spending in the General Fund is reported at 95.4% of the \$254.3 million budget. This represents under spending in the amount of \$11.6 million.
- The School District's first charter school opened in FY 2010. Payments to the charter school are allocated using a state-required formula involving enrollment and District-wide revenues. Funding increased by \$388,670 from FY 2019 to FY 2020 due to an increase in students.

## Capital Assets and Debt Administration

**Capital Assets** – At the end of fiscal year 2020, the School District had invested \$879.2 million in a broad range of capital assets, including school buildings, athletic facilities, and various types of equipment necessary to operate the School District's 32 schools and an administrative office. This amount represents an increase of \$16.1 million from the prior year (more detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$21.4 million.

### Capital Assets (net of accumulated depreciation)

	Governmental activities		Business-type activities		Percent Change
	2019	2020	2019	2020	2019-2020
Land	\$ 41,299,484	\$ 41,299,484	\$ -	\$ -	0.0%
Improvements	130,696,188	126,424,440	-	-	-3.3%
Buildings	316,179,967	323,772,501	-	-	2.4%
Equipment	7,906,855	11,922,625	2,112,047	2,152,058	40.5%
Construction/equipment in progress	18,027,450	16,227,559	-	-	-10.0%
Total	\$ 514,109,944	\$ 519,646,609	\$ 2,112,047	\$ 2,152,058	1.1%

Capital expenditures consisted primarily of the expansion projects at May River High School and River Ridge Academy, design of upcoming referendum projects, as well as minor renovations and preventive maintenance of existing facilities. The new facilities were funded using a 2019 referendum general obligation bond and River Ridge Academy will be open for operations for the beginning of the 2020-21 school year. The May River High School project will be completed and open for operations at some point during the 2020-2021 school year. The School District also continues to develop and update an annual five-year capital improvement plan to cover the School District's prioritized capital renewal and new construction needs. Project priorities include the health and safety of children and staff, asset preservation, the adequacy of facilities for effective learning, the reduction of school overcrowding, and the completion of phased renovations and building modifications.

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## **Beaufort County School District**

### ***Management's Discussion and Analysis***

#### ***For the fiscal year ended June 30, 2020***

**Long-Term Debt** – At year-end, the School District had \$313,328,621 in bonds outstanding (excluding short-term debt obligations, deferred charges and unamortized premiums), an increase of \$39.4 million. Commencement of projects approved in the 2019 referendum and the ongoing renovation and building modification projects triggered the need for \$94.3 million in new general obligation debt during the year. More detailed information about long-term debt can be found in Note 7 of the financial statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to eight percent (8%) of its total assessed valuation. The current debt limitation for the School District is \$161.2 million which is in excess of the School District's applicable outstanding debt of \$79.6 million, leaving capacity of \$81.6 million.

**Bond Ratings** – The School District maintains an "Aa1" underlying rating from Moody's Investor Service for general obligation debt. Additional security is provided by the South Carolina School District Credit Enhancement Program (Government Obligations Rated Aa1 and AA), which applies to all the School District's outstanding general obligation debt.

### **Economic Factors and Next Year's Budgets and Rates**

According to the 2019 Census estimates, Beaufort County has grown by 16.8% since the 2010 Census. The population of Beaufort County ranks as the tenth highest in South Carolina. Greenville, Richland and Charleston top the list for the most populated counties in the state. Since the 2010 Census, the student population has grown by 13.7% based on enrollment projected for the 2020-2021 school year.

The School 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. The military facilities provide steady employment during poor economic times. The U.S. Marine Corps Recruit Depot at Parris Island, the Marine Corps Air Station-Beaufort, and the Beaufort Naval Hospital are all located within the County.

Tourism is the major industry in Beaufort County. It was estimated that approximately \$1.5 billion in tourist spending was done in Beaufort County in 2019. This is according to a report by Regional Transactions Concepts, LLC entitled "Estimated Total Impact of Tourism in Hilton Head Island, 2019 on Beaufort County, South Carolina." In 2019, tourism was responsible for over 16,654 jobs, and approximately \$12.9 million in net revenues for local governments. This figure excludes revenue generated by state and local accommodations tax, local hospitality and recreation taxes. Visitation to Beaufort County is anticipated to decrease in 2020 along with other areas in South Carolina due to the ongoing COVID-19 pandemic.

Total retail sales were up 9.3% in 2019, and sales tax revenue increased by 7.1% from 2018 to 2019. Countywide, the number of residential new construction permits decreased from 2018 to 2019 by only 0.3%. The Bluffton area remains the primary area of new residential construction in Beaufort County.

The county's unemployment rate at 7.4% remains below the State of South Carolina's rate of 8.9% as of June 2020. The rate has decreased from a high of 12% back in April of 2020 when the pandemic started. The ongoing pandemic restrictions have limited the operations of the hospitality industry which is a major employer in Beaufort County.

The most recent available information shows the County has a median family income of \$74,127 for calendar 2019. This income level continually ranks the County as one of the highest in the State and is above national levels.

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## **Beaufort County School District**

### ***Management's Discussion and Analysis***

#### ***For the fiscal year ended June 30, 2020***

During tax year 2019 (fiscal year 2020), the Beaufort County Council increased the operating millage from 104.6 to 114.0 mills resulting in a positive variance in the amount of \$16.0 million. This positive variance, along with the savings associated with COVID-19, was a primary factor in increasing unassigned fund balance at a level that falls slightly above the 15% to 17% range of budgeted expenditures required by Board policy. The Beaufort County Council maintained the operating millage at 114.0 for tax year 2020 (fiscal year 2021).

The Board of Education and County Council continue to work as a team to determine a realistic mill value and set the millage at a level that supports the School District's instructional goals while minimizing the impact on taxpayers.

With the onset of the COVID-19 pandemic, the economy has been negatively impacted by the shutdown of businesses and public services. The transition to a virtual learning environment for public schools has resulted in a decrease in student enrollment. As of the 45th day, the School District declined by 1,176 students to 21,229 from 22,405 in the prior year, a decrease of 5.25%.

Due to the uncertainties surrounding COVID-19, the South Carolina General Assembly adopted a continuing resolution state budget for FY 2021. As a result, the School District FY 2021 General Fund budget was temporarily approved at \$254.3 million, the same as the FY 2020 budget. As of December 1, 2020, the continuing resolution budget remains in effect and no changes to the School District FY 2021 have been considered.

This FY 2021 budget represents a balance between keeping momentum in student achievement and minimizing taxpayer impact. Local tax revenues for FY 2021 are based upon a millage rate of 114.0. This represents no increase from the prior year. The debt millage increased from a rate of 31.7 mills to 36.3 mills because of the increased debt payments associated with the 2019 referendum. The School District continues to work with the County staff by preparing long-range plans to maintain continuity of the School District's excellent bond rating which ultimately saves interest costs for the taxpayers of Beaufort County.

### **Requests for Information**

This financial report is designed to provide the School District's citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Beaufort County School District, 2900 Mink Point Blvd, P.O. Drawer 309, Beaufort, South Carolina 29901. In addition, this Comprehensive Annual Financial Report may be found on the School District's website at <http://www.beaufortschools.net>.

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## **BASIC FINANCIAL STATEMENTS**



# BEAUFORT COUNTY SCHOOL DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2020

	Primary Government			Component units
	Governmental	Business-type	Total	
	activities	activities		
ASSETS				
Current Assets				
Cash and investments	\$ 22,301,205	\$ 316,621	\$ 22,617,826	\$ 2,176,529
Deposits with Beaufort County Treasurer	166,465,844	1,280,659	167,746,503	-
Accounts receivable	160,203	1,128,328	1,288,531	29,016
Taxes receivable, net of allowances	9,266,149	-	9,266,149	-
Due from other governmental units	9,144,810	-	9,144,810	55,403
Internal balances	(4,208)	4,208	-	-
Prepaid items	110,398	-	110,398	8,696
Inventory	-	120,868	120,868	-
Restricted cash	37,174	-	37,174	-
Total Current Assets	207,481,575	2,850,684	210,332,259	2,269,644
Non-current Assets				
Deposits	-	-	-	10,000
Non-depreciable capital assets	57,527,043	-	57,527,043	-
Depreciable capital assets, net of accumulated depreciation	462,119,564	2,152,058	464,271,622	155,043
Total Non-current Assets	519,646,607	2,152,058	521,798,665	165,043
Total Assets	\$ 727,128,182	\$ 5,002,742	\$ 732,130,924	\$ 2,434,687
DEFERRED OUTFLOWS OF RESOURCES				
Deferred refunding of bonds	\$ 4,240,478	\$ -	\$ 4,240,478	\$ -
Deferred outflows related to pensions	27,774,970	67,588	27,842,558	1,146,954
Deferred outflows related to OPEB	27,521,633	66,972	27,588,605	890,937
Total Deferred Outflows of Resources	\$ 59,537,081	\$ 134,560	\$ 59,671,641	\$ 2,037,891
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 10,933,932	\$ 744,248	\$ 11,678,180	\$ 35,928
Accrued liabilities	20,230,416	35,262	20,265,678	192,182
Retainage payable	675,746	-	675,746	-
Due to other governmental units	-	-	-	4,600
Accrued interest	2,102,818	-	2,102,818	-
Long-term liabilities, due within one year	53,602,672	-	53,602,672	29,553
Total Current Liabilities	87,545,584	779,510	88,325,094	262,263
Non-current Liabilities				
Long-term liabilities, net of current portion	283,733,704	3,463	283,737,167	915,592
Net pension liability	268,909,639	654,368	269,564,007	7,364,891
Net OPEB liability	226,629,464	551,483	227,180,947	6,204,362
Total Non-current Liabilities	779,272,807	1,209,314	780,482,121	14,484,845
Total Liabilities	\$ 866,818,391	\$ 1,988,824	\$ 868,807,215	\$ 14,747,108
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	\$ 4,615,118	\$ 256,289	\$ 4,871,407	\$ 42,160
Deferred inflows related to pensions	2,248,042	5,470	2,253,512	225,234
Deferred inflows related to OPEB	22,111,265	53,806	22,165,071	594,798
Total Deferred Inflows of Resources	\$ 28,974,425	\$ 315,565	\$ 29,289,990	\$ 862,192
NET POSITION				
Net investment in capital assets	\$ 277,456,822	\$ 2,152,058	\$ 279,608,880	\$ 155,043
Restricted for:				
Debt service	16,006,339	-	16,006,339	-
Special projects	-	-	-	76,240
Capital projects	11,566,194	-	11,566,194	-
Food services	-	680,855	680,855	-
Unrestricted	(414,156,908)	-	(414,156,908)	(11,368,005)
Total Net Position	\$ (109,127,553)	\$ 2,832,913	\$ (106,294,640)	\$ (11,136,722)

See Notes to Basic Financial Statements

# BEAUFORT COUNTY SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Program revenues		
		Charges for sales and services	Operating grants and contributions	Capital grants and contributions
Functions/Programs				
Primary Government				
Governmental activities:				
Instruction	\$ 184,578,382	\$ 1,383,084	\$ 39,968,370	\$ -
Support services	128,263,804	-	29,316,033	-
Community services	284,594	-	267,283	-
Interest and other charges	2,115,089	-	-	-
Total governmental activities	315,241,869	1,383,084	69,551,686	-
Business-type activities:				
Food service	9,572,164	1,869,576	8,161,768	-
Total	\$ 324,814,033	\$ 3,252,660	\$ 77,713,454	\$ -
Component units:				
Charter schools	\$ 7,777,097	\$ -	\$ 7,168,338	\$ -
Total component units	\$ 7,777,097	\$ -	\$ 7,168,338	\$ -
General revenues:				
Property taxes levied for:				
General purposes				
Debt service				
Federal and state aid not restricted for specific purpose				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Change in net position before transfers				
Transfers				
Change in net position				
Net position, beginning of the year				
Net position, end of year				

See Notes to Basic Financial Statements

Net (expense) revenue and changes in net position			
Primary Government			Component units
Governmental activities	Business-type activities	Total	
\$ (143,226,928)	\$ -	\$ (143,226,928)	\$ -
(98,947,771)	-	(98,947,771)	-
(17,311)	-	(17,311)	-
(2,115,089)	-	(2,115,089)	-
(244,307,099)	-	(244,307,099)	-
-	459,180	459,180	-
(244,307,099)	459,180	(243,847,919)	-
-	-	-	(608,759)
-	-	-	(608,759)
148,431,774	-	148,431,774	-
62,798,096	-	62,798,096	-
58,060,250	-	58,060,250	-
3,095,803	1,658	3,097,461	-
1,550,841	-	1,550,841	584,202
273,936,764	1,658	273,938,422	584,202
29,629,665	460,838	30,090,503	(24,557)
14,986	(14,986)	-	-
29,644,651	445,852	30,090,503	(24,557)
(138,772,204)	2,387,061	(136,385,143)	(11,112,165)
<u>\$ (109,127,553)</u>	<u>\$ 2,832,913</u>	<u>\$ (106,294,640)</u>	<u>\$ (11,136,722)</u>

# BEAUFORT COUNTY SCHOOL DISTRICT

## BALANCE SHEET GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Special Revenue Funds		
	General	Special Projects	Education Improvement Act	Debt Service - District
ASSETS				
Cash and investments	\$ 13,178,406	\$ -	\$ -	\$ 1,711,774
Deposits with Beaufort County Treasurer	45,183,744	-	3,460,744	14,068,007
Receivables:				
Accounts receivable, net	77,913	52,486	-	-
Taxes receivable, net	7,112,583	-	-	2,153,566
Due from other governmental units	5,110,778	3,140,618	438,152	175,810
Due from other funds	5,912	-	-	-
Prepaid items	35,201	49,379	25,818	-
Restricted cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 70,704,537</u>	<u>\$ 3,242,483</u>	<u>\$ 3,924,714</u>	<u>\$ 18,109,157</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,356,573	\$ 485,744	\$ 122,354	\$ -
Accrued salaries and benefits	18,271,989	1,172,453	761,408	-
Retainage payable	-	-	-	-
Due to other funds	-	10,120	-	-
Total liabilities	<u>20,628,562</u>	<u>1,668,317</u>	<u>883,762</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenue	-	1,574,166	3,040,952	-
Unavailable revenue	5,298,172	-	-	1,531,774
Total deferred inflows of resources	<u>5,298,172</u>	<u>1,574,166</u>	<u>3,040,952</u>	<u>1,531,774</u>
Fund balances				
Nonspendable	35,201	49,379	25,818	-
Restricted	-	-	-	16,577,383
Unassigned	44,742,602	(49,379)	(25,818)	-
Total fund balances	<u>44,777,803</u>	<u>-</u>	<u>-</u>	<u>16,577,383</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70,704,537</u>	<u>\$ 3,242,483</u>	<u>\$ 3,924,714</u>	<u>\$ 18,109,157</u>

See Notes to Basic Financial Statements

Capital Projects	Non-major		Total Governmental Funds
	Debt Service - EFC		
\$ 5,836,073	\$ -	\$ 20,726,253	
103,753,349	-	166,465,844	
29,697	-	160,096	
-	-	9,266,149	
279,452	-	9,144,810	
-	-	5,912	
-	-	110,398	
-	37,174	37,174	
<u>\$ 109,898,571</u>	<u>\$ 37,174</u>	<u>\$ 205,916,636</u>	
\$ 7,819,955	\$ -	\$ 10,784,626	
24,566	-	20,230,416	
675,746	-	675,746	
-	-	10,120	
<u>8,520,267</u>	<u>-</u>	<u>31,700,908</u>	
-	-	4,615,118	
-	-	6,829,946	
<u>-</u>	<u>-</u>	<u>11,445,064</u>	
-	-	110,398	
101,378,304	37,174	117,992,861	
-	-	44,667,405	
<u>101,378,304</u>	<u>37,174</u>	<u>162,770,664</u>	
<u>\$ 109,898,571</u>	<u>\$ 37,174</u>	<u>\$ 205,916,636</u>	

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# BEAUFORT COUNTY SCHOOL DISTRICT

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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Total governmental fund balances	\$ 162,770,664
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**Amounts reported for governmental activities in the statement of net position are different because of the following:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets is \$827,916,803 and the accumulated depreciation is \$365,797,239.	519,646,607
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Property taxes receivable not collected within 60 days of fiscal year-end are not considered available and are deferred on the governmental funds' balance sheet but are recognized as revenue on the government-wide statement of net position.	6,829,946
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Internal service funds are used by the district to charge costs of operating the supplies warehouse to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	1,425,753
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Accrued interest on outstanding bonds in governmental accounting is not due and payable in the current period and, therefore, has not been reported as a liability in the funds.	(2,102,818)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	27,774,970
Deferred outflows of resources related to OPEB	27,521,633
Deferred inflows of resources related to pensions	(2,248,042)
Deferred inflows of resources related to OPEB	(22,111,265)

Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	(268,909,639)
Net OPEB liability	(226,629,464)
Notes payable	(1,435,700)
Bonds payable	(313,328,621)
Bond premiums, net of accumulated amortization	(20,802,306)
Deferred gain/loss on refunding, net of accumulated amortization	4,240,478
Accrued compensated absences	(1,769,749)

Net position of governmental activities	<u>\$ (109,127,553)</u>
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**See Notes to Basic Financial Statements**

# BEAUFORT COUNTY SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	General	Special Projects	Education Improvement Act	Debt Service - District
<b>Revenues</b>				
Local sources	\$ 151,120,388	\$ 955,711	\$ -	\$ 63,154,337
State sources	94,176,056	5,066,045	14,590,354	1,330,568
Federal sources	1,007,699	11,816,071	-	-
Total revenues	<u>246,304,143</u>	<u>17,837,827</u>	<u>14,590,354</u>	<u>64,484,905</u>
<b>Expenditures</b>				
Current				
Instruction	146,759,575	9,766,754	6,144,841	-
Support services	88,957,598	5,040,925	1,280,882	-
Community services	-	267,283	-	-
Intergovernmental expenditures	6,811,988	2,312,024	134,434	-
Debt service				
Redemption of principal	-	-	-	53,530,900
Interest	39,975	-	-	11,017,026
Other objects	-	-	-	13,599
Capital outlay	-	-	-	-
Total expenditures	<u>242,569,136</u>	<u>17,386,986</u>	<u>7,560,157</u>	<u>64,561,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,735,007</u>	<u>450,841</u>	<u>7,030,197</u>	<u>(76,620)</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	-	-	-
Premium on bond sold	-	-	-	-
Issuance of long term debt	-	-	-	319,253
Transfers in	7,606,024	-	-	-
Transfers out	(110,000)	(450,841)	(7,030,197)	(2,724,007)
Total other financing sources (uses)	<u>7,496,024</u>	<u>(450,841)</u>	<u>(7,030,197)</u>	<u>(2,404,754)</u>
Net change in fund balances	11,231,031	-	-	(2,481,374)
<b>Fund balances, beginning of year</b>	<u>33,546,772</u>	<u>-</u>	<u>-</u>	<u>19,058,757</u>
<b>Fund balances, end of year</b>	<u>\$ 44,777,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,577,383</u>

See Notes to Basic Financial Statements

Capital Projects	Non-major		Total Governmental Funds
	Debt Service - EFC		
\$ 2,623,875	\$ 5,918		\$ 217,860,229
-	-		115,163,023
19,885	-		12,843,655
2,643,760	5,918		345,866,907
-	-		162,671,170
-	-		95,279,405
-	-		267,283
-	-		9,258,446
-	2,050,000		55,580,900
-	676,657		11,733,658
-	9,844		23,443
33,650,269	-		33,650,269
33,650,269	2,736,501		368,464,574
(31,006,509)	(2,730,583)		(22,597,667)
49,590	-		49,590
7,995,210	-		7,995,210
93,980,747	-		94,300,000
-	2,724,007		10,330,031
-	-		(10,315,045)
102,025,547	2,724,007		102,359,786
71,019,038	(6,576)		79,762,119
30,359,266	43,750		83,008,545
\$ 101,378,304	\$ 37,174		\$ 162,770,664

# BEAUFORT COUNTY SCHOOL DISTRICT

## RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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Total net change in fund balances - governmental funds	\$	79,762,119
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Amounts reported for governmental activities in the statement of activities are different because of the following:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$21,457,993) exceeds depreciation expense (\$21,430,397) in the period.		5,614,463
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position.		(77,800)
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Repayment of long-term debt is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond principal retirement		54,877,000
Bond proceeds		(94,300,000)
Notes payable payments		703,900

Bond premiums are revenues in the year they are received in governmental funds but are amortized over the lives of the bonds in the statement of activities.

Premiums on bonds sold		(7,995,210)
Amortization of bond premiums		5,486,100

Certain property tax revenues that are reported in the government-wide statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds' operating statement.		(967,163)
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An internal service fund is used by the district's management to fund insurance and risk management of the School District. The change in net position of the internal service fund is reported with governmental activities.		48,030
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Deferred gain/loss on refundings are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the statement of activities. This amount is the net effect of these differences.		(975,330)
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Governmental funds report pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension related		(13,091,128)
OPEB related		(4,258,081)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		5,131,242
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Change in net position of governmental activities	\$	29,644,651
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**See Notes to Basic Financial Statements**

# BEAUFORT COUNTY SCHOOL DISTRICT

## STATEMENT OF NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities	Governmental Activities
	Enterprise Fund- Student Nutrition	Internal Service Fund
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 316,621	\$ 1,574,952
Deposits with Beaufort County Treasurer	1,280,659	-
Accounts receivable, net	1,128,328	107
Due from other funds	10,120	-
Inventory	120,868	-
<b>Total Current Assets</b>	<b>2,856,596</b>	<b>1,575,059</b>
<b>Non-current Assets</b>		
Depreciable capital assets, net of accumulated depreciation	2,152,058	-
<b>Total Assets</b>	<b>5,008,654</b>	<b>1,575,059</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	67,588	-
Deferred outflows related to OPEB	66,972	-
<b>Total deferred outflows of resources</b>	<b>134,560</b>	<b>-</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	744,248	-
Accrued salaries and benefits	35,262	-
Claims payable	-	149,306
Due to other funds	5,912	-
Unearned revenue	256,289	-
<b>Total Current Liabilities</b>	<b>1,041,711</b>	<b>149,306</b>
<b>Non-current Liabilities</b>		
Non-current portion of compensated absences payable	3,463	-
Net pension liability	654,368	-
Net other post-employment benefit liability	551,483	-
<b>Total Non-current Liabilities</b>	<b>1,209,314</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,251,025</b>	<b>149,306</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	5,470	-
Deferred inflows related to OPEB	53,806	-
<b>Total deferred inflows of resources</b>	<b>59,276</b>	<b>-</b>
<b>NET POSITION</b>		
Investment in capital assets	2,152,058	-
Restricted for food services	680,855	-
Unrestricted	-	1,425,753
<b>Total Net Position</b>	<b>\$ 2,832,913</b>	<b>\$ 1,425,753</b>

See Notes to Basic Financial Statements

# BEAUFORT COUNTY SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities	Governmental Activities
	Enterprise Fund- Student Nutrition	Internal Service Fund
<b>Operating revenues</b>		
Meals sales	\$ 1,147,105	\$ -
Miscellaneous	722,471	969,581
Total operating revenues	<u>1,869,576</u>	<u>969,581</u>
<b>Operating expenses</b>		
Food costs	802,749	-
Salaries and benefits	404,846	847,687
Purchased services	7,816,915	73,864
Supplies and materials	107,132	-
Depreciation	276,400	-
Other operating costs	54,218	-
Total operating expenses	<u>9,462,260</u>	<u>921,551</u>
Operating income (loss)	<u>(7,592,684)</u>	<u>48,030</u>
<b>Non-operating revenues (expenses)</b>		
Commodities received from USDA	802,749	-
USDA reimbursements	7,359,019	-
Interest on investments	1,658	-
Loss on disposal of capital assets	(4,761)	-
Payments to charter school	(105,143)	-
Total non-operating revenues	<u>8,053,522</u>	<u>-</u>
Income before transfers	460,838	48,030
<b>Transfers</b>		
Transfers in	110,000	-
Transfers out	(124,986)	-
Total transfers	<u>(14,986)</u>	<u>-</u>
Change in net position	445,852	48,030
<b>Net position, beginning of year</b>	<u>2,387,061</u>	<u>1,377,723</u>
<b>Net position, end of year</b>	<u><u>\$ 2,832,913</u></u>	<u><u>\$ 1,425,753</u></u>

See Notes to Basic Financial Statements

# BEAUFORT COUNTY SCHOOL DISTRICT

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities Enterprise Fund - Student Nutrition	Governmental Activities Internal Service Fund
<b>Cash flows from operating activities:</b>		
Payments received from customers and users	\$ 1,731,706	\$ -
Charges from other funds	-	969,474
Payments to employees for services	(720,056)	(1,057,174)
Payments to suppliers for goods and services	(9,064,675)	(74,397)
Net cash provided by (used in) operating activities	(8,053,025)	(162,097)
<b>Cash flows from noncapital financing activities:</b>		
USDA reimbursements	8,161,768	-
Transfers from other funds	110,000	-
Transfers to other funds	(124,986)	-
Payments to charter school	(105,143)	-
Net cash provided by noncapital financing activities	8,041,639	-
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(321,166)	-
Net cash used in capital and related financing activities	(321,166)	-
<b>Cash flows from investing activities:</b>		
Interest income	1,658	-
Net cash provided by investing activities	1,658	-
Net decrease in cash and cash equivalents	(330,894)	(162,097)
<b>Cash and cash equivalents, beginning of year</b>	1,928,174	1,737,049
<b>Cash and cash equivalents, end of year</b>	\$ 1,597,280	\$ 1,574,952
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (7,592,684)	\$ 48,030
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	276,400	-
Changes in assets and liabilities:		
Accounts receivable	(294,589)	(107)
Due from other funds	40,878	-
Inventory	(75,761)	-
Deferred outflows - pension	40,752	-
Deferred outflows - OPEB	(38,075)	-
Accounts payable	(561,920)	(533)
Accrued salaries and benefits	(4,361)	-
Claims payable	-	(209,487)
Unearned revenue	115,841	-
Net pension liability	12,601	-
Net OPEB liability	38,642	-
Accrued compensated absences	954	-
Deferred inflows - pension	(21,498)	-
Deferred inflows - OPEB	9,795	-
Net cash provided by (used in) operating activities	\$ (8,053,025)	\$ (162,097)
<b>Supplemental disclosure of non-cash capital and related financing activities:</b>		
Non-cash commodities received from the USDA	\$ 878,510	\$ -

See Notes to Basic Financial Statements

# BEAUFORT COUNTY SCHOOL DISTRICT

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2020

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### Assets

Cash and investments	\$ 3,201,294
Accounts receivable	1,380
Prepaid items	<u>7,225</u>
Total assets	<u>\$ 3,209,899</u>

### Liabilities

Accounts payable	\$ 160,317
Accrued salaries and benefits	1,221
Due to student organizations	<u>3,048,361</u>
Total liabilities	<u>\$ 3,209,899</u>

See Notes to Basic Financial Statements



# BEAUFORT COUNTY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

Beaufort County School District (the "School District") is governed by an 11-member elected Board of Education (the "Board"). The School District provides regular and exceptional education for students in pre-school through grade twelve and funds two-thirds of the Beaufort Jasper Academy for Career Excellence, which provides vocational instruction.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant policies:

The School District's financial statements include all funds over which the Board is considered to be financially accountable. The School District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the School District is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by governmental accounting standards. Local board members have decision-making authority.

The School District has determined that there is one support entity that meets the requirements for inclusion as a blended component unit, and one as a discretely presented component unit.

#### Blended Component Unit

South Carolina Association of Governmental Organizations ("SCAGO") Educational Facilities Corporation ("EFC") for Beaufort County School District was incorporated on December 11, 2006, for educational and charitable purposes, specifically to undertake certain obligations with respect to the acquisition or sale of real and/or personal property in connection with the design, construction, operation, financing, and refinancing of education facilities to be used by the School District and such other projects located in and for the benefit of the School District as may be permitted by applicable law. The EFC is organized and shall be operated exclusively for the charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The EFC has five board members, three are appointed by the board of directors of the SCAGO and two consist of the Superintendent and the Director of Finance (or their equivalents) of the School District. The board of directors of the EFC may increase from a minimum of five to a maximum of 10; however, in all events, less than 50% of the members of the board of directors shall be representatives of or controlled by the School District. The EFC meets the criteria of a blended component unit and therefore, the operations of the EFC are blended with the operations of the School District as required by accounting principles generally accepted in the United States of America.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### Discretely Presented Component Unit

Riverview Charter School provides education to students in kindergarten through eighth grade in an experiential-based learning environment. The school is owned and operated by a non-profit corporation. It operates under an agreement with the Beaufort County School District and began operations August 2009. The agreement is governed by state statutes which, as interpreted by the State Department of Education, require the inclusion of charter schools as discretely presented component units of the sponsoring district. Riverview Charter School is funded by Beaufort County School District and is located within the bounds of the School District. Financial statements of Riverview Charter School may be available at the school's administrative offices at 81 Savannah Hwy, Beaufort, South Carolina 29906.

##### Basis of Presentation

The statements of the School District are presented as follows:

**Government-wide Statements.** The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in part by fees and charged to external parties.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the financial statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### Basis of Presentation (Continued)

Depreciation expense has been allocated to individual functions in the governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, including taxes, which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements.** Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds, if any, are denoted as such.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the School District finances and meets cash flow needs of its proprietary activities.

**Statements of Cash Flows.** For purposes of the Statement of Cash Flows, the proprietary fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### Measurement Focus and Basis of Accounting

The School District reports the following funds:

##### Governmental Funds

**General Fund (major fund).** The General Fund is the general operating fund of the School District. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. All property taxes, intergovernmental revenues, charges for services, education finance act revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the School District collects in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration and other departments of the School District are paid through the General Fund.

**Special Revenue Funds (major funds).** The Special Revenue Funds accounts for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted, committed, or assigned to expenditures for specified purposes. The School District has two special revenue funds:

- (1) *Special Projects Fund*, a budgeted fund used to account for financial resources provided by federal, state, and local projects and grants.
- (2) *The Education Improvement Act ("EIA") Fund*, a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

**Capital Projects (Building) Fund (major fund)** – a fund that holds financial resources that are restricted, committed, or assigned to account for capital outlay expenditures.

**Debt Service Fund – District (major fund)** – a budgeted fund used to account for annual payments of principal and interest on long-term general obligation debt and related costs for non-EFC obligations.

