

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2018

**ISSUED BY
LANCASTER COUNTY SCHOOL DISTRICT**

**JONATHAN PHIPPS, ED.D.
SUPERINTENDENT**

**PREPARED BY
FINANCE DEPARTMENT**

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2018**

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INTRODUCTORY SECTION



November 1, 2018

To the Citizens of Lancaster County
Lancaster, South Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Lancaster County School District for the fiscal year ended June 30, 2018. We believe the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the school district. In addition, we believe we have included all disclosures necessary for the reader to understand the school district's financial activity.

The Report

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the school district management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Section 59-17-100 of the South Carolina Code of Laws requires an annual single audit report due by December 1st following the close of the fiscal year. The firm of McGregor & Company, LLP was selected by the Board of Trustees to perform this audit. The auditor's report on the basic financial statements is included in the Financial Section of the report. The auditor's reports related specifically to the single audit are included in the Single Audit Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, an overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The financial reporting entity includes all the funds of the primary government (Lancaster County School District) to include a blended component unit, Lancaster Educational Assistance Program, Inc. (LEAP). LEAP is a not-for-profit 501 (c) (3) corporation. Additionally, the Discovery School (Charter School) is considered a public school and is a part of the district for purpose of state law and state constitution and is included in the basic financial statements of the district as a discretely presented component unit. Component units are legally separate entities for which the primary government is financially accountable. Our school district is not included in any other "reporting entity" as defined by the Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity."

Profile of the School District

The school district is under the management and control of the Board of Trustees. The Board of Trustees consists of seven members, elected from single member districts for a four-year term. The Board of Trustees has decision-making authority, including the power to hire management, the ability to significantly influence operations, and the accountability for fiscal matters. The Board of Trustees appoints the superintendent who is responsible for implementing board policies. The school district provides educational services which include child development, kindergarten, primary, secondary and adult education to those students residing within the district's jurisdiction. The school district operates twelve elementary schools, five middle schools, four high schools, a vocational career center, a child development center, and an alternative school. Average daily membership for the 2017-2018 year totaled 13,017 students.

Our district is located along the north central Piedmont section of South Carolina, approximately 21 miles south of Charlotte, North Carolina and benefits from its close proximity to Charlotte. The county is 549 square miles and includes the cities/communities of Lancaster (county seat), Indian Land, Heath Springs, Kershaw, Van Wyck, and Elgin. The county's tax base is considered stable and is currently experiencing rapid growth of both residential and commercial property along its northern border.

Lancaster is also home to USC-Lancaster, one of the four regional campuses of the University of South Carolina. Since its inception in 1959, USC Lancaster has become a comprehensive learning center, offering high-quality university programs and services to approximately 1,900 full and part-time students from a service area of six counties (Lancaster, Chester, Chesterfield, Kershaw, Fairfield, and York).

Local Economy

Lancaster County's close proximity to Charlotte, N.C. provides access to transportation such as Charlotte-Douglas International Airport and highway corridors including I-485, I-77 and U.S. 521. Lancaster County has a diverse tax base with the top ten taxpayer's only accounting for 8.01% of the county's assessed value. The county's assessed value has grown by 34% over the last ten years and its growth is expected to continue. Residential property, exempt from school operating millage, makes up about 50% of the counties assessed value. Growth in residential property has grown by 45% over the last ten years and its growth is expected to continue as well.

Lancaster County's manufacturing and retail tax base continues to expand and diversify. The County is home to a variety of industries such as Red Ventures (the county's largest employer), Movement Mortgage, Founders Federal Credit Union, Springs Memorial Hospital, Accutrex Products, CompuCom Systems, Thomas & Betts, Cardinal Health, Nutramax Labs, Kennametal, AECOM(nuclear engineering), TriNet(HR Consulting), Continental Tire, and Verian Technologies. International companies in Lancaster County include Gerdau Ameristeel of Brazil, Oceana Gold of Australia, and Nibrol of Sweden.

The 67-acre Heath Springs Industrial Park, located on US 521 in the Heath Springs and Kershaw areas of the County, is attracting new business and industry to the County's southern end. The park is a Class A SC Certified Industrial Park and has rail access via the L&C Railway. In addition, improvements have been made to the 120-acre Kershaw Industrial Park on US 601 which is owned by the Town of Kershaw.

The Lancaster County Air-Rail Business Park is located on Highway 9 near the Lancaster County Airport. The park has access to the L&C Railway, Norfolk-Southern and CSX main lines and is less than an hour drive to the Charlotte-Douglas International Airport and downtown Charlotte, NC.

Keer America, a China-based textile company, operates a 230,000 square-foot facility in Lancaster County. Total investment is approximately \$218 million. OceanaGold/Haile Gold Mine owns a gold mine in the County where it has invested \$353 million with an estimated \$2 billion in gold to be mined.

Lancaster County's unemployment rate for September 2018 was 3.60%, down from 4.70% one year ago. The state average for September 2017 was 4.00%

Long-Term Financing

The district's major financial challenges include keeping-up with technology and construction of facilities to meet enrollment growth. The district internally prepares an updated five-year capital improvement plan and a technology needs schedule annually during the budget process. These schedules are the basis for budgeting to meet capital needs and for addressing future debt issuance as needed.

The district issues general obligation bonds annually to meet the needs identified in the capital improvement plan above and cover the annual payments due on the district's installment debt. Debt Service millage has increased over the past two years to fund a \$199 million general obligation bond. Lancaster County is one of the fastest growing counties in the country for residential homes. In March 2016, the voters of Lancaster County approved a \$199 million bond referendum to fund two new schools and upgrade existing schools in the district, along with other major capital projects across the district including, safety, athletics, playgrounds, cafeterias, paving, technology, etc. Presently the District has completed construction on a new elementary school and is near completion on two new multi-purpose buildings. The District has begun construction on a third multi-purpose building and a new high school.

Major Initiatives and Accomplishments

Our school district believes that the primary responsibility of all school personnel is to the educational development of students. The budget is designed to support the efforts of students, classrooms, teachers, administrators, and staff to achieve their full potential. Federal, state, and local grants are actively sought to provide additional funding for the education of our students. Recent district, program, teacher, and student accomplishments include:

- Over the past 15 years the District's Office of Research and Development has generated over \$95 million in Federal, State, and Local Grant funding for the District.
- 89 National Board certified teachers
- Editor's Pick in the May 2017 edition of Food Service Director magazine
Angela McCrorey, Food Services
- 2017 Science P.L.U.S. Institute at Roper Mountain Science Center Participants
Donna Graves, South Middle
Sandra Macy, Buford Middle
Melanie Santizo, Indian Land Middle
- August 2017 AMLE Magazine publication
Liz James, South Middle
- 2017 National Beta School of Merit
Buford High
- 2017 National Beta School of Distinction
Indian Land High
- 2017 SCHS League's Class AAA - 1600-Meter Run State Champion
Kaitlyn Rodman, Indian Land High
- 2017 SCWCA's Middle School - Wrestling State Champion (by weight)
Maddox Yegge, Indian Land Middle
- 2017 S.C. Junior Civinette:
Advisor of the Year - Ali Young, Lancaster High
President of the Year - Haley Parman, Lancaster High
District Area 2 Lieutenant Governor - Naiya Patel, Lancaster High
Attendance First Place - Claude Wilkes, Lancaster High
Funfest First Place - Lancaster High Junior Civinettes Chapter
First Place (for highest club donation to the Civitan International Research Center) - Lancaster High
- 2017 International Junior Civinette
Club of Distinction - Lancaster High
- Assoc. of Cosmetology Teachers in Vocational Education's
Teacher of the Year Award - Jan Williamson, Lancaster High
- Jessie Williams Little "Leading the Way" Award
Outstanding Teacher Mentorship - Stan Rhodes, Harrisburg Elementary
- 2017 Voya Financial Unsung Hero Award
Thomas Townsend, Indian Land High
- 2017 International Junior Civitan:
Foundation Award for Largest Per Capita Donation to CIRC - Lancaster High
Honor Club – Lancaster High
Junior Civitan of the Year - Avery Hinkle, Lancaster High
Junior Civitan District Officer of the Year - Cody Catoe, Lancaster High

- 2017 S.C. Junior Civitan:
 - Club of the Year - Lancaster High
 - Campus Project of the Year – Lancaster High
 - Environmental Project of the Year – Lancaster High
 - Community Project of the Year – Lancaster High
 - On-Going Project of the Year – Lancaster High
 - Joint Junior/Senior Project of the Year – Lancaster High
 - CIRC First Place Award – Lancaster High
 - Social Causes First Place Award – Lancaster High
 - Collection Selection Award – Lancaster High
 - Outstanding Sponsoring Club Award – Lancaster High
 - Most Service Hours - Lancaster High
 - Club Officer of the Year - Jose Robles, Lancaster High
 - Junior Civitan of the Year - Avery Hinkle, Lancaster High
 - District Officer of the Year – Cody Catoe, Lancaster High
 - Patty Meetze District Officer Service Award - Cody Catoe, Lancaster High
- Touchstone Energy Cooperative North-South Bowl Game Participant
 - Kevius Barnes, Lancaster High
 - Dalton McKittrick, Andrew Jackson High
- S.C. Association of Governmental Purchasing Officer's 2017 Manager of the Year
 - Jan Petersen, Procurement Director
- 2018 S.C. Junior Scholars
 - Indian Land Middle

Magdalena Bania	Kiley Basik
Peter Cambell	Christian Castanheira
Gia Deguiceis	Carson Dodge
Richmond Fang	William Ferri
Spencer Gardner	Kayla Gibson
Asael Gonzalez	Danyal Khan
Diana Kiger	Dazae Lawrence
Trevor Lynch	Lauren Maynard
Jordyn Nahum	Taylor Petrosino
Aiden Redahan	Rachel Saeed
Amelia Slater	Carolina Terry
Tobyn Thibodeau	Aidan Urquhart
 - Andrew Jackson Middle
 - Savannah Eastwood
 - Dylan McNaughton
 - Owen Phillips
 - Mariah Player
 - Lexi Roberson
 - Buford Middle

Kylie Bradley	Kaylie Bratton
Landon Deese	Nathan Faile
Brooke Gainey	Landry Mize
Katie Montgomery	Avery Plyler
Joshua Ribelin	Phillip Robinson
Kaysie Stevens	Olivia Vincent
Aliyah Vincent	
 - A.R. Rucker Middle
 - Carter Griffin
 - Emma Neal
 - South Middle
 - Matthew Rogers
- 2018 Wrestling State Champion
 - 90-lb. division - Max Yegge, Indian Land Middle

- 2018 Wrestling State Championship
Indian Land Middle wrestling team
- 2018 Class AAA Wrestling State Champion
113-lb. division - Austin Ross, Indian Land High
106-lb. division - Solomon Cortez, Indian Land High
160-lb. division - Kalab Haven, Andrew Jackson High
- 2017 & 2018 S.C. Commission for the Blind Braille Challenge State Winner
Landon Bryson, Buford Elementary
- 2018 Lander Choral Festival - Best Alto Section, Best Soprano Section & First-Place Overall
Andrew Jackson High Women's Ensemble
- Publication in National Career Development Association's Web Magazine
Todd Smith, Buford Middle
- 2018 Floriculture Career Development Event State Winner
Indian Land High FFA Chapter
- 2018 Class AA All-State Football Team
Dalton McKittrick, Andrew Jackson High
- 2018 North-South All-Star Game Participant
Dalton McKittrick, Andrew Jackson High
- 2018 Class AA All-State Basketball Team
Payton Howell, Buford High
Danielle Ussery, Andrew Jackson High
- 2018 Class AA All-State Volleyball Team
Makaylen Crosby, Andrew Jackson High
- 2018 Class AAA All-State Basketball Team
Zaria Woods, Lancaster High
- 2018 North-South All-Star Basketball Game Participants
Payton Howell, Buford High
Zaria Woods, Lancaster High
- 2018 North-South All-Star
Basketball Coach - Troy J. Armbrust, Buford High School
- 2018 Duke University TIP Program State Recognition Qualifiers
A.R. Rucker Middle
 Jaden Fairfax
 Torie Johnson
Andrew Jackson Middle
 Emma Estridge
Buford Middle
 Savannah Lyles
Indian Land Middle
 Louis Henighan
- 2018 S.C. Class AAAA Golf State Championship
Lancaster High Golf Team

School District Focus

The district's focus over past years has been towards addressing the rapid enrollment growth in the northern area of the county. A \$199 million bond referendum was approved by the voters in FY 15-16 to help fund major capital needs across the school district. The District issued \$125 million of these bonds during FY 16-17 and plans to issue the remaining \$74 million in FY 18-19. The District decreased debt service millage by 3 mills in FY 18-19. Conservative budgeting along with local tax collections exceeding budget expectations resulted in an increase in fund balance for the year of \$2,369,209. The District recognizes the need to build a healthy fund balance to help support the growth in enrollment and continue to meet the needs of the schools. A new elementary school opened in August 2018 and a new high school is under construction to be opened in FY 20-21. Growth, technology, and expanding new and innovative instructional programs for students will be the District's priority over the next few years.

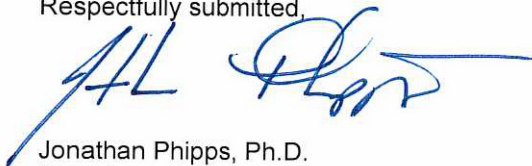
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lancaster County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the fourteenth consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

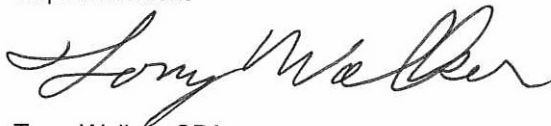
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The successful completion of this comprehensive annual financial report is the result of the commitment and hard work of staff members from several departments. We would like to thank the entire Financial Services staff for their hard work along with the Superintendent's and the Department of Public Information for their assistance. We are especially grateful to our Board of Trustees for its continued support.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J. Phipps', is written over the typed name.

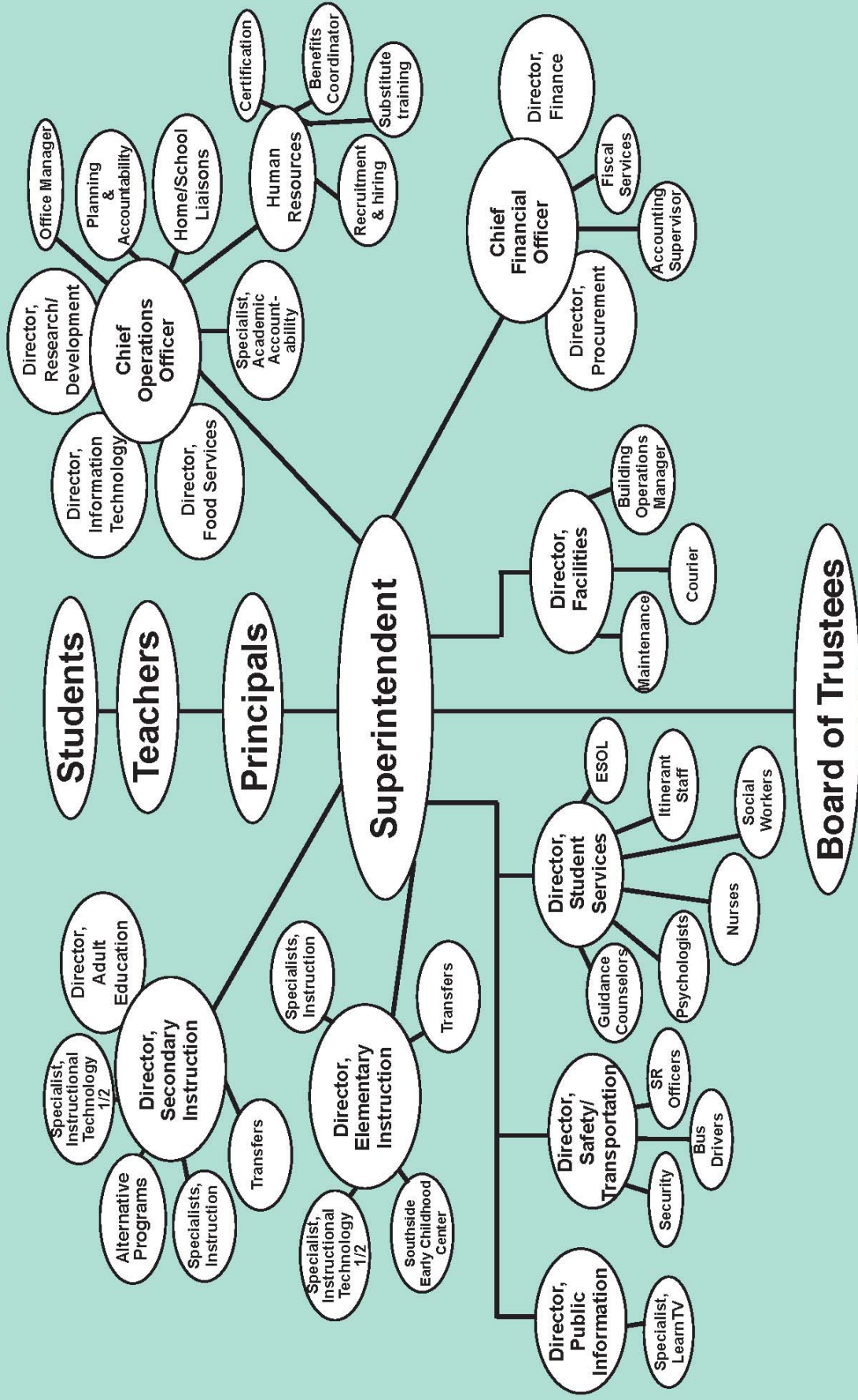
Jonathan Phipps, Ph.D.
Superintendent

A handwritten signature in black ink, appearing to read 'Tony Walker', is written over the typed name.

Tony Walker, CPA
Chief Financial Officer

Organizational Chart

2017-2018



**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2018**

Board of Trustees

Robert W. "Bobby" Parker, Chairman

Tyrom Faulkner, Vice Chairman

Janice C. Dabney, Secretary

Melvin M. Stroble

Margaret E. Gamble

Don L. McCorkle

William "Bill" Sumner, Jr.

Administrative Staff

Jonathan Phipps, Ed.D, Superintendent

Tony Walker, CPA, Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Lancaster County School District
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA

W.C. Stevenson, CPA
B.T. Kight, CPA

W.W. Francis, CPA
D.L. Richardson, CPA

E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA

H.D. Brown, Jr, CPA
L.B. Salley, CPA

D.K. Strickland, CPA

J.P. McGuire, CPA
L.H. Kelly, CPA

J.R. Matthews II, CPA
C.D. Hinchee, CPA

G.P. Davis, CPA

H.J. Darver, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA

G.N. Mundy, CPA
M.L. Layman, CPA

P.A. Betette, Jr, CPA
D.M. Herpel, CPA
F.C. Gillam, Jr, CPA

M.L. Goode, CPA

H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
L.T. Hewitt, CPA

INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of
the Board of Trustees of
Lancaster County School District
Lancaster, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lancaster County School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lancaster County School District as of June 30, 2018, 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.

COLUMBIA

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GREENVILLE

101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

Change in Accounting Principle

As described in Note 10 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of district's proportionate share of the net pension liability – SCRS and PORS, schedule of district contributions – SCRS and PORS, schedule of the district's proportionate share of the net OPEB liability – SCRHITF and SCLTDITF and the schedule of district contributions – SCRHITF and SCLTDITF on pages 12-20 and 65-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lancaster County School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 our report dated November 1, 2018, on our consideration of the Lancaster County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Lancaster County 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 Lancaster County School District's internal control over financial reporting and compliance.

McGuire & Company, LLP

Greenville, South Carolina
November 1, 2018

Lancaster County School District Management's Discussion and Analysis Year Ended June 30, 2018

This section of Lancaster County School District's annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2018. We encourage readers to consider the information presented here in conjunction with the District's transmittal letter, basic financial statements, and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for FY 2017-2018 are as follows:

- In the Statement of Net Position, the liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2018 yielding a negative net position of approximately \$(124.53) million. The main factor for the net position (deficit) was the mandatory implementation of GASB 68, *Accounting and Financial Reporting on Pensions (Employers)* and GASB 75, *Other Postemployment Benefits*, OPEB. The total net pension liability reported this year for the primary government was \$149.69 million and the total net OPEB liability was \$112.33 million. This also resulted in an unrestricted net position (deficit) of \$(287.36) million. The net pension liability was required to be allocated proportionately among the District's governmental and business-type activities in the amounts of \$145.86 million and \$3.83 million, respectively, at June 30, 2018. The net OPEB liability was also required to be allocated proportionately among the District's governmental and business-type activities in the amounts of \$109.45 million and \$2.88 million, respectively, at June 30, 2018.
- The District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* in 2015 to improve on accounting and reporting of pensions that governments provide to their employees. This was a mandatory requirement for years beginning after June 15, 2014, which required the District to recognize a net pension liability on its statement of net position (deficit) and pension expense on its statement of activities for the year ending June 30, 2018 based on the actuarial calculation of future retirement benefits performed by the SC Public Employee Benefit Authority (PEBA). Additional information on the District's pension plan and GASBS 68 implementation can be found in Note 9 of the financial statements.
- The District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for the year ended June 30, 2018. GASB No. 75 requires the District to recognize a net Other Post-Employment Benefits, (OPEB), liability (and any related deferred outflows/inflows of resources) for its participation in the South Carolina Retiree Health Care Plan, a cost-sharing multiple-employer defined benefit OPEB plan ("OPEB Plan"), on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. The adoption of GASB No. 75 had no impact on the District's governmental fund financial statements, which continue to report expenditures in the amount of the contributions made to the OPEB Plan. However, the adoption has resulted in the restatement of the District's net position as of July 1, 2017 for its government-wide financial statements to reflect the reporting of a net OPEB liability and deferred outflows of resources for its OPEB Plan in accordance with the provisions of GASB No. 75. Net position of the District's government-wide financial statements as of July 1, 2018 was decreased by approximately \$112.33 million, reflecting the cumulative change in accounting principle related to the adoption of GASB No. 75. See Note 10 in the notes to the financial statements for more information regarding the District's OPEB Plan.
- The District's total net position increased during the year by approximately \$5.17 million. Changes to total assets included an increase of \$7.99 million. This includes a \$4.14 million increase in cash, cash equivalents and investments due to conservative budgeting; a decrease in due from county of \$48.36 million as bond proceeds for construction and capital needs were expended during the year on capital construction; and a related increase in capital assets of \$52.70 million. Other assets decreased by \$.49 million.

- Changes to total liabilities increased by \$.84 million. This includes a \$4.75 million increase in accounts payable, accrued salaries and payroll related liabilities. Retainage payable increased by \$1.52 million due to increased construction in the District. The District's noncurrent net pension liability increased by \$10.87 million. The District's OPEB liability decreased non-current liabilities by \$3.87 million. Other noncurrent liabilities including debt principal and premiums decreased by \$11.96 million. Other liabilities decreased by \$.47 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$108.67 million, a decrease of approximately \$50.72 million as capital project funds decreased and debt service reserve increased during the year. Approximately 22.29% of this total amount, \$24.22 million is unassigned.
- The unassigned fund balance for the general fund was \$24,223,142 or 87.68%. This represents a \$3,549,962 increase from the prior year.

Overview of Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, including general, special revenue, debt service, capital projects, fiduciary, proprietary and (3) notes to the financial statements.

The government-wide financial statements report information about the District as a whole, using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the District's assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any), with the difference between these items reported as net position. Over time, increases or decreases in the District's net position may serve as an indicator of whether the District's financial position is improving or deteriorating, respectively.

The statement of activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. This statement includes some items such as uncollected taxes and unused compensated absences, reported as revenues and expenses that will only result in cash flows in future fiscal periods.

The government-wide financial statements include not only the school district itself (known as the primary government), but also component units. The component units include one legally separated charter school (Discovery School of Lancaster County) and a not-for-profit corporation (Lancaster Educational Assistance Program, Inc. or LEAP) for which the school district is financially accountable. Financial information for the Discovery School is reported separately from the financial information presented for the primary government itself. Additional information on the District's component units can be found on pages 31-32.

The not-for-profit corporation (LEAP) is a "blended" component unit, and as such, is included in the governmental activities of the school district. The government-wide financial statements can be found on pages 21-22 of this report.

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying long-term debt) or to show that it is properly using certain revenues (such as local, state and federal grants.)

All of the District's funds can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds include the District's basic services, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the "Reconciliation of Balance Sheet of Government Funds to the Statement of Net Position" and the "Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds with the District-wide Statement of Activities" to help explain the relationship (or differences) between them. The governmental fund basic financial statements can be found beginning on page 23 of this report.

Proprietary funds (enterprise funds) are used to account for operations that are financed and operated in a manner similar to private business enterprises. Food service is the District's only proprietary fund.

Fiduciary funds (pupil activity funds) are funds for which the District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. It is the District's responsibility to ensure that all assets reported in these funds are being used for their intended purpose and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The notes to the financial statements 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 basic financial statements can be found on pages 31-64 of this report.

Required supplementary information is included concerning the District's budget, pension plan and OPEB plan information. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund on page 65 of this report. In addition, the schedules on pages 66-69 of this report are included to provide additional information related to the District's proportionate share of the net pension and OPEB liabilities.

Government-Wide Financial Analysis

As noted earlier, net position (deficit) may serve over time as a useful indicator of a government's financial position. With the reporting of the District's net pension and OPEB liabilities as required under GASB 68 and GASB 75 this year, the District's net position was a deficit. The District's net deficit was less on June 30, 2018 than it was the year before, decreasing to \$(124,533,442), (See figure A-1). Most of the decrease in the District's financial deficit came from its governmental activities, the net deficit of which decreased \$5,048,742 to \$(121,026,015). The net position of the District's business-type activities decreased \$119,495 to \$(3,507,427).

