

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**



ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

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ROCK HILL, SOUTH CAROLINA**

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**ROCK HILL SCHOOL DISTRICT THREE  
ADMINISTRATIVE CHART  
AS OF JUNE 30, 2021**

**Board of Trustees**

Rock Hill School District Three (“District”) is governed by a seven-member Board of Trustees elected at large by the registered voters in the District at the November general election in even-numbered years. Trustees are elected to serve staggered 4-year terms of office, which commence on the first board meeting in November following certification of election results.

<b><u>Name</u></b>	<b><u>Occupation</u></b>	<b><u>Number of Years of Service</u></b>
Mr. James Burns	General Manager	1
Mrs. Patrice Reid Cherry	Community Volunteer	1
Mrs. Windy Cole	Volunteer Resource Manager	5
Mrs. Mildred Douglas	Retired Public School Teacher	20
Mrs. Helena Miller (Chair)	Community Volunteer	7
Mrs. Robin Owens (Vice-Chair)	Business Manager	3
Mr. Brent Faulkenberry	Personnel Recruiter	3

**District Personnel**

<b><u>Name</u></b>	<b><u>Position</u></b>
Dr. Bill Cook	Superintendent
Dr. John Jones	Chief Academic and Accountability Officer
Dr. Keith Wilks	Chief of Strategic Planning, Engagement, and Program Support
Ms. Terri Smith	Chief of Business Services
Dr. Tanya Campbell	Chief of Human Resources

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# Financial Section

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# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Rock Hill School District Three  
Rock Hill, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of Rock Hill School District Three, South Carolina (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, which statements reflected \$458,874, (\$994,964) and \$602,241, respectively, in assets, net position (deficit), and revenues. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor. 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, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of Rock Hill School District Three, South Carolina, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### ***Change in Accounting Principle***

As discussed in Note I.B. in the notes to the financial statements, for the year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 84 “*Fiduciary Activities*”. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis, the budgetary comparison schedule, the pension plan schedules, and the other postemployment benefit plan schedules, as listed in the table of contents, 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.

#### ***Supplementary and Other Information***

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

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2022 on our consideration of the 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
March 21, 2022

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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**INTRODUCTION**

This discussion and analysis of Rock Hill School District Three's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021 ("2021" or "FY 2021") compared to the fiscal year ended June 30, 2020 ("2020" or "FY 2020"). The intent of this discussion and analysis is to look at the District's financial performance as a whole, with an emphasis on the Primary Government (which excludes the District's discretely presented charter school); readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2021 are as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately \$173.4 million. Of this amount, approximately (\$326.2) million was negative unrestricted net position. The deficit in unrestricted net position is a result of (a) pension accounting standards that were implemented in 2015 which resulted in the District recording a net pension liability and related deferred pension balances for its participation in the State retirement plans and (b) other postemployment benefit ("OPEB") accounting standards that were implemented in 2018 which resulted in the District recording a net OPEB liability and related deferred OPEB balances for its participation in the State OPEB plan. Without the net pension and net OPEB liabilities and related deferred balances of \$393.2 million at June 30, 2021, the District would have total unrestricted net position of \$67.0 million.
- The District's total net position decreased by approximately \$15.1 million compared to an approximately \$6.2 million decrease in the prior year. This change in net position is primarily due to an increase in pension and OPEB liabilities/expenses.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$80.3 million, an increase of approximately \$3.3 million from the prior year, which is primarily due to unspent bond proceeds.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately \$40.3 million, which is 23% percent of total General Fund expenditures. Approximately \$36.4 million is unassigned.
- The fund balance for the General Fund increased by approximately \$1.2 million, as revenues and net other financing resources of approximately \$174.5 million exceeded expenditures of approximately \$173.3 million.
- The District's total capital assets decreased by approximately \$8.4 million (3%) during the current fiscal year, as depreciation expense and net disposals of approximately \$13.7 million, exceeded additions of approximately \$5.3 million.
- The District's total outstanding indebtedness decreased by approximately \$8.9 million (5%) during the current fiscal year due to regularly scheduled principal payments.
- The District adopted Governmental Accounting Standard Boards ("GASB") Statement No. 84 "*Fiduciary Activities*" ("Statement" or "GASB #84") for the year ended June 30, 2021. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement made it clear that pupil/student activity funds (due to administrative involvement) should be reported by the District in either the General Fund or a special revenue fund. The balances and activities were previously recorded in a fiduciary fund (agency fund). The adoption of GASB #84 has resulted in the restatement of the District's fund balance and net position as of July 1, 2020 for its governmental fund financial statements and its government-wide financial statements to reflect the reporting of the pupil/student activity funds in the Special Revenue Fund. Fund balance of the District's governmental funds and net position of the District's governmental activities as of July 1, 2020 was increased by approximately \$1,500,000, reflecting the cumulative change in accounting principle related to the adoption of GASB #84.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2021

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and notes to those statements. The financial statements include two kinds of statements, (*the government-wide financial statements and the fund financial statements*) that present different views of the District. The government-wide statements are intended to give the reader both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements are intended to provide a more detailed look at specific financial activities.

**Government-wide financial statements.** These statements provide a broad overview of the District's overall financial status, in a manner similar to a private-sector enterprise. These statements report information about the District as a whole.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, other non-financial factors, such as the District's property tax base and the condition and age of school buildings, as well as other physical assets, should be considered.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the District's activities are reported in governmental activities in the government-wide financial statements (as the District does not have any business-type activities).

