

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2019

**ISSUED BY
LANCASTER COUNTY SCHOOL DISTRICT**

**JONATHAN PHIPPS, PhD.
SUPERINTENDENT**

**PREPARED BY
FINANCE DEPARTMENT**

**LANCASTER COUNTY SCHOOL DISTRICT
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COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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INTRODUCTORY SECTION



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, 2019. 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 DarverKelly, 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 the 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 2018-2019 year totaled 13,258 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, NC, 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 11.44% of the county's assessed value. The county's assessed value has grown by 36% over the last ten years and its growth is expected to continue. Residential property, exempt from school operating millage, makes up about 48% 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, MUSC Health Lancaster Med (previously Springs Memorial Hospital), Cardinal Health, Nutramax Laboratories, Keer America, TriNet(HR Consulting) and Continental Tire. International companies in Lancaster County include 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 2019 was 3.60%, down from 4.70% one year ago. The state average for September 2019 was 2.90%.

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 to cover the annual payments due on the District's installment debt. Debt Service millage was decreased in fiscal year 2019 and continues 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 and technology. Presently the District has completed construction on a new elementary school and three new multi-purpose buildings. The District is in the process of constructing a new high school that is scheduled to open in August 2020.

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:

- 85 National Board certified teachers
- S.C. FFA Association Gold Star Chapter
- S.C. FFA Association Governor's Citation
 Buford High FFA Chapter
- S.C. FFA Association's Honorary Degree
- S.C. Association for Physical Education & Sports
Teacher of the Year for High School Physical Education
Level
- 2018 S.C. Class AAA Boys 200-Meter Track State
Championship
- 2018 S.C. Class AAA Girls 400-Meter Track State
Championship
- 2018 S.C. ACDA Honor Choir participants
- 2018 Science P.L.U.S. Institute at Roper Mountain
Science Center
- 2018 SNA Food Services Chopped Contest State
Winners
- 2019 S.C. Junior Scholars
- 2019 Best New Idea with Birthday Baskets to be
published in Food Services Director magazine
- S.C. Commission for the Blind 2019 Braille Challenge
- First Place in Freshman Division
- 2019 S.C. Class AAA Team State Champions
 Indian Land High Wrestling Team
- 2019 S.C. Class AAA 152-lb. Individual Wrestling
State Champion
- 2019 S.C. Class AAA 132-lb. Individual Wrestling
State Champion
- 2019 S.C. Class AAA 106-lb. Individual Wrestling
State Champion
- 2019 S.C. Class AAA 160-lb. Individual Wrestling
State Champion
- 2019 School to Watch Re-Designation
 South Middle
- 2019 SCASL Outstanding School Library Program of
the Year
- 2019 S.C. All-State Chorus
- 2019 S.C. Solo Ensemble Festival Superior Rating
- 2019 National ACDA Honor Choir
- 2019 State High School Festival
 Superior Performance of **Anonymous**
- 2019 State High School Festival Superior Individual
Acting Performance
- 2019 Duke University TIP Program State Recognition
- 2019 Olde English Academic Challenge State Winner
Indian Land High Academic Challenge Team
- 2019 Sons of the American Revolution Brochure
Contest State Winner
- 2019 S.C. Class AAA Relay Track Team State
Championship
Indian Land High Warriors Relay Track Team
- 2019 International Junior Civitan Club of the Year
- 2019 International Junior Civitan Community Project
of the Year
- 2019 International Junior Civitan Largest Per Capita
Donation to CIRC
- 2019 International Junior Civitan Honor Club of
Distinction
- 2019 S.C. Junior Civitan Club of the Year
- 2019 S.C. Junior Civitan Community Project of the
Year
- 2019 S.C. Junior Civitan Environmental Project of the
Year
- 2019 S.C. Junior Civitan Collection Selection
- 2019 S.C. Junior Civitan Claude Wilkes Attendance
Award
- 2019 S.C. Junior Civitan Most Service Hours Award
 Lancaster High Junior Civitan Chapter
- 2019 International Junior Civitan of the Year
- 2019 S.C. Junior Civitan of the Year
- 2019 S.C. Junior Civitan Club President of the Year
- 2019 S.C. Junior Civitan Most Service Hours
- 2019 S.C. Junior Civitan Club Officer of the Year
- 2019 S.C. Junior Civitan Patty Meetze District Officer
Service Award
- 2019 S.C. Junior Civitan Honor Key for District
Governor Service
- 2019 S.C. Junior Civitan Campus Project of the Year
- 2019 S.C. Junior Civitan Largest Overall Contribution
to CIRC
 Lancaster High Junior Civinettes
- 2019 S.C. Junior Civitan Advisor of the Year

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 issued the remaining \$74 million in FY 18-19. The District decreased debt service millage by 3 mills in FY 18-19. In order to continue to serve our students a \$3.37M use of fund balance was budgeted in FY 18-19. Due to conservative budgeting and control of expenditures the District was able to limit use of fund balance to \$2.33M. The District recognizes the need to continue to have 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.

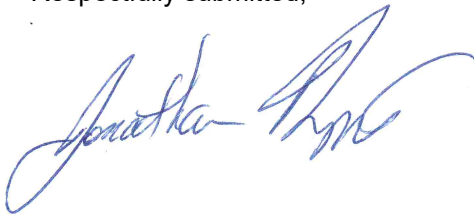
Awards and Acknowledgments

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, 2018. This was the fifteenth 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.

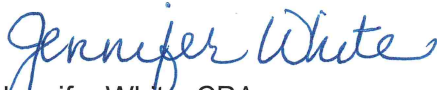
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 office and the Department of Public Information for their assistance. We are especially grateful to our Board of Trustees for its continued support.

Respectfully submitted,



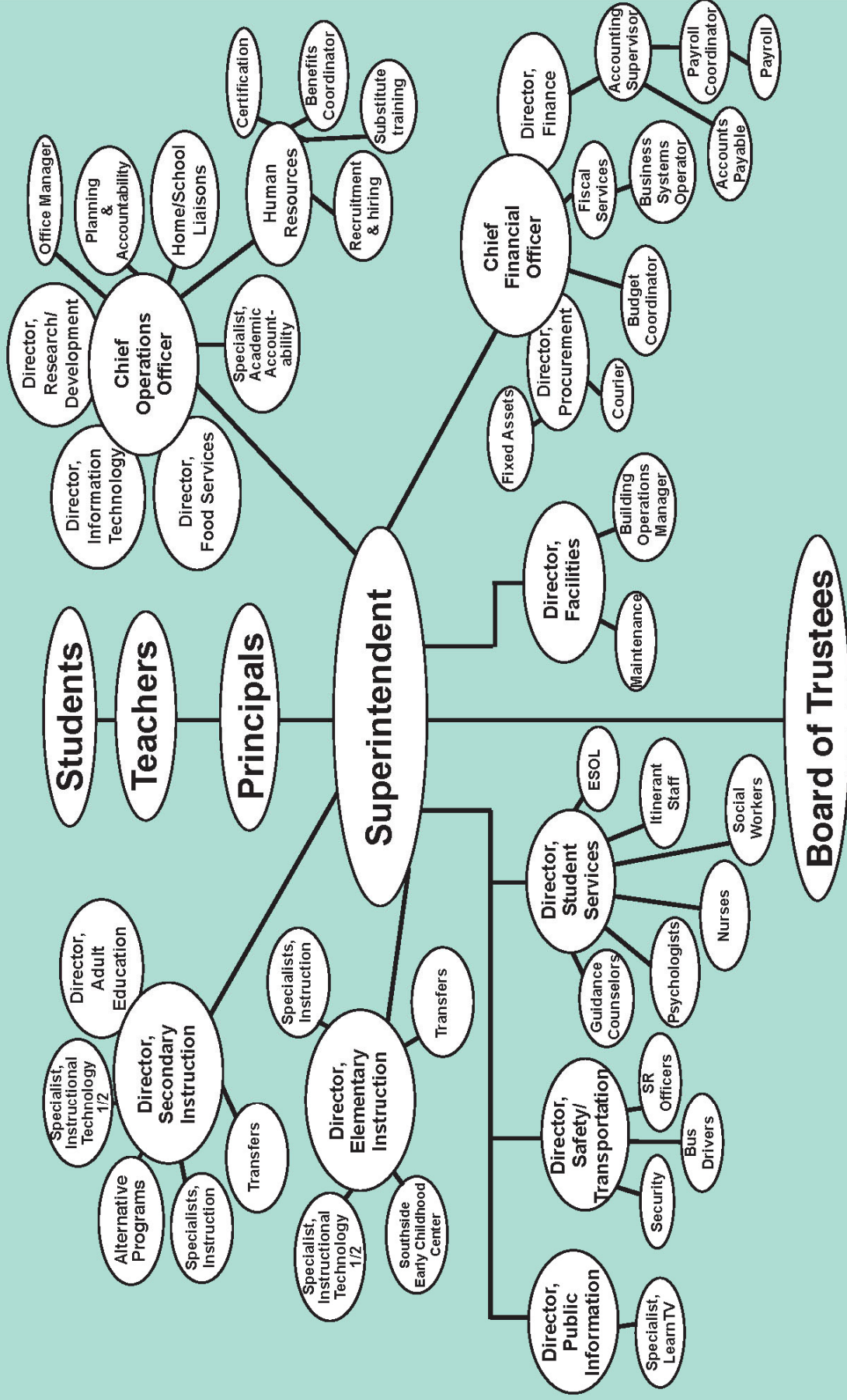
Jonathan Phipps, Ph.D.
Superintendent



Jennifer White, CPA
Chief Financial Officer

Organizational Chart

2018-2019



**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2019**

Board of Trustees

Robert W. "Bobby" Parker, Chair

Tyrom Faulkner, Vice-Chair

Janice C. Dabney, Secretary

Melvin M. Stroble

Margaret E. Gamble

Ken Buck

William "Bill" Sumner, Jr.

Administrative Staff

Jonathan Phipps, Ph.D, Superintendent

Jennifer White, 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, 2018

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

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 units, each major fund, and the aggregate remaining fund information of Lancaster County School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lancaster County School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 units, each major fund, and the aggregate remaining fund information of Lancaster County School District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Greenville, South Carolina 29601
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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 schedule, 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 the schedule of District contributions – SCRHITF on pages 10 through 17 and 61 through 65 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 Lancaster County School District's basic financial statements. The combining and individual nonmajor fund financial statements, and statistical tables and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are 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 is the responsibility of management and was derived from and relates 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 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 13, 2019 on our consideration of 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 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 Lancaster County School District's internal control over financial reporting and compliance.



Greenville, South Carolina
November 13, 2019

Lancaster County School District Management's Discussion and Analysis Year Ended June 30, 2019

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, 2019. 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 2018-2019 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, 2019, yielding a negative net position of approximately \$(123.47) million. The main factor for the net position deficit was the recognition of the District's proportionate share of the net pension and OPEB liabilities as required by Generally Accepted Accounting Principles. The total net pension liability reported this year for the primary government was \$151.63 million and the total net OPEB liability was \$119.15 million. The net pension liability was required to be allocated proportionately among the District's governmental and business-type activities in the amounts of \$147.88 million and \$3.74 million, respectively, at June 30, 2019. The net OPEB liability was also required to be allocated proportionately among the District's governmental and business-type activities in the amounts of \$116.21 million and \$2.94 million, respectively, at June 30, 2019.
- 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, and 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, 2019, 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 GASB 68 can be found in Note 9 of the financial statements.
- The District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in 2018 to improve on accounting and reporting of other post-employment benefits that governments provide to their employees. This was a mandatory requirement for years beginning after June 15, 2017. GASB 75 required the District to recognize a net Other Post-Employment Benefits (OPEB) liability for its participation in the South Carolina Retiree Health Care Plan, a cost-sharing multiple-employer defined benefit OPEB plan ("OPEB Plan"), on the Statement of Net Position, and OPEB expense on its Statement of Activities for the year ending June 30, 2019. These amounts are based on the actuarial calculation of future OPEB benefits performed by the SC Public Employee Benefit Authority (PEBA). 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 \$1.07 million. Changes to total assets included an increase of \$84.85 million. This includes a \$26.13 million increase in due from county due to the March 2019 sale of referendum bonds, a \$46.92 increase in buildings and improvements due to completion of Van Wyck Elementary and several multipurpose buildings, and an increase of \$11.79 million in construction in progress due to other ongoing capital improvements.
- Total liabilities increased by \$84.98 million. This includes a \$0.65 million increase in accounts payable, accrued salaries and payroll related liabilities. Retainage payable increased by \$0.80 million due to increased construction in the District. The District's pension and OPEB liabilities increased by \$83.12 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$132.49 million, an increase of approximately \$23.82 million as capital project funds increased and debt service reserve increased during the year. Approximately 14.90% of this total amount, \$19.74 million is unassigned.

- The unassigned fund balance for the general fund was \$19,737,582 or 78.03% of the general fund total fund balance. This represents a \$4,485,560 decrease 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, deferred outflows of resources, liabilities and deferred inflows of resources, 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 page 28.

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 governmental funds financial statements can be found beginning on page 20 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 Governmental Funds to the Statement of Net Position" and the "Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities" to help explain the relationship (or differences) between them. The governmental fund basic financial statements can be found beginning on page 20 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 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 28-60 of this report.

Required supplementary information is included concerning the District's budget and pension 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 61 of this report. In addition, the schedules on pages 62-65 of this report are included to provide additional information related to the District's proportionate share of the net pension liability.

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 liability, the District's net position was a deficit. The District's net deficit was less on June 30, 2019, than it was the year before, decreasing to \$(123,465,713), (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 \$882,025 to \$(120,143,990). The net position of the District's business-type activities decreased \$185,704 to \$(3,321,723).

Figure A-1

Condensed Statement of Net Position (Deficit)

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
Current Assets	\$135,605,116	\$161,096,701	\$1,300,696	\$934,348	\$136,905,812	\$162,031,049
Capital Assets	197,115,570	256,340,351	1,431,336	1,934,423	198,546,906	258,274,774
Total Assets	332,720,686	417,437,052	2,732,032	2,868,771	335,452,718	420,305,823
Deferred Outflows	32,648,439	33,668,220	773,575	779,732	33,422,014	34,447,952
Total Current Liabilities	25,661,344	27,531,580	27,541	18,288	25,688,885	27,549,868
Total Noncurrent Liabilities	450,160,419	533,301,416	6,707,704	6,688,141	456,868,123	539,989,557
Total Liabilities	475,821,763	560,832,996	6,735,245	6,706,429	482,557,008	567,539,425
Deferred Inflows	10,573,377	10,416,266	277,789	263,797	10,851,166	10,680,063
Net Position (Deficit)						
Net Investment in Capital Assets	80,352,310	89,251,079	1,431,336	1,934,423	81,783,646	91,185,502
Restricted	81,041,454	107,191,697	-	-	81,041,454	107,191,697
Unrestricted	(282,419,779)	(316,586,766)	(4,938,763)	(5,256,146)	(287,358,542)	(321,842,912)
Total Net Position (Deficit)	<u>(121,026,015)</u>	<u>(120,143,990)</u>	<u>(3,507,427)</u>	<u>(3,321,723)</u>	<u>(124,533,442)</u>	<u>(123,465,713)</u>

The District's financial position is the product of many factors. Cash/Cash Equivalents and Investments decreased by \$122,291 due to expenditures necessary to meet District priorities. Property Taxes Receivable increased by \$208,716 over the prior year for a total of \$3,759,388. Due from County Government increased by \$26,133,670 to \$115,763,912 due to the sale of the remaining approved referendum bonds in March 2019. There was a net increase of \$59,727,868 in Capital Assets, largely due to the construction of new buildings. Current liabilities increased by \$1,860,983. Accounts Payable decreased by \$499,295 and Accrued Salaries and Payroll Related Liabilities increased by \$1,144,611. Accrued Interest Payable increased by \$568,162. Noncurrent Liabilities increased by \$83,121,434. Net Pension Liability increased by \$1,930,964 and Net OPEB liability increased by \$6,824,267.

Changes in Net Position:

The District's total revenues for the fiscal year ended June 30, 2019, were \$163,708,595 (see figure A-2). Property taxes accounted for 35.58% of the District's revenue. Operating and Capital Grants accounted for 50.88%, with the remaining 13.54% 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, 2019 was \$162,640,866 (see figure A-2). The District's expenses are predominantly related to instruction (51.41%). The District's support services accounted for 39.40% and business activities accounted for 3.67% of total cost. Community services, pupil activities, intergovernmental and interest on long-term debt made up the remaining 5.52%.

Governmental activities increased over the prior year by \$882,025 while business-type activities increased by \$185,704. Total revenues surpassed expenses increasing net position by \$1,067,729.

Figure A-2 Condensed Changes in Net Position from Operating Results						
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
Program Revenues						
Charges for Services	\$ 30,645	\$ 26,367	\$ 1,650,510	\$ 1,664,554	\$ 1,681,155	\$ 1,690,921
Operating Grants	75,724,387	78,430,902	4,274,170	4,210,296	79,998,557	82,641,198
Capital Grants	-	-	190,290	659,667	190,290	659,667
General Revenues						
Property Taxes	54,999,198	58,260,523	-	-	54,999,198	58,260,523
Unrestricted Grants	16,223,057	16,732,516	-	-	16,223,057	16,732,516
Other	5,151,726	3,730,614	-	(6,844)	5,151,726	4,104,025
Total Revenues	152,129,013	157,180,922	6,114,970	6,527,673	158,243,983	163,708,595
Program Expenses						
Instructional	78,696,180	83,715,504			78,696,180	83,715,504
Support Services	60,238,631	64,083,925			60,238,631	64,083,925
Food Service	-	-	5,647,730	5,968,558	5,647,730	5,968,558
Other	8,493,206	8,872,879			8,493,206	8,872,879
Total Expenses	147,428,017	156,672,308	5,647,730	5,968,558	153,075,747	162,640,866
Excess (Deficiency)						
Before Transfers	4,700,996	508,614	467,240	559,115	5,168,236	1,067,729
Transfers In/(Out)	347,745	373,411	(347,745)	(373,411)	-	-
Changes in Net Position	5,048,741	882,025	119,495	185,704	5,168,236	1,067,729
Net Position, Beginning of Year	(126,074,757)	(121,026,015)	(3,626,922)	(3,507,427)	(129,701,679)	(124,533,442)
Net Position, Ending of Year	(121,026,015)	(120,143,990)	(3,507,427)	(3,321,723)	(124,533,442)	(123,465,713)

Governmental Activities:

For the District's governmental activities, revenues and transfers-in exceeded expenses by \$882,025. Revenues totaled \$157,180,922, transfers in totaled \$373,411 and expenses totaled \$156,672,308 for the year ended June 30, 2019 (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 18	FY 19	FY 18	FY 19
Instruction	\$ 78,696,180	\$ 83,715,504	(\$ 48,645,652)	(\$ 53,125,357)
Support Services	60,238,631	64,083,925	(15,136,207)	(16,782,729)
Community Services	1,590,894	1,562,678	(988,814)	(996,752)
Pupil Activity	244,546	239,777	(244,546)	(239,777)
Interest & Other Charges	6,657,766	7,070,424	(6,657,766)	(7,070,424)
Total	<u>147,428,017</u>	<u>156,672,308</u>	<u>(71,672,985)</u>	<u>(78,215,039)</u>

Business-Type Activities:

Revenues of the District's business-type activities exceeded expenses and transfers-out by \$185,704. Revenues totaled \$6,527,673 while expenses and transfers-out totaled \$6,341,969 for the year ended June 30, 2019 (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 \$132,488,030. This was an increase of \$23,820,631 from last year's ending fund balances of \$108,667,399.