Figure A-1 Condensed Statement of Net Position (Deficit)						
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18
Current Assets	\$180,314,091	\$135,605,116	\$1,299,678	\$1,300,696	\$181,613,769	\$136,905,812
Capital Assets	144,450,339	197,115,570	1,400,893	1,431,336	145,851,232	198,546,906
Total Assets	324,764,430	332,720,686	2,700,571	2,732,032	327,465,001	335,452,718
Deferred Outflows	24,354,180	32,648,439	584,497	773,575	24,938,677	33,422,014
Total Current Liabilities	19,820,550	25,661,344	55,205	27,541	19,875,755	25,688,885
Total Noncurrent Liabilities	454,989,070	450,160,419	6,846,014	6,707,704	461,835,084	456,868,123
Total Liabilities	474,809,620	475,821,763	6,901,219	6,735,245	481,710,839	482,557,008
Deferred Inflows	383,747	10,573,377	10,771	277,789	394,518	10,851,166
Net Position (Deficit)						
Net Investment in Capital Assets	69,831,369	80,352,310	1,400,893	1,431,336	71,232,262	81,783,646
Restricted	134,134,045	81,041,454	-	-	134,134,045	81,041,454
Unrestricted	(330,040,171)	(282,419,779)	(5,027,815)	(4,938,763)	(335,067,986)	(287,358,542)
Total Net Position (Deficit)	(126,074,757)	(121,026,015)	(3,626,922)	(3,507,427)	(129,701,679)	(124,533,442)

The District's financial position is the product of many factors. Cash/cash equivalents and Investments increased by \$4,138,720 due to conservative budgeting of local tax collections and expenditures. Property taxes receivables increased by \$447,727 over the prior year for a total of \$3,550,672. Due from County Government decreased by \$48,362,987 to \$89,630,242 as capital funds were expended during the year. Prepaid expenditures decreased by \$1,851,380 due to July 2018 and June 2019 prepaid insurance invoices being paid in July 2018. There was a net increase of \$52,695,674 in capital assets for additions to capital assets of \$75,352,443 which exceeded current year depreciation and disposals of \$22,656,769 for the year. Current liabilities increased by \$5,813,130. Accounts payable increased by \$2,718,485 mainly due to major construction during the year. Accrued Payroll Related Liabilities increased by \$2,034,473. Unearned revenue decreased by \$410,628. Noncurrent liabilities decreased by \$4,966,961. Net pension liability increased by \$10,866,170. Net OPEB liability decreased by \$3,872,518. Debt decreased by \$11,973,590. Compensated absences increased by \$12,977 to \$1,292,178 and are reflected in the government-wide financial statements.

Changes in Net Position:

The District's total revenues for the fiscal year ended June 30, 2018 were \$158,243,983 (see figure A-2). Property taxes accounted for 34.76% of the District's revenue. Operating and Capital Grants accounted for 50.67%, with the remaining 14.51% coming from charges for services, investment earnings, unrestricted grants, and miscellaneous sources.

The District's total cost of all programs and services for the year ended June 30, 2018 was \$153,075,747 (see figure A-2). The District's expenses are predominantly related to instruction (51.41%). The District's support services accounted for 39.35% and business activities accounted for 3.69% of total cost. Community services, pupil activities, intergovernmental and interest on long-term debt made up the remaining 5.55%.

Governmental activities increased over the prior year by \$5,048,741 while business-type activities increased by \$119,495. Total revenues surpassed expenses increasing net position by \$5,168,236.

Figure A-2 Condensed Changes in Net Position from Operating Results						
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18
Program Revenues						
Charges for Services	\$ 33,506	\$ 30,645	\$ 1,512,016	\$ 1,650,510	\$ 1,545,522	\$ 1,681,155
Operating Grants	71,452,498	75,724,387	4,382,605	4,274,170	75,835,103	79,998,557
Capital Grants	-	-	446,524	190,290	446,524	190,290
General Revenues						
Property Taxes	53,428,872	54,999,198	-	-	53,428,872	54,999,198
Unrestricted Grants	15,637,287	16,223,057	-	-	15,637,287	16,223,057
Other	1,441,036	5,151,726	-	-	1,441,036	5,151,726
Total Revenues	141,993,199	152,129,013	6,341,145	6,114,970	148,334,344	158,243,983
Program Expenses						
Instructional	73,935,990	78,696,180			73,935,990	78,696,180
Support Services	53,924,679	60,238,631			53,924,679	60,238,631
Food Service	-	-	5,794,527	5,647,730	5,794,527	5,647,730
Other	5,359,061	8,493,206			5,359,061	8,493,206
Total Expenses	133,219,730	147,428,017	5,794,527	5,647,730	139,014,257	153,075,747
Excess (Deficiency) Before Transfers	8,773,469	4,700,996	546,618	467,240	9,320,087	5,168,236
Transfers In/(Out)	332,453	347,745	(332,453)	(347,745)	-	-
Changes in Net Position	9,105,922	5,048,741	214,165	119,495	9,320,087	5,168,236

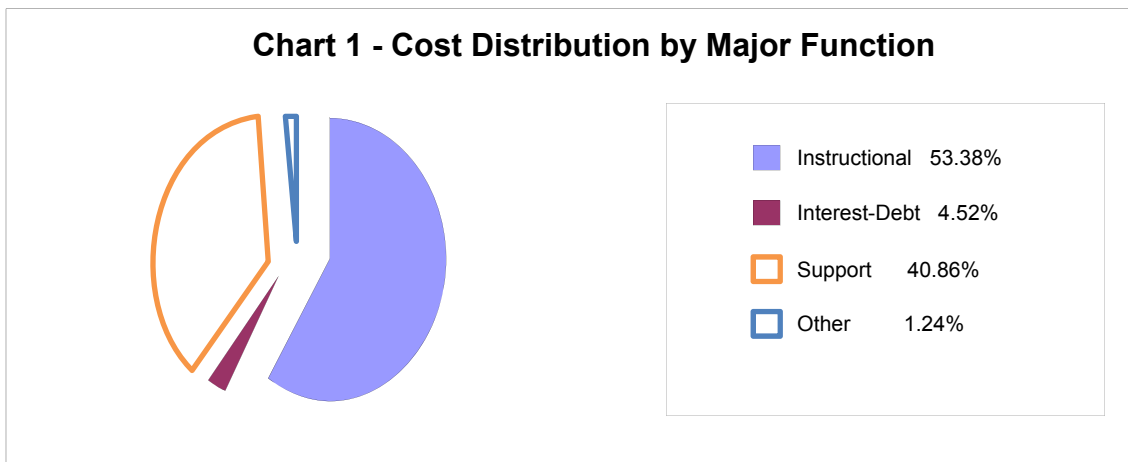
Governmental Activities:

For the District's governmental activities, revenues and transfers-in exceeded expenses by \$5,048,741. Revenues totaled \$152,129,013, transfers-in totaled \$347,745 and expenses totaled \$147,428,017 for the year ended June 30, 2018 (see figure A-2).

Figure A-3 below presents the cost of five major functional activities: instruction, support services, community services, pupil activities and interest on long-term debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net (expense) revenue shows the financial burden placed on the District's taxpayers by each of these functions. The cost of all governmental activities this year was \$147,428,017.

Figure A-3	Cost of the Five Major Functional Activities for Governmental Activities			
	Total Expense		Net (Expense) Revenue	
	FY 17	FY 18	FY 17	FY 18
Instruction	\$ 73,935,990	\$ 78,696,180	(\$ 39,067,218)	(\$ 48,645,652)
Support Services	53,924,679	60,238,631	(17,934,742)	(15,136,207)
Community Services	1,346,041	1,590,894	(718,746)	(988,814)
Pupil Activities	194,481	244,546	(194,481)	(244,546)
Interest & Other Charges	3,818,539	6,657,766	(3,818,539)	(6,657,766)
Total	133,219,730	147,428,017	(61,733,726)	(71,672,985)

Chart 1 below presents a percentage breakdown of the total expense distribution by major function.



Business-Type Activities:

Revenues of the District's business-type activities exceeded expenses and transfers-out by \$119,495. Revenues totaled \$6,114,970 while expenses and transfers-out totaled \$5,995,475 for the year ended June 30, 2018 (see figure A-2).

Financial Analysis of the District's Funds

Governmental Funds:

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its governmental funds as well. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported combined fund balances of \$108,667,399. This was a decrease of \$50,723,382 from last year's ending fund balances of \$159,390,781.

Approximately \$24,223,142 or 22.29% constitutes the unassigned portion of the District's fund balance. This balance is maintained as an operating balance for the District to meet cash flow obligations throughout the year. The remaining fund balance is classified as assigned or restricted for the following spending constraints:

- \$ 29,174 assigned for encumbrances
- 3,370,647 assigned for subsequent year's expenses
- 2,982 non-spendable prepaid items
- 10,185,302 restricted for debt service
- 70,856,152 restricted for capital projects

The general fund is the principal operating fund of the District. The general fund balance showed an increase of \$2,369,209. The debt service-district fund balance showed an increase of \$2,202,741. The capital projects-district showed a decrease of \$55,295,332.

Proprietary Funds:

Proprietary funds are used to account for operations similar to private business enterprises. The food service fund is the District's only proprietary fund. The year-end food service fund balance was \$(3,507,427). This was an increase of \$119,495 from last year's ending net position of \$(3,626,922). There was a prior period adjustment decreasing the beginning fund balance by the amount of \$3,056,009 for GASB 75 to record prior years other postemployment benefits.

General Fund Budgetary Highlights:

In building the District's budget for FY 2017-2018, it was the District's goal to maintain programs and staffing levels while managing student growth in the District's northern boundaries. The General Fund mill value was estimated to grow by 7.29% for an operating mill value of \$154,613 up \$10,502 from the prior year mill value of \$144,111. Budgeted expenses included a step increases in payroll for all employees where eligible. There was no state mandated salary increase for FY 2018. Hourly, classified and administrative salary schedules did not include an increase for FY 2018. School budget allocations were fully funded according to the District's funding formula. The use of \$2.72 million in equity was included in the budget to ensure budgeted expenditures would be met. Local revenues and tax reimbursements were estimated to increase by 3.22% and state revenues were estimated to increase by 6.01%. The state increase included additional estimated funding based on student growth. Overall budgeted revenues were \$99.93 million and budgeted expenditures were \$102.65 million with \$2.72 million available in equity to balance.

It has been the practice of the District to review and revise its general fund budget at mid-year for any variations from the originally approved budget or unanticipated changes in revenues and expenses. Mid-year budget revisions were approved by the Board of Trustees in February 2018. Based on updated projects, budgeted revenue increased by \$1.71 million mostly in state funding based on recalculations for student growth. Budgeted expenditures were increased by \$14,298. These revisions allowed for the reduction in the use of equity by \$1.70 million to \$1.02 million to balance the revised budget.

For the year, interest on investments exceeded the budget of \$117,190 or 50.99%. Medicaid reimbursements exceeded the budget by \$156,727 or 39.18%. Total state revenues for the year were slightly higher than the budget of \$68,057,025 by \$355,452.

Salaries and fringe benefits were under budget of \$88,697,797 for the year by \$1,940,839 or 2.19%. Most of this savings comes from conservative budgeting on fringe benefits. Purchased services were under the budget of \$8,009,365 by \$377,970 or 4.72%. Most of this savings is in repairs/maintenance, travel, and technology. Supplies and materials were under budget of \$4,482,630 by \$155,025 or 3.46%. Other areas were under budget of \$1,474,301 by \$54,266.

Capital Assets and Debt Administration

Capital Assets:

By the end of 2018, the District had invested \$280,583,285 in capital assets, including school buildings and facilities, vehicles, furniture, furnishings and equipment. Total depreciation expense for the year was \$6,161,515. The following schedule (figure A-4), presents capital asset balances net of depreciation for the fiscal year ended June 30, 2018.

Figure A-4 Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18
Land	\$ 4,824,419	\$ 10,327,453	\$ -	\$ -	\$ 4,824,419	\$ 10,327,453
Buildings & Improvements	117,106,882	120,877,415	-	-	117,106,882	120,877,415
Furniture & Equipment	6,200,187	6,639,864	1,400,893	1,431,336	7,601,080	8,071,200
Construction in Progress	16,318,851	59,270,838	-	-	16,318,851	59,270,838
Total Cost	144,450,339	197,115,570	1,400,893	1,431,336	145,851,232	198,546,906

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-Term Debt:

At year end, the District had \$129,025,000 in general obligation bonds debt outstanding (see figure A-5), of which \$5,130,000 is due within one year.

State statutes currently limit the amount of general obligation debt a District may issue to 8% of its total assessed valuation. The current debt limitation for the District is \$29,667,289 of which \$3,975,000 was outstanding at June 30, 2018 leaving an available balance of \$25,692,289. More detailed information about the District's long-term debt is presented in Note 8 to the financial statements.

Figure A-5 Outstanding Long-Term Debt				
	July 1, 2017 Balance	Additions to (Reductions in) Principal	June 30, 2018 Balance	Amount Due Within One Year
General Obligation Bonds	\$137,480,000	(\$8,455,000)	\$129,025,000	\$5,130,000
LEAP Installment Bonds	52,350,000	(2,245,000)	50,105,000	2,265,000

Economic Factors, Next Year's Budget, Subsequent Events and Other Matters

In the FY 2018-2019 operating budget, the District balanced revenues with the use of \$3,370,647 in general fund equity to cover budgeted expenses for the year. The Board of Trustees and District management have a clear understanding of the importance of maintaining a healthy fund balance. Board Policy was approved in 2005 to maintain a general fund balance of no less than 8% of the current year's budgeted general fund expenses. Total general fund equity at July 1, 2018 was \$27,625,945 or 24.98% of the \$110,608,064 budgeted expenses for FY 2018-2019. Unassigned general fund equity, available after the budget for FY2019 was balanced, totaled \$23,392,332 or 22.79% of budgeted expenses.

The budget included a local tax millage increase of five mills for a total operating millage of 154.5 mills. This millage increase generated an estimated \$860,940 in additional tax revenues. Growth in the mill value of 11.37% or \$17,575, gave us increased estimates for local tax revenues by approximately \$2,627,462. Other local revenues are estimated to increase by \$94,625. State tax reimbursements and state revenues are estimated to increase by approximately \$281,725 as well for FY 2018-2019.

The state base student cost used for the FY 2017-2018 budget was \$2,425 and the estimated base student cost for FY 2018-2019 was budgeted at \$2,485. This was an increase of 2.47% or \$60 in base student cost.

Overall general fund budgeted expenses for FY 2018-2019 increased by \$7,943,970. For salaries and fringe benefits, the FY 2018-2019 budget increased by \$6,851,714. Operations increased by \$827,309 or 10% mostly to cover added expenses for a new school and two new multi-purpose buildings in the District. Other budgets for school allocations, District office and board of trustees were increased by 4.57% in total. Planning for future budgets will include funding to meet growth as it continues in Lancaster County.

In March 2016, the voters of Lancaster County approved a \$199 million bond resolution for the purpose of constructing a new high school, a new elementary school, three, new multipurpose buildings, improvements to existing school buildings, along with security, athletic, and technology upgrades throughout the district. Bonds were issued during FY 16-17 year in the amount of \$125 million. The remaining \$74 million in bonds will be issued during FY 18-19. A new elementary school opened in August 2018 and two of the new multi-purpose buildings will be opening by December 2018 with the third building to be opened by the summer of 2019. Construction on the new high school began in March 2018. Technology upgrades have been completed, along with most of the athletic and security upgrades.

The Board of Trustees will revise the District's budget at mid-year, as they have in past years, based on the current economic conditions and revised estimated revenues and expenses for the year.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for all funding received. If you have questions about this report or need additional financial information, contact Lancaster County School District, Finance Department, 300 South Catawba, Lancaster, South Carolina, 29720.

BASIC FINANCIAL STATEMENTS

LANCASTER COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash & Cash Equivalents	\$ 11,805,219	\$ 1,835,823	\$ 13,641,042	\$ -
Investments	25,149,286	-	25,149,286	-
Property Tax Receivable	3,550,672	-	3,550,672	-
Internal Balances	664,857	(664,857)	-	-
Due from Pupil Activities	1,007,589	-	1,007,589	-
Due From County Government	89,630,242	-	89,630,242	-
Due From State Government	222,566	-	222,566	-
Due From Federal Government	2,211,280	33,065	2,244,345	-
Due From Other Governmental Units	941,108	-	941,108	67,005
Prepaid Expenses	2,982	-	2,982	-
Inventories - Supplies & Materials	-	87,906	87,906	-
Other Receivables	419,315	8,759	428,074	-
Capital Assets (Net of Accumulated Depreciation)				
Land	10,327,453	-	10,327,453	-
Buildings & Improvements	120,877,415	-	120,877,415	-
Equipment	6,639,864	1,431,336	8,071,200	-
Construction in Progress	59,270,838	-	59,270,838	-
Total Assets	\$ 332,720,686	\$ 2,732,032	\$ 335,452,718	\$ 67,005
Deferred Outflows of Resources				
Net Pension Deferred Outflows	15,753,729	413,891	16,167,620	-
Net OPEB Deferred Outflows	194,209	5,102	199,311	-
Unamortized Loss on Refunding - Debt Defeasance	3,204,206	-	3,204,206	-
Employer Contributions Subsequent to Measurement Date	13,496,295	354,582	13,850,877	-
Total Deferred Outflows of Resources	\$ 32,648,439	\$ 773,575	\$ 33,422,014	\$ -
Liabilities				
Accounts Payable	\$ 9,109,532	\$ -	\$ 9,109,532	\$ 38,116
Accrued Salaries	4,776,495	-	4,776,495	-
Accrued Payroll Related Liabilities	5,405,001	-	5,405,001	-
Due to Federal Government	20,172	-	20,172	-
Bonds Payable	1,027,000	-	1,027,000	-
Retainage Payable	1,705,613	-	1,705,613	-
Unearned Revenue	1,717,766	27,541	1,745,307	28,889
Accrued Interest Payable	1,899,765	-	1,899,765	-
Capital Lease	-	-	-	-
Noncurrent Liabilities:				
Net Pension Liability	145,861,985	3,832,170	149,694,155	-
Net OPEB Liability	109,450,024	2,875,534	112,325,558	-
Due Within One Year	9,297,496	-	9,297,496	-
Due in More Than One Year	185,550,914	-	185,550,914	-
Total Liabilities	\$ 475,821,763	\$ 6,735,245	\$ 482,557,008	\$ 67,005
Deferred Inflows of Resources				
Net Pension Deferred Inflows	225,302	5,919	231,221	-
Net OPEB Deferred Inflows	10,348,075	271,870	10,619,945	-
Total Deferred Inflows of Resources	\$ 10,573,377	\$ 277,789	\$ 10,851,166	\$ -
Net Position				
Net Investment in Capital Assets	80,352,310	1,431,336	81,783,646	-
Restricted For:				
Debt Service Program	10,185,302	-	10,185,302	-
Capital Projects	70,856,152	-	70,856,152	-
Net Position - Unrestricted	(282,419,779)	(4,938,763)	(287,358,542)	-
Total Net Position	\$ (121,026,015)	\$ (3,507,427)	\$ (124,533,442)	\$ -

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction	\$ 78,696,180	\$ -	\$ 30,050,528	\$ -	\$ (48,645,652)	\$ -	\$ (48,645,652)
Support Services	60,238,631	30,645	45,071,779	-	(15,136,207)	-	(15,136,207)
Community Service	1,590,894	-	602,080	-	(988,814)	-	(988,814)
Pupil Activity	244,546	-	-	-	(244,546)	-	(244,546)
Interest & Other Charges	6,657,766	-	-	-	(6,657,766)	-	(6,657,766)
Total Governmental Activities	147,428,017	30,645	75,724,387	-	(71,672,985)	-	(71,672,985)
Business-Type Activities:							
Food Service	5,647,730	1,650,510	4,274,170	190,290	-	467,240	467,240
Total Business-Type Activities	5,647,730	1,650,510	4,274,170	190,290	-	467,240	467,240
Total Primary Government	\$ 153,075,747	\$ 1,681,155	\$ 79,998,557	\$ 190,290	\$ (71,672,985)	\$ 467,240	\$ (71,205,745)
Component Units:							
Charter School	1,047,673	\$ -	1,047,673	\$ -			\$ -
General Revenues:							
Property Taxes Levied For:							
General Purposes					29,935,497	-	29,935,497
Debt Service					25,063,701	-	25,063,701
State Aid Not Restricted For Specific Purpose					16,223,057	-	16,223,057
Unrestricted Investment Earnings					1,757,972	-	1,757,972
Miscellaneous					3,393,755	-	3,393,755
Transfers					347,745	(347,745)	-
Total General Revenues and Transfers					76,721,727	(347,745)	76,373,982
Change in Net Position					\$ 5,048,742	\$ 119,495	\$ 5,168,237
Net Position, Beginning of Year, As Restated					(126,074,757)	(3,626,922)	(129,701,679)
Net Position - Ending					\$ (121,026,015)	\$ (3,507,427)	\$ (124,533,442)

The notes to the basic financial statements are an integral part of this statement.

LANCASTER COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	Special Revenue Funds					Total
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	Governmental Funds
Assets						
Cash & Cash Equivalents	\$ 11,805,219	\$ -	\$ -	\$ -	\$ -	\$ 11,805,219
Investments	25,149,286	-	-	-	-	25,149,286
Property Tax Receivable, Net	243,715	-	-	130,819	-	374,534
Due From Other Funds	7,087,449	-	1,065,593	-	-	8,153,042
Due From County Government	1,567,984	-	-	10,054,483	78,007,775	89,630,242
Due From State Government	95,188	63,282	64,096	-	-	222,566
Due From Federal Government	-	2,211,280	-	-	-	2,211,280
Due From Other Governmental Units	941,108	-	-	-	-	941,108
Prepaid Items	2,982	-	-	-	-	2,982
Other Receivables	24,043	387,072	2,200	-	6,000	419,315
Total Assets	\$ 46,916,974	\$ 2,661,634	\$ 1,131,889	\$ 10,185,302	\$ 78,013,775	\$ 138,909,574

Liabilities & Fund Balances						
Liabilities						
Accounts Payable	9,109,533	-	-	-	-	9,109,533
Accrued Salaries	4,776,495	-	-	-	-	4,776,495
Accrued Payroll Related Liabilities	5,405,001	-	-	-	-	5,405,001
Due To Other Funds	-	2,055,585	-	-	4,425,010	6,480,595
Due to Federal Government	-	20,172	-	-	-	20,172
Bonds Payable	-	-	-	-	1,027,000	1,027,000
Retainage Payable	-	-	-	-	1,705,613	1,705,613
Unearned Revenue	-	585,877	1,131,889	-	-	1,717,766
Total Liabilities	19,291,029	2,661,634	1,131,889	-	7,157,623	30,242,175
Fund Balances						
Non-Spendable	2,982	-	-	-	-	2,982
Restricted	-	-	-	10,185,302	70,856,152	81,041,454
Assigned	3,399,821	-	-	-	-	3,399,821
Unassigned	24,223,142	-	-	-	-	24,223,142
Total Fund Balances	27,625,945	-	-	10,185,302	70,856,152	108,667,399
Total Liabilities & Fund Balances	\$ 46,916,974	\$ 2,661,634	\$ 1,131,889	\$ 10,185,302	\$ 78,013,775	\$ 138,909,574

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Amounts reported for governmental activities in the statement of net position are different because:

Total Governmental Fund Balances **\$ 108,667,399**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. *This is the amount that the cost of the assets exceeds the accumulated depreciation.*

Cost of Assets	\$ 277,236,948	
Accumulated Depreciation	<u>(80,121,378)</u>	197,115,570

Deferred Outflows (Inflows) resulting from the recognition of the employer's share of the state's net pension and OPEB liability are not current financial resources and, therefore, are not reported in the funds. 18,870,856

Deferred Outflows resulting from the loss on debt defeasance are not current financial resources and, therefore, are not reported in the funds. 3,204,206

Certain unearned revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities. *This is the additional amount of taxes receivable recognized under the accrual basis.* 3,176,138

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Long Term Debt	(179,130,000)	
Net OPEB Liability	(109,450,024)	
Net Pension Liability	(145,861,985)	
Bond Premiums, Net of Amortization	(14,426,232)	
Compensated Absences	(1,292,178)	
Accrued Interest Payable	<u>(1,899,765)</u>	<u>(452,060,184)</u>

Net Position of Governmental Activities: **\$ (121,026,015)**

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue					Debt Service LEAP	Capital Projects	Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service				
Revenues								
Taxes Levied/Assessed by the LEA	\$ 27,159,897	\$ -	\$ -	\$ 23,874,177	\$ -	\$ -	\$ -	\$ 51,034,074
Revenue From Local Governmental Units Other Than LEAs	2,615,203	-	-	1,189,524	-	-	-	3,804,727
Tuition	21,289	9,356	-	-	-	-	-	30,645
Earnings on Investments	347,033	-	-	10,001	-	-	1,400,938	1,757,972
Other Revenue from Local Sources	595,471	1,439,510	-	-	-	-	2,926,630	4,961,611
Total Local	30,738,893	1,448,866	-	25,073,702	-	-	4,327,568	61,589,029
State Sources	68,412,477	2,501,514	7,350,605	1,453,049	-	-	-	79,717,645
Federal Sources	-	10,661,944	-	-	-	-	-	10,661,944
Total Revenues	\$ 99,151,370	\$ 14,612,324	\$ 7,350,605	\$ 26,526,751	\$ -	\$ -	\$ 4,327,568	\$ 151,968,618
Expenditures								
Current:								
Instruction	60,410,278	8,573,761	3,462,024	-	-	-	-	72,446,063
Support Services	38,512,062	4,114,841	971,689	-	-	-	5,980,723	49,579,315
Community Services	-	1,465,341	-	-	-	-	-	1,465,341
Intergovernmental	856,425	-	-	-	-	-	-	856,425
Debt Service:								
Redemption of Principal	-	-	-	8,455,000	2,245,000	-	-	10,700,000
Interest	-	-	-	5,569,010	2,045,934	-	5,297	7,620,241
Capital Outlay	112,682	199,151	170,035	-	-	-	59,645,946	60,127,814
Total Expenditures	\$ 99,891,447	\$ 14,353,094	\$ 4,603,748	\$ 14,024,010	\$ 4,290,934	\$ 65,631,966	\$ 202,795,199	
Excess of Revenues Over (Under) Expenditures	(740,077)	259,230	2,746,857	12,502,741	(4,290,934)	(61,304,398)	(50,826,581)	
Other Financing Sources (Uses)								
Transfers In	3,353,832	572,552	-	-	4,290,934	7,020,177	15,237,495	
Transfers Out	(244,546)	(831,782)	(2,746,857)	(10,300,000)	-	(1,011,111)	(15,134,296)	
Total Other Financing Sources (Uses)	3,109,286	(259,230)	(2,746,857)	(10,300,000)	4,290,934	6,009,066	103,199	
Net Change in Fund Balances	\$ 2,369,209	\$ -	\$ -	\$ 2,202,741	\$ -	\$ (55,295,332)	\$ (50,723,382)	
Fund Balance, Beginning of Year	25,256,736	-	-	7,982,561	-	-	126,151,484	159,390,781
Fund Balance, Ending of Year	\$ 27,625,945	\$ -	\$ -	\$ 10,185,302	\$ -	\$ 70,856,152	\$ 108,667,399	

The notes to the basic financial statements are an integral part of this statement.