The government-wide financial statements include not only the District itself (known as the primary government), but also its discretely presented component unit, The Palmetto School at the Children's Attention Home ("Charter School"). Financial information for the Charter School is reported separately from the financial information presented for the primary government itself; this information is not material to the District as a whole. See Note I.A in the notes to the financial statements for details about how to obtain a copy of the Charter School's complete separately issued financial statements.

**Fund Financial Statements.** The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, and not the District as a whole. The fund financial statements report the District's operations in *more detail* than the government-wide statements, and focus on the District's most significant, or "major" funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into one category: governmental funds.

***Governmental Funds***

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the District's basic services are included within the governmental funds. The governmental funds generally focus on two things-how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund statements provide a more detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. However the governmental fund statements do not encompass the additional long-term focus as that of the government-wide financial statements, and as a result additional information at the end of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the governmental fund statements and the government-wide statements.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

***Governmental Funds (Continued)***

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue – EIA Fund, Special Revenue – Food Service Fund, Debt Service Fund, and Capital Projects Fund all of which are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found as listed in the table of contents of this report.

***Other Information***

The District adopts an annual appropriated budget only for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for this fund to demonstrate compliance with the budgets. Required pension plan schedules have been included which provide relevant information regarding the District's participation in the South Carolina Retirement System and the Police Officers Retirement System. Required OPEB plan schedules have been included which provide relevant information regarding the District's participation in the South Carolina Retiree Health Insurance Trust Fund. Required supplementary information can be found as listed in the table of contents. In addition to the financial statements, notes, and required supplementary information, this report includes certain supplementary information. The combining and individual fund financial schedules and the location reconciliation schedule can be found as listed in the table of contents of this report.

Major Features of the District's Government-Wide and Fund Financial Statements		
	Government-Wide Financial Statements	Fund Financial Statements Governmental Funds
Scope	Entire District including the discretely presented component unit.	Entire District excluding the discretely presented component unit.
Required financial statements	<ul style="list-style-type: none"> <li>Statement of net position.</li> <li>Statement of activities.</li> </ul>	<ul style="list-style-type: none"> <li>Balance sheet.</li> <li>Statement of revenues, expenditures, and changes in fund balances.</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.
Type of balance sheet information	All balance sheet elements, both financial and capital, and short-term and long-term.	All balance sheet elements that come due during the year or shortly thereafter. No capital assets or long-term debt are included.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after year-end; expenditures when goods or services have been received and payment is due during or soon after year end.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$173.4 million at the close of the most recent fiscal year.

The table below provides a summary of net position for the District's Primary Government as of June 30, 2021 compared to June 30, 2020:

**Statements of Net Position**

	Governmental Activities	
	June 30, 2021	June 30, 2020
<b>Assets</b>		
Current and Other Assets	\$ 113,456,634	\$ 114,260,476
Capital Assets, Net	305,817,402	314,247,466
Total Assets	419,274,036	428,507,942
<b>Deferred Outflows of Resources</b>		
Deferred Pension Charges	36,695,526	21,822,700
Deferred Other Postemployment Benefit Charges	44,988,279	20,610,118
Total Deferred Outflows of Resources	81,683,805	42,432,818
<b>Liabilities</b>		
Other Liabilities	24,606,712	25,933,626
Net Pension Liability	241,391,077	216,156,323
Net Other Postemployment Benefit Liability	214,544,691	179,885,807
Long-Term Liabilities	174,814,925	184,916,780
Total Liabilities	655,357,405	606,892,536
<b>Deferred Inflows of Resources</b>		
Deferred Pension Credits	2,667,660	4,122,311
Deferred Other Postemployment Benefit Credits	16,292,539	19,648,473
Total Deferred Inflows of Resources	18,960,199	23,770,784
<b>Net Position</b>		
Net Investment in Capital Assets	141,303,503	137,334,794
Restricted	11,571,677	11,094,607
Unrestricted	(326,234,943)	(308,151,961)
Total Net Position	\$ (173,359,763)	\$ (159,722,560)

The District's current and other assets at June 30, 2021 decreased by approximately \$0.8 million from the prior year due a decrease in the property taxes receivable, partially offset by an increase in cash and cash equivalents due to unspent bond proceeds. The District's capital assets at June 30, 2021 decreased by approximately \$8.4 million from the prior year due to depreciation expense and net disposals of approximately \$13.7 million exceeding additions of approximately \$5.3 million. The District's total liabilities at June 30, 2021 increased by approximately \$48.5 million from the prior year. This increase was primarily due to an increase in the net pension liability, and the net OPEB liability, partially offset by regularly scheduled principal payments.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The changes in the net pension liability, net OPEB liability, and deferred outflows/inflows of resources were primarily due to differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the District's share of the net pension and OPEB liabilities in the State plans.

The District's net position decreased by approximately \$15.1 million during the current fiscal year as expenses exceeded revenues. See the discussion following the next table regarding this increase.

The District's net investment in capital assets of approximately \$141.3 million reflects its investment in capital assets (i.e., land, buildings, furniture and equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the District's net position (approximately \$11.6 million) represents resources that are subject to external restrictions on how they may be used. These amounts are restricted primarily for debt service or by revenue source. The remaining portion of the District's net position is unrestricted net position.