Approximately \$19,737,582 or 14.90% 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:

\$ 89,108	assigned for encumbrances
5,460,939	assigned for subsequent year's expenses
8,704	non-spendable prepaid items
12,774,776	restricted for debt service
94,416,921	restricted for capital projects

The general fund is the principal operating fund of the District. The general fund balance showed a decrease of \$2,329,612. The debt service-district fund balance showed an increase of \$2,589,474. The capital projects-district showed an increase of \$23,560,769.

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 \$(3,321,723). This was an increase of \$185,704 from last year's ending net position of \$(3,507,427).

General Fund Budgetary Highlights:

In building the District's budget for FY 2018-2019, 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 11.37% for an operating mill value of \$172,188 up \$17,575 from the prior year mill value of \$154,613. Budgeted expenses included a step increases in payroll for all employees where eligible. There was a 1% state mandated salary increase for FY 2019. Hourly, classified and administrative salary schedules also included a 1% increase for FY 2019. School budget allocations were fully funded according to the District's funding formula. The use of \$3.37 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 8.46% and state revenues were estimated to increase by 3.10%. The state increase included additional estimated funding based on student growth. Overall budgeted revenues and transfers were \$107.24 million and budgeted expenditures and transfers were \$110.61 million with \$3.37 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 2019. These revisions included an increase of \$1.47 million in revenue for a revised amount of \$104.79 million and an increase of \$1.64 million in expenditures for a revised amount of \$112.25 million. A \$332,575 increase in the use of fund balance to \$3.70 million was also included in the mid-year budget revision.

Capital Assets and Debt Administration

Capital Assets:

By the end of 2019, the District had invested \$347,330,825 in capital assets, including school buildings and facilities, vehicles, furniture, furnishings and equipment. Total depreciation expense for the year was \$7,338,014. The following schedule (figure A-4), presents capital asset balances net of depreciation for the fiscal year ended June 30, 2019.

Figure A-4		Capital Assets (Net of Depreciation)				
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
Land	\$10,327,453	\$10,319,853	\$ -	\$ -	\$10,327,453	\$10,319,853
Buildings & Improvements	120,877,415	167,800,373	-	-	120,877,415	167,800,373
Furniture & Equipment	6,639,864	7,155,441	1,431,336	1,934,423	8,071,200	9,089,864
Construction in Progress	59,270,838	71,064,684	-	-	59,270,838	71,064,684
Total Cost	<u>197,115,570</u>	<u>256,340,351</u>	<u>1,431,336</u>	<u>1,934,423</u>	<u>198,546,906</u>	<u>258,274,774</u>

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 \$197,895,000 in general obligation bonds debt outstanding (see figure A-5), of which \$2,595,000 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 \$31,094,746 of which \$2,340,000 was outstanding at June 30, 2019 leaving an available balance of \$28,754,746. 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, 2018 Balance	Additions to (Reductions in) Principal	June 30, 2019 Balance	Amount Due Within One Year
General Obligation Bonds	\$129,025,000	\$68,870,000	\$197,895,000	\$2,595,000
LEAP Installment Bonds	50,105,000	(2,265,000)	47,840,000	5,215,000

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

In the FY 2019-2020 operating budget, the District balanced revenues with the use of \$5,460,939 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, 2019 was \$25,296,333 or 20.83% of the \$121,426,054 budgeted expenses for FY 2019-2020. Unassigned general fund equity, available after the budget for FY2020 was balanced, totaled \$19,737,582 or 16.25% of budgeted expenses.

The budget included a local tax millage increase of five mills for a total operating millage of 159.5 mills. This millage increase generated an estimated \$886,765 in additional tax revenues. Growth in the mill value of 3.00% to \$177,353, gave us increased estimates for local tax revenues by approximately \$2,199,758. State tax reimbursements and state revenues are estimated to increase by approximately \$3,744,866 as well for FY 2019-2020.

The state base student cost used for the FY 2018-2019 budget was \$2,485 and the estimated base student cost for FY 2019-2020 was budgeted at \$2,489. This was an increase of .16% or \$4 in base student cost.

Overall general fund budgeted expenses for FY 2019-2020 increased by \$8,942,757. For salaries and fringe benefits, the FY 2019-2020 budget increased by \$7,045,333. Operations increased by \$1,687,207 or 18.54% mostly due to an increase in the District's cleaning contract and to cover added expenses for additional buildings. Budgets for school allocations increased by 6.11% while District Office and Board of Trustees budgets were decreased by 8.92%. 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 referendum for the purpose of constructing a new high school, a new elementary school, three new multipurpose buildings and 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 were issued during FY 18-19. A new elementary school opened in August 2018, two new multipurpose buildings opened in December 2018 and the third multipurpose building opened in the summer of 2019. Construction on the new high school began in March 2018 and is scheduled to be completed in July 2020. 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, 2019

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash & Cash Equivalents	\$ 9,446,516	\$ 1,715,308	\$ 11,161,824	\$ -
Investments	27,506,213	-	27,506,213	-
Property Tax Receivable	3,759,388	-	3,759,388	-
Internal Balances	903,343	(903,343)	-	-
Due from Pupil Activities	495,503	-	495,503	-
Due From County Government	115,763,912	-	115,763,912	-
Due From State Government	291,554	-	291,554	-
Due From Federal Government	1,719,952	42,576	1,762,528	-
Due From Other Governmental Units	964,086	-	964,086	54,000
Prepaid Expenses	8,704	-	8,704	-
Inventories - Supplies & Materials	-	79,807	79,807	-
Other Receivables	237,530	-	237,530	-
Capital Assets (Net of Accumulated Depreciation)				
Land	10,319,853	-	10,319,853	-
Buildings & Improvements	167,800,373	-	167,800,373	-
Equipment	7,155,441	1,934,423	9,089,864	-
Construction in Progress	71,064,684	-	71,064,684	-
Total Assets	\$ 417,437,052	\$ 2,868,771	\$ 420,305,823	\$ 54,000
Deferred Outflows of Resources				
Net Pension Deferred Outflows	11,887,712	301,063	12,188,775	-
Net OPEB Deferred Outflows	3,628,994	91,906	3,720,900	-
Unamortized Loss on Refunding - Debt Defeasance	2,879,875	-	2,879,875	-
Employer Contributions Subsequent to Measurement Date	15,271,639	386,763	15,658,402	-
Total Deferred Outflows of Resources	\$ 33,668,220	\$ 779,732	\$ 34,447,952	\$ -
Liabilities				
Accounts Payable	\$ 8,610,237	\$ -	\$ 8,610,237	\$ 48,240
Accrued Salaries	5,238,913	-	5,238,913	-
Accrued Payroll Related Liabilities	6,087,194	-	6,087,194	-
Due to Federal Government	54,909	-	54,909	-
Bonds Payable	1,010,000	-	1,010,000	-
Retainage Payable	2,509,692	-	2,509,692	-
Unearned Revenue	1,552,708	18,288	1,570,996	5,760
Accrued Interest Payable	2,467,927	-	2,467,927	-
Noncurrent Liabilities:				
Net Pension Liability	147,879,979	3,745,140	151,625,119	-
Net OPEB Liability	116,206,824	2,943,001	119,149,825	-
Due Within One Year	10,084,026	-	10,084,026	-
Due in More Than One Year	259,130,587	-	259,130,587	-
Total Liabilities	\$ 560,832,996	\$ 6,706,429	\$ 567,539,425	\$ 54,000
Deferred Inflows of Resources				
Net Pension Deferred Inflows	909,351	23,030	932,381	-
Net OPEB Deferred Inflows	9,506,915	240,767	9,747,682	-
Total Deferred Inflows of Resources	\$ 10,416,266	\$ 263,797	\$ 10,680,063	\$ -
Net Position				
Net Investment in Capital Assets	89,251,079	1,934,423	91,185,502	-
Restricted For:				
Debt Service Program	12,774,776	-	12,774,776	-
Capital Projects	94,416,921	-	94,416,921	-
Net Position - Unrestricted	(316,586,766)	(5,256,146)	(321,842,912)	-
Total Net Position	\$ (120,143,990)	\$ (3,321,723)	\$ (123,465,713)	\$ -

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, 2019**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-Type Activities	Total	
Governmental Activities:							
Instruction	\$ 83,715,504	\$ -	\$ 30,590,147	\$ -	\$ (53,125,357)	\$ (53,125,357)	
Support Services	64,083,925	26,367	47,274,829	-	(16,782,729)	(16,782,729)	
Community Service	1,562,678	-	565,926	-	(996,752)	(996,752)	
Pupil Activity	239,777				(239,777)	(239,777)	
Interest & Other Charges	7,070,424	-	-	-	(7,070,424)	(7,070,424)	
Total Governmental Activities	156,672,308	26,367	78,430,902	-	(78,215,039)	(78,215,039)	
Business-Type Activities:							
Food Service	5,968,558	1,649,607	4,225,243	659,667	-	565,959	565,959
Total Business-Type Activities	5,968,558	1,649,607	4,225,243	659,667	-	565,959	565,959
Total Primary Government	\$162,640,866	\$1,675,974	\$ 82,656,145	\$ 659,667	\$ (78,215,039)	\$ 565,959	\$ (77,649,080)
Component Units:							
Charter School	\$ 981,690	\$ -	\$ 981,690	\$ -			\$ -
General Revenues:							
Property Taxes Levied For:							
General Purposes							
Debt Service							
State Aid Not Restricted For Specific Purpose							
Unrestricted Investment Earnings							
Miscellaneous							
Loss on Sales and Disposals of Capital Assets							
Transfers							
Total General Revenues and Transfers							
Change in Net Position							
Net Position, Beginning of Year							
Net Position, Ending of Year							

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

LANCASTER COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	
Assets						
Cash & Cash Equivalents	\$ 9,446,516	\$ -	\$ -	\$ -	\$ -	\$ 9,446,516
Investments	27,506,213	-	-	-	-	27,506,213
Property Tax Receivable, Net	2,695,707	-	-	1,063,681	-	3,759,388
Due From Other Funds	5,404,849	-	909,658	-	-	6,314,507
Due From County Government	1,753,682	-	-	12,683,603	101,326,627	115,763,912
Due From State Government	8,509	185,568	97,477	-	-	291,554
Due From Federal Government	-	1,719,952	-	-	-	1,719,952
Due From Other Governmental Units	961,390	2,696	-	-	-	964,086
Prepaid Items	8,704	-	-	-	-	8,704
Other Receivables	19,617	200,275	-	-	17,638	237,530
Total Assets	\$ 47,805,187	\$ 2,108,491	\$ 1,007,135	\$ 13,747,284	\$ 101,344,265	\$ 166,012,362

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities						
Accounts Payable	8,610,237	-	-	-	-	8,610,237
Accrued Salaries	5,238,913	-	-	-	-	5,238,913
Accrued Payroll Related Liabilities	6,087,194	-	-	-	-	6,087,194
Due To Other Funds	-	1,511,834	-	-	3,403,827	4,915,661
Due to Federal Government	-	54,909	-	-	-	54,909
Bonds Payable	-	-	-	-	1,010,000	1,010,000
Retainage Payable	-	-	-	-	2,509,692	2,509,692
Unearned Revenue	-	541,748	1,007,135	-	3,825	1,552,708
Total Liabilities	19,936,344	2,108,491	1,007,135	-	6,927,344	29,979,314
Deferred Inflows of Resources						
Unavailable Tax Revenues	2,572,510	-	-	972,508	-	3,545,018
Total Deferred Inflows of Resources	2,572,510	-	-	972,508	-	3,545,018
Fund Balances						
Non-Spendable	8,704	-	-	-	-	8,704
Restricted	-	-	-	12,774,776	94,416,921	107,191,697
Assigned	5,550,047	-	-	-	-	5,550,047
Unassigned	19,737,582	-	-	-	-	19,737,582
Total Fund Balances	25,296,333	-	-	12,774,776	94,416,921	132,488,030
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 47,805,187	\$ 2,108,491	\$ 1,007,135	\$ 13,747,284	\$ 101,344,265	\$ 166,012,362

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, 2019**

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

Total Governmental Fund Balances	\$ 132,488,030
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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	\$ 343,344,211	
Accumulated Depreciation	<u>(87,003,860)</u>	256,340,351

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.	20,372,079
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Deferred Outflows resulting from the loss on debt defeasance are not current financial resources and, therefore, are not reported in the funds.	2,879,875
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Certain unearned revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities. <i>This is the additional amount of taxes receivable recognized under the accrual basis.</i>	3,545,018
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Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Long Term Debt	(245,735,000)	
Net OPEB Liability	(116,206,824)	
Net Pension Liability	(147,879,979)	
Bond Premiums, Net of Amortization	(22,174,585)	
Compensated Absences	(1,305,028)	
Accrued Interest Payable	<u>(2,467,927)</u>	<u>(535,769,343)</u>

Net Position of Governmental Activities:	<u>\$ (120,143,990)</u>
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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, 2019

	Special Revenue					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service	Debt Service LEAP	
Revenues						
Taxes Levied/Assessed by the LEA	\$ 28,713,898	\$ -	\$ -	\$ 24,037,037	\$ -	\$ 52,750,935
Revenue From Local Governmental Units Other Than LEAs	3,617,374	-	-	1,523,335	-	5,140,709
Tuition	25,932	434	-	-	-	26,366
Earnings on Investments	540,731	-	-	13,286	-	1,432,005
Other Revenue from Local Sources	700,102	1,358,791	-	-	-	1,986,022
						3,266,156
Total Local	33,598,037	1,359,225	-	25,573,658	-	63,170,188
State Sources	70,871,606	2,172,389	8,314,112	1,524,724	-	82,882,831
Federal Sources	-	10,759,024	-	-	-	10,759,024
Total Revenues	\$ 104,469,643	\$ 14,290,638	\$ 8,314,112	\$ 27,098,382	\$ -	\$ 156,812,043
Expenditures						
Current:						
Instruction	66,745,970	7,986,766	2,973,630	-	-	77,706,366
Support Services	43,172,416	4,506,860	1,464,730	-	-	53,305,560
Community Services	-	1,451,713	-	-	-	1,451,713
Intergovernmental	874,075	-	-	-	-	874,075
Debt Service:						
Redemption of Principal	-	-	-	5,130,000	2,265,000	7,395,000
Interest	-	-	-	5,378,908	2,009,514	7,397,922
Capital Outlay	68,080	72,609	220,790	-	-	68,022,754
Total Expenditures	\$ 110,860,541	\$ 14,017,948	\$ 4,659,150	\$ 10,508,908	\$ 4,274,514	\$ 216,153,390
Excess of Revenues Over (Under) Expenditures	(6,390,898)	272,690	3,654,962	16,589,474	(4,274,514)	(59,341,347)
Other Financing Sources (Uses)						
Premiums on Bonds Sold	-	-	-	-	-	8,968,344
Issuance of Debt	-	-	-	-	-	74,000,000
Sale of Fixed Assets	-	-	-	-	-	60,000
Transfers In	4,301,063	305,737	-	-	4,274,514	19,600,753
Transfers Out	(239,777)	(578,427)	(3,654,962)	(14,000,000)	-	(19,467,119)
Total Other Financing Sources (Uses)	4,061,286	(272,690)	(3,654,962)	(14,000,000)	4,274,514	83,161,978
Net Change in Fund Balances	\$ (2,329,612)	\$ -	\$ -	\$ 2,589,474	\$ -	\$ 23,820,631
Fund Balance, Beginning of Year	27,625,945	-	-	10,185,302	-	108,667,399
Fund Balance, Ending of Year	\$ 25,296,333	\$ -	\$ -	\$ 12,774,776	\$ -	\$ 132,488,030

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, 2019

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

Net Change in Fund Balances - Total Governmental Funds \$ 23,820,631

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	\$ (7,144,004)	
Capital Outlay	66,531,676	59,387,672

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	7,395,000	
Proceeds from Long-Term Debt	(74,000,000)	(66,605,000)

Governmental funds report the effect of 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 premium amortization, and change in loss on defeasance amortization.*

Change in Amortization of Bond Premiums	(7,748,353)	
Change in Amortization of Loss on Defeasance of Debt	(324,331)	(8,072,684)

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. (162,890)

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. 368,879

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	(1,305,028)	
Compensated Absences - End of Prior Year	1,292,178	(12,850)

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	(22,545,210)	
Current Contributions to Retirement and OPEB Systems	15,271,639	(7,273,571)

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	(2,467,927)	
Accrued Interest - End of Prior Year	1,899,765	(568,162)