LANCASTER COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Amounts Reported for the Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds \$ (50,723,382)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. *This is the amount by which depreciation expense exceeded capital outlays in the current period.*

Depreciation Expense	\$ (6,001,668)	
Capital Outlay	58,843,302	52,841,634

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. *This is the amount that principal repaid during the year exceeds the amount of debt issued during the year.*

Redemption of Principal	10,700,000	
Proceeds from Long-Term Debt	-	10,700,000

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. *This is the change in bond issuance cost amortization, change in bond premium amortization, and change in loss on defeasance amortization.*

Change in Amortization of Bond Premiums	1,273,590	
Change in Amortization of Loss on Defeasance of Debt	(324,331)	949,259

In the statement of activities, the gain/(loss) on the sale or disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus the change in net position differs from the change in fund balance by the cost of capital assets disposed or sold.

(176,403)

Certain unavailable tax revenues reported in the governmental funds are recognized in the statement of activities, net of a reserve for uncollectible amounts. This is the change in the amount of taxes receivable recognized under the accrual basis.

160,397

The change in compensated absences reported in the statement of activities does not require the use of current financial resources, and therefore, is not reported as an expenditure/revenue in the governmental funds. *This is the amount that compensated absences at the end of the prior year exceeded the compensated absences at the end of the current year.*

Compensated Absences - End of Current Year	(1,292,178)	
Compensated Absences - End of Prior Year	1,279,201	(12,977)

Retirement and pension expense in the statement of activities is measured by the District's proportionate share of the SCRS pension and SCRHITF and SCLTDITF OPEB total expense. In the governmental funds, however, the expenditure is measured by the current contributions to the retirement and pension system. *This is the amount Current Contributions exceed the District's proportionate share.*

District's Proportionate Shares of Total Pension and OPEB Expense	(22,199,297)	
Current Contributions to Retirement and OPEB Systems	13,496,295	(8,703,002)

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. *This is the amount that accrued interest on bonds at the end of the prior year exceeded the accrued interest on bonds at the end of the current year.*

Accrued Interest - End of Current Year	(1,899,765)	
Accrued Interest - End of Prior Year	1,912,981	13,216

Change in Net Position of Governmental Activities \$ 5,048,742

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
PROPRIETARY FUND - FOOD SERVICE
STATEMENT OF NET POSITION
JUNE 30, 2018**

Assets

Current Assets

Cash & Cash Equivalents	\$ 1,835,823
Due From Federal Government	33,065
Inventories - Supplies & Materials	87,906
Other Receivables	<u>8,759</u>

Total Current Assets	<u>1,965,553</u>
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Property, Plant and Equipment, Net	<u>1,431,336</u>
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Total Assets	<u><u>\$ 3,396,889</u></u>
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Deferred Outflows of Resources

Net Pension Deferred Outflows	413,891
Net OPEB Deferred Outflows	5,102
Employer Contributions Subsequent to Measurement Date	<u>354,582</u>

Total Deferred Outflows of Resources	<u><u>\$ 773,575</u></u>
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Liabilities

Current Liabilities

Due To Other Funds	664,857
Unearned Revenue	<u>27,541</u>

Total Current Liabilities	<u>692,398</u>
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Long Term Liabilities

Net Pension Liability	3,832,170
Net OPEB Liability	<u>2,875,534</u>

Total Long Term Liabilities	<u>6,707,704</u>
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Total Liabilities	<u><u>\$ 7,400,102</u></u>
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Deferred Inflows of Resources

Net Pension Deferred Inflows	5,919
Net OPEB Deferred Inflows	<u>271,870</u>

Total Deferred Inflows of Resources	<u><u>\$ 277,789</u></u>
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Net Position

Investment in Capital Assets	1,431,336
Unrestricted	<u>(4,938,763)</u>

Total Net Position	<u><u>\$ (3,507,427)</u></u>
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The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
 PROPRIETARY FUND - FOOD SERVICE
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Fund - Food Service
Operating Revenues	
Proceeds from Sales of Meals	\$ 1,650,510
Total Operating Revenues	<u>1,650,510</u>
Operating Expenses	
Food Costs	2,746,713
Salaries & Employee Benefits	2,414,027
Supplies & Materials	266,025
Depreciation	159,847
Other Operating Costs	61,118
Total Operating Expenses	<u>5,647,730</u>
Operating Income (Loss)	<u>(3,997,220)</u>
Non-Operating Revenues (Expenses)	
USDA Reimbursements	3,790,264
Commodities Received from USDA	483,475
Other Federal & State Aid	431
Total Non-Operating Revenues	<u>4,274,170</u>
Net Income Before Transfers	276,950
Capital Contributions	190,290
Transfers In (Out)	<u>(347,745)</u>
Change in Net Position	119,495
Net Position, Beginning of Year, As Restated	<u>(3,626,922)</u>
Net Position, End of Year	<u><u>\$ (3,507,427)</u></u>

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
PROPRIETARY FUND - FOOD SERVICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	Enterprise Fund - Food Service
Cash Flows from Operating Activities	
Cash Received from Patrons	\$ 1,641,751
Cash Payments to Suppliers for Goods and Services	(3,060,829)
Cash Payments to Employees for Services	(2,474,397)
	<hr/>
Net Cash Used in Operating Activities	(3,893,475)
	<hr/>
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	4,244,522
Transfers From (To) Other Funds	(332,763)
	<hr/>
Net Cash Provided by Noncapital Financing Activities	3,911,759
	<hr/>
Net Increase in Cash and Cash Equivalents	18,284
Cash and Cash Equivalents at Beginning of Year	1,817,539
	<hr/>
Cash and Cash Equivalents at End of Year	\$ 1,835,823
	<hr/> <hr/>
Operating Income (Loss)	(3,997,220)
Adjustments to Reconcile Operating Income (Loss) To	
Net Cash (Used) by Operating Activities:	
Depreciation	159,847
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(8,759)
Decrease in Inventory	13,027
Decrease in Net OPEB Liability	(17,124)
Decrease in Net Pension Liability	(43,246)
	<hr/>
Net Cash Used in Operating Activities	\$ (3,893,475)
	<hr/> <hr/>
Supplemental Information:	
Capital Assets Contributed to Food Service from Other Funds	\$ 190,290
Non-Cash Commodities Received	483,475

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
FIDUCIARY FUND - PUPIL ACTIVITY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018**

	Agency Fund Pupil Activity
Assets	
Cash & Cash Equivalents	\$ 1,577,156
Investments	1,038,871
Other Receivables	<u>686</u>
Total Assets	<u><u>\$ 2,616,713</u></u>
Liabilities	
Due To School District	1,007,589
Due to Pupil Activities	<u>1,609,124</u>
Total Liabilities	<u><u>\$ 2,616,713</u></u>

The notes to the basic financial statements are an integral part of this statement.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Lancaster County 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 more significant accounting policies of the District are described below.

Reporting Entity

Lancaster County School District (the "District") operates under the direction of an elected Board of Trustees, with a superintendent serving as the chief administrative officer, and provides education services to approximately 12,000 students in the County of Lancaster, South Carolina. The District does not exercise control over any other governmental agencies or authorities.

Effective July 1, 1997, the District became fiscally independent and is no longer considered a component unit of Lancaster County. As such, the Lancaster County School District is the basic level of government which has financial accountability and control over all activities related to the public school education in the County of Lancaster, South Carolina. The District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since District Board of Trustees members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Discretely Presented Component Unit

The component unit column in the basic financial statements includes the financial data of the District's component unit, The Discovery Charter School (the "Charter School"). A charter school is considered a public school and is part of Lancaster County School District for the purposes of state law and state constitution. Because the charter school is fiscally dependent on the District and exclusion of the charter school would cause the District's financial statements to be incomplete, the financial statements of the charter school are included in those of the District. The charter school is presented as a governmental fund type. It is administered and governed by its governing body as agreed to by the charter applicant and the District. The South Carolina State Department of Education regulations require that charter schools be discretely presented in the financial statements, but blended with the School District balances in the supplementary schedules. All accounting policies and reporting requirements applicable to the District were equally adopted at the Charter School reporting level. The separately issued financial statements of The Discovery School may be obtained from its administrative office at 302 W. Dunlap St., Lancaster, SC 29720.

Blended Component Units

Lancaster Education Assistance Program, Inc. ("LEAP") is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a "support organization" for capital projects of the District. LEAP board members are appointed by the Board of the District. Because LEAP exclusively benefits the District, the LEAP financial information is blended with that of the District in these basic financial statements. Separate LEAP financial information is included in individual columns throughout the financial statements. Complete, separately issued financial statements may be obtained from the Lancaster Education Assistance Program, Inc. 300 South Catawba Street, Lancaster, SC 29720.

In accordance with GAAP, the District evaluated its current and potential component units and made the determination that The Discovery School and LEAP are the only two component units required to be included in its financial statements at June 30, 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide basic financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District (the primary government) and its component units. As a general rule, the effect of interfund activity has been eliminated from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government, the District, is reported separately from certain legally separate component units for which the District is financially accountable.

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

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 the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Investment earnings and intergovernmental revenues received from Lancaster County are accrued because they are measurable at year-end and are collected within 60 days after year-end. Most other intergovernmental revenues are not susceptible to accrual because they generally are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets plus deferred outflows less total liabilities and deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund basic financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered "Measurable" when transferred to the District's account by the County Treasurer and are recognized at that time. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

Fund basic financial statements report detailed information about the District. The focus of governmental and enterprise fund basic financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary funds are reported by fund type.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The following major funds and fund types are used by the District.

Governmental Fund Types

Governmental fund types are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary Fund) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the District's major fund types:

The General Fund, a major fund, is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes that are received on the basis of projects approved by various authorizing agencies which are not budgeted in General Fund operations. The majority of the monies for approved projects are received pursuant to federal legislation and the Education Improvement Act. The allowable expenditures of the projects are specified in the enabling legislation and related regulation, and may not be used to supplant District expenditures which would otherwise have been made.

The Special Projects Fund, a major fund, is used to account for financial resources provided by federal, state and local projects and grants.

The Education Improvement Act (EIA) Fund, a major fund, is used to account for the revenues from the South Carolina Education Improvement Act of 1984, which is legally required by the State to be accounted for as a specific revenue source.

The Debt Service Fund – District, a major fund, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Debt Service Fund – LEAP, a major fund, is used to account for the accumulation of resources for, and the payment of, all long-term debt principal, interest and related costs for LEAP.

The Capital Projects Fund – District, a major fund, is used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays except for those financed in the Enterprise Fund and the LEAP Capital Projects Fund.

The Capital Projects Fund – LEAP, a major fund, is used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays for LEAP.

Proprietary Fund Type

Proprietary fund type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund are food service charges. Operating expenses for the District's Enterprise Fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types include the following fund:

The Food Service Fund is an enterprise fund and is used 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 the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Fund Types

Fiduciary fund types are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations or governmental units and/or other funds to include Agency funds. Fiduciary fund types include the following fund:

Agency Fund - The District's Pupil Activity Funds are established as agency funds of the schools to account for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the District. This accounting reflects the agency relationship of the District to the student activity organizations.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the School District. Fiduciary funds are reported by fund type.

Budgets and Budgetary Accounting

Annual budgets and formal budgetary integration are employed as management control devices during the year for the General Fund, Special Revenue Fund, and Debt Service Fund. The General Fund is the only fund with a legally adopted budget. Capital projects are budgeted on a long-term project basis, rather than annual appropriations. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The School District presents a formal General Fund budget to the school board prior to year-end and the final budget is approved prior to July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Any General Fund budget revision between major allocations throughout the year must be approved by the Board of Trustees.
3. Budgets are adopted for Special Revenue Fund projects through the submission of a project application and the subsequent approval of the application by the appropriate authorizing agency.
4. Budgets are adopted on the modified accrual basis of accounting for the General and Special Revenue Fund, and are consistent with U.S. generally accepted accounting principles.

General Fund expenditures may not legally exceed budgeted appropriations at the major component level unless in a supplementary action, the Board then can approve an increase or decrease to the major component within the legal level of control. The General Fund budget as presented herein has been amended from that originally adopted.

The Board of Trustees of Lancaster County School District delegates to management the authority, within the General Fund, to transfer funds within individual components. Budgetary control is on the component level. Budget transfers are approved as follows:

1. Initial approval by the respective department head or principal.
2. Final approval by the Chief Financial Officer.

The budgets are prepared on a basis consistent with actual financial statement presentation to provide meaningful comparisons. Appropriations lapse at the end of the fiscal year.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrance accounting is used for the General Fund, Special Revenue Fund and Capital Projects Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances lapse at year end, except for the General Fund, which is carried forward as assigned fund balance until liquidated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents and Investments

The District's cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District records its investments at fair value. The State Treasurer's Investment Pool operates in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Accounts Receivable

Accounts receivable consists of property taxes levied against Lancaster County taxpayers. Accounts receivable also include amounts due from the Federal government, State and Local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible amounts are shown net of an allowance for doubtful accounts. This amount is determined by analyzing the percentage of receivables that were not collected in prior years.

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, 2018, has been recorded at fair market value as provided by the United States Department of Agriculture.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost equal to or more than \$5,000 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Donated capital assets are recorded at acquisition cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building and Site Improvements	20
Furnishings	20
Furniture and Equipment	10
Vehicles	10
Technology Equipment	7
Library Book Collections	5

Proprietary Fund equipment purchases are capitalized in the Proprietary Fund at cost and depreciated on a straight-line basis over 12 years at the rate of 8.33% per year.

Unearned Revenue

Unearned revenues in the governmental funds include amounts received from grant and contract sponsors that have not yet been earned. These unearned revenues from grants are considered to be a liability to the District rather than deferred inflows of resources since the eligibility requirements of the grants have not been met.

Compensated Absences

Compensated absences are absences for which employees will be paid. A liability for compensated absences is accrued as employees earn the rights to the benefits.

District employees can accumulate sick leave up to ninety days for payment at a specified rate upon retirement, provided they have accumulated at least sixty days. Vested sick leave pay is recorded as an expenditure in the current year to the extent it is paid during the year.

The District has established a "sick leave bank" governed by an elected board for the purpose of extending additional sick leave to employees that have exhausted all available leave during catastrophic times. Membership is optional and requires an employee giving one day of their sick leave to join. Days given are approved by the Board and maximum leave an employee can take in any year is 90 days. Due to the uncertainty of the timing and value of the days to be granted, the liability to the District is considered to be immeasurable.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period that long-term bonds are 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 other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June 2012. The disclosure requirements applicable to employers participating in the South Carolina Retirement System or the Police Officers Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. 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 and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. 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.

Other Post Employment Benefits

The Governmental Accounting Standards Board (GASB) issued Statement No. 75 entitled *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. The disclosure requirements applicable to employers participating in the South Carolina Retiree Health Care Plan or the South Carolina Basic Long-Term Disability Plan are prescribed in paragraphs 89 through 98 of GASB 75. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEBs, and OPEB expense, information about the fiduciary net position of the OPEB Trusts and additions to/deductions from the OPEB Trust's fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust of PEBA. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position (Deficit)

The District's net position (deficit) in the government-wide financial statements is classified as follows:

Net Investment in Capital Assets: This represents the District's total investments in capital assets, net of outstanding debt obligations related to those 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 invested in capital assets, net of related debt.

Restricted Net Position - Expendable: Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by third parties.

Restricted Net Position - Non-Expendable: Non-expendable restricted net position consists of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted Net Position (Deficit): Unrestricted net position (deficit) represents resources derived from ad valorem taxes, earnings on investments, various local and state unrestricted grants, contracts and revenues net of the District's proportionate share of the outstanding net pension obligation from its retirement systems.

Classification of Fund Balances

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form or are required to be maintained in tact;

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grants, bondholders and higher levels of government) through constitutional provisions or enabling legislation;

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, which is the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint;

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Fund Balances (Continued)

Assigned fund balance - amounts the District intends to use for a specific purpose; The District's policy states that the Board of Trustees or an official to which the Board of Trustees delegate authority to, must approve the assignments of any fund balance;

Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

It is the District's policy to apply restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. For the unrestricted fund balances when committed, assigned or unassigned resources are available for use, it is the District's policy to use committed, assigned, and unassigned resources, in this order.

At June 30, 2018, the District's assigned fund balance in the General Fund consists of subsequent year expenditures and encumbered operating school expenditures in the amounts of \$3,370,647 and \$29,174, respectively. These assigned balances were approved by the District's Board of Trustees.

Risk Management

The 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. The District along with other school districts within the state are insured under the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance fund. The District pays annual premiums to the Insurance Reserve Fund for its general insurance coverage. The Insurance Reserve Fund is self-sustaining through member premiums and by purchases of commercial insurance coverage on a portion of its liabilities. There have been no significant reductions in insurance coverage from the prior year. The District has not incurred any material claims during the past three fiscal years.

The District continues to carry insurance for other risks of loss including employee health, dental, group life, and accident insurance through the State of South Carolina. The State accumulates assets to cover risks that its members incur in their normal operations. Specifically, the State assumes substantially all of the risk for the above.

Tax Abatements

The Governmental Accounting Standards Board (GASB) issued Statement No. 77 entitled *Tax Abatement Disclosures* in 2015 effective for periods beginning after December 15, 2015. This statement requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and about tax abatement agreements entered into by other governments that reduce the reporting government's tax revenues.

2. STEWARDSHIP, COMPLIANCE AND RESPONSIBILITY

Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Excess of Expenditures Over Appropriations

The legal level of budgetary control is at the function level. This is the level at which expenditures should not exceed appropriations. For the fiscal year ended June 30, 2018, the District had no excess of expenditures over appropriations at this level.

3. DEPOSITS AND INVESTMENTS

All of the District's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the District's agent in the District's name. Under the Pooling Method, uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the District, these deposits are considered to be held by the District's agent in the District's name. The amount of the pledged collateral is based on an approval averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the District or the escrow agent. Because of the inability to measure the exact amount of collateral pledged on behalf of the District under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of South Carolina enforces strict standards of financial accountability for each depository electing the Pooling Method.

Investments

The District is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and loan associations to the extent they are secured by the Federal Deposit Insurance Corporation;
4. Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian;
5. Repurchase agreements if properly collateralized.

As of June 30, 2018, the District had the following investments, which meet the above requirements:

Investment Type	Credit Rating	Fair Market Value	Weighted Average Maturity (Years)
SC Treasurer's Investment Pool	Unrated	\$ 26,188,157	Less than 1 year

The total above includes investments in the General Fund and Pupil Activity Fund in the amounts of \$25,149,286 and \$1,038,871, respectively.

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy to have all amounts over FDIC coverage collateralized with U.S. Treasuries by the District's Agent, in the District's name. Custodial credit risk for investments is the risk that, in the event of a failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2018, the District had no exposure to custodial credit risk.

Interest Rate Risk – The District does not have a formal policy limiting investment maturities that would manage its exposure to fair value losses from increasing interest rates.

Concentration of Credit Risk – The District places no limit on the amount it may invest in any one issuer.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,824,419	\$ 5,507,508	\$ (4,474)	\$ 10,327,453
Construction in Progress	16,318,851	59,270,838	(16,318,851)	59,270,838
Total Capital Assets Not Being Depreciated	21,143,270	64,778,346	(16,323,325)	69,598,291
Capital Assets Being Depreciated:				
Buildings and Improvements	185,761,863	8,777,651	(31,966)	194,507,548
Furniture and Equipment	12,532,981	1,606,156	(1,008,028)	13,131,109
Total Capital Assets Being Depreciated	198,294,844	10,383,807	(1,039,994)	207,638,657
Less: Accumulated Depreciation For:				
Buildings and Improvements	(68,654,981)	(5,007,118)	31,966	(73,630,133)
Furniture and Equipment	(6,332,794)	(994,550)	836,099	(6,491,245)
Total Accumulated Depreciation	(74,987,775)	(6,001,668)	868,065	(80,121,378)
Total Capital Assets Being Depreciated, Net	123,307,069	4,382,139	(171,929)	127,517,279
Governmental Activities Capital Assets, Net	<u>\$ 144,450,339</u>	<u>\$ 69,160,485</u>	<u>\$ (16,495,254)</u>	<u>\$ 197,115,570</u>
Business-Type Activities:				
Capital Assets Being Depreciated				
Property and Equipment	\$ 3,172,353	\$ 190,290	\$ (16,306)	\$ 3,346,337
Total Capital Assets Being Depreciated	3,172,353	190,290	(16,306)	3,346,337
Less: Accumulated Depreciation For:				
Property and Equipment	(1,771,460)	(159,847)	16,306	(1,915,001)
Total Accumulated Depreciation	(1,771,460)	(159,847)	16,306	(1,915,001)
Business-Type Activities Capital Assets, Net	<u>\$ 1,400,893</u>	<u>\$ 30,443</u>	<u>\$ -</u>	<u>\$ 1,431,336</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 2,381,707
Support Services	3,572,242
Community Services	47,719
Total Depreciation - Governmental Activities	<u>\$ 6,001,668</u>
Business-Type Activities:	
Food Service	\$ 159,847
Total Depreciation - Business-Type Activities	<u>\$ 159,847</u>

4. CAPITAL ASSETS (CONTINUED)

Construction Commitments

The District has several ongoing construction projects as of June 30, 2018, consisting primarily of capital projects. The projects include renovations at existing schools. Total outstanding construction commitments at June 30, 2018, are approximately \$110,966,319.

5. PROPERTY TAXES

Property taxes are levied by Lancaster County (the County) on real and personal properties owned on the preceding January 1 of each fiscal year ended June 30. Liens are attached to the property at the time the taxes are levied, which usually occurs in November of each year. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

January 16 through February 15 - 3% of Tax
February 16 through March 15 - 8% of Tax
After March 15 - 13% of Tax plus Collection Cost

Current year real and personal property taxes become delinquent on April 1. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

The revised assessed value of the certified roll, upon which the levy for the 2018 fiscal year was based, was \$370,841,107. The millage rate charged for the District was 149.5 mills for current operations and 68.0 mills for Debt Service.

In June of 2006, Act 388 created a new Homestead Exemption Fund (the "Homestead Exemption Fund") which is funded from the additional one cent sales tax imposed by Act 388 and the amounts previously designated for the Property Tax Relief Exemption will be applied to such Homestead Exemption Fund. Act 388 provides a third exemption for one hundred percent of the fair market value of owner occupied residential property, to the extent not already covered by the Property Tax Relief Exemption, from all property taxes imposed for school operating purposes but not including millage imposed for the repayment of general obligation debt for property tax years beginning after January 1, 2007.

6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has items that qualify for reporting in this category. One is the unamortized loss on refunding – debt defeasance in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. For the other items in relation to the District's proportionate share of the SCRS and OPEB Trust's net pension liability, see Notes 9 and 10, respectively for Pension and OPEB Plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. For the items in relation to the District's proportionate share of the SCRS and OPEB Trust's net pension liability, see Notes 9 and 10, respectively for Pension OPEB Plans.

7. SHORT-TERM OBLIGATIONS

Short-Term Obligations	June 30, 2017	Additions	Reductions	June 30, 2018
Governmental Activities:				
Bond Anticipation Note	\$ 1,049,000	\$ 11,327,000	\$ 11,349,000	\$ 1,027,000
Total Governmental Activities	<u>\$ 1,049,000</u>	<u>\$ 11,327,000</u>	<u>\$ 11,349,000</u>	<u>\$ 1,027,000</u>

The District issued a Bond Anticipation Note on October 6, 2017 of \$10,300,000. The note was due and paid in full on March 1, 2018 at an interest rate of 1.26%. This issuance was to fund the District's annual capital needs and to make the installment loan debt payments due during the year.

The District issued a Bond Anticipation Note on May 16, 2018 of \$1,027,000. The note is due and payable on October 16, 2018 at an interest rate of 2.220%. This issuance is to be used to cover the upcoming installment loan debt payment.

8. LONG-TERM OBLIGATIONS

Bonds payable consisted of the following at June 30, 2018:

	Interest Rates	Maturity	Original Issue	Outstanding June 30, 2018
District:				
General Obligation Bonds				
September 27, 2012	2.00% - 5.00%	2021	\$ 21,720,000	\$ 3,975,000
October 8, 2015	5.00%	2018	15,545,000	-
March 9, 2017	3.25% - 5.00%	2036	125,000,000	122,250,000
Advance Refunding				
April 1, 2009	3.00% - 4.00%	2019	<u>18,255,000</u>	<u>2,800,000</u>
Total District			<u>180,520,000</u>	<u>129,025,000</u>
LEAP				
Installment Purchase Revenue Bonds				
May 17, 2013	0.60% - 2.46%	2021	23,810,000	13,560,000
May 17, 2013	3.00% - 5.00%	2029	<u>36,545,000</u>	<u>36,545,000</u>
Total LEAP			<u>60,355,000</u>	<u>50,105,000</u>
Total Governmental Activities			<u>\$ 240,875,000</u>	<u>\$ 179,130,000</u>

8. LONG-TERM OBLIGATIONS (CONTINUED)

The District has continuous authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed valuation of property subject to levy by the District, applicable to debt issued subsequent to November 30, 1982. At June 30, 2018, the District is within its debt limit.