**Debt Service Fund – EFC (non-major fund)** – a non-budgeted fund used to account for annual payments of principal and interest on long-term general obligation debt and related costs for the EFC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

#### Measurement Focus and Basis of Accounting (Continued)

#### Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, 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 (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Within proprietary funds, operating revenues and expenses are presented in the Statement of Revenue, Expenses and Changes in Fund Net Position. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Sales for food service represent the operating revenues of the School District's enterprise fund. Non-operating revenues consist primarily of contributions of commodities and reimbursements from the United States Department of Agriculture and other state aid. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Non-operating expenses relate primarily to commodities from the United States Department of Agriculture and other state aid.

**Enterprise Funds (major fund)** – to account for operations: a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or covered primarily through user charges; or b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Student Nutrition Fund is the School District's only enterprise fund and is used to account for the United States Department of Agriculture ("USDA") approved school breakfast and lunch programs.

**Internal Service Funds (non-major fund)** – a fund 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 costs of operations. The School District has one such fund: Insurance Services. This fund accounts for the insurance and risk management services of the School District and services provided are on a cost reimbursement basis. The assets and related liabilities for the Internal Service Fund are included in the governmental activities column on the government-wide Statement of Net Position.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

#### Measurement Focus and Basis of Accounting (Continued)

***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. The School District's fiduciary funds consist of agency funds which are custodial in nature and do not involve measurement of results of operation. The agency funds are used to account for amounts held for student and faculty activity organizations. Fiduciary funds are not included in the government-wide financial statements.

#### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. On the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 4). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, tuition, grants, student fees, and rentals.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### Basis of Accounting (Continued)

The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

##### Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance

**Cash and investments** – South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool (invested in government guaranteed securities), obligations of the U.S. Government, and government agencies unconditionally guaranteed by the U.S. Government. Investments are recorded at fair value.

The Beaufort County Treasurer invests in authorized instruments on behalf of the School District. The Beaufort County Treasurer invests School District and other entity funds on a pooled basis with the Treasurer of the State of South Carolina. The State Treasurer invests in certificates of deposit, insured savings accounts, repurchase agreements, obligations of the United States government, and government agencies guaranteed by the United States government.

**Receivables and payables** – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as due from other funds or due to other funds on the Balance Sheet. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for net residual amounts due between governmental and business-type activities, which are presented as internal balances. Amounts due to and from outside sources are recorded when earned or payable. The School District records its property tax receivables as levied net of an allowance for uncollectible accounts.

**Inventories** – Under the system of accounting for inventories, materials and supplies are carried in an inventory account at cost using the first-in, first-out method of accounting and are subsequently charged to expense when consumed. Inventories include food, supplies, and commodities. An amount for commodities received from the USDA, but not consumed as of June 30, 2020, has been recorded at fair value as provided by the USDA.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance (Continued)

**Prepaid items** – Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Capital assets** – Capital assets, which include property and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The cost and accumulated depreciation of property sold or retired are removed from the accounts, and gains or losses, if any, are reflected in revenue or expenditures/expenses for the year. Donated capital assets are recorded at acquisition value as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

In the enterprise fund, assets acquired or constructed by grants and shared revenues externally restricted for capital acquisitions and construction are reported as revenue in the period received.

All reported capital assets other than land and construction-in-progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

#### Governmental Assets

Improvements	15 – 50 years
Buildings	15 – 50 years
Equipment	5 – 25 years
Vehicles	5 – 10 years

#### Business-type Assets

Improvements	N/A
Buildings	N/A
Equipment	3 – 12 years
Vehicles	5 – 10 years



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### **Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance (Continued)**

**Compensated absences** – Vacation leave may be accumulated up to a maximum of forty-five days and is fully vested when earned. The entire compensated absence liability is reported on the government-wide financial statements. Compensated absences will be paid from the fund where the employee's salary is paid; typically this would include the general, special revenue, and food service funds.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, unused reimbursable leave still outstanding following an employee's resignation or retirement. In the proprietary funds, compensated absences are recorded as an expense and liability of the fund as the benefits accrue to employees.

**Accrued liabilities and long-term obligations** – All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

For governmental funds, bond premiums, and discounts are recognized during the period in which the underlying debt was issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as debt service expenditures. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

#### Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance (Continued)

##### Deferred outflows of resources and deferred inflows of resources –

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two types of items that qualify for reporting in this category.

The first item, unavailable revenue, is reported only by the governmental funds balance sheet and includes amounts from property taxes and special assessments that are deferred and will be recognized as an inflow of resources in the period in which the amounts become available under the modified accrual basis of accounting.

The second item, unearned revenue, is reported in both the governmental funds balance sheet and the statement of net position, and arises from voluntary non-exchange transactions in which the School District has received resources before time requirements are met but after all other eligibility requirements have been met.

Changes in net pension liability and OPEB liability not included in pension expense or OPEB expense, respectively, are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources.

When debt is refunded, the reacquisition price less the net carrying amount of the previous debt is calculated. The amount is either a gain or loss on refunding that is recognized as a component of interest expense, over the shorter of the new debt's life or the remaining life of the previous debt. The unamortized gain or loss is a deferred outflow/inflow of resources in the Statement of Net Position.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### **Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance (Continued)**

**Pensions** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the South Carolina Retirement System (“SCRS”) and the South Carolina Police Officers Retirement System (“PORS”), and additions to/deductions from SCRS’s and PORS’ fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Post-employment Benefits Other Than Pensions (OPEB)** – For purposes of measuring the School District’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (“SCRHITF”) and the South Carolina Long-Term Disability Insurance Trust Fund (“SCLTDITF”), collectively referred to as the Other Post-Employment Benefits Trust Funds (“OPEB Trusts”), and additions to/deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they are reported by the OPEB Trusts. For this purpose, the OPEB Trusts recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Fund Balances and Net Position** – Government-Wide Statements – Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Net Position Flow Assumption** – Sometimes the School District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as “restricted net position” and “unrestricted net position” in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider “restricted net position” to have been depleted before “unrestricted net position” is applied.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### **Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance (Continued)**

**Fund Balance Flow Assumption** – Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balances and Net Position – Fund Statements** – Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

The nonspendable fund balance classification represent portions of fund balances which are inherently nonspendable because of their form (such as inventory) or which are required to be maintained intact. Fund balance is reported as restricted when there are limitations imposed on its use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The School District's Board of Education is the highest level of decision-making authority for the government that can, by majority vote, prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as committed. Intent can be expressed by the School District's Board of Education or by an official or body to which the Board delegates its authority. As of June 30, 2020, no such delegation of authority had been made.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

##### **Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance (Continued)**

**Fund Balances and Net Position – Fund Statements (Continued)** –The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance includes all amounts not included in other spendable classifications. The General Fund is the only fund that can report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The School District has adopted a minimum fund balance policy for the General Fund which requires the unassigned fund balance at year-end to be no less than 15% of next year's budgeted expenditures. The desired target is to maintain an unassigned General Fund balance between 15-17% of annual operating expenditures for the next fiscal year. At June 30, 2020, the School District's unassigned General Fund balance was 17.6% of 2020 budgeted expenditures and 17.6% of 2021 budget expenditures. Proprietary fund balance is classified the same as in government-wide statements.

**Interfund Activity** – Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds and enterprise balances are eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the activities financial statements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Reporting Entity (Continued)

#### Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position/Fund Balance (Continued)

**Operating Revenues and Expenses** – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues consist of sales of breakfasts and lunches to students and teachers.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the School District's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**Budgetary Accounting** – State statutes require a budget for operations be approved before any expenditures are made. The Board will usually approve the operating budget in May for the fiscal year beginning July 1. A budget is adopted by July 1 of each fiscal year for the General Fund and Special Revenue Funds on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. Budget and actual comparisons are presented in the required supplementary information accompanying these financial statements. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts adopted in the original appropriations. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended budget issued during the year ended June 30, 2020. Each budget is prepared by function and object as dictated by the State-adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School District's policies allow funds to be transferred between functions with administrative approval. The total budget cannot be increased beyond that level approved by the Board originally and in supplementary action. The legal level of control is at the fund level. No supplemental appropriations were necessary during the year.

**Excess of Expenditures Over Appropriations** – For the year ended June 30, 2020, expenditures exceeded the appropriations by \$400,787 in the General Fund and by \$2,000,312 in the Special Projects Fund for payments made to other governmental units. These over-expenditures were funded by a reduction of expenditures in other areas.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. DEPOSITS AND INVESTMENTS

A reconciliation of cash for the School District as of June 30, 2020 to total deposits is as follows:

Cash and cash equivalents - governmental funds	\$ 22,301,205
Restricted cash and cash equivalents - governmental funds	37,174
Cash and cash equivalents - enterprise fund	316,621
Cash and cash equivalents - internal service fund	1,574,952
Cash - agency fund	3,201,294
Total	<u>\$ 27,431,246</u>

#### Amounts on Deposit with Beaufort County Treasurer

Amounts on deposit with the Beaufort County Treasurer are not categorized since they cannot be identified by securities that exist in physical or book entry form. These amounts are subject to the same investment authorizations as the School District under state law. The carrying values of these investments approximate the fair values. The Beaufort County Treasurer is responsible for maintaining these investments in accordance with state laws.

#### Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation ("FDIC") insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2020 the carrying amount of the School District's deposits was \$25,544,398 and the bank balance was \$25,726,027. All of these deposits were fully collateralized with securities held by the pledging financial institution's trust department in the School District's name or insured by the FDIC. Information was not available regarding the custodial risk of deposits with the Beaufort County Treasurer of \$167,746,502.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

#### **Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a formal investment policy to address custodial credit risk but follows the investment policy strategy of the State of South Carolina.

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School District contracts with a banking institution for a guaranteed interest rate. The School District does not have a formal investment policy that limits investment maturities to reduce its exposure to fair value losses arising from increasing interest rates, but follows the investment policy strategy of the State of South Carolina. Information pertaining to the reported amounts, fair values, maturities, credit risk, interest rate risk and concentration risk is disclosed in the Comprehensive Annual Financial Report ("CAFR") of the State of South Carolina.

#### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District has adopted an investment policy in accordance with state statutes, which authorize the School District to invest in the following:

1. Obligations of the United States and agencies thereof;
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two categories, without regard to a refinement or gradation of rating by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the FDIC;
5. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third-party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

#### Credit Risk (Continued)

6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

In addition, South Carolina state statutes authorize the School District to invest in the South Carolina Local Government Investment Pool ("SCLGIP"). The SCLGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is a 2a7-like pool, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. The fair value of the School District's position in the SCLGIP approximates the same value of the School District's LGIP shares. The SCLGIP is not rated. The SCLGIP's complete financial statements may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

#### Fair Value of Financial Instruments

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Amounts on deposit in the SCLGIP are not categorized since they cannot be identified by securities that exist in physical or book entry form. These amounts are subject to the same investment requirements as the School District under state law. The carrying values of these investments approximate fair values. The SCLGIP is responsible for maintaining these investments in accordance with state law.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1 on property values assessed as of the same date. The School District's property tax is levied and billed each October on the assessed value listed as of the prior January 1 for all real and business personal property located in the School District. Taxes are delinquent on March 15, the collection date, following the October 1 levy date. If not paid by the following October 1, the property is subject to sale by the delinquent tax office. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is due for renewal. The taxpayer must provide proof of payment to the Highway Department before that agency will renew the vehicle license. Total tax collections, which include delinquent tax collections and penalties, equaled approximately 94% of the current tax levy for the year ended June 30, 2020.

The assessed value of real and other personal property, exclusive of vehicles (valued at \$107,122,140) is \$1,862,254,702. The School District's general operations millage is 114.00 mills (\$11.40 per \$100 assessed valuation), and debt service fund millage is 31.71 mills (\$3.171 per \$100 assessed valuation).

South Carolina Code Section 12-37-251(A) provides a property tax exemption for property classified pursuant to Section 12-43-220(C) (homestead exemption) from property taxes levied for other than bonded indebtedness and payments pursuant to lease purchase agreements for capital construction. The exemption applies against millage imposed for school operations and the amount of fair market value of the homestead that is exempt from such millage must be set by the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund.

### NOTE 5. RECEIVABLES

Receivables at June 30, 2020, consisted of taxes, intergovernmental grants, and reimbursements. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal funds. Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Projects	Education Improvement Act	District Debt Service	Capital Projects	Food Service Program
Receivables						
Property taxes	\$ 9,821,963	\$ -	\$ -	\$ 2,987,112	\$ -	\$ -
Due from other governments	5,110,778	3,140,618	438,152	175,810	279,452	554,093
Other	77,913	52,486	-	-	29,697	574,235
Gross receivables	15,010,654	3,193,104	438,152	3,162,922	309,149	1,128,328
Less allowance for uncollectible property tax	(2,709,380)	-	-	(833,546)	-	-
Net receivables	<u>\$ 12,301,274</u>	<u>\$ 3,193,104</u>	<u>\$ 438,152</u>	<u>\$ 2,329,376</u>	<u>\$ 309,149</u>	<u>\$ 1,128,328</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions/ Transfers	Deductions/ Transfers	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 41,299,484	\$ -	\$ -	\$ 41,299,484
Construction in progress	18,027,450	17,853,280	(19,653,171)	16,227,559
Total	<u>59,326,934</u>	<u>17,853,280</u>	<u>(19,653,171)</u>	<u>57,527,043</u>
Capital assets, being depreciated:				
Buildings	526,479,686	19,143,361	-	545,623,047
Improvements	235,977,307	3,971,679	(40,282)	239,908,704
Equipment	41,316,685	6,386,090	(5,317,723)	42,385,052
Total	<u>803,773,678</u>	<u>29,501,130</u>	<u>(5,358,005)</u>	<u>827,916,803</u>
Less accumulated depreciation for:				
Buildings	(210,299,719)	(11,550,829)	-	(221,850,548)
Improvements	(105,281,119)	(8,243,427)	40,282	(113,484,264)
Equipment	(33,409,830)	(2,292,520)	5,239,923	(30,462,427)
Total	<u>(348,990,668)</u>	<u>(22,086,776)</u>	<u>5,280,205</u>	<u>(365,797,239)</u>
Total capital assets, being depreciated, net	<u>454,783,010</u>	<u>7,414,354</u>	<u>(77,800)</u>	<u>462,119,564</u>
Total capital assets, net	<u>\$ 514,109,944</u>	<u>\$ 25,267,634</u>	<u>\$ (19,730,971)</u>	<u>\$ 519,646,607</u>

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
Instruction	\$ 1,047,175
Support Services	21,027,416
Community Services	<u>12,185</u>
Total depreciation expense - governmental activities	<u>\$ 22,086,776</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, being depreciated:				
Equipment	\$ 5,396,005	\$ 269,024	\$ (171,294)	\$ 5,493,735
Vehicles	223,459	52,142	-	275,601
Total	<u>5,619,464</u>	<u>321,166</u>	<u>(171,294)</u>	<u>5,769,336</u>
Less accumulated depreciation for:				
Equipment	(3,323,121)	(261,854)	166,539	(3,418,436)
Vehicles	(184,296)	(14,546)	-	(198,842)
Total	<u>(3,507,417)</u>	<u>(276,400)</u>	<u>166,539</u>	<u>(3,617,278)</u>
Total capital assets, net	<u>\$ 2,112,047</u>	<u>\$ 44,766</u>	<u>\$ (4,755)</u>	<u>\$ 2,152,058</u>

### NOTE 7. LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
<u>Bonds Payable</u>					
General obligation bonds	\$ 221,945,000	\$ 94,300,000	\$ (51,700,000)	\$ 264,545,000	\$ 45,470,000
Total bond indebtedness	<u>221,945,000</u>	<u>94,300,000</u>	<u>(51,700,000)</u>	<u>264,545,000</u>	<u>45,470,000</u>
Unamortized bond premiums	18,293,196	7,995,210	(5,486,100)	20,802,306	-
Total bonds payable	<u>240,238,196</u>	<u>102,295,210</u>	<u>(57,186,100)</u>	<u>285,347,306</u>	<u>45,470,000</u>
<u>Direct Borrowing/Direct Placement</u>					
General obligation bonds	28,690,621	-	(1,127,000)	27,563,621	5,217,621
IPRB bonds	23,270,000	-	(2,050,000)	21,220,000	2,095,000
Note payable	2,139,600	-	(703,900)	1,435,700	713,100
Total	<u>54,100,221</u>	<u>-</u>	<u>(3,880,900)</u>	<u>50,219,321</u>	<u>8,025,721</u>
<u>Other liabilities</u>					
Net pension liability	263,731,317	32,339,845	(27,161,523)	268,909,639	-
Net OPEB liability	210,749,841	32,259,226	(16,379,603)	226,629,464	-
Compensated absences	1,456,258	996,664	(683,173)	1,769,749	106,951
Total other liabilities	<u>475,937,416</u>	<u>65,595,735</u>	<u>(44,224,299)</u>	<u>497,308,852</u>	<u>106,951</u>
Governmental activities:					
Long-term liabilities	<u>\$ 770,275,833</u>	<u>\$ 167,890,945</u>	<u>\$ (105,291,299)</u>	<u>\$ 832,875,479</u>	<u>\$ 53,602,672</u>
Business-type activities:					
Net pension liability	\$ 641,767	\$ 77,802	\$ (65,201)	\$ 654,368	\$ -
Net OPEB liability	512,841	77,608	(38,966)	551,483	-
Compensated absences	2,509	3,442	(2,488)	3,463	-
Business-type activities:					
Long-term liabilities	<u>\$ 1,157,117</u>	<u>\$ 158,852</u>	<u>\$ (106,655)</u>	<u>\$ 1,209,314</u>	<u>\$ -</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

#### General Obligation Bonds

The School District issues general obligation bonds, regular and direct issuance, to provide funds for the acquisition, construction, and major improvement of major capital facilities. No unusual events of default or termination exist for these debt issuances. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. These bonds generally are issued as 5 to 20 year serial bonds with principal maturing each year.

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. 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.

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.

General obligations bonds payable at June 30, 2020 are comprised of the following:

Date of Issue	Series	Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2020
December 1, 2009	2009E	1.05**	Sept./Mar.	2026	\$ 10,000,000	\$ 10,000,000
March 31, 2011	2011A	5.08^	Mar./Sept.	2021	1,553,303	1,503,303
December 22, 2011	2011C	4.19^	Sept./Mar.	2021	2,622,318	2,572,318
April 24, 2012	2012B	3.0-5.0*+	Sept./Mar.	2024	16,580,000	6,825,000
November 14, 2013	2013D	2.35**^	March	2028	22,000,000	16,713,000
March 1, 2014	2014B	1.25**	Sept./Mar.	2034	25,000,000	20,230,000
February 19, 2015	2015A	2.0-5.0*-	March	2025	95,945,000	50,200,000
March 31, 2015	2015B	3.5-5.0/	March	2023	62,500,000	57,655,000
December 3, 2015	2015F	0.85^	March	2025	6,788,000	6,775,000
February 2, 2016	2016A	5.0**	March	2024	28,090,000	23,290,000
July 13, 2017	2017B	5.0	Sept./Mar.	2021	28,570,000	5,270,000
August 30, 2018	2018B	5.0	March	2022	29,250,000	8,165,000
August 29, 2019	2019B	3.0-5.0	March	2023	19,300,000	7,910,000
April 15, 2020	2020A	3.0-5.0	March	2040	75,000,000	75,000,000
					<u>\$ 423,198,621</u>	<u>\$ 292,108,621</u>

\* Approved in whole or in part by 1995/2000 bond referendum; not subject to assessed value issuance restrictions.

\*\* Approved in whole or in part by 2008 bond referendum; not subject to assessed value issuance restrictions.

+ Includes \$3,840,000 of non-referendum debt.

- Includes \$56,665,000 of non-referendum debt.

/ Includes \$26,545,500 of 2000/1995 of referendum debt and \$32,444,500 of 2006 referendum debt; not subject to assessed value issuance restrictions.

^ General obligation bond direct borrowing.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

#### General Obligation Bonds (Continued)

During May 2006, a \$43,660,000 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 \$43,660,000 in general obligation bonds under the referendum, with an annual interest rate ranging from 4.5% to 6.5%. Debt outstanding at June 30, 2020 against these bonds totaled \$31,710,250.

On April 26, 2008, the voters of Beaufort County approved a \$162,700,000 bond referendum. The bonds paid for the construction of two early childhood centers, two elementary schools, several building additions, land for future schools, and a performing arts center. Debt outstanding at June 30, 2020 against the \$162,700,000 in General Obligation Bonds totaled \$70,233,000.

On November 5, 2019, the voters of Beaufort County approved a \$344,610,000 bond referendum. The first general obligation bond of \$75 million was issued in April 2020 and was used to fund the first year of projects including the expansion of a pre-8 and a high school, as well as renovations of an elementary school. Additionally, safety, security, technology and athletic facilities upgrades were made at multiple schools. Debt outstanding on these bonds at June 30, 2020 totaled \$75,000,000.

The total debt outstanding against the 2000 referendum general obligation bonds, the 1995 referendum general obligation bonds, the 2006 referendum general obligation bonds, and 2008 referendum general obligation bonds, not subject to the 8% limitation, was \$35,553,261 at June 30, 2020. In addition, the 2016 EFC IPRB refunding bonds and the lease acquisition referenced are not subject to the 8% limitation.

The School District issued General Obligation Bonds on August 29, 2019 in the amount of \$19,300,000, maturing in March 2023, bearing interest from 3.0 to 5.0%, to fund construction projects. Debt outstanding at June 30, 2020 against the \$19,300,000 in General Obligation Bonds totaled \$7,910,000.

#### Direct Borrowing and Placement Bonds

**IPRB Bonds** – The December 1, 2006 IPRB Bonds are not an obligation of the School District; however, as the EFC is blended with the operations of the School District, the debt of the EFC is included with the School District's other obligations as required by accounting principles generally accepted in the United States of America. During the year ended June 30, 2017, the School District advance refunded these IPRB Bonds through the issuance of Series 2016 IPRB Bonds.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

#### Direct Borrowing and Placement Bonds (Continued)

The EFC executed a trust agreement in connection with the IPRB Bonds and established several accounts as follows. Because these bonds were advance refunded during the year ended June 30, 2017, these accounts were liquidated as part of the advance refunding and deposited. These accounts established by the trust agreement were in compliance with the agreement.

The IPRB Bonds were issued pursuant to a Facilities Agreement between the School District and the EFC and evidence proportionate interests of the owners in certain rental payments be made by the School District under the terms of a Base Lease Agreement between the School District and the EFC. These agreements were authorized by the Board of Education of the School District on December 5, 2006. The School District will purchase the facilities from the EFC pursuant to the Facilities Agreement, which will obligate the School District to make installment payments of purchase price (lease rental payments) to the EFC in amounts calculated to be sufficient to enable the EFC to pay the principal and interest on the outstanding bonds. The refunding bonds bear interest at 1.9% to 3.3% and are payable in December of each year, maturing in 2028.

The School District's obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the School District in any fiscal year in which funds are not appropriated by the School District to pay the installment payments of purchase price due in such fiscal year. However, the School District would forfeit possession of the facilities for the remainder of the term of the lease if they were to not pay the installment payments.

**Advance Refunding of IPRB Bonds** – The School District issued \$29,050,000 in IPRB bonds, series 2016, with an average coupon rate of 3.07%. The proceeds, along with EFC cash totaling \$2,888,013, were used to advance refund \$30,585,000 of outstanding 2006 IPRB bonds which had interest rates ranging from 4.0% to 5.0%. Total costs to issue the 2016 IPRB Bonds totaled \$642,668. The net proceeds of \$31,295,345 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, \$30,585,000 of the 2006 IPRB Bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The acquisition price exceeded the net carrying amount of the previous debt by \$731,908. The School District refunded the bonds to reduce its total debt service payments over 16 years by approximately \$5,200,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$3,500,000.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

#### Direct Borrowing and Placement Bonds (Continued)

**Acquisition Note Payable** – The School District entered into an Acquisition, Use and Security Agreement to acquire school buses on July 1, 2017 at a cost of \$3,500,000, bearing interest at 1.32%. The School District is required to make five annual payments on this note payable beginning December 1, 2016. The balance on this note was \$1,435,700 as of June 30, 2020. A first priority lien and security interest in any and all of the School District's right, title and interest in and to the Acquisition Fund, the Equipment, all additions, attachments, accessions, substitutions and replacements thereto, and any and all proceeds thereof, including without limitation, any proceeds of insurance thereon. Upon the payment of each Acquisition Payment, unencumbered title to a portion of the Equipment vests with the School District such that the lien on that Equipment is released.

The annual requirements to amortize all bonds outstanding at June 30, 2020, including interest payments over the life of the debt are summarized as follows:

Year Ending June 30,	Principal	Premiums	Interest	Total
2021	\$ 52,782,621	\$ 5,180,087	\$ 12,263,180	\$ 70,225,888
2022	38,389,000	3,786,002	10,323,933	52,498,935
2023	35,227,000	2,821,433	8,467,649	46,516,082
2024	32,879,000	1,918,166	6,853,501	41,650,667
2025	20,997,000	1,170,326	5,352,238	27,519,564
2026 – 2030	79,404,000	4,062,545	17,783,899	101,250,444
2031 – 2035	36,150,000	1,405,336	5,948,825	43,504,161
2036 – 2040	17,500,000	458,411	1,575,000	19,533,411
Total	<u>\$ 313,328,621</u>	<u>\$ 20,802,306</u>	<u>\$ 68,568,224</u>	<u>\$ 402,699,151</u>

Repayment of the general obligation bonds is funded by the School District Debt Service Fund, while repayment of the IPRB bonds is funded by the EFC Debt Service Fund.

### NOTE 8. SHORT-TERM OBLIGATIONS

The School District's short-term obligations for the year ended June 30, 2020 consisted of the following activity:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
General obligation bonds	\$ 348,000	\$ 3,142,000	\$ (3,490,000)	\$ -
Tax anticipation note	-	14,300,000	(14,300,000)	-
Governmental activities:				
Short-term liabilities	<u>\$ 348,000</u>	<u>\$ 17,442,000</u>	<u>\$ (17,790,000)</u>	<u>\$ -</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. SHORT-TERM OBLIGATIONS (CONTINUED)

The School District issued general obligation bonds on May 15, 2019 in the amount of \$348,000, maturing in March 2020, bearing interest at 2.00%, for the purpose of making payments to EFC.

The School District issued general obligation bonds through SCAGO on September 25, 2019 in the amount of \$3,142,000, bearing interest at 2.00%, for the purpose of making payments to EFC. The School District repaid the bonds, including interest of approximately \$27,000, in March 2020.

The School District issued a Tax Anticipation Note on August 2, 2019 in the amount of \$14,300,000, maturing in April 2020, bearing interest at 5.00%, to fund operations. The School District repaid the note, including interest of approximately \$467,000, in January 2020.

None of the School District's short term obligations were direct issuances of the School District, and no unusual events of default or termination exist for these debt issuances. General Obligation Bonds are direct obligations and pledge the full faith and credit of the School District.

### NOTE 9. INTERFUND TRANSFERS

Transfers from (to) other funds for the year ended June 30, 2020 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 7,606,024	\$ 110,000
Special Projects Fund	-	450,841
Education Improvement Act Fund	-	7,030,197
District Debt Service Fund	-	2,724,007
Non-major governmental fund	2,724,007	-
Total governmental funds	<u>10,330,031</u>	<u>10,315,045</u>
Food Service Fund	110,000	124,986
Total proprietary funds	<u>110,000</u>	<u>124,986</u>
Total	<u>\$ 10,440,031</u>	<u>\$ 10,440,031</u>

Transfers are used: 1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and 2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers out of the Education Improvement Act and Special Projects Fund to the General Fund are to cover allowable salaries paid out of the General Fund. Transfers out of the School Food Service Fund to the General Fund are to cover indirect costs.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND TRANSFERS (CONTINUED)

Transfers out of the Debt Service Fund – District to the Debt Service Fund – EFC are to make interest and principal payments on the Installment Purchase Revenue Bonds with proceeds from short term borrowings.

### NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 5,912	\$ -
Special Projects Fund	-	10,120
Total governmental funds	<u>5,912</u>	<u>10,120</u>
Food Service Fund	10,120	5,912
Total proprietary funds	<u>10,120</u>	<u>5,912</u>
Total	<u>\$ 16,032</u>	<u>\$ 16,032</u>

### NOTE 11. FUND BALANCES AND NET POSITION

The fund balances/net position have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

#### **Governmental fund financial statements**

**Fund balance – Nonspendable** – balances that by their nature are unable to be spent.

**Fund balances – Restricted** – balances that can only be spent for the specific purpose stipulated by a constitution, external resources providers, or through enabling legislation.

**Fund balances – Committed** – balances that can only be used for the specific purpose determined by the Board of Education. The Board, as the School District's highest level of decision making authority, may commit fund balances by a formal vote prior to the School District's fiscal year-end for that fiscal year. Further modification or rescission of committed funds must also be accomplished by a formal vote of the Board prior to fiscal year-end.

**Fund balances – Assigned** – balances classified as assigned are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as committed. Intent can be expressed by the Board of Education or an official or body to which the Board delegates the authority. As of June 30, 2020, no such delegation of authority has been made.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. FUND BALANCES AND NET POSITION (CONTINUED)

#### Governmental fund financial statements (Continued)

**Fund balances – Unassigned** – balances that are spendable amounts not contained in other classifications. The General Fund is the only fund that reports a positive fund unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

#### Government-wide and proprietary fund financial statements

**Net investment in capital assets** – represents the net cost of capital assets less accumulated depreciation and outstanding debt less unexpended proceeds attributable to the investment in capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. Detail of net investment in capital assets is as follows:

<b>Fund</b>	<b>Governmental Activities</b>
Capital assets, net of accumulated depreciation	\$ 519,646,607
Unspent bond proceeds	89,812,110
Deferred charge on refunding	4,240,478
Accounts and retainages payable	(675,746)
Bonds payable	(313,328,621)
Acquisition note payable	(1,435,700)
Unamortized bond premiums	(20,802,306)
Total net investment in capital assets	<u>\$ 277,456,822</u>

**Restricted net position** – represents net position restricted externally by creditors, grantors, contributors or laws and regulations of other governments; or restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** – represents the remainder of the School District's net position in government-wide and business-type activities.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. FUND BALANCES AND NET POSITION (CONTINUED)

#### Government-wide and proprietary fund financial statements (Continued)

Fund balances of the governmental-fund financial statements are as follows:

	General	Special Projects	Education Improvement Act	District Debt Service	Capital Projects	EFC Debt Service	Total
Nonspendable:							
Prepays and Inventory	\$ 35,201	\$ 49,379	\$ 25,818	\$ -	\$ -	\$ -	\$ 110,398
Restricted for:							
Capital projects	-	-	-	-	101,378,303	-	101,378,303
Debt service	-	-	-	16,577,383	-	37,174	16,614,557
Unassigned	44,742,600	(49,379)	(25,818)	-	-	-	44,667,403
	<u>\$ 44,777,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,577,383</u>	<u>\$ 101,378,303</u>	<u>\$ 37,174</u>	<u>\$ 162,770,661</u>

### NOTE 12. FOOD SERVICE

#### Federal Guidelines

The School District's Food Service Fund administers the lunch programs in accordance with the United States Department of Agriculture ("USDA") guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free by the Food Service Program. The type of meal served and classification of students determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. The food service expenditures are inclusive of \$802,749 of commodities provided and consumed during the year ended June 30, 2020.