The table below shows the changes in net position for the District's Primary Government for the current and prior fiscal year:

**Statements of Changes in Net Position**

	Governmental Activities	
	2021 *	2020
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 1,044,991	\$ 3,352,970
Operating Grants	109,907,812	102,928,500
General Revenues:		
Taxes	81,980,115	80,767,667
State Revenue in Lieu of Taxes	38,050,849	34,072,205
Other	884,751	2,513,176
Total Revenues	<u>231,868,518</u>	<u>223,634,518</u>
<b>Program Expenses</b>		
Instruction	137,267,860	124,814,333
Supporting Services	103,643,120	98,530,520
Community Services	241,814	167,269
Interest and Other Charges	5,853,078	6,363,683
Total Program Expenses	<u>247,005,872</u>	<u>229,875,805</u>
Change in Net Position	(15,137,354)	(6,241,287)
Net Position, Beginning of Year, As Previously Reported	(159,722,560)	(153,481,273)
Cumulative Change in Accounting Principle - GASB #84	1,500,151	-
Net Position, Beginning of Year, As Restated	<u>(158,222,409)</u>	<u>(153,481,273)</u>
Net Position, End of Year	<u>\$ (173,359,763)</u>	<u>\$ (159,722,560)</u>

\* The District adopted GASB #84 in FY 2021. See Financial Highlights section for more information.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The District's governmental activities net position decreased by approximately \$15.1 million in 2021, compared to a decrease of approximately \$6.2 million in 2020. The decrease in the current year was due to an increase in expenses of approximately \$17.1 million, partially offset by an increase in revenues of approximately \$8.2 million. The increase in expenses was largely due to an increase in instruction and supporting services related to higher pension and OPEB costs. Revenues increased primarily due to an increase in operating grants, taxes, and state revenue in lieu of taxes, partially offset by a decrease in charges for service and other revenue.

**FUND ANALYSIS**

***Governmental Funds***

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

For the year ended June 30, 2021, the District's governmental funds reported a combined fund balance of approximately \$80.3 million, compared to approximately \$77.0 million for the restated prior year. 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. At June 30, 2021, the District's unassigned fund balance for all governmental funds was approximately \$36.4 million, which solely represents the General Fund. The remaining fund balance is comprised of approximately \$6.4 million restricted for debt service, approximately \$9.6 million restricted for capital projects, approximately \$2.7 million restricted for food service, approximately \$1.6 million restricted for special programs, approximately \$0.4 million in nonspendable fund balance (representing prepaid items and inventories), an assigned use of fund balance of approximately \$3.5 million that was appropriated in the fiscal year 2022 General Fund budget, approximately \$2.6 million assigned for special education programs, and approximately \$17.1 million assigned for capital projects.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was approximately \$40.3 million, of which approximately \$36.4 million was unassigned.

The District's General Fund balance increased approximately \$1.2 million from the prior year, a change of approximately \$1.6 million from the prior year's decrease of approximately \$0.4 million. Revenues for the current year were approximately \$169.1 million, increasing by approximately \$5.7 million from the prior year. This increase is due primarily to an increase in property tax revenues. The increase in property tax revenues (approximately \$7.6 million) is due to an increase in assessed values. Expenditures for the current year were approximately \$173.3 million, increasing by approximately \$4.0 million from the prior year primarily due to higher wages, benefits, and operating costs. The unassigned fund balance of approximately \$36.4 million at June 30, 2021 in the General Fund represents 21% of General Fund expenditures for 2021.

The District's Special Revenue Fund and Special Revenue – EIA Fund, are used to account for revenues derived local, state, and federal sources (including pupil/student activity funds) for special education programs and other special programs. Special Revenue funds generally do not have fund balances as revenues should be expended, unearned, or returned to the grantor. The District had net transfers out of \$5.4 million primarily related to setting aside funds for future capital needs and for indirect costs. The District's Special Revenue Fund has approximately \$2.6 million assigned to special education programs and \$1.6 million restricted for special programs (student activities).

The Food Service Fund is utilized to account for the District's food service program. This Food Service Fund decreased by approximately \$0.5 million during 2021 to approximately \$2.7 million at June 30, 2021, as expenditures of approximately \$5.7 million exceeded revenues of approximately \$5.2 million.



**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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**FUND ANALYSIS (CONTINUED)**

The Debt Service Fund is used to account for the accumulation of funds for debt service. The District's debt millage rate remained at 52.0 mills. The fund balance in the Debt Service Fund decreased approximately \$0.3 million in 2021 to approximately \$6.4 million, as expenditures and other financing uses of approximately \$30.4 million exceeded revenues of approximately \$30.1 million. The entire fund balance is restricted for the future payment of debt service.

The Capital Projects Fund is utilized to account for the District's major capital project expenditures. The Capital Projects Fund increased by approximately \$7.6 million during 2021 to approximately \$26.7 million at June 30, 2021, as other financing sources and revenues of approximately \$19.6 exceeded expenditures for various technology purchases and construction projects of approximately \$12.0 million

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's General Fund budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Board of Trustees adopted a balanced budget. This budget reflected total outflows of approximately \$174.7 which included an expected use of fund balance of approximately \$3.8 million. During the course of 2021, there were no formal amendments to the General Fund budget.

