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School district submits fiscal watch appeal

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Lancaster County School District remains on fiscal watch, but submitted an appeal March 15 to the S.C. Board of Education for the fiscal watch designation to be removed.

The two material weaknesses that put the district on the current fiscal watch are an accounting practice that relates to the recording of unspent revenue and \$11,000 in pupil activity funds that the previous auditor rolled into Lancaster County special revenue funds.

District Chief Financial Officer Jatana Norris said that the two material weaknesses found by the state that placed the district on this fiscal watch are not related to the original finding three years ago.

“These were brand new findings, and they had nothing to do with what got us on fiscal watch (before), which was the food service fund,” Norris said.

The letter, addressed to State Superintendent of Education Ellen Weaver, said that the district developed and enclosed a Corrective Action Plan and a Fiscal Recovery Plan to mitigate the two findings.

Norris said neither finding should be labeled as a significant material weakness, because they did not impact the financial standing of the district.

“That (the first finding) equates to 0.0075% of the Lancaster County School District general fund,” Norris said. “The pupil activity funds for Lancaster County equates to 0.39%.”

Norris said that these are not material in any district in the state, and certainly not in Lancaster County.

Appeal allowed

The school board and district were originally told they were not allowed to appeal the fiscal watch deceleration, but that decision was reversed at the South Carolina School Business Official Conference on March 9.

“The following week, our attorney reached out to their attorney,” she said.

Norris also said that the fiscal watch declaration does not shed an accurate light on the financial standing of the district, which she said is “very healthy.”

On preventing a fiscal watch from happening in the future, Norris, who joined the district department Dec. 12, 2022, said that the district has made “huge changes to a lot of the policies and procedures in the finance department.”

She also said that the district is going to start having unspent revenue grow into fund balance, which is listed on their financial recovery plan.

“We have already began our audit (for this year),” Norris said. “We’re not waiting until the auditors get in here to begin our audit; we are already working on that.

“We monitor the budget very closely, we report on that every month to the board,” she said. “We have a team approach to it, so it’s not just me looking at it. We have a team who looks at it and balances the budget.”

Impact on bond

Norris said she has been fighting hard to alleviate the fiscal watch, because of the impact it could have on future bond referendums for the district.

“I do not want students and teachers to be in mobile units all day long, when we really don’t have to be,” Norris said.

At the March 21 school board meeting, three citizens mentioned the gravity the fiscal watch declaration has on the bond referendum the district may be looking to pass in a November special election.

“The LCSD remains under fiscal watch for the second year in a row, and that went out after three years of notifications that something was amiss,” Charlene Hunter said during the meeting’s public forum. “It seems to me that this board is refusing to listen to your constituents, the people that elected you to this position, by moving forward with this bond uncertainty.”

The March 15 Fiscal Watch Recovery Letter to Weaver and the Fiscal Recovery Action Plan are available to the public on the LCSD website, www.lancastercsd.com, under the fiscal watch tab.

Haley