Change in Net Position of Governmental Activities \$ 882,025

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, 2019**

Assets	
Current Assets	
Cash & Cash Equivalents	\$ 1,715,308
Due From Federal Government	42,576
Prepaid Expenses	5,102
Inventories - Supplies & Materials	<u>79,807</u>
Total Current Assets	<u>1,842,793</u>
Property, Plant and Equipment, Net	<u>1,934,423</u>
Total Assets	<u><u>\$ 3,777,216</u></u>
Deferred Outflows of Resources	
Net Pension Deferred Outflows	301,063
Net OPEB Deferred Outflows	86,804
Employer Contributions Subsequent to Measurement Date	<u>386,763</u>
Total Deferred Outflows of Resources	<u><u>\$ 774,630</u></u>
Liabilities	
Current Liabilities	
Due To Other Funds	903,343
Unearned Revenue	<u>18,288</u>
Total Current Liabilities	<u>921,631</u>
Long Term Liabilities	
Net Pension Liability	3,745,140
Net OPEB Liability	<u>2,943,001</u>
Total Long Term Liabilities	<u>6,688,141</u>
Total Liabilities	<u><u>\$ 7,609,772</u></u>
Deferred Inflows of Resources	
Net Pension Deferred Inflows	23,030
Net OPEB Deferred Inflows	<u>240,767</u>
Total Deferred Inflows of Resources	<u><u>\$ 263,797</u></u>
Net Position	
Investment in Capital Assets	1,934,423
Unrestricted	<u>(5,256,146)</u>
Total Net Position	<u><u>\$ (3,321,723)</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 REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities Enterprise Fund - Food Service
Operating Revenues	
Proceeds from Sales of Meals	\$ 1,649,607
Total Operating Revenues	<u>1,649,607</u>
Operating Expenses	
Food Costs	2,786,678
Salaries & Employee Benefits	2,607,806
Supplies & Materials	268,047
Depreciation	194,010
Other Operating Costs	112,017
Total Operating Expenses	<u>5,968,558</u>
Operating Income (Loss)	<u>(4,318,951)</u>
Non-Operating Revenues (Expenses)	
USDA Reimbursements	3,770,278
Commodities Received from USDA	428,786
Other Federal & State Aid	11,000
Interest Income	232
Other Local Revenues	14,947
Loss on Disposal of Capital Assets	(6,844)
Total Non-Operating Revenues	<u>4,218,399</u>
Net Income Before Transfers	(100,552)
Capital Contributions	659,667
Transfers In (Out)	<u>(373,411)</u>
Change in Net Position	185,704
Net Position, Beginning of Year	<u>(3,507,427)</u>
Net Position, Ending of Year	<u><u>\$ (3,321,723)</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, 2019**

	Enterprise Fund - Food Service
Cash Flows from Operating Activities	
Cash Received from Patrons	\$ 1,658,366
Cash Payments to Suppliers for Goods and Services	(3,143,696)
Cash Payments to Employees for Services	<u>(2,647,518)</u>
Net Cash Used in Operating Activities	<u>(4,132,848)</u>
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	4,191,299
Transfers From (To) Other Funds	<u>(134,924)</u>
Net Cash Provided by Noncapital Financing Activities	<u>4,056,375</u>
Cash Flows from Capital and Related Financing Activities	
Capital Contributions	659,667
Net Proceeds from the Disposition of Capital Assets	2,601
Acquisitions of Capital Assets	<u>(706,542)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(44,274)</u>
Cash Flows from Investing Activities	
Interest Received	<u>232</u>
Net Cash Provided by Investing Activities	<u>232</u>
Net Increase in Cash and Cash Equivalents	(120,515)
Cash and Cash Equivalents at Beginning of Year	<u>1,835,823</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,715,308</u></u>
Operating Income (Loss)	(4,318,951)
Adjustments to Reconcile Operating Income (Loss) To	
Net Cash (Used) by Operating Activities:	
Depreciation	194,010
Change in Assets and Liabilities:	
Decrease in Accounts Receivable	8,759
Decrease in Inventory	8,099
Decrease in Net OPEB Liability	(64,270)
Increase in Net Pension Liability	<u>24,558</u>
Net Cash Used in Operating Activities	<u><u>\$ (4,147,795)</u></u>
Supplemental Information:	
Capital Assets Contributed to Food Service from Other Funds	\$ 659,667
Non-Cash Commodities Received	428,786

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, 2019**

	Agency Fund Pupil Activity
Assets	
Cash & Cash Equivalents	\$ 1,196,115
Investments	1,064,546
Other Receivables	<u>2,795</u>
Total Assets	<u><u>\$ 2,263,456</u></u>
Liabilities	
Due To School District	495,503
Due to Pupil Activities	<u>1,767,953</u>
Total Liabilities	<u><u>\$ 2,263,456</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 13,000 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. Lancaster Education Assistance Program, Inc. does not issue separate audited financial statements.

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, 2019.

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 the non-fiduciary activities of the District (the primary government) and its component units. Generally, 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.

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 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, 2019, 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, 2019, the District's assigned fund balance in the General Fund consists of subsequent year expenditures and encumbered operating school expenditures in the amounts of \$5,460,939 and \$89,108, 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 the risk for the above.

Tax Abatements

Generally Accepted Accounting Principles 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. See Note 17 for detailed information regarding the District's tax abatement agreements.

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, 2019, the District had \$213,027 and \$292 in excess expenditures over appropriations for instructional and intergovernmental functions, respectively. These expenditures were deemed necessary in order to support the objectives of the District.

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, 2019, 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	\$ 28,570,759	Less than 1 year

The total above includes investments in the General Fund and Pupil Activity Fund in the amounts of \$27,506,213 and \$1,064,546, 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, 2019, 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, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 10,327,453	\$ -	\$ (7,600)	\$ 10,319,853
Construction in Progress	59,270,838	64,574,112	(52,780,266)	71,064,684
Total Capital Assets Not Being Depreciated	69,598,291	64,574,112	(52,787,866)	81,384,537
Capital Assets Being Depreciated:				
Buildings and Improvements	194,507,548	52,965,760	(102,048)	247,371,260
Furniture and Equipment	13,131,109	1,772,070	(314,765)	14,588,414
Total Capital Assets Being Depreciated	207,638,657	54,737,830	(416,813)	261,959,674
Less: Accumulated Depreciation For:				
Buildings and Improvements	(73,630,133)	(5,996,462)	55,708	(79,570,887)
Furniture and Equipment	(6,491,245)	(1,147,542)	205,814	(7,432,973)
Total Accumulated Depreciation	(80,121,378)	(7,144,004)	261,522	(87,003,860)
Total Capital Assets Being Depreciated, Net	127,517,279	47,593,826	(155,291)	174,955,814
Governmental Activities Capital Assets, Net	<u>\$ 197,115,570</u>	<u>\$ 112,167,938</u>	<u>\$ (52,943,157)</u>	<u>\$ 256,340,351</u>
Business-Type Activities:				
Capital Assets Being Depreciated				
Property and Equipment	\$ 3,346,337	\$ 706,542	\$ (66,265)	\$ 3,986,614
Total Capital Assets Being Depreciated	3,346,337	706,542	(66,265)	3,986,614
Less: Accumulated Depreciation For:				
Property and Equipment	(1,915,001)	(194,010)	56,820	(2,052,191)
Total Accumulated Depreciation	(1,915,001)	(194,010)	56,820	(2,052,191)
Business-Type Activities Capital Assets, Net	<u>\$ 1,431,336</u>	<u>\$ 512,532</u>	<u>\$ (9,445)</u>	<u>\$ 1,934,423</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 2,821,549
Support Services	4,270,256
Community Services	52,199
Total Depreciation - Governmental Activities	<u>\$ 7,144,004</u>
Business-Type Activities:	
Food Service	<u>\$ 194,010</u>
Total Depreciation - Business-Type Activities	<u>\$ 194,010</u>

4. CAPITAL ASSETS (CONTINUED)

Construction Commitments

The District has several ongoing construction projects as of June 30, 2019, consisting primarily of capital projects. The projects include renovations at existing schools. Total outstanding construction commitments at June 30, 2019, are approximately \$71,950,856.

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 16 - 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 2019 fiscal year was based, was \$388,684,321. The millage rate charged for the District was 155.5 mills for current operations and 65.0 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, 2018	Additions	Reductions	June 30, 2019
Governmental Activities:				
Bond Anticipation Note	<u>\$ 1,027,000</u>	<u>\$ 15,010,000</u>	<u>\$ 15,027,000</u>	<u>\$ 1,010,000</u>
Total Governmental Activities	<u>\$ 1,027,000</u>	<u>\$ 15,010,000</u>	<u>\$ 15,027,000</u>	<u>\$ 1,010,000</u>

The District issued a Bond Anticipation Note on May 16, 2018, for the amount of \$1,027,000. The note was due and paid in full on October 16, 2018, at an interest rate of 2.22%. This issuance is to be used to cover the upcoming installment loan debt payment.

The District issued a Bond Anticipation Note on October 11, 2018, for the amount of \$14,000,000. The note was due and 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 due during the year.

The District issued a Bond Anticipation Note on May 16, 2019, for the amount of \$1,010,000. The note is due and payable on October 16, 2019, at an interest rate of 2.41%. 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, 2019:

	Interest Rates	Maturity	Original Issue	Outstanding June 30, 2019
District:				
General Obligation Bonds				
September 27, 2012	2.00% - 5.00%	2021	\$ 21,720,000	\$ 2,340,000
March 9, 2017	3.25% - 5.00%	2036	125,000,000	121,555,000
April 17, 2019	3.00% - 4.00%	2036	74,000,000	74,000,000
Advance Refunding				
April 1, 2009	3.00% - 4.00%	2019	<u>18,255,000</u>	<u>-</u>
Total District			<u>238,975,000</u>	<u>197,895,000</u>
LEAP				
Installment Purchase Revenue Bonds				
May 17, 2013	0.60% - 2.46%	2021	23,810,000	11,295,000
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>47,840,000</u>
Total Governmental Activities			<u>\$ 299,330,000</u>	<u>\$ 245,735,000</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, 2019, the District is within its debt limit.

On September 27, 2012, the District issued \$21,720,000 in General Obligation Bonds with an interest rate ranging from 2.00% to 5.00% payable on March 1, 2021. Bond proceeds were used to fund capital projects of the District.

On March 9, 2017, the District issued \$125,000,000 in General Obligation Bonds with an interest rate ranging from 3.25%-5.00% payable on March 1, 2036. This issuance is part of the March 22, 2016 bond referendum approved by Lancaster County voters authorizing the Board to issue general obligation bonds in a principal amount not to exceed \$199,000,000. The bond proceeds will be used to fund renovations and/or additions at schools and support facilities.

As part of the same referendum mentioned above, on April 17, 2019, the District issued \$74,000,000 in General Obligation Bonds with an interest rate ranging from 3.00%-4.00% payable on March 1, 2036. As with the other referendum bonds, the proceeds will be used to fund renovations and/or additions at schools and support facilities.

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, 2019. 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, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
District:					
General Obligation Bonds:					
September 27, 2012 - Series 2012	\$ 3,975,000	\$ -	\$ 1,635,000	\$ 2,340,000	\$ 1,540,000
March 9, 2017 - Series 2017	122,250,000	-	695,000	121,555,000	955,000
April 17, 2019 - Series 2019	-	74,000,000	-	74,000,000	100,000
Advance Refunding:					
April 1, 2009 - Series 2009A	2,800,000	-	2,800,000	-	-
Total Bonds Payable	<u>129,025,000</u>	<u>74,000,000</u>	<u>5,130,000</u>	<u>197,895,000</u>	<u>2,595,000</u>
Plus Deferred Amounts:					
For Premiums	10,158,210	8,968,344	787,981	18,338,573	1,231,959
Total District Bond Related Payable	<u>139,183,210</u>	<u>82,968,344</u>	<u>5,917,981</u>	<u>216,233,573</u>	<u>3,826,959</u>
LEAP:					
Installment Purchase Revenue Bonds:					
May 17, 2013 - Series 2013A (Taxable)	13,560,000	-	2,265,000	11,295,000	5,215,000
May 17, 2013 - Series 2013B	36,545,000	-	-	36,545,000	-
Total Bonds Payable	<u>50,105,000</u>	<u>-</u>	<u>2,265,000</u>	<u>47,840,000</u>	<u>5,215,000</u>
Plus Deferred Amounts:					
For Premiums	4,268,022	-	432,010	3,836,012	432,010
Total LEAP Bond Related Payable	<u>54,373,022</u>	<u>-</u>	<u>2,697,010</u>	<u>51,676,012</u>	<u>5,647,010</u>
Total Bond Related Payable - Governmental Activities	<u>\$ 193,556,232</u>	<u>\$ 82,968,344</u>	<u>\$ 8,614,991</u>	<u>\$ 267,909,585</u>	<u>\$ 9,473,969</u>
Compensated Absences	<u>1,292,178</u>	<u>616,900</u>	<u>604,050</u>	<u>1,305,028</u>	<u>610,057</u>
Total Long-Term Liabilities - Governmental Activities	<u>\$ 194,848,410</u>	<u>\$ 83,585,244</u>	<u>\$ 9,219,041</u>	<u>\$ 269,214,613</u>	<u>\$ 10,084,026</u>

8. LONG-TERM OBLIGATIONS (CONTINUED)

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 debt related long-term obligations.

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, 2019.

The annual requirements for debt service on bonds outstanding at June 30, 2019, are summarized as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 7,810,000	\$ 9,715,727	\$ 17,525,727
2021	8,205,000	9,895,919	18,100,919
2022	9,745,000	9,599,294	19,344,294
2023	10,035,000	9,105,169	19,140,169
2024	12,255,000	8,596,044	20,851,044
2025-2029	73,170,000	33,531,591	106,701,591
2030-2034	87,200,000	17,087,600	104,287,600
2035-2039	37,315,000	2,061,200	39,376,200
	<u>\$ 245,735,000</u>	<u>\$ 99,592,544</u>	<u>\$ 345,327,544</u>

9. RETIREMENT PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with 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.

9. RETIREMENT PLAN (CONTINUED)

Description of the Entity (Continued)

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

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.

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

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 ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. 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 employer to the member's account with the ORP vendor 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.

9. RETIREMENT PLAN (CONTINUED)

Membership (Continued)

PORS

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

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.

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.

9. RETIREMENT PLAN (CONTINUED)

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, 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 eighty-five 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 eighty-five percent. 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 eighty-five 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 eighty-five percent.

The Retirement System Funding and Administration Act 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 period.

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	14.41% of earnable compensation
Employer Class Three	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
State ORP	
Employer Contribution	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
PORS	
Employer Class Two	16.84% of earnable compensation
Employer Class Three	16.84% 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.

9. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions and Methods

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

The June 30, 2018, 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, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

	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 annually	lesser of 1% or \$500 annually

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, 2018, 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, 2018, 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	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%
PORS	7,403,972,673	4,570,430,247	2,833,542,426	61.7%

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 represents 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 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation 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	47.0%		
Global Public Entity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (Low Beta)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	18.0%		
Mixed credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	<u>100.0%</u>		<u>5.03%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.28%</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	\$ 193,597,852	\$ 151,507,004	\$ 121,416,127
PORS	159,216	118,115	84,426

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2018, are presented below.

Description	SCRS	PORS
Service Cost	\$ 6,158,820	\$ 7,693
Interest on the Total Pension Liability	23,000,350	20,872
Plan Administrative Costs	99,107	100
Plan Member Contributions	(5,873,716)	(5,779)
Expected Return on Plan Assets	(12,294,904)	(12,862)
Recognition of Current Year Amortization - Difference Between Expected and Actual Experience & Assumption Changes	2,946,632	4,718
Recognition of Current Year Amortization - Difference Between Projected and Actual Investment Earnings	702,311	751
Other	10,372	(64)
Total Aggregate OPEB Expense	<u>\$ 14,748,972</u>	<u>\$ 15,429</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

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	SCRS		PORS		Total Net Deferred Outflows/ (Inflows) of Resources
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ 273,489	\$ 891,577	\$ 3,639	\$ -	\$ (614,449)
Net Difference Between Projected and Actual Investment Earnings	2,406,691	-	2,362	-	2,409,053
Assumption Changes	6,010,951	-	7,788	-	6,018,739
Deferred Amounts from Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Employer Contributions	3,472,778	17,828	11,077	22,976	3,443,051
	<u>\$ 12,163,909</u>	<u>\$ 909,405</u>	<u>\$ 24,866</u>	<u>\$ 22,976</u>	<u>\$ 11,256,394</u>

Deferred outflows of resources of \$10,911,580 related to pensions resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	Aggregate Totals
2020	\$ (7,368,830)	\$ (9,284)	\$ (7,378,114)
2021	(5,137,032)	3,062	(5,133,970)
2022	1,047,668	3,661	1,051,329
2023	203,690	671	204,361
	<u>\$ (11,254,504)</u>	<u>\$ (1,890)</u>	<u>\$ (11,256,394)</u>

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 remitted to the plan by employers and nonemployer contributions appropriated in the State's budget. In an effort to help 'offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2018. The State's budget appropriated these funds directly to PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of nonemployer funds appropriated for fiscal year 2018 totaled \$105 million and \$13.1 million for SCRS and PORS respectively. Typically, funds in which the related salaries are incurred are those used to liquidate the liability related to the related pension liability.

9. RETIREMENT PLAN (CONTINUED)

Employer Contributions (Continued)

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:

	2019	2018	2017
SCRS			
Employee Contributions	\$ 6,302,486	\$ 5,927,524	\$ 5,463,554
Employer Contributions	10,782,981	9,393,112	7,644,399
Employer Group Life Contributions	<u>116,072</u>	<u>108,658</u>	<u>104,917</u>
Total	<u><u>\$ 17,201,539</u></u>	<u><u>\$ 15,429,294</u></u>	<u><u>\$ 13,212,870</u></u>
PORS			
Employee Contributions	\$ 7,084	\$ 5,626	\$ 5,728
Employer Contributions	12,236	9,139	8,581
Employer Group Life Contributions	<u>291</u>	<u>231</u>	<u>124</u>
Total	<u><u>\$ 19,611</u></u>	<u><u>\$ 14,996</u></u>	<u><u>\$ 14,433</u></u>

Note that the amounts listed above exclude non-employer contributions.

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Non-employer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2018, and the accounting and financial reporting actuarial valuation as of June 30, 2018. 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 – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

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 in 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 OPEB 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 the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2018 was 5.50 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums 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, 2018. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2018 totaled \$474,304,318. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of negative \$511,143.

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 PEBA – 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.

10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Methods

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

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

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2017
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:	3.62% as of June 30, 2018
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 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial-Funded Premiums 20% participation for retirees who are eligible for Non- Funded Premiums
Notes:	There were no benefit changes during the year; the discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018

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, 2017
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:	3.91% as of June 30, 2018
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
Expenses:	Third party administrative expenses were included in the benefit projections
Notes:	The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018

Roll Forward Disclosure

The actuarial valuation were performed as of June 30, 2017. Update procedures were used to roll forward the total OPEB liability to June 30, 2018.

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, 2018:

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	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
SCLTDITF	39,261,091	36,199,863	3,061,228	92.20%

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 3.62% 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 3.91% 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 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain at \$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 return represents 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 Equivalents	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 3.62%, 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 (2.62%)	Current Discount Rate (3.62%)	1.00% Decrease (4.62%)
SCRHITF Net OPEB Liability	\$ 140,343,057	\$ 119,127,006	\$ 102,025,189

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	\$ 98,022,293	\$ 119,127,006	\$ 146,411,492

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 3.91%, 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 (2.91%)	Current Discount Rate (3.91%)	1.00% Decrease (4.91%)
SCLTDITF Net OPEB Liability	\$ 34,103	\$ 22,819	\$ 11,806

OPEB Expense

Components of collective OPEB expense reported in the Schedule of OPEB Amounts by Employer for the fiscal year ended June 30, 2018 are presented below.