At the end of 2021, the General Fund had a positive total budget to actual variance of \$5.0 million. Local revenue, primarily ad valorem taxes and revenue in lieu of taxes, were more than budgeted by \$4.8 million. State revenues were less than budget by approximately \$1.0 million primarily due to lower student enrollment. Expenditures were less than budgeted by approximately \$1.4 million due to lower salaries and employee benefits. The net change in fund balance (an increase of approximately \$1.2 million) was better than the \$3.8 million budgeted use of fund balance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2021, the District had approximately \$305.8 million invested in capital assets, net of depreciation. The table below shows capital asset balances as of June 30, 2021 compared to June 30, 2020:

**Capital Assets, Net**

	Governmental Activities	
	June 30, 2021	June 30, 2020
Land	\$ 10,368,518	\$ 10,368,518
Construction in Progress	2,090,516	16,046,488
Buildings and Improvements	283,439,409	277,953,452
Furniture and Equipment	9,918,959	9,879,008
Totals	<u>\$ 305,817,402</u>	<u>\$ 314,247,466</u>

The total decrease in the District's capital assets balance for 2021 was approximately \$8.4 million or 3%. Significant capital asset events during the current fiscal year included the following:

- Total capital asset additions of \$5.3 million consisted primarily of:
  - Construction in progress totaling approximately \$3.8 million which was primarily related to a number of building renovations, restroom renovations, roofing, and athletic improvements.
  - Purchase of equipment totaling approximately \$1.1 million.
  - Purchase of buildings and improvement assets of approximately \$0.4 million.
- Depreciation expense of approximately \$13.7 million.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

***Capital Assets (Continued)***

The District has outstanding commitments of approximately \$3,645,000 at June 30, 2021.

For more information regarding the District's capital assets, see Note III.C in the notes to the financial statements.

***Debt Administration***

At year-end, the District had approximately \$158.1 million in indebtedness (excluding bond premiums), compared to approximately \$167.0 million in the prior year. The outstanding indebtedness of the District decreased approximately \$8.9 million (5%) in the current year as shown in the table below. All of the District's bonded debt is backed by the full faith and credit of the District as is typical with general obligation bond indebtedness.

**Outstanding Indebtedness**

	Governmental Activities	
	June 30, 2021	June 30, 2020
Series 2014A GORB	\$ 7,560,000	\$ 9,300,000
Series 2015A GORB	42,995,000	45,770,000
Series 2016C GORB	9,705,000	10,710,000
Series 2017B GOB	96,255,000	99,135,000
2016 Note Payable	1,564,000	2,067,000
Total Outstanding Indebtedness	<u>\$ 158,079,000</u>	<u>\$ 166,982,000</u>

Key highlights related to the District's total indebtedness for 2021 are as follows:

- Principal payments of approximately \$8.9 million were made on the outstanding debt.

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed 8% of the assessed value of all taxable property in the District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2021, the District's assessed property valuation was approximately \$573.6 million. The District had no bonded debt subject to the 8% limit of approximately \$45.9 million.

As noted earlier, other long-term obligations consist of bond premiums and accrued compensated absences. More detailed information about the District's debt and other long-term obligations is presented in III.D in the notes to the financial statements.

**ECONOMIC FACTORS**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Management continues to actively monitor the impact from the COVID-19 outbreak on its financial condition, liquidity, operations, and workforce. If the COVID-19 outbreak continues or strengthens due to new variants resulting in state, local, and federal governments recommending or mandating restrictions on business and travel in an effort to curb the COVID-19 outbreak (by changing consumer behavior), the District expects such restrictions may negatively impact the District's operations.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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**ECONOMIC FACTORS (CONTINUED)**

Rock Hill School District Three is located in York County with the entire city of Rock Hill being encompassed by the District. York County is located in the northern Piedmont portion of South Carolina and shares a common border with North Carolina. Rock Hill is the largest city in York County and is located less than 30 miles from Charlotte-Douglas International Airport, the 6<sup>th</sup> busiest airport in the world.

Rock Hill is home to three higher education institutions: Winthrop University, York County Technical College, and Clinton College. Winthrop University is ranked #5 in Best Colleges for Veterans, #6 in Top Public Schools, #15 in Best Undergraduate Teaching, and #17 in Regional Universities South in the 2021 U.S. News edition of Best Colleges. York County Technical College offers over 100 programs for two-year associate degrees, certificates, professional development programs, and university transfer students. Clinton College is sponsored by the AME Zion Church with a primary focus of liberal arts. Rock Hill includes many global companies such as Atlas Copco, 3D Systems, and Coroplast. There are a number of business and industrial parks in Rock Hill to include Knowledge Park, TechPark, SouthCross Corporate Center, Waterford Business Park and Riverwalk Business Park. The Carolina Panthers new headquarters will be located in Rock Hill and will include an indoor practice facility, outdoor practice fields, an orthopedic sports medicine facility, corporate offices, and retail stores. The groundbreaking for the new headquarters began in July 2020 and the first phase of construction is planned to be completed in 2023.

**2022 BUDGET**

In June 2021, the Board of Trustees approved a balanced General Fund budget of approximately \$180.7 million for the year ended June 30, 2022 ("2022") which included and expected use of fund balance of approximately \$3.5 million. This budget represents a 3.3% increase from the 2021 General Fund budget of \$174.9 million. The 2022 General Fund budget includes a teacher cost of living adjustment of \$1,000, a 2% cost of living adjustment for all other employers (excluding bus drivers), a 5% cost of living adjustment for bus drivers, a one year experience step increase for eligible employees, a 1% employer retirement contribution rate increase, and employee retention bonus, a decrease for purchase services, and an increase in supplies and equipment. The 2022 General Fund budget does not include an increase in operating tax millage.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide those interested with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Terri Smith, Chief Finance Officer, at Rock Hill School District Three, PO Drawer 10072, Rock Hill, South Carolina, 29731.