General Fund resources typically have been used in prior years to liquidate compensated absences payable and the debt service funds have been used to liquidate all other long-term obligations.

The LEAP Series 2004 Bonds that were refunded in 2013 were originally issued to finance the cost of acquiring, constructing, renovating and installing educational facilities (the "Capital Projects") sold by LEAP to the District pursuant to a school Facilities Purchase and Occupancy Agreement, dated November 1, 2004. This agreement between the District and LEAP is still in effect at June 30, 2018.

The LEAP bonds are not a debt of the District; however, as LEAP is blended with the operations of the District, the debt of LEAP is included with the District's other obligations as required by GAAP.

The following is a summary of changes in the District's long-term obligations for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
District:					
General Obligation Bonds:					
September 27, 2012 - Series 2012	\$ 5,555,000	\$ -	\$ 1,580,000	\$ 3,975,000	\$ 1,635,000
October 8, 2015 - Series 2015	1,450,000	-	1,450,000	-	-
March 9, 2017 - Series 2017	125,000,000	-	2,750,000	122,250,000	695,000
Advance Refunding:					
April 1, 2009 - Series 2009A	5,475,000	-	2,675,000	2,800,000	2,800,000
Total Bonds Payable	137,480,000	-	8,455,000	129,025,000	5,130,000
Plus Deferred Amounts:					
For Premiums	10,999,790	-	841,580	10,158,210	841,580
Total District Bond Related Payable	148,479,790	-	9,296,580	139,183,210	5,971,580
LEAP:					
Installment Purchase Revenue Bonds:					
May 17, 2013 - Series 2013A (Taxable)	15,805,000	-	2,245,000	13,560,000	2,265,000
May 17, 2013 - Series 2013B	36,545,000	-	-	36,545,000	-
Total Bonds Payable	52,350,000	-	2,245,000	50,105,000	2,265,000
Plus Deferred Amounts:					
For Premiums	4,700,032	-	432,010	4,268,022	432,010
Total LEAP Bond Related Payable	57,050,032	-	2,677,010	54,373,022	2,697,010
Total Bond Related Payable - Governmental Activities	<u>\$ 205,529,822</u>	<u>\$ -</u>	<u>\$ 11,973,590</u>	<u>\$ 193,556,232</u>	<u>\$ 8,668,590</u>
Compensated Absences	1,279,201	635,567	622,590	1,292,178	628,906
Total Long-Term Liabilities - Governmental Activities	<u>\$ 206,809,023</u>	<u>\$ 635,567</u>	<u>\$ 12,596,180</u>	<u>\$ 194,848,410</u>	<u>\$ 9,297,496</u>

Interest paid on the debt issued by the District is normally exempt from federal income tax. The District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, primarily during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings resulting from arbitrage must be rebated to the federal government on the fifth anniversary of the issuance of the tax-exempt debt and every five years thereafter until the debt has been repaid, in accordance with the arbitrage regulations. The District has no arbitrage liability outstanding at June 30, 2018. Arbitrage in the amount of \$28,304 was paid during the year ended June 30, 2018.

8. LONG-TERM OBLIGATIONS (CONTINUED)

The annual requirements for debt service on bonds outstanding at June 30, 2018, are summarized as follows:

Year Ended June 30,	Principal	Interest	Total
2019	\$ 7,395,000	\$ 7,261,896	\$ 14,656,896
2020	7,710,000	7,001,502	14,711,502
2021	8,105,000	6,789,069	14,894,069
2022	9,645,000	6,497,444	16,142,444
2023	7,700,000	6,008,319	13,708,319
2024-2028	48,655,000	23,838,204	72,493,204
2029-2033	53,710,000	13,318,731	67,028,731
2034-2038	36,210,000	2,935,400	39,145,400
	<u>\$ 179,130,000</u>	<u>\$ 73,650,565</u>	<u>\$ 252,780,565</u>

9. RETIREMENT PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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 generally accepted accounting principles (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 Comprehensive Annual Financial Report (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, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 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 South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section. 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

9. RETIREMENT PLAN (CONTINUED)

Plan Descriptions (Continued)

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Membership

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

SCRS

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

State ORP

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

PORS

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

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.

9. RETIREMENT PLAN (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 one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

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.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA board may increase the percentage rate in SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

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 ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. 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 ninety percent, then effective on the following July first, 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 90 percent.

9. RETIREMENT PLAN (CONTINUED)

Contributions (Continued)

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.

Required employee contribution rates are as follows:

SCRS	
Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation
State ORP Employee	9.00% of earnable compensation
PORS	
Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required employer contribution rates are as follows:

SCRS	
Employer Class Two	13.41% of earnable compensation
Employer Class Three	13.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
State ORP	
Employer Contribution	13.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
PORS	
Employer Class Two	15.84% of earnable compensation
Employer Class Three	15.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

**Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing 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 as of July 1, 2015.

9. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The June 30, 2017, 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, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.25%	7.25%
Projected Salary Increases	3.0% - 12.5%	3.5% - 9.5%
Includes Inflation at	2.25%	2.25%
Benefits 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 assumptions, 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, 2017, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplies by 92%	2016 PRSC Females multiplies by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplies by 100%	2016 PRSC Females multiplies by 111%
Public Safety and Firefighters	2016 PRSC Males multiplies by 125%	2016 PRSC Females multiplies by 111%

9. RETIREMENT PLAN (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, 2017, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,244,437,494	\$ 25,732,829,268	\$ 22,511,608,226	53.3%
PORS	7,013,684,001	4,274,123,178	2,739,560,823	60.9%

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 is based upon 30 year capital market assumptions. 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. Expected returns are net of investment fees.

9. RETIREMENT PLAN (CONTINUED)

Long-term Expected Rate of Return (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 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 and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public Entity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (Low Beta)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	<u>100.0%</u>		<u>5.31%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.56%</u>

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

9. RETIREMENT PLAN (CONTINUED)

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Decrease (8.25%)
SCRS	\$ 192,772,639	\$ 149,568,026	\$ 123,352,977
PORS	170,299	126,129	91,338

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2017, are presented below.

Description	SCRS	PORS
Service Cost	\$ 5,342,186	\$ 7,674
Interest on the Total Pension Liability	22,045,266	21,780
Plan Administrative Costs	89,493	99
Plan Member Contributions	(6,155,986)	(5,886)
Expected Return on Plan Assets	(11,694,667)	(13,284)
Recognition of Current Year Amortization - Difference Between Expected and Actual Experience & Assumption Changes	3,944,991	4,210
Recognition of Current Year Amortization - Difference Between Projected and Actual Investment Earnings	914,157	1,041
Other	10,297	(59)
Total Aggregate OPEB Expense	<u>\$ 14,495,737</u>	<u>\$ 15,575</u>

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NPL and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

9. RETIREMENT PLAN (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources

The schedules beginning on the following page reflect the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2017.

Difference Between Expected and Actual Experience

	SCRS	PORS
	June 30, 2017	June 30, 2017
Initial Balance (Inflow)/Outflow	\$ 362,658	\$ 232
Amortization Period	4.073	4.553
Amortized Period Ending June 30,		
2017	\$ 89,040	\$ 51
2018	89,040	51
2019	89,040	51
2020	89,040	51
2021	6,498	28

Assumption Changes

	SCRS	PORS
	June 30, 2017	June 30, 2017
Initial Balance (Inflow)/Outflow	\$ 11,604,806	\$ 15,340
Amortization Period	4.073	4.553
Amortized Period Ending June 30,		
2017	\$ 2,849,204	\$ 3,369
2018	2,849,204	3,369
2019	2,849,204	3,369
2020	2,849,204	3,369
2021	207,990	1,864

Difference Between Projected and Actual Investment Earnings

	SCRS	PORS
	June 30, 2017	June 30, 2017
Initial Balance (Inflow)/Outflow	\$ (6,850,277)	\$ 7,706
Amortization Period	5.000	5.000
Amortized Period Ending June 30,		
2017	\$ (1,370,055)	\$ 1,541
2018	(1,370,055)	1,541
2019	(1,370,055)	1,541
2020	(1,370,055)	1,541
2021	(1,370,057)	1,542

9. RETIREMENT PLAN (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

Employer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions actually remitted to the plan for the fiscal year ended June 30, 2017. Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions towards the purchase of employee service purchases and employer contributions paid by employees.

The District's contributions to the SCRS and PORS for the last three fiscal years were as follows:

	2018	2017	2016
SCRS			
Employee Contributions	\$ 5,927,524	\$ 5,463,554	\$ 4,854,179
Employer Contributions	9,393,112	7,644,399	6,855,789
Employer Group Life Contributions	<u>108,658</u>	<u>104,917</u>	<u>98,413</u>
Total	<u>\$ 15,429,294</u>	<u>\$ 13,212,870</u>	<u>\$ 11,808,381</u>
PORS			
Employee Contributions	\$ 5,626	\$ 5,728	\$ 6,130
Employer Contributions	9,139	8,581	9,356
Employer Group Life Contributions	<u>231</u>	<u>124</u>	<u>281</u>
Total	<u>\$ 14,996</u>	<u>\$ 14,433</u>	<u>\$ 15,767</u>

Additional Financial and Actuarial Information

Information contained in these notes was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2017, and the accounting and financial reporting actuarial valuation as of June 30, 2017. 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.

10. OTHER POST EMPLOYMENT BENEFITS

Description of the Entity and Summary of Significant Accounting Policies

The South Carolina Public Employee Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA is a state agency responsible for the administration and management of the state's employee insurance programs, other postemployment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Description of the Entity and Summary of Significant Accounting Policies (Continued)

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 (SFFA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

Plan Descriptions

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

In accordance with Act 195, the OPEB Trusts are 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 Trusts are cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, 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.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The covered payroll surcharge for the year ended June 30, 2017 was 5.33 percent. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments. Employer contributions 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.

BLTD benefits are funded through a person's premium charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2017. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

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.

PEBA, Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 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 comprehensive annual financial report 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. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.56% as of June 30, 2017
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-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 7.00% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 15 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums
Notes:	There were no benefit changes during the year; the discount rate changed from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.56% as of June 30, 2017
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Notes:	There were no benefit changes during the year. The discount rate changed from 3.74% as of June 30, 2016 to 3.87% as of June 30, 2017

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2016. Update procedures were used to roll forward the total OPEB liability to June 30, 2017.

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.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

The following table represents the components of the net OPEB liability as of June 30, 2017:

OPEB Trust	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRHITF	\$ 14,659,610,970	\$ 1,114,774,760	\$ 13,544,836,210	7.60%
SCLTDITF	38,510,568	36,697,589	1,812,979	95.29%

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

Single Discount Rate

The Single Discount Rate of 3.56% 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).

A Single Discount Rate of 3.87% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.56%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

10. OTHER POST EMPLOYMENT BENEFITS (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 2017 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:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

Sensitivity Analysis

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.56%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1.00% Decrease (2.56%)	Current Discount Rate (3.56%)	1.00% Decrease (4.56%)
SCRHITF Net OPEB Liability	\$ 132,272,294	\$ 112,312,427	\$ 96,219,888

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 one percent lower or one percent higher:

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Decrease
SCRHITF Net OPEB Liability	\$ 92,100,844	\$ 112,312,427	\$ 138,481,569

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity Analysis (Continued)

The following table presents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.87%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1.00% Decrease (2.87%)	Current Discount Rate (3.56%)	1.00% Decrease (4.87%)
SCLTDITF Net OPEB Liability	\$ 23,360	\$ 13,131	\$ 3,090

OPEB Expense

Components of collective OPEB expense reported in the Allocation of the OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB for the fiscal year ended June 30, 2017 are presented below.

Description	SCRHITF	SCLTDITF
Service Cost	\$ 5,065,050	\$ 57,598
Interest on the Total OPEB Liability	3,775,266	10,136
Projected Earnings on Plan Investments	(352,841)	(10,600)
OPEB Plan Administrative Expense	83	72
Recognition of Outflow (Inflow) of Resources due to Liabilities	(1,699,779)	(133)
Recognition of Outflow (Inflow) of Resources due to Assets	48,246	1,582
Total Aggregate OPEB Expense	<u>\$ 6,836,025</u>	<u>\$ 58,655</u>

Additional items included in Total Aggregate OPEB Expense are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NOL and differences between actual employer contributions and proportionate share of total plan employer contributions.

Deferred Outflows and Inflows of Resources

As discussed in paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows and Inflows of Resources (Continued)

The following schedules reflect the amortization of collective deferred outflows/(inflows) of resources related to OPEB outstanding at June 30, 2017. As a reminder, in addition to recognizing a proportionate share of the deferred outflows and inflows shown on the following page, employers will also need to establish:

- a. Deferred outflows and inflows related to changes in proportionate shares and differences between contributions and proportionate share of contributions;
- b. A deferred outflow related to contributions made after the measurement date. This deferred outflow should include payroll-related surcharge contributions and implicit subsidies.

Difference Between Expected and Actual Experience

	SCRHITF June 30, 2017	SCLTDITF June 30, 2017
Initial Balance (Inflow)/Outflow	\$ (56,549)	\$ -
Amortization Period	7.246	9.957
Amortized Period Ending June 30,		
2017	\$ (7,804)	\$ -
2018	(7,804)	-
2019	(7,804)	-
2020	(7,804)	-
2021	(7,804)	-
2022	(7,804)	-
Thereafter	(9,725)	-

Assumption Changes

	SCRHITF June 30, 2017	SCLTDITF June 30, 2017
Initial Balance (Inflow)/Outflow	\$ (12,260,052)	\$ (1,324)
Amortization Period	7.246	9.957
Amortized Period Ending June 30,		
2017	\$ (1,691,975)	\$ (133)
2018	(1,691,975)	(133)
2019	(1,691,975)	(133)
2020	(1,691,975)	(133)
2021	(1,691,975)	(133)
2022	(1,691,975)	(133)
Thereafter	(2,108,202)	(526)

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows and Inflows of Resources (Continued)

Difference Between Projected and Actual Investment Experience

	SCRHITF June 30, 2017	SCLTDITF June 30, 2017
Initial Balance (Inflow)/Outflow	\$ 241,230	\$ 7,908
Amortization Period	5.000	5.000
Amortized Period Ending June 30,		
2017	\$ 48,246	\$ 1,582
2018	48,246	1,582
2019	48,246	1,582
2020	48,246	1,582
2021	48,246	1,580

Additional Financial and Actuarial Information

Information contained in these notes were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2017, and the accounting and financial reporting actuarial valuation as of June 30, 2017. 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 OPEB Trust Funds audited financial statements.

11. INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES

During the course of normal operations, the District has numerous transactions between funds to provide services, construct assets, service debts, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2018, consisted of the following individual fund amounts:

Transfer From	Transfer To					Total
	General	Special Projects	Debt Service LEAP	Capital Projects	Pupil Activity	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 244,546	\$ 244,546
Special Projects	259,230	572,552	-	-	-	831,782
Special Revenue - EIA	2,746,857	-	-	-	-	2,746,857
Debt Service	-	-	3,279,823	7,020,177	-	10,300,000
Capital Projects	-	-	1,011,111	-	-	1,011,111
Food Service	347,745	-	-	-	-	347,745
Pupil Activity	-	-	-	-	644,709	644,709
Totals	<u>\$ 3,353,832</u>	<u>\$ 572,552</u>	<u>\$ 4,290,934</u>	<u>\$ 7,020,177</u>	<u>\$ 889,255</u>	<u>\$ 16,126,750</u>

11. INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES (CONTINUED)

As of June 30, 2018, amounts due from (to) other funds related to the District's pooled cash are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 6,079,859	\$ -
Special Revenue Fund - Special Projects	-	2,055,585
EIA Fund	1,065,593	-
Capital Projects Fund	-	4,425,010
Food Service Fund	-	664,857
	<hr/>	<hr/>
Total for Primary Government	<u>\$ 7,145,452</u>	<u>\$ 7,145,452</u>

12. RECEIVABLES/ALLOWANCE FOR DOUBTFUL ACCOUNTS

The amount presented in the statement of net position for property taxes is net of the following allowance for doubtful accounts:

Delinquent Taxes Receivable	\$ 5,462,572
Less: Allowance for Uncollectible	<u>(1,911,900)</u>
	<hr/>
Taxes Receivable	<u>\$ 3,550,672</u>

13. COMMITMENTS AND CONTINGENCIES

The District participates in a number of state and federally assisted programs which are subject to program compliance audits by the State or Federal Government and their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

In the ordinary course of business the District may become party to lawsuits. In order to protect the District against potential losses that may arise in connection with a lawsuit, management has procured various insurance policies and coverages. The District has not incurred any significant claims or uninsured losses in the three years ending June 30, 2018.

14. CONCENTRATIONS OF CREDIT RISK AND OTHER CONCENTRATIONS

Financial instruments which potentially subject the District to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

The District's cash and cash equivalents are placed with various financial institutions and the State of South Carolina. The deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per insured financial institution (See Note 3). Consistent with the District's mission to provide accessible educational services, credit is granted in the normal course of business. Collections of these receivable amounts are directly affected by certain economic conditions.

The District provides educational and instructional services to the residents of Lancaster County. In fulfilling its mission, the District relies significantly on Federal and State grants as well as local tax revenues. Any material reductions in these revenue sources could adversely impact the District's future financial condition.

15. LEGAL COMPLIANCE

All schedules and exhibits are presented in the level of detail as required by the South Carolina State Department of Education.

16. FUNDING FLEXIBILITY

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2018. Under the resolution, school districts may transfer revenue between programs to any instructional program with the same funding source and may make expenditures for instructional programs and essential operating costs from any state source without regard to fund type except school building bond funds. Certain funds and other exceptions apply. The District did not utilize this flexibility for the current fiscal year as allowed under the Joint Resolution. As a result, there was no impact of applying funding flexibility to the District's General Fund.

17. TAX ABATEMENTS

The District's property tax revenues were reduced by \$6,317,030 for the fiscal year ended June 30, 2018 under agreements entered into by Lancaster County. These agreements are considered fee-in-lieu of tax and special source revenue credit programs related to economic development programs.

18. CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2017, the District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of implementing GASBS 75, the District recorded a total net OPEB liability in the amount of \$119,977,469, which comprises the District's proportionate share of the net OPEB liability for the South Carolina Retiree Health Care Plan of \$112,312,427 and the South Carolina Basic Long-Term Disability Plan of \$13,131 as of June 30, 2016. The effect on this net pension liability reduced the net position of the District by \$116,198,076 (net of \$3,779,393, which represents employer contributions to the trusts during the fiscal year June 30, 2018).

This change in accounting principle created a change in the net position as follows:

	Governmental Activities	Business-Type Activities
Net Position/(Deficit), Beginning of Year	\$ (12,932,690)	\$ (570,913)
Adjustment:		
Net OPEB Liability as of June 30, 2017	<u>(113,142,067)</u>	<u>(3,056,009)</u>
Net Position/(Deficit), Beginning of Year, As Restated	<u>\$ (126,074,757)</u>	<u>\$ (3,626,922)</u>

19. SUBSEQUENT EVENTS

The District issued a Bond Anticipation Note on October 6, 2017 of \$14,000,000. The note is due to be paid in full on March 1, 2019 at an interest rate of 2.33%. This issuance was to fund the District's annual capital needs and to make the installment loan debt payments during the year.

The District evaluated the effects of these subsequent events would have on the financial statements through the date of the auditors' report, which is the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund			
	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local	\$ 29,822,907	\$ 30,410,019	\$ 30,738,893	\$ 328,874
State	66,933,718	68,057,025	68,412,477	355,452
Total Revenues	<u>\$ 96,756,625</u>	<u>\$ 98,467,044</u>	<u>\$ 99,151,370</u>	<u>\$ 684,326</u>
Expenditures				
Current:				
Instruction	57,950,843	61,106,791	60,415,292	691,499
Support Services	43,605,373	40,442,020	38,619,730	1,822,290
Intergovernmental	1,093,580	873,783	856,425	17,358
Total Expenditures	<u>\$ 102,649,796</u>	<u>\$ 102,422,594</u>	<u>\$ 99,891,447</u>	<u>\$ 2,531,147</u>
Excess Revenues Over (Under) Expenditures	<u>(5,893,171)</u>	<u>(3,955,550)</u>	<u>(740,077)</u>	<u>3,215,473</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	3,174,019	2,932,522	3,109,286	176,764
Total Other Financing Sources (Uses)	<u>3,174,019</u>	<u>2,932,522</u>	<u>3,109,286</u>	<u>176,764</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (2,719,152)</u>	<u>\$ (1,023,028)</u>	<u>\$ 2,369,209</u>	<u>\$ 3,392,237</u>
Fund Balance, Beginning of Year			<u>25,256,736</u>	
Fund Balance, End of Year			<u>\$ 27,625,945</u>	

LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SCRS AND PORS
LAST TEN FISCAL YEARS

	2008*	2009*	2010*	2011*	2012*	2013*	2014*	2015	2016	2017
SCRS										
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 111,602,338	\$ 122,469,411	\$ 138,688,454
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.64822200%	0.64574900%	0.64929500%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,057,436	65,608,945	69,862,303
District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	176.99%	186.67%	198.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%	52.90%
PORS										
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 54,006	\$ 131,271	\$ 139,531
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0028200%	0.0060230%	0.0055004%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74,638	70,132	62,000
District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	72.36%	187.18%	225.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	67.50%	64.60%	60.40%

*** Note:**

This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

Source:

Audit report of employer allocations of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS), as administered by the SC Public Employee Benefit Authority for the year ended June 30, 2017

LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRS AND PORS
LAST TEN FISCAL YEARS

	2009*	2010*	2011*	2012*	2013*	2014*	2015	2016	2017	2018
SCRS										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,600,468	\$ 6,954,203	\$ 7,749,316	\$ 9,801,771
	N/A	N/A	N/A	N/A	N/A	N/A	(6,600,468)	(6,954,203)	(7,749,316)	(9,801,771)
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll Contributions as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	63,057,436	65,608,945	69,862,303	72,438,808
	N/A	N/A	N/A	N/A	N/A	N/A	10.47%	10.60%	11.09%	13.53%
PORS										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$ 10,009	\$ 9,636	\$ 8,705	\$ 9,370
	N/A	N/A	N/A	N/A	N/A	N/A	(10,009)	(9,636)	(8,705)	(9,370)
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll Contributions as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	74,638	70,132	62,000	57,698
	N/A	N/A	N/A	N/A	N/A	N/A	13.41%	13.74%	14.04%	16.24%

*** Note:**

This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

Source:

District Quarterly Retirement Contribution Reports

LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SCRHTF AND SCLTDITF
LAST TEN FISCAL YEARS

	2008*	2009*	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017
SCRHTF										
District's Proportion of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 119,972,441	\$ 112,312,427
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.829190000%	0.829190000%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65,608,945	69,862,303
District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	182.86%	160.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.60%
SCLTDITF										
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,028	\$ 13,131
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.7243349%	0.7242776%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.29%

*** Note:**

This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

Source:

Audit Report on the Schedules of Employer and Non-Employer Entity Allocations and Other Post-Employment Benefit (OPEB) Amounts by Employer for the South Carolina Retiree Health Insurance and Long-term Disability Insurance Trust Funds, as administered by the SC Public Employee Benefit Authority for the year ended June 30, 2017.

LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRHTF AND SCLTDIF
LAST TEN FISCAL YEARS

	2009*	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017	2018
SCRHTF										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$3,726,965	\$ 3,987,308
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(3,726,965)	(3,987,308)
District's Covered-Employee Payroll Contributions as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	69,862,303	72,438,808
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.33%	5.50%
SCLTDIF										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 52,428	\$ 52,428
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(52,428)	(52,428)
District's Covered-Employee Payroll Contributions as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*** Note:**

This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

Source:

District Quarterly Retirement Contribution Reports and Health Insurance Reports.

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

GENERAL FUND

Accounts for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the District collects other funds in a fiduciary capacity. Operational expenditures for general education, support services and other departments of the District are paid through the General Fund.

The following Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the statement are also mandated by the South Carolina Department of Education.