#### Administrative Costs

The General Fund performs certain administrative functions and pays for certain costs of the Food Service Fund. The School District's accounting policies for food service operations reflect these expenditures in the General Fund.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 13. RETIREMENT PLAN

#### South Carolina Retirement System

##### Description of the Entity

The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems ("Systems") and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the South Carolina Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems ("SCRS")' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with GAAP. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

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

##### Plan Descriptions

The SCRS, a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 13. RETIREMENT PLAN

#### South Carolina Retirement System (Continued)

##### Plan Descriptions (Continued)

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

##### Membership

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

SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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

##### Benefits

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 13. RETIREMENT PLAN

#### South Carolina Retirement System (Continued)

##### Benefits (Continued)

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 13. RETIREMENT PLAN

#### South Carolina Retirement System (Continued)

##### Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute.

Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85%. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective on the following July 1st, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RETIREMENT PLAN

#### South Carolina Retirement System (Continued)

##### Contributions (Continued)

Required employee contribution rates are as follows:

	South Carolina Retirement System	
	Fiscal Year 2020	Fiscal Year 2019
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates are as follows:

	South Carolina Retirement System	
	Fiscal Year 2020	Fiscal Year 2019
<b>SCRS</b>		
Employer Class Two	15.41%	14.41%
Employer Class Three	15.41%	14.41%
Employer incidental death benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	17.84%	16.84%
Employer Class Three	17.84%	16.84%
Employer incidental death benefit	0.20%	0.20%
Employer accidental death program	0.20%	0.20%

##### Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ended June 30, 2015.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RETIREMENT PLAN (CONTINUED)

#### South Carolina Retirement System (Continued)

##### Actuarial Assumptions and Methods (Continued)

The June 30, 2019, total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2019, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2019.

	<b>SCRS</b>	<b>PORS</b>
	Entry Age	Entry Age
Actuarial cost method		
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

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

Assumptions used in the determination of the June 30, 2019, TPL are as follows:

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%
General Employees	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RETIREMENT PLAN (CONTINUED)

#### South Carolina Retirement System (Continued)

##### Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2019, for SCRS and PORS are presented below.

	<b>SCRS</b>	<b>PORS</b>
Total pension liability	\$ 591,093,449	\$ 41,558
Plan fiduciary net position	321,544,944	26,056
Employer's net pension liability	<u>\$ 269,548,505</u>	<u>\$ 15,502</u>
Plan fiduciary net position as a percentage of the total pension liability	54.4%	62.7%
School District's proportionate share of the collective net pension liability	1.180462%	0.000541%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

##### Long-term Expected Rate of Return

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

The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year of the Systems. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation, which is summarized in the table on the following page. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5% real rate of return and a 2.25% inflation component.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RETIREMENT PLAN (CONTINUED)

#### South Carolina Retirement System (Continued)

##### Long-term Expected Rate of Return (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
<b>Global equity</b>	<b>51.0%</b>		
Global public equity	35.0%	7.29%	2.55%
Private equity	9.0%	7.67%	0.69%
Equity options securities	7.0%	5.23%	0.37%
<b>Real assets</b>	<b>12.0%</b>		
Real estate (private)	8.0%	5.59%	0.45%
Real estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other opportunistic strategies	3.0%	3.82%	0.04%
<b>Credit</b>	<b>15.0%</b>		
Mixed credit	4.0%	3.14%	0.13%
Emerging markets	4.0%	3.31%	0.13%
Private debt	7.0%	5.49%	0.38%
<b>Rate sensitive</b>	<b>14.0%</b>		
Core fixed income	13.0%	1.62%	0.21%
Cash and short duration (net)	1.0%	0.31%	0.00%
	100%		
Total expected real return			5.41%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.66%

#### Discount Rate

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 13. RETIREMENT PLAN (CONTINUED)

#### South Carolina Retirement System (Continued)

##### Sensitivity Analysis

The following table presents the School District's net pension liability calculated using the discount rate of 7.25%, as well as what the School District's net pension liability would be if it were calculated using the discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

**South Carolina Retirement System**  
**Sensitivity of the Net Position Liability to Changes in the Discount Rate**

<b>Fiscal Year</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
SCRS	\$ 339,574,711	\$ 269,548,505	\$ 211,107,579
PORS	21,009	15,502	10,991

##### Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Non-employer Allocations and Schedules of Pension Amounts Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RETIREMENT PLAN (CONTINUED)

#### South Carolina Retirement System (Continued)

##### Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and Pension Expense

For the year ended June 30, 2020, the School District's pension expense was \$30,761,461 and \$2,303 for SCRS and PORS, respectively. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>SCRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 185,288	\$ 1,936,388
Changes of assumptions	5,431,792	-
Net difference between projected and actual earnings on pension plan investments	2,386,404	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,766,138	229,544
Employer contributions subsequent to the measurement date	18,056,976	-
Total	<u>\$ 27,826,598</u>	<u>\$ 2,165,932</u>
<b>PORS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 319	\$ 115
Changes of assumptions	615	-
Net difference between projected and actual earnings on pension plan investments	196	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,835	87,465
Employer contributions subsequent to the measurement date	995	-
Total	<u>\$ 15,960</u>	<u>\$ 87,580</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13. RETIREMENT PLAN (CONTINUED)

#### South Carolina Retirement System (Continued)

##### Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and Pension Expense (Continued)

District contributions subsequent of the measurement date of \$18,056,976 and \$995 reported as deferred outflow of resources for the SCRS and PORS, will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	SCRS	PORS
2021	\$ 8,752,609	\$ (26,552)
2022	(2,285,545)	(27,175)
2023	219,701	(17,011)
2024	916,925	(1,877)
Total	<u>\$ 7,603,690</u>	<u>\$ (72,615)</u>

### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

#### Overview

The South Carolina PEBA was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Terms commence on July first of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits ("OPEB").

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

#### Plan Description

The Other Post-Employment Benefits Trust Funds ("OPEB Trusts"), collectively refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") was established by the State of South Carolina as Act 195, which became effective in May, 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans.

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

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

#### Benefits

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

#### Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

#### Contributions and Funding Policies (Continued)

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2019 was 6.05%. The SCRS collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2019 totaled \$529,122,849. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$190,548.

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

#### Contributions and Funding Policies (Continued)

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

#### Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2018
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.13% as of June 30, 2019
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2015.
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

#### Actuarial Assumptions and Methods (Continued)

Retiree Participation: 79% for retirees who are eligible for funded premiums, 59% for retirees who are eligible for partial funded premiums, 20% for retirees who are eligible for non-funded premiums.

Notes: There were no benefit changes during the year; the discount rate changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019.

#### Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2018. Update procedures were used to roll forward the total OPEB liability to June 30, 2019 (measurement date used for the School District's reporting as of June 30, 2020).

#### Net OPEB Liability

The Net OPEB Liability ("NOL") is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability ("TOL") determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

At June 30, 2020, the School District reported a liability for its proportionate share of the net OPEB liability of \$227,180,947. The net OPEB liability was measured as of June 30, 2019. The School District's proportion of the net OPEB liability was based on contributions to SCRHITF during the fiscal year ended June 30, 2019. At June 30, 2019, the District's proportion of the total net OPEB liability was 1.502368%, which was an increase of 0.011778% from its proportion measured as of June 30, 2018.

#### Single Discount Rate

The Single Discount Rate of 3.13% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

#### Long-term Expected Rate of Return

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash	20.00%	0.10%	0.02%
<b>Total</b>	<b>100.00%</b>		<b>0.50%</b>
Total expected weighted real return			0.50%
Inflation for actuarial purposes			2.25%
<b>Total expected nominal return</b>			<b>2.75%</b>
<b>Investment return assumption</b>			<b>2.75%</b>

#### Sensitivity Analysis

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.13%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%):

#### South Carolina Retiree Health Insurance Plan Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

<u>Fiscal Year</u>	<u>1% Decrease (2.13%)</u>	<u>Current Discount Rate (3.13%)</u>	<u>1% Increase (4.13%)</u>
2020	\$ 269,320,231	\$ 227,180,946	\$ 193,362,422

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

#### Sensitivity Analysis (Continued):

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

**South Carolina Retiree Health Insurance Plan**  
Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

Fiscal Year	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
2020	\$ 185,403,922	\$ 227,180,946	\$ 281,586,974

#### Deferred Outflows of Resources and Deferred Inflows of Resources and OPEB Expense

For the year ended June 30, 2020, the School District recognized OPEB expense of \$14,035,280. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

SCRHITF	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,675,106	\$ 7,384,604
Changes of assumptions	15,032,753	14,068,279
Net difference between projected and actual earnings on pension plan investments	265,746	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,522,920	712,188
Employer contributions subsequent to the measurement date	8,092,080	-
Total	<u>\$ 27,588,605</u>	<u>\$ 22,165,071</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

#### Deferred Outflows of Resources and Deferred Inflows of Resources and OPEB Expense (Continued)

School District contributions subsequent to the measurement date of \$8,092,080 will be recognized as a reduction of the net OPEB liability in the next fiscal year.

As of June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SCRHITF</u>
Year ending June 30,	
2021	\$ (1,254,775)
2022	(1,254,775)
2023	(1,342,190)
2024	(1,480,708)
2025	922,580
Thereafter	1,741,322
	<u>\$ (2,668,546)</u>

### NOTE 15. DEFERRED COMPENSATION PLAN

School District employees may participate in the 457 and/or 401(k) deferred compensation plans available to state and local governmental employees through the state public employee retirement system. These programs are administered by a state approved nongovernmental third party. Contributions by School District employees under the 457 and 401(k) programs totaled \$324,507 for the year ended June 30, 2020.

Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the contributing employee and are not subject to the claims of the School District's general creditors. The plan is administered by the State of South Carolina.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the School District carries commercial insurance. During the year ended June 30, 2020, the School District obtained its general liability and property insurance through the South Carolina School Boards Insurance Trust (the "Trust") which represents the majority of South Carolina school districts joined together in a public entity risk pool. The School District pays an annual premium to the Trust for its general liability and property insurance. The agreement for formation of the Trust provides that the Trust will be self-sustaining through member premiums.

The School District obtains its employee health and life insurance through the South Carolina State Budget and Control Board's Office of Insurance Services which represents all school agencies and most State agencies in South Carolina joined together in a public entity risk pool. The School District pays a portion of monthly premiums based on each participating employee. Life insurance is also obtained through the South Carolina State Budget and Control Board's Office of Insurance Services and the carrier is Met Life.

The School District is self-insured for Workers' Compensation and Brentwood Services Administrators acts as third party administrator. The School District's risk management activities related to workers' compensation insurance are recorded in the Insurance Reserve Fund (Internal Service Fund).

The School District establishes an estimated liability for workers' compensation claims and judgments based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

Claims liability in excess of available financial resources is recorded in the Statement of Net Position as a current liability. The specific stop-loss and aggregate retention provisions for workers' compensation are \$450,000 and \$2,314,925, respectively.

Changes in the balances of liability for claims and judgments during the last two years were as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
2019	\$ 332,586	\$ 940,832	\$ (914,629)	\$ 358,789
2020	358,789	415,473	(624,956)	149,306

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 16. RISK MANAGEMENT (CONTINUED)

Prior to July 1, 1978, school districts in South Carolina were exempt from unemployment taxes. Effective July 1, 1978, school districts were no longer exempted from these taxes. As a result, the School District established a limited risk management program for unemployment compensation. The School District reimburses the South Carolina Department of Employment and Workforce for actual claims paid attributable to service in the employ of the School District. Claims paid during the year ended June 30, 2020 were \$624,956 and were reported in the General Fund. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

The School District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### NOTE 17. RELATED PARTY TRANSACTIONS

**Related organizations** - Beaufort-Jasper Academy for Career Excellence is a career center that was created by an agreement between the School District and Jasper County School District dated June 13, 1975, under the provisions of legislation enacted by the General Assembly of the State of South Carolina. The Academy operates as a vocational school for high school students in Beaufort and Jasper Counties. The Academy's Board of Directors is comprised of three members from each of the Boards of Education of the respective two School Districts, along with the Superintendent of each School District as ex-officios. Budgetary controls are held by the Board of Education of the respective two School Districts. The agreement states that the responsibility for the Academy's general fund cost of maintenance, support, and operation of the Academy shall be borne jointly and on an enrollment ratio of two to one, respectively. The School District assumes the responsibility for two-thirds of these costs and Jasper County School District assumes the responsibility for one-third of these costs. During the year ended June 30, 2020 the School District's expenses related to this agreement were \$1,874,745 and included in the General Fund instruction (Career and Technology Education) expenditures.

**Component unit** – Allocated funding from the School District to Riverview Charter School during 2020 amounted to \$7,192,860.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 18. COMMITMENTS AND CONTINGENCIES

#### Construction Commitments

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2020 are as follows:

	<b>Contract Amount</b>	<b>Expended as of June 30, 2020</b>	<b>Remaining Contract</b>
Thompson Turner	\$ 14,653,807	\$ 1,026,505	\$ 13,627,302
TeamCraft Roofing	2,346,300	2,089,799	256,501
CE Bourne	529,387	284,445	244,942
MB Kahn	12,959,224	1,939,586	11,019,638
Southeast Roofing	1,107,000	827,439	279,561
Southeast Roofing	490,000	133,411	356,589
H.G. Reynolds	18,467,015	1,251,866	17,215,149
RRA Expansion	9,021,120	5,750,091	3,271,029
May River High Addition	11,890,385	5,399,096	6,491,289
	<u>\$ 71,464,238</u>	<u>\$ 18,702,238</u>	<u>\$ 52,762,000</u>

#### Litigation

Various claims and lawsuits are pending against the School District. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

#### Grants

The School District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 19. SUBSEQUENT EVENTS

The School District issued a Tax Anticipation Note through South Carolina Association of Governmental Organizations ("SCAGO") on August 14, 2020 in the amount of \$14,300,000, maturing in April 2021, bearing interest at 0.28%, to facilitate operating cash flow needs until the collection of future levied property taxes.

The School District issued General Obligation Bonds through First Citizens Bank on September 10, 2020 in the amount of \$9,690,000, maturing in March 2021, bearing interest at 0.74%, for the purpose of making payments to the EFC and various 8% capital projects.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# BEAUFORT COUNTY SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018
<b>SOUTH CAROLINA RETIREMENT SYSTEM</b>			
School District's proportion of the net pension liability	<b>1.18046%</b>	1.17962%	1.18180%
School District's proportionate share of the net pension liability	<b>\$ 269,548,505</b>	\$ 264,315,046	\$ 266,042,861
School District's covered payroll	<b>\$ 131,386,738</b>	\$ 128,517,247	\$ 126,181,528
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<b>205.16%</b>	205.67%	210.84%
Plan fiduciary net position as a percentage of the total pension liability	<b>54.40%</b>	54.10%	53.30%
<b>POLICE OFFICER'S RETIREMENT SYSTEM</b>			
School District's proportion of the net pension liability	<b>0.000541%</b>	0.00205%	0.00635%
School District's proportionate share of the net pension liability	<b>\$ 15,502</b>	\$ 58,038	\$ 174,017
School District's covered payroll	<b>\$ 7,845</b>	\$ 28,351	\$ 82,048
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<b>197.60%</b>	204.71%	212.09%
Plan fiduciary net position as a percentage of the total pension liability	<b>62.70%</b>	61.70%	60.90%

**NOTE:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

2017	2016	2015	2014
1.15049%	1.13980%	1.17216%	1.17216%
\$ 245,743,607	\$ 216,168,376	\$ 201,806,920	\$ 210,243,511
\$ 118,268,860	\$ 113,294,579	\$ 112,911,730	\$ 99,991,462
207.78%	190.80%	178.73%	181.94%
52.91%	57.00%	59.90%	56.39%
0.00452%	0.00581%	0.00544%	N/A
\$ 114,573	\$ 126,629	\$ 104,144	N/A
\$ 57,592	\$ 71,983	\$ 53,518	N/A
198.94%	175.92%	194.60%	N/A
60.44%	64.57%	67.55%	N/A

# BEAUFORT COUNTY SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS - PENSIONS FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018
<b>SOUTH CAROLINA RETIREMENT SYSTEM</b>			
Contractually required contribution	\$ 18,056,976	\$ 16,942,106	\$ 15,370,022
Contributions in relation to the contractually required contribution	(18,056,976)	(16,942,106)	(15,370,022)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
School District's covered payroll	\$ 138,943,062	\$ 131,386,738	\$ 128,517,247
Contributions as a percentage of covered payroll	13.00%	12.89%	11.96%
<b>POLICE OFFICER'S RETIREMENT SYSTEM</b>			
Contractually required contribution	\$ 995	\$ 761	\$ 4,012
Contributions in relation to the contractually required contribution	(995)	(761)	(4,012)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
School District's covered payroll	\$ 5,514	\$ 7,845	\$ 28,351
Contributions as a percentage of covered payroll	18.04%	9.70%	14.15%

**NOTE:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

2017	2016	2015	2014
\$ 13,784,757	\$ 12,321,935	\$ 11,648,817	\$ 11,280,173
(13,784,757)	(12,321,935)	(11,648,817)	(11,280,173)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 126,181,528	\$ 118,268,860	\$ 113,294,579	\$ 112,911,730
10.92%	10.42%	10.28%	9.99%
\$ 11,684	\$ 7,913	\$ 9,653	\$ 6,872
(11,684)	(7,913)	(9,653)	(6,872)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 82,048	\$ 57,592	\$ 71,983	\$ 53,518
14.24%	13.74%	13.41%	12.84%

# BEAUFORT COUNTY SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018	2017
<b>SCRHITF</b>				
School District's proportion of the net OPEB liability	<b>1.502368%</b>	1.490590%	0.540623%	0.540623%
School District's proportionate share of the net OPEB liability	<b>\$ 227,180,947</b>	\$ 211,225,322	\$ 202,804,666	\$ 216,636,496
School District's covered payroll	<b>\$ 131,394,583</b>	\$ 128,545,598	\$ 126,263,576	\$ 118,326,452
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	<b>172.90%</b>	164.32%	160.62%	183.08%
Plan fiduciary net position as a percentage of the total OPEB liability	<b>7.91%</b>	7.97%	7.60%	6.62%

**NOTE:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.



# BEAUFORT COUNTY SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS - OPEB FOR THE YEAR ENDED JUNE 30,

	2020	2019	2018	2017
<b>SCRHITF</b>				
Contractually required contribution	\$ 8,092,080	\$ 7,750,891	\$ 6,502,595	\$ 6,729,849
Contributions in relation to the contractually required contribution	(8,092,080)	(7,750,891)	(6,502,595)	(6,729,849)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 138,948,576	\$ 131,394,583	\$ 128,545,598	\$ 126,263,576
Contributions as a percentage of covered payroll	5.82%	5.90%	5.06%	5.33%

**NOTE:** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

# BEAUFORT COUNTY SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 151,651,605	\$ 151,651,605	\$ 151,120,388	\$ (531,217)
State sources	93,347,306	93,347,306	94,176,056	828,750
Federal sources	690,000	690,000	1,007,699	317,699
Total revenues	245,688,911	245,688,911	246,304,143	615,232
<b>Expenditures</b>				
Current				
Instruction	154,328,779	154,320,903	146,759,575	7,561,328
Support services	93,387,462	93,395,338	88,957,598	4,437,740
Intergovernmental expenditures				
Payments to other governmental units	6,411,201	6,411,201	6,811,988	(400,787)
Debt service	60,000	60,000	39,975	20,025
Total expenditures	254,187,442	254,187,442	242,569,136	11,618,306
Excess (deficiency) of revenues over (under) expenditures	(8,498,531)	(8,498,531)	3,735,007	12,233,538
<b>Other financing sources (uses)</b>				
Operating transfers in	7,535,948	7,535,948	7,606,024	70,076
Operating transfers out	(110,000)	(110,000)	(110,000)	-
Total other financing sources (uses)	7,425,948	7,425,948	7,496,024	70,076
Excess of revenues and other financing sources over expenditures and other financing (uses)	(1,072,583)	(1,072,583)	11,231,031	12,303,614
<b>Fund balances, beginning of year</b>	33,546,772	33,546,772	33,546,772	-
<b>Fund balances, end of year</b>	<u>\$ 32,474,189</u>	<u>\$ 32,474,189</u>	<u>\$ 44,777,803</u>	<u>\$ 12,303,614</u>

**NOTE:** Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

# BEAUFORT COUNTY SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE SPECIAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 926,590	\$ 1,250,906	\$ 955,711	\$ (295,195)
State sources	4,377,564	4,138,217	5,066,045	927,828
Federal sources	16,079,778	12,024,300	11,816,071	(208,229)
Total revenues	21,383,932	17,413,423	17,837,827	424,404
<b>Expenditures</b>				
Current				
Instruction	12,646,958	10,557,672	9,766,754	790,918
Support services	7,660,963	5,097,966	5,040,925	57,041
Community services	317,008	416,644	267,283	149,361
Intergovernmental expenditures				
Payments to other governmental units	139,443	311,712	2,312,024	(2,000,312)
Total expenditures	20,764,372	16,383,994	17,386,986	(1,002,992)
Excess of revenues over expenditures	619,560	1,029,429	450,841	(578,588)
<b>Other financing uses</b>				
Operating transfers out	(619,560)	(1,029,429)	(450,841)	578,588
Total other financing uses	(619,560)	(1,029,429)	(450,841)	578,588
Excess of revenues and other financing sources over expenditures and other financing (uses)	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ -

**NOTE:** Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

# BEAUFORT COUNTY SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE EDUCATION IMPROVEMENT ACT FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
State sources	\$ 14,236,531	\$ 17,631,306	\$ 14,590,354	\$ (3,040,952)
Total revenues	14,236,531	17,631,306	14,590,354	(3,040,952)
<b>Expenditures</b>				
Current				
Instruction	6,913,928	8,822,357	6,144,841	2,677,516
Support services	1,725,874	1,642,301	1,280,882	361,419
Intergovernmental expenditures				
Payments to other governmental units	83,847	136,450	134,434	2,016
Total expenditures	8,723,649	10,601,108	7,560,157	3,040,951
Excess of revenues over expenditures	5,512,882	7,030,198	7,030,197	(1)
<b>Other financing sources (uses)</b>				
Operating transfers out	(5,512,882)	(7,030,198)	(7,030,197)	1
Total other financing sources (uses)	(5,512,882)	(7,030,198)	(7,030,197)	1
Excess of revenues and other financing sources over expenditures and other financing (uses)	-	-	-	-
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ -	\$ -

**NOTE:** Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

## **OTHER SUPPLEMENTARY INFORMATION**



## **GENERAL FUND**

The general fund, also referred to as the “operating fund”, is the basic budgetary fund of the School District. It is used to record all operating revenues and expenditures for the educational and support programs of the School District and for limited capital outlays. The appropriations and the anticipated revenue sources originate in the School District’s operating budget. Any unassigned fund balance may be appropriated to support operating expenditures in subsequent years.

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

		Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>					
1000	Revenue from local sources				
1200	Revenue from local governmental units other than LEAs				
1210	Ad valorem taxes-including delinquent	\$ 149,733,105	\$ 149,733,105	\$ 148,559,066	\$ (1,174,039)
1240	Penalties & interest on taxes	800,000	800,000	822,146	22,146
1280	Revenue in lieu of taxes	25,000	25,000	17,725	(7,275)
1300	Tuition				
1320	Tuition from other LEAs for regular day school	50,000	50,000	52,516	2,516
1500	Earnings on investments				
1510	Interest on investments	250,000	250,000	785,151	535,151
1900	Other revenue from local sources				
1910	Rentals	293,500	293,500	332,140	38,640
1950	Refund of Prior Year's Expenditures	-	-	1,558	1,558
1990	Miscellaneous local revenue				
1999	Revenue from other local sources	500,000	500,000	550,086	50,086
	Total local sources	151,651,605	151,651,605	151,120,388	(531,217)
3000	Revenue from state sources				
3100	Restricted State Funding				
3130	Special programs				
3131	Handicapped transportation	-	-	2,540	2,540
3132	Home schooled	-	-	3,111	3,111
3160	School bus driver salary	1,100,000	1,100,000	1,139,631	39,631
3162	Transportation workers' compensation	75,000	75,000	72,015	(2,985)
3180	Fringe benefits employer contributions	7,901,292	7,901,292	8,001,333	100,041
3181	Retiree insurance	5,265,497	5,265,497	5,799,628	534,131
3186	State aid to classrooms	-	4,776,603	5,071,420	294,817
3199	Other restricted state grants	4,776,603	-	7,249	7,249
3300	Education Finance Act (EFA)				
3310	Full-time programs				
3311	Kindergarten	862,919	862,919	836,066	(26,853)
3312	Primary	2,628,518	2,628,518	2,582,404	(46,114)
3313	Elementary	4,413,969	4,413,969	4,456,353	42,384
3314	High school	1,137,969	1,137,969	1,567,466	429,497
3315	Trainable mentally handicapped	30,881	30,881	36,292	5,411
3316	Speech handicapped	863,266	863,266	816,431	(46,835)
3317	Homebound	8,251	8,251	6,689	(1,562)
3320	Part-time programs				
3321	Emotionally handicapped	34,036	34,036	30,877	(3,159)
3322	Educable mentally handicapped	27,138	27,138	22,605	(4,533)
3323	Learning disabilities	1,001,221	1,001,221	1,121,924	120,703
3324	Hearing handicapped	34,036	34,036	39,094	5,058
3325	Visually handicapped	26,437	26,437	30,901	4,464
3326	Orthopedically handicapped	25,072	25,072	29,749	4,677
3327	Vocational	2,946,396	2,946,396	2,424,013	(522,383)
3330	Miscellaneous EFA programs				
3331	Autism	205,196	205,196	226,260	21,064
3332	High achieving students	364,091	364,091	360,376	(3,715)
3334	Limited English proficiency	408,909	408,909	406,124	(2,785)
3350	Miscellaneous EFA Programs:				
3351	Academic assistance	574,426	574,426	570,148	(4,278)
3352	Pupils in poverty	1,444,507	1,444,507	1,431,400	(13,107)
3353	Dual credit enrollment	25,307	25,307	31,406	6,099

(Continued)



# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

		Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues (Continued)</b>					
3000	Revenue from state sources (Continued)				
3800	State revenue in lieu of taxes				
3810	Reimbursement for local residential property tax relief	\$ 7,036,261	\$ 7,036,261	\$ 7,036,261	\$ -
3820	Homestead exemption	2,045,867	2,045,867	2,045,867	-
3825	Reimbursement for property tax relief	46,327,162	46,327,162	46,320,250	(6,912)
3830	Merchant's inventory tax	332,079	332,079	332,079	-
3890	Other state property tax revenues	225,000	225,000	106,504	(118,496)
3900	Other state revenue				
3993	PEBA on behalf payments	1,200,000	1,200,000	1,206,425	6,425
3999	Revenue from other state sources	-	-	5,165	5,165
	Total state sources	<u>93,347,306</u>	<u>93,347,306</u>	<u>94,176,056</u>	<u>828,750</u>
4000	Revenue from federal sources				
4100	Federally impacted areas				
4110	Maintenance and Operations, P.L. 81-874	40,000	40,000	57,303	17,303
4900	Other federal sources				
4993	FEMA Disaster Assistance	-	-	457,057	457,057
4999	Revenue from other federal sources	650,000	650,000	493,339	(156,661)
	Total federal sources	<u>690,000</u>	<u>690,000</u>	<u>1,007,699</u>	<u>317,699</u>
	Total revenue all sources	<u><u>\$ 245,688,911</u></u>	<u><u>\$ 245,688,911</u></u>	<u><u>\$ 246,304,143</u></u>	<u><u>\$ 615,232</u></u>

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

		Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures</b>					
100	Instruction				
110	General instruction				
111	Kindergarten programs				
100	Salaries	\$ 6,875,336	\$ 6,875,336	\$ 6,487,574	\$ 387,762
140	Terminal leave	-	-	-	-
200	Employee benefits	3,014,674	3,014,674	2,860,204	154,470
300	Purchased services	189,231	206,854	171,787	35,067
400	Supplies and materials	108,515	106,410	70,771	35,639
		<u>10,187,756</u>	<u>10,203,274</u>	<u>9,590,336</u>	<u>612,938</u>
112	Primary programs				
100	Salaries	18,787,949	18,664,949	17,197,572	1,467,377
140	Terminal leave	-	-	2,351	(2,351)
200	Employee benefits	7,483,895	7,339,195	6,845,767	493,428
300	Purchased services	2,141,164	2,283,394	1,567,763	715,631
400	Supplies and materials	582,190	617,032	486,367	130,665
600	Other objects	1,250	2,443	1,785	658
		<u>28,996,448</u>	<u>28,907,013</u>	<u>26,101,605</u>	<u>2,805,408</u>
113	Elementary programs				
100	Salaries	29,352,590	29,352,590	29,210,438	142,152
140	Terminal leave	-	-	7,299	(7,299)
200	Employee benefits	11,657,238	11,677,238	11,672,641	4,597
300	Purchased services	1,735,908	1,437,838	1,198,164	239,674
400	Supplies and materials	609,626	622,609	478,735	143,874
600	Other objects	2,220	6,354	4,425	1,929
		<u>43,357,582</u>	<u>43,096,629</u>	<u>42,571,702</u>	<u>524,927</u>
114	High school programs				
100	Salaries	22,860,797	22,547,614	20,636,594	1,911,020
140	Terminal leave	-	-	6,854	(6,854)
200	Employee benefits	9,246,695	9,050,471	8,178,245	872,226
300	Purchased services	1,623,991	1,803,926	1,567,648	236,278
400	Supplies and materials	853,448	787,005	584,033	202,972
600	Other objects	54,579	43,306	36,168	7,138
		<u>34,639,510</u>	<u>34,232,322</u>	<u>31,009,542</u>	<u>3,222,780</u>
115	Career and technology education (vocational) programs				
100	Salaries	2,515,046	2,637,046	2,634,519	2,527
200	Employee benefits	947,264	1,045,264	1,043,093	2,171
300	Purchased services	1,844,569	1,850,621	1,849,138	1,483
400	Supplies and materials	32,500	29,951	29,825	126
600	Other objects	2,700	2,974	946	2,028
		<u>5,342,079</u>	<u>5,565,856</u>	<u>5,557,521</u>	<u>8,335</u>
117	Driver education program				
100	Salaries	147,312	150,512	150,268	244
200	Employee benefits	44,470	50,470	49,918	552
300	Purchased services	1,868	2,375	2,345	30
400	Supplies and materials	670	499	362	137
		<u>194,320</u>	<u>203,856</u>	<u>202,893</u>	<u>963</u>
118	Montessori programs				
100	Salaries	682,572	700,572	699,035	1,537
200	Employee benefits	280,476	295,476	294,713	763
300	Purchased services	14,594	19,156	12,627	6,529
400	Supplies and materials	10,250	7,362	5,142	2,220
		<u>987,892</u>	<u>1,022,566</u>	<u>1,011,517</u>	<u>11,049</u>
	Total general instruction	<u>123,705,587</u>	<u>123,231,516</u>	<u>116,045,116</u>	<u>7,186,400</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

		Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>					
100	Instruction (Continued)				
120	Exceptional programs				
121	Educable mentally handicapped				
100	Salaries	\$ 1,057,036	\$ 1,059,536	\$ 1,059,347	\$ 189
200	Employee benefits	444,497	478,497	477,908	589
300	Purchased services	30,047	27,521	24,615	2,906
400	Supplies and materials	1,145	1,145	251	894
		<u>1,532,725</u>	<u>1,566,699</u>	<u>1,562,121</u>	<u>4,578</u>
122	Trainable mentally handicapped				
100	Salaries	798,486	937,486	936,464	1,022
200	Employee benefits	338,463	363,463	361,485	1,978
300	Purchased services	4,140	4,199	3,902	297
400	Supplies and materials	5,030	5,030	3,016	2,014
		<u>1,146,119</u>	<u>1,310,178</u>	<u>1,304,867</u>	<u>5,311</u>
123	Orthopedically handicapped				
100	Salaries	143,660	213,660	212,302	1,358
200	Employee benefits	74,342	97,342	96,496	846
300	Purchased services	77,146	2,146	1,625	521
400	Supplies and materials	3,390	3,790	888	2,902
		<u>298,538</u>	<u>316,938</u>	<u>311,311</u>	<u>5,627</u>
124	Visually handicapped				
100	Salaries	91,969	70,469	69,740	729
200	Employee benefits	37,708	29,708	28,780	928
300	Purchased services	313	313	-	313
		<u>129,990</u>	<u>100,490</u>	<u>98,520</u>	<u>1,970</u>
125	Hearing handicapped				
100	Salaries	362,245	284,169	282,691	1,478
200	Employee benefits	113,848	113,848	113,269	579
300	Purchased services	-	167	147	20
400	Supplies and materials	300	280	-	280
		<u>476,393</u>	<u>398,464</u>	<u>396,107</u>	<u>2,357</u>
126	Speech handicapped				
100	Salaries	1,305,491	1,162,067	1,161,247	820
200	Employee benefits	538,847	481,847	481,304	543
300	Purchased services	257,337	276,647	276,218	429
400	Supplies and materials	5,183	5,249	2,192	3,057
		<u>2,106,858</u>	<u>1,925,810</u>	<u>1,920,961</u>	<u>4,849</u>
127	Learning disabilities				
100	Salaries	5,987,390	6,079,090	6,078,075	1,015
140	Terminal leave	-	-	579	(579)
200	Employee benefits	2,643,023	2,902,023	2,901,087	936
300	Purchased services	123,350	360,714	360,113	601
400	Supplies and materials	61,533	49,714	44,198	5,516
600	Other objects	2,100	240	68	172
		<u>8,817,396</u>	<u>9,391,781</u>	<u>9,384,120</u>	<u>7,661</u>
128	Emotionally handicapped				
100	Salaries	1,249,121	956,421	954,775	1,646
140	Terminal leave	-	-	415	(415)
200	Employee benefits	500,835	414,835	414,123	712
300	Purchased services	17,655	23,281	23,181	100
400	Supplies and materials	400	300	-	300
		<u>1,768,011</u>	<u>1,394,837</u>	<u>1,392,494</u>	<u>2,343</u>
	Total exceptional programs	<u>16,276,030</u>	<u>16,405,197</u>	<u>16,370,501</u>	<u>34,696</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

		Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>					
100	Instruction (Continued)				
130	Preschool programs				
135	Preschool handicapped speech (3- and 4-yr.-olds)				
100	Salaries	\$ 89,320	\$ 95,820	\$ 95,489	\$ 331
200	Employee benefits	41,922	41,922	39,680	2,242
300	Purchased services	4,401	4,401	3,322	1,079
		<u>135,643</u>	<u>142,143</u>	<u>138,491</u>	<u>3,652</u>
137	Preschool handicapped - self contained (3- and 4-yr.-olds)				
100	Salaries	418,072	628,555	627,797	758
200	Employee benefits	150,820	282,544	275,679	6,865
300	Purchased services	35,516	35,516	17,521	17,995
		<u>604,408</u>	<u>946,615</u>	<u>920,997</u>	<u>25,618</u>
139	Early childhood programs				
100	Salaries	3,023,351	2,992,851	2,943,680	49,171
140	Terminal leave	-	-	1,230	(1,230)
200	Employee benefits	1,356,822	1,356,822	1,352,463	4,359
300	Purchased services	88,470	102,476	101,490	986
400	Supplies and materials	41,015	44,725	33,198	11,527
		<u>4,509,658</u>	<u>4,496,874</u>	<u>4,432,061</u>	<u>64,813</u>
	Total preschool programs	<u>5,249,709</u>	<u>5,585,632</u>	<u>5,491,549</u>	<u>94,083</u>
140	Special programs				
141	Gifted and talented academic				
100	Salaries	2,035,921	2,130,921	2,127,774	3,147
200	Employee benefits	842,819	870,819	869,010	1,809
300	Purchased services	32,242	39,662	32,772	6,890
400	Supplies and materials	59,300	38,200	34,827	3,373
600	Other objects	6,300	4,400	794	3,606
		<u>2,976,582</u>	<u>3,084,002</u>	<u>3,065,177</u>	<u>18,825</u>
144	International baccalaureate				
100	Salaries	29,383	30,883	30,558	325
200	Employee benefits	14,919	15,419	15,331	88
300	Purchased services	20,880	64,085	30,230	33,855
400	Supplies and materials	13,000	8,795	5,910	2,885
600	Other objects	100,775	60,775	47,033	13,742
		<u>178,957</u>	<u>179,957</u>	<u>129,062</u>	<u>50,895</u>
145	Homebound				
100	Salaries	70,000	85,595	84,719	876
200	Employee benefits	15,000	23,956	23,828	128
300	Purchased services	62,742	50,891	42,522	8,369
		<u>147,742</u>	<u>160,442</u>	<u>151,069</u>	<u>9,373</u>
148	Gifted and talented artistic				
100	Salaries	-	6,093	6,092	1
200	Employee benefits	-	1,794	1,793	1
300	Purchased services	13,900	16,583	9,666	6,917
400	Supplies and materials	11,000	6,983	738	6,245
600	Other objects	16,000	6,113	5,663	450
		<u>40,900</u>	<u>37,566</u>	<u>23,952</u>	<u>13,614</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total special programs	<u>3,344,181</u>	<u>3,461,967</u>	<u>3,369,260</u>	<u>92,707</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

				Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>							
100	Instruction (Continued)						
160	Other exceptional programs						
161	Autism						
100	Salaries			\$ 206,243	\$ 111,743	\$ 109,425	\$ 2,318
200	Employee benefits			91,811	61,811	59,997	1,814
300	Purchased services			77,813	77,813	49,008	28,805
400	Supplies and materials			150	150	84	66
				<u>376,017</u>	<u>251,517</u>	<u>218,514</u>	<u>33,003</u>
162	Limited English proficiency						
100	Salaries			3,733,795	3,733,795	3,718,988	14,807
200	Employee benefits			1,376,815	1,406,815	1,403,273	3,542
300	Purchased services			46,438	46,878	33,713	13,165
400	Supplies and materials			35,192	21,359	10,686	10,673
600	Other objects			6,000	7,000	398	6,602
				<u>5,198,240</u>	<u>5,215,847</u>	<u>5,167,058</u>	<u>48,789</u>
	Total other exceptional programs			<u>5,574,257</u>	<u>5,467,364</u>	<u>5,385,572</u>	<u>81,792</u>
170	Summer school programs						
175	Instructional programs beyond regular school day						
100	Salaries			-	9,295	7,939	1,356
200	Employee benefits			-	2,705	2,336	369
400	Supplies and materials			1,150	1,150	-	1,150
600	Other objects			13,483	647	-	647
				<u>14,633</u>	<u>13,797</u>	<u>10,275</u>	<u>3,522</u>
	Total summer school programs			<u>14,633</u>	<u>13,797</u>	<u>10,275</u>	<u>3,522</u>
180	Adult/continuing education programs						
188	Parenting/family literacy						
100	Salaries			16,500	16,500	13,437	3,063
200	Employee benefits			2,227	2,227	1,049	1,178
				<u>18,727</u>	<u>18,727</u>	<u>14,486</u>	<u>4,241</u>
	Total adult/continuing education programs			<u>18,727</u>	<u>18,727</u>	<u>14,486</u>	<u>4,241</u>
190	Instructional pupil activity						
300	Purchased services			4,700	4,700	2,000	2,700
400	Supplies and materials			6,158	8,632	3,323	5,309
600	Other objects			134,797	123,371	67,493	55,878
				<u>145,655</u>	<u>136,703</u>	<u>72,816</u>	<u>63,887</u>
	Total instructional pupil activity			<u>145,655</u>	<u>136,703</u>	<u>72,816</u>	<u>63,887</u>
	Total instruction			<u>154,328,779</u>	<u>154,320,903</u>	<u>146,759,575</u>	<u>7,561,328</u>
200	Support services						
210	Pupil services						
211	Attendance and social work services						
100	Salaries			2,755,111	2,755,111	2,592,501	162,610
140	Terminal leave			-	-	2,540	(2,540)
200	Employee benefits			1,217,208	1,202,208	1,154,328	47,880
300	Purchased services			44,201	46,371	14,004	32,367
400	Supplies and materials			36,300	35,844	1,672	34,172
600	Other objects			1,700	1,700	511	1,189
				<u>4,054,520</u>	<u>4,041,234</u>	<u>3,765,556</u>	<u>275,678</u>
212	Guidance services						
100	Salaries			3,901,820	3,766,820	3,632,805	134,015
200	Employee benefits			1,464,643	1,479,643	1,475,976	3,667
300	Purchased services			25,913	34,118	22,139	11,979
400	Supplies and materials			42,767	38,946	25,998	12,948
600	Other objects			18,690	12,160	9,106	3,054
				<u>5,453,833</u>	<u>5,331,687</u>	<u>5,166,024</u>	<u>165,663</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

				Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>							
200	Support services, (Continued)						
210	Pupil services (Continued)						
213	Health services						
100	Salaries			\$ 1,637,597	\$ 1,507,597	\$ 1,348,271	\$ 159,326
140	Terminal leave			-	-	1,122	(1,122)
200	Employee benefits			639,392	639,392	608,936	30,456
300	Purchased services			20,461	20,684	12,315	8,369
400	Supplies and materials			41,992	42,234	18,075	24,159
600	Other objects			595	711	232	479
				<u>2,340,037</u>	<u>2,210,618</u>	<u>1,988,951</u>	<u>221,667</u>
214	Psychological services						
100	Salaries			885,062	905,062	902,843	2,219
200	Employee benefits			370,112	370,112	369,349	763
300	Purchased services			56,000	56,000	6,571	49,429
400	Supplies and materials			20,000	23,200	16,710	6,490
				<u>1,331,174</u>	<u>1,354,374</u>	<u>1,295,473</u>	<u>58,901</u>
	Total pupil services			<u>13,179,564</u>	<u>12,937,913</u>	<u>12,216,004</u>	<u>721,909</u>
220	Instructional staff services						
221	Improvement of instruction - curriculum development						
100	Salaries			4,835,533	4,835,533	4,807,090	28,443
140	Terminal leave			-	-	-	-
200	Employee benefits			1,828,985	1,828,985	1,810,811	18,174
300	Purchased services			387,071	457,433	267,061	190,372
400	Supplies and materials			351,207	275,406	213,899	61,507
500	Capital outlay			6,100	5,700	-	5,700
600	Other objects			152,917	124,035	124,022	13
				<u>7,561,813</u>	<u>7,527,092</u>	<u>7,222,883</u>	<u>304,209</u>
222	Library and media services						
100	Salaries			2,798,971	2,797,971	2,683,600	114,371
200	Employee benefits			1,191,188	1,190,688	1,170,139	20,549
300	Purchased services			66,602	67,831	48,947	18,884
400	Supplies and materials			269,818	278,094	213,260	64,834
600	Other objects			1,525	3,220	2,620	600
				<u>4,328,104</u>	<u>4,337,804</u>	<u>4,118,566</u>	<u>219,238</u>
223	Supervision of special programs						
100	Salaries			201,548	201,548	194,425	7,123
200	Employee benefits			89,173	89,173	88,015	1,158
300	Purchased services			38,146	36,500	6,907	29,593
400	Supplies and materials			18,000	18,000	1,783	16,217
600	Other objects			950	950	94	856
				<u>347,817</u>	<u>346,171</u>	<u>291,224</u>	<u>54,947</u>
224	Improvement of instruction - inservice and staff training						
100	Salaries			-	6,425	6,284	141
200	Employee benefits			-	1,965	1,717	248
300	Purchased services			488,661	478,325	226,403	251,922
400	Supplies and materials			17,808	22,158	17,747	4,411
600	Other objects			19,700	20,482	6,205	14,277
				<u>526,169</u>	<u>529,355</u>	<u>258,356</u>	<u>270,999</u>
	Total instructional staff services			<u>12,763,903</u>	<u>12,740,422</u>	<u>11,891,029</u>	<u>849,393</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

		Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>					
200	Support services (Continued)				
230	General administration services				
231	Board of Education				
100	Salaries	\$ 169,008	\$ 170,008	\$ 169,907	\$ 101
200	Employee benefits	74,932	73,932	69,378	4,554
300	Purchased services	364,314	351,914	244,350	107,564
318	Audit Services	56,805	69,205	68,639	566
400	Supplies and materials	21,300	21,300	4,638	16,662
600	Other objects	54,881	54,881	50,919	3,962
		<u>741,240</u>	<u>741,240</u>	<u>607,831</u>	<u>133,409</u>
232	Office of the Superintendent				
100	Salaries	280,686	280,686	257,264	23,422
200	Employee benefits	126,524	126,524	126,079	445
300	Purchased services	15,410	15,410	13,691	1,719
400	Supplies and materials	8,000	8,000	2,005	5,995
600	Other objects	7,450	7,450	1,439	6,011
		<u>438,070</u>	<u>438,070</u>	<u>400,478</u>	<u>37,592</u>
233	School administration				
100	Salaries	11,387,797	11,511,261	11,453,784	57,477
140	Terminal leave	-	-	55,729	(55,729)
200	Employee benefits	4,670,572	4,780,572	4,775,044	5,528
300	Purchased services	190,167	184,294	165,085	19,209
400	Supplies and materials	349,700	368,282	289,266	79,016
600	Other objects	30,575	29,648	11,868	17,780
		<u>16,628,811</u>	<u>16,874,057</u>	<u>16,750,776</u>	<u>123,281</u>
	Total general administration services	<u>17,808,121</u>	<u>18,053,367</u>	<u>17,759,085</u>	<u>294,282</u>
250	Finance and operations services				
252	Fiscal services				
100	Salaries	1,235,709	1,282,209	1,279,060	3,149
140	Terminal leave	-	-	2,581	(2,581)
200	Employee benefits	557,912	528,412	528,304	108
300	Purchased services	43,890	31,092	31,015	77
400	Supplies and materials	46,100	43,199	43,104	95
600	Other objects	6,276	4,975	4,940	35
		<u>1,889,887</u>	<u>1,889,887</u>	<u>1,889,004</u>	<u>883</u>
253	Facilities acquisition and construction				
100	Salaries	6,000	6,000	6,000	-
200	Employee benefits	8,205	6,955	6,918	37
300	Purchased services	19,832	51,832	45,148	6,684
400	Supplies and materials	10,250	6,750	4,541	2,209
500	Capital outlay	12,000	8,500	7,779	721
600	Other objects	2,710	2,710	1,512	1,198
		<u>58,997</u>	<u>82,747</u>	<u>71,898</u>	<u>10,849</u>
254	Operation and maintenance of plant				
100	Salaries	284,025	408,025	407,170	855
200	Employee benefits	251,507	156,007	154,728	1,279
300	Purchased services	16,999,832	16,946,169	16,905,881	40,288
321	Utilities	438,600	438,600	426,706	11,894
400	Supplies and materials	811,800	811,800	1,188,507	(376,707)
470	Energy	6,799,450	6,781,950	5,450,506	1,331,444
500	Capital outlay	-	25,163	25,162	1
600	Other objects	262,000	279,500	279,294	206
		<u>25,847,214</u>	<u>25,847,214</u>	<u>24,837,954</u>	<u>1,009,260</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

				Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>							
200	Support services (Continued)						
250	Finance and operations services (Continued)						
255	Student transportation						
100	Salaries			\$ 4,298,874	\$ 4,513,874	\$ 4,502,260	\$ 11,614
140	Terminal leave			-	-	7,255	(7,255)
200	Employee benefits			1,876,039	1,991,039	1,987,130	3,909
300	Purchased services			299,830	246,430	238,480	7,950
400	Supplies and materials			594,000	319,400	165,360	154,040
500	Capital outlay			28,000	28,000	-	28,000
600	Other Objects			9,500	7,500	680	6,820
				<u>7,106,243</u>	<u>7,106,243</u>	<u>6,901,165</u>	<u>205,078</u>
258	Security						
100	Salaries			89,560	90,460	90,399	61
200	Employee benefits			38,348	38,848	38,812	36
300	Purchased services			1,106,984	1,105,584	989,075	116,509
400	Supplies and materials			3,000	3,000	9	2,991
600	Other objects			135	135	-	135
				<u>1,238,027</u>	<u>1,238,027</u>	<u>1,118,295</u>	<u>119,732</u>
	Total finance and operations services			<u>36,140,368</u>	<u>36,164,118</u>	<u>34,818,316</u>	<u>1,345,802</u>
260	Central support services						
262	Planning						
100	Salaries			79,783	80,543	80,530	13
200	Employee benefits			33,232	33,722	33,703	19
300	Purchased services			3,402	3,402	963	2,439
400	Supplies and materials			500	500	-	500
600	Other objects			500	500	195	305
				<u>117,417</u>	<u>118,667</u>	<u>115,391</u>	<u>3,276</u>
263	Information services						
100	Salaries			274,538	278,538	278,037	501
200	Employee benefits			128,113	116,644	111,889	4,755
300	Purchased services			33,225	40,229	40,172	57
400	Supplies and materials			5,945	5,270	5,168	102
600	Other objects			1,850	2,990	2,982	8
				<u>443,671</u>	<u>443,671</u>	<u>438,248</u>	<u>5,423</u>
264	Staff services						
100	Salaries			2,012,349	2,091,349	2,090,894	455
140	Terminal leave			-	-	143	(143)
200	Employee benefits			834,787	877,787	875,991	1,796
300	Purchased services			528,664	371,664	332,670	38,994
400	Supplies and materials			118,850	128,850	127,475	1,375
600	Other objects			35,330	35,330	4,423	30,907
				<u>3,529,980</u>	<u>3,504,980</u>	<u>3,431,596</u>	<u>73,384</u>
266	Technology and data processing services						
100	Salaries			2,463,310	2,463,310	2,393,987	69,323
140	Terminal leave			-	-	18,847	(18,847)
200	Employee benefits			1,017,923	1,017,923	992,920	25,003
300	Purchased services			1,953,343	1,963,343	1,605,357	357,986
400	Supplies and materials			253,700	243,700	78,290	165,410
500	Capital outlay			195,000	195,000	-	195,000
600	Other objects			2,000	2,000	94	1,906
				<u>5,885,276</u>	<u>5,885,276</u>	<u>5,089,495</u>	<u>795,781</u>
	Total central support services			<u>9,976,344</u>	<u>9,952,594</u>	<u>9,074,730</u>	<u>877,864</u>

(Continued)



# BEAUFORT COUNTY SCHOOL DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

				Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>							
200	Support services (Continued)						
270	Support Services - Pupil Activity						
271	Pupil service activities						
100	Salaries			\$ 1,719,232	\$ 1,711,061	\$ 1,638,901	\$ 72,160
200	Employee benefits			519,202	532,401	396,990	135,411
300	Purchased services			70,007	169,458	169,029	429
400	Supplies and materials			304,627	319,881	317,320	2,561
600	Other objects			906,094	814,123	676,194	137,929
				<u>3,519,162</u>	<u>3,546,924</u>	<u>3,198,434</u>	<u>348,490</u>
	Total support services - pupil activity			<u>3,519,162</u>	<u>3,546,924</u>	<u>3,198,434</u>	<u>348,490</u>
	Total support services			<u>93,387,462</u>	<u>93,395,338</u>	<u>88,957,598</u>	<u>4,437,740</u>
400	Other charges						
410	Intergovernmental expenditures						
412	Payments to other governmental units						
300	Purchased services			\$ 40,000	\$ 40,000	\$ 59,695	\$ (19,695)
720	Transits			15,000	15,000	7,422	7,578
				<u>55,000</u>	<u>55,000</u>	<u>67,117</u>	<u>(12,117)</u>
416	LEA Payments to public charter schools						
720	Transits			6,356,201	6,356,201	6,744,871	(388,670)
	Total intergovernmental expenditures			<u>6,411,201</u>	<u>6,411,201</u>	<u>6,811,988</u>	<u>(400,787)</u>
	Total other charges			<u>6,411,201</u>	<u>6,411,201</u>	<u>6,811,988</u>	<u>(400,787)</u>
500	Debt service						
620	Interest			60,000	60,000	39,975	20,025
	Total debt service			<u>60,000</u>	<u>60,000</u>	<u>39,975</u>	<u>20,025</u>
	Total expenditures			<u>254,187,442</u>	<u>254,187,442</u>	<u>242,569,136</u>	<u>11,618,306</u>
<b>Other financing sources (uses)</b>							
<b>Interfund transfers, from (to) other funds:</b>							
5230	Transfer from special revenue EIA fund			7,035,948	7,035,948	7,030,197	5,751
5280	Transfer from other funds indirect costs			500,000	500,000	575,827	(75,827)
425-71	Transfer to food service fund			(110,000)	(110,000)	(110,000)	-
	Total other financing sources (uses)			<u>7,425,948</u>	<u>7,425,948</u>	<u>7,496,024</u>	<u>(70,076)</u>
	Excess of revenues and other financing sources over expenditures and other financing uses			(1,072,583)	(1,072,583)	11,231,031	12,303,614
<b>Fund balance, beginning of year</b>				<u>33,546,772</u>	<u>33,546,772</u>	<u>33,546,772</u>	<u>-</u>
<b>Fund balance, end of year</b>				<u>\$ 32,474,189</u>	<u>\$ 32,474,189</u>	<u>\$ 44,777,803</u>	<u>\$ 12,303,614</u>

**NOTE:** Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

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## **SPECIAL REVENUE FUND – SPECIAL PROJECTS FUND**

The special revenue funds are used to record revenues derived from the State of South Carolina and the federal government, certain of which require matching revenues from local sources, which are required to finance particular activities. Separate revenues, expenditures and changes in fund balances are set forth for various reporting requirements.

The Special Projects Fund is used to account for all federal, state and local projects except for those subject to the Education Improvement Act.

### **Purpose of Special Revenue Sub-funds:**

***Title I.*** Title I funds are used for programs to benefit the educationally disadvantaged. Guidelines are set by the Federal Government.

***IDEA and Preschool Handicapped.*** IDEA and Preschool Handicapped funds are provided for the purpose of educating the handicapped. Guidelines are set by the Federal Government.

***Occupational Education.*** The purpose of these funds is to provide vocational education. Guidelines are set by the Federal Government.

***Adult Education.*** The purpose of these funds is to provide adult education. Guidelines are set by the Federal Government.

***Other Restricted State Grants.*** The purpose of these funds varies. Guidelines are set by the South Carolina General Assembly.

***Other Special Revenue Programs.*** The purpose of these funds varies. Guidelines are set by the grantor/donors.

# BEAUFORT COUNTY SCHOOL DISTRICT

## SPECIAL PROJECTS FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

		Title I (201/202)	IDEA (203)	Preschool Handicapped (205)
<b>Revenues</b>				
1000	Revenue from local sources			
1900	Other revenue from local sources			
1930	Medicaid	\$ -	\$ -	\$ -
1930	Special Needs Transportation	-	-	-
1999	CLIMB Supplement	-	-	-
1999	Revenue from other local sources	-	-	-
	Total local sources	-	-	-
3000	Revenue from state sources			
3100	Restricted state funding			
3110	Occupational education			
3118	EEDA Career Specialists	-	-	-
3127	Student Health and Fitness - PE Teachers	-	-	-
3135	Reading Coaches	-	-	-
3136	Student Health and Fitness - Nurses	-	-	-
3150	Adult education			
3156	Adult education	-	-	-
3190	Miscellaneous restricted state grants			
3193	Education License Plates	-	-	-
3600	Education Lottery Act Revenue			
3699	Other State Lottery Programs			
3670	School Safety Upgrades	-	-	-
3994	PEBA nonemployer contributions	-	-	-
3999	Revenue from other state sources	-	-	-
	Total state sources	-	-	-
4000	Revenue from federal sources			
4200	Occupational education			
4210	Perkins Aid, Title I	-	-	-
4300	Elementary and Secondary Education Act of 1965			
4310	Title I	5,181,831	-	-
4341	Language instruction for limited English proficient and immigrant students, Title III	-	-	-
4343	McKinney-Vento education for homeless children and youth program	-	-	-
4344	Hurricane education recovery	-	-	-
4351	Improving teacher quality	-	-	-
4400	Adult education			
4410	Basic Adult Education	-	-	-
4500	Programs for children with disabilities			
4510	Individuals with Disabilities Education Act (IDEA)	-	3,665,444	-
4520	Preschool grants (IDEA)	-	-	144,640
4990	Other federal revenue			
4997	SSAE Title IV	-	-	-
4999	Revenues from other federal sources	-	-	-
	Total federal sources	5,181,831	3,665,444	144,640
	Total revenues	5,181,831	3,665,444	144,640

(Continued)

<b>Occupational Education (207)</b>	<b>Adult Education (243)</b>	<b>* Other Restricted State Grants</b>	<b>* Other Special Revenue Programs</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 529,317	\$ 529,317
-	-	-	26,765	\$ 26,765
-	-	-	4,188	\$ 4,188
-	-	-	395,441	395,441
-	-	-	955,711	955,711
-	-	860,479	-	860,479
-	-	202,430	-	202,430
-	-	1,113,274	-	1,113,274
-	-	788,432	-	788,432
-	-	17,245	-	17,245
-	-	913	-	913
-	-	24	-	24
-	-	2,403	-	2,403
-	-	2,003,569	-	2,003,569
-	-	-	77,276	77,276
-	-	4,988,769	77,276	5,066,045
245,200	-	-	-	245,200
-	-	-	662,437	5,844,268
-	-	-	215,960	215,960
-	-	-	14,507	14,507
-	-	-	15,458	15,458
-	-	-	692,314	692,314
-	191,074	-	-	191,074
-	-	-	-	3,665,444
-	-	-	-	144,640
-	-	-	433,979	433,979
-	-	-	353,227	353,227
245,200	191,074	-	2,387,882	11,816,071
245,200	191,074	4,988,769	3,420,869	17,837,827

# BEAUFORT COUNTY SCHOOL DISTRICT

## SPECIAL PROJECTS FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

				Title I (201/202)	IDEA (203)	Preschool Handicapped (205)
<b>Expenditures</b>						
100	Instruction					
110	General instruction					
111	Kindergarten programs					
	100	Salaries		\$ 43,956	\$ -	\$ -
	200	Employee benefits		18,292	-	-
	300	Purchased services		2,760	-	-
	400	Supplies and materials		49,853	-	-
112	Primary programs					
	100	Salaries		724,410	-	-
	200	Employee benefits		282,859	-	-
	300	Purchased services		26,086	-	-
	400	Supplies and materials		135,646	-	-
113	Elementary programs					
	100	Salaries		483,340	-	-
	200	Employee benefits		199,303	-	-
	300	Purchased services		27,777	-	-
	400	Supplies and materials		104,133	-	-
	600	Other objects		-	-	-
114	High school programs					
	100	Salaries		119,446	-	-
	200	Employee benefits		38,994	-	-
	300	Purchased services		3,500	-	-
	400	Supplies and materials		8,595	-	-
115	Career and technology education programs					
	300	Purchased services		-	-	-
	400	Supplies and materials		-	-	-
120	Exceptional programs					
121	Educable mentally handicapped					
	100	Salaries		-	276,508	-
	200	Employee benefits		-	127,580	-
122	Trainable mentally handicapped					
	100	Salaries		-	69,440	-
	200	Employee benefits		-	46,355	-
	300	Purchased services		-	115	-
123	Orthopedically handicapped					
	100	Salaries		-	113,507	-
	200	Employee benefits		-	29,628	-
	300	Purchased services		-	63,108	-
	400	Supplies and materials		-	8,953	-
124	Visually handicapped					
	100	Salaries		-	75,991	-
	200	Employee benefits		-	34,916	-
	300	Purchased services		-	30,850	-
	400	Supplies and materials		-	9,963	-
125	Hearing handicapped					
	100	Salaries		-	171,012	-
	200	Employee benefits		-	60,570	-
	300	Purchased services		-	82,101	-
	400	Supplies and materials		-	1,442	-
	600	Other objects		-	671	-
126	Speech handicapped					
	100	Salaries		-	120,011	-
	200	Employee benefits		-	47,159	-
	300	Purchased services		-	270,102	-
	400	Supplies and materials		-	2,423	-
	600	Other objects		-	693	-

(Continued)