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# Basic Financial Statements

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

	<b>PRIMARY GOVERNMENT</b>	<b>COMPONENT UNIT</b>
	<b>Governmental Activities</b>	<b>Charter School</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 65,723,600	\$ 437,497
Cash and Investments Held by County Treasurer	31,375,938	-
Property Taxes Receivable, Net	10,593,265	-
Accounts Receivable	1,082,143	7,044
Due from State	248,278	-
Due from Federal	4,029,130	-
Inventories and Prepaid Items	404,280	-
Capital Assets:		
Non-Depreciable	12,459,034	-
Depreciable, Net	293,358,368	14,333
<b>TOTAL ASSETS</b>	<b>419,274,036</b>	<b>458,874</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Charges	36,695,526	183,049
Deferred Other Postemployment Benefit Charges	44,988,279	200,635
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>81,683,805</b>	<b>383,684</b>
<b>LIABILITIES</b>		
Accounts Payable	3,827,666	87,266
Accrued Salaries, Fringe, and Benefits	13,419,506	16,795
Retainage Payable	43,726	-
Accrued Interest Payable	2,213,549	-
Due to Other Governments	974,617	-
Unearned Revenue	4,127,648	1,600
Non-Current Liabilities:		
Long-Term Obligations - Due Within One Year	10,067,488	-
Long-Term Obligations - Due in More than One Year	164,747,437	-
Net Pension Liability - Due in More than One Year	241,391,077	776,748
Net Other Postemployment Benefit Liability - Due in More than One Year	214,544,691	664,113
<b>TOTAL LIABILITIES</b>	<b>655,357,405</b>	<b>1,546,522</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Credits	2,667,660	128,519
Deferred Other Postemployment Benefit Credits	16,292,539	162,481
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>18,960,199</b>	<b>291,000</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	141,303,503	14,333
Restricted For:		
Debt Service	6,571,108	-
Student Activities	1,571,630	-
Food Service	3,428,939	-
Unrestricted	(326,234,943)	(1,009,297)
<b>TOTAL NET POSITION</b>	<b>\$ (173,359,763)</b>	<b>\$ (994,964)</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
		Charges for	Operating	Capital	Primary	Component Unit
PRIMARY GOVERNMENT:	Expenses	Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Charter School
Governmental Activities:						
Instruction	\$ 137,267,860	905,197	74,172,557	-	(62,190,106)	
Support Services	103,643,120	139,794	35,735,200	-	(67,768,126)	
Community Services	241,814	-	55	-	(241,759)	
Interest and Other Charges	5,853,078	-	-	-	(5,853,078)	
Total Governmental Activities	247,005,872	1,044,991	109,907,812	-	(136,053,069)	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 247,005,872</b>	<b>1,044,991</b>	<b>109,907,812</b>	<b>-</b>	<b>(136,053,069)</b>	
<b>COMPONENT UNIT</b>						
Charter School	\$ 566,978	-	472,839	-		\$ (94,139)
<b>GENERAL REVENUES</b>						
Property Taxes Levied for General Purposes					56,352,147	-
Property Taxes Levied for Debt Service					25,627,968	-
State Revenue in Lieu of Taxes					38,050,849	-
Investment Earnings					191,533	218
Miscellaneous Revenues - Not Restricted to Specific Programs					677,038	129,184
Gain on Disposal of Capital Assets					16,180	-
Total General Revenues					120,915,715	129,402
<b>CHANGE IN NET POSITION</b>					<b>(15,137,354)</b>	<b>35,263</b>
Net Position, Beginning of Year, As Previously Reported					(159,722,560)	(1,030,227)
Cumulative Change in Accounting Principle - GASB #84					1,500,151	-
NET POSITION, Beginning of Year, As Restated					(158,222,409)	(1,030,227)
<b>NET POSITION, End of Year</b>					<b>(173,359,763)</b>	<b>\$ (994,964)</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2021**

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 65,723,600	-	-
Cash and Investments Held by County Treasurer	4,491,042	-	-
Receivables, Net:			
Taxes	8,066,012	-	-
Accounts	201,532	176,583	-
Due From:			
State	146,223	55	102,000
Federal	-	3,549,601	-
Other Funds	-	552,930	3,880,850
Prepaid Items	105,578	-	-
Inventories	298,702	-	-
<b>TOTAL ASSETS</b>	<b>\$ 79,032,689</b>	<b>4,279,169</b>	<b>3,982,850</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts Payable	\$ 3,827,666	-	-
Accrued Salaries, Fringe, and Benefits	13,419,506	-	-
Retainage Payable	-	-	-
Due To:			
State Department of Education	-	-	-
Other Funds	13,772,956	-	-
Unearned Revenue	-	144,798	3,982,850
<b>TOTAL LIABILITIES</b>	<b>31,020,128</b>	<b>144,798</b>	<b>3,982,850</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Other	-	-	-
Unavailable Revenue - Property Taxes	7,720,152	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>7,720,152</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>			
Fund Balances			
Nonspendable For:			
Prepaid Items	105,578	-	-
Inventories	298,702	-	-
Restricted For:			
Debt Service	-	-	-
Capital Projects	-	-	-
Special Programs	-	1,571,630	-
Food Service	-	-	-
Assigned For:			
Appropriated for Use in FY 2022 Budget	3,451,038	-	-
Special Educational Programs	-	2,562,741	-
Capital Projects	-	-	-
Unassigned	36,437,091	-	-
<b>TOTAL FUND BALANCES</b>	<b>40,292,409</b>	<b>4,134,371</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 79,032,689</b>	<b>4,279,169</b>	<b>3,982,850</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	-	\$ 65,723,600
-	5,609,187	21,275,709	31,375,938
-	2,527,253	-	10,593,265
704,028	-	-	1,082,143
-	-	-	248,278
479,529	-	-	4,029,130
3,219,999	648,217	5,470,960	13,772,956
-	-	-	105,578
-	-	-	298,702
<b>4,403,556</b>	<b>8,784,657</b>	<b>26,746,669</b>	<b>\$ 127,229,590</b>
-	-	-	\$ 3,827,666
-	-	-	13,419,506
-	-	43,726	43,726
974,617	-	-	974,617
-	-	-	13,772,956
-	-	-	4,127,648
974,617	-	43,726	36,166,119
704,028	-	-	704,028
-	2,367,054	-	10,087,206
704,028	2,367,054	-	10,791,234
-	-	-	105,578
-	-	-	298,702
-	6,417,603	-	6,417,603
-	-	9,555,538	9,555,538
-	-	-	1,571,630
2,724,911	-	-	2,724,911
-	-	-	3,451,038
-	-	-	2,562,741
-	-	17,147,405	17,147,405
-	-	-	36,437,091
2,724,911	6,417,603	26,702,943	80,272,237
<b>4,403,556</b>	<b>8,784,657</b>	<b>26,746,669</b>	<b>\$ 127,229,590</b>