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
JUNE 30, 2018**

Assets

Cash & Cash Equivalents	\$ 11,805,219
Investments	25,149,286
Property Tax Receivable, Net	243,715
Due From Other Funds	7,087,449
Due From County Government	1,567,984
Due From State Government	95,188
Due From Other Governmental Units	941,108
Prepaid Items	2,982
Other Receivables	24,043
	<hr/>
Total Assets	\$ 46,916,974
	<hr/>

Liabilities & Fund Balances

Liabilities

Accounts Payable	9,109,533
Accrued Salaries	4,776,495
Accrued Payroll Related Liabilities	5,405,001
	<hr/>
Total Liabilities	19,291,029
	<hr/>

Fund Balances

Non-Spendable	2,982
Assigned	3,399,821
Unassigned	24,223,142
	<hr/>
Total Fund Balances	27,625,945
	<hr/>
Total Liabilities & Fund Balances	\$ 46,916,974
	<hr/>

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 26,284,768	\$ 26,919,385	\$ 634,617
1140 Penalties & Interest on Taxes (Independent)	183,664	240,512	56,848
1200 Revenue From Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	3,260,277	2,615,203	(645,074)
1300 Tuition			
1310 From Patrons for Regular Day School	7,500	10,871	3,371
1320 From Other LEAs for Regular Day School	-	10,418	10,418
1500 Earnings on Investments:			
1510 Interest on Investments	229,843	347,033	117,190
1900 Other Revenue from Local Sources:			
1910 Rentals	15,000	12,788	(2,212)
1930 Special Needs Transportation - Medicaid	400,000	556,727	156,727
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	28,967	25,956	(3,011)
Total Local Sources	30,410,019	30,738,893	328,874
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	6,553	6,553
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	894,363	904,430	10,067
3161 EAA Bus Driver Salary and Fringe	-	2,474	2,474
3162 Transportation Workers' Compensation	43,581	43,581	-
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	14,679,784	14,766,027	86,243
3181 Retiree Insurance (No Carryover Provision)	2,675,519	2,675,519	-
3199 Other Restricted State Grants	-	2,916	2,916
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	1,862,365	1,854,464	(7,901)
3312 Primary	5,396,101	5,407,321	11,220
3313 Elementary	8,322,906	8,368,434	45,528
3314 High School	2,498,002	2,511,473	13,471
3315 Trainable Mentally Handicapped	126,845	132,277	5,432
3316 Speech Handicapped (Part-Time Program)	1,166,473	1,181,816	15,343
3317 Homebound	2,328	27,211	24,883
3320 Part-Time Programs:			
3321 Emotionally Handicapped	137,667	137,650	(17)
3322 Educable Mentally Handicapped	175,648	182,171	6,523
3323 Learning Disabilities	3,900,911	3,944,371	43,460
3324 Hearing Handicapped	117,626	120,187	2,561
3325 Visually Handicapped	78,481	78,909	428
3326 Orthopedically Handicapped	62,296	60,794	(1,502)
3327 Vocational	4,386,991	4,316,926	(70,065)
3330 Miscellaneous EFA Programs:			
3331 Autism	579,677	594,833	15,156
3332 High Achieving Students	480,354	482,590	2,236
3334 Limited English Proficiency	270,905	272,939	2,034
3351 Academic Assistance	1,258,372	1,255,679	(2,693)
3352 Pupils in Poverty	3,349,195	3,359,786	10,591
3353 Dual Credit Enrollment	28,718	26,943	(1,775)
3375 Education Foundation Supplement	92,499	92,499	-
3392 NBC Excess EFA Formula	-	132,902	132,902

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Favorable (Unfavorable)
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,724,743	3,724,743	-
3820 Homestead Exemption (Tier 2)	1,189,965	1,189,965	-
3825 Reimbursement for Property Tax Relief (Tier 3)	9,176,566	9,200,017	23,451
3830 Merchant's Inventory Tax	185,886	185,886	-
3840 Manufacturers Depreciation Reimbursement	207,509	178,358	(29,151)
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	299,800	291,038	(8,762)
3900 Other State Revenue:			
3993 PEBA On-Behalf	669,949	669,949	-
3999 Revenue From Other State Sources	15,000	28,846	13,846
Total State Sources	68,057,025	68,412,477	355,452
Total Revenues All Sources	\$ 98,467,044	\$ 99,151,370	\$ 684,326
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries	2,911,142	2,904,149	6,993
200 Employee Benefits	1,245,650	1,245,971	(321)
400 Supplies and Materials	42,236	39,216	3,020
112 Primary Programs:			
100 Salaries	7,054,986	7,054,404	582
200 Employee Benefits	2,825,292	2,819,947	5,345
400 Supplies and Materials	82,175	77,186	4,989
113 Elementary Programs:			
100 Salaries	13,435,693	13,386,719	48,974
200 Employee Benefits	5,299,770	5,270,616	29,154
300 Purchased Services	290,087	283,374	6,713
400 Supplies and Materials	207,031	201,086	5,945
600 Other Objects	1,600	2,416	(816)
114 High School Programs:			
100 Salaries	9,523,205	9,391,745	131,460
200 Employee Benefits	3,777,087	3,776,162	925
300 Purchased Services	144,177	132,073	12,104
400 Supplies and Materials	119,565	102,570	16,995
500 Capital Outlay	2,003	1,334	669
115 Career and Technology Education Programs:			
100 Salaries	2,034,709	2,032,575	2,134
200 Employee Benefits	831,339	825,529	5,810
300 Purchased Services - Other Than Tuition	11,692	11,693	(1)
400 Supplies and Materials	100,365	93,022	7,343
500 Capital Outlay	4,622	3,680	942
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries	686,956	678,309	8,647
200 Employee Benefits	289,766	289,678	88
300 Purchased Services	40	-	40
400 Supplies and Materials	1,287	1,103	184
122 Trainable Mentally Handicapped:			
100 Salaries	753,710	703,222	50,488
200 Employee Benefits	322,672	314,401	8,271
400 Supplies and Materials	776	730	46
123 Orthopedically Handicapped:			
100 Salaries	138,374	124,058	14,316
200 Employee Benefits	37,953	36,000	1,953
124 Visually Handicapped:			
100 Salaries	56,411	36,466	19,945
200 Employee Benefits	17,145	13,805	3,340
300 Purchased Services	62,809	33,112	29,697

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Favorable (Unfavorable)
125 Hearing Handicapped:			
100 Salaries	140,608	138,497	2,111
200 Employee Benefits	52,877	50,544	2,333
126 Speech Handicapped:			
100 Salaries	778,735	776,208	2,527
200 Employee Benefits	272,594	246,966	25,628
300 Purchased Services	11,000	-	11,000
400 Supplies and Materials	1,211	894	317
127 Learning Disabilities:			
100 Salaries	3,389,615	3,355,098	34,517
200 Employee Benefits	1,384,414	1,371,257	13,157
300 Purchased Services	40	-	40
400 Supplies and Materials	5,105	(5,337)	10,442
128 Emotionally Handicapped:			
100 Salaries	340,252	261,243	79,009
200 Employee Benefits	125,015	117,233	7,782
400 Supplies and Materials	735	235	500
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	22,161	22,161	-
200 Employee Benefits	5,902	5,935	(33)
130 Pre-School Programs			
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	171,444	162,877	8,567
200 Employee Benefits	47,509	47,017	492
139 Early Childhood Programs:			
100 Salaries	84,284	54,731	29,553
200 Employee Benefits	24,544	22,212	2,332
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries	331,505	320,976	10,529
200 Employee Benefits	110,465	110,412	53
300 Purchased Services	900	-	900
400 Supplies and Materials	17,714	13,144	4,570
600 Other Objects	175	100	75
143 Advanced Placement:			
400 Supplies and Materials	8,946	6,021	2,925
145 Homebound:			
100 Salaries	115,000	97,851	17,149
200 Employee Benefits	30,717	25,352	5,365
300 Purchased Services	26,701	26,701	-
147 CDEP:			
100 Salaries	211,533	181,500	30,033
200 Employee Benefits	82,471	81,026	1,445
148 Gifted and Talented - Artistic:			
100 Salaries	225	225	-
200 Employee Benefits	54	53	1
300 Purchased Services	41,300	36,630	4,670
160 Other Exceptional Programs			
161 Autism:			
100 Salaries	319,562	386,263	(66,701)
200 Employee Benefits	62,181	54,804	7,377
162 Limited English Proficiency:			
100 Salaries	322,412	322,119	293
200 Employee Benefits	130,594	126,646	3,948
170 Summer School Program			
171 Primary Summer School:			
400 Supplies and Materials	10,000	-	10,000
173 High School Summer School:			
400 Supplies and Materials	2,500	-	2,500

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Favorable (Unfavorable)
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy:			
100 Salaries	72,012	72,012	-
200 Employee Benefits	32,878	32,707	171
190 Instructional Pupil Activity:			
100 Salaries (optional)	5,399	5,243	156
200 Employee Benefits (optional)	1,177	1,385	(208)
Total Instruction	61,106,791	60,415,292	691,499
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services:			
100 Salaries	121,669	121,269	400
200 Employee Benefits	41,534	41,548	(14)
300 Purchased Services	5,183	7,451	(2,268)
212 Guidance Services:			
100 Salaries	2,229,060	2,228,784	276
200 Employee Benefits	839,201	831,438	7,763
300 Purchased Services	6,313	3,725	2,588
400 Supplies and Materials	15,868	12,429	3,439
500 Capital Outlay	450	-	450
600 Other Objects	1,718	1,149	569
213 Health Services:			
100 Salaries	642,476	637,303	5,173
200 Employee Benefits	289,755	259,665	30,090
300 Purchased Services	341,035	330,097	10,938
400 Supplies and Materials	17,432	12,959	4,473
600 Other Objects	-	40	(40)
214 Psychological Services:			
100 Salaries	287,948	287,540	408
200 Employee Benefits	89,942	89,507	435
217 Career Specialist Services:			
100 Salaries	52,436	44,674	7,762
200 Employee Benefits	28,489	17,717	10,772
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	361,538	361,455	83
200 Employee Benefits	128,333	118,877	9,456
300 Purchased Services	25,118	9,603	15,515
400 Supplies and Materials	9,213	4,729	4,484
600 Other Objects	1,500	967	533
222 Library and Media Services:			
100 Salaries	1,543,044	1,517,072	25,972
200 Employee Benefits	660,691	652,783	7,908
300 Purchased Services	8,887	7,924	963
400 Supplies and Materials	251,125	226,440	24,685
500 Capital Outlay	2,250	1,132	1,118
223 Supervision of Special Programs:			
100 Salaries	890,349	889,812	537
200 Employee Benefits	345,252	350,731	(5,479)
300 Purchased Services	28,500	33,442	(4,942)
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	320,186	311,261	8,925
200 Employee Benefits	113,291	112,824	467
300 Purchased Services	45,040	66,136	(21,096)
400 Supplies and Materials	50,000	5,051	44,949

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Favorable (Unfavorable)
230 General Administration Services			
231 Board of Education:			
100 Salaries	35,000	32,975	2,025
200 Employee Benefits	1,655,180	564,561	1,090,619
300 Purchased Services	161,006	178,067	(17,061)
318 Audit Services	40,260	39,500	760
400 Supplies and Materials	9,166	8,326	840
600 Other Objects	31,828	31,828	-
232 Office of the Superintendent:			
100 Salaries	302,071	302,339	(268)
140 Terminal Leave	45,000	44,337	663
200 Employee Benefits	120,655	120,489	166
300 Purchased Services	20,482	18,146	2,336
400 Supplies and Materials	43,126	38,370	4,756
600 Other Objects	8,200	6,247	1,953
233 School Administration:			
100 Salaries	6,083,066	6,112,388	(29,322)
200 Employee Benefits	2,319,526	2,309,599	9,927
300 Purchased Services	68,821	52,062	16,759
400 Supplies and Materials	64,172	59,048	5,124
500 Capital Outlay	400	-	400
600 Other Objects	17,087	15,818	1,269
250 Finance and Operations Services			
252 Fiscal Services:			
100 Salaries	668,402	667,949	453
200 Employee Benefits	268,440	268,376	64
300 Purchased Services	32,369	27,151	5,218
400 Supplies and Materials	11,552	4,509	7,043
600 Other Objects	5,540	5,540	-
254 Operation and Maintenance of Plant:			
100 Salaries	1,410,459	1,408,783	1,676
200 Employee Benefits	575,631	573,766	1,865
300 Purchased Services	4,583,296	4,564,463	18,833
321 Public Utilities (Excludes gas, oil, elec. & other heating fuels)	438,616	477,952	(39,336)
400 Supplies and Materials	580,803	625,182	(44,379)
470 Energy (Include gas, oil, elec. & other heating fuels)	2,608,879	2,652,698	(43,819)
500 Capital Outlay	122,540	106,536	16,004
600 Other Objects	190	190	-
255 Student Transportation (State Mandated):			
100 Salaries	1,759,742	1,759,417	325
200 Employee Benefits	646,177	637,844	8,333
300 Purchased Services	53,720	43,788	9,932
400 Supplies and Materials	19,154	10,207	8,947
500 Capital Outlay	2,500	-	2,500
600 Other Objects	3,000	1,920	1,080
256 Food Service:			
200 Employee Benefits	472,219	471,893	326
257 Internal Services:			
100 Salaries	286,502	298,696	(12,194)
200 Employee Benefits	110,210	110,070	140
300 Purchased Services	20,138	17,710	2,428
400 Supplies and Materials	4,237	2,365	1,872
500 Capital Outlay	695	-	695
600 Other Objects	1,205	1,205	-
258 Security:			
100 Salaries	157,558	145,488	12,070
200 Employee Benefits	46,250	46,147	103
300 Purchased Services	506,335	405,335	101,000
400 Supplies and Materials	10,850	5,778	5,072
600 Other Objects	30,000	22,748	7,252

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Favorable (Unfavorable)
260 Central Support Services			
262 Planning:			
100 Salaries	184,346	154,872	29,474
200 Employee Benefits	58,595	56,066	2,529
300 Purchased Services	124,201	105,725	18,476
400 Supplies and Materials	32,624	24,866	7,758
600 Other Objects	22,549	21,302	1,247
263 Information Services:			
100 Salaries	103,132	103,813	(681)
200 Employee Benefits	39,186	39,161	25
300 Purchased Services	34,588	34,456	132
400 Supplies and Materials	4,950	2,534	2,416
600 Other Objects	1,710	1,710	-
264 Staff Services:			
100 Salaries	282,644	279,205	3,439
200 Employee Benefits	116,783	111,710	5,073
300 Purchased Services	53,815	41,271	12,544
400 Supplies and Materials	5,961	5,630	331
600 Other Objects	16,750	12,695	4,055
266 Technology and Data Processing Services:			
100 Salaries	602,120	552,940	49,180
200 Employee Benefits	213,826	210,558	3,268
300 Purchased Services	813,749	634,662	179,087
400 Supplies and Materials	143,871	96,612	47,259
270 Support Services Pupil Activity			
271 Pupil Services Activities:			
100 Salaries (optional)	988,287	940,267	48,020
200 Employee Benefits (optional)	251,594	204,677	46,917
300 Purchased Services (optional)	9,148	9,148	-
660 Pupil Activity	80,510	80,510	-
Total Support Services	40,442,020	38,619,730	1,822,290
400 Other Charges:			
410 Intergovernmental Expenditures			
411 Payments to the South Carolina Department of Education			
720 Transits	172,000	152,206	19,794
412 Payments to Other Governmental Units			
720 Transits	20,000	22,436	(2,436)
416 LEA Payments to Public Charter Schools			
720 Transits	681,783	681,783	-
Total Intergovernmental Expenditures	873,783	856,425	17,358
Total Expenditures	\$ 102,422,594	\$ 99,891,447	\$ 2,531,147
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	2,674,019	2,746,857	72,838
5280 Transfer from Other Funds Indirect Costs	500,000	606,975	106,975
426-710 Transfer to Pupil Activity Fund	(241,497)	(244,546)	(3,049)
Total Other Financing Sources (Uses)	2,932,522	3,109,286	176,764
Excess/(Deficiency) of Revenues over Expenditures	\$ (1,023,028)	\$ 2,369,209	\$ 3,392,237
Fund Balance, Beginning of Year		25,256,736	
Fund Balance, End of Year		\$ 27,625,945	

SPECIAL REVENUE 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.

Special Revenue Fund - Special Projects Fund (excluding Education Improvement Act) - These funds are used to account for all federal and state projects except for those subject to Education Improvement Act requirements.

Education Improvement Act - These funds are used to account for the District's expenditures as a result of receiving funds subject to the guidelines set by the State of South Carolina.

The following Schedule of Revenues, Expenditures and Changes in Fund Balance, Non-Education Improvement Act Funds, Summary Schedule for Designated State Restricted Grants, the Education Improvement Act Schedule of Revenues, Expenditures and Changes in Fund Balance and the Education Improvement Act Summary Schedule by Program, have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers are also mandated by the South Carolina State Department of Education.

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE FUND - SPECIAL PROJECTS
BALANCE SHEET
JUNE 30, 2018**

Assets

Due From State Government	\$ 63,282
Due From Federal Government	2,211,280
Other Receivables	<u>387,072</u>

Total Assets	<u>\$ 2,661,634</u>
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Liabilities & Fund Balances

Liabilities

Due To Other Funds	2,055,585
Due to Federal Government	20,172
Unearned Revenue	<u>585,877</u>

Total Liabilities	<u>2,661,634</u>
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Fund Balances

Restricted	<u>-</u>
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Total Fund Balances	<u>-</u>
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Total Liabilities & Fund Balances	<u>\$ 2,661,634</u>
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LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS (INCLUDES PUBLIC CHARTER SCHOOL)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
Revenues								
1000 Revenue from Local Sources								
1300 Tuition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,356	\$ 9,356
1330 From Patrons for Adult/Continuing Ed								
1900 Other Revenue from Local Sources:								
1910 Rentals	-	-	-	-	-	-	14,007	14,007
1920 Contributions & Donations Private Sources	-	-	-	-	-	-	856,130	856,130
1990 Miscellaneous Local Revenue:								
1999 Revenue from Other Local Sources	-	-	-	-	-	-	569,373	569,373
Total Local Sources	-	-	-	-	-	-	1,448,866	1,448,866
2000 Intergovernmental Revenue:								
2100 Payments from Other Governmental Units	-	-	-	-	-	-	679,551	679,551
Total Intergovernmental Revenues	-	-	-	-	-	-	679,551	679,551
3000 Revenue from State Sources								
3100 Restricted State Funding:								
3118 EEDA Career Specialists	-	-	-	-	-	518,683	-	518,683
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	121,108	-	121,108
3130 Special Programs:								
3135 Reading Coaches	-	-	-	-	-	656,226	-	656,226
3136 Student Health and Fitness - Nurses	-	-	-	-	-	299,106	-	299,106
3155 DDS SNAP & E&T Program	-	-	-	-	-	1,790	-	1,790
3177 Summer Reading Camp	-	-	-	-	-	136,177	-	136,177
3193 Education License Plates	-	-	-	-	-	898	-	898
3600 Education Lottery								
3630 K-12 Technology Initiative	-	-	-	-	-	205,651	-	205,651
3660 Mobile Device Access & Management	-	-	-	-	-	95,195	-	95,195
3900 Other State Revenue:								
3999 Revenue From Other State Sources	-	-	-	-	-	-	466,680	466,680
Total State Sources	-	-	-	-	-	2,034,834	466,680	2,501,514
4000 Revenue from Federal Sources								
4200 Occupational Education:								
4210 Career & Technical Education	-	-	-	150,026	-	-	-	150,026

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS (INCLUDES PUBLIC CHARTER SCHOOL)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
4300 Elementary and Secondary Education Act of 1965 (ESEA):								
4310 Title I, Basic State Grant Programs (Carryover Provision)	3,665,403	-	-	-	-	-	79,950	3,745,353
4314 School Improvement Grant	-	-	-	-	-	-	193,267	193,267
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	64,578	64,578
4351 Improving Teacher Quality (Carryover Provision)	-	-	-	-	-	-	399,219	399,219
4400 Adult Education:								
4410 Basic, Adult Education	-	-	-	-	102,021	-	-	102,021
4500 Programs for Children with Disabilities								
4510 Individuals With Disabilities Education Act (IDEA) (Carryover Provision)	-	2,710,642	-	-	-	-	13,420	2,724,062
4520 Preschool Grants (Carryover Provision)	-	-	86,513	-	-	-	-	86,513
4900 Other Federal Sources:								
4924 21st Century Community Learning Centers Program, (Title IV, 21st Century Schools)	-	-	-	-	-	-	314,790	314,790
4990 Other Federal Revenue:								
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	2,882,115	2,882,115
Total Federal Sources	3,665,403	2,710,642	86,513	150,026	102,021	-	3,947,339	10,661,944
Total Revenues All Sources	\$ 3,665,403	\$ 2,710,642	\$ 86,513	\$ 150,026	\$ 102,021	\$ 2,034,834	\$ 6,542,436	\$ 15,291,875

Expenditures

100 Instruction

110 General Instruction

111 Kindergarten Programs:

100 Salaries

200 Employee Benefits

112 Primary Programs:

100 Salaries

200 Employee Benefits

300 Purchased Services

400 Supplies and Materials

500 Capital Outlay

113 Elementary Programs:

100 Salaries

200 Employee Benefits

300 Purchased Services

400 Supplies and Materials

500 Capital Outlay

600 Other Objects

114 High School Programs:

100 Salaries

200 Employee Benefits

300 Purchased Services

400 Supplies and Materials

	-	-	-	-	-	-	52,686	52,686
	-	-	-	-	-	-	26,895	26,895
1,369,289	-	-	-	-	-	44,318	461,254	1,874,861
563,852	-	-	-	-	-	16,129	168,468	748,449
14,178	-	-	-	-	-	-	43,116	57,294
188,703	-	-	-	-	-	-	26,379	215,082
-	-	-	-	-	-	-	1,959	1,959
395,594	-	-	-	-	-	44,518	91,608	531,720
176,146	-	-	-	-	-	16,144	39,683	231,973
67,697	-	-	-	-	-	-	75,512	143,209
104,036	-	-	-	-	-	898	32,434	137,368
-	-	-	-	-	-	-	203	203
-	-	-	-	-	-	-	40	40
-	-	-	-	-	-	-	301,449	301,449
-	-	-	-	-	-	-	1,107	1,107
-	-	-	-	-	-	-	626	626
-	-	-	-	-	-	-	25,599	25,599

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS (INCLUDES PUBLIC CHARTER SCHOOL)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
115 Career and Technology Education Programs:								
100 Salaries	-	-	-	-	-	-	29,017	29,017
300 Purchased Services - Other Than Tuition	-	-	-	39,005	-	-	-	39,005
400 Supplies and Materials	-	-	-	62,246	-	-	-	62,246
500 Capital Outlay	-	-	-	19,987	-	-	-	19,987
120 Exceptional Programs								
121 Educable Mentally Handicapped:								
100 Salaries	-	427,850	-	-	-	-	63	427,913
200 Employee Benefits	-	182,724	-	-	-	-	17	182,741
300 Purchased Services	-	2,355	-	-	-	-	-	2,355
400 Supplies and Materials	-	20,081	-	-	-	-	-	20,081
122 Trainable Mentally Handicapped:								
100 Salaries	-	91,027	-	-	-	-	-	91,027
200 Employee Benefits	-	50,136	-	-	-	-	-	50,136
300 Purchased Services	-	1,125	-	-	-	-	-	1,125
123 Orthopedically Handicapped:								
300 Purchased Services	-	-	-	-	-	-	158	158
124 Visually Handicapped:								
300 Purchased Services	-	26,225	-	-	-	-	-	26,225
400 Supplies and Materials	-	697	-	-	-	-	-	697
125 Hearing Handicapped:								
300 Purchased Services	-	246	-	-	-	-	-	246
400 Supplies and Materials	-	500	-	-	-	-	-	500
126 Speech Handicapped:								
100 Salaries	-	144,156	-	-	-	-	105	144,261
200 Employee Benefits	-	106,887	-	-	-	-	28	106,915
300 Purchased Services	-	12,858	-	-	-	-	-	12,858
400 Supplies and Materials	-	12,298	-	-	-	-	-	12,298
600 Other Objects	-	3,520	-	-	-	-	-	3,520
127 Learning Disabilities:								
100 Salaries	-	323,235	-	-	-	-	1,742	324,977
200 Employee Benefits	-	128,881	-	-	-	-	471	129,352
300 Purchased Services	-	9,556	-	-	-	-	-	9,556
400 Supplies and Materials	-	157,070	-	-	-	-	-	157,070
128 Emotionally Handicapped:								
100 Salaries	-	56,573	-	-	-	-	-	56,573
200 Employee Benefits	-	26,294	-	-	-	-	-	26,294
300 Purchased Services	-	18,769	-	-	-	-	-	18,769
130 Pre-School Programs								
133 Pre-School Handicapped-Self-Contained (5 year olds):								
100 Salaries	-	4,284	34,201	-	-	-	-	38,485
200 Employee Benefits	-	1,139	13,688	-	-	-	-	14,827
300 Purchased Services	-	-	477	-	-	-	-	477

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS (INCLUDES PUBLIC CHARTER SCHOOL)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):								
100 Salaries	-	35,921	26,326	-	-	-	-	62,247
200 Employee Benefits	-	14,529	8,742	-	-	-	-	23,271
400 Supplies and Materials	-	-	306	-	-	-	-	306
139 Early Childhood Programs:								
100 Salaries	-	-	-	-	-	-	820,724	820,724
200 Employee Benefits	-	-	-	-	-	-	333,547	333,547
300 Purchased Services	-	-	-	-	-	-	214,707	214,707
400 Supplies and Materials	-	-	-	-	-	-	75,733	75,733
140 Special Programs								
145 Homebound:								
100 Salaries	-	21	-	-	-	-	-	21
300 Purchased Services	-	10,081	-	-	-	-	-	10,081
147 CDEP:								
100 Salaries	-	-	-	-	-	-	144,852	144,852
200 Employee Benefits	-	-	-	-	-	-	49,405	49,405
300 Purchased Services	-	-	-	-	-	-	81,128	81,128
400 Supplies and Materials	-	-	-	-	-	-	7,092	7,092
149 Other Special Programs:								
300 Purchased Services	1,714	-	-	-	-	-	-	1,714
160 Other Exceptional Programs								
161 Autism:								
100 Salaries	-	168	-	-	-	-	4,670	4,838
200 Employee Benefits	-	45	-	-	-	-	1,201	1,246
300 Purchased Services	-	-	-	-	-	-	4,967	4,967
170 Summer School Program								
172 Elementary Summer School:								
100 Salaries	-	-	-	-	-	57,204	9,856	67,060
200 Employee Benefits	-	-	-	-	-	15,407	2,468	17,875
300 Purchased Services	-	-	-	-	-	1,700	-	1,700
400 Supplies and Materials	-	-	-	-	-	41,054	18,873	59,927
175 Instructional Programs Beyond Regular School Day:								
100 Salaries	6,980	-	-	-	-	-	192,824	199,804
200 Employee Benefits	1,864	-	-	-	-	-	51,504	53,368
400 Supplies and Materials	-	-	-	-	-	-	23,510	23,510
180 Adult/Continuing Educational Programs								
181 Adult Basic Education Programs:								
100 Salaries	-	-	-	-	38,345	-	-	38,345
200 Employee Benefits	-	-	-	-	6,730	-	-	6,730
300 Purchased Services	-	-	-	-	233	-	-	233
400 Supplies and Materials	-	-	-	-	3,280	1,049	-	4,329