Description	SCRHITF	SCLTDITF
Service Cost	\$ 4,381,310	\$ 56,322
Interest on the Total OPEB Liability	4,395,513	11,042
Projected Earnings on Plan Investments	(391,882)	(10,860)
OPEB Plan Administrative Expense	546	75
Recognition of Outflow (Inflow) of Resources due to Liabilities	(1,548,712)	(328)
Recognition of Outflow (Inflow) of Resources due to Assets	126,423	3,721
Total Aggregate OPEB Expense	<u>\$ 6,963,198</u>	<u>\$ 59,972</u>

Additional items included in Total Employer 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)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	SCRHITF		SCLTDITF		Total Net Deferred Outflows/ (Inflows) of Resources
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Net Difference Between Expected and Actual Experience	\$ 1,784,576	\$ 41,507	\$ -	\$ -	\$ 1,743,069
Net Difference Between Projected and Actual Investment Experience	456,779	-	13,256	1,395	468,640
Assumption Changes	-	9,700,532	-	1,487	(9,702,019)
Deferred Amounts from Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Employer Contributions	1,466,289	1,347	-	1,414	1,463,528
	<u>\$ 3,707,644</u>	<u>\$ 9,743,386</u>	<u>\$ 13,256</u>	<u>\$ 4,296</u>	<u>\$ (6,026,782)</u>

Deferred outflows of resources of \$4,746,822 related to OPEB resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows.

Year Ended June 30,	SCRHITF	SCLTDITF	Aggregate Totals
2020	\$ 1,186,163	\$ (3,237)	\$ 1,182,926
2021	1,186,163	(3,237)	1,182,926
2022	1,186,163	(3,237)	1,182,926
2023	1,235,077	(1,609)	1,233,468
2024	1,312,586	484	1,313,070
Thereafter	<u>(70,410)</u>	<u>1,876</u>	<u>(68,534)</u>
	<u>\$ 6,035,742</u>	<u>\$ (8,960)</u>	<u>\$ 6,026,782</u>

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of OPEB Amounts by Employer (the Schedules) were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2018, and the accounting and financial reporting actuarial valuations as of June 30, 2018. 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. Employers are encouraged to review Illustration II in Appendix C of GASB Statement No. 75, which provides a sample footnote disclosure and required supplementary information for a cost-sharing multiple-employer defined benefit OPEB plan.

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, 2019, consisted of the following individual fund amounts:

Transfer From	Transfer To					Total
	General	Special Projects	Debt Service LEAP	Capital Projects	Pupil Activity	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 239,777	\$ 239,777
Special Projects	272,690	305,737	-	-	-	578,427
Special Revenue - EIA	3,654,962	-	-	-	-	3,654,962
Debt Service	-	-	3,280,561	10,719,439	-	14,000,000
Capital Projects	-	-	993,953	-	-	993,953
Food Service	373,411	-	-	-	-	373,411
Pupil Activity	-	-	-	-	874,525	874,525
Totals	<u>\$ 4,301,063</u>	<u>\$ 305,737</u>	<u>\$ 4,274,514</u>	<u>\$ 10,719,439</u>	<u>\$ 1,114,302</u>	<u>\$ 20,715,055</u>

As of June 30, 2019, amounts due from (to) other funds related to the District's pooled cash are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 4,909,346	\$ -
Special Revenue Fund - Special Projects	-	1,511,834
EIA Fund	909,658	-
Capital Projects Fund	-	3,403,827
Food Service Fund	-	903,343
Total for Primary Government	<u>\$ 5,819,004</u>	<u>\$ 5,819,004</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	\$ 5,783,673
Less: Allowance for Uncollectible	<u>(2,024,285)</u>
Taxes Receivable	<u>\$ 3,759,388</u>

13. COMMITMENTS AND CONTINGENCIES

The District participates in several 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, 2019.

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, 2019. 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 \$11,452,008 for the fiscal year ended June 30, 2019 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. SUBSEQUENT EVENTS

The District issued a Bond Anticipation Note on October 15, 2019 of \$16,603,000. The note is due to be paid in full on March 2, 2020 at an interest rate of 1.91%. 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, 2019**

	General Fund			
	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local	\$ 33,963,046	\$ 34,091,813	\$ 33,598,037	\$ (493,776)
State	69,363,699	70,699,939	70,871,606	171,667
Total Revenues	<u>\$ 103,326,745</u>	<u>\$ 104,791,752</u>	<u>\$ 104,469,643</u>	<u>\$ (322,109)</u>
Expenditures				
Current:				
Instruction	63,960,473	66,533,606	66,746,813	(213,207)
Support Services	45,532,333	44,838,452	43,239,653	1,598,799
Intergovernmental	1,115,258	873,783	874,075	(292)
Total Expenditures	<u>\$ 110,608,064</u>	<u>\$ 112,245,841</u>	<u>\$ 110,860,541</u>	<u>\$ 1,385,300</u>
Excess Revenues Over (Under) Expenditures	<u>(7,281,319)</u>	<u>(7,454,089)</u>	<u>(6,390,898)</u>	<u>1,063,191</u>
Other Financing Sources (Uses)				
Transfers from Other Funds	3,910,672	3,750,867	4,061,286	310,419
Total Other Financing Sources (Uses)	<u>3,910,672</u>	<u>3,750,867</u>	<u>4,061,286</u>	<u>310,419</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (3,370,647)</u>	<u>\$ (3,703,222)</u>	<u>\$ (2,329,612)</u>	<u>\$ 1,373,610</u>
Fund Balance, Beginning of Year			<u>27,625,945</u>	
Fund Balance, End of Year			<u>\$ 25,296,333</u>	

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

	2010*	2011*	2012*	2013*	2014*	2015	2016	2017	2018	2019
SCRS										
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	\$ 111,602,338	\$ 122,469,411	\$ 138,688,454	\$ 149,568,026	\$ 151,507,004
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	0.64822200%	0.64574900%	0.64929500%	0.66440400%	0.67616488%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	63,057,436	65,608,945	69,862,303	72,438,808	77,381,504
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	176.99%	186.67%	198.52%	206.47%	195.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%	52.90%	53.30%	54.10%
PORS										
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	\$ 54,006	\$ 131,271	\$ 139,531	\$ 126,129	\$ 118,115
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	0.0028200%	0.0060230%	0.0055004%	0.0046040%	0.0041685%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	74,638	70,132	62,000	57,698	72,660
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	72.36%	187.18%	225.05%	218.60%	162.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	67.50%	64.60%	60.40%	60.90%	61.70%

*** 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.

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date)

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

	2010*	2011*	2012*	2013*	2014*	2015	2016	2017	2018	2019
SCRS										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	\$ 6,600,468	\$ 6,954,203	\$ 7,749,316	\$ 9,501,771	\$ 10,899,053
	N/A	N/A	N/A	N/A	N/A	(6,600,468)	(6,954,203)	(7,749,316)	(9,501,771)	(10,899,053)
Contribution Deficiency (Excess)	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	63,057,436	65,608,945	69,862,303	72,438,808	77,381,504
	N/A	N/A	N/A	N/A	N/A	10.47%	10.60%	11.09%	13.12%	14.08%
PORS										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	\$ 10,009	\$ 9,636	\$ 8,705	\$ 9,370	\$ 12,527
	N/A	N/A	N/A	N/A	N/A	(10,009)	(9,636)	(8,705)	(9,370)	(12,527)
Contribution Deficiency (Excess)	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	74,638	70,132	62,000	57,698	72,660
	N/A	N/A	N/A	N/A	N/A	13.41%	13.74%	14.04%	16.24%	17.24%

*** 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.

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

	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017	2018	2019
SCRHIIF										
District's Proportion of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 119,972,441	\$ 112,312,427	\$ 119,127,006
District's Proportionate Share of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.82919000%	0.82919000%	0.84066400%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	69,862,303	72,438,808	77,381,504
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	171.73%	155.04%	153.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.60%	7.60%	7.91%

*** 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.

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date)

**LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRHIIF
LAST TEN FISCAL YEARS**

	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017	2018	2019
SCRHIIF										
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	\$ 3,726,965	\$ 3,987,308	\$ 4,685,977
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(3,726,965)	(3,987,308)	(4,685,977)
Contribution Deficiency (Excess)	N/A	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	N/A	69,862,303	72,438,808	77,381,504
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.33%	5.50%	6.06%

*** 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.

**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, 2019**

Assets

Cash & Cash Equivalents	\$ 9,446,516
Investments	27,506,213
Property Tax Receivable, Net	2,695,707
Due From Other Funds	5,404,849
Due From County Government	1,753,682
Due From State Government	8,509
Due From Other Governmental Units	961,390
Prepaid Items	8,704
Other Receivables	19,617
	<hr/>
Total Assets	\$ 47,805,187
	<hr/>

Liabilities, Deferred Inflows of Resources & Fund Balances

Liabilities

Accounts Payable	8,610,237
Accrued Salaries	5,238,913
Accrued Payroll Related Liabilities	6,087,194
	<hr/>
Total Liabilities	19,936,344
	<hr/>

Deferred Inflows of Resources

Unavailable Revenue - Property Taxes	2,572,510
	<hr/>
Total Deferred Inflows of Resources	2,572,510
	<hr/>

Fund Balances

Non-Spendable	8,704
Assigned	5,550,047
Unassigned	19,737,582
	<hr/>
Total Fund Balances	25,296,333
	<hr/>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 47,805,187
	<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, 2019**

	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)	\$ 29,973,346	\$ 28,510,198	\$ (1,463,148)
1140 Penalties & Interest on Taxes (Independent)	200,000	203,700	3,700
1200 Revenue From Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	3,000,000	3,617,374	617,374
1300 Tuition			
1310 From Patrons for Regular Day School	15,000	10,900	(4,100)
1320 From Other LEAs for Regular Day School	-	15,032	15,032
1500 Earnings on Investments:			
1510 Interest on Investments	363,467	540,731	177,264
1900 Other Revenue from Local Sources:			
1910 Rentals	15,000	15,314	314
1930 Special Needs Transportation - Medicaid	500,000	660,344	160,344
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	25,000	24,444	(556)
Total Local Sources	34,091,813	33,598,037	(493,776)
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	1,440	1,440
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	894,363	928,356	33,993
3161 EAA Bus Driver Salary and Fringe	-	2,474	2,474
3162 Transportation Workers' Compensation	43,528	43,528	-
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	15,785,200	15,785,200	-
3181 Retiree Insurance (No Carryover Provision)	3,035,602	3,035,602	-
3199 Other Restricted State Grants	-	2,463	2,463
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	1,969,300	1,942,722	(26,578)
3312 Primary	5,509,038	5,491,780	(17,258)
3313 Elementary	8,934,870	8,890,471	(44,399)
3314 High School	2,551,260	2,442,725	(108,535)
3315 Trainable Mentally Handicapped	140,190	144,017	3,827
3316 Speech Handicapped (Part-Time Program)	1,293,991	1,257,347	(36,644)
3317 Homebound	12,102	16,091	3,989
3320 Part-Time Programs:			
3321 Emotionally Handicapped	126,547	134,747	8,200
3322 Educable Mentally Handicapped	178,086	184,353	6,267
3323 Learning Disabilities	4,149,630	4,274,318	124,688
3324 Hearing Handicapped	115,507	120,380	4,873
3325 Visually Handicapped	65,495	62,954	(2,541)
3326 Orthopedically Handicapped	38,620	34,456	(4,164)
3327 Vocational	4,468,533	4,519,527	50,994
3330 Miscellaneous EFA Programs:			
3331 Autism	622,577	641,060	18,483
3332 High Achieving Students	499,670	495,750	(3,920)
3334 Limited English Proficiency	262,509	264,378	1,869
3351 Academic Assistance	1,295,909	1,283,924	(11,985)
3352 Pupils in Poverty	2,876,349	2,856,137	(20,212)
3353 Dual Credit Enrollment	34,920	36,867	1,947
3392 NBC Excess EFA Formula	-	62,646	62,646

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	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)	9,615,600	9,613,903	(1,697)
3830 Merchant's Inventory Tax	185,886	185,886	-
3840 Manufacturers Depreciation Reimbursement	125,000	190,431	65,431
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	270,000	302,864	32,864
3900 Other State Revenue:			
3993 PEBA On-Behalf	669,949	669,949	-
3999 Revenue From Other State Sources	15,000	38,152	23,152
Total State Sources	70,699,939	70,871,606	171,667
Total Revenues All Sources	\$ 104,791,752	\$ 104,469,643	\$ (322,109)
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries	3,194,401	3,185,578	8,823
200 Employee Benefits	1,467,234	1,516,672	(49,438)
400 Supplies and Materials	70,735	68,851	1,884
500 Capital Outlay	163	163	-
112 Primary Programs:			
100 Salaries	7,856,026	7,864,114	(8,088)
200 Employee Benefits	3,561,903	3,215,416	346,487
300 Purchased Services	900	900	-
400 Supplies and Materials	101,237	100,554	683
113 Elementary Programs:			
100 Salaries	14,552,361	14,628,751	(76,390)
200 Employee Benefits	5,781,530	6,011,065	(229,535)
300 Purchased Services	316,321	306,716	9,605
400 Supplies and Materials	244,610	239,782	4,828
500 Capital Outlay	700	680	20
600 Other Objects	2,743	2,743	-
114 High School Programs:			
100 Salaries	9,789,973	9,657,126	132,847
200 Employee Benefits	3,968,678	4,076,551	(107,873)
300 Purchased Services	148,160	105,344	42,816
400 Supplies and Materials	117,285	110,333	6,952
115 Career and Technology Education Programs:			
100 Salaries	2,145,082	2,142,857	2,225
200 Employee Benefits	902,337	913,934	(11,597)
300 Purchased Services - Other Than Tuition	5,000	5,000	-
400 Supplies and Materials	152,871	148,177	4,694
500 Capital Outlay	13	-	13
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries	804,885	782,323	22,562
200 Employee Benefits	337,806	350,371	(12,565)
400 Supplies and Materials	751	746	5
122 Trainable Mentally Handicapped:			
100 Salaries	796,963	754,706	42,257
200 Employee Benefits	314,873	315,334	(461)
400 Supplies and Materials	397	147	250
123 Orthopedically Handicapped:			
100 Salaries	64,507	68,262	(3,755)
200 Employee Benefits	19,129	24,134	(5,005)
124 Visually Handicapped:			
100 Salaries	46,785	44,874	1,911
200 Employee Benefits	19,553	18,523	1,030
300 Purchased Services	67,307	60,744	6,563

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Favorable (Unfavorable)
125 Hearing Handicapped:			
100 Salaries	66,811	83,432	(16,621)
200 Employee Benefits	22,595	30,774	(8,179)
400 Supplies and Materials	-	2,833	(2,833)
126 Speech Handicapped:			
100 Salaries	859,535	816,637	42,898
200 Employee Benefits	291,963	327,287	(35,324)
300 Purchased Services	11,000	92,128	(81,128)
400 Supplies and Materials	875	675	200
127 Learning Disabilities:			
100 Salaries	3,889,857	3,791,536	98,321
200 Employee Benefits	1,602,348	1,634,905	(32,557)
400 Supplies and Materials	3,604	3,207	397
128 Emotionally Handicapped:			
100 Salaries	412,557	448,338	(35,781)
200 Employee Benefits	179,026	193,941	(14,915)
300 Purchased Services	-	300	(300)
400 Supplies and Materials	355	343	12
130 Pre-School Programs			
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	123,421	132,159	(8,738)
200 Employee Benefits	42,741	48,028	(5,287)
300 Purchased Services	-	300	(300)
139 Early Childhood Programs:			
100 Salaries	129,614	131,202	(1,588)
200 Employee Benefits	46,550	52,470	(5,920)
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries	396,051	445,365	(49,314)
200 Employee Benefits	154,504	163,942	(9,438)
300 Purchased Services	1,000	932	68
400 Supplies and Materials	32,925	30,883	2,042
600 Other Objects	100	100	-
143 Advanced Placement:			
400 Supplies and Materials	6,000	3,057	2,943
145 Homebound:			
100 Salaries	145,397	118,937	26,460
200 Employee Benefits	21,537	33,240	(11,703)
300 Purchased Services	22,203	47,506	(25,303)
147 CDEP:			
100 Salaries	179,327	153,980	25,347
200 Employee Benefits	63,649	68,594	(4,945)
148 Gifted and Talented - Artistic:			
100 Salaries	225	225	-
200 Employee Benefits	84	56	28
300 Purchased Services	41,300	38,778	2,522
160 Other Exceptional Programs			
161 Autism:			
100 Salaries	324,344	465,002	(140,658)
200 Employee Benefits	97,684	144,283	(46,599)
400 Supplies and Materials	434	3,893	(3,459)
162 Limited English Proficiency:			
100 Salaries	292,846	299,863	(7,017)
200 Employee Benefits	107,901	117,780	(9,879)
170 Summer School Program			
175 Instructional Programs Beyond Regular School Day:			
400 Supplies and Materials	-	259	(259)

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Favorable (Unfavorable)
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy:			
100 Salaries	74,043	63,944	10,099
200 Employee Benefits	28,725	27,496	1,229
190 Instructional Pupil Activity:			
100 Salaries (optional)	6,060	5,270	790
200 Employee Benefits (optional)	1,196	1,462	(266)
Total Instruction	66,533,606	66,746,813	(213,207)
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services:			
100 Salaries	112,226	117,275	(5,049)
200 Employee Benefits	42,483	42,803	(320)
300 Purchased Services	5,643	7,959	(2,316)
400 Supplies and Materials	107	8	99
212 Guidance Services:			
100 Salaries	2,466,021	2,443,377	22,644
200 Employee Benefits	931,100	960,908	(29,808)
300 Purchased Services	9,799	6,787	3,012
400 Supplies and Materials	14,352	13,329	1,023
600 Other Objects	1,514	497	1,017
213 Health Services:			
100 Salaries	622,809	637,031	(14,222)
200 Employee Benefits	293,489	315,287	(21,798)
300 Purchased Services	343,035	442,542	(99,507)
400 Supplies and Materials	17,771	14,689	3,082
500 Capital Outlay	72	-	72
214 Psychological Services:			
100 Salaries	348,147	335,396	12,751
200 Employee Benefits	97,572	106,952	(9,380)
217 Career Specialist Services:			
100 Salaries	75,911	54,923	20,988
200 Employee Benefits	24,027	30,088	(6,061)
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	363,743	336,003	27,740
200 Employee Benefits	127,072	117,360	9,712
300 Purchased Services	11,475	10,704	771
400 Supplies and Materials	12,356	5,308	7,048
600 Other Objects	1,616	1,318	298
222 Library and Media Services:			
100 Salaries	1,751,271	1,669,505	81,766
200 Employee Benefits	727,508	750,025	(22,517)
300 Purchased Services	100	98	2
400 Supplies and Materials	258,069	242,965	15,104
223 Supervision of Special Programs:			
100 Salaries	1,249,466	1,187,336	62,130
200 Employee Benefits	488,497	448,389	40,108
300 Purchased Services	31,692	44,201	(12,509)
400 Supplies and Materials	-	4,531	(4,531)
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	383,589	365,241	18,348
200 Employee Benefits	126,551	150,747	(24,196)
300 Purchased Services	103,049	98,320	4,729
400 Supplies and Materials	2,060	25	2,035