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**JUNE 30, 2021**

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**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 80,272,237**

Amounts reported for the governmental activities in the Statement of Net Position are different because:

Outstanding property taxes and other inflows of resources which will be collected in the future, but are not available soon enough to pay for the current period's expenditures, are therefore unavailable in the funds. 10,791,234

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$485,062,434, and the accumulated depreciation is \$179,245,032. 305,817,402

The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (207,363,211)

The District's proportionate shares of the net other postemployment benefit ("OPEB") liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position. (185,848,951)

Interest is recorded as an expenditure when due and payable in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end. (2,213,549)

Long-term liabilities, including bond premiums, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:

Long-Term Debt	(158,079,000)	
Net Bond Premiums	(15,990,437)	
Compensated Absences	(745,488)	(174,814,925)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ (173,359,763)**

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

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**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2021**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>	<b>SPECIAL REVENUE - EIA</b>
<b>REVENUES</b>			
Local Sources:			
Taxes	\$ 66,690,675	-	-
Investment Earnings	121,601	-	-
Other Local Sources	293,726	3,070,440	-
State Sources	101,693,277	5,740,964	11,237,984
Federal Sources	-	12,659,897	-
Intergovernmental Revenue	350,000	857,661	-
<b>TOTAL REVENUES</b>	<b>169,149,279</b>	<b>22,328,962</b>	<b>11,237,984</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	101,365,238	12,045,308	4,754,429
Support Services	71,034,680	9,055,013	1,154,667
Community Services	237,259	4,555	-
Intergovernmental	571,917	248,013	-
Capital Outlay	96,094	408,402	116,678
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Other Charges	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>173,305,188</b>	<b>21,761,291</b>	<b>6,025,774</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,155,909)</b>	<b>567,671</b>	<b>5,212,210</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	19,435	-	-
Premium on Issuance of Bonds	-	-	-
Transfers In	5,574,288	217,815	-
Transfers Out	(237,430)	(5,593,297)	(5,212,210)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,356,293</b>	<b>(5,375,482)</b>	<b>(5,212,210)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>1,200,384</b>	<b>(4,807,811)</b>	<b>-</b>
FUND BALANCES, Beginning of Year, As Previously Reported	39,092,025	7,442,031	-
Cumulative Change in Accounting Principle - GASB #84	-	1,500,151	-
FUND BALANCES, Beginning of Year, As Restated	39,092,025	8,942,182	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 40,292,409</b>	<b>4,134,371</b>	<b>-</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	28,754,447	-	\$ 95,445,122
-	26,503	43,429	191,533
139,795	-	-	3,503,961
-	1,293,944	-	119,966,169
5,032,715	-	-	17,692,612
-	-	-	1,207,661
<b>5,172,510</b>	<b>30,074,894</b>	<b>43,429</b>	<b>238,007,058</b>
-	-	1,003,430	119,168,405
5,528,644	-	7,104,242	93,877,246
-	-	-	241,814
-	-	-	819,930
139,227	-	3,849,860	4,610,261
-	8,903,000	-	8,903,000
-	7,189,896	-	7,189,896
-	3,272	62,718	65,990
<b>5,667,871</b>	<b>16,096,168</b>	<b>12,020,250</b>	<b>234,876,542</b>
<b>(495,361)</b>	<b>13,978,726</b>	<b>(11,976,821)</b>	<b>3,130,516</b>
19,399	-	-	38,834
-	-	127,815	127,815
19,615	-	19,489,876	25,301,594
-	(14,258,657)	-	(25,301,594)
<b>39,014</b>	<b>(14,258,657)</b>	<b>19,617,691</b>	<b>166,649</b>
<b>(456,347)</b>	<b>(279,931)</b>	<b>7,640,870</b>	<b>3,297,165</b>
3,181,258	6,697,534	19,062,073	75,474,921
-	-	-	1,500,151
<b>3,181,258</b>	<b>6,697,534</b>	<b>19,062,073</b>	<b>76,975,072</b>
<b>2,724,911</b>	<b>6,417,603</b>	<b>26,702,943</b>	<b>\$ 80,272,237</b>

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2021**

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<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>3,297,165</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues and other inflows of resources in the Statement of Activities that do not provide current financial resources are not reported in the funds. They are reported in the Statement of Activities.	(4,419,686)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	8,903,000
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 change in accrued interest in the current year.	145,442
Bond premiums are recorded in the year they are received in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount is the amortization of the premiums in the current year.	1,129,551
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	69,304
Changes in the District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the State retirement plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(8,907,277)
Changes in the District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for its participation in the State OPEB Plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(6,924,789)
In the Statement of Activities the gain (loss) on the disposal of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(22,654)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$5,330,849 was exceeded by depreciation expense of \$13,738,259 in the current year.	(8,407,410)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (15,137,354)</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

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**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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*Rock Hill School District Three, South Carolina* (the “District”), established in 1953, is governed by a seven member Board of Trustees (“Board”) which has oversight responsibility over public school education in the District. The District provides regular and exceptional education for students from kindergarten through grade twelve. The District receives funding from local, state, and federal government sources and must comply with the related requirements of these funding sources.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the 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 of the District’s accounting policies are described below.