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS (INCLUDES PUBLIC CHARTER SCHOOL)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (209s/800s)	TOTAL
182 Adult Secondary Education Programs:								
100 Salaries	-	-	-	-	37,982	-	17,888	55,870
200 Employee Benefits	-	-	-	-	8,362	-	4,726	13,088
300 Purchased Services	-	-	-	-	631	-	605	1,236
400 Supplies and Materials	-	-	-	-	852	(14)	42,857	43,695
183 Adult English Literacy (ESL):								
100 Salaries	-	-	-	-	-	-	9,997	9,997
200 Employee Benefits	-	-	-	-	-	-	2,503	2,503
300 Purchased Services	-	-	-	-	500	-	809	1,309
400 Supplies and Materials	-	-	-	-	-	-	6,329	6,329
500 Capital Outlay	-	-	-	-	-	-	8,528	8,528
188 Parenting/Family Literacy:								
100 Salaries	120,775	-	-	-	-	-	66,555	187,330
200 Employee Benefits	61,245	-	-	-	-	-	28,395	89,640
300 Purchased Services	415	-	-	-	-	-	208	623
400 Supplies and Materials	-	-	-	-	-	-	539	539
Total Instruction	3,072,488	1,869,251	83,740	121,238	96,915	238,407	3,607,619	9,089,658
200 Support Services								
210 Pupil Services								
213 Health Services:								
100 Salaries	-	-	-	-	-	209,762	810	210,572
200 Employee Benefits	-	11,930	-	-	-	91,715	216	103,861
300 Purchased Services	-	35,136	-	-	-	-	-	35,136
400 Supplies and Materials	-	7,862	-	-	-	-	-	7,862
214 Psychological Services:								
100 Salaries	-	396,649	-	-	-	-	-	396,649
200 Employee Benefits	-	147,423	-	-	-	-	-	147,423
300 Purchased Services	-	7,834	-	-	-	-	-	7,834
400 Supplies and Materials	-	20,408	-	-	-	-	-	20,408
600 Other Objects	-	1,126	-	-	-	-	-	1,126
217 Career Specialist Services:								
100 Salaries	-	-	-	-	-	370,331	-	370,331
200 Employee Benefits	-	-	-	-	-	148,352	-	148,352
220 Instructional Staff Services								
221 Improvement of Instruction Curriculum Development:								
300 Purchased Services	-	-	-	-	-	61	9,874	9,935
222 Library and Media Services:								
400 Supplies and Materials	-	-	-	-	-	-	892	892

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS (INCLUDES PUBLIC CHARTER SCHOOL)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (209s/800s)	TOTAL
223 Supervision of Special Programs:								
100 Salaries	90,439	50,347	-	6,640	-	-	343,987	491,413
200 Employee Benefits	31,951	6,756	-	2,821	-	-	143,819	185,347
300 Purchased Services	1,825	5,597	-	1,045	2,267	756	230,338	241,828
400 Supplies and Materials	-	18,546	-	2,064	-	-	23,071	43,681
600 Other Objects	-	881	-	-	-	-	176	1,057
224 Improvement of Instruction Inservice and Staff Training:								
100 Salaries	103,002	-	-	-	-	474,191	64,794	641,987
200 Employee Benefits	36,231	-	-	-	-	182,035	35,648	253,914
300 Purchased Services	84,411	-	-	14,719	-	-	23,230	122,360
400 Supplies and Materials	136,123	-	-	-	-	-	32,603	168,726
600 Other Objects	56	-	-	-	-	-	-	56
230 General Administration Services								
233 School Administration:								
100 Salaries	-	-	-	-	-	-	79,933	79,933
200 Employee Benefits	-	-	-	-	-	-	27,649	27,649
300 Purchased Services	-	-	-	-	-	-	5,500	5,500
400 Supplies and Materials	-	-	-	-	-	-	5,902	5,902
250 Finance and Operations Services								
251 Student Transportation (Federal/District Mandated):								
100 Salaries	-	40,440	-	-	-	-	41,866	82,306
200 Employee Benefits	-	14,232	-	-	-	-	5,054	19,286
300 Purchased Services	-	2,911	-	-	-	-	37,491	40,402
254 Operation and Maintenance of Plant:								
100 Salaries	-	-	-	-	-	-	1,847	1,847
200 Employee Benefits	-	-	-	-	-	-	463	463
300 Purchased Services	-	-	-	-	-	-	34,932	34,932
400 Supplies and Materials	-	-	-	-	-	-	20,487	20,487
470 Energy (Include gas, oil, elec. & other heating fuels)	-	-	-	-	-	-	10,099	10,099
255 Student Transportation (State Mandated):								
100 Salaries	-	-	-	-	-	15,838	150,280	166,118
200 Employee Benefits	-	-	-	-	-	2,543	15,987	18,530
300 Purchased Services	-	-	-	-	-	-	40,608	40,608
256 Food Service:								
100 Salaries	-	-	-	-	-	-	8,264	8,264
200 Employee Benefits	-	-	-	-	-	-	2,230	2,230
260 Central Support Services								
266 Technology and Data Processing Services:								
300 Purchased Services	-	-	-	-	-	95,043	-	95,043
400 Supplies and Materials	-	-	-	-	-	37,330	-	37,330
500 Capital Outlay	-	-	-	-	-	168,470	-	168,470

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS (INCLUDES PUBLIC CHARTER SCHOOL)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
270 Support Services Pupil Activity								
271 Pupil Services Activities:								
100 Salaries (optional)	-	-	-	1,130	-	-	-	1,130
200 Employee Benefits (optional)	-	-	-	61	-	-	-	61
300 Purchased Services (optional)	-	-	-	308	-	-	-	308
Total Support Services	484,038	768,078	-	28,788	2,267	1,796,427	1,398,050	4,477,648
300 Community Services								
350 Custody and Care of Children Services:								
100 Salaries	-	-	-	-	-	-	371,662	371,662
200 Employee Benefits	-	-	-	-	-	-	173,661	173,661
300 Purchased Services	-	-	-	-	-	-	77,760	77,760
400 Supplies and Materials	-	-	-	-	-	-	54,503	54,503
390 Other Community Services:								
100 Salaries	-	-	-	-	-	-	578,113	578,113
200 Employee Benefits	-	-	-	-	-	-	209,640	209,640
Total Community Services	-	-	-	-	-	-	1,465,339	1,465,339
Total Expenditures	\$ 3,556,526	\$ 2,637,329	\$ 83,740	\$ 150,026	\$ 99,182	\$ 2,034,834	\$ 6,471,008	\$ 15,032,645
Other Financing Sources (Uses)								
Interfund Transfers, From (To) Other Funds:								
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	-	-	-	-	-	-	572,552	572,552
421-710 Transfer to Special Revenue Fund	-	-	-	-	-	-	(572,552)	(572,552)
431-791 Special Revenue Fund Indirect Costs	(108,877)	(73,313)	(2,773)	-	(2,839)	-	(71,428)	(259,230)
Total Other Financing Sources (Uses)	(108,877)	(73,313)	(2,773)	-	(2,839)	-	(71,428)	(259,230)
Excess/Deficiency of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS
SUMMARY SCHEDULE OF DESIGNATED STATE RESTRICTED GRANTS
FOR THE YEAR ENDED JUNE 30, 2018

District Subfund Code	District Revenue Code	Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
928	3118	EEDA Career Specialists	\$ 518,683	\$ 518,683	\$ -	\$ -	\$ -
937	3127	Student Health and Fitness - PE Teachers	121,108	121,108	-	-	8,941
935	3135	Reading Coaches	656,226	656,226	-	-	-
936	3136	Student Health and Fitness - Nurses	299,106	299,106	-	-	-
955	3155	DSS SNAP & E&T Program	1,790	1,790	-	-	16,063
956	3156	Adult Education	-	-	-	-	8,036
926	3177	Summer Reading Camp	136,177	136,177	-	-	-
919	3193	Education License Plates	898	898	-	-	1,383
963	3630	K-12 Technology Initiative	205,651	205,651	-	-	-
966	3660	Mobile Device Access and Management	95,195	95,195	-	-	62,844
			<u>\$ 2,034,834</u>	<u>\$ 2,034,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,267</u>

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
BALANCE SHEET
JUNE 30, 2018**

Assets

Due From Other Funds	\$ 1,065,593
Due From State Government	64,096
Other Receivables	<u>2,200</u>
Total Assets	<u><u>\$ 1,131,889</u></u>

Liabilities & Fund Balances

Liabilities

Unearned Revenue	<u>1,131,889</u>
Total Liabilities	<u>1,131,889</u>

Fund Balances

Restricted	-
Total Fund Balances	<u>-</u>
Total Liabilities & Fund Balances	<u><u>\$ 1,131,889</u></u>

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Revenues

3000 Revenue from State Sources

3500 Education Improvement Act:	
3502 ADEPT	\$ 12,536
3507 Aid to District Technology	600
3509 Arts in Education	71,203
3511 Professional Development	97,541
3512 Technology Professional Development	46,888
3518 Adoption List of Formative Assessment	60,440
3519 Grade 10 Assessments	64,245
3525 Career and Technology Education Equipment	28,935
3526 Refurbishment of K-8 Science Kits	64,215
3528 Industry Certificates	30,592
3529 Career & Technology Education	192,544
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	802,324
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	1,263,292
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	459,582
3550 Teacher Salary Increase (No Carryover Provision)	2,364,015
3555 Teacher Salary Fringe (No Carryover Provision)	382,842
3556 Adult Education	212,018
3557 Summer Reading Program	11,511
3558 Reading	79,819
3571 Technical Assistance - State Priority Schools	218,971
3577 Teacher Supplies (No Carryover Provision)	247,775
3578 High Schools That Work/Making Middle Grades Work	39,489
3587 IDEA MOE Tier I	464,715
3592 Work-Based Learning	42,555
3595 EEDA - Supplies and Materials - Career Awareness	31,040
3597 Aid to Districts	59,841

Total State Sources	7,350,605
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Total Revenues All Sources	\$ 7,350,605
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Expenditures

100 Instruction

110 General Instruction

111 Kindergarten Programs:	
100 Salaries	7,500
200 Employee Benefits	1,985
112 Primary Programs:	
100 Salaries	264,761
200 Employee Benefits	72,581
300 Purchased Services	25,508
400 Supplies and Materials	57,259
500 Capital Outlay	5,848

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

113 Elementary Programs:	
100 Salaries	296,667
200 Employee Benefits	103,470
300 Purchased Services	91,666
400 Supplies and Materials	336,147
500 Capital Outlay	3,843
600 Other Objects	1,000
114 High School Programs:	
100 Salaries	305,266
200 Employee Benefits	105,741
300 Purchased Services	63,375
400 Supplies and Materials	58,748
600 Other objects	1,000
115 Career and Technology Education Programs:	
100 Salaries	17,235
200 Employee Benefits	4,402
300 Purchased Services - Other Than Tuition	9,603
400 Supplies and Materials	62,657
500 Capital Outlay	160,344
600 Other Objects	3,305
120 Exceptional Programs	
121 Educable Mentally Handicapped:	
100 Salaries	18,691
200 Employee Benefits	4,951
122 Trainable Mentally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	1,995
127 Learning Disabilities:	
100 Salaries	48,750
200 Employee Benefits	12,939
400 Supplies and Materials	378,054
130 Pre-School Prgrams	
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):	
100 Salaries	7,500
200 Employee Benefits	2,004
139 Early Childhood Programs:	
100 Salaries	304,674
200 Employee Benefits	148,485
300 Purchased Services	650
400 Supplies and Materials	5,774
140 Special Programs	
141 Gifted and Talented - Academic:	
100 Salaries	7,500
200 Employee Benefits	1,971

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

160 Other Exceptional Programs

162 Limited English Proficiency:

100 Salaries	322,170
200 Employee Benefits	118,353

170 Summer School Program

172 Elementary Summer School:

100 Salaries	34,191
200 Employee Benefits	9,292
300 Purchased Services	3,646
400 Supplies and Materials	24,963

173 High School Summer School:

100 Salaries	1,248
200 Employee Benefits	343

180 Adult/Continuing Educational Programs

181 Adult Basic Education Programs:

100 Salaries	11,521
200 Employee Benefits	2,491

182 Adult Secondary Education Programs:

100 Salaries	29,080
200 Employee Benefits	9,052
300 Purchased Services	1,464
400 Supplies and Materials	14

184 Post Secondary Education Programs:

100 Salaries	9,516
200 Employee Benefits	7,603

188 Parenting/Family Literacy:

100 Salaries	28,217
200 Employee Benefits	7,546

Total Instruction

3,632,059

200 Support Services

210 Pupil Services

212 Guidance Services:

100 Salaries	59,546
200 Employee Benefits	15,814
400 Supplies and Materials	31,040

214 Psychological Services:

300 Purchased Services	417
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217 Career Specialist Services:

100 Salaries	233
200 Employee Benefits	2,414

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

220 Instructional Staff Services

221 Improvement of Instruction Curriculum Development:

100 Salaries	127,432
200 Employee Benefits	41,332
300 Purchased Services	22,518
400 Supplies and Materials	72,982

222 Library and Media Services:

100 Salaries	22,500
200 Employee Benefits	5,962

223 Supervision of Special Programs:

100 Salaries	135,652
200 Employee Benefits	50,107
300 Purchased Services	6,408

224 Improvement of Instruction Inservice and Staff Training:

100 Salaries	67,375
200 Employee Benefits	17,844
300 Purchased Services	159,529
400 Supplies and Materials	60,783
600 Other Objects	31,470

230 General Administration Services

233 School Administration:

100 Salaries	5,000
200 Employee Benefits	1,315
300 Purchased Services	400

250 Finance and Operations Services

255 Student Transportation (State Mandated):

100 Salaries	11,892
200 Employee Benefits	1,510

260 Central Support Services

262 Planning, Research, Development & Evaluation:

400 Supplies and Materials	13,683
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263 Information Services:

300 Purchased Services	3,595
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266 Technology and Data Processing Services:

400 Supplies and Materials	600
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270 Support Services Pupil Activity

271 Pupil Services Activities:

100 Salaries (optional)	1,027
200 Employee Benefits (optional)	227
300 Purchased Services (optional)	1,082

Total Support Services

971,689

Total Expenditures

\$ 4,603,748

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

420-710 Transfer to General Fund (Exclude Indirect Costs)	(2,746,857)
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Total Other Financing Sources (Uses)	(2,746,857)
---	-------------

Excess/Deficiency of Revenues over Expenditures	\$ -
--	------

Fund Balance, Beginning of Year	-
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Fund Balance, End of Year	\$ -
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LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018

Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 12,536	\$ 12,536	\$ -	\$ -	\$ 15,724
3507 Aid to District Technology	600	600	-	-	167,996
3509 Arts in Education	71,203	71,203	-	-	10,431
3511 Professional Development	97,541	97,541	-	-	103,778
3512 Technology Professional Development	46,888	46,888	-	-	-
3518 Formative Assessment	60,440	60,440	-	-	72,120
3519 Grade 10 Assessments	64,245	64,245	-	-	-
3525 Career and Technology Education Equipment	28,935	28,935	-	-	-
3526 Refurbishment of K-8 Science Kits	64,215	64,215	-	-	29,408
3528 Industry Certificates	30,592	30,592	-	-	19,579
3529 Career & Technology Education	192,544	192,544	-	-	157,373
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	802,324	802,324	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students At Risk of School Failure	1,263,292	1,263,292	-	-	106,729
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	459,582	459,582	-	-	32,384
3550 Teacher Salary Increase (No Carryover Provision)	2,364,015	-	-	(2,364,015)	-
3555 School Employer Contributions (No Carryover Provision)	382,842	-	-	(382,842)	-
3556 Adult Education	212,018	212,018	-	-	61,082
3557 Summer Reading Program	11,511	11,511	-	-	108,696
3558 Reading	79,819	79,819	-	-	23,202
3571 Technical Assistance - State Priority Schools	218,971	218,971	-	-	32,556
3577 Teacher Supplies (No Carryover Provision)	247,775	247,775	-	-	-
3578 High Schools That Work/Making Middle Grades Work	39,489	39,489	-	-	-
3587 IDEA MOE Tier I	464,715	464,715	-	-	-
3592 Work-Based Learning	42,555	42,555	-	-	-
3595 EEDA - Supplies and Material - Career Awareness	31,040	31,040	-	-	2,125
3597 Aid to Districts	59,841	59,841	-	-	188,706
Total	\$ 7,350,605	\$ 4,603,748	\$ -	\$ (2,746,857)	\$ 1,131,889

DEBT SERVICE FUND

The Debt Service Fund accumulates monies for payment of the District's general obligation bonds which are serial bonds due in annual installments.

The Debt Service Fund - LEAP fund accounts for the activity of the Lancaster Education Assistance Program, Inc., a blended component unit of the District.

The following schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

**LANCASTER COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND - DISTRICT
BALANCE SHEET
JUNE 30, 2018**

Assets

Property Tax Receivable, Net	\$ 130,819
Due From County Government	<u>10,054,483</u>

Total Assets	<u><u>\$ 10,185,302</u></u>
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Liabilities & Fund Balances

Fund Balances

Restricted For Debt Service	<u>10,185,302</u>
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Total Fund Balances	<u>10,185,302</u>
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Total Liabilities & Fund Balances	<u><u>\$ 10,185,302</u></u>
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**LANCASTER COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Revenues

1000 Revenue from Local Sources

1100 Taxes Levied/Assessed by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 23,706,491
1140 Penalties & Interest on Taxes (Independent)	167,686
1200 Revenue From Local Governmental Units Other Than LEAs	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,189,524
1500 Earnings on Investments:	
1510 Interest on Investments	<u>10,001</u>

Total Local Sources	<u><u>25,073,702</u></u>
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3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	1,303,904
3830 Merchant's Inventory Tax	12,497
3840 Manufacturers Depreciation Reimbursement	81,126
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	<u>55,522</u>

Total State Sources	<u><u>1,453,049</u></u>
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Total Revenues All Sources	<u><u><u>\$ 26,526,751</u></u></u>
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Expenditures

500 Debt Service

610 Redemption of Principal	8,455,000
620 Interest	<u>5,569,010</u>

Total Debt Service	<u><u>14,024,010</u></u>
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Total Expenditures	<u><u><u>\$ 14,024,010</u></u></u>
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**LANCASTER COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

423-710 Transfer to Debt Service Fund	(3,279,823)
424-710 Transfer to School Building Fund Capital Projects Fund	<u>(7,020,177)</u>

Total Other Financing Sources (Uses)	<u>(10,300,000)</u>
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Excess/Deficiency of Revenues over Expenditures	<u><u>\$ 2,202,741</u></u>
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Fund Balance, Beginning of Year	<u>7,982,561</u>
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Fund Balance, End of Year	<u><u>\$ 10,185,302</u></u>
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**LANCASTER COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND - LEAP
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Total Revenues All Sources	\$ -
Expenditures	
500 Debt Service	
610 Redemption of Principal	\$ 2,245,000
620 Interest	<u>2,045,934</u>
Total Debt Service	<u>4,290,934</u>
Total Expenditures	<u><u>\$ 4,290,934</u></u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds:	
5240 Transfer from Debt Service Fund	3,279,823
5250 Transfer from School Building Fund Capital Projects Fund	<u>1,011,111</u>
Total Other Financing Sources (Uses)	<u>4,290,934</u>
Excess/Deficiency of Revenues over Expenditures	<u><u>\$ -</u></u>
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>

CAPITAL PROJECTS FUND - SCHOOL BUILDING

Accounts for financial resources to be used for the acquisition and construction of major capital facilities.

The Capital Projects Fund - LEAP - accounts for the activity of the Lancaster Education Assistance Program, Inc., a blended component unit of the District.

The following schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

**LANCASTER COUNTY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2018**

Assets	
Due From County Government	\$ 78,007,775
Other Receivables	<u>6,000</u>
Total Assets	<u><u>\$ 78,013,775</u></u>
Liabilities & Fund Balances	
Liabilities	
Due To Other Funds	4,425,010
Bonds Payable	1,027,000
Retainage Payable	<u>1,705,613</u>
Total Liabilities	<u>7,157,623</u>
Fund Balances	
Restricted For Capital Projects	<u>70,856,152</u>
Total Fund Balances	<u>70,856,152</u>
Total Liabilities & Fund Balances	<u><u>\$ 78,013,775</u></u>

**LANCASTER COUNTY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Revenues

1000 Revenue from Local Sources

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,400,938
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	155,000
1990 Miscellaneous Local Revenue:	
1993 Receipt of Insurance Proceeds	2,756,098
1999 Revenue from Other Local Sources	15,532

Total Local Sources	4,327,568
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Total Revenues All Sources	\$ 4,327,568
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Expenditures

200 Support Services

250 Finance and Operations Services

253 Facilities Acquisition and Construction:	
300 Purchased Services	4,486,087
400 Supplies and Materials	1,466,332
500 Capital Outlay	
520 Construction Services	48,552,655
525 Buildings	5,876
530 Improvements Other Than Buildings	5,686,113
540 Equipment	440,484
545 Technology Equipment and Software	519,420
550 Vehicles	135,012
560 Library Books and Materials	263,189
580 Mobile Classrooms	37,869
590 Other Capital Outlay	4,005,328
600 Other Objects	28,304

Total Support Services	65,626,669
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500 Debt Service

620 Interest	5,297
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Total Debt Service	5,297
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Total Expenditures	\$ 65,631,966
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**LANCASTER COUNTY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

5240 Transfer from Debt Service Fund	7,020,177
423-710 Transfer to Debt Service Fund	<u>(1,011,111)</u>

Total Other Financing Sources (Uses)	<u>6,009,066</u>
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Excess/Deficiency of Revenues over Expenditures	<u><u>\$ (55,295,332)</u></u>
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Fund Balance, Beginning of Year	<u>126,151,484</u>
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Fund Balance, End of Year	<u><u>\$ 70,856,152</u></u>
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PROPRIETARY FUND - FOOD SERVICE FUND

Accounts for the provision of food services to the students of the District. All activities necessary to provide such service are accounted for in this fund.

The accompanying Statement of Revenues, Expenses and Changes in Retained Earnings has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

**LANCASTER COUNTY SCHOOL DISTRICT
PROPRIETARY FUND - FOOD SERVICE
BALANCE SHEET
JUNE 30, 2018**

Assets

Cash & Cash Equivalents	\$ 1,835,823
Due From Federal Government	33,065
Inventories - Supplies & Materials	87,906
Other Receivables	8,759
Property, Plant and Equipment, Net	<u>1,431,336</u>

Total Assets	<u>\$ 3,396,889</u>
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Deferred Outflows of Resources

Net Pension Deferred Outflows	413,891
Net OPEB Deferred Outflows	5,102
Employer Contributions Subsequent to Measurement Date	<u>354,582</u>

Total Deferred Outflows of Resources	<u>\$ 773,575</u>
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Liabilities

Due To Other Funds	664,857
Unearned Revenue	27,541
Net OPEB Liability	2,875,534
Net Pension Liability	<u>3,832,170</u>

Total Liabilities	<u>\$ 7,400,102</u>
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Deferred Inflows of Resources

Net Pension Deferred Inflows	5,919
Net OPEB Deferred Inflows	<u>271,870</u>

Total Deferred Inflows of Resources	<u>\$ 277,789</u>
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Fund Balances

Net Investment in Capital Assets	1,431,336
Unrestricted	<u>(4,938,763)</u>

Total Fund Balances	<u>\$ (3,507,427)</u>
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**LANCASTER COUNTY SCHOOL DISTRICT
PROPRIETARY FUND - FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

Revenues

1000 Revenue from Local Sources

1600 Food Service:	
1610 Lunch Sales to Pupils	\$ 1,027,803
1620 Breakfast Sales to Pupils	154,506
1630 Special Sales to Pupils	285,203
1640 Lunch Sales to Adults	88,699
1650 Breakfast Sales to Adults	16,092
1660 Special Sales to Adults	53,161
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	25,046

Total Local Sources	1,650,510
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3000 Revenue from State Sources

3100 Restricted State Funding:	
3140 School Lunch	
3142 Program Aid	431

Total State Sources	431
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4000 Revenue from Federal Sources

4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	2,968,686
4830 School Breakfast Program	821,578
4900 Other Federal Sources:	
4990 Other Federal Revenue:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	483,475

Total Federal Sources	4,273,739
------------------------------	------------------

Total Revenues All Sources	\$ 5,924,680
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**LANCASTER COUNTY SCHOOL DISTRICT
 PROPRIETARY FUND - FOOD SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2018**

Expenditures

200 Support Services

250 Finance and Operations Services

256 Food Service:

100 Salaries	1,930,080
200 Employee Benefits	483,947
300 Purchased Services (Excludes gas, oil, electricity, and other heating fuels.)	49,154
400 Supplies and Materials (Includes gas, oil, electricity, and other heating fuels.)	3,012,738
500 Capital Outlay	160,445
600 Other Objects	11,366
	<u>5,647,730</u>

Total Support Services

5,647,730

Total Expenditures

\$ 5,647,730

Other Financing Sources (Uses)

5900 Miscellaneous Sources:

5999 Other Financing Sources	190,290
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Interfund Transfers, From (To) Other Funds:

432-791 Food Service Fund Indirect Costs	<u>(347,745)</u>
--	------------------

Total Other Financing Sources (Uses)

(157,455)

Excess/Deficiency of Revenues over Expenditures

\$ 119,495

Fund Balance, Beginning of Year, As Restated

(3,626,922)

Fund Balance, End of Year

\$ (3,507,427)

FIDUCIARY FUND - PUPIL ACTIVITY FUND

Agency Fund - Accounts for the collection and payment of pupil activity receipts and disbursements from and on behalf of the District's students.