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Favorable (Unfavorable)
230 General Administration Services			
231 Board of Education:			
100 Salaries	154,567	26,212	128,355
200 Employee Benefits	624,355	625,362	(1,007)
300 Purchased Services	238,817	210,868	27,949
318 Audit Services	40,260	40,250	10
400 Supplies and Materials	12,541	12,045	496
600 Other Objects	33,183	33,183	-
232 Office of the Superintendent:			
100 Salaries	323,190	324,128	(938)
140 Terminal Leave	40,000	2,614	37,386
200 Employee Benefits	134,789	122,491	12,298
300 Purchased Services	89,248	17,040	72,208
400 Supplies and Materials	45,226	39,792	5,434
600 Other Objects	8,400	6,083	2,317
233 School Administration:			
100 Salaries	6,506,892	6,580,180	(73,288)
200 Employee Benefits	2,732,389	2,640,282	92,107
300 Purchased Services	61,535	54,415	7,120
400 Supplies and Materials	70,845	65,271	5,574
500 Capital Outlay	5,864	5,496	368
600 Other Objects	19,750	15,926	3,824
250 Finance and Operations Services			
252 Fiscal Services:			
100 Salaries	731,171	739,697	(8,526)
200 Employee Benefits	326,299	308,786	17,513
300 Purchased Services	33,364	27,815	5,549
400 Supplies and Materials	11,516	10,189	1,327
600 Other Objects	4,525	3,484	1,041
254 Operation and Maintenance of Plant:			
100 Salaries	1,604,780	1,512,605	92,175
200 Employee Benefits	658,699	645,280	13,419
300 Purchased Services	5,179,425	5,249,684	(70,259)
321 Public Utilities (Excludes gas, oil, elec. & other heating fuels)	566,376	537,705	28,671
400 Supplies and Materials	618,010	639,843	(21,833)
470 Energy (Include gas, oil, elec. & other heating fuels)	2,813,131	2,983,739	(170,608)
500 Capital Outlay	16,296	7,756	8,540
255 Student Transportation (State Mandated):			
100 Salaries	2,330,675	2,101,127	229,548
200 Employee Benefits	826,353	771,651	54,702
300 Purchased Services	44,420	43,771	649
400 Supplies and Materials	15,154	14,218	936
500 Capital Outlay	2,500	1,592	908
600 Other Objects	3,000	1,927	1,073
256 Food Service:			
200 Employee Benefits	1,019,144	457,206	561,938
257 Internal Services:			
100 Salaries	305,581	305,332	249
200 Employee Benefits	129,845	118,578	11,267
300 Purchased Services	16,587	15,342	1,245
400 Supplies and Materials	6,335	3,890	2,445
500 Capital Outlay	1,853	1,853	-
600 Other Objects	700	834	(134)
258 Security:			
100 Salaries	162,010	155,684	6,326
200 Employee Benefits	63,165	50,707	12,458
300 Purchased Services	823,235	666,086	157,149
400 Supplies and Materials	13,350	10,654	2,696
600 Other Objects	27,500	22,140	5,360

**LANCASTER COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance Favorable (Unfavorable)
260 Central Support Services			
262 Planning:			
100 Salaries	155,614	157,359	(1,745)
200 Employee Benefits	61,578	56,164	5,414
300 Purchased Services	99,721	99,236	485
400 Supplies and Materials	38,596	33,756	4,840
600 Other Objects	23,416	23,141	275
263 Information Services:			
100 Salaries	97,599	81,220	16,379
200 Employee Benefits	41,224	31,449	9,775
300 Purchased Services	39,122	38,351	771
400 Supplies and Materials	3,905	2,342	1,563
500 Capital Outlay	2,846	2,846	-
600 Other Objects	2,551	2,551	-
264 Staff Services:			
100 Salaries	228,201	222,616	5,585
200 Employee Benefits	119,053	108,794	10,259
300 Purchased Services	43,094	37,519	5,575
400 Supplies and Materials	5,851	5,878	(27)
500 Capital Outlay	2,846	2,846	-
600 Other Objects	21,459	11,527	9,932
266 Technology and Data Processing Services:			
100 Salaries	602,472	628,363	(25,891)
200 Employee Benefits	269,884	251,787	18,097
300 Purchased Services	692,200	636,108	56,092
400 Supplies and Materials	211,980	200,976	11,004
500 Capital Outlay	46,000	44,848	1,152
270 Support Services Pupil Activity			
271 Pupil Services Activities:			
100 Salaries (optional)	1,181,928	1,062,764	119,164
200 Employee Benefits (optional)	235,758	233,960	1,798
660 Pupil Activity	70,512	70,512	-
Total Support Services	44,838,452	43,239,653	1,598,799
400 Other Charges:			
410 Intergovernmental Expenditures			
411 Payments to the South Carolina Department of Education			
720 Transits	172,000	161,657	10,343
412 Payments to Other Governmental Units			
720 Transits	20,000	30,635	(10,635)
416 LEA Payments to Public Charter Schools			
720 Transits	681,783	681,783	-
Total Intergovernmental Expenditures	873,783	874,075	(292)
Total Expenditures	\$ 112,245,841	\$ 110,860,541	\$ 1,385,300
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	3,408,327	3,654,962	246,635
5280 Transfer from Other Funds Indirect Costs	580,000	646,101	66,101
426-710 Transfer to Pupil Activity Fund	(237,460)	(239,777)	(2,317)
Total Other Financing Sources (Uses)	3,750,867	4,061,286	310,419
Excess/(Deficiency) of Revenues over Expenditures	\$ (3,703,222)	\$ (2,329,612)	\$ 1,373,610
Fund Balance, Beginning of Year		27,625,945	
Fund Balance, End of Year		\$ 25,296,333	

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, 2019**

Assets

Due From State Government	\$ 185,568
Due From Federal Government	1,719,952
Due From Other Governmental Units	2,696
Other Receivables	<u>200,275</u>

Total Assets	<u>\$ 2,108,491</u>
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Liabilities & Fund Balances

Liabilities

Due To Other Funds	1,511,834
Due to Federal Government	54,909
Unearned Revenue	<u>541,748</u>

Total Liabilities	<u>2,108,491</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>\$ 2,108,491</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, 2019

	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 STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
Revenues								
1000 Revenue from Local Sources								
1300 Tuition								
1330 From Patrons for Adult/Continuing Ed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434	\$ 434
1900 Other Revenue from Local Sources:								
1910 Rentals	-	-	-	-	-	-	15,349	15,349
1920 Contributions & Donations Private Sources	-	-	-	-	-	-	861,224	861,224
1990 Miscellaneous Local Revenue:								
1999 Revenue from Other Local Sources	-	-	-	-	-	-	482,218	482,218
Total Local Sources	-	-	-	-	-	-	1,359,225	1,359,225
2000 Intergovernmental Revenue:								
2100 Payments from Other Governmental Units	-	-	-	-	-	-	704,913	704,913
Total Intergovernmental Revenues	-	-	-	-	-	-	704,913	704,913
3000 Revenue from State Sources								
3100 Restricted State Funding:								
3118 FEEDA Career Specialists	-	-	-	-	-	518,683	-	518,683
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	109,546	-	109,546
3130 Special Programs:								
3135 Reading Coaches	-	-	-	-	-	724,712	-	724,712
3136 Student Health and Fitness - Nurses	-	-	-	-	-	349,160	-	349,160
3155 DDS SNAP & E&T Program	-	-	-	-	-	976	-	976
3156 Adult Education	-	-	-	-	-	8,036	-	8,036
3193 Education License Plates	-	-	-	-	-	2,051	-	2,051
3600 Education Lottery								
3670 School Safety - Facility & Infrastructure Safety Upgrades	-	-	-	-	-	7,958	-	7,958
3900 Other State Revenue:								
3999 Revenue From Other State Sources	-	-	-	-	-	-	451,267	451,267
Total State Sources	-	-	-	-	-	1,721,122	451,267	2,172,389
4000 Revenue from Federal Sources								
4200 Occupational Education:								
4210 Career & Technical Education	-	-	-	191,546	-	-	-	191,546
4300 Elementary and Secondary Education Act of 1965 (ESEA):								
4310 Title I, Basic State Grant Programs (Carryover Provision)	3,538,647	-	-	-	-	-	159,359	3,698,006
4314 School Improvement Grant	-	-	-	-	-	-	254,474	254,474
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	64,861	64,861
4351 Improving Teacher Quality (Carryover Provision)	-	-	-	-	-	-	421,552	421,552

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, 2019

	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
4400 Adult Education:	-	-	-	-	78,068	-	-	78,068
4410 Basic, Adult Education	-	-	-	-	-	-	-	-
4500 Programs for Children with Disabilities	-	2,489,245	-	-	-	-	13,100	2,502,345
4510 Individuals With Disabilities Education Act (IDEA) (Carryover Provision)	-	-	93,802	-	-	-	-	93,802
4520 Preschool Grants (Carryover Provision)	-	-	-	-	-	-	-	-
4900 Other Federal Sources:	-	-	-	-	-	-	-	-
4924 21st Century Community Learning Centers Program, (Title IV, 21st Century Schools)	-	-	-	-	-	-	266,785	266,785
4990 Other Federal Revenue:	-	-	-	-	-	-	114,984	114,984
4997 Title IV - SSAE	-	-	-	-	-	-	3,072,601	3,072,601
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	-	-
Total Federal Sources	3,538,647	2,489,245	93,802	191,546	78,068	-	4,367,716	10,759,024
Total Revenues All Sources	\$ 3,538,647	\$ 2,489,245	\$ 93,802	\$ 191,546	\$ 78,068	\$ 1,721,122	\$ 6,883,121	\$ 14,995,551

Expenditures

100 Instruction

110 General Instruction								
111 Kindergarten Programs:								
100 Salaries	-	-	-	-	-	-	64,551	64,551
200 Employee Benefits	-	-	-	-	-	-	35,964	35,964
400 Supplies and Materials	1,143	-	-	-	-	-	-	1,143
112 Primary Programs:								
100 Salaries	1,217,602	-	-	-	-	39,432	262,753	1,519,787
200 Employee Benefits	541,422	-	-	-	-	15,260	114,181	670,863
300 Purchased Services	54,131	-	-	-	-	-	23,626	77,757
400 Supplies and Materials	198,907	-	-	-	-	-	69,040	267,947
113 Elementary Programs:								
100 Salaries	472,351	-	-	-	-	39,582	129,461	641,394
200 Employee Benefits	217,380	-	-	-	-	15,272	41,370	274,022
300 Purchased Services	62,315	-	-	-	-	-	59,796	122,111
400 Supplies and Materials	100,115	-	-	-	-	2,051	19,922	122,088
500 Capital Outlay	4,956	-	-	-	-	-	4,890	9,846
114 High School Programs:								
100 Salaries	-	-	-	-	-	-	301,172	301,172
200 Employee Benefits	-	-	-	-	-	-	1,119	1,119
300 Purchased Services	-	-	-	-	-	-	3,075	3,075
400 Supplies and Materials	-	-	-	-	-	-	28,152	28,152
115 Career and Technology Education Programs:								
100 Salaries	-	-	-	-	-	-	29,876	29,876
300 Purchased Services - Other Than Tuition	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	-	17,198	-	-	-	17,198
500 Capital Outlay	-	-	-	48,042	-	-	-	48,042
	-	-	-	54,805	-	-	-	54,805

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, 2019

	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
120 Exceptional Programs								
121 Educable Mentally Handicapped:								
100 Salaries	-	400,469	-	-	-	-	63	400,532
200 Employee Benefits	-	187,392	-	-	-	-	18	187,410
300 Purchased Services	-	11,530	-	-	-	-	-	11,530
400 Supplies and Materials	-	24,017	-	-	-	-	-	24,017
122 Trainable Mentally Handicapped:								
100 Salaries	-	101,194	-	-	-	-	-	101,194
200 Employee Benefits	-	45,431	-	-	-	-	-	45,431
400 Supplies and Materials	-	1,326	-	-	-	-	-	1,326
123 Orthopedically Handicapped:								
100 Salaries	-	189	-	-	-	-	-	189
200 Employee Benefits	-	53	-	-	-	-	-	53
300 Purchased Services	-	-	-	-	-	-	158	158
124 Visually Handicapped:								
400 Supplies and Materials	-	31	-	-	-	-	-	31
125 Hearing Handicapped:								
100 Salaries	-	-	-	-	-	-	84	84
200 Employee Benefits	-	-	-	-	-	-	24	24
300 Purchased Services	-	-	-	-	-	-	102	102
126 Speech Handicapped:								
100 Salaries	-	146,695	-	-	-	-	189	146,884
200 Employee Benefits	-	62,542	-	-	-	-	54	62,596
300 Purchased Services	-	6,916	-	-	-	-	-	6,916
400 Supplies and Materials	-	7,017	-	-	-	-	-	7,017
600 Other Objects	-	4,613	-	-	-	-	-	4,613
127 Learning Disabilities:								
100 Salaries	-	332,887	-	-	-	-	1,761	334,648
200 Employee Benefits	-	125,978	-	-	-	-	498	126,476
400 Supplies and Materials	-	993	-	-	-	-	-	993
128 Emotionally Handicapped:								
100 Salaries	-	78,713	-	-	-	-	315	79,028
200 Employee Benefits	-	31,391	-	-	-	-	92	31,483
300 Purchased Services	-	40,060	-	-	-	-	145	40,205
130 Pre-School Programs								
133 Pre-School Handicapped-Self-Contained (5 year olds):								
100 Salaries	-	4,589	35,303	-	-	-	-	39,892
200 Employee Benefits	-	1,294	14,765	-	-	-	-	16,059
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):								
100 Salaries	-	33,227	29,572	-	-	-	-	62,799
200 Employee Benefits	-	14,484	10,571	-	-	-	-	25,055
300 Purchased Services	-	-	148	-	-	-	-	148
400 Supplies and Materials	-	-	903	-	-	-	-	903
139 Early Childhood Programs:								
100 Salaries	-	-	-	-	-	-	746,359	746,359
200 Employee Benefits	-	-	-	-	-	-	352,423	352,423
300 Purchased Services	-	-	-	-	-	-	198,485	198,485
400 Supplies and Materials	-	-	-	-	-	-	71,334	71,334

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, 2019

	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
140 Special Programs								
145 Homebound:	-	14,483	-	-	-	-	-	14,483
300 Purchased Services								
147 CDEP:								
100 Salaries	3,317	-	-	-	-	-	130,601	133,918
200 Employee Benefits	937	-	-	-	-	-	52,544	53,481
300 Purchased Services	-	-	-	-	-	-	94,143	94,143
400 Supplies and Materials	17,989	-	-	-	-	-	22,062	40,051
149 Other Special Programs:								
300 Purchased Services	3,692	-	-	-	-	-	-	3,692
400 Supplies and Materials	1,961	-	-	-	-	-	-	1,961
160 Other Exceptional Programs								
161 Autism:								
100 Salaries	-	14,740	-	-	-	-	4,976	19,716
200 Employee Benefits	-	3,751	-	-	-	-	1,311	5,062
300 Purchased Services	-	-	-	-	-	-	3,312	3,312
400 Supplies and Materials	-	52	-	-	-	-	-	52
170 Summer School Program								
172 Elementary Summer School:								
100 Salaries	-	-	-	-	-	-	12,020	12,020
200 Employee Benefits	-	-	-	-	-	-	3,214	3,214
400 Supplies and Materials	-	-	-	-	-	-	3,260	3,260
175 Instructional Programs Beyond Regular School Day:								
100 Salaries	8,439	-	-	-	-	-	188,855	197,294
200 Employee Benefits	2,385	-	-	-	-	-	53,407	55,792
300 Purchased Services	-	-	-	-	-	-	22	22
400 Supplies and Materials	-	-	-	-	-	-	26,918	26,918
180 Adult/Continuing Educational Programs								
181 Adult Basic Education Programs:								
100 Salaries	-	-	-	-	36,323	-	-	36,323
200 Employee Benefits	-	-	-	-	9,142	-	-	9,142
400 Supplies and Materials	-	-	-	-	1,152	903	-	2,055
182 Adult Secondary Education Programs:								
100 Salaries	-	-	-	-	18,895	2,498	9,385	30,778
200 Employee Benefits	-	-	-	-	6,373	680	2,499	9,552
300 Purchased Services	-	-	-	-	-	-	305	305
400 Supplies and Materials	-	-	-	-	159	2,873	17,444	20,476
183 Adult English Literacy (ESL):								
100 Salaries	-	-	-	-	756	-	-	756
200 Employee Benefits	-	-	-	-	214	-	-	214
400 Supplies and Materials	-	-	-	-	-	-	650	650