As required by GAAP, the financial statements must present the District’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the District both appoints a voting majority of the entity’s governing body, and either 1) the District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the District.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the District having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the District; and (c) issue bonded debt without approval by the District. An entity has a financial benefit or burden relationship with the District if, for example, any one of the following conditions exists: (a) the District is legally entitled to or can otherwise access the entity’s resources, (b) the District is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the District is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the District’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government’s operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the District. Based on the criteria above, the District does not have any blended component units; it has one discretely presented component unit, as described below.

***Discretely presented component unit*** – The Palmetto School at the Children’s Attention Home (“Charter School”) is a public charter school, based on the guidelines of South Carolina Charter Schools Act of 1996. The Charter School exclusively serves the District and the Charter School leadership terms remain under the jurisdiction of the District’s Board and the District’s Superintendent. Complete separately issued financial statements may be obtained from the administrative offices of Children’s Attention Home Charter School, Post Office Box 2892, Rock Hill, South Carolina 29732.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these statements.



ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

*Governmental activities* are supported by program revenues, taxes, and intergovernmental revenues, are reported separately from the legally separate *component units* (Charter School) for which the District is financially accountable. The District does not have any business-type activities.

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 with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) 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.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund 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. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, federal and state grant programs, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the government.

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District does not have any non-major funds.

The District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (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. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following fund types and major funds are used by the District.

**Governmental Fund Types** are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 governmental funds:

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the District and accounts for all revenues and expenditures of the District except those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District has the following major Special Revenue Funds:

- i) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for financial resources provided by federal, state and local projects and grants (including pupil/student activity funds) that are restricted, committed or assigned for special educational programs or other special programs.
- ii) **The Special Revenue - Education Improvement Act ("EIA") Fund, a major fund** and an unbudgeted fund, is used to account for and report the restricted revenue 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) which are restricted for specific programs authorized or mandated by the EIA.
- iii) **The Special Revenue - Food Service Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received (a) from breakfast, lunch, and other food sales and (b) from the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

The **Debt Service Fund, a major fund** and an unbudgeted fund, is used to account for the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest and related costs for the District.

The **Capital Projects Fund, a major fund** and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

***Change in Accounting Principle***

The District adopted Governmental Accounting Standard Boards (“GASB”) Statement No. 84 “*Fiduciary Activities*” (“Statement” or “GASB #84”) for the year ended June 30, 2021. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement made it clear that pupil/student activity funds (due to administrative involvement) should be reported by the District in either the General Fund or a special revenue fund. The balances and activities were previously recorded in a fiduciary fund (agency fund).

The adoption of GASB #84 has resulted in the restatement of the District’s fund balance and net position as of July 1, 2020 for its governmental fund and government-wide financial statements to reflect the reporting of the pupil/student activity funds in the Special Revenue Fund. Fund balance of the District’s governmental funds and net position of the District’s governmental activities as of July 1, 2020 was increased by approximately \$1,500,000, reflecting the cumulative change in accounting principle related to the adoption of GASB #84.

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity**

***1. Cash, Cash Equivalents, and Investments***

***Cash and Cash Equivalents***

The District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the South Carolina Local Government Investment Pool are reported as investments.

***Investments***

The District’s investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the District to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Savings and Loan Insurance Corporation.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

***1. Cash, Cash Equivalents, and Investments (Continued)***

***Investments (Continued)***

- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net position value of one dollar a share and to that end, value its assets by the amortized cost method.

The District's cash investment objectives are preservation of capital, liquidity and yield. The District reports its cash and investments at fair value which is normally determined by quoted market prices.

The District currently or in the past year has used the following investments:

- Cash and Investments held by the York County Treasurer which are property taxes collected and other funds received by the District's fiscal agent that have not been remitted to the District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.
- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", and GASB Statement No. 72 "*Fair Value Measurement and Application*", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

***2. Receivables and Payables***

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." These amounts are eliminated in the Statement of Net Position. All accounts and property taxes receivable are shown net of an allowance for uncollectible amounts.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

3. Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the period in which the services are consumed.

Under the system for 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 expenditures/expenses when consumed.

4. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value (as estimated by the District) at the date of donation. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and gains or losses, if any, are reflected in revenue or expenditures/expenses for the year. The District maintains a capitalization threshold of \$100,000 for assets with lives of 15 years or more and \$5,000 for all other capital assets. Improvements that meet this criteria are capitalized. The District does not own any significant infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Category	Governmental Activities
Buildings and Improvements	20 - 50 years
Furniture and Equipment	3 - 12 years

5. Compensated Absences

The District reports compensated absences in accordance with GASB Statement No. 16 "*Accounting for Compensated Absences*." The entire compensated absence liability and expense is reported on the government-wide financial statements. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements. The District's policy is to pay any salary-related payments, including accumulated vacation leave, upon termination up to 10 days. However, employees may accumulate vacation leave up to 20 days to be taken as time off. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

6. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, claims and judgments, non-current portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts (if any) are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method, if material. Bonds payable are reported net of the applicable bond premiums or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the governmental fund financial statements, governmental funds recognize bond premiums, discounts, and bond issuance costs during the current period. 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 are reported as expenditures.