<b>Occupational Education (207)</b>	<b>Adult Education (243)</b>	<b>* Other Restricted State Grants</b>	<b>* Other Special Revenue Programs</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 43,956
-	-	-	-	18,292
-	-	-	-	2,760
-	-	-	60,160	110,013
-	-	88,627	468,259	1,281,296
-	-	36,095	159,642	478,596
-	-	-	59,274	85,360
-	-	913	279,236	415,795
-	-	54,469	100,436	638,245
-	-	16,044	43,295	258,642
-	-	-	16,921	44,698
-	-	-	92,065	196,198
-	-	-	162	162
-	-	-	276,938	396,384
-	-	-	76,642	115,636
-	-	-	795	4,295
-	-	-	10,814	19,409
122,303	-	-	-	122,303
67,851	-	-	-	67,851
-	-	-	-	276,508
-	-	-	-	127,580
-	-	-	-	69,440
-	-	-	-	46,355
-	-	-	-	115
-	-	-	77,911	191,418
-	-	-	28,195	57,823
-	-	-	-	63,108
-	-	-	-	8,953
-	-	-	-	75,991
-	-	-	-	34,916
-	-	-	-	30,850
-	-	-	-	9,963
-	-	-	-	171,012
-	-	-	-	60,570
-	-	-	-	82,101
-	-	-	-	1,442
-	-	-	1,470	2,141
-	-	-	-	120,011
-	-	-	-	47,159
-	-	-	-	270,102
-	-	-	-	2,423
-	-	-	-	693

# BEAUFORT COUNTY SCHOOL DISTRICT

## SPECIAL PROJECTS FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

		Title I (201/202)	IDEA (203)	Preschool Handicapped (205)
<b>Expenditures (Continued)</b>				
100	Instruction (Continued)			
120	Exceptional programs (Continued)			
127	Learning disabilities			
100	Salaries	\$ -	\$ 567,755	\$ -
200	Employee benefits	-	271,198	-
300	Purchased services	-	173,571	-
400	Supplies and materials	-	43,559	-
128	Emotionally handicapped			
100	Salaries	-	58,239	-
200	Employee benefits	-	28,345	-
130	Preschool programs			
137	Preschool handicapped self-contained (3 & 4 yr olds)			
100	Salaries	-	21,126	136,905
200	Employee benefits	-	6,418	-
400	Supplies and materials	-	19,338	-
139	Early childhood programs			
100	Salaries	605,981	-	-
200	Employee benefits	281,698	-	-
160	Other exceptional programs			
161	Autism			
100	Salaries	-	33,254	-
200	Employee benefits	-	22,398	-
300	Purchased services	-	171,126	-
400	Supplies and materials	-	26,378	-
600	Other objects	-	176	-
162	Limited English Proficiency			
100	Salaries	48,514	-	-
200	Employee benefits	12,982	-	-
175	Instructional programs beyond regular school day			
100	Salaries	53,656	-	-
200	Employee benefits	16,019	-	-
300	Purchased services	175	-	-
400	Supplies and materials	870	-	-
180	Adult continuing education programs			
181	Adult basic education programs			
100	Salaries	-	-	-
200	Employee benefits	-	-	-
300	Purchased services	-	-	-
400	Supplies and materials	-	-	-
600	Other objects	-	-	-
182	Adult secondary education programs			
100	Salaries	-	-	-
200	Employee benefits	-	-	-
400	Supplies and materials	-	-	-
600	Other objects	-	-	-
183	Adult English literacy - ESL			
100	Salaries	-	-	-
200	Employee benefits	-	-	-
400	Supplies and materials	-	-	-
188	Parenting/family literacy			
100	Salaries	405,650	-	-
200	Employee benefits	202,352	-	-
300	Purchased services	72,556	-	-
400	Supplies and materials	43,565	-	-
600	Other Objects	5,993	-	-
	Total instruction	<u>4,018,961</u>	<u>3,085,979</u>	<u>136,905</u>

(Continued)



<b>Occupational Education (207)</b>	<b>Adult Education (243)</b>	<b>* Other Restricted State Grants</b>	<b>* Other Special Revenue Programs</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 39,618	\$ 607,373
-	-	-	23,721	294,919
-	-	-	-	173,571
-	-	-	-	43,559
-	-	-	-	58,239
-	-	-	-	28,345
-	-	-	-	158,031
-	-	-	-	6,418
-	-	-	-	19,338
-	-	-	-	605,981
-	-	-	-	281,698
-	-	-	-	33,254
-	-	-	-	22,398
-	-	-	-	171,126
-	-	-	-	26,378
-	-	-	-	176
-	-	-	-	48,514
-	-	-	-	12,982
-	-	-	72,442	126,098
-	-	-	20,585	36,604
-	-	-	6,000	6,175
-	-	-	4,525	5,395
-	114,321	-	202	114,523
-	27,374	-	59	27,433
-	2,375	-	226	2,601
-	5,712	5,062	2,313	13,087
-	-	-	440	440
-	25,599	-	250	25,849
-	7,032	-	19	7,051
-	5,894	3,089	-	8,983
-	-	-	494	494
-	1,349	-	-	1,349
-	103	-	-	103
-	-	3,041	-	3,041
-	-	-	1,116	406,766
-	-	-	328	202,680
-	-	-	6,402	78,958
-	-	-	6,701	50,266
-	-	-	-	5,993
190,154	189,759	207,340	1,937,656	9,766,754

# BEAUFORT COUNTY SCHOOL DISTRICT

## SPECIAL PROJECTS FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

				Title I (201/202)	IDEA (203)	Preschool Handicapped (205)
<b>Expenditures (Continued)</b>						
200	Support services					
210	Pupil services					
211	Attendance and social work services					
	100	Salaries		\$ -	\$ -	\$ -
	200	Employee benefits		-	-	-
	300	Purchased services		-	-	-
	400	Supplies and materials		-	-	-
212	Guidance services					
	100	Salaries		-	-	-
	200	Employee benefits		-	-	-
213	Health services					
	100	Salaries		-	4,042	-
	200	Employee benefits		-	1,392	-
	300	Purchased services		-	3,889	-
214	Psychological services					
	100	Salaries		-	3,000	-
	200	Employee benefits		-	967	-
220	Instructional staff services					
221	Improvement of instruction - curriculum development					
	100	Salaries		300,871	119,748	-
	200	Employee benefits		115,547	59,437	-
	300	Purchased services		196	-	-
222	Library and Media					
	400	Supplies and materials		-	-	-
223	Supervision of special programs					
	100	Salaries		147,128	44,672	-
	200	Employee benefits		58,382	18,367	-
	300	Purchased services		11,759	1,449	-
	400	Supplies and materials		581	2,500	-
	600	Other objects		-	-	-
224	Improvement of instruction - inservice and staff training					
	100	Salaries		19,236	1,614	-
	200	Employee benefits		4,776	122	-
	300	Purchased services		262,793	11,630	-
	400	Supplies and materials		10,200	-	-
	600	Other objects		-	-	-
250	Finance and operations services					
251	Student transportation (federal/district mandated)					
	300	Purchased services		67	-	-
254	Operation and maintenance of plant					
	300	Purchased services		2,315	-	-
255	Pupil transportation services					
	100	Salaries		-	-	-
	200	Employee benefits		-	-	-
256	Food service					
	300	Purchased services		-	-	-
	400	Supplies and materials		-	-	-
258	Security					
	300	Purchased services		-	-	-
	400	Supplies and materials		-	-	-
260	Central support services					
263	Information services					
	300	Purchased services		-	-	-
	400	Supplies and materials		-	-	-
	600	Other objects		-	-	-

(Continued)

<b>Occupational Education (207)</b>	<b>Adult Education (243)</b>	<b>* Other Restricted State Grants</b>	<b>* Other Special Revenue Programs</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 40,857	\$ 40,857
-	-	-	17,157	17,157
-	-	-	12,569	12,569
-	-	-	3,793	3,793
-	-	605,019	-	605,019
-	-	255,460	-	255,460
-	-	539,885	96,351	640,278
-	-	215,433	46,296	263,121
-	-	-	34,664	38,553
-	-	-	-	3,000
-	-	-	-	967
-	-	791,350	6,060	1,218,029
-	-	321,925	1,785	498,694
-	-	-	100	296
-	-	-	459	459
-	-	-	23,300	215,100
-	-	-	9,770	86,519
-	-	2,500	7,319	23,027
-	274	3,576	3,370	10,301
-	-	-	1,641	1,641
-	614	-	617	22,081
-	47	-	181	5,126
19,759	-	-	396,390	690,572
-	380	-	14,183	24,763
-	-	-	370	370
-	-	-	-	67
-	-	-	-	2,315
-	-	-	20,600	20,600
-	-	-	6,165	6,165
-	-	-	5,196	5,196
-	-	-	1,278	1,278
-	-	2,403	-	2,403
-	-	-	252,865	252,865
-	-	-	2,655	2,655
-	-	-	120	120
-	-	-	1,500	1,500

# BEAUFORT COUNTY SCHOOL DISTRICT

## SPECIAL PROJECTS FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

		Title I (201/202)	IDEA (203)	Preschool Handicapped (205)
<b>Expenditures (Continued)</b>				
200	Support services			
270	Support services - pupil activity			
271	Pupil service activities			
600	Other objects	\$ 30,140	\$ -	\$ -
	Total support services	963,991	272,829	-
300	Community services			
350	Custody and care of children			
100	Salaries	-	-	-
200	Employee benefits	-	-	-
400	Supplies and materials	-	-	-
360	Welfare services			
400	Supplies and materials	-	-	-
600	Other objects			
370	Non public school services			
300	Purchased services	-	-	-
	Total community services	-	-	-
400	Other charges			
410	Intergovernmental expenditures			
411-72	Payments to state Department of Education	-	-	-
416-72	Payments to public charter schools	-	113,332	-
419-72	Payments from nonemployer contributions	-	-	-
	Total intergovernmental expenditures	-	113,332	-
	Total expenditures	4,982,952	3,472,140	136,905
<b>Other financing uses</b>				
<b>Interfund transfers to other funds</b>				
431-791	Special revenue fund indirect costs	(198,879)	(193,304)	(7,735)
	Total other financing uses	(198,879)	(193,304)	(7,735)
	Excess of revenues over expenditures and other financing uses	-	-	-
<b>Fund balance, beginning of year</b>		-	-	-
<b>Fund balance, end of year</b>		\$ -	\$ -	\$ -

<b>Occupational Education (207)</b>	<b>Adult Education (243)</b>	<b>* Other Restricted State Grants</b>	<b>* Other Special Revenue Programs</b>	<b>Total</b>
\$ 35,287	\$ -	\$ -	\$ 2,582	\$ 68,009
55,046	1,315	2,737,551	1,010,193	5,040,925
-	-	-	172,884	172,884
-	-	-	72,341	72,341
-	-	-	4,438	4,438
-	-	-	66	66
-	-	-	2,015	2,015
-	-	-	15,539	15,539
-	-	-	267,283	267,283
-	-	40,309	-	40,309
-	-	-	154,814	268,146
-	-	2,003,569	-	2,003,569
-	-	2,043,878	154,814	2,312,024
245,200	191,074	4,988,769	3,369,946	17,386,986
-	-	-	(50,923)	(450,841)
-	-	-	(50,923)	(450,841)
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

# BEAUFORT COUNTY SCHOOL DISTRICT

## SPECIAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

*Adult Education		* Other Restricted State Grants	
243	Adult Education Federal	919	Education License Plates
818	Adult Education Local	928	EEDA Career Specialists
955	SNAP Reimbursement	935	Reading Coaches
956	Adult Education State	936	Student Health and Fitness Nurses
969	Diploma Readiness Initiative	937	Student Health and Fitness
		955	DSS SNAP and E&T Program
		970	School Safety Upgrades
* Other Special Revenue Programs			
201	Title I Current Year	826	Transcripts
202	Title I Prior Year	827	Teacher Mini Grants
203	IDEA	828	Teacher of the Year - BLHS
205	IDEA Preschool	831	Farm to School LIES
207	Federal Perkins Fund CTE	837	P-12 Outreach Project
210	Title IV SSAE (Student Support & Acad. Enrich.)	839	No Kid Hungry Grant
217	Coronavirus Relief Funds (ARC & LEAP)	840	Share Our Strength Grant
220	SC CARES ESSER	842	Dairy Alliance Grant
232	McKinney-Vento Homeless	844	Parker-Grant
237	Title I ATSI	848	AIE/ABC LIMS
238	Title I School Improvement Mini Grant	849	AIE/ABC BMS
241	19 Hurricane Education Recovery	850	AIE/ABC MOES
264	Title III (ESOL)	851	AIE/ ABC MMS
267	Improving Teacher Quality, Title II	852	AIE/ABC LIES
286	Medicaid	855	First Steps
287	Medicaid/Health Services	865	Miscellaneous Arts
290	YRBS Administrative Reimbursement-MRHS	866	Dollar General Literacy - BLES
295	ROTC	867	AIE/ABC HHSCA
801	Profound. Mentally Disabled	869	Champions of the Environment DHEC
803	Senior Scholar Banquet	870	Jr. Jazz Foundation-WBMS
805	HHMS Donation Grant	871	Summer Camps
806	African American History Instructional Grant	872	Dollar General Grant-BLES
809	Back to School Expo	873	Parenting Family Literacy
810	COSY Grant	874	Jr. Jazz Foundation-BLMS
811	Culinary Scholarships	875	Traveling Preschool Bus
816	SREB Grant	876	Dollar General-BLES
817	Dept. of Commerce - Trauma PD Training	881	Military Child Education Coalition

# BEAUFORT COUNTY SCHOOL DISTRICT

## SPECIAL PROJECTS FUND SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS FOR THE YEAR ENDED JUNE 30, 2020

Subfund	Revenue	Programs	Revenues	Expenditures	Transfer In (Out)	Special Revenue Fund
						Unearned Revenue
919	3193	Education License Plates	\$ 913	\$ 913	\$ -	\$ -
928	3118	EEDA Career Specialists	860,479	860,479	-	639,947
935	3135	Reading Coaches	1,113,274	1,113,274	-	362,700
936	3136	Student Health and Fitness - Nurses	788,432	788,432	-	30,060
937	3127	Student Health and Fitness - PE Teachers	202,430	202,430	-	14,890
955	3155	Adult Education SNAP Reimbursement	-	-	-	1,388
956	3156	Adult Education Workkeys	17,245	17,245	-	18,752
969	3699	Diploma Readiness Initiative	24	24	-	-
970	3670	School Safety Upgrades	2,403	2,403	-	-
994	3994	PEBA Nonemployer Contributions	2,003,569	2,003,569	-	-
		Total	<u>\$ 4,988,769</u>	<u>\$ 4,988,769</u>	<u>\$ -</u>	<u>\$ 1,067,737</u>

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## **SPECIAL REVENUE FUND – EDUCATION IMPROVEMENT ACT (“EIA”)**

Education Improvement Act. The purpose of these funds is to improve education by providing funds for specific strategies implemented by the Education Improvement Act of 1984, enacted by the South Carolina General Assembly.



# BEAUFORT COUNTY SCHOOL DISTRICT

## EDUCATION IMPROVEMENT ACT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2020

### Revenues

3000	Revenue from state sources		
3500	Education Improvement Act (EIA)		
3502	ADEPT	\$	23,297
3507	Aid to district technology		248,613
3509	Arts in education		10,735
3518	Formative assessment		124,839
3519	Grade 10 assessments		145,604
3526	Refurbishment of K-8 science kits		40,380
3528	Industry certificates		49,770
3529	EIA work based learning center		472,402
3532	National board salary supplement		966,231
3533	Teacher of the Year awards		1,077
3538	Students at risk of school failure		2,649,027
3540	Early childhood program		858,320
3550	Teacher salary increase		5,601,228
3555	Teacher salary fringe		1,428,969
3556	Adult education		531,407
3557	Summer reading program		76,725
3571	Technical assistance - state priority schools		235,278
3577	Teacher supplies		477,400
3592	Work-based learning		55,865
3595	EEDA - supplies and materials		53,994
3597	Aid to districts		483,325
3599	Other EIA		55,868
	Total state sources		<u>14,590,354</u>
	Total revenue all sources	\$	<u><u>14,590,354</u></u>

# BEAUFORT COUNTY SCHOOL DISTRICT

## EDUCATION IMPROVEMENT ACT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

### Expenditures

100	Instruction			
110	General instruction			
111	Kindergarten programs			
100	Salaries	\$	30,000	
200	Employee benefits		8,834	
400	Supplies and materials		24,200	
			<u>63,034</u>	
112	Primary programs			
100	Salaries		954,674	
200	Employee benefits		382,362	
300	Purchased services		72,856	
400	Supplies and materials		120,482	
			<u>1,530,374</u>	
113	Elementary programs			
100	Salaries		646,660	
140	Terminal leave		820	
200	Employee benefits		195,421	
300	Purchased services		68,911	
400	Supplies and materials		160,578	
			<u>1,072,390</u>	
114	High school programs			
100	Salaries		298,395	
200	Employee benefits		90,165	
300	Purchased services		29,325	
400	Supplies and materials		240,754	
			<u>658,639</u>	
115	Career and technology education programs			
300	Purchased services		46,529	
400	Supplies and materials		423,682	
500	Capital outlay		32,658	
600	Other objects		2,800	
			<u>505,669</u>	
117	Driver education programs			
400	Supplies and materials		550	
			<u>550</u>	
118	Montessori programs			
400	Supplies and materials		2,475	
			<u>2,475</u>	
120	Exceptional programs			
121	Educable mentally handicapped			
400	Supplies and materials		3,300	
			<u>3,300</u>	
122	Trainable mentally handicapped			
400	Supplies and materials		1,100	
			<u>1,100</u>	
123	Orthopedically handicapped			
400	Supplies and materials		275	
			<u>275</u>	
124	Visually handicapped			
400	Supplies and materials		275	
			<u>275</u>	

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## EDUCATION IMPROVEMENT ACT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

### Expenditures (Continued)

100	Instruction (Continued)			
120	Exceptional programs (Continued)			
125	Hearing handicapped			
400	Supplies and materials	\$	1,100	
				<u>1,100</u>
126	Speech handicapped			
100	Salaries		7,413	
200	Employee benefits		567	
400	Supplies and materials		4,675	
				<u>12,655</u>
127	Learning disabilities			
400	Supplies and materials		21,450	
				<u>21,450</u>
128	Emotionally handicapped			
400	Supplies and materials		2,750	
				<u>2,750</u>
130	Pre-school programs			
135	Preschool handicapped speech (3- and 4-yr-olds)			
400	Supplies and materials		550	
				<u>550</u>
137	Preschool handicapped self-contained (3- and 4-yr.-olds)			
400	Supplies and materials		1,925	
				<u>1,925</u>
139	Early childhood programs			
100	Salaries		591,148	
200	Employee benefits		317,306	
400	Supplies and materials		73,042	
				<u>981,496</u>
140	Special Programs			
141	Gifted and talented - academic			
400	Supplies and materials		8,250	
				<u>8,250</u>
160	Other exceptional programs			
162	Limited English proficiency			
400	Supplies and materials		14,849	
				<u>14,849</u>
170	Summer school programs			
171	Primary program			
100	Salaries		126,230	
200	Employee benefits		36,785	
300	Purchased services		12,520	
400	Supplies and materials		76,350	
				<u>251,885</u>
172	Elementary summer school			
100	Salaries		81,735	
200	Employee benefits		23,677	
				<u>105,412</u>
173	High school summer school			
100	Salaries		156,128	
200	Employee benefits		45,061	
				<u>201,189</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## EDUCATION IMPROVEMENT ACT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

### Expenditures (Continued)

100	Instruction (Continued)		
170	Summer school programs (Continued)		
175	Instructional programs beyond regular school day		
100	Salaries	340,335	
200	Employee benefits	81,954	
		<u>422,289</u>	
180	Adult/continuing education programs		
181	Adult basic education programs		
100	Salaries	105,647	
200	Employee benefits	24,330	
300	Purchased services	4,880	
400	Supplies and materials	263	
		<u>135,120</u>	
182	Adult secondary education programs		
100	Salaries	81,818	
200	Employee benefits	19,798	
400	Supplies and materials	1,000	
		<u>102,616</u>	
188	Parenting/family literacy		
100	Salaries	19,980	
200	Employee benefits	5,886	
300	Purchased services	2,728	
400	Supplies and materials	14,630	
		<u>43,224</u>	
	Total instruction	<u>6,144,841</u>	
200	Support services		
210	Pupil services		
212	Guidance services		
300	Purchased services	999	
400	Supplies and materials	67,147	
		<u>68,146</u>	
213	Health services		
100	Salaries	6,582	
200	Employee benefits	1,939	
		<u>8,521</u>	
220	Instructional staff services		
221	Improvement of instruction - curriculum development		
100	Salaries	\$ 325,287	
200	Employee benefits	144,347	
300	Purchased services	5,505	
		<u>475,139</u>	
222	Literacy and media services		
400	Supplies and materials	7,975	
		<u>7,975</u>	
223	Supervision of special programs		
100	Salaries	207,390	
200	Employee benefits	62,703	
300	Purchased services	8,111	
		<u>278,204</u>	

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## EDUCATION IMPROVEMENT ACT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

### Expenditures (Continued)

200	Support services (Continued)		
220	Instructional staff services (Continued)		
224	Improvement of instruction - inservice and staff training		
100	Salaries		29,506
200	Employee benefits		5,355
300	Purchased services		42,147
400	Supplies and materials		1,836
			<u>78,844</u>
250	Finance and operations services		
255	Student transportation		
300	Purchased Services		48,823
			<u>48,823</u>
260	Central support services		
264	Staff services		
100	Salaries		7,500
200	Employee benefits		2,207
			<u>9,707</u>
266	Technology and data processing services		
400	Supplies and materials		304,481
			<u>304,481</u>
270	Support services - pupil activity		
271	Pupil service activities		
600	Other objects		1,042
			<u>1,042</u>
	Total support services		<u>1,280,882</u>
400	Other charges		
410	Intergovernmental expenditures		
416-720	Payments to public charter schools		134,434
	Total other charges		<u>134,434</u>
	Total expenditures		<u>7,560,157</u>
<b>Other financing uses</b>			
<b>Interfund transfers, to other funds</b>			
420-710	Transfer to general fund	\$	(7,030,197)
	Total other financing uses		<u>(7,030,197)</u>
	Excess of revenues over expenditures and other financing uses		-
<b>Fund balance, beginning of year</b>			
			-
<b>Fund balance, end of year</b>			
		\$	<u>-</u>

# BEAUFORT COUNTY SCHOOL DISTRICT

## EDUCATION IMPROVEMENT ACT FUND SUMMARY SCHEDULE BY PROGRAM FOR THE YEAR ENDED JUNE 30, 2020

		Revenues	Expenditures	Transfers In (Out)	Unearned Revenue
3500	Education Improvement Act (EIA)				
3502	ADEPT	\$ 23,297	\$ 23,297	-	-
3507	Aid to Districts	248,613	248,613	-	55,793
3509	Arts in Education	10,735	10,735	-	7,664
3518	Formative Assessment	124,839	124,839	-	5,873
3519	Grade 10 Assessments	145,604	145,603	-	52,400
3526	Refurbishment of K-8 Science Kits	40,380	40,380	-	74,556
3528	Industry Certificates	49,770	49,770	-	48,714
3529	EIA Work Based Learning Center	472,402	472,402	-	219,012
3532	National Board Salary Supplement	966,231	966,232	-	11,192
3533	Teacher of the Year Awards	1,077	1,077	-	-
3538	Students at Risk of School Failure	2,649,027	2,649,027	-	587,309
3540	Early Childhood Program	858,320	858,320	-	466,615
3550	Teacher Salary Increase	5,601,228	-	(5,601,228)	-
3555	Teacher Salary Fringe	1,428,969	-	(1,428,969)	-
3556	Adult Education	531,407	531,407	-	141,722
3557	Summer Reading Program	76,725	76,725	-	160,322
3571	Technical Assistance - State Priority Schools	235,278	235,278	-	301,255
3577	Teacher Supplies	477,400	477,400	-	-
3592	Work-Based Learning	55,865	55,865	-	17,281
3595	EEDA - Supplies and Materials	53,994	53,994	-	9,606
3597	Aid to Districts	483,325	483,325	-	881,638
3599	E-Rate Category 2 Match	55,868	55,868	-	-
	Total	<u>\$ 14,590,354</u>	<u>\$ 7,560,157</u>	<u>\$ (7,030,197)</u>	<u>\$ 3,040,952</u>



## **DEBT SERVICE FUNDS**

The Debt Service Funds are used to record payments of interest and principal on long-term general obligation debt from tax proceeds and earnings on temporary investments.



**DEBT SERVICE FUND - DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

1000	Revenue from local sources		
1200	Revenue from local governmental units other than LEAs		
1210	Ad valorem taxes-including delinquent taxes	\$	62,493,114
1240	Penalties & interest on taxes		300,051
1280	Revenue in lieu of taxes		4,931
1500	Earnings on investments		
1510	Interest on investments		356,241
	Total local sources		63,154,337
3000	Revenue from state sources		
3800	State revenue in lieu of taxes		
3820	Homestead exemption		1,196,634
3830	Merchant's inventory tax		85,988
3890	Other state property tax revenues		47,946
	Total state sources		1,330,568
	Total revenues all sources		64,484,905
<b>Expenditures</b>			
500	Debt service		
610	Redemption of principal		53,530,900
620	Interest		11,017,026
690	Other objects		13,599
	Total expenditures		64,561,525
	Deficiency of revenues under expenditures		(76,620)
<b>Other financing sources (uses)</b>			
5120	Proceeds from issuance of long term debt		319,253
<b>Interfund transfers, to other funds</b>			
423-711	Transfer to EFC debt service fund		(2,724,007)
	Total other financing (uses)		(2,404,754)
	Deficiency of revenues and other financing sources under expenditures and other financing uses		(2,481,374)
<b>Fund balance, beginning of year</b>			19,058,757
<b>Fund balance, end of year</b>			\$ 16,577,383

# BEAUFORT COUNTY SCHOOL DISTRICT

## DEBT SERVICE FUND - EFC SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

---

### Revenues

1000	Revenue from local sources	
1500	Earnings on investments	
1510	Interest on investments	\$ 5,918
	Total local sources	5,918
	Total revenues all sources	5,918

### Expenditures

500	Debt service	
610	Redemption of principal	2,050,000
620	Interest	676,657
690	Other objects	9,844
	Total expenditures	2,736,501
	Deficiency of revenues under expenditures	(2,730,583)

### Other financing sources (uses)

#### Interfund transfers, to other funds

5240	Transfer from district debt service fund	2,724,007
	Total other financing sources	2,724,007
	Deficiency of revenues and other financing sources under expenditures	(6,576)

<b>Fund balance, beginning of year</b>	43,750
<b>Fund balance, end of year</b>	<u>\$ 37,174</u>

## **CAPITAL PROJECTS FUND**

The capital projects fund is used to record the proceeds from the sale of long-term general obligation bonds and other revenues used for facilities acquisition and construction. The fund balance is restricted for the completion of specific projects.



# BEAUFORT COUNTY SCHOOL DISTRICT

## CAPITAL PROJECTS FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Other Projects	Referenda Projects	Total
<b>Revenues</b>				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 1,498,356	\$ 450,137	\$ 1,948,493
1900	Other revenue from local sources			
1999	Revenue from other local sources	675,382	-	675,382
	Total local sources	2,173,738	450,137	2,623,875
4000	Revenue from federal sources			
4999	Revenue from other federal sources	19,885	-	19,885
	Total federal sources	19,885	-	19,885
	Total revenues all sources	2,193,623	450,137	2,643,760
<b>Expenditures</b>				
250	Fiscal Services			
253	Facilities acquisition and construction			
100	Salaries	368,948	-	368,948
200	Employee benefits	129,853	-	129,853
300	Purchased services	3,879,787	2,545,745	6,425,532
400	Supplies and materials	6,985,615	5,056	6,990,671
500	Capital outlay			
520	Building	5,792,887	10,334,049	16,126,936
530	Improvements other than buildings	433,157	1,025,934	1,459,091
540	Equipment	883	17,097	17,980
545	Technology	-	102,807	102,807
580	Mobile Classrooms	1,481,051	163,437	1,644,488
591	Adjustment for retainage	(477,605)	501,564	23,959
600	Other objects	88,004	-	88,004
620	Bond issuance costs	-	272,000	272,000
	Total expenditures	18,682,580	14,967,689	33,650,269
	Deficiency of revenues under expenditures	(16,488,957)	(14,517,552)	(31,006,509)
<b>Other financing sources (uses)</b>				
5110	Premium on bond sold	890,035	7,105,175	7,995,210
5120	Proceeds from issuance of long term debt	19,300,000	74,680,747	93,980,747
5300	Sale of capital assets	49,590	-	49,590
<b>Interfund transfers, to other funds</b>				
5250	Transfer from capital projects	8,474,002	-	8,474,002
424-711	Transfer to capital projects fund	-	(8,474,002)	(8,474,002)
	Total other financing sources (uses)	28,713,627	73,311,920	102,025,547
	Excess of revenues and other financing sources over expenditures	12,224,670	58,794,368	71,019,038
<b>Fund balance, beginning of year</b>		22,257,512	8,101,754	30,359,266
<b>Fund balance, end of year</b>		<u>\$ 34,482,182</u>	<u>\$ 66,896,122</u>	<u>\$ 101,378,304</u>

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## **ENTERPRISE FUND – STUDENT NUTRITION**

The enterprise fund records the financing, operation and maintenance of the Student Nutrition Services fund. The Student Nutrition Services fund operates in a manner similar to a private business enterprise. The fund's purpose is to provide balanced nutritional meals to School District students, some of which are free and reduced meals under the United States Department of Agriculture school breakfast and lunch programs.