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, 2019

	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
188 Parenting/Family Literacy:								
100 Salaries	132,702	-	-	-	-	-	78,935	211,637
200 Employee Benefits	67,233	-	-	-	-	-	36,014	103,247
300 Purchased Services	2,405	-	-	-	-	-	79	2,484
400 Supplies and Materials	19,591	-	-	-	-	-	4,232	23,823
Total Instruction	3,130,973	1,696,057	91,262	120,045	73,014	118,551	3,307,240	8,537,142
200 Support Services								
210 Pupil Services								
212 Guidance Services:								
100 Salaries	-	-	-	-	-	-	12,070	12,070
200 Employee Benefits	-	-	-	-	-	-	1,198	1,198
213 Health Services:								
100 Salaries	-	-	-	-	-	240,122	-	240,122
200 Employee Benefits	-	-	-	-	-	109,038	-	109,038
300 Purchased Services	-	25,935	-	-	-	-	-	25,935
400 Supplies and Materials	-	13,141	-	-	-	-	-	13,141
214 Psychological Services:								
100 Salaries	-	368,095	-	-	-	-	-	368,095
200 Employee Benefits	-	141,635	-	-	-	-	-	141,635
300 Purchased Services	-	45,906	-	-	-	-	-	45,906
400 Supplies and Materials	-	22,807	-	-	-	-	-	22,807
600 Other Objects	-	760	-	-	-	-	-	760
217 Career Specialist Services:								
100 Salaries	-	-	-	-	-	367,064	-	367,064
200 Employee Benefits	-	-	-	-	-	151,619	-	151,619
220 Instructional Staff Services								
221 Improvement of Instruction Curriculum Development:								
100 Salaries	-	-	-	-	-	522,200	-	522,200
200 Employee Benefits	-	-	-	-	-	202,512	-	202,512
300 Purchased Services	-	-	-	-	-	-	11,536	11,536
222 Library and Media Services:								
400 Supplies and Materials	-	-	-	-	-	-	783	783
223 Supervision of Special Programs:								
100 Salaries	91,973	646	-	7,048	-	1,617	382,688	483,972
200 Employee Benefits	33,811	182	-	2,093	-	441	144,923	181,450
300 Purchased Services	3,711	4,139	-	4,381	2,494	-	233,597	248,322
400 Supplies and Materials	1,434	18,669	-	-	-	-	24,471	44,574
600 Other Objects	-	434	-	-	-	-	176	610
224 Improvement of Instruction Inservice and Staff Training:								
100 Salaries	54,666	-	-	267	-	-	65,085	120,018
200 Employee Benefits	18,063	-	-	18	-	-	29,672	47,753
300 Purchased Services	66,286	8,250	-	14,246	-	-	517,213	605,995
400 Supplies and Materials	27,980	-	-	3,868	-	-	10,257	42,105
600 Other Objects	16	-	-	-	-	-	-	16

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, 2019

	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
230 General Administration Services								
233 School Administration:								
100 Salaries	-	-	-	-	-	-	82,441	82,441
200 Employee Benefits	-	-	-	-	-	-	29,999	29,999
300 Purchased Services	-	-	-	-	-	-	5,500	5,500
400 Supplies and Materials	-	-	-	-	-	-	5,977	5,977
250 Finance and Operations Services								
251 Student Transportation (Federal/District Mandated):								
100 Salaries	-	46,996	-	-	-	-	43,686	90,682
200 Employee Benefits	-	14,895	-	-	-	-	7,245	21,940
300 Purchased Services	-	941	-	-	-	-	33,997	34,938
254 Operation and Maintenance of Plant:								
100 Salaries	-	-	-	-	-	-	2,473	2,473
200 Employee Benefits	-	-	-	-	-	-	699	699
300 Purchased Services	-	-	-	-	-	-	39,727	39,727
400 Supplies and Materials	-	-	-	-	-	-	21,947	21,947
470 Energy (Include gas, oil, elec. & other heating fuels)	-	-	-	-	-	-	8,972	8,972
255 Student Transportation (State Mandated):								
100 Salaries	-	-	-	-	-	-	250,992	250,992
200 Employee Benefits	-	-	-	-	-	-	31,864	31,864
300 Purchased Services	-	-	-	-	-	-	37,755	37,755
256 Food Service:								
100 Salaries	-	-	-	-	-	-	6,867	6,867
200 Employee Benefits	-	-	-	-	-	-	1,600	1,600
400 Supplies and Materials (Includes gas, oil, electricity, and other heating fuels.)	-	-	-	-	-	-	189	189
258 Security:								
500 Capital Outlay	-	-	-	-	-	7,958	-	7,958
260 Central Support Services								
264 Staff Services:								
600 Other Objects	-	-	-	-	-	-	670	670
270 Support Services Pupil Activity								
271 Pupil Services Activities:								
100 Salaries (optional)	-	-	-	5,028	-	-	-	5,028
200 Employee Benefits (optional)	-	-	-	403	-	-	-	403
300 Purchased Services (optional)	-	-	-	34,149	-	-	-	34,149
Total Support Services	297,940	713,231	-	71,501	2,494	1,602,571	2,046,269	4,734,006

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, 2019

300 Community Services										
350 Custody and Care of Children Services:										
100 Salaries	-	-	-	-	-	-	-	-	365,927	365,927
200 Employee Benefits	-	-	-	-	-	-	-	-	180,706	180,706
300 Purchased Services	-	-	-	-	-	-	-	-	77,691	77,691
400 Supplies and Materials	-	-	-	-	-	-	-	-	41,172	41,172
390 Other Community Services:										
100 Salaries	-	-	-	-	-	-	-	-	566,924	566,924
200 Employee Benefits	-	-	-	-	-	-	-	-	219,293	219,293
Total Community Services										
Total Expenditures	\$ 3,428,913	\$ 2,409,288	\$ 91,262	\$ 191,546	\$ 75,508	\$ 1,721,122	\$ 6,805,222	\$ 14,722,861		
Other Financing Sources (Uses)										
Interfund Transfers, From (To) Other Funds:										
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)										
421-710 Transfer to Special Revenue Fund	-	-	-	-	-	-	-	-	305,737	305,737
431-791 Special Revenue Fund Indirect Costs	(109,734)	(79,957)	(2,540)	-	(2,560)	-	(77,899)	-	(272,690)	(272,690)
Total Other Financing Sources (Uses)										
	(109,734)	(79,957)	(2,540)	-	(2,560)	-	(77,899)	-	(272,690)	(272,690)
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, 2019

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	109,546	109,546	-	-	751
935	3135	Reading Coaches	724,712	724,712	-	-	-
936	3136	Student Health and Fitness - Nurses	349,160	349,160	-	-	-
955	3155	DSS SNAP & E&T Program	976	976	-	-	15,087
956	3156	Adult Education	8,036	8,036	-	-	5,146
919	3193	Education License Plates	2,051	2,051	-	-	1,097
970	3670	School Safety - Facility & Infrastructure Safety Upgrades	7,958	7,958	-	-	71,042
966	3660	Mobile Device Access and Management	-	-	-	-	62,845
			<u>\$ 1,721,122</u>	<u>\$ 1,721,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,968</u>

**LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
BALANCE SHEET
JUNE 30, 2019**

Assets

Due From Other Funds	\$ 909,658
Due From State Government	<u>97,477</u>

Total Assets	<u><u>\$ 1,007,135</u></u>
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Liabilities & Fund Balances

Liabilities

Unearned Revenue	<u>1,007,135</u>
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Total Liabilities	<u>1,007,135</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><u>\$ 1,007,135</u></u>
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**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, 2019**

Revenues

3000 Revenue from State Sources

3500 Education Improvement Act:	
3502 ADEPT	\$ 16,499
3507 Aid to District Technology	342,858
3509 Arts in Education	70,393
3511 Professional Development	103,778
3518 Adoption List of Formative Assessment	141,525
3519 Grade 10 Assessments	69,198
3526 Refurbishment of K-8 Science Kits	74,693
3528 Industry Certificates	31,285
3529 Career & Technology Education	422,345
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	783,669
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	1,197,736
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	438,951
3550 Teacher Salary Increase (No Carryover Provision)	3,032,811
3555 Teacher Salary Fringe (No Carryover Provision)	622,151
3556 Adult Education	178,068
3557 Summer Reading Program	120,207
3558 Reading	23,202
3571 Technical Assistance - State Priority Schools	32,556
3577 Teacher Supplies (No Carryover Provision)	256,850
3594 EEDA Supplemental Programs	63,646
3595 EEDA - Supplies and Materials - Career Awareness	18,850
3597 Aid to Districts	271,764

Total State Sources	8,314,112
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Total Revenues All Sources	\$ 8,314,112
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Expenditures

100 Instruction

110 General Instruction

111 Kindergarten Programs:	
100 Salaries	14,901
200 Employee Benefits	4,174
112 Primary Programs:	
100 Salaries	148,288
200 Employee Benefits	43,937
300 Purchased Services	27,827
400 Supplies and Materials	34,559
500 Capital Outlay	6

**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, 2019**

113 Elementary Programs:	
100 Salaries	258,709
200 Employee Benefits	91,144
300 Purchased Services	38,509
400 Supplies and Materials	334,471
600 Other Objects	600
114 High School Programs:	
100 Salaries	308,003
200 Employee Benefits	112,032
300 Purchased Services	50,425
400 Supplies and Materials	91,917
600 Other objects	400
115 Career and Technology Education Programs:	
100 Salaries	15,000
200 Employee Benefits	4,218
300 Purchased Services - Other Than Tuition	32,803
400 Supplies and Materials	117,665
500 Capital Outlay	212,399
600 Other Objects	5,425
120 Exceptional Programs	
121 Educable Mentally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	2,110
127 Learning Disabilities:	
100 Salaries	52,500
200 Employee Benefits	14,738
128 Emotionally Handicapped:	
100 Salaries	7,500
200 Employee Benefits	2,092
130 Pre-School Prgrams	
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):	
100 Salaries	7,500
200 Employee Benefits	2,117
139 Early Childhood Programs:	
100 Salaries	281,580
200 Employee Benefits	149,113
300 Purchased Services	402
400 Supplies and Materials	7,855
140 Special Programs	
141 Gifted and Talented - Academic:	
100 Salaries	14,842
200 Employee Benefits	4,124
147 CDEP:	
100 Salaries	3,908
200 Employee Benefits	1,104

**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, 2019**

160 Other Exceptional Programs

162 Limited English Proficiency:

100 Salaries	320,170
200 Employee Benefits	122,343

170 Summer School Program

172 Elementary Summer School:

100 Salaries	80,049
200 Employee Benefits	24,893
400 Supplies and Materials	36,771

173 High School Summer School:

100 Salaries	312
200 Employee Benefits	88
300 Purchased Services	998

175 Instructional Programs Beyond Regular School Day:

100 Salaries	11,536
200 Employee Benefits	3,356
300 Purchased Services	3,812
400 Supplies and Materials	914

180 Adult/Continuing Educational Programs

181 Adult Basic Education Programs:

100 Salaries	4,797
200 Employee Benefits	161

182 Adult Secondary Education Programs:

100 Salaries	25,953
200 Employee Benefits	6,680
300 Purchased Services	243

188 Parenting/Family Literacy:

100 Salaries	28,499
200 Employee Benefits	8,063

Total Instruction

3,186,035

200 Support Services

210 Pupil Services

212 Guidance Services:

100 Salaries	41,356
200 Employee Benefits	11,591
400 Supplies and Materials	18,850

213 Health Services:

100 Salaries	1,817
200 Employee Benefits	524

217 Career Specialist Services:

100 Salaries	1,434
200 Employee Benefits	1,503

**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, 2019**

220 Instructional Staff Services

221 Improvement of Instruction Curriculum Development:

100 Salaries	117,531
200 Employee Benefits	40,026
300 Purchased Services	1,890

222 Library and Media Services:

100 Salaries	22,500
200 Employee Benefits	6,305

223 Supervision of Special Programs:

100 Salaries	295,214
200 Employee Benefits	125,424
300 Purchased Services	15,277

224 Improvement of Instruction Inservice and Staff Training:

100 Salaries	50,744
200 Employee Benefits	14,216
300 Purchased Services	89,563
400 Supplies and Materials	62,738
500 Capital Outlay	1,511
600 Other Objects	5,167

230 General Administration Services

233 School Administration:

100 Salaries	5,000
200 Employee Benefits	1,393
300 Purchased Services	363

250 Finance and Operations Services

251 Student Transportation (Federal/District Mandated)::

100 Salaries	5,914
200 Employee Benefits	1,263

255 Student Transportation (State Mandated):

100 Salaries	28,513
200 Employee Benefits	3,971
300 Purchased Services	789

260 Central Support Services

262 Planning, Research, Development & Evaluation:

400 Supplies and Materials	12,816
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266 Technology and Data Processing Services:

300 Purchased Services	141,525
400 Supplies and Materials	335,984
500 Capital Outlay	6,874

**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, 2019**

270 Support Services Pupil Activity

271 Pupil Services Activities:

100 Salaries (optional)	1,372
200 Employee Benefits (optional)	1,044
300 Purchased Services (optional)	1,113
	1,473,115

Total Support Services	1,473,115
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Total Expenditures	\$ 4,659,150
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Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

420-710 Transfer to General Fund (Exclude Indirect Costs)	(3,654,962)
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Total Other Financing Sources (Uses)	(3,654,962)
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Excess/Deficiency of Revenues over Expenditures	\$ -
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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, 2019

Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 16,499	\$ 16,499	\$ -	\$ -	\$ 11,575
3507 Aid to District Technology	342,858	342,858	-	-	12,532
3509 Arts in Education	70,393	70,393	-	-	8,778
3511 Professional Development	103,778	103,778	-	-	-
3518 Formative Assessment	141,525	141,525	-	-	3,642
3519 Grade 10 Assessments	69,198	69,198	-	-	-
3526 Refurbishment of K-8 Science Kits	74,693	74,693	-	-	3,390
3528 Industry Certificates	31,285	31,285	-	-	17,509
3529 Career & Technology Education	422,345	422,345	-	-	100,999
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	783,669	783,669	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students At Risk of School Failure	1,197,736	1,197,736	-	-	199,733
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	438,951	438,951	-	-	69,986
3550 Teacher Salary Increase (No Carryover Provision)	3,032,811	-	-	(3,032,811)	-
3555 School Employer Contributions (No Carryover Provision)	622,151	-	-	(622,151)	-
3556 Adult Education	178,068	178,068	-	-	100,049
3557 Summer Reading Program	120,207	120,207	-	-	115,874
3558 Reading	23,202	23,202	-	-	-
3571 Technical Assistance - State Priority Schools	32,556	32,556	-	-	-
3577 Teacher Supplies (No Carryover Provision)	256,850	256,850	-	-	-
3594 EEDA Supplemental Programs	63,646	63,646	-	-	-
3595 EEDA - Supplies and Material - Career Awareness	18,850	18,850	-	-	1,951
3597 Aid to Districts	271,764	271,764	-	-	338,710
3599 Other EIA	-	-	-	-	22,407
Total	\$ 8,314,112	\$ 4,659,150	\$ -	\$ (3,654,962)	\$ 1,007,135

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, 2019**

Assets

Property Tax Receivable	\$ 1,063,681
Due From County Government	<u>12,683,603</u>
Total Assets	<u>\$ 13,747,284</u>

Liabilities, Deferred Inflows of Resources & Fund Balances

Deferred Inflows of Resources

Unavailable Revenue - Property Taxes	<u>972,508</u>
Total Deferred Inflows of Resources	<u>972,508</u>

Fund Balances

Restricted For Debt Service	<u>12,774,776</u>
Total Fund Balances	<u>12,774,776</u>
Total Liabilities & Fund Balances	<u>\$ 13,747,284</u>

**LANCASTER COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

Revenues

1000 Revenue from Local Sources

1100 Taxes Levied/Assessed by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 23,896,625
1140 Penalties & Interest on Taxes (Independent)	140,412
1200 Revenue From Local Governmental Units Other Than LEAs	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,523,335
1500 Earnings on Investments:	
1510 Interest on Investments	<u>13,286</u>

Total Local Sources	<u><u>25,573,658</u></u>
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3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	1,294,373
3830 Merchant's Inventory Tax	12,497
3840 Manufacturers Depreciation Reimbursement	80,116
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	<u>137,738</u>

Total State Sources	<u><u>1,524,724</u></u>
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Total Revenues All Sources	<u><u><u>\$ 27,098,382</u></u></u>
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Expenditures

500 Debt Service

610 Redemption of Principal	5,130,000
620 Interest	<u>5,378,908</u>

Total Debt Service	<u><u>10,508,908</u></u>
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Total Expenditures	<u><u><u>\$ 10,508,908</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, 2019**

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

423-710 Transfer to Debt Service Fund	(3,280,561)
424-710 Transfer to School Building Fund Capital Projects Fund	<u>(10,719,439)</u>

Total Other Financing Sources (Uses)	<u>(14,000,000)</u>
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Excess/Deficiency of Revenues over Expenditures	<u><u>\$ 2,589,474</u></u>
--	----------------------------

Fund Balance, Beginning of Year	<u>10,185,302</u>
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Fund Balance, End of Year	<u><u>\$ 12,774,776</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, 2019**

Total Revenues All Sources	\$ -
Expenditures	
500 Debt Service	
610 Redemption of Principal	\$ 2,265,000
620 Interest	<u>2,009,514</u>
Total Debt Service	<u>4,274,514</u>
Total Expenditures	\$ 4,274,514
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds:	
5240 Transfer from Debt Service Fund	3,280,561
5250 Transfer from School Building Fund Capital Projects Fund	<u>993,953</u>
Total Other Financing Sources (Uses)	<u>4,274,514</u>
Excess/Deficiency of Revenues over Expenditures	\$ -
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	\$ -

CAPITAL PROJECTS FUND - SCHOOL BUILDING

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

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, 2019**

Assets

Due From County Government	\$ 101,326,627
Other Receivables	<u>17,638</u>

Total Assets	<u>\$ 101,344,265</u>
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Liabilities & Fund Balances

Liabilities

Due To Other Funds	3,403,827
Bonds Payable	1,010,000
Retainage Payable	2,509,692
Unearned Revenue	<u>3,825</u>

Total Liabilities	<u>6,927,344</u>
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Fund Balances

Restricted For Capital Projects	<u>94,416,921</u>
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Total Fund Balances	<u>94,416,921</u>
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Total Liabilities & Fund Balances	<u>\$ 101,344,265</u>
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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, 2019**

Revenues

1000 Revenue from Local Sources

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,432,005
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1993 Receipt of Insurance Proceeds	<u>1,207,263</u>

Total Local Sources	<u>2,639,268</u>
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Total Revenues All Sources	<u><u>\$ 2,639,268</u></u>
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Expenditures

200 Support Services

250 Finance and Operations Services	
253 Facilities Acquisition and Construction:	
300 Purchased Services	1,667,304
400 Supplies and Materials	2,494,250
500 Capital Outlay	
520 Construction Services	59,965,072
530 Improvements Other Than Buildings	3,125,749
540 Equipment	745,820
545 Technology Equipment and Software	1,385,644
550 Vehicles	164,350
560 Library Books and Materials	522,107
590 Other Capital Outlay	<u>1,752,533</u>

Total Support Services	<u>71,822,829</u>
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500 Debt Service

620 Interest	<u>9,500</u>
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Total Debt Service	<u>9,500</u>
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Total Expenditures	<u><u>\$ 71,832,329</u></u>
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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, 2019**

Other Financing Sources (Uses)

5110 Premium on Bonds Sold	8,968,344
5120 Proceeds of General Obligation Bonds	74,000,000
5300 Sale of Fixed Assets	60,000

Interfund Transfers, From (To) Other Funds:

5240 Transfer from Debt Service Fund	10,719,439
423-710 Transfer to Debt Service Fund	<u>(993,953)</u>

Total Other Financing Sources (Uses)	<u>92,753,830</u>
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Excess/Deficiency of Revenues over Expenditures	<u><u>\$ 23,560,769</u></u>
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Fund Balance, Beginning of Year	<u>70,856,152</u>
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Fund Balance, End of Year	<u><u>\$ 94,416,921</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, 2019**

Assets

Cash & Cash Equivalents	\$ 1,715,308
Due From Federal Government	42,576
Prepaid Expenses	5,102
Inventories - Supplies & Materials	79,807
Property, Plant and Equipment, Net	<u>1,934,423</u>

Total Assets	<u>\$ 3,777,216</u>
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Deferred Outflows of Resources

Net Pension Deferred Outflows	301,063
Net OPEB Deferred Outflows	86,804
Employer Contributions Subsequent to Measurement Date	<u>386,763</u>

Total Deferred Outflows of Resources	<u>\$ 774,630</u>
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Liabilities

Due To Other Funds	903,343
Unearned Revenue	18,288
Net OPEB Liability	2,943,001
Net Pension Liability	<u>3,745,140</u>

Total Liabilities	<u>\$ 7,609,772</u>
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Deferred Inflows of Resources

Net Pension Deferred Inflows	23,030
Net OPEB Deferred Inflows	<u>240,767</u>

Total Deferred Inflows of Resources	<u>\$ 263,797</u>
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Fund Balances

Net Investment in Capital Assets	1,934,423
Unrestricted	<u>(5,256,146)</u>

Total Fund Balances	<u>\$ (3,321,723)</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, 2019**

Revenues

1000 Revenue from Local Sources

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 232
1600 Food Service:	
1610 Lunch Sales to Pupils	1,056,157
1620 Breakfast Sales to Pupils	152,103
1630 Special Sales to Pupils	277,098
1640 Lunch Sales to Adults	98,498
1650 Breakfast Sales to Adults	17,395
1660 Special Sales to Adults	48,356
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	14,947
Total Local Sources	1,664,786

4000 Revenue from Federal Sources

4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	2,938,534
4830 School Breakfast Program	806,454
4870 School Food Service (Equipment)	25,290
4900 Other Federal Sources:	
4990 Other Federal Revenue:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	428,786
4999 Revenue from Other Federal Sources	11,000
Total Federal Sources	4,210,064

Total Revenues All Sources	\$ 5,874,850
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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, 2019**

Expenditures

200 Support Services

250 Finance and Operations Services

256 Food Service:

100 Salaries	1,997,085
200 Employee Benefits	610,721
300 Purchased Services (Excludes gas, oil, electricity, and other heating fuels.)	62,036
400 Supplies and Materials (Includes gas, oil, electricity, and other heating fuels.)	3,054,724
500 Capital Outlay	229,828
600 Other Objects	14,164
	<hr/>

Total Support Services

5,968,558

Total Expenditures

\$ 5,968,558

Other Financing Sources (Uses)

5300 Sale of Fixed Assets	(6,844)
5900 Miscellaneous Sources:	
5999 Other Financing Sources	659,667

Interfund Transfers, From (To) Other Funds:

432-791 Food Service Fund Indirect Costs	<hr/> (373,411)
--	-----------------

Total Other Financing Sources (Uses)

279,412

Excess/Deficiency of Revenues over Expenditures

\$ 185,704

Fund Balance, Beginning of Year

(3,507,427)

Fund Balance, End of Year

\$ (3,321,723)

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, 2019**

**PUPIL
ACTIVITY**

Assets

Cash & Cash Equivalents	\$ 1,196,115
Investments	1,064,546
Other Receivables	<u>2,795</u>

Total Assets	<u><u>\$ 2,263,456</u></u>
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Liabilities

Due To School District	495,503
Due to Pupil Activities	<u>1,767,953</u>

Total Liabilities	<u><u>\$ 2,263,456</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, 2019**

Receipts

1000 Receipts from Local Sources

1300 Tuition	
1350 From Patrons for Summer School	\$ 16,749
1500 Earnings on Investments:	
1510 Interest on Investments	25,675
1700 Pupil Activities:	
1710 Admissions	408,219
1720 Bookstore Sales	1,742,918
1730 Pupil Organization Membership Dues and Fees	1,681,839
1740 Student Fees	21,573
1900 Other Receipts from Local Sources:	
1910 Rentals	20
1920 Contributions & Donations Private Sources	376,949
1990 Miscellaneous Local Receipts:	
1999 Receipts from Other Local Sources	17,202
Total Local Sources	<u>4,291,144</u>
Total Receipts All Sources	<u><u>\$ 4,291,144</u></u>

Disbursements

100 Instruction

190 Instructional Pupil Activity:	
100 Salaries (optional)	139,788
200 Employee Benefits (optional)	39,034
400 Supplies and Materials (optional)	1,423
500 Capital Outlay (optional)	308
600 Other Objects	
660 Instructional Pupil Activity	1,049,768
Total Instruction	<u>1,230,321</u>

200 Support Services

270 Support Services Pupil Activity	
271 Pupil Services Activities:	
100 Salaries (optional)	761,809
200 Employee Benefits (optional)	195,703
500 Capital Outlay (optional)	13,618
600 Other Objects (optional)	
660 Pupil Activity	2,012,214

**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, 2019**

272 Enterprise Activities	
600 Other Objects (optional)	
660 Pupil Activity	157,102
273 Trust and Agency Activities	
600 Other Objects (optional)	
660 Pupil Activity	1,325
Total Support Services	3,141,771
Total Disbursements	\$ 4,372,092
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	239,777
5270 Transfer from Pupil Activity Fund	874,525
426-710 Transfer to Pupil Activity Fund	(874,525)
Total Other Financing Sources (Uses)	239,777
Excess/Deficiency of Receipts over Disbursements	\$ 158,829
Fund Balance, Beginning of Year	1,609,124
Fund Balance, End of Year	\$ 1,767,953

**LANCASTER COUNTY SCHOOL DISTRICT
FIDUCIARY FUND - PUPIL ACTIVITY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2019**

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Assets				
Cash & Cash Equivalents	\$ 1,577,156	\$ 4,503,137	\$ 4,884,178	\$ 1,196,115
Investments	1,038,871	25,675	-	1,064,546
Other Receivables	685	2,795	685	2,795
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 2,616,712</u></u>	<u><u>\$ 4,531,607</u></u>	<u><u>\$ 4,884,863</u></u>	<u><u>\$ 2,263,456</u></u>
Liabilities				
Due To School District	1,007,589	4,867,595	5,379,681	495,503
Due to Pupil Activities	1,609,124	4,530,921	4,372,092	1,767,953
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>\$ 2,616,713</u></u>	<u><u>\$ 9,398,516</u></u>	<u><u>\$ 9,751,773</u></u>	<u><u>\$ 2,263,456</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, 2019

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to SDE or Federal Government	Status of Amounts Due To Grantors
Title I Grants to Local Educational Agencies	H63010100119	4310 / 202	Overclaim 223-300	\$ 757	Paid Check # 190493 - 8/22/19
Special Education—Grants to States (IDEA, Part B)	H63010100919	4510 / 203	Overclaim 100-400	6,673.51	Paid Check # 190402 - 8/15/19
Special Education—Grants to States (IDEA, Part B)	H63010100919	4510 / 203	Overclaim 431-700	155.51	Paid Check # 190629 - 8/29/19
Special Education—Grants to States (IDEA, Part B)	H63010100919	4510 / 203	Overclaim 100-200	1,478.60	Paid Check # 190629 - 8/29/19
Special Education—Grants to States (IDEA, Part B)	H63010100919	4510 / 203	Overclaim 210-200	1,094.74	Paid Check # 190629 - 8/29/19
Special Education—Preschool Grants (IDEA Preschool)	H63010100819	4520 / 205	Overclaim 100-200	287.80	Paid Check # 190742 - 9/5/19
School Improvement Grants	H63010010415	4314 / 234	Overclaim 251-100	360.00	Paid Check # 190855 - 9/12/19
Head Start	04CH4740-05-01	813	Overclaim Funds	9,238.93	Paid Check # 191044 - 9/26/19
Early Head Start	04CH4758-05-00	827	Overclaim Funds	34,863.15	Paid Check # 191044 - 9/26/19
				<u>\$ 54,909.41</u>	

**LANCASTER COUNTY SCHOOL DISTRICT
LOCATION RECONCILIATION SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
10	Brooklyn Springs Elementary	Elementary Schools	School	\$ 4,667,718
12	Discovery School	Other Schools	School	988,129
13	Clinton Elementary	Elementary Schools	School	4,954,639
15	Erwin Elementary	Elementary Schools	School	3,952,754
16	Lancaster High School	High Schools	School	17,693,681
18	LCSD Career Center	High Schools	School	2,287,774
19	McDonald Green Elementary	Elementary Schools	School	3,775,719
20	North Elementary	Elementary Schools	School	5,789,071
22	South Middle	Middle Schools	School	5,049,659
23	Southside Early Childhood Center	Other Schools	School	3,230,913
24	Barr Street Learning Center	Other Schools	School	291,701
25	A.R. Rucker	Middle Schools	School	4,873,699
30	Andrew Jackson High	High Schools	School	18,546,321
33	Heath Springs Elementary	Elementary Schools	School	4,515,653
34	Kershaw Elementary	Elementary Schools	School	4,829,044
37	Andrew Jackson Middle	Middle Schools	School	4,698,279
40	Buford Middle	Middle Schools	School	3,804,265
41	Buford Elementary	Elementary Schools	School	5,221,042
43	Buford High	High Schools	School	10,423,232
50	Indian Land High	High Schools	School	9,583,004
51	Indian Land Elementary	Elementary Schools	School	7,182,518
52	Indian Land Middle	Middle Schools	School	7,150,484
53	Harrisburg Elementary School	Elementary Schools	School	6,310,387
54	Van Wyck Elementary School	Elementary Schools	School	9,641,183
OTHER	District Wide	Non-School	Central	77,033,171

Total Expenditures/Disbursements for All Funds

\$ 226,494,040

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

General Fund (Subfund 100s)	\$ 110,860,541
Special Revenue Fund - Special Projects (Subfund 200s, 800s, 900s)	14,017,948
Special Revenue Fund - EIA Fund (Subfund 300s)	4,659,150
Debt Service Fund (Subfund 400s)	14,783,422
Capital Projects Fund (Subfund 500s)	71,832,329
Enterprise Fund - Food Service (Subfund 600s)	5,968,558
Agency Fund - Pupil Activity (Subfund 700s)	4,372,092

Total Expenditures/Disbursements for All Funds

\$ 226,494,040

LANCASTER COUNTY SCHOOL DISTRICT
SPECIAL REVENUE - SPECIAL PROJECTS
SUBFUND CODE LIST
FOR THE YEAR ENDED JUNE 30, 2019

District Subfund Code		Special Revenue Programs Program Name		Other Subfund Code		Special Revenue Programs Program Name	
210	Title IV - SSAE			843	SC Arts Commission - Harrisburg		
221	Title I, N&D			844	SC Arts Commission - ABC Grant - Andrew Jackson Middle		
224	21st Century Community Learning Centers			845	SC Arts Commission - ABC Grant - Clinton Elementary		
234	Early Learning Model - School Improvement			846	Christian Services - Adult Ed		
238	Title I Support			847	SC Arts Commission - Heath Springs Elementary		
240	Title I, Direct Student Services			848	SC Arts Commission		
264	Language Instruction for Limited English Proficient and Immigrant Students Title III			849	SC Arts Commission		
267	Title II Improving Teacher Quality			850	SC Arts Commission		
270	JROTC			851	Jobs for South Carolina's Graduates		
275	Adult Education Local Contributions			852	SC Arts Commission		
296	Facility Rental Fund			853	ABC-TSI Grant		
299	12-Month Ag.			854	ABC-TSI Grant		
801	Discovery School			855	ABC-TSI Grant		
802	SIMS: Swimming and Water Safety			857	Professional Development		
803	Communities in Schools			859	SIMS: Reading for Workplace Success		
804	First Steps			860	Red Cross Disaster Relief		
805	Workforce Investment Act						
807	First Steps - Early Head Start Partnership Grant						
809	Partners for Youth-Clinton Community Grant						
810	Leader in Me						
811	Learn TV Advertising			243	Adult Education		
812	Education Oversight Committee						
813	Head Start						
814	Children's Council - Teen Pregnancy Prevention						
817	DJJ - Teen After School Centers						
820	Lancaster County Project Prevent						
821	Little Free Libraries						
822	Workers Compensation Risk Control Grant			919	Education License Plates		
827	Early Head Start			928	EEDA Career Specialist		
828	Learn TV - Children's Council			935	Reading Coaches		
830	AmeriCorp			936	Student Health and Fitness - Nurses		
839	EXT School Year			937	Student Health and Fitness - PE Teachers		
840	SC Arts Commission - Heath Springs			955	DSS SNAP and E&T Program		
841	SC Arts Commission - AJ Middle			956	Adult Education		
842	SC Arts Commission - McDonald Green Elementary			966	Mobile Device Access & Management		
				970	School Safety - Facility & Infrastructure Safety Upgrades		

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.	106-110
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	111-114
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.	115-118
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.	119-121
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.	122-127

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary Government										
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 89,251,079
Restricted	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	107,191,697
Unrestricted**	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)	(316,586,766)
Total Governmental Activities -										
Net Position (Deficit)	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)	(120,143,990)
Business-Type Activities										
Investment in Capital Assets	679,606	570,429	470,369	455,985	531,604	1,109,933	1,092,312	1,400,893	1,431,336	1,934,423
Unrestricted	283,218	564,534	1,022,090	1,085,707	(910,488)	(1,077,253)	(1,877,390)	(1,971,806)	(4,938,763)	(5,256,146)
Total Business-Type Activities -										
Net Position	962,824	1,134,963	1,492,459	1,541,692	(378,884)	32,680	(785,078)	(570,913)	(3,507,427)	(3,321,723)
Total Primary Government										
Net Investment in Capital Assets	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	91,185,502
Restricted	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	107,191,697
Unrestricted**	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)	(321,842,912)
Total Primary Government -										
Net Position (Deficit)	\$ 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)	\$ (123,465,713)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Instruction	\$ 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	\$ 83,715,504
Support Services	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	64,083,925
Community Services	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	1,562,678
Interest and Other Charges	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	7,070,424
Pupil Activities	133,669	119,900	344,787	168,300	195,706	226,209	247,537	194,481	244,546	239,777
Loss on Sale of Capital Assets	-	-	-	-	-	-	112,569	-	-	-
Total Governmental Activities Expenses	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	156,672,308
Business-Type Activities:										
Food Service	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	5,968,558
Total Business-Type Activities Expenses	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	5,968,558
Total Primary Government Expenses	\$ 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	\$ 162,640,866
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	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	26,367
Community Services	-	-	-	696	327	351	-	-	-	-
Operating Grants and Contributions	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	78,430,902
Capital Grants and Contributions	6,982	4,034	3,119	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	61,235,818	54,477,273	54,754,434	58,642,298	59,042,381	62,766,666	65,294,453	71,486,004	75,755,032	78,457,269
Business-Type Activities:										
Charges for Services	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	1,649,607
Operating Grants and Contributions	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	4,225,243
Capital Grants and Contributions	-	-	-	-	-	-	113,677	446,524	190,290	659,667
Total Business-Type Activities Program Revenues	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	6,534,517
Total Primary Government Program Revenues	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	84,991,786
Net (Expense) Revenue										
Governmental Activities	(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)	(78,215,039)
Business-Type Activities	363,658	390,005	591,900	336,826	459,874	77,435	(497,748)	546,618	467,240	565,959
Total Primary Governmental Net (Expense) Revenue	\$ (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)	\$ (77,649,080)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 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	\$ 32,700,151
Property Taxes, Levied for Debt Service	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	25,560,372
Unrestricted Grants, Aids and Contributions	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	16,732,516
Unrestricted Investment Earnings	103,229	115,775	57,831	73,410	57,831	54,965	166,405	617,302	1,757,972	1,986,023
Gain on Sale of Capital Assets	-	4,894,906	-	-	-	-	-	-	-	-
Insurance Proceeds	-	26,771	26,871	64,569	27,311	22,177	431,068	823,734	3,393,755	1,744,591
Miscellaneous	29,187	219,935	235,169	287,592	259,326	(334,129)	320,010	332,453	347,745	373,411
Transfers	223,376	49,788,436	49,020,937	51,116,507	51,607,498	53,524,371	61,912,298	70,839,648	76,721,727	79,097,064
Total Governmental Activities	45,915,651	1,270	765	-	-	-	-	-	-	-
Business-Type Activities:										
Unrestricted Investment Earnings	-	(219,935)	(235,169)	(287,592)	(259,326)	334,129	(320,010)	(332,453)	(347,745)	(6,844)
Loss on Sale of Capital Assets	(223,376)	(217,866)	(234,404)	(287,592)	(259,326)	334,129	(320,010)	(332,453)	(347,745)	(373,411)
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	(223,376)	(217,866)	(234,404)	(287,592)	(259,326)	334,129	(320,010)	(332,453)	(347,745)	(380,255)
Total Primary Government	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	78,716,809
Change in Net Position										
Governmental Activities	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	882,025
Business-Type Activities	141,552	172,139	357,496	49,234	200,548	411,564	(817,758)	214,165	119,495	185,704
Total Change in Net Position-Primary Government	\$ 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	\$ 1,067,729

Note: Accrual basis of accounting.