The following individual fund statements have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the various statements are also mandated by the South Carolina State Department of Education.

**LANCASTER COUNTY SCHOOL DISTRICT
FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUND
SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018**

**PUPIL
ACTIVITY**

Assets

Cash & Cash Equivalents	\$ 1,577,156
Investments	1,038,871
Other Receivables	<u>686</u>

Total Assets	<u><u>\$ 2,616,713</u></u>
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Liabilities

Due To School District	1,007,589
Due to Pupil Activities	<u>1,609,124</u>

Total Liabilities	<u><u>\$ 2,616,713</u></u>
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**LANCASTER COUNTY SCHOOL DISTRICT
FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Receipts

1000 Receipts from Local Sources

1300 Tuition	
1350 From Patrons for Summer School	\$ 16,318
1500 Earnings on Investments:	
1510 Interest on Investments	15,335
1700 Pupil Activities:	
1710 Admissions	352,864
1720 Bookstore Sales	1,661,021
1730 Pupil Organization Membership Dues and Fees	1,854,333
1740 Student Fees	26,182
1900 Other Receipts from Local Sources:	
1910 Rentals	2,640
1920 Contributions & Donations Private Sources	389,436
1990 Miscellaneous Local Receipts:	
1999 Receipts from Other Local Sources	10,023
Total Local Sources	<u>4,328,152</u>

3000 Receipts from State Sources

3900 Other State Receipts:	
3999 Receipts From Other State Sources	140
Total State Sources	<u>140</u>

Total Receipts All Sources	<u><u>\$ 4,328,292</u></u>
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Disbursements

100 Instruction

190 Instructional Pupil Activity:	
100 Salaries (optional)	140,112
200 Employee Benefits (optional)	36,060
600 Other Objects	
660 Instructional Pupil Activity	1,452,064
Total Instruction	<u>1,628,236</u>

**LANCASTER COUNTY SCHOOL DISTRICT
FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

200 Support Services

270 Support Services Pupil Activity

271 Pupil Services Activities:

100 Salaries (optional) 557,435

200 Employee Benefits (optional) 128,307

300 Purchased Services (optional) 11,535

500 Capital Outlay (optional) 43,771

600 Other Objects (optional)

660 Pupil Activity 1,883,911

272 Enterprise Activities

600 Other Objects (optional)

660 Pupil Activity 142,072

Total Support Services

2,767,031

Total Disbursements

\$ 4,395,267

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

5210 Transfer from General Fund (Exclude Indirect Costs) 244,546

5270 Transfer from Pupil Activity Fund 644,709

426-710 Transfer to Pupil Activity Fund (644,709)

Total Other Financing Sources (Uses)

244,546

Excess/Deficiency of Receipts over Disbursements

\$ 177,571

Fund Balance, Beginning of Year

1,431,553

Fund Balance, End of Year

\$ 1,609,124

**LANCASTER COUNTY SCHOOL DISTRICT
FIDUCIARY FUND - PUPIL ACTIVITY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2018**

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
Assets				
Cash & Cash Equivalents	\$ 931,010	\$ 4,557,534	\$ 3,911,388	\$ 1,577,156
Investments	1,023,536	15,335	-	1,038,871
Other Receivables	<u>717</u>	<u>686</u>	<u>717</u>	<u>686</u>
Total Assets	<u><u>\$ 1,955,263</u></u>	<u><u>\$ 4,573,555</u></u>	<u><u>\$ 3,912,105</u></u>	<u><u>\$ 2,616,713</u></u>
Liabilities				
Due To School District	523,709	5,402,856	4,918,976	1,007,589
Due to Pupil Activities	<u>1,431,553</u>	<u>4,572,838</u>	<u>4,395,267</u>	<u>1,609,124</u>
Total Liabilities	<u><u>\$ 1,955,262</u></u>	<u><u>\$ 9,975,694</u></u>	<u><u>\$ 9,314,243</u></u>	<u><u>\$ 2,616,713</u></u>

**ADDITIONAL SCHEDULES
REQUIRED BY THE SOUTH CAROLINA
DEPARTMENT OF EDUCATION**

LANCASTER COUNTY SCHOOL DISTRICT
 DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/ FEDERAL GOVERNMENT
 JUNE 30, 2018

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to SDE or Federal Government	Status of Amounts Due To Grantors
Title I, Basic State Grant Programs	FY18	4310 / 201	Overclaim 224-400	13,014.73	Paid 8/16/18 - Check #18296
Individuals With Disabilities Education Act (IDEA)	FY18	4510 / 203	Overclaim 210-400	4,707.54	Paid 8/2/18 - Check #181781
21st Century Community Learning Centers	FY17	4924 / 224	Overclaim - Ind. Cost	734.87	Paid 8/16/18 - Check #18296
Improving Teacher Quality	FY18	4351 / 267	Overclaim 100-400	1,714.62	Paid 8/16/18 - Check #18296
				<u>\$ 20,171.76</u>	

**LANCASTER COUNTY SCHOOL DISTRICT
LOCATION RECONCILIATION SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
10	Brooklyn Springs Elementary	Elementary Schools	School	\$ 4,140,542
12	Discovery School	Other Schools	School	1,125,034
13	Clinton Elementary	Elementary Schools	School	4,596,961
15	Erwin Elementary	Elementary Schools	School	4,138,736
16	Lancaster High School	High Schools	School	27,779,427
19	McDonald Green Elementary	Elementary Schools	School	4,002,084
20	North Elementary	Elementary Schools	School	5,701,287
22	South Middle	Middle Schools	School	5,145,065
23	Southside Early Childhood Center	Other Schools	School	3,047,525
24	Barr Street Learning Center	Other Schools	School	332,455
25	A.R. Rucker	Middle Schools	School	4,548,254
30	Andrew Jackson High	High Schools	School	14,077,036
33	Heath Springs Elementary	Elementary Schools	School	3,769,027
34	Kershaw Elementary	Elementary Schools	School	3,959,737
37	Andrew Jackson Middle	Middle Schools	School	7,266,400
40	Buford Middle	Middle Schools	School	3,924,446
41	Buford Elementary	Elementary Schools	School	5,174,975
43	Buford High	High Schools	School	15,587,047
50	Indian Land High	High Schools	School	8,420,657
51	Indian Land Elementary	Elementary Schools	School	7,103,234
52	Indian Land Middle	Middle Schools	School	6,493,754
53	Harrisburg Elementary School	Elementary Schools	School	7,241,174
OTHER	District Wide	Non-School	Central	65,263,339

Total Expenditures/Disbursements for All Funds

\$ 212,838,196

Above expenditures are reconciled to the District's Audit statements as follows:

General Fund (Subfund 100s)	\$ 99,891,447
Special Revenue Fund - Special Projects (Subfund 200s, 800s, 900s)	14,353,094
Special Revenue Fund - EIA Fund (Subfund 300s)	4,603,748
Debt Service Fund (Subfund 400s)	18,314,944
Capital Projects Fund (Subfund 500s)	65,631,966
Enterprise Fund - Food Service (Subfund 600s)	5,647,730
Agency Fund - Pupil Activity (Subfund 700s)	4,395,267

Total Expenditures/Disbursements for All Funds

\$ 212,838,196

District Subfund Code		Special Revenue Programs Program Name		District Subfund Code		Special Revenue Programs Program Name	
						Other	
						Special Revenue Programs Program Name	
221	Title I, N&D	842	SC Arts Commission - McDonald Green Elementary				
224	21st Century Community Learning Centers	843	SC Arts Commission - Harrisburg				
234	Early Learning Model - School Improvement	844	SC Arts Commission - ABC Grant - Andrew Jackson Middle				
238	Title I Support	845	SC Arts Commission - ABC Grant - Clinton Elementary				
264	Language Instruction for Limited English Proficient and Immigrant Students Title III	846	Christian Services - Adult Ed				
267	Title II Improving Teacher Quality	847	SC Arts Commission - Heath Springs Elementary				
270	JROTC	848	SC Arts Commission				
275	Adult Education Local Contributions	851	Jobs for South Carolina's Graduates				
296	Facility Rental Fund	859	SIMS: Reading for Workplace Success				
299	12-Month Ag.						
801	Discovery School						
802	SIMS: Swimming and Water Safety						
803	Communities in Schools						
804	First Steps						
805	Workforce Investment Act	243	Adult Education				
807	First Steps - Early Head Start Partnership Grant						
809	Partners for Youth-Clinton Community Grant						
810	Leader in Me						
811	Learn TV Advertising						
812	Education Oversight Committee						
813	Head Start						
820	Lancaster County Project Prevent	919	Education License Plates				
821	Little Free Libraries	926	Summer Reading Camp				
822	Workers Compensation Risk Control Grant	928	EEDA Career Specialist				
824	Duke Power Grant - Adult Ed	935	Reading Coaches				
827	Early Head Start	936	Student Health and Fitness - Nurses				
828	Learn TV - Children's Council	937	Student Health and Fitness - PE Teachers				
839	EXT School Year	955	DSS SNAP and E&T Program				
840	SC Arts Commission - Heath Springs	956	Adult Education				
841	SC Arts Commission - AJ Middle	963	K-12 Technology Initiative				
		966	Mobile Device Access & Management				

STATISTICAL SECTION

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	110-114
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	115-118
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	119-122
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other Districts.	123-125
Operating Information	
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	126-131

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

LANCASTER COUNTY SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary Government										
Governmental Activities										
Net Investment in Capital Assets	\$ 20,582,731	\$ 23,920,052	\$ 25,498,685	\$ 27,972,214	\$ 22,739,357	\$ 38,615,430	\$ 47,270,919	\$ 51,196,331	\$ 69,831,369	\$ 80,352,310
Restricted	13,201,942	11,267,256	15,952,388	16,610,712	23,821,437	13,619,093	8,706,914	13,218,539	134,134,045	81,041,454
Unrestricted**	10,404,535	11,193,834	12,679,479	15,305,628	18,968,579	(89,625,785)	(88,073,156)	(86,453,482)	(216,898,104)	(282,419,779)
Total Governmental Activities -										
Net Position (Deficit)	44,189,208	46,381,142	54,130,552	59,888,554	65,529,373	(37,391,262)	(32,095,323)	(22,038,612)	(12,932,690)	(121,026,015)
Business-Type Activities										
Investment in Capital Assets	764,181	679,606	570,429	470,369	455,985	531,604	1,109,933	1,092,312	1,400,893	1,431,336
Unrestricted	57,091	283,218	564,534	1,022,090	1,085,707	(910,488)	(1,077,253)	(1,877,390)	(1,971,806)	(4,938,763)
Total Business-Type Activities -										
Net Position	821,272	962,824	1,134,963	1,492,459	1,541,692	(378,884)	32,680	(785,078)	(570,913)	(3,507,427)
Total Primary Government										
Net Investment in Capital Assets	21,346,912	24,599,658	26,069,114	28,442,583	23,195,342	39,147,034	48,380,852	52,288,643	71,232,262	81,783,646
Restricted	13,201,942	11,267,256	15,952,388	16,610,712	23,821,437	13,619,093	8,706,914	13,218,539	134,134,045	81,041,454
Unrestricted**	10,461,626	11,477,052	13,244,013	16,327,718	20,054,286	(90,536,273)	(89,150,409)	(88,330,872)	(218,869,910)	(287,358,542)
Total Primary Government -										
Net Position (Deficit)	\$ 45,010,480	\$ 47,343,966	\$ 55,265,515	\$ 61,381,013	\$ 67,071,065	\$ (37,770,146)	\$ (32,062,643)	\$ (22,823,690)	\$ (13,503,603)	\$ (124,533,442)

Note: Accrual basis of accounting.

** During fiscal year 2014-15, the District adopted GASB 68, resulting in the reporting of its proportionate share of the net pension liability in the amount of \$110,080,922 from its cost-sharing retirement systems. The District's unrestricted net position (deficit) was restated by the amount noted above for the adjustment of the net pension liability, effective July 1, 2014.

** During fiscal year 2017-18, the District adopted GASB 75, resulting in the reporting of its proportionate share of the net OPEB liability in the amount of \$116,198,076 from its cost-sharing OPEB trusts. The District's unrestricted net position (deficit) was restated by the amount noted above for the adjustment of the net pension liability, effective July 1, 2017.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSES) REVENUES
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
Instruction	\$ 61,108,147	\$ 61,056,481	\$ 54,761,743	\$ 55,826,663	\$ 58,954,051	\$ 60,978,687	\$ 64,637,304	\$ 67,435,882	\$ 73,935,990	\$ 78,696,180
Support Services	38,652,844	38,763,214	36,224,608	36,413,973	39,781,575	39,484,162	42,449,478	45,338,801	53,924,679	60,238,631
Community Services	1,094,083	1,093,580	1,139,831	1,176,010	1,305,910	1,147,511	987,968	1,274,727	1,346,041	1,590,894
Interest and Other Charges	4,592,977	3,912,591	4,270,217	4,255,936	3,908,150	3,804,650	2,694,139	2,740,524	3,818,539	6,657,766
Pupil Activities	313,165	133,669	119,900	344,787	168,300	195,706	226,209	247,537	194,481	244,546
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	112,569	-	-
Total Governmental Activities Expenses	105,761,216	104,959,535	96,516,299	98,017,369	104,117,986	105,610,716	110,995,098	117,150,040	133,219,730	147,428,017
Business-Type Activities:										
Food Service	4,816,495	4,660,324	4,808,028	4,919,588	5,152,584	4,913,072	5,457,733	6,449,582	5,794,527	5,647,730
Total Business-Type Activities Expenses	4,816,495	4,660,324	4,808,028	4,919,588	5,152,584	4,913,072	5,457,733	6,449,582	5,794,527	5,647,730
Total Primary Government Expenses	\$ 110,577,711	\$ 109,619,859	\$ 101,324,327	\$ 102,936,957	\$ 109,270,570	\$ 110,523,788	\$ 116,452,831	\$ 123,599,622	\$ 139,014,257	\$ 153,075,747
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	85,244	58,021	61,994	86,903	30,054	16,572	21,617	-	-	-
Support Services	-	-	-	-	19,822	10,494	13,812	46,455	33,506	30,645
Community Services	-	-	-	-	696	327	351	-	-	-
Operating Grants and Contributions	60,819,394	61,170,815	54,411,245	54,664,412	58,591,726	59,014,988	62,730,886	65,247,998	71,452,498	75,724,387
Capital Grants and Contributions	478,096	6,982	4,034	3,119	-	-	-	-	-	-
Total Governmental Activities Program Revenues	61,382,734	61,235,818	54,477,273	54,764,434	58,642,298	59,042,381	62,766,666	65,294,453	71,486,004	75,755,032
Business-Type Activities:										
Charges for Services	1,397,902	1,469,114	1,572,107	1,611,509	1,550,131	1,453,478	1,429,613	1,599,461	1,512,016	1,650,510
Operating Grants and Contributions	3,279,631	3,554,868	3,625,926	3,899,979	3,939,279	3,919,468	4,105,555	4,238,696	4,382,605	4,274,170
Capital Grants and Contributions	-	-	-	-	-	-	-	113,677	446,524	190,290
Total Business-Type Activities Program Revenues	4,677,533	5,023,982	5,198,033	5,511,488	5,489,410	5,372,946	5,535,168	5,951,834	6,341,145	6,114,970
Total Primary Government Program Revenues	66,060,267	66,259,800	59,675,306	60,265,922	64,131,708	64,415,327	68,301,834	71,246,287	77,827,149	81,870,002
Net (Expense) Revenue										
Governmental Activities	(44,378,482)	(43,723,717)	(42,039,026)	(43,262,935)	(45,475,688)	(46,568,335)	(48,228,432)	(51,855,587)	(61,733,726)	(71,672,985)
Business-Type Activities	(138,962)	363,658	390,005	591,900	336,826	459,874	77,435	(497,748)	546,618	467,240
Total Primary Governmental Net (Expense) Revenue	\$ (44,517,444)	\$ (43,360,059)	\$ (41,649,021)	\$ (42,671,035)	\$ (45,138,862)	\$ (46,108,461)	\$ (48,150,997)	\$ (52,353,335)	\$ (61,187,108)	\$ (71,205,745)

Note: Accrual basis of accounting.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 21,718,638	\$ 22,820,813	\$ 21,797,653	\$ 23,793,704	\$ 24,169,532	\$ 25,105,438	\$ 26,823,264	\$ 28,417,807	\$ 29,633,307	\$ 29,935,497
Property Taxes, Levied for Debt Service	10,880,468	10,303,300	10,077,072	12,013,049	13,292,168	12,592,622	13,178,410	17,280,918	23,795,565	25,063,701
Unrestricted Grants, Aids and Contributions	11,983,804	12,435,746	12,656,324	12,894,313	13,229,236	13,564,970	13,779,684	15,296,090	15,637,287	16,223,057
Unrestricted Investment Earnings	283,331	103,229	115,775	57,831	73,410	57,831	54,965	166,405	617,302	1,757,972
Insurance Proceeds	-	-	4,894,906	-	-	-	-	-	-	-
Miscellaneous	29,782	29,187	26,771	26,871	64,569	27,311	22,177	431,068	823,734	3,393,755
Transfers	205,473	223,376	219,935	235,169	287,592	259,326	(334,129)	320,010	332,453	347,745
Total Governmental Activities	45,101,496	45,915,651	49,788,436	49,020,937	51,116,507	51,607,498	53,524,371	61,912,298	70,839,648	76,721,727
Business-Type Activities:										
Unrestricted Investment Earnings	3,379	1,270	2,069	765	-	-	-	-	-	-
Transfers	(205,473)	(223,376)	(219,935)	(235,169)	(287,592)	(259,326)	334,129	(320,010)	(332,453)	(347,745)
Total Business-Type Activities	(202,094)	(222,106)	(217,866)	(234,404)	(287,592)	(259,326)	334,129	(320,010)	(332,453)	(347,745)
Total Primary Government	44,899,402	45,693,545	49,570,570	48,786,533	50,828,915	51,348,172	53,858,500	61,592,288	70,507,195	76,373,982
Change in Net Position										
Governmental Activities	723,014	2,191,934	7,749,410	5,758,002	5,640,819	5,039,163	5,295,939	10,056,711	9,105,922	5,048,742
Business-Type Activities	(341,056)	141,552	172,139	357,496	49,234	200,548	411,564	(817,758)	214,165	119,495
Total Change in Net Position-Primary Government	\$ 381,958	\$ 2,333,486	\$ 7,921,549	\$ 6,115,498	\$ 5,690,053	\$ 5,239,711	\$ 5,707,503	\$ 9,238,953	\$ 9,320,087	\$ 5,168,237

Note: Accrual basis of accounting.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved*	\$ 35,064	\$ 6,811	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved										
Designated for Subsequent Years	1,520,434	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Undesignated	10,259,136	11,284,835	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total General Fund	\$ 11,814,634	\$ 11,291,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund**										
Nonspendable:										
Prepaid Expenditures	N/A	N/A	\$ 69,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,854,362	\$ 2,982
Assigned:										
Subsequent Year Expenditures	N/A	N/A	831,936	954,973	2,423,778	2,772,134	3,058,770	3,686,139	2,719,152	3,370,647
Encumbered Operating Expenditures	N/A	N/A	71,971	36,355	53,515	32,952	39,411	26,567	10,042	29,174
Unassigned	N/A	N/A	11,425,838	14,567,464	15,269,599	15,848,013	17,664,234	18,686,693	20,673,180	24,223,142
Total General Fund	\$ -	\$ -	\$ 12,399,688	\$ 15,558,792	\$ 17,746,892	\$ 18,653,099	\$ 20,762,415	\$ 22,399,399	\$ 25,256,736	\$ 27,625,945
All Other Governmental Funds										
Reserved for:										
Debt Service	1,883,466	2,077,477	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service LEAP	6,612,593	6,585,984	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Projects	2,775,727	1,533,182	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Projects LEAP	1,500,556	534,546	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, Reported in:										
Special Revenue Funds	976	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	\$ 12,773,318	\$ 10,731,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds**										
Restricted:										
Debt Service	N/A	N/A	1,502,646	3,406,898	4,985,399	3,876,497	2,429,626	4,183,421	7,982,561	10,185,302
Debt Service LEAP	N/A	N/A	6,585,886	6,586,124	-	-	-	-	-	-
Capital Projects	N/A	N/A	7,116,888	6,143,482	18,836,038	9,164,307	5,649,217	9,035,118	126,151,484	70,856,152
Capital Projects LEAP	N/A	N/A	123,888	4	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ 15,329,308	\$ 16,136,508	\$ 23,821,437	\$ 13,040,804	\$ 8,078,843	\$ 13,218,539	\$ 134,134,045	\$ 81,041,454

Notes: Modified accrual basis of accounting.

*Includes encumbrances, inventory and prepaid items

** The 2011-2015 funds balances for the General Fund and all other Governmental Funds are reported based on the requirements under GASB 54. The fund balances for years ended 2006-2010 are not reported under GASB 54.

Source: Comprehensive Annual Financial Report

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, DEBT SERVICE RATIO, OTHER FINANCING SOURCES AND USES AND CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
Revenues										
Local Sources:	\$ 34,459,057	\$ 35,010,912	\$ 38,681,391	\$ 38,108,648	\$ 38,658,902	\$ 38,707,044	\$ 41,077,473	\$ 47,944,141	\$ 56,461,368	\$ 61,589,029
Intergovernmental								660,859	-	-
State Sources	59,570,816	52,914,562	51,274,749	56,666,075	60,801,115	61,014,242	64,873,342	68,379,359	74,995,286	79,717,645
Federal Sources	11,507,063	18,494,227	13,646,168	9,457,423	9,759,753	10,453,133	10,354,226	9,701,406	10,372,647	10,661,944
Total Revenues	105,536,936	106,419,701	103,602,308	104,232,146	109,219,770	110,174,419	116,305,041	126,685,765	141,829,301	151,968,618
Expenditures										
Instruction	59,082,085	58,952,570	52,547,193	53,634,111	56,699,790	58,591,844	61,275,287	63,426,278	68,328,640	72,446,063
Support Services	40,637,731	37,655,391	34,217,717	35,330,570	37,395,242	37,146,008	39,150,676	42,094,131	53,885,951	49,579,315
Community Services	1,094,083	1,093,580	1,139,831	1,176,010	1,305,910	1,147,511	987,968	1,199,282	1,243,243	1,465,341
Pupil Activities	-	-	119,900	344,787	168,300	195,706	226,209	-	-	-
Intergovernmental	806,061	789,155	778,140	792,327	809,899	830,697	925,366	904,002	814,304	856,425
Debt Service:										
Legal Services								55,657	-	-
Principal	2,205,000	2,690,000	2,890,000	3,100,000	12,490,000	5,310,000	7,200,000	17,750,000	8,825,000	10,700,000
Interest and Fiscal Charges	3,564,259	5,357,507	4,358,333	4,240,673	5,001,203	3,300,470	3,039,166	3,102,686	3,104,107	7,620,241
Other Objects						1,290		-	-	-
Capital Outlay	3,128,620	2,561,322	2,064,968	1,882,533	2,806,411	13,786,645	6,686,801	7,510,699	17,506,734	60,127,814
Total Expenditures	110,517,839	109,099,525	98,116,082	100,501,011	116,676,755	120,310,171	119,491,473	136,042,735	153,707,979	202,795,199
Excess (Deficiency) of Revenues Over Expenditures	(4,980,903)	(2,679,824)	5,486,226	3,731,135	(7,456,985)	(10,135,752)	(3,186,432)	(9,356,970)	(11,878,678)	(50,826,581)
Other Financing Sources (Uses)										
Sale of Capital Assets		25,000				2,000				
Premium on Bonds Sold					7,747,382			516,176	10,513,549	-
Proceeds of General Obligation Bonds					21,720,000			15,545,000	125,000,000	-
Proceeds of Refund Debt	18,255,000				60,355,000					
Payment to Refunded Debt Escrow Agent	(17,725,000)				(72,779,959)					
Medicaid Reimbursements										
Operating Transfers In	3,604,237	10,020,591	11,594,034	11,277,483	7,121,305	11,914,802	12,189,683	8,898,582	43,908,163	15,237,495
Operating Transfers (Out)	(3,575,818)	(9,930,884)	(11,374,099)	(11,042,314)	(6,833,713)	(11,655,476)	(11,855,896)	(8,826,108)	(43,770,191)	(15,134,296)
Total Other Financing Sources (Uses)	558,419	114,707	219,935	235,169	17,330,015	261,326	333,787	16,133,650	135,651,521	103,199
Net Change in Fund Balances	\$ (4,422,484)	\$ (2,565,117)	\$ 5,706,161	\$ 3,966,304	\$ 9,873,030	\$ (9,874,426)	\$ (2,852,645)	\$ 6,776,680	\$ 123,772,843	\$ (50,723,382)
Debt Service as a Percentage of Noncapital Expenditures	5.37%	7.55%	7.55%	7.44%	15.36%	8.08%	9.08%	16.27%	8.76%	12.84%

Note: Modified accrual basis of accounting.
Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS

Fiscal Year	Real Property		Personal Property		Total		Total Direct Rate	Ratio of Total Assessed to Total Estimated Actual Value
	Taxable Assessed Value	Estimated Actual Value	Taxable Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2009	\$ 201,753,816	\$ 4,223,965,667	\$ 75,404,200	\$ 821,602,457	\$ 277,158,016	\$ 5,045,568,124	172.0	5.49%
2010	211,761,152	4,483,636,367	74,113,190	784,691,724	285,874,342	5,268,328,091	172.0	5.43%
2011	215,604,040	4,591,062,583	59,733,425	739,712,513	275,337,465	5,330,775,096	175.3	5.17%
2012	221,005,620	4,742,031,500	60,511,398	765,238,561	281,517,018	5,507,270,061	183.5	5.11%
2013	223,980,320	4,831,654,250	63,738,973	814,133,088	287,719,293	5,645,787,338	187.0	5.10%
2014	231,213,120	4,997,842,833	67,047,533	886,988,462	298,260,653	5,884,831,295	188.0	5.07%
2015	241,517,630	5,255,368,533	70,595,396	929,769,467	312,113,026	6,185,138,000	192.5	5.05%
2016	255,663,400	5,590,108,917	76,422,037	1,003,959,601	332,085,437	6,594,068,518	202.5	5.04%
2017	272,287,050	6,011,497,833	80,657,786	1,084,262,920	352,944,836	7,095,760,753	217.5	4.97%
2018	288,360,810	6,383,566,917	82,480,297	1,096,330,273	370,841,107	7,479,897,190	217.5	4.96%

Source: Lancaster County Auditor

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN TAX YEARS
(rate per \$1 of assessed value)**

Fiscal Year	School Direct Rates			Overlapping Rates				Total
	School Operating Rate	School Debt Service	Total Direct	Lancaster County	University of South Carolina(A)	City of Lancaster	City of Kershaw	
2009	128.50	43.50	172.00	82.20	3.30	143.50	64.80	465.80
2010	133.50	38.50	172.00	80.90	3.30	143.50	69.30	469.00
2011	136.75	38.50	175.25	83.60	3.40	143.50	70.90	476.65
2012	140.00	43.50	183.50	83.00	3.60	143.50	69.90	483.50
2013	140.00	47.00	187.00	85.10	3.80	149.70	72.10	497.70
2014	145.00	43.00	188.00	90.41	3.95	154.70	75.00	512.06
2015	149.50	43.00	192.50	92.80	4.10	156.90	75.00	521.30
2016	149.50	53.00	202.50	94.30	4.30	164.40	75.00	540.50
2017	149.50	68.00	217.50	91.20	4.30	176.40	77.00	566.40
2018	149.50	68.00	217.50	95.60	4.50	178.50	82.00	578.10

Note: (A) Local levy for University of South Carolina at Lancaster.