# BEAUFORT COUNTY SCHOOL DISTRICT

## ENTERPRISE FUND - STUDENT NUTRITION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

### Revenues

1000	Revenue from local sources		
1500	Earnings on investments		
1510	Interest on investments	\$	1,658
1600	Food services		
1610	Lunch sales to pupils		739,880
1620	Breakfast sales to pupils		64,497
1630	Special sales to pupils		285,875
1640	Lunch sales to adults		42,174
1650	Breakfast sales to adults		822
1660	Special sales to adults		13,857
1900	Other revenue from local sources		
1999	Revenue from other local sources		146,755
	Total local sources		<u>1,295,518</u>
4000	Revenue from federal sources		
4800	USDA reimbursement		
4810	School lunch and after school snacks program		4,218,176
4830	School breakfast program		1,233,877
4870	School food equipment		44,016
4880	Summer feeding program		1,862,950
4900	Other federal sources		
4991	USDA commodities (food distribution program)		802,749
4999	Revenue from other federal sources		575,716
	Total federal sources		<u>8,737,484</u>
	Total revenue all sources		<u>10,033,002</u>

### Expenditures

256	Food services		
100	Salaries		275,116
200	Employee benefits		129,730
300	Purchased services		
323	Repairs and maintenance services		15,545
331	Student transportation		124
332	Travel		3,967
345	Technology		1,881
350	Advertising		1,261
390	Other purchased services		7,794,137
400	Supplies and materials		
410	Supplies		47,753
445	Technology and software supplies		27,842
460	Food		18,932
461	USDA commodities		802,749
470	Energy		12,605
500	Capital outlay		
570	Depreciation		276,400
600	Other objects		
640	Dues and fees		141
670	Sales tax on adult meals		8,998
690	Other objects		49,840
	Total expenditures		<u>9,467,021</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## ENTERPRISE FUND - STUDENT NUTRITION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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**Other financing sources (uses)**

Interfund transfers from (to) other funds

5210	Transfer from general fund	\$	110,000
432-791	Food service fund indirect costs		(124,986)
416-720	Payments to charter schools		(105,143)
			<hr/>
	Total other financing (uses)		(120,129)
			<hr/>
	Excess of revenues and other financing sources over expenditures and other financing uses		445,852

<b>Fund balance, beginning of year</b>	<hr/>	2,387,061
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<b>Fund balance, end of year</b>	<hr/>	<b>\$ 2,832,913</b>
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Footnote: This schedule is presented in the format prescribed by the South Carolina Department of Education, which varies in presentation from Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.

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## **INTERNAL SERVICE FUND**

The internal service fund records the expenses of the District related to workers compensation and the funding allocated to offset those costs.

# BEAUFORT COUNTY SCHOOL DISTRICT

## INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

### Revenues

1000	Revenue from local sources		
1900	Other revenue from local sources		
1993	Receipt of insurance proceeds	\$	48,026
1999	Revenue from other local sources		921,555
	Total local sources		<u>969,581</u>
	Total revenue all sources		<u>969,581</u>

### Expenditures

100	Instruction		
110	General instruction		
112	Primary programs		
200	Employee benefits		
270	Workers compensation		45,178
113	Elementary programs		
200	Employee benefits		
270	Workers compensation		132,323
114	High school programs		
200	Employee benefits		
270	Workers compensation		217,802
120	Exceptional programs		
127	Learning disabilities		
200	Employee benefits		
270	Workers compensation		285,923
	Total instruction		<u>681,226</u>
200	Support services		
210	Pupil services		
211	Attendance and social work services		
200	Employee benefits		
270	Workers compensation		5,951
212	Guidance services		
200	Employee benefits		
270	Workers compensation		23,761
220	Instructional staff services		
221	Improvement of instruction - curriculum development		
200	Employee benefits		
270	Workers compensation		37,398

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

### Expenditures(Continued)

200	Support services (Continued)		
230	General administration services		
233	School administration		
200	Employee benefits		
270	Workers compensation	\$	29,753
250	Finance and operations services		
254	Operation and maintenance of plant		
300	Purchased services		
324	Property insurance		73,864
255	Student transportation		
200	Employee benefits		
270	Workers compensation		68,654
260	Central support services		
266	Technology and data processing services		
200	Employee benefits		
270	Workers compensation		944
	Total support services		<u>240,325</u>
	Total expenditures		<u>921,551</u>
	Excess of revenues over expenditures		<u>48,030</u>
	Fund balance, beginning of year		<u>1,377,723</u>
	Fund balance, end of year	\$	<u><u>1,425,753</u></u>

**NOTE:** This schedule is presented in the format prescribed by South Carolina Department of Education, which varies in presentation from Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.

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## **FIDUCIARY FUND – AGENCY FUND – PUPIL ACTIVITY**

The agency fund is used to record the receipts and disbursements of monies from various pupil activity organizations. These organizations exist at the explicit approval of the Board of Education. The fund accounting reflects the School District's agency relationship with the pupil activity organizations. Since the agency fund is custodial, no fund balances exist.



# BEAUFORT COUNTY SCHOOL DISTRICT

## AGENCY FUND - PUPIL ACTIVITY FUND STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Assets</b>				
Cash and investments	\$ 2,876,881	\$ 3,200,748	\$ 2,876,335	\$ 3,201,294
Accounts receivable	1,700	-	320	1,380
Prepaid items	850	7,225	850	7,225
Total assets	<u>\$ 2,879,431</u>	<u>\$ 3,207,973</u>	<u>\$ 2,877,505</u>	<u>\$ 3,209,899</u>
<b>Liabilities</b>				
Accounts payable	\$ 242,201	\$ -	\$ 81,884	\$ 160,317
Accrued salaries and benefits	31,275	1,221	31,275	1,221
Due to student organizations	2,605,955	3,200,748	2,758,342	3,048,361
Total liabilities	<u>\$ 2,879,431</u>	<u>\$ 3,201,969</u>	<u>\$ 2,871,501</u>	<u>\$ 3,209,899</u>

# BEAUFORT COUNTY SCHOOL DISTRICT

## AGENCY FUND - PUPIL ACTIVITY FUND - SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO STUDENT ORGANIZATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

### Receipts

1000	Receipts from local sources		
1500	Earnings on investments		
1510	Interest on investments	\$	1,710
1700	Pupil activities		
1730	Pupil organization membership dues and fees		395,643
1900	Other revenue from local sources		
1920	Contributions and donations		84,635
1999	Revenue from other local sources		2,718,760
	Total receipts from local sources		<u>3,200,748</u>
	Total receipts all sources		<u>3,200,748</u>

### Disbursements

190	Instructional pupil activity		
660	Pupil activity		359,730
270	Support services pupil activity		
271	Pupil service activities		
660	Pupil activity		1,720,710
272	Enterprise activities		
660	Pupil activity		650,261
273	Trust and agency activities		
660	Pupil activity		27,641
	Total pupil activity expenditures		<u>2,758,342</u>
	Total disbursements		<u>2,758,342</u>
	Excess of receipts over disbursements		442,406
	Due to student organizations, beginning of year		<u>2,605,955</u>
	Due to student organizations, end of year	\$	<u><u>3,048,361</u></u>

# BEAUFORT COUNTY SCHOOL DISTRICT

## FINANCIAL ANALYSIS MODEL LOCATION RECONCILIATION SCHEDULE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Location Code	Location Description	Education Level	Cost Type	Total Expenditures
1	District Office	Non-Schools	Central	\$ 113,233,088
9	Islands Academy	Alternative School	School	1,558,830
10	Academy for Career Excellence	Other Schools	School	1,873,090
15	St. Helena Early Childhood Center	Other Schools	School	140,309
17	Hilton Head Early Childhood Center	Other Schools	School	5,314,570
20	Riverview Charter School	Other Schools	School	3,716,617
33	Beaufort Elementary	Elementary Schools	School	9,403,032
34	Coosa Elementary	Elementary Schools	School	5,226,912
35	Lady's Island Elementary	Elementary Schools	School	3,742,478
37	Mossy Oaks Elementary	Elementary Schools	School	5,000,004
38	Port Royal Elementary	Elementary Schools	School	3,214,739
39	St. Helena Elementary	Elementary Schools	School	5,378,871
40	Broad River Elementary	Elementary Schools	School	5,920,373
44	Joseph S. Shanklin Elementary	Elementary Schools	School	5,004,572
54	Whale Branch Elementary	Elementary Schools	School	7,068,664
62	Hilton Head Island Elementary	Elementary Schools	School	13,783,080
63	Hilton Head Island School for Creative Arts	Elementary Schools	School	7,378,098
70	Bluffton Elementary	Elementary Schools	School	9,283,479
72	Okatie Elementary	Elementary Schools	School	6,558,683
74	Michael C. Riley Elementary	Elementary Schools	School	9,925,694
76	Red Cedar Elementary	Elementary Schools	School	7,422,877
78	Pritchardville Elementary	Elementary Schools	School	8,193,896
79	River Ridge Academy	PK-8 School	School	15,756,788
80	Beaufort Middle	Middle Schools	School	5,504,325
81	Lady's Island Middle	Middle Schools	School	6,421,357
83	Robert Smalls International Academy	PK-8 School	School	8,803,241
85	Whale Branch Middle	Middle Schools	School	4,806,959
87	Hilton Head Island Middle	Middle Schools	School	9,274,914
88	HE McCracken Middle	Middle Schools	School	8,689,087
89	Bluffton Middle	Middle Schools	School	8,081,081
90	Beaufort High	High Schools	School	13,160,884
92	Battery Creek High	High Schools	School	9,772,728
94	Whale Branch Early College High	High Schools	School	8,384,707
96	Hilton Head Island High	High Schools	School	12,689,031
97	May River High	High Schools	School	17,654,930
98	Bluffton High	High Schools	School	11,633,381
				<u>\$ 378,975,369</u>

The above expenditures/expenses are reconciled to the School District's financial statement as follows:

### Funds used in Per Pupil Cost calculation

General Fund	\$ 242,569,136
Special Projects Fund	17,386,986
Special Projects EIA Fund	7,560,157
Proprietary Fund	9,567,403
Internal Service Fund	921,551
Trust and Agency Fund	2,758,342
	<u>280,763,575</u>

### Other funds

Debt Service Fund	64,561,525
Capital Projects Fund	33,650,269
	<u>98,211,794</u>

Total expenditures / disbursements for all funds

\$ 378,975,369

# BEAUFORT COUNTY SCHOOL DISTRICT

## RIVERVIEW CHARTER SCHOOL - GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Original Budget	Final Budget	Actual	Variance with Budget
<b>Revenues</b>					
1000	Revenue from local sources				
1700	Pupil activities				
1740	Student fees	\$ 253,000	\$ 250,000	\$ 200,303	\$ (49,697)
1790	Other pupil activity income	202,300	214,500	95,666	(118,834)
1900	Other revenue from local sources				
1920	Contributions and donations from private sources	200,000	230,000	167,515	(62,485)
1990	Miscellaneous Local Revenue				
1999	Revenue from other local sources	32,565	32,565	11,069	(21,496)
	Total local sources	687,865	727,065	474,553	(252,512)
3000	Revenue from state sources				
3300	Education Finance Act (EFA)				
3313	Elementary	6,471,377	6,471,377	6,748,092	276,715
3900	Other state revenue				
3993	PEBA on-behalf	-	-	30,053	30,053
	Total revenue from state sources	6,471,377	6,471,377	6,778,145	306,768
	Total revenue all sources	7,159,242	7,198,442	7,252,698	54,256
<b>Expenditures</b>					
100	Instruction				
110	General instruction				
111	Kindergarten programs				
100	Salaries	-	-	295,790	(295,790)
200	Employee benefits	-	-	123,292	(123,292)
400	Supplies and materials	-	-	1,884	(1,884)
		-	-	420,966	(420,966)
112	Primary programs				
100	Salaries	-	-	696,781	(696,781)
200	Employee benefits	-	-	413,822	(413,822)
300	Purchased services	-	-	299	(299)
400	Supplies and materials	-	-	4,641	(4,641)
		-	-	1,115,543	(1,115,543)
113	Elementary programs				
100	Salaries	2,918,147	2,911,207	1,609,822	1,301,385
200	Employee benefits	1,343,188	1,335,515	689,318	646,197
300	Purchased services	19,500	19,500	18,266	1,234
400	Supplies and materials	100,125	105,125	48,930	56,195
		4,380,960	4,371,347	2,366,336	2,005,011
120	Exceptional programs				
126	Exceptional programs				
400	Supplies and materials	-	-	330	(330)
		-	-	330	(330)
127	Learning disabilities				
100	Salaries	-	-	117,437	(117,437)
200	Employee benefits	-	-	105,357	(105,357)
300	Purchased services	12,000	12,000	5,198	6,802
400	Supplies and materials	1,500	1,500	786	714
		13,500	13,500	228,778	(215,278)
130	Preschool programs				
133	Preschool handicapped self-contained				
400	Supplies and materials	-	-	42,894	(42,894)
		-	-	42,894	(42,894)

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## RIVERVIEW CHARTER SCHOOL - GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2020

				Original Budget	Final Budget	Actual	Variance with Budget
<b>Expenditures (Continued)</b>							
100	Instruction (Continued)						
170	Summer school programs						
175	Instructional programs beyond regular day school						
100	Salaries			\$ 76,551	\$ 85,303	\$ 95,300	\$ (9,997)
200	Employee benefits			25,837	28,481	22,262	6,219
300	Purchased services			73,710	73,710	3,560	70,150
400	Supplies and materials			5,800	5,800	8,274	(2,474)
				<u>181,898</u>	<u>193,294</u>	<u>129,396</u>	<u>63,898</u>
190	Instructional pupil activity						
600	Other objects			165,250	197,050	99,163	97,887
				<u>165,250</u>	<u>197,050</u>	<u>99,163</u>	<u>97,887</u>
	Total instruction			<u>4,741,608</u>	<u>4,775,191</u>	<u>4,403,406</u>	<u>371,785</u>
200	Support services						
210	Pupil services						
212	Guidance services						
100	Salaries			-	-	93,964	(93,964)
200	Employee benefits			-	-	28,640	(28,640)
400	Supplies and materials			1,500	1,500	-	1,500
				<u>1,500</u>	<u>1,500</u>	<u>122,604</u>	<u>(121,104)</u>
213	Health services						
100	Salaries			-	-	8,198	(8,198)
200	Employee benefits			-	-	12,516	(12,516)
400	Supplies and materials			2,750	2,750	740	2,010
				<u>2,750</u>	<u>2,750</u>	<u>21,454</u>	<u>(18,704)</u>
214	Psychological services						
300	Purchased services			-	-	4,600	(4,600)
				<u>-</u>	<u>-</u>	<u>4,600</u>	<u>(4,600)</u>
220	Instructional staff services						
221	Improvement of instruction curriculum development						
100	Salaries			-	-	162,520	(162,520)
200	Employee benefits			-	-	69,106	(69,106)
				<u>-</u>	<u>-</u>	<u>231,626</u>	<u>(231,626)</u>
224	Improvement of instruction and staff training						
100	Salaries			-	-	90,994	(90,994)
200	Employee benefits			-	-	39,176	(39,176)
300	Purchased services			5,000	12,000	11,527	473
				<u>5,000</u>	<u>12,000</u>	<u>141,697</u>	<u>(129,697)</u>
230	General administration services						
231	Board of education						
300	Purchased services			18,500	18,500	29,047	(10,547)
318	Audit services			10,000	10,000	18,150	(8,150)
400	Supplies and materials			63,500	63,500	39,387	24,113
600	Other objects			30,457	31,500	39,552	(8,052)
				<u>122,457</u>	<u>123,500</u>	<u>126,136</u>	<u>(2,636)</u>
233	School administration						
100	Salaries			739,338	752,311	297,738	454,573
200	Employee benefits			316,065	319,550	126,928	192,622
300	Purchased services			30,000	30,000	39,993	(9,993)
400	Supplies and materials			19,500	19,500	31,195	(11,695)
				<u>1,104,903</u>	<u>1,121,361</u>	<u>495,854</u>	<u>625,507</u>

(Continued)

# BEAUFORT COUNTY SCHOOL DISTRICT

## RIVERVIEW CHARTER SCHOOL - GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2020

				Original Budget	Final Budget	Actual	Variance with Budget
<b>Expenditures (Continued)</b>							
200	Support services (Continued)						
250	Finance and operations services						
252	Fiscal services						
	300	Purchased services		\$ 55,000	\$ 55,000	\$ 43,412	\$ 11,588
	600	Other objects		14,500	14,500	14,578	(78)
				<u>69,500</u>	<u>69,500</u>	<u>57,990</u>	<u>11,510</u>
253	Facilities acquisition and construction						
	500	Capital outlay		-	-	22,478	(22,478)
				<u>-</u>	<u>-</u>	<u>22,478</u>	<u>(22,478)</u>
254	Operation and maintenance of plant						
	300	Purchased services		789,779	792,729	764,952	27,777
	321	Public utility services		10,023	10,023	6,656	3,367
	400	Supplies and materials		-	-	137	(137)
	470	Energy		137,500	137,500	104,435	33,065
				<u>937,302</u>	<u>940,252</u>	<u>876,180</u>	<u>64,072</u>
255	Student Transportation						
	300	Purchased services		75,000	75,000	36,578	38,422
	600	Other objects		301	301	308	(7)
				<u>75,301</u>	<u>75,301</u>	<u>36,886</u>	<u>38,415</u>
256	Food services						
	100	Salaries		77,705	77,705	-	77,705
	200	Employee benefits		33,809	33,744	-	33,744
	300	Purchased services		3,500	3,500	-	3,500
	400	Supplies and materials		94,500	108,000	-	108,000
				<u>209,514</u>	<u>222,949</u>	<u>-</u>	<u>222,949</u>
258	Security						
	300	Purchased services		6,500	6,500	6,745	(245)
				<u>6,500</u>	<u>6,500</u>	<u>6,745</u>	<u>(245)</u>
260	Central support services						
263	Information services						
	300	Purchased services		19,500	19,500	15,681	3,819
				<u>19,500</u>	<u>19,500</u>	<u>15,681</u>	<u>3,819</u>
266	Technology and data processing services						
	100	Salaries		-	-	62,687	(62,687)
	200	Employee benefits		-	-	31,234	(31,234)
	300	Purchased services		124,340	124,340	59,360	64,980
	400	Supplies and materials		2,710	2,710	9,825	(7,115)
	500	Capital outlay		-	-	57,395	(57,395)
				<u>127,050</u>	<u>127,050</u>	<u>220,501</u>	<u>(93,451)</u>
270	Support services - pupil activity						
271	Pupil service activities						
	100	Salaries		20,000	20,000	6,250	13,750
	200	Employee benefits		2,500	2,500	1,479	1,021
	300	Purchased services		-	-	1,784	(1,784)
				<u>22,500</u>	<u>22,500</u>	<u>9,513</u>	<u>12,987</u>
		Total support services		<u>2,703,777</u>	<u>2,744,663</u>	<u>2,389,945</u>	<u>354,718</u>
500	Debt services						
	690	Other objects		-	-	350	(350)
				<u>-</u>	<u>-</u>	<u>350</u>	<u>(350)</u>
		Total expenditures		<u>7,445,385</u>	<u>7,519,854</u>	<u>6,793,701</u>	<u>726,153</u>

(Continued)



# BEAUFORT COUNTY SCHOOL DISTRICT

## RIVERVIEW CHARTER SCHOOL - GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Budget
<b>Expenditures (Continued)</b>				
<b>Other financing sources</b>				
5400 Proceeds from long-term notes	\$ -	\$ -	\$ 945,145	\$ 945,145
	<u>-</u>	<u>-</u>	<u>945,145</u>	<u>945,145</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (286,143)	\$ (321,412)	1,404,142	\$ 1,725,554
<b>Fund balance, beginning of year</b>			<u>524,392</u>	
<b>Fund balance, end of year</b>			<u>\$ 1,928,534</u>	

**NOTE:** Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

# BEAUFORT COUNTY SCHOOL DISTRICT

## RIVERVIEW CHARTER SCHOOL - SPECIAL PROJECTS FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		IDEA (203/204)	Other Designated Restricted State Grants (800s/900s)	Other Special Revenue Programs (200s)	Total
<b>Revenues</b>					
1000	Revenue from local sources				
1600	Food services				
1610	Lunch sales to pupils	\$ -	\$ -	\$ 80,366	\$ 80,366
1620	Breakfast sales to pupils	-	-	5,404	5,404
1630	Special sales to pupils	-	-	16,711	16,711
1640	Lunch sales to adults	-	-	7,164	7,164
1650	Breakfast sales to adults	-	-	4	4
	Total revenue from local sources	-	-	109,649	109,649
3000	Revenue from state sources				
3100	Restricted state funding				
3120	General education				
3127	Student health and fitness - PE teachers	-	7,195	-	7,195
3130	Special Programs				
3136	Student health and fitness - nurses	-	33,114	-	33,114
	Total state sources	-	40,309	-	40,309
4000	Revenue from federal sources				
4500	Programs for children with disabilities				
4510	Individuals with Disabilities Education Act (IDEA)	113,332	-	-	113,332
4800	USDA reimbursement				
4810	School lunch and after school snacks program	-	-	103,487	103,487
	Total federal sources	113,332	-	103,487	216,819
	Total revenue all sources	113,332	40,309	213,136	366,777
<b>Expenditures</b>					
100	Instruction				
110	General instruction				
113	Elementary programs				
100	Salaries	-	7,195	-	7,195
		-	7,195	-	7,195
120	Exceptional programs				
127	Learning disabilities				
100	Salaries	113,332	-	-	113,332
		113,332	-	-	113,332
	Total instruction	113,332	7,195	-	120,527
200	Support services				
210	Pupil Services				
213	Health services				
100	Salaries	-	33,114	-	33,114
		-	33,114	-	33,114
250	Finance and operations services				
256	Food services				
100	Salaries	-	-	92,450	92,450
200	Employee benefits	-	-	38,566	38,566
300	Purchased services	-	-	1,589	1,589
400	Supplies and materials	-	-	105,905	105,905
500	Capital outlay	-	-	2,750	2,750
		-	-	241,260	241,260
	Total support services	-	33,114	241,260	274,374
	Total expenditures	113,332	40,309	241,260	394,901
	Excess (deficiency) of revenues over (under) expenditures	-	-	(28,124)	(28,124)
<b>Fund balance, beginning of year</b>		-	-	104,364	104,364
<b>Fund balance, end of year</b>		\$ -	\$ -	\$ 76,240	\$ 76,240

# BEAUFORT COUNTY SCHOOL DISTRICT

## RIVERVIEW CHARTER SCHOOL - EDUCATION IMPROVEMENT ACT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

				Actual
Revenues				
3000	Revenue from state sources			
3500	Education Improvement Act (EIA)			
3502	ADEPT		\$	275
3518	Adoption list of formative assessment			3,875
3526	Refurbishment of science kits			1,130
3532	National board salary supplement			32,500
3538	Student at risk of school failure			47,928
3577	Teacher supplies			15,950
3595	EEDA - supplies and materials			388
3597	Aid to districts			31,019
	Total state sources			133,065
	Total revenue all sources			133,065
Expenditures				
100	Instruction			
110	General instruction			
111	Kindergarten programs			
100	Salaries			5,000
400	Supplies and materials			1,100
112	Primary programs			
100	Salaries			61,672
400	Supplies and materials			3,850
113	Elementary programs			
100	Salaries			8,750
400	Supplies and materials			44,549
120	Exceptional Programs			
127	Learning disabilities			
400	Supplies and materials			1,100
	Total instruction			126,021
200	Support services			
210	Pupil services			
212	Guidance services			
400	Supplies and materials			938
220	Instructional staff services			
221	Improvement of instruction - curriculum development			
100	Salaries			275
224	Improvement of instruction - inservice and staff training			
100	Salaries			5,281
400	Supplies and materials			275
260	Central support services			
266	Technology and data processing			
400	Supplies and materials			275
	Total support services			7,044
	Total expenditures			133,065
	Excess of revenues over expenditures			-
Fund balance, beginning of year				-
Fund balance, end of year				\$ -

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# **STATISTICAL SECTION**



# STATISTICAL SECTION

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This part of the School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information about the School District's overall financial health.

## Contents

## Page

### **Financial Trends..... 133 – 142**

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

### **Revenue Capacity ..... 143 – 146**

*These schedules contain information to help the reader assess the School District's most significant local revenue sources.*

### **Debt Capacity ..... 147 – 153**

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

### **Demographic and Economic Information..... 154 – 156**

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

### **Operating Information ..... 157 – 169**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the School District's financial reports for the relevant year.

**BEAUFORT COUNTY SCHOOL DISTRICT**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<b>Fiscal Year</b>			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>
Governmental Activities				
Net investments in capital assets	\$ 112,669,995	\$ 130,188,153	\$ 133,805,522	\$ 150,154,713
Restricted	27,269,678	18,365,513	18,962,817	15,316,037
Unrestricted	27,206,206	29,919,171	42,960,903	(166,388,730)
Total governmental activities net position	<u>167,145,879</u>	<u>178,472,837</u>	<u>195,729,242</u>	<u>(917,980)</u>
Business-type activities				
Net investments in capital assets	841,301	1,166,399	1,570,635	2,086,574
Unrestricted	2,603,096	2,087,940	1,519,945	971,046
Total business-type activities net position	<u>3,444,397</u>	<u>3,254,339</u>	<u>3,090,580</u>	<u>3,057,620</u>
Total primary government net position	<u>\$ 170,590,276</u>	<u>\$ 181,727,176</u>	<u>\$ 198,819,822</u>	<u>\$ 2,139,640</u>

\*Restated for GASB 68 implementation



Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 159,361,786	\$ 190,512,542	\$ 217,792,997	\$ 233,115,201	\$ 255,368,095	\$ 277,456,822
22,585,786	14,833,180	14,834,791	42,920,096	49,461,773	27,572,533
(163,293,229)	(168,155,765)	(167,695,845)	(422,889,252)	(443,602,072)	(414,156,908)
18,654,343	37,189,957	64,931,943	(146,853,955)	(138,772,204)	(109,127,553)
2,254,153	2,145,718	2,164,530	2,254,971	2,112,047	2,152,058
154,226	224,305	310,543	(34,546)	275,014	680,855
2,408,379	2,370,023	2,475,073	2,220,425	2,387,061	2,832,913
\$ 21,062,722	\$ 39,559,980	\$ 67,407,016	\$ (144,633,530)	\$ (136,385,143)	\$ (106,294,640)

# BEAUFORT COUNTY SCHOOL DISTRICT

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities				
Instruction	\$ 126,985,171	\$ 123,081,889	\$ 122,652,714	\$ 121,231,760
Support services	99,083,949	102,881,123	111,028,257	118,366,308
Community services	300,567	402,698	472,116	241,004
Payments to component units	-	-	-	-
Intergovernmental	2,980,553	-	-	-
Interest on long-term obligations	12,844,112	13,165,550	11,970,192	11,420,726
Total governmental activities expenses	242,194,352	239,531,260	246,123,279	251,259,798
Business-type activities				
Food service	8,842,845	8,880,026	9,059,767	8,668,705
Total business-type activities expenses	8,842,845	8,880,026	9,059,767	8,668,705
Total primary government expenses	<u>\$ 251,037,197</u>	<u>\$ 248,411,286</u>	<u>\$ 255,183,046</u>	<u>\$ 259,928,503</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
Instructional	\$ 28,356	\$ 20,696	\$ 35,622	\$ 51,618
Operating grants and contributions:				
Instructional	24,028,270	26,993,907	26,649,899	24,638,467
Support services	13,110,664	19,670,863	18,322,028	16,812,220
Community services	-	53,645	47,467	241,004
Capital grants and contributions:				
Support services	-	-	-	-
Total governmental activities program revenues	37,167,290	46,739,111	45,055,016	41,743,309
Business-type activities				
Charges for services:				
Food Service	2,513,671	2,222,104	2,223,602	1,871,116
Operating grants and contributions	6,168,471	6,631,099	6,781,241	6,751,656
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	8,682,142	8,853,203	9,004,843	8,622,772
Total primary government program revenues	<u>\$ 45,849,432</u>	<u>\$ 55,592,314</u>	<u>\$ 54,059,859</u>	<u>\$ 50,366,081</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (205,027,062)	\$ (192,792,149)	\$ (201,068,263)	\$ (209,516,489)
Business-type activities	(160,703)	(26,823)	(54,924)	(45,933)
Total primary government net (expense) revenue	<u>\$ (205,187,765)</u>	<u>\$ (192,818,972)</u>	<u>\$ (201,123,187)</u>	<u>\$ (209,562,422)</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 126,607,032	\$ 135,602,252	\$ 151,483,408	\$ 149,776,278	\$ 159,073,172	\$ 184,578,382
119,251,308	112,368,481	116,167,136	143,204,186	137,217,839	128,263,804
458,345	443,619	389,610	276,218	269,169	284,594
-	4,861,745	5,144,579	5,896,084	6,347,868	-
-	36,089	119,618	339,760	2,043,205	-
8,341,909	9,595,327	7,660,445	12,989,483	7,636,395	2,115,089
254,658,594	262,907,513	280,964,796	312,482,009	312,587,648	315,241,869
9,763,547	10,275,171	9,634,792	10,288,065	10,488,104	9,572,164
9,763,547	10,275,171	9,634,792	10,288,065	10,488,104	9,572,164
\$ 264,422,141	\$ 273,182,684	\$ 290,599,588	\$ 322,770,074	\$ 323,075,752	\$ 324,814,033
\$ 9,610	\$ -	\$ 30,794	\$ 29,205	\$ 74,350	\$ 1,383,084
28,569,716	27,478,141	36,690,142	32,258,195	38,111,292	39,968,370
15,697,568	13,898,651	19,380,034	19,234,865	22,992,955	29,316,033
301,238	306,390	234,504	257,396	254,111	267,283
30,349	4,688	1,966,192	-	-	-
44,608,481	41,687,870	58,301,666	51,779,661	61,432,708	70,934,770
2,130,431	1,937,992	1,747,524	1,801,526	1,750,372	1,869,576
7,417,528	8,287,106	7,993,920	8,786,844	8,906,330	8,161,768
-	-	-	-	-	-
9,547,959	10,225,098	9,741,444	10,588,370	10,656,702	10,031,344
\$ 54,156,440	\$ 51,912,968	\$ 68,043,110	\$ 62,368,031	\$ 72,089,410	\$ 80,966,114
\$ (210,050,113)	\$ (221,219,643)	\$ (222,663,130)	\$ (260,702,348)	\$ (251,154,940)	\$ (244,307,099)
(215,588)	(50,073)	106,652	300,305	168,598	459,180
\$ (210,265,701)	\$ (221,269,716)	\$ (222,556,478)	\$ (260,402,043)	\$ (250,986,342)	\$ (243,847,919)

# BEAUFORT COUNTY SCHOOL DISTRICT

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes by source:				
Property tax - general purposes	\$ 110,854,831	\$ 119,423,876	\$ 115,312,797	\$ 112,688,812
Property tax - debt service	47,491,788	50,644,714	51,139,540	45,947,271
Unrestricted grants and contributions	55,697,820	42,858,873	50,696,910	55,209,520
Unrestricted investment earnings	449,123	406,888	918,119	501,633
Miscellaneous	765,262	577	123,178	273
Transfers	125,845	123,393	134,124	11,437
Proceeds from settlement of lawsuit	-	2,650,000	-	760,610
Total governmental activities	215,384,669	216,108,321	218,324,668	215,119,556
Business-type activities				
Unrestricted investment earnings	-	20,579	25,289	20,469
Miscellaneous	-	-	-	3,941
Transfers	(125,845)	(123,393)	(134,124)	(11,437)
Total business-type activities	(125,845)	(102,814)	(108,835)	12,973
Total primary government	\$ 215,258,824	\$ 216,005,507	\$ 218,215,833	\$ 215,132,529
<b>Change in Net Position</b>				
Governmental activities	\$ 10,357,607	\$ 23,316,172	\$ 17,256,405	\$ 5,603,067
Business-type activities	(286,548)	(129,637)	(163,759)	(32,960)
Total primary government	\$ 10,071,059	\$ 23,186,535	\$ 17,092,646	\$ 5,570,107