Source: Comprehensive Annual Financial Report

Unaudited

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved*	\$ 6,811	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved										
Designated for Subsequent Years	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Undesignated	11,284,835	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total General Fund	<u>\$ 11,291,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund**										
Nondisposable:										
Prepaid Expenditures	N/A	\$ 69,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,854,362	\$ 2,982	\$ 8,704
Assigned:										
Subsequent Year Expenditures	N/A	831,936	954,973	2,423,778	2,772,134	3,058,770	3,686,139	2,719,152	3,370,647	5,460,939
Encumbered Operating Expenditures	N/A	71,971	36,355	53,515	32,952	39,411	26,567	10,042	29,174	89,108
Unassigned	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	19,737,582
Total General Fund	<u>\$ -</u>	<u>\$ 12,399,688</u>	<u>\$ 15,558,792</u>	<u>\$ 17,746,892</u>	<u>\$ 18,653,099</u>	<u>\$ 20,762,415</u>	<u>\$ 22,399,399</u>	<u>\$ 25,256,736</u>	<u>\$ 27,625,945</u>	<u>\$ 25,296,333</u>
All Other Governmental Funds										
Reserved for:										
Debt Service	2,077,477	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service LEAP	6,585,984	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Projects	1,533,182	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Projects LEAP	534,546	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, Reported in:										
Special Revenue Funds	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	<u>\$ 10,731,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds**										
Restricted:										
Debt Service	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	12,774,776
Debt Service LEAP	N/A	6,585,886	6,586,124	-	-	-	-	-	-	-
Capital Projects	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	94,416,921
Capital Projects LEAP	N/A	123,888	4	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ 15,329,308</u>	<u>\$ 16,136,508</u>	<u>\$ 23,821,437</u>	<u>\$ 13,040,804</u>	<u>\$ 8,078,843</u>	<u>\$ 13,218,539</u>	<u>\$ 134,134,045</u>	<u>\$ 81,041,454</u>	<u>\$ 107,191,697</u>

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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Local Sources:	\$ 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	\$ 63,170,188
Intergovernmental							660,859	-	-	-
State Sources	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	82,882,831
Federal Sources	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	10,759,024
Total Revenues	106,419,701	103,602,308	104,232,146	109,219,770	110,174,419	116,305,041	126,685,765	141,823,301	151,968,618	156,812,043
Expenditures										
Instruction	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	77,706,366
Support Services	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	53,305,560
Community Services	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	1,451,713
Pupil Activities	-	119,900	344,787	168,300	195,706	226,209	-	-	-	-
Intergovernmental	789,155	778,140	792,327	809,899	830,697	925,366	904,002	814,304	856,425	874,075
Debt Service:										
Legal Services	-	-	-	-	-	-	55,657	-	-	-
Principal	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	7,395,000
Interest and Fiscal Charges	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	7,397,922
Other Objects	-	-	-	-	1,290	-	-	-	-	-
Capital Outlay	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	68,022,754
Total Expenditures	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	216,153,390
Excess (Deficiency) of Revenues Over Expenditures	(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)	(59,341,347)
Other Financing Sources (Uses)										
Sale of Capital Assets	25,000	-	-	-	2,000	-	-	-	-	60,000
Premium on Bonds Sold	-	-	-	7,747,382	-	-	516,176	10,513,549	-	8,968,344
Proceeds of General Obligation Bonds	-	-	-	21,720,000	-	-	15,545,000	125,000,000	-	74,000,000
Proceeds of Refund Debt	-	-	-	60,355,000	-	-	-	-	-	-
Payment to Refunded Debt Escrow Agent	-	-	-	(72,779,959)	-	-	-	-	-	-
Operating Transfers In	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	19,600,753
Operating Transfers (Out)	(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)	(19,467,119)
Total Other Financing Sources (Uses)	114,707	219,935	235,169	17,330,015	261,326	333,787	16,133,650	135,651,521	103,199	83,161,978
Net Change in Fund Balances	\$ (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)	\$ 23,820,631
Debt Service as a Percentage of Noncapital Expenditures	7.55%	7.55%	7.44%	15.36%	8.08%	9.08%	16.27%	8.76%	12.84%	9.99%

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		
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%
2019	302,285,440	6,714,974,417	86,398,881	1,150,671,543	388,684,321	7,865,645,960	217.5	4.94%

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	
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
2019	154.50	65.00	219.50	101.20	4.70	172.90	85.00	583.30

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, 2018		December 31, 2009	
	Taxable Assessed Value	Percent of District's Total Taxable Value	Taxable Assessed Value	Percent of District's Total Taxable Value
Red Ventures, LLC	\$ 11,467,406	3.09%		
Duke Energy Corporation	10,904,560	2.94%	\$ 7,192,290	2.52%
Hailes Gold Mine	4,657,908	1.26%		
The Gillette Company	4,418,422	1.19%	4,316,050	1.51%
Lancaster Hospital Corp.**	4,156,070	1.12%	4,399,190	1.54%
Lennar Carolinas LLC	1,686,050	0.45%		
TKC Bailes Ridge PI	1,564,837	0.42%		
IMF 13 LLC	1,354,690	0.37%		
Springland Associates, LLC	1,203,080	0.32%	2,168,080	0.76%
Lancaster Telephone Co.	1,025,802	0.28%	1,235,680	0.43%
Springs Global (A)			4,164,199	1.46%
Pulte Home Corporation			3,251,920	1.14%
Craft Development LLC			2,182,190	0.76%
Lawson Bend LLC			1,816,510	0.64%
Wells Real Estate			1,392,845	0.49%
	<u>\$ 42,438,825</u>	<u>11.44%</u>	<u>\$ 32,118,954</u>	<u>11.25%</u>

Note:

* Taxpayers are assessed on January 1, 2018 for the 2019 fiscal year.

* Taxpayers are assessed on January 1, 2009 for the 2010 fiscal year.

** Lancaster Hospital Corp. was purchased in 2019 by MUSC, a nonprofit hospital.

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
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%	1,356,239	43,458,177	98.14%
2017	2016	52,910,940	50,730,576	95.88%	1,241,782	51,972,358	98.23%
2018	2017	53,256,816	51,168,651	96.08%	1,170,501	52,339,152	98.28%
2019	2018	58,453,961	55,746,876	95.37%	-	55,746,876	95.37%

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
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
2019	216,233,573	51,676,012		267,909,585	Not Available	2,809

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)
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
2019	216,233,573	51,676,012	267,909,585	12,774,776	255,134,809	3.24%	2,675

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, 2019**

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Lancaster County	\$ 54,088,726	100.0%	\$ 54,088,726
City of Lancaster	262,309	100.0%	<u>\$ 262,309</u>
Subtotal, Overlapping Debt			54,351,035
District Direct Debt			<u>267,909,585</u>
Total Direct and Overlapping Debt			<u><u>\$ 322,260,620</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, 2019	<u>\$ 388,684,321</u>
Debt limit - 8% of assessed value	31,094,746
Total amount of debt applicable to debt limit	<u>2,340,000</u>
Legal debt margin	<u>\$ 28,754,746</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 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	\$ 31,094,746
Total net debt applicable to limit	-	-	-	12,660,000	11,105,000	8,560,000	11,040,000	7,005,000	3,975,000	2,340,000
Legal debt margin	<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>	<u>\$ 28,754,746</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	55.00%	46.54%	34.28%	41.56%	24.81%	13.40%	7.53%

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)
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	2,270,066	47,505	4.7%	13,017
2019	2018	95,380	Not Available	Not Available	3.6%	13,258

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, 2019		JUNE 30, 2010	
	Approximate Numbers of Employees	Percent of District's Total Estimated Employment	Approximate Numbers of Employees	Percent of District's Total Estimated Employment
Red Ventures	1,925	4.92%	575	1.86%
Lancaster County School District	1,800	4.60%	1,532	4.95%
Continental Tire	814	2.08%	400	1.29%
Movement Mortgage	725	1.85%		
MUSC Health Lancaster Med*	642	1.64%	710	2.29%
Lancaster County	535	1.37%	734	2.37%
Nutramax Laboratories	483	1.23%		
Cardinal Health	471	1.20%	700	2.26%
Keer America	401	1.02%		
Oceana Gold	396	1.01%		
Duracell, U.S.A.			400	1.29%
Inspiration Ministries			335	1.08%
Founders Federal Credit Union			320	1.03%
Walmart			303	0.98%
Totals	8,192	20.92%	6,009	19.40%

Source: Lancaster County Economic Development Corporation.

* MUSC Health Lancaster Med previously Springs Memorial Hospital

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 2010 - 2019
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Instruction											
Teachers	817	739	729	761	763	777	806	846	886	926	13.34%
Aides	178	164	160	163	165	175	180	189	199	232	30.34%
Total Instruction	<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>1,158</u>	<u>16.38%</u>
Support Services											
Guidance Counselors	35	33	33	33	33	35	36	37	41	42	20.00%
Psychologist and Social Workers	12	11	11	11	11	12	12	12	13	14	16.67%
Media Specialists	20	20	20	20	20	21	22	22	21	23	15.00%
Nurses	23	23	23	23	24	25	25	25	25	27	17.39%
Instructional Staff Services	64	60	62	59	58	61	63	63	65	66	3.13%
Principals	18	18	18	18	18	19	19	19	19	20	11.11%
Assistant Principals	30	30	28	32	32	35	36	36	37	41	36.67%
Instructional Specialists	3	3	3	3	3	3	4	5	8	9	200.00%
Noninstructional Administrators	27	27	26	25	26	27	28	30	30	30	11.11%
General and Finance Administrative Assistants	89	87	87	88	88	94	96	101	104	108	21.35%
Bus Drivers, Bus Aids and Maintenance	94	97	98	101	102	108	116	126	126	133	41.49%
Total Support Services	<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>513</u>	<u>23.61%</u>
Community Services	<u>37</u>	<u>38</u>	<u>38</u>	<u>42</u>	<u>20</u>	<u>19</u>	<u>22</u>	<u>21</u>	<u>22</u>	<u>27</u>	<u>-27.03%</u>
Pupil Activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Food Service											
Managers and Clerical	23	23	23	23	23	23	24	24	24	25	8.70%
Cafeteria Staff	102	100	100	103	102	101	104	107	107	110	7.84%
Total Food Service	<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>135</u>	<u>8.00%</u>
Total	<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>1,833</u>	<u>16.60%</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
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	3.29%	153,075,747	11,760	7.92%	886	14.69	50%
2019	13,258	129,176,160	9,743	7.15%	162,640,866	12,267	4.32%	926	14.32	47%

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)
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	50,182
2019	36,160	73,877	49,887	Not Available

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>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>	<u>2018-19</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	440	419	425	446	470	486	496	505	471	443
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	816	800	771	745	764	741	719	715	710	704
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	108	108	108	107	106	107	107	108	108	106
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	372	372	380	324	347	375	397	403	418	433
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	451	463	458	446	465	472	453	418	398
Harrisburg (2014)										
Square feet	-	-	-	-	-	92,995	92,995	92,995	92,995	92,995
Capacity	-	-	-	-	-	980	980	980	980	980
Enrollment	-	-	-	-	-	863	1,010	1,128	1,269	886
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	396	391	411	404	401	388	375	395	380	400
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

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

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Enrollment	1,169	1,200	1,309	1,383	1,521	856	906	968	1,103	1,036
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	486	466	432	450	450	438	420	400	427	436
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	469	490	481	471	480	513	519	484	459	420
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	668	689	698	706	696	666	698	720	701	678
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	-	-	-	-	-	-
Van Wyck(2019)										
Square feet	-	-	-	-	-	-	-	-	-	96,685
Capacity	-	-	-	-	-	-	-	-	-	1,170
Enrollment	-	-	-	-	-	-	-	-	-	640
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	519	528	543	523	553	538	532	516	547	562
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	482	495	526	513	466	476	461	488	477	498

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

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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	443	488	494	478	455	431	417	398	412	431
Indian Land(1981)										
Square feet	100,948	100,948	100,948	100,948	100,948	100,948	100,948	121,108	121,108	121,108
Capacity	750	750	750	750	750	750	750	1,050	1,050	1,050
Enrollment	521	535	573	608	662	726	844	947	994	1,042
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	626	598	591	605	576	529	491	529	557	592
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	610	615	593	597	605	654	654	633	631	610
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	588	567	600	609	617	643	636	624	600	572
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	639	655	708	759	789	843	881	975	1,049	1,166
Lancaster(1993)										
Square feet	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	335,069
Capacity	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,899
Enrollment	1,640	1,511	1,448	1,392	1,356	1,356	1,385	1,369	1,286	1,205

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

Other	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
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
Leam 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	40,949
Buford High Multipurpose Bld	-	-	-	-	-	-	-	-	-	43,907
Lancaster High Multipurpose Bld	-	-	-	-	-	-	-	-	-	46,113

Notes:

Van Wyck Completed in FY 2019. Buford High and Lancaster High Multipurpose Buildings completed in FY 2019
Harrisburg Elementary Completed in FY 2015.
Springdale Road Maintenance buildings purchased in 2012.

Source: District records.

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lancaster County School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Lancaster County School District's basic financial statements, and have issued our report thereon dated November 13, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Lancaster County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

Lancaster County School District's Response to Finding

Lancaster County School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Lancaster County School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in dark ink, appearing to read "Doreen Kelly". The signature is fluid and cursive, with a large initial "D" and a stylized "K".

Greenville, South Carolina
November 13, 2019

**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 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 Lancaster County School District's major federal programs for the year ended June 30, 2019. 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 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 Lancaster County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, 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, 2019.

Report on Internal Control over Compliance

Management of 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 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 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 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.



Greenville, South Carolina
November 13, 2019

**LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

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 (IDEA, Part B)	84.027	19 - IDEA	\$ 2,419,074
203	Special Education—Grants to States (IDEA, Part B)	84.027	18 - IDEA	42,787
203	Special Education—Grants to States (IDEA, Part B)	84.027	18 - IDEA	27,383
839	Special Education—Grants to States (IDEA, Part B)	84.027	18 - Extended School Year	12,379
839	Special Education—Grants to States (IDEA, Part B)	84.027	19 - Extended School Year	722
205	Special Education—Preschool Grants (IDEA Preschool)	84.173A	19 - Preschool	66,148
205	Special Education—Preschool Grants (IDEA Preschool)	84.173A	18 - Preschool	27,654
Total Special Education Cluster (IDEA)				2,596,147
243	Adult Education-Basic Grants to States	84.002	19 - Adult Education	76,682
243	Adult Education-Basic Grants to States	84.002	18 - Adult Education	1,385
202	* Title I Grants to Local Educational Agencies	84.010	19 - Title I	3,322,163
202	* Title I Grants to Local Educational Agencies	84.010	18 - Title I	216,484
238	* Title I Grants to Local Educational Agencies	84.010	19 - Title I School Improvement Mini	63,519
240	* Title I Grants to Local Educational Agencies	84.010A	18 - Title I Direct Student Services	80,489
221	* Title I Grants to Local Educational Agencies	84.010A	19 - Title I N&D	11,761
221	* Title I Grants to Local Educational Agencies	84.010A	18 - Title I N&D	3,590
207	Career and Tech Education – Basic Grants to States (Perkins IV)	84.048	19 - Perkins	163,525
207	Career and Tech Education – Basic Grants to States (Perkins IV)	84.048	18 - Perkins	28,021
820	Safe and Drug Free Schools and Communities - National Programs	84.184M	S184M140019	407,892
224	* Twenty-First Century Community Learning Centers	84.287C	18-19 21st CCLC	266,785
264	English Language AcquisitionState Grants	84.365A	19 - Title III	32,460
264	English Language AcquisitionState Grants	84.365A	18 - Title III	32,401
267	Supporting Effective Instruction State Grant	84.367A	19 - Title II Supporting Effective Instruction	373,411
267	Supporting Effective Instruction State Grant	84.367A	18 - Title II Supporting Effective Instruction	48,140
234	School Improvement Grants	84.377A	19 - School Improvement Grant	221,756
234	School Improvement Grants	84.377A	18 - School Improvement Grant	32,719
210	Student Support and Academic Enrichment Program	84.424A	18 - Title IV SSAE	109,468
210	Student Support and Academic Enrichment Program	84.424A	19 - Title IV SSAE	5,517
Total Pass-Through S.C. Department of Education				8,094,315
Pass-Through Lancaster County Partners for Youth				
809	Fund for the Improvement of Education	84.215	Clinton Community Grant	129,378
Total Pass-Through Lancaster County Partners for Youth				129,378
Direct Program				
820	Safe and Drug Free Schools and Communities - National Programs	84.184M	S184M140019-18	407,892
Total U.S. Department of Education				8,631,585
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	428,786
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	806,454
600	National School Lunch Program	10.555	N/A	2,938,534
Total Child Nutrition Cluster				4,173,774
601	School Food Equipment	10.579	19 - NSLE	14,550
601	School Food Equipment	10.579	18 - NSLE	10,740
Total Pass-Through S.C. Department of Education				4,199,064
Direct Program				
602	Healthier US School Challenge	10.573	N/A	11,000
Total U.S. Department of Agriculture - Food and Nutrition Services				4,210,064

**LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

LEA Subfund Code	Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Expenditures
U.S. Department of Health and Human Services				
	Passed Through South Carolina Developmental Disabilities Council			
813/827	Head Start	93.600	Head Start	1,201,512
813/827	Head Start	93.600	Early Head Start	881,133
813/827	Head Start	93.600	Early Head Start	101,015
Total U.S. Department of Health and Human Services				<u>2,183,660</u>
U.S. Department of Defense				
	Direct Program			
270	JROTC	12.000	N/A	<u>287,538</u>
Total U.S. Department of Defense				<u>287,538</u>
Corporation for National and Community Service				
	Passed Through United Way Association of South Carolina			
830	AmeriCorps	94.006	18AC205813	<u>64,133</u>
Total Corporation for National and Community Service				<u>64,133</u>
Total Federal Awards Expended				<u><u>\$ 15,376,980</u></u>

*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, 2019**

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. The District has elected not to use the de minimis indirect cost rate of ten percent.

**LANCASTER COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 #:

Title I Grants to Local Educational Agencies
Twenty-First Century Community Learning Centers

84.010
84.287

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, 2019**

Part II Findings Related to Financial Statements

Internal Control

Finding 2019-001

- *Criteria*
 - o Generally Accepted Accounting Principles state that capital assets should be reported when the asset is used in operations and has an initial useful life in excess of one year. The cost to acquire, construct, or improve a capital asset is not recognized immediately as an expense when incurred, but instead is deferred (capitalized) and allocated over the estimated useful life of the capital asset in the form of depreciation expense.
- *Condition/Effect*
 - o The District did not properly reconcile, capitalize and depreciate or dispose of certain assets as required by Generally Accepted Accounting Principles and the District's asset capitalization policy.
- *Cause*
 - o The District failed to monitor the process reconciling and recording capital asset activity to assure assets that meet the criteria to be capitalized are reconciled and recorded accordingly in the proper accounts.
- *Recommendation*
 - o The District should monitor the process of recording assets to assure all assets that meet the District's asset capitalization policy are properly reconciled, recorded and depreciated in the proper periods and disposed of accordingly in the financial records.

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, 2019**

Summary of Prior Year Findings

None Reported



**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CORRECTIVE ACTION PLAN
FOR FISCAL YEAR ENDED JUNE 30, 2019**

Finding 2019-001

- *Condition/Effect*
 - o The District did not properly reconcile, capitalize and depreciate or dispose of certain assets as required by the District's asset capitalization policy.
- *Corrective Action*
 - o The District will monitor the process of recording assets to assure all assets that meet the District's asset capitalization policy are properly reconciled, recorded and depreciated in the proper periods and disposed of accordingly in the financial records.
- *Responsible Official*
 - o Jennifer White, Chief Financial Officer (803) 416-8818
- *Anticipated Completion Date*
 - o Immediately