The school district may increase millage annually by the lesser of five mills as authorized by Act 179 or the Act 388 limitations.

Source: Lancaster County Auditor

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	December 31, 2017		December 31, 2008	
	Taxable Assessed Value	Percent of District's Total Taxable Value	Taxable Assessed Value	Percent of District's Total Taxable Value
Duke Energy Corporation	\$ 10,524,070	2.84%	\$ 6,916,540	2.50%
The Gillette Company	4,268,406	1.15%	4,165,378	1.50%
Lancaster Hospital Group	4,250,960	1.15%	4,217,070	1.52%
Red Ventures, LLC	2,218,632	0.60%		
Keer America Corp	1,746,247	0.47%		
Lennar Carolinas LLC	1,732,030	0.47%		
Hailes Gold Mine	1,259,795	0.34%		
S&B Charlotte Apartment	1,249,970	0.34%		
Lynches River Electric	1,240,440	0.33%		
Springland Associates, LLC	1,203,490	0.33%	2,258,020	0.81%
Springs Global (A)			6,960,873	2.51%
Pulte Home Corporation			5,101,788	1.84%
Lancaster Telephone Co.			1,726,810	0.62%
Craft Development LLC			1,939,360	0.70%
Lawson Bend LLC			1,692,820	0.61%
LGI Land SC LLC			1,273,300	0.46%
	\$ 29,694,040	8.02%	\$ 36,251,959	13.07%

Note:

* Taxpayers are assessed on January 1, 2017 for the 2018 fiscal year.

** Taxpayers are assessed on January 1, 2008 for the 2009 fiscal year.

Source: Lancaster County Treasurer

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Year	Total Tax Levy for the Fiscal Year	Net Tax Collections		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	\$ 33,096,441	\$30,869,911	93.27%	\$ 1,958,147	\$32,828,058	99.19%
2010	2009	33,513,231	31,342,185	93.52%	1,659,750	33,001,935	98.47%
2011	2010	32,778,823	30,239,000	92.25%	1,954,720	32,193,720	98.21%
2012	2011	35,337,343	33,436,170	94.62%	1,478,246	34,914,416	98.80%
2013	2012	36,375,440	34,630,857	95.20%	1,362,755	35,993,612	98.95%
2014	2013	37,371,998	35,548,973	95.12%	1,567,163	37,116,136	99.32%
2015	2014	39,621,616	37,589,271	94.87%	1,265,870	38,855,141	98.07%
2016	2015	44,283,583	42,101,938	95.07%	1,235,891	43,337,829	97.86%
2017	2016	52,910,940	50,730,576	95.88%	1,191,088	51,921,664	98.13%
2018	2017	53,500,239	51,168,651	95.64%	-	51,168,651	95.64%

Source: Lancaster County Finance Department

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Obligation Bonds	LEAP Bonds	Note Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2009	\$25,590,617	\$70,256,203		\$95,846,820	5.47%	1,263
2010	23,133,499	69,996,450		93,129,949	5.23%	1,198
2011	20,586,381	69,626,697	\$73,625	90,286,703	4.69%	1,149
2012	17,934,263	69,151,944	55,219	87,141,426	4.23%	1,119
2013	29,287,120	61,957,211	36,813	91,281,144	3.94%	1,154
2014	25,149,199	65,026,062	18,406	90,193,667	Not Available	1,121
2015	20,041,278	62,349,052		82,390,330	Not Available	991
2016	20,254,340	59,702,042		79,956,382	Not Available	931
2017	148,479,790	57,050,032		205,529,822	Not Available	2,294
2018	139,183,210	54,373,022		193,556,232	Not Available	2,091

Notes: Details regarding the School District's outstanding debt can be found in the notes to the financial statements. Debt reflected includes debt incurred by Lancaster Education Assistance Program (LEAP).

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Obligation Bonds	LEAP Bonds	Total	Less Debt Service	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value pf Property (A)	Per Capita (B)
2009	\$25,590,617	\$70,256,203	\$95,846,820	\$8,496,059	\$ 87,350,761	1.73%	1,151
2010	23,133,499	69,996,450	93,129,949	8,663,461	84,466,488	1.60%	1,086
2011	20,586,381	69,626,697	90,213,078	8,088,532	82,124,546	1.54%	1,045
2012	17,934,263	69,151,944	87,086,207	9,993,022	77,093,185	1.40%	990
2013	29,287,120	61,957,211	91,244,331	4,985,399	86,258,932	1.53%	1,091
2014	25,149,199	65,026,062	90,175,261	3,876,497	86,298,764	1.47%	1,073
2015	20,041,278	62,349,052	82,390,330	2,429,626	79,960,704	1.29%	962
2016	20,254,340	59,702,042	79,956,382	4,183,421	75,772,961	1.15%	883
2017	148,479,790	57,050,032	205,529,822	7,982,561	197,547,261	2.78%	2,205
2018	139,183,210	54,373,022	193,556,232	10,185,302	183,370,930	2.45%	1,981

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

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

(B) Population data can be found in the Schedule of Demographic Economic Statistics.

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Lancaster County	\$ 40,229,055	100.0%	\$ 40,229,055
City of Lancaster	447,537	100.0%	<u>\$ 447,537</u>
Subtotal, Overlapping Debt			40,676,592
District Direct Debt			<u>193,556,232</u>
Total Direct and Overlapping Debt			<u><u>\$ 234,232,824</u></u>

Source:
Debt outstanding data provided by each governmental unit

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Total Assessed Value at June 30, 2018	<u>\$ 370,841,107</u>
Debt limit - 8% of assessed value	29,667,289
Total amount of debt applicable to debt limit	<u>3,975,000</u>
Legal debt margin	<u>\$ 25,692,289</u>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 22,172,641	\$ 22,869,947	\$ 22,026,997	\$ 22,521,361	\$ 23,017,543	\$ 23,860,852	\$ 24,969,042	\$ 26,566,835	\$ 28,235,587	\$ 29,667,289
Total net debt applicable to limit	-	-	-	-	12,660,000	11,105,000	8,560,000	11,040,000	7,005,000	3,975,000
Legal debt margin	<u>\$ 22,172,641</u>	<u>\$ 22,869,947</u>	<u>\$ 22,026,997</u>	<u>\$ 22,521,361</u>	<u>\$ 10,357,543</u>	<u>\$ 12,755,852</u>	<u>\$ 16,409,042</u>	<u>\$ 15,526,835</u>	<u>\$ 21,230,587</u>	<u>\$ 25,692,289</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	55.00%	46.54%	34.28%	41.56%	24.81%	13.40%

Notes:

Pursuant to the provisions of Section 15 of Article X of the Constitution of the State of South Carolina, the District may borrow that sum of money which is equal to 8% of the last completed assessment of all taxable property located in the District without the necessity of conducting a referendum.

Debt reflected is for the School District and does not include debt incurred by Lancaster Education Assistance Program (LEAP).

Source: Finance Department of Lancaster County School District

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year Ended June 30,	Tax Year Dec. 31,	Lancaster County Estimated Population (1)	Lancaster County Total Personal Income (1)	Lancaster County Per Capita Income (1)	Lancaster County Unemployment Rate (1)	School Enrollment (2)
2009	2008	75,913	\$ 1,752,832	\$ 23,102	11.8%	11,508
2010	2009	77,767	1,822,945	22,897	18.5%	11,401
2011	2010	78,582	1,450,946	25,030	15.8%	11,378
2012	2011	77,908	1,504,248	26,302	12.7%	11,554
2013	2012	79,089	1,588,503	33,439	11.6%	11,581
2014	2013	80,458	1,681,492	34,829	7.7%	11,760
2015	2014	83,160	1,746,609	36,332	6.5%	12,094
2016	2015	85,842	1,883,631	40,067	5.6%	12,420
2017	2016	89,594	2,020,076	40,941	4.5%	12,758
2018	2017	92,550	Not Available	Not Available	4.7%	13,017

Sources:

(1) The information includes totals for Lancaster County and was obtained from South Carolina Division of Research and Statistical Services, South Carolina Employment Security Commission and U.S. Bureau of the Census.

(2) Based on Lancaster County School District 135-day report.

**LANCASTER COUNTY SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	JUNE 30, 2018		JUNE 30, 2009	
	Approximate Numbers of Employees	Percent of District's Total Estimated Employment	Approximate Numbers of Employees	Percent of District's Total Estimated Employment
Red Ventures	1,981	5.06%		
Lancaster County School District	1,800	4.60%	1,604	5.44%
Movement Mortgage	800	2.04%		
Springs Memorial Hospital	642	1.64%	712	2.41%
Cardinal Health	550	1.41%	700	2.37%
Continental Tire	546	1.40%	375	1.27%
Lancaster County	500	1.28%	740	2.51%
Founders Federal Credit Union	408	1.04%		
Nutramax Laboratories	373	0.95%		
Oceana Gold	363	0.93%		
Humana (Kanawha)			450	1.53%
Duracell, U.S.A.			389	1.32%
Walmart			382	1.30%
Springs Global			310	1.05%
Kershaw Correctional Inst.			278	0.94%
Totals	<u>7,963</u>	<u>20.35%</u>	<u>5,940</u>	<u>20.14%</u>

Source: Lancaster County Economic Development Corporation.

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
FULL-TIME EQUIVALENTS (FTE) EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

Function/Program	Full-Time-Equivalent District Employees as of June 30										Percentage Change 2009 - 2018
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Instruction											
Teachers	833	817	739	729	761	763	777	806	846	886	6.36%
Aides	181	178	164	160	163	165	175	180	189	199	9.94%
Total Instruction	<u>1,014</u>	<u>995</u>	<u>903</u>	<u>889</u>	<u>924</u>	<u>928</u>	<u>952</u>	<u>986</u>	<u>1,035</u>	<u>1,085</u>	<u>7.00%</u>
Support Services											
Guidance Counselors	42	35	33	33	33	33	35	36	37	41	-2.38%
Psychologist and Social Workers	12	12	11	11	11	11	12	12	12	13	8.33%
Media Specialists	20	20	20	20	20	20	21	22	22	21	5.00%
Nurses	23	23	23	23	23	24	25	25	25	25	8.70%
Instructional Staff Services	67	64	60	62	59	58	61	63	63	65	-2.99%
Principals	18	18	18	18	18	18	19	19	19	19	5.56%
Assistant Principals	31	30	30	28	32	32	35	36	36	37	19.35%
Instructional Specialists	6	3	3	3	3	3	3	4	5	8	33.33%
Noninstructional Administrators	27	27	27	26	25	26	27	28	30	30	11.11%
General and Finance Administrative Assistants	89	89	87	87	88	88	94	96	101	104	16.85%
Bus Drivers, Bus Aids and Maintenance	92	94	97	98	101	102	108	116	126	126	36.96%
Total Support Services	<u>427</u>	<u>415</u>	<u>409</u>	<u>409</u>	<u>413</u>	<u>415</u>	<u>440</u>	<u>457</u>	<u>476</u>	<u>489</u>	<u>14.52%</u>
Community Services	36	37	38	38	42	20	19	22	21	22	-38.89%
Pupil Activity	-	-	-	-	-	-	-	-	-	-	-
Food Service											
Managers and Clerical	22	23	23	23	23	23	23	24	24	24	9.09%
Cafeteria Staff	105	102	100	100	103	102	101	104	107	107	1.90%
Total Food Service	<u>127</u>	<u>125</u>	<u>123</u>	<u>123</u>	<u>126</u>	<u>125</u>	<u>124</u>	<u>128</u>	<u>131</u>	<u>131</u>	<u>3.15%</u>
Total	<u>1,604</u>	<u>1,572</u>	<u>1,473</u>	<u>1,459</u>	<u>1,505</u>	<u>1,488</u>	<u>1,535</u>	<u>1,593</u>	<u>1,663</u>	<u>1,727</u>	<u>7.67%</u>

Source: Lancaster County School District Accounting Department

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	School Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2009	11,508	\$ 96,098,397	8,351	-0.58%	\$ 110,577,711	\$ 9,609	-4.41%	833	13.82	52%
2010	11,401	95,401,264	8,368	0.21%	109,574,383	9,611	0.02%	817	13.95	54%
2011	11,378	86,687,084	7,619	-8.95%	101,324,327	8,905	-7.34%	739	15.40	55%
2012	11,554	88,182,407	7,632	0.18%	102,936,957	8,909	0.04%	729	15.85	57%
2013	11,581	92,786,835	8,012	4.98%	109,270,570	9,435	5.91%	761	15.22	56%
2014	11,760	95,870,618	8,152	1.75%	110,523,788	9,398	-0.39%	763	15.41	56%
2015	12,094	99,477,073	8,225	0.89%	116,452,831	9,629	2.45%	777	15.56	56%
2016	12,094	105,414,809	8,488	3.20%	123,599,622	10,220	6.14%	806	15.41	55%
2017	12,758	112,312,915	8,803	3.71%	139,014,257	10,896	6.62%	846	15.08	52%
2018	13,017	118,366,421	9,093	3.30%	153,075,747	11,760	7.92%	886	14.69	50%

Notes: Operating expenditures are total expenditures less debt service and capital outlays.

Source: Nonfinancial information from district records.

**LANCASTER COUNTY SCHOOL DISTRICT
TEACHERS BASE SALARIES
LAST TEN FISCAL YEARS**

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary (A)	Statewide Average Salary (B)
2009	\$ 32,706	\$ 69,607	\$ 47,263	\$ 47,004
2010	32,706	69,607	48,221	47,421
2011	32,706	69,607	47,741	47,642
2012	32,706	69,607	47,140	47,050
2013	33,361	71,002	48,481	47,050
2014	33,361	71,002	49,252	48,375
2015	33,361	71,002	49,451	48,930
2016	33,361	71,002	48,763	48,769
2017	34,028	73,146	49,733	49,363
2018	34,028	73,146	49,653	52,152

Source: (A) District records
(B) SC Department of Education

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
CAPITAL ASSET INFORMATION - DETAIL
LAST TEN FISCAL YEARS

<u>School</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Elementary School										
Brooklyn Springs(1962)										
Square feet	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682
Capacity	908	908	908	908	908	908	908	908	908	908
Enrollment	505	440	419	425	446	470	486	496	505	471
Buford(2002)										
Square feet	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity	965	965	965	965	965	965	965	965	965	965
Enrollment	865	816	800	771	745	764	741	719	715	710
Central(1957)										
Square feet	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004
Capacity	238	238	238	238	238	238	238	238	238	238
Enrollment	107	108	108	108	107	106	107	107	108	108
Clinton(1948)										
Square feet	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460
Capacity	671	671	671	671	671	671	671	671	671	671
Enrollment	398	372	372	380	324	347	375	397	403	418
Erwin(1975)										
Square feet	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450
Capacity	629	629	629	629	629	629	629	629	629	629
Enrollment	408	408	451	463	458	446	465	472	453	418
Harrisburg (2014)										
Square feet	-	-	-	-	-	-	92,995	92,995	92,995	92,995
Capacity	-	-	-	-	-	-	980	980	980	980
Enrollment	-	-	-	-	-	-	863	1,010	1,128	1,269
Heath Springs(1954)										
Square feet	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456
Capacity	378	378	378	378	378	378	378	378	378	378
Enrollment	388	396	391	411	404	401	388	375	395	380

**LANCASTER COUNTY SCHOOL DISTRICT
CAPITAL ASSET INFORMATION - DETAIL
LAST TEN FISCAL YEARS**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Indian Land Elem/Mid(1998)										
Square feet	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000
Capacity	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Enrollment	1,090	1,169	1,200	1,309	1,383	1,521	856	906	968	1,103
Kershaw(1952)										
Square feet	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909
Capacity	646	646	646	646	646	646	646	646	646	646
Enrollment	501	486	466	432	450	450	438	420	400	427
McDonald Green(1949)										
Square feet	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914
Capacity	524	524	524	524	524	524	524	524	524	524
Enrollment	487	469	490	481	471	480	513	519	484	459
North(1966)										
Square feet	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763
Capacity	855	855	855	855	855	855	855	855	855	855
Enrollment	644	668	689	698	706	696	666	698	720	701
Southside(1954)										
Square feet	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466
Capacity	315	315	315	315	315	315	315	315	315	315
Enrollment	-	1	-	-	3	-	-	-	-	-
Middle School										
A.R. Rucker(2002)										
Square feet	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capacity	916	916	916	916	916	916	916	916	916	916
Enrollment	511	519	528	543	523	553	538	532	516	547
Andrew Jackson(1984)										
Square feet	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939
Capacity	653	653	653	653	653	653	653	653	653	653
Enrollment	474	482	495	526	513	466	476	461	488	477
Buford(1956)										
Square feet	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041
Capacity	859	859	859	859	859	859	859	859	859	859
Enrollment	449	443	488	494	478	455	431	417	398	412

**LANCASTER COUNTY SCHOOL DISTRICT
CAPITAL ASSET INFORMATION - DETAIL
LAST TEN FISCAL YEARS**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Indian Land(1981)										
Square feet	100,948	100,948	100,948	100,948	100,948	100,948	100,948	100,948	121,108	121,108
Capacity	750	750	750	750	750	750	750	750	1,050	1,050
Enrollment	507	521	535	573	608	662	726	844	947	994
South(1962)										
Square feet	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509
Capacity	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151
Enrollment	639	626	598	591	605	576	529	491	529	557
High School										
Andrew Jackson(1969)										
Square feet	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515
Capacity	788	788	788	788	788	788	788	788	788	788
Enrollment	621	610	615	593	597	605	654	654	633	631
Buford(1993)										
Square feet	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503
Capacity	599	599	599	599	599	599	599	599	599	599
Enrollment	602	588	567	600	609	617	643	636	624	600
Indian Land(2008)										
Square feet	142,657	142,657	142,657	142,657	142,657	142,657	142,657	142,657	142,657	142,657
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	597	639	655	708	759	789	843	881	975	1,049
Lancaster(1993)										
Square feet	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755
Capacity	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749
Enrollment	1,715	1,640	1,511	1,448	1,392	1,356	1,356	1,385	1,369	1,286

LANCASTER COUNTY SCHOOL DISTRICT
CAPITAL ASSET INFORMATION - DETAIL
LAST TEN FISCAL YEARS

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Other										
Lancaster										
Vocational(1964)	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233
Rice Building(1956)	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556
Barr Street(1956)	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849
Learn TV(1993)	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448
Bus Office Buford(2001)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Catawba St. Administrative	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863
Springdale Rd. Maintenance	-	-	-	40,949	40,949	40,949	40,949	40,949	40,949	40,949

Notes:

New Indian Land High School constructed in 2008. Old Indian Land High became new middle school and elementary/middle became Indian Land Elementary.
Springdale Road Maintenance buildings purchased in 2012.

Source: District records.

SINGLE AUDIT SECTION

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1906–1968

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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

Honorable Chairman and Members of
the Board of Trustees of
Lancaster County School District
Lancaster, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lancaster County School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Lancaster County School District's basic financial statements, and have issued our report thereon dated November 1, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lancaster County 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 Lancaster County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lancaster County 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lancaster County 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*.

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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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGuire & Company, LLP

Greenville, South Carolina
November 1, 2018

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

Honorable Chairman and Members of
the Board of Trustees of
Lancaster County School District
Lancaster, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the Lancaster County School District's 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 Lancaster County School District's major federal programs for the year ended June 30, 2018. Lancaster County 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 Lancaster County 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* 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 Lancaster County 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 Lancaster County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Lancaster County 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 major federal programs for the year ended June 30, 2018.

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Report on Internal Control over Compliance

Management of the Lancaster County 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 Lancaster County 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lancaster County 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

McGuire & Company, LLP

Greenville, South Carolina
November 1, 2018

**LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

LEA Subfund Code	Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Expenditures
U.S. Department of Education				
Pass-Through S.C. Department of Education				
Special Education Cluster (IDEA)				
203	Special Education - Grants to States	84.027	FY18	\$ 2,411,872
203	Special Education - Grants to States	84.027	FY17	298,770
205	Special Education - Preschool Grants	84.173	FY18	70,244
205	Special Education - Preschool Grants	84.173	FY17	16,269
839	Extended School Year	84.027	FY18	1,240
839	Extended School Year	84.027	FY17	12,181
Total Special Education Cluster (IDEA)				2,810,576
201	Title I Grants to Local Educational Agencies	84.010	FY18	3,172,257
202	Title I Grants to Local Educational Agencies	84.010	FY17	493,145
238	Title I Grants to Local Educational Agencies	84.010A	FY18	72,811
207	Career and Technical Education -- Basic Grants to States	84.048	FY18	132,101
207	Career and Technical Education -- Basic Grants to States	84.048	FY17	17,925
221	Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	FY18	5,542
221	Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	FY17	1,596
224	Twenty-First Century Community Learning Centers	84.287	FY18	308,490
224	Twenty-First Century Community Learning Centers	84.287	FY17	6,301
243	Adult Education - Basic Grants to States	84.002	FY18	97,126
243	Adult Education - Basic Grants to States	84.002	FY17	4,894
264	English Language Acquisition State Grants	84.365	FY18	25,684
264	English Language Acquisition State Grants	84.365	FY17	38,894
267	Improving Teacher Quality State Grants	84.367	FY18	315,950
267	Improving Teacher Quality State Grants	84.367	FY17	83,269
234	School Improvement Grants	84.377	FY18	101,253
234	School Improvement Grants	84.377	FY17	92,013
809	Fund for the Improvement of Education	84.215	U215J140022	173,347
820	Safe and Drug-Free Schools and Communities - National Programs	84.184	S184M140019-17	302,783
820	Safe and Drug-Free Schools and Communities - National Programs	84.184	S184M140019-16	115,035
Total Pass-Through S.C. Department of Education				8,370,992
Total U.S. Department of Education				8,370,992
U.S. Department of Agriculture - Food and Nutrition Services				
Pass-Through S.C. Department of Education				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	* Commodity Supplemental Food Program	10.555	N/A	483,475
Cash Assistance:				
600	* School Breakfast Program	10.553	N/A	821,578
600	* National School Lunch Program	10.555	N/A	2,968,686
Total Child Nutrition Cluster				4,273,739
Total U.S. Department of Agriculture - Food and Nutrition Services				4,273,739
U.S. Department of Health and Human Services				
Passed Through South Carolina Developmental Disabilities Council				
813/827	* Head Start	93.600	04CH4740	1,904,339
813/827	* Head Start	93.600	04CH4740	99,638
Total U.S. Department of Health and Human Services				2,003,977
U.S. Department of Defense				
Direct Program				
270	JROTC	12.000	N/A	286,975
Total U.S. Department of Defense				286,975
Total Federal Awards Expended				\$ 14,935,683

*Denotes Major Program

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lancaster County 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, Part 200, Uniform Administrative Requirement, Cost Principles, and audit requirements for Federal Awards (uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Part I Summary of Auditors' Results:

Financial Statements

Type of Auditors' Report Issued:

Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified?

☐ Yes ☒ No

Significant Deficiencies Identified That Are Not
Considered To Be Material Weaknesses

☐ Yes ☒ None Reported

Noncompliance Material to Financial Statements Noted

☐ Yes ☒ No

Federal Awards

Internal Control Over Major Federal Programs:

Material Weakness(es) Identified?

☐ Yes ☒ No

Significant Deficiencies Identified That Are Not
Considered To Be Material Weaknesses

☐ Yes ☒ None Reported

Type of Auditors' Report Issued on Compliance for Major
Federal Programs:

Unmodified

Programs Tested as Major Programs:

Program:

CFDA #:

Child Nutrition Cluster
Head Start

10.553, 10.555
93.600

Dollar Threshold used to Distinguish Between
Type A and Type B Programs:

\$750,000

Auditee Qualify as Low-Risk Auditee?

☒ Yes ☐ No

Any Audit Findings Disclosed That are Required To Be
Reported in Accordance With Government Auditing Standards
2 CFR 200.516(a)

☐ Yes ☒ No

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2018**

Part II Findings Related to Financial Statements

Internal Control

None Reported

Compliance and Other Matters

None Reported

Part III Findings Related to Federal Awards

None Reported

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR FISCAL YEAR ENDED JUNE 30, 2018**

Summary of Prior Year Findings

None Reported