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 119,531,622	\$ 124,334,713	\$ 135,910,793	\$ 141,879,433	\$ 135,222,656	\$ 148,431,774
53,327,642	57,470,709	56,052,187	56,029,608	59,990,989	62,798,096
55,031,870	55,725,768	56,498,536	57,301,376	57,713,475	58,060,250
499,042	605,285	575,147	1,734,506	1,619,331	3,095,803
775,531	1,621,971	1,365,502	1,809,415	4,686,358	1,550,841
2,618	(3,189)	2,951	(7,904)	3,882	14,986
-	-	-	-	-	-
229,168,325	239,755,257	250,405,116	258,746,434	259,236,691	273,951,750
23,076	6,427	1,349	2,089	1,920	1,658
-	2,101	-	-	-	-
(2,618)	3,189	(2,951)	7,904	(3,882)	(14,986)
20,458	11,717	(1,602)	9,993	(1,962)	(13,328)
\$ 229,188,783	\$ 239,766,974	\$ 250,403,514	\$ 258,756,427	\$ 259,234,729	\$ 273,938,422
\$ 19,118,212	\$ 18,535,614	\$ 27,741,986	\$ (1,955,914)	\$ 8,081,751	\$ 29,644,651
(195,130)	(38,356)	105,050	310,298	166,636	445,852
\$ 18,923,082	\$ 18,497,258	\$ 27,847,036	\$ (1,645,616)	\$ 8,248,387	\$ 30,090,503

# BEAUFORT COUNTY SCHOOL DISTRICT

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS (UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 409,627	\$ 291,356	\$ 1,388,252	\$ 1,246,961
Assigned	2,042,789	568,601	-	-
Unassigned	24,011,586	27,225,116	29,115,123	26,381,212
Total General Fund	26,464,002	28,085,073	30,503,375	27,628,173
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	15,944,312	16,509,751	44,768,645	64,933,634
Unassigned	38,733,141	31,046,772	5,850,477	-
Total All Other Governmental Funds	54,677,453	47,556,523	50,619,122	64,933,634
Total All Governmental Funds	\$ -	\$ 75,641,596	\$ 81,122,497	\$ 92,561,807

<b>Fiscal Year</b>					
2015	2016	2017	2018	2019	2020
\$ 776,668	106,736	3,198,133	44,507	1,885,406	35,201
-	-	-	-	-	-
30,909,347	28,517,909	33,064,996	39,562,392	31,661,366	44,742,602
31,686,015	28,624,645	36,263,129	39,606,899	33,546,772	44,777,803
-	-	-	-	-	75,197
96,022,442	46,279,167	41,422,157	42,920,096	49,461,773	117,992,861
-	-	-	-	-	(75,197)
96,022,442	46,279,167	41,422,157	42,920,096	49,461,773	117,992,861
\$ 127,708,457	\$ 74,903,812	\$ 77,685,286	\$ 82,526,995	\$ 83,008,545	\$ 162,770,664

# BEAUFORT COUNTY SCHOOL DISTRICT

## CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS (UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
<b>Revenues</b>				
Local				
Property taxes	\$ 159,794,306	\$ 163,609,611	\$ 165,427,081	\$ 161,343,752
Interest	449,124	406,886	369,704	501,633
Other	1,610,054	2,488,584	3,114,576	2,644,310
	161,853,484	166,505,081	168,911,361	164,489,695
State sources	71,176,570	67,658,719	74,724,325	79,126,781
Federal sources	20,084,012	19,451,260	18,579,295	15,905,033
	253,114,066	253,615,060	262,214,981	259,521,509
<b>Expenditures</b>				
Current				
Instruction	122,321,008	116,974,152	122,202,918	121,266,136
Support services	85,592,253	85,163,074	84,015,526	82,414,183
Community services	234,731	232,461	217,662	241,004
Intergovernmental	2,980,553	3,318,609	4,575,781	4,894,989
Debt service				
Principal	34,810,000	40,212,736	37,230,198	46,037,485
Interest	17,901,779	16,932,564	15,937,208	14,855,872
Other	186,098	536,945	188,300	-
Capital outlay	38,186,840	15,405,462	5,966,462	19,990,166
Total Expenditures	302,213,262	278,776,003	270,334,055	289,699,836
Excess (deficiency) of revenues over (under) expenditures	(49,099,196)	(25,160,943)	(8,119,074)	(30,178,327)
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	324,964	42,308	50,922	25,756
Capital leases	-	-	-	-
Premium on bonds sold	17,305	5,226,688	798,929	2,403,834
Issuance of debt	4,178,303	16,261,318	12,616,000	38,146,000
Refunding of debt	-	34,350,000		22,000,000
Payment to refunded debt escrow agent		(38,991,369)		(21,730,000)
Transfers in	5,387,815	6,275,517	10,762,374	11,409,351
Transfers out	(5,261,970)	(6,153,378)	(10,628,250)	(11,397,914)
Total Other Financing Sources (Uses)	4,646,417	17,011,084	13,599,975	40,857,027
Special Item				
Proceeds from settlement of lawsuit	-	2,650,000	-	760,610
Net Change in Fund Balance	\$ (44,452,779)	\$ (5,499,859)	\$ 5,480,901	\$ 11,439,310
Debt service as a percentage of noncapital expenditures*	20%	22%	20%	22%

\* Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditure categories. This formula adds "functional" and "principal" and divides them by the "total expenditures" minus the "capital outlay". See the reconciling item for capital outlay on page 36.



Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 171,001,314	\$ 178,035,444	\$ 190,981,906	\$ 199,628,589	\$ 196,381,147	\$ 216,191,294
499,042	605,285	575,147	1,734,506	1,619,331	785,151
2,877,648	3,692,842	2,821,286	2,307,247	2,486,320	883,784
174,378,004	182,333,571	194,378,339	203,670,342	200,486,798	217,860,229
84,710,053	84,023,740	98,461,720	98,458,453	107,474,291	115,163,023
13,574,611	12,091,541	14,880,917	12,202,438	13,117,031	12,843,655
272,662,668	278,448,852	307,720,976	314,331,233	321,078,120	345,866,907
125,387,495	133,309,029	143,638,404	149,206,884	158,471,602	162,671,170
82,733,594	85,115,534	89,927,659	92,209,756	94,908,567	95,279,405
301,238	308,543	234,504	257,396	254,111	267,283
4,711,644	4,897,834	5,264,197	7,837,170	8,391,073	9,258,446
35,088,000	32,801,000	41,021,000	44,410,700	46,880,700	55,580,900
13,615,374	15,438,347	14,213,018	13,750,765	12,841,296	11,733,658
-	-	-	-	-	23,443
70,126,046	66,377,876	32,390,626	32,639,076	29,616,581	33,650,269
331,963,391	338,248,163	326,689,408	340,311,747	351,363,930	368,464,574
(59,300,723)	(59,799,311)	(18,968,432)	(25,980,514)	(30,285,810)	(22,597,667)
7,759	15,525	1,781	64,957	4,000	49,590
-	-	3,500,000	-	-	-
25,230,211	5,964,372	490,971	2,195,170	1,509,478	7,995,210
79,298,000	6,788,000	20,000,000	28,570,000	29,250,000	94,300,000
81,765,000	28,090,000	29,050,000	-	-	-
(91,856,215)	(33,860,042)	(31,295,797)	-	-	-
9,676,829	23,374,957	8,749,423	9,531,766	10,339,922	10,330,031
(9,674,211)	(23,378,146)	(8,746,472)	(9,539,670)	(10,336,040)	(10,315,045)
94,447,373	6,994,666	21,749,906	30,822,223	30,767,360	102,359,786
-	-	-	-	-	-
\$ 35,146,650	\$ (52,804,645)	\$ 2,781,474	\$ 4,841,709	\$ 481,550	\$ 79,762,119
18%	17%	18%	18%	18%	20%

# BEAUFORT COUNTY SCHOOL DISTRICT

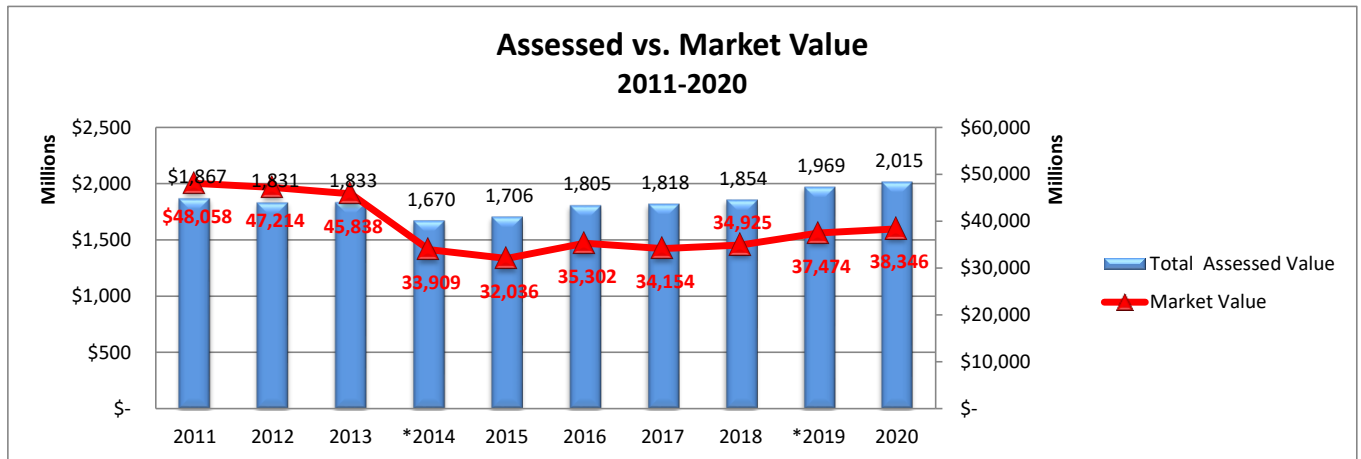
## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	Tax Year	Assessed Value		Total Assessed Value	Total Direct Rate	Market Value	Ratio of Total Assessed Value to Estimated Market Value
		Real Property	Personal Property				
2011	2010	\$ 1,643,802,430	\$ 222,701,792	\$ 1,866,504,222	116.6	\$ 48,058,028,845	3.9%
2012	2011	1,646,959,918	183,636,390	1,830,596,308	118.3	47,214,321,842	3.9%
2013	2012	1,650,397,429	182,152,336	1,832,549,765	119.3	45,837,938,940	4.0%
*2014	2013	1,473,195,546	196,428,055	1,669,623,601	129.2	33,909,090,279 **	4.9%
2015	2014	1,481,192,978	224,587,180	1,705,780,158	135.2	32,036,037,089 **	5.3%
2016	2015	1,561,997,668	242,903,990	1,804,901,658	135.2	35,302,446,098 **	5.1%
2017	2016	1,574,340,200	243,803,862	1,818,144,062	143.2	34,154,007,102 **	5.3%
2018	2017	1,616,197,050	238,124,920	1,854,321,970	145.2	34,924,575,714 **	5.3%
*2019	2018	1,735,799,890	233,576,952	1,969,376,842	136.3	37,473,746,376 **	5.3%
2020	2019	1,785,728,490	229,412,432	2,015,140,922	145.7	38,345,576,179 **	5.3%

**Source:** Beaufort County Auditor

**NOTE:** \*Reassessment Year - Property in Beaufort County was last reassessed in fiscal year 2019. Tax rates are per \$1,000 of assessed value.

\*\*Market value calculated using the data from the State's Index of Taxpaying Ability calculation.



# BEAUFORT COUNTY SCHOOL DISTRICT

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Tax Year	Direct Rates			Overlapping Rates	
		Operations	Debt	Total Mills	Beaufort County	Other Districts
				Beaufort County School District		
2011	2010	90.3	26.3	116.6	47.5	435.2
2012	2011	90.3	28.0	118.3	47.5	438.1
2013	2012	92.3	28.0	120.3	48.5	444.4
**2014	2013	97.5	28.0	125.5	56.3	487.7
2015	2014	103.5	31.7	135.2	56.9	489.2
2016	2015	103.5	31.7	135.2	59.2	509.0
2017	2016	111.5	31.7	143.2	61.3	511.1
2018	2017	113.5	31.7	145.2	63.4	522.6
**2019	2018	104.6	31.7	136.3	62.8	522.9
2020	2019	114.0	31.7	145.7	65.4	531.0

**Source:** (1) Tax schedules published by the Beaufort County Auditor's Office.

**NOTE:** Overlapping rates are those of local and county governments that apply to property owners within Beaufort County School District. Not all overlapping rates apply to all of the Beaufort County School District property owners (i.e., the rates for other districts apply only to the proportion of the Beaufort County School District's property owners whose property is located within the geographic boundaries of the other districts).

\*\* Reassessment

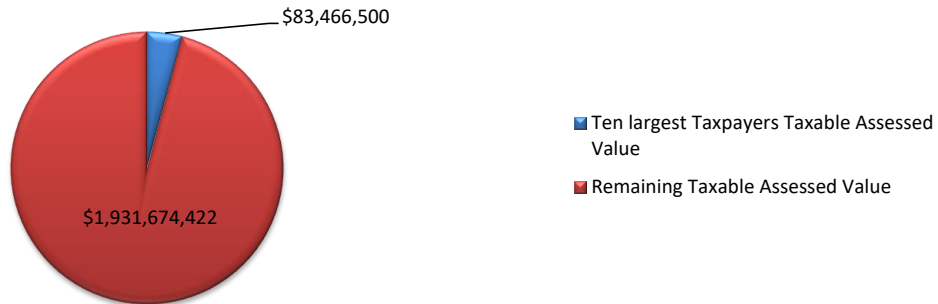
# BEAUFORT COUNTY SCHOOL DISTRICT

## TEN LARGEST TAXPAYERS CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

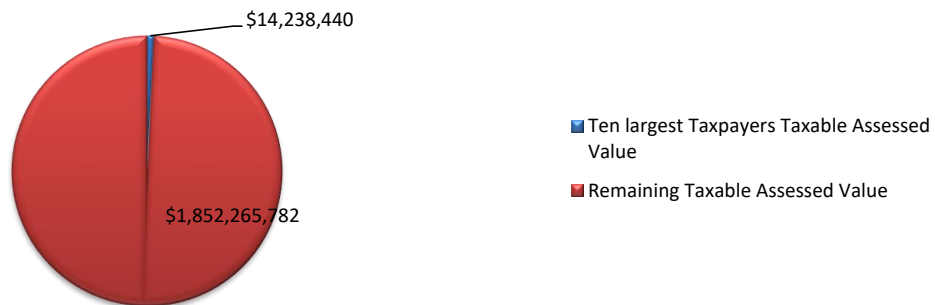
Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
South Carolina Electric & Gas	\$ 25,134,040	1	1.4%	\$ 3,895,267	1	0.21%
Marriott Ownership Resorts, Inc.	16,817,020	2	0.9%	3,816,524	2	0.20%
Palmetto Electric Coop, Inc.	11,034,420	3	0.6%	1,913,656	3	0.10%
Bluffton Telephone Company	6,332,400	4	0.4%	694,694	6	0.04%
Sea Pines Resort	5,115,550	5	0.3%	592,279	7	0.00%
Hargray Telephone Company	5,017,780	6	0.3%	564,194	9	0.03%
Columbia Properties Hilton Head	4,880,580	7	0.3%	906,215	4	0.05%
SCG Hilton Head Property LLC	4,335,720	8	0.2%	894,895	5	0.05%
PBLH LLC	2,447,120	9	0.1%			N/A
Grand Oak Hampton Lakes LLC	2,351,870	10	0.1%			N/A
Greenwood Development Corp.	N/A		N/A	575,813	8	0.03%
Hilton Head Health Systems, LP	N/A		N/A	384,903	10	0.02%
Total	<b>\$ 83,466,500</b>		<b>4.6%</b>	<b>\$ 14,238,440</b>		<b>0.7%</b>

Source: Beaufort County Auditor

### Taxable Assessed Value - Fiscal Year 2020



### Taxable Assessed Value - Fiscal Year 2011



# BEAUFORT COUNTY SCHOOL DISTRICT

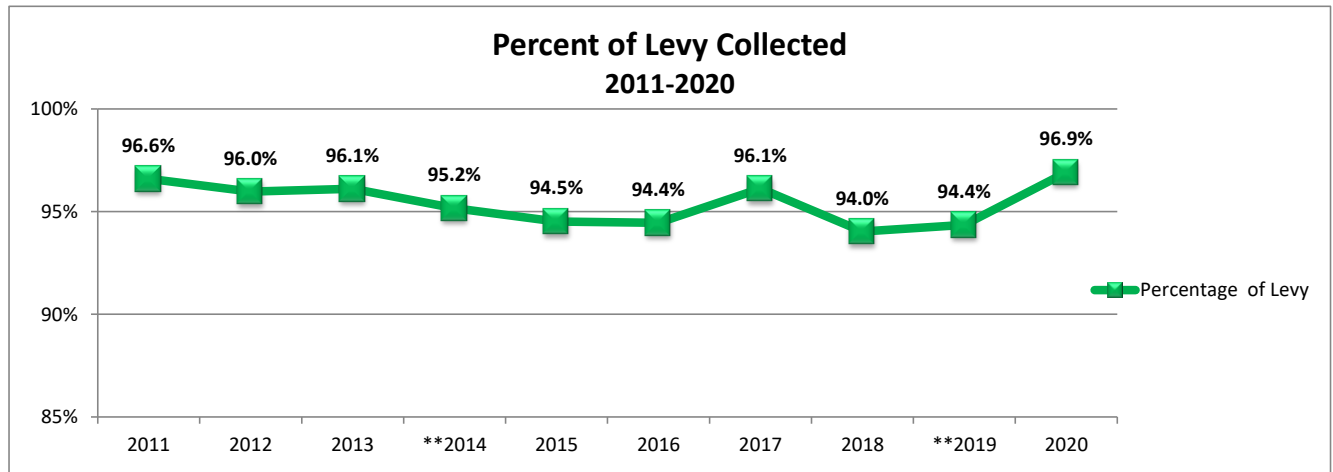
## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 111,433,238	\$ 107,640,819	96.60%	\$ 3,205,321	\$ 110,846,140	99.5%
2012	112,214,859	107,699,294	95.98%	3,344,187	111,043,481	99.0%
2013	114,419,644	109,975,723	96.12%	3,127,422	113,103,145	98.8%
**2014	114,942,235	109,379,367	95.16%	5,064,150	114,443,517	99.6%
2015	121,822,183	115,145,623	94.52%	4,701,603	119,847,226	98.4%
2016	128,765,601	121,617,583	94.45%	2,659,288	124,276,871	96.5%
2017	137,766,145	132,422,893	96.12%	3,053,091	135,475,984	98.3%
2018	144,430,003	135,808,833	94.03%	5,578,708	141,387,541	97.9%
**2019	138,394,227	130,583,688	94.36%	2,642,023	133,225,711	96.3%
2020	152,537,494	147,826,820	96.91%	2,066,434	149,893,254	98.3%

Source: Beaufort County Treasurer/Beaufort County Auditor

\* Not Available

\*\* Reassessment



# BEAUFORT COUNTY SCHOOL DISTRICT

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (UNAUDITED)

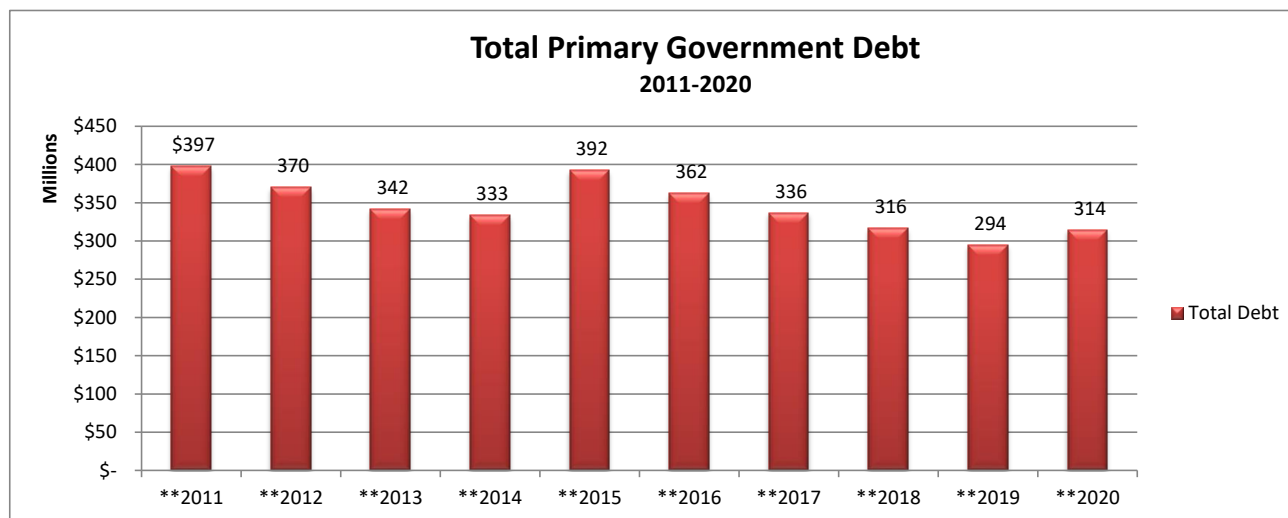
Fiscal Year	Governmental Activities			Business Type Activities		
	General Obligation Bonds	Other Bonds/Notes	Capital Leases	General Obligation Bonds	Other Bonds	Capital Leases
**2011	\$ 360,793,363	\$ 36,245,000	\$ 259,419	\$ -	\$ -	\$ -
**2012	334,480,383	35,225,000	181,683	-	-	-
**2013	307,383,610	34,155,000	62,485	-	-	-
**2014	300,420,194	33,030,000	-	-	-	-
**2015	360,555,000	31,840,000	-	-	-	-
**2016	331,782,955	30,585,000	-	-	-	-
**2017	305,753,177	27,240,000	3,500,000	-	-	-
**2018	288,350,994	25,275,000	2,834,300	-	-	-
**2019	268,928,817	23,270,000	2,139,600	-	-	-
**2020	291,760,621	21,220,000	1,435,700	-	-	-

**Source:** District records

**NOTE:** Details regarding the School District's outstanding debt can be found in the notes to the basic financial statements.

\* Data not available

\*\* Includes Installment Purchase Revenue Bonds



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<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Total Outstanding Debt Per Capita</b>
\$ 397,297,782	1.80%	\$ 2,449
369,887,066	2.05%	2,280
341,601,095	2.27%	2,033
333,450,194	2.43%	1,984
392,395,000	2.29%	2,231
362,367,955	2.53%	2,018
336,493,177	2.99%	1,837
316,460,294	3.38%	1,675
294,338,417	3.62%	1,558
314,416,321	3.74%	1,609

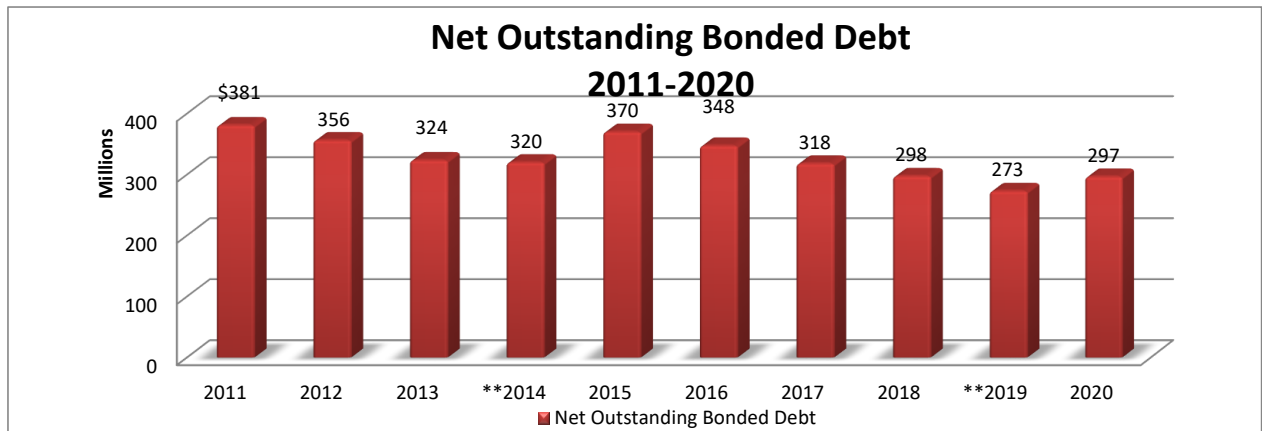
# BEAUFORT COUNTY SCHOOL DISTRICT

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Population	General Bonded Debt Outstanding	Less: Amounts Available in Debt Service Funds	Net Outstanding Bonded Debt	Assessed Value
2011	162,233	\$ 397,038,363	\$ 15,944,313	\$ 381,094,050	\$ 1,866,504,222
2012	164,684	369,705,383	13,326,599	356,378,784	1,830,596,308
2013	168,049	341,538,610	17,898,865	323,639,745	1,832,549,765
**2014	171,838	333,450,194	13,358,650	320,091,544	1,669,623,601
2015	175,852	392,395,000	22,201,716	370,193,284	1,705,780,158
2016	179,589	362,367,955	14,833,180	347,534,775	1,804,901,658
2017	183,149	332,993,177	14,834,791	318,158,386	1,818,144,062
2018	188,876	313,625,994	16,063,797	297,562,197	1,854,321,970
**2019	192,122	292,198,817	19,102,507	273,096,310	1,969,376,842
2020	195,388	312,980,621	16,295,305	296,685,316	2,015,140,922

Source: District records  
Beaufort County Treasurer

\*\* Reassessment





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<b>Percentage of Estimated Actual Taxable Value of Property</b>		<b>Per Capita</b>
20.4%	\$	2,349
19.5%		2,164
17.7%		1,926
19.2%		1,863
21.7%		2,105
19.3%		1,935
17.5%		1,737
16.0%		1,575
13.9%		1,421
14.7%		1,518

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# BEAUFORT COUNTY SCHOOL DISTRICT

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Beaufort County	\$ 197,277,817	100.00%	\$ 197,277,817
City of Beaufort	39,071,186	100.00%	39,071,186
Town of Bluffton	9,704,274	100.00%	9,704,274
Town of Hilton Head	139,913,508	100.00%	139,913,508
Town of Port Royal	336,134	100.00%	336,134
Broad Creek PSD	2,010,000	100.00%	2,010,000
Fripp Island PSD	8,823,423	100.00%	8,823,423
Hilton Head #1 PSD	10,363,920	100.00%	10,363,920
Burton Fire	26,952	100.00%	26,952
Bluffton Fire	12,846,798	100.00%	12,846,798
Lady Island/St. Helena Fire	4,995,000	100.00%	4,995,000
Sheldon Fire	551,200	100.00%	551,200
Subtotal, overlapping debt	<u>425,920,212</u>		<u>425,920,212</u>
Beaufort County School District Direct Debt			<u>291,760,621</u>
Total direct and overlapping			<u><u>\$ 717,680,833</u></u>

**Source:** Finance Department of each entity

**NOTE:** <sup>1</sup> Overlapping governments are those that coincide with the geographic boundaries of the County. The overlapping portion is calculated to be 100% since Beaufort County School District is the only school district located within the geographic boundaries. This percentage represents the portion of burden the outstanding debt of those overlapping governments place on residents and businesses in Beaufort County. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

# BEAUFORT COUNTY SCHOOL DISTRICT

## LEGAL DEBT MARGIN LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
Debt Limit	\$ 149,320,338	\$ 146,447,705	\$ 146,630,981	\$ 133,569,888
Total net debt applicable to limit	87,593,303	69,069,621	53,104,621	32,037,621
Legal debt margin	<u>\$ 61,727,035</u>	<u>\$ 77,378,084</u>	<u>\$ 93,526,360</u>	<u>\$ 101,532,267</u>
Total net debt applicable to limit as a percentage of debt limit	59%	47%	36%	24%
Legal debt margin calculation				
Assessed value	<u>\$ 2,015,140,922</u>			
Debt limit (8 % of assessed value)	<u>161,211,274</u>			
Debt applicable to limit:				
Total bonded debt	314,764,321			
Less: Bond issuances				
approved by referendum	(212,496,511)			
Less: Installment Purchase Revenue Bond	(21,220,000)			
Acquisition & Security Lease	(1,435,700)			
Total net debt applicable to limit	<u>79,612,110</u>			
Legal debt margin	<u>\$ 81,599,163</u>			

**NOTE:** The School District's borrowing power is restricted by amended Article X, Section 15, of the State Constitution. This section provides that a local unit cannot at any time have total debt outstanding in an amount that exceeds 8% of the assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collection; and bonded indebtedness existing prior to December 1, 1982, the effective date of amendment of Article X of the Constitution of South Carolina pertaining to bonded debt. Assessed value used above is the tax base as of June 30, 2020.

<b>Fiscal Year</b>					
2015	2016	2017	2018	2019	2020
\$ 136,462,413	\$ 144,392,133	\$ 145,451,525	\$ 148,345,758	\$ 157,550,147	\$ 161,211,274
93,377,621	88,025,621	90,015,621	97,058,621	102,963,621	79,612,110
\$ 43,084,792	\$ 56,366,512	\$ 55,435,904	\$ 51,287,137	\$ 54,586,526	\$ 81,599,163
68%	61%	62%	65%	65%	49%

# BEAUFORT COUNTY SCHOOL DISTRICT

## DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS (UNAUDITED)

Year	Population	Personal Income*	Per Capita Personal Income	Median Age	Education Percent High School Graduate or Higher
2011	164,106	\$ 7,152,396	\$ 43,584	40.6	90.6%
2012	167,782	7,570,659	45,122	41.4	90.8%
2013	171,569	7,758,656	45,222	41.5	91.3%
2014	175,852	8,113,329	46,137	42	91.6%
2015	179,589	8,973,640	49,914	42.8	92.1%
2016	183,149	9,171,747	52,147	43.6	92.4%
2017	186,844	10,045,855	53,766	44	92.7
2018	188,876	10,711,347	56,711	44.8	92.9
2019	192,122	10,669,197	58,412	**	92.8
2020	195,388	11,745,359	60,113	**	**

\* in thousands

\*\* Data not available

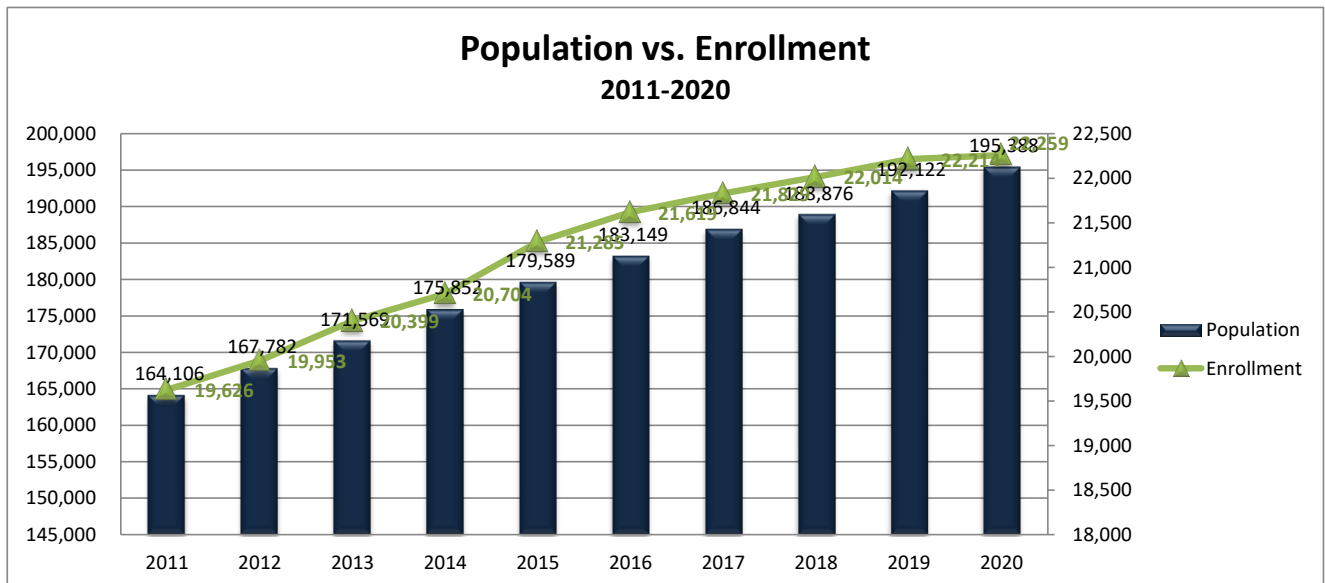
Population: 2019 Real Estate Center at Texas A&M University/Estimated 2020

Per Capita Income and Personal Income provided by the U.S. Department of Commerce, Bureau of Economic Analysis/Estimated 2019 and 2020

School Enrollment represents 135th day provided by School District staff

Unemployment Rate provided by the S.C. Department of Employment and Workforce at June 30, 2020.

Live Births provided South Carolina Department of Health and Environmental Control



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School Enrollment	Unemployment Rate	Live Births
19,626	8.50%	2,025
19,953	8.10%	2,060
20,399	6.80%	1,977
20,704	5.90%	2,056
21,285	6.00%	2,077
21,619	5.20%	2,058
21,829	4.00%	1,998
22,014	3.30%	1,919
22,214	3.30%	**
22,259	7.40%	**

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# BEAUFORT COUNTY SCHOOL DISTRICT

## PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

Employer (Listed Alphabetically)	2020			2011		
	Employees	Rank	Percentage of Total County Employment*	Employees	Rank	Percentage of Total County Employment
Atlantic Personnel, Inc.	*	*	*	*	*	*
Beaufort County School District	2,820	*	*	2,396	*	*
Beaufort Memorial Hospital	*	*	*	*	*	*
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	*	*	*	*	*	*
Technical College of the Lowcountry	*	*	*	*	*	*
Tenet Physician Services of Hilton Head	*	*	*	*	*	*
The Greenery, Inc.	*	*	*	*	*	*
Town of Hilton Head Island	*	*	*	*	*	*
University of South Carolina	*	*	*	*	*	*
Wal-Mart Associates, Inc.	*	*	*	*	*	*

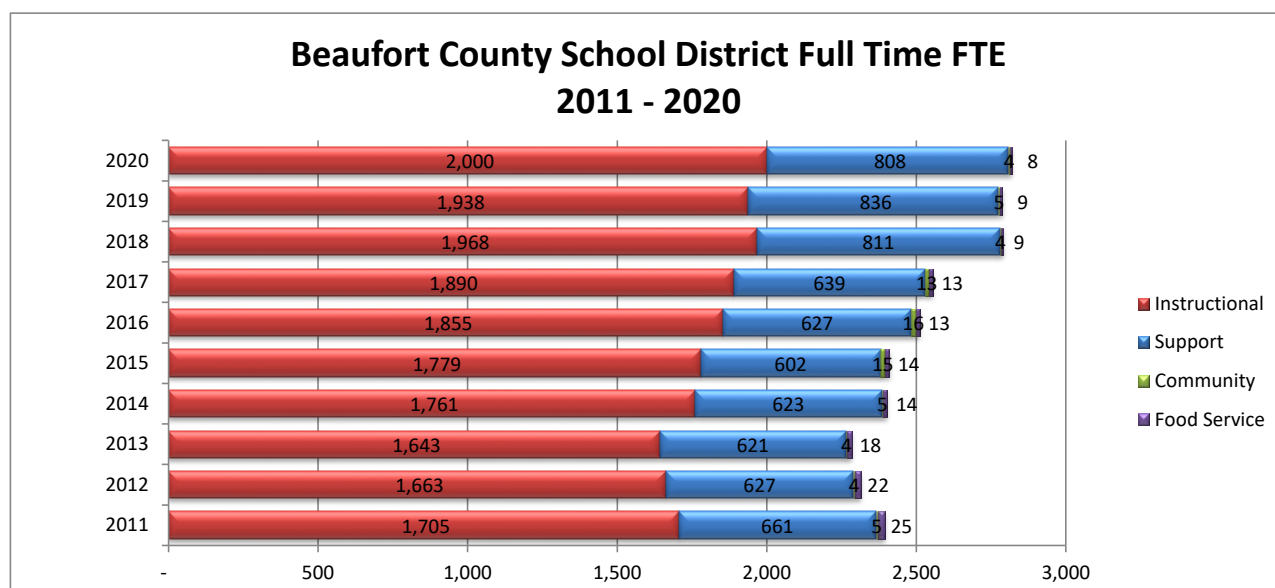
\*Specific information related to those employers was deemed confidential by the South Carolina Department of Employment and Workforce - 2018 Q1.

## BEAUFORT COUNTY SCHOOL DISTRICT

### FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS (UNAUDITED)

Function	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Instruction	1,705	1,663	1,643	1,761
Support services	661	627	621	623
Community services	5	4	4	5
Business-type activities				
Food services	25	22	18	14
Total	2,396	2,316	2,286	2,403

**Source:** District Finance Department



Fiscal Year					
2015	2016	2017	2018	2019	2020
1,779	1,855	1,890	1,968	1,938	2,000
602	627	639	811	836	808
15	16	13	4	5	4
14	13	13	9	9	8
2,410	2,511	2,555	2,792	2,788	2,820

# BEAUFORT COUNTY SCHOOL DISTRICT

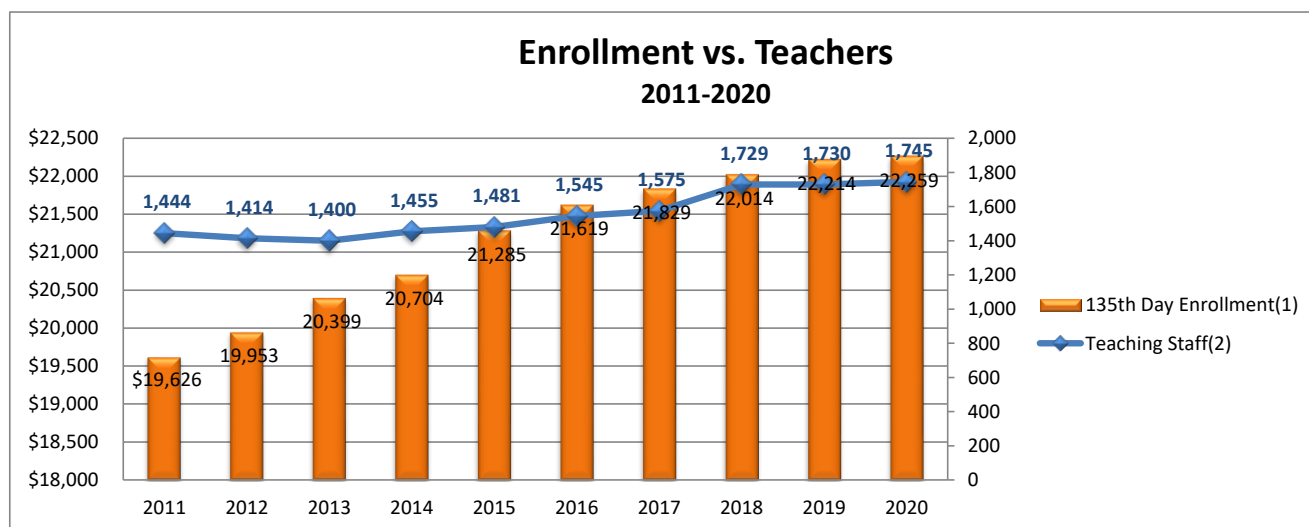
## OPERATING STATISTICS LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	General Fund Expenditures(1)	135th Day Enrollment(1)	Cost per Pupil(1)	Percentage Change	Teaching Staff(2)	Pupil/Teacher Ratio(2)
2011	\$ 175,172,726	\$ 19,626	\$ 8,926	2%	1,444	20.9 to 1
2012	173,211,552	19,953	8,681	-3%	1,414	21.5 to 1
2013	176,733,234	20,399	8,664	0%	1,400	22.6 to 1
2014	181,576,037	20,704	8,770	1%	1,455	22.4 to 1
2015	188,184,322	21,285	8,841	1%	1,481	31.6 to 1
2016	201,640,200	21,619	9,327	5%	1,545	26.8 to 1
2017	214,215,158	21,829	9,813	5%	1,575	20.1 to 1
2018	225,190,158	22,014	10,229	4%	1,729	19.2 to 1
2019	236,431,471	22,214	10,643	8%	1,730	13.9 to 1
2020	242,679,136	22,259	10,903	6%	1,745	*

**Sources:** (1) District records  
(2) South Carolina Department of Education

**NOTE:** Teaching staff are full-time equivalents for the year as a whole.  
Cost per pupil is based on General Fund Expenditures and the 135th Day Enrollment

\* Data not reported due to COVID-19



<b>Student Attendance Percentage(2)</b>	<b>Prime Instructional Time(2)</b>
96.9%	89.0%
96.8%	89.4%
96.5%	89.2%
96.7%	89.6%
94.5%	86.1%
95.1%	88.2%
95.0%	89.6%
89.1%	87.6%
94.7%	87.2%
*	*

# BEAUFORT COUNTY SCHOOL DISTRICT

## TEACHER SALARIES LAST TEN FISCAL YEARS (UNAUDITED)

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<u>Fiscal Year</u>	<u>Minimum Salary(1)</u>	<u>Maximum Salary(1)</u>	<u>District Average Salary(1)</u>	<u>Statewide Average Salary(2)</u>	<u>Percentage of Expenditures for Teacher Salaries(2)</u>
2011	\$ 33,791	\$ 74,563	\$ 49,918	\$ 48,725	53.8%
2012	34,467	76,054	49,253	47,850	52.7%
2013	34,467	76,054	50,034	49,198	52.0%
2014	34,467	76,054	49,909	49,086	53.2%
2015	34,467	76,054	49,891	49,082	56.5%
2016	34,467	76,054	49,585	48,561	57.2%
2017	35,156	77,575	50,967	48,660	57.7%
2018	35,156	77,575	51,017	*	54.5%
2019	35,506	78,351	51,643	49,737	52.6%
2020	36,928	81,485	53,898	52,210	53.5%

**Source:** (1) District records

(2) South Carolina Department of Education Annual Report

\*Data not available

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Average Teacher Experience (in years)(1)	Teacher Attendance Rate(2)
13.0	96.9%
13.0	94.4%
12.6	94.5%
12.6	94.8%
12.4	93.3%
13.3	94.6%
12.7	94.7%
12.8	92.2%
9.6	92.1%
8.7	*

# BEAUFORT COUNTY SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Hilton Head Island Early Child Center (2006)				
Expanded (2016)				
Square feet	74,732	74,732	74,732	74,732
Capacity (students)	454	454	454	454
Enrollment	480	482	463	454
Beaufort Elementary School (1986)				
Square feet	106,537	106,537	106,537	106,537
Capacity (students)	867	867	867	867
Enrollment	597	630	672	617
Coosa Elementary School (1998)				
Square feet	70,337	70,337	70,337	70,337
Capacity (students)	576	576	576	576
Enrollment	494	474	474	465
Lady's Island Elementary (1963)				
Square feet	57,943	57,943	57,943	57,943
Capacity (students)	485	485	485	485
Enrollment	328	303	303	285
Mossy Oaks Elementary (1962)				
Square feet	62,098	62,098	62,098	62,098
Capacity (students)	493	493	493	493
Enrollment	500	470	436	430
Port Royal Elementary (1911)				
Square feet	49,151	49,151	49,151	49,151
Capacity (students)	306	306	306	306
Enrollment	289	252	280	222
St. Helena Elementary (1992) Early Child Center (2004)				
Square feet	118,482	118,482	118,482	118,482
Capacity (students)	819	819	819	819
Enrollment	445	487	463	429
Broad River Elementary (1957)				
Square feet	74,234	74,234	74,234	74,234
Capacity (students)	589	589	589	589
Enrollment	386	353	570	553
Shell Point Elementary (1968)				
Square feet	70,724	70,724		
Capacity (students)	536	536		
Enrollment	406	375		
(Leased to Riverview Charter School in 2013)				
J. Shanklin Elementary (1994)				
Square feet	73,882	73,882	73,882	73,882
Capacity (students)	578	578	578	578
Enrollment	431	477	408	386
J.J. Davis Early Learning Center (1991)				
Square feet	65,045	65,045	65,045	65,045
Capacity (students)	512	512	512	512
Enrollment	173	177	171	85
Whale Branch Elementary (2000)				
Square feet	71,921	71,921	71,921	71,921
Capacity (students)	568	568	568	568
Enrollment	313	320	349	458

(Continued)



Fiscal Year					
2015	2016	2017	2018	2019	2020
74,732	80,732	80,732	80,732	80,732	80,732
454	454	454	454	454	454
450	423	426	434	418	377
106,537	106,537	106,537	106,537	106,537	106,537
867	867	867	867	867	867
542	519	486	495	476	473
70,337	70,337	70,337	70,337	70,337	70,337
576	576	576	576	576	576
480	473	500	527	497	512
57,943	57,943	57,943	57,943	57,943	57,943
485	485	485	485	485	485
316	337	340	337	298	266
62,098	62,098	62,098	62,098	62,098	62,098
493	493	493	493	493	493
405	404	429	424	413	383
49,151	49,151	49,151	49,151	49,151	49,151
306	306	306	306	306	306
231	214	212	204	225	208
118,482	118,482	118,482	118,482	118,482	118,482
819	819	819	819	819	819
441	434	431	396	391	350
74,234	74,234	74,234	74,234	74,234	74,234
589	589	589	589	589	589
524	501	493	488	560	500
73,882	73,882	73,882	73,882	73,882	73,882
578	578	578	578	578	578
458	422	384	371	393	394
65,045	65,045	65,045	65,045	65,045	65,045
512	512	512	512	512	512
98	178	170	161	172	143
71,921	71,921	71,921	71,921	71,921	71,921
568	568	568	568	568	568
493	418	383	356	317	316

# BEAUFORT COUNTY SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Daufuskie School (1935)				
Square feet	6,635	6,635	6,635	6,635
Capacity (students)	64	64	64	64
Enrollment	15	15	15	12
Hilton Head Island Elementary (1974)				
Square feet	161,005	161,005	161,005	161,005
Capacity (students)	1,128	1,128	1,128	1,128
Enrollment	760	826	859	923
H. H. Island School for Creative Arts (1988) Split 2005				
Square feet	112,489	112,489	112,489	112,489
Capacity (students)	921	921	921	921
Enrollment	733	769	799	795
Bluffton Elementary (2000) ECC addition (2010)				
Square feet	128,237	128,237	128,237	128,237
Capacity (students)	946	946	946	946
Enrollment	603	598	637	728
Okatie Elementary (2004)				
Square feet	87,383	87,383	87,383	87,383
Capacity (students)	672	672	672	672
Enrollment	650	655	640	619
M.C. Riley Elementary (1991) ECC addition (2010)				
Square feet	120,958	120,958	120,958	120,958
Capacity (students)	929	929	929	929
Enrollment	787	778	754	787
Red Cedar Elementary (2010)				
Square feet	97,000	97,000	97,000	97,000
Capacity (students)	764	764	764	764
Enrollment	711	751	824	778
Pritchardville Elementary (2011) mobiles in use				
Square feet	108,960	108,960	108,960	108,960
Capacity (students)	800	800	800	800
Enrollment	518	672	688	779
River Ridge Academy (2016) mobiles in use				
Square feet				
Capacity (students)				
Enrollment				
Beaufort Middle (1959) Remodeled as Middle School (2002)				
Square feet	125,890	125,890	125,890	125,890
Capacity (students)	793	793	793	793
Enrollment	655	645	631	616
** students attended Humanities School at Burrough Avenue Building				
Lady's Island Middle (1984)				
Square feet	141,616	141,616	141,616	141,616
Capacity (students)	1,088	1,088	1,088	1,088
Enrollment	754	771	733	734
Robert Smalls International Academy (1984)				
Square feet	148,619	148,619	148,619	148,619
Capacity (students)	777	777	1,087	1,087
Enrollment	470	476	618	611
Whale Brance Middle (2000)				
Square feet	112,512	112,512	112,512	112,512
Capacity (students)	864	864	864	864
Enrollment	331	360	400	396

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
6,635	6,635	6,635	6,635	6,635	6,635
64	64	64	64	64	64
15	18	21	23	20	20
161,005	161,005	161,005	161,005	161,005	161,005
1,128	1,128	1,128	1,128	1,128	1,128
949	958	934	951	888	844
112,489	112,489	112,489	112,489	112,489	112,489
921	921	921	921	921	921
788	772	726	663	644	625
128,237	128,237	128,237	128,237	128,237	128,237
946	946	946	946	946	946
832	617	670	693	751	787
87,383	87,383	87,383	87,383	87,383	87,383
672	672	672	672	672	672
692	589	592	616	636	613
120,958	120,958	120,958	120,958	120,958	120,958
929	929	929	929	929	929
826	715	723	772	751	755
97,000	97,000	97,000	97,000	97,000	97,000
764	764	764	764	764	764
780	698	687	669	681	707
108,960	108,960	108,960	108,960	108,960	108,960
800	800	800	800	800	1,000
853	884	854	832	892	956
143,742	143,742	143,742	143,742	143,742	143,742
1,013	1,013	1,013	1,013	1,013	1,213
0	952	1,090	1,191	1,224	1,208
125,890	125,890	125,890	125,890	125,890	125,890
793	793	793	793	793	793
559	533	495	490	473	502
141,616	141,616	141,616	141,616	141,616	141,616
1,088	1,088	1,088	1,088	1,088	1,088
536	522	555	554	545	554
148,619	148,619	148,619	148,619	148,619	148,619
1,087	1,087	1,087	1,087	1,087	1,087
745	713	717	718	709	740
112,512	112,512	112,512	112,512	112,512	112,512
864	864	864	864	864	864
415	401	386	367	355	350

# BEAUFORT COUNTY SCHOOL DISTRICT

## SCHOOL BUILDING INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Hilton Head Island Middle (1992)				
Square feet	131,188	131,188	131,188	131,188
Capacity (students)	1,007	1,007	1,007	1,007
Enrollment	863	901	945	976
H.E. McCracken Middle (2000) mobiles in use				
Square feet	148,460	148,460	148,460	148,460
Capacity (students)	909	909	909	909
Enrollment	798	868	925	976
Bluffton Middle (2011)				
Square feet	142,711	142,711	142,711	142,711
Capacity (students)	1,035	1,035	1,035	1,035
Enrollment	861	919	1,010	1,096
Beaufort High (2000)				
Square feet	217,234	217,234	217,234	217,234
Capacity (students)	1,595	1,595	1,595	1,595
Enrollment	1,541	1,420	1,363	1,328
Battery Creek High (1992) Cate Expansion (2016)				
Square feet	216,755	216,755	216,755	216,755
Capacity (students)	1,585	1,585	1,585	1,585
Enrollment	822	742	748	766
Hilton Head Island High (1983)				
Square feet	173,498	173,498	173,498	173,498
Capacity (students)	1,382	1,382	1,382	1,382
Enrollment	1,147	1,150	1,188	1,254
Bluffton High (2005)				
Square feet	218,418	218,418	218,418	218,418
Capacity (students)	1,434	1,434	1,434	1,434
Enrollment	1,067	999	1,095	1,126
Whale Branch Early College High (2011)				
Square feet	124,000	124,000	124,000	124,000
Capacity (students)	611	611	611	611
Enrollment	395	498	485	532
May River High (2017) mobiles in use				
Square feet				
Capacity (students)				
Enrollment				
Islands Academy (Established 2016 in DESC building closed FY2018)				
Square feet				
Capacity (students)				
Enrollment				
Riverview Charter School (2010) Addition (2017)				
Square feet	16,721	16,721	70,724	70,724
Capacity (students)	304	304	536	536
Enrollment	303	340	453	488
(Moved to Shell Point Elementary School in 2013)				

**Source:** School District Facilities Office

**NOTE:** Fiscal year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions. Based on 135 day enrollment.

Fiscal Year					
2015	2016	2017	2018	2019	2020
131,188	131,188	131,188	131,188	131,188	131,188
1,007	1,007	1,007	1,007	1,007	1,007
989	977	1,012	990	1,018	954
148,460	148,460	148,460	148,460	148,460	148,460
909	909	909	909	909	1,009
1,121	1,074	661	743	806	908
142,711	142,711	142,711	142,711	142,711	142,711
1,035	1,035	1,035	1,035	1,035	1,035
1,038	932	773	772	801	860
217,234	217,234	217,234	217,234	217,234	217,234
1,595	1,595	1,595	1,595	1,595	1,595
1,338	1,305	1,301	1,295	1,303	1,239
216,755	230,755	230,755	230,755	230,755	230,755
1,585	1,585	1,585	1,585	1,585	1,585
807	845	817	752	721	725
173,498	173,498	173,498	173,498	173,498	173,498
1,382	1,382	1,382	1,382	1,382	1,382
1,267	1,286	1,259	1,249	1,229	1,287
218,418	218,418	218,418	218,418	218,418	218,418
1,434	1,434	1,434	1,434	1,434	1,434
1,253	1,392	1,201	1,128	1,168	1,168
124,000	124,000	124,000	124,000	124,000	124,000
611	611	611	611	611	611
517	479	497	445	442	430
		238,616	238,616	238,616	238,616
		1,400	1,400	1,400	1,520
		947	1,200	1,343	1,413
	150	150	150	150	150
	70	57	70	0	0
70,724	70,724	93,024	93,024	93,024	93,024
536	536	760	760	760	760
527	564	600	638	654	692

# BEAUFORT COUNTY SCHOOL DISTRICT

## MISCELLANEOUS STATISTICS

JUNE 30, 2020

(UNAUDITED)

Beaufort County was created by the Legislative Act in 1785.

Form of Government: County Council consisting of 11 elected members with an appointed full-time County Administrator.

Board of Education: Consisting of 11 elected members with an appointed Superintendent.

Area: 588 square miles

Enrollment: 22,259

Number of schools and centers:

Elementary (PK-5)	16
Academy (PK-8)	2
Middle (6-8)	6
High (9-12)	6
Special Schools	3
Career Education Center	1
Charter	1

Number of Full-Time Employees:

Teachers	1,745
Others	1,075

Average Bi-Weekly Payroll: \$ 5,825,161

Accreditation: State of South Carolina All Schools Accredited

Southern Association of Schools and Colleges All Schools Accredited

Percentage of free and reduced students in lunch program:

	Number of Students	Percentage of Total Student Population
Free Lunch	10,241	50%
Reduced Lunch	1,231	6%
Total Free and Reduced Lunch	11,472	56%

Source: School District records

## **COMPLIANCE SECTION**







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

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**To the Honorable Chairman and Members of the Board of Education  
Beaufort County School District  
Beaufort, South Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Beaufort County School District** (the "School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2020. Our report also includes a reference to other auditors. Other auditors audited the component unit financial statements of the Riverview Charter School as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Internal Control Over Financial Reporting**

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

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

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

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**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the company name written in a professional, yet personal, style.

Savannah, Georgia  
December 15, 2020



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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To the Honorable Chairman and Members of the Board of Education  
Beaufort County School District  
Beaufort, South Carolina

### Report on Compliance for Each Major Federal Program

We have audited the **Beaufort County School District's** (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

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

### **Auditor's Responsibility**

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

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

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

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2020.

***Report on Internal Control Over Compliance***

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

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

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

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

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 15, 2020

# BEAUFORT COUNTY SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2020

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
	<b>U.S. Department of Agriculture</b>				
	<b>Passed through S.C. Department of Education</b>				
	Child Nutrition Cluster:				
600	USDA Commodities	10.555	N/A	\$ 105,143	\$ 802,749
600	Summer Feeding Program	10.559	N/A	-	1,862,950
600	School Breakfast Program	10.553	N/A	-	1,233,877
600	School Lunch Program	10.555	N/A	-	4,218,176
	Total Child Nutrition Cluster			105,143	8,117,752
600	School Food Equipment	10.579	N/A	-	44,016
	<b>Subtotal U.S. Department of Agriculture</b>			105,143	8,161,768
	<b>Passed through S.C. Department of Social Services</b>				
600	Child and Adult Care Food Program	10.558	5SC300329	-	460,687
	<b>Total U.S. Department of Agriculture</b>			105,143	8,622,455
	<b>U.S. Department of Education</b>				
	<b>Passed through S.C. Department of Education</b>				
201	Title I - Current Year	84.010	H63010100120	-	3,813,500
202	Title I - Prior Year	84.010	H63010100119	-	1,368,332
237	Title I Targeted Support and Improvement (ATSI)	84.010A	H63010100120	-	236,823
238	Title I Improvement Mini Grant	84.010	H63010100118	-	425,614
	Total Title I			-	5,844,269
	Special Education (IDEA) Cluster:				
203	Children with Disabilities IDEA	84.027	H63010100920	113,332	1,334,771
203	Children with Disabilities IDEA - 19 Carryover	84.027	H63010100919	-	2,330,674
205	IDEA Pre-school Grants Handicapped Capacity	84.173	H63010100820	-	133,145
205	IDEA Pre-school Grants Handicapped Capacity	84.173	H63010100819	-	11,495
	Total Special Education (IDEA) Cluster			113,332	3,810,085
	Other Programs:				
100	Impact Aid	84.041	N/A	-	57,303
207	Occupational Education	84.048A	H63010107120	-	234,555
207	Occupational Education	84.048A	H63010107119	-	10,645
210	Title IV Student Support and Academic Enrichment	84.424A	H63010100320	-	58,202
210	Title IV Student Support and Academic Enrichment	84.424A	H63010100319	-	375,777
232	McKinney Vento Homeless Education Grant	84.196A	H63010108920	-	13,457
232	McKinney Vento Homeless Education Grant - Prior Year 19	84.196A	H63010108919	-	1,050
241	Hurricane Education Recovery	84.938B	H63010100520	-	15,458
243	Adult Education	84.002	H63010101020	-	172,057
243	Adult Education - Institutionalized	84.002	H63010101020	-	15,035
243	Adult Education - Reverted Funds FY19	84.002	H63010101019	-	3,980
264	Title III-Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006720	-	14,159
264	Title III-Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006719	-	178,012
264	Title III - FY20 Immigrant Grant	84.365A	H63010006720	-	4,760
264	Title III - FY19 Immigrant Grant	84.365A	H63010006719	-	19,030
267	Improving Teacher Quality	84.367	H63010006820	-	490,342
267	Improving Teacher Quality	84.367A	H63010006819	-	201,972
	Total Other Programs			-	1,865,794
	<b>Total of U.S. Department of Education</b>			113,332	11,520,148
	<b>U. S. Department of Defense Direct Program</b>				
295	ROTC	12.000	N/A	-	353,227
	<b>Total U.S. Department of Defense</b>			-	353,227
	<b>Federal Emergency Management Assistance</b>				
100	FEMA Disaster Assistance	97.036	N/A	-	457,057
	<b>Total Federal Emergency Management Assistance</b>			-	457,057
	<b>Federal Communications Commission</b>				
100	S.C. Department of Employee Workforce	17.207	N/A	-	58,128
	<b>Total U.S. Environmental Protection Agency</b>			-	58,128
	<b>U.S. Department of Treasury</b>				
	<b>Passed through S.C. Department of Education</b>				
600	COVID-19 - Coronavirus Relief Fund	21.019	N/A	-	115,029
	<b>Total of U.S. Department of Treasury</b>			-	115,029
	<b>Total expenditures of federal awards</b>			\$ 218,475	\$ 21,126,044

# BEAUFORT COUNTY SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2020

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### **NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Beaufort County School District (the "School District"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### **NOTE 2. DE MINIMIS INDIRECT COST RATE**

The School District chose not to use the 10% de minimis cost rate for the year ended June 30, 2020.

**BEAUFORT COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_ Yes    X No

Significant deficiencies identified?

\_\_\_ Yes    X None Reported

Noncompliance material to financial statements noted?

\_\_\_ Yes    X No

**Federal Awards**

Internal control over major federal programs:

Material weaknesses identified?

\_\_\_ Yes    X No

Significant deficiencies identified?

\_\_\_ Yes    X None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.416(a)?

\_\_\_ Yes    X No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

U.S. Department of Agriculture – Passed Through S.C.

Department of Education

*Child Nutrition Cluster*

10.553/10.555/10.559

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes    \_\_\_ No



**BEAUFORT COUNTY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV**  
**SCHEDULE OF PRIOR YEAR FINDINGS**

None reported.