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has two types of deferred outflows of resources: (1) The District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The District reports *deferred other postemployment benefits ("OPEB") charges* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet 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 and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has three types of deferred inflows of resources: (1) The District reports *unavailable revenue* for property taxes and other receivables only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources in the period the amounts become available. (2) The District also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) The District reports *deferred OPEB credits* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

**8. Fund Balance**

In accordance with GAAP, the District classifies governmental fund balances as follows:

**Nonspendable** – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaids, inventories, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

**Restricted** – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (the Board) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the District consist of amounts approved by a majority vote of the Board (a) in the annual budget or (b) in subsequent requests made throughout the year.

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. At this time, the Board has not formally granted the right to make assignments of fund balance for the District to anyone other than itself.

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**9. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

***10. Pensions and Other Postemployment Benefits***

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A and IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The District recognizes net pension and net OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the District's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

***11. Fair Value***

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District can access at the measurement date.
- Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:
  - Quoted prices for similar assets and liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted market prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:
  - Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.



**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

***11. Fair Value (Continued)***

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The District believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

***12. Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

***13. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

***14. Comparative Data***

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Accounting**

State statutes require a budget for operations to be approved before expenditures are incurred. The Board will usually approve the operating budget in June for the fiscal year beginning July 1. A budget is adopted by July of each fiscal year for the General Fund, on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. The Board does not adopt a budget for the special revenue funds. Special revenue fund budgets are controlled in conformance with the specific requirements of those funds (i.e. federal and state grant funds available are based on award amounts and the State EIA funds are based on state appropriation). In addition, no budgets are prepared for the Debt Service Fund and Capital Projects Fund.

A budget and actual comparison is presented in the accompanying fund financial statements for the General Fund. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts adopted in the original appropriation. The amounts reported as the final budgeted amounts in the budgetary schedules reflect the amounts in the final amended budget (if any) approved for the current year. This budget is prepared by function and object as dictated by the State-adopted Program Oriented Budgeting and Accounting System and for management control purposes. The District's policies allow funds to be transferred between functions with administrative approval. The total budget cannot be increased beyond that level approved by the Board originally and in supplementary action. The legal level of control is at the fund level.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Accounting (Continued)**

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. In the winter, the District sets its budget calendar for the preparation of the budget for the next succeeding fiscal year.
- b. The Finance Department develops each school's allocation based on a membership projection. Each principal uses this allocation to develop the individual school budgets.
- c. The District's Cabinet members consisting of the superintendent, chiefs, and executive directors, review the requests and prioritize budget request and present a proposed budget to the Board.
- d. After review and preliminary approval by the Board, the proposed budget is presented at a public hearing. Following the public hearing, the Board adopts the budget.

The budget amounts in the required supplementary information are as amended (if applicable) and approved by the Board. All appropriations lapse at the end of the fiscal year.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

***Deposits***

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2021, approximately \$9,294,000 of the District's bank balances of approximately \$10,504,000 (with a carrying value of approximately \$9,374,000) were exposed to custodial credit risk as they were uninsured and uncollateralized.

***Investments***

As of June 30, 2021, the District had the following investments:

Investment Type	Fair Value Level (1)	Credit Rating	Fair Value	Weighted Average Maturity
				Less than One Year
State Local Government Investment Pool	N/A	Unrated	\$ 56,349,311	\$ 56,349,311
Cash and Investments Held by County Treasurer *	N/A	Unrated	31,375,938	31,375,938
Total			<u>\$ 87,725,249</u>	<u>\$ 87,725,249</u>

\* The County Treasurer invests the monies it holds in trust for governmental entities primarily in separate accounts with the Pool.

For weighted average maturity ("WAM") purposes, we have included the WAM of the Pool.

(1) See Note I.C.11 for details of the District's fair value hierarchy.

N/A - Not Applicable

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

*Investments (Continued)*

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

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the 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, 2021, none of the District's investments were exposed to custodial credit risk.

**Concentration of Credit Risk for Investments:** The District places no limit on the amount the District may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

**Credit Risk for Investments:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

B. Property Taxes Receivable, Other Receivables, and Unavailable/Unearned Revenues

York County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet funding obligations for the District. This obligation is established each year by the Board and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

Real Property taxes are levied on October 1 on the assessed valuations of property listed as of the preceding December 31 for all real and business personal property located in the District, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 15 of the following year, and property taxes attach as an enforceable lien if not paid by March 16 of the following year. Penalties are added to taxes depending on the date paid as follows:

January 16-February 1	3% of tax
February 2-March 15	10% of tax
After March 15	15 % of tax plus collection costs

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and are due by the end of the month.

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

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Property Taxes Receivable, Other Receivables, and Unavailable/Unearned Revenues (Continued)**

For the year ended June 30, 2021, millage for property taxes was set at 161.9 mills (165.4 mills in the prior year) to cover the District's general operations. The millage to cover the District's scheduled debt service requirements was set at 52.0 mills (no change from the prior year). In addition, the District receives a prorated share, based on pupil attendance, of the County-wide 29 mill levy for school operations that is divided between the four school districts within the County, and an additional County-wide special 1 mill levy for school operation for the school district having the lowest assessed valuation in the County, which is York School District One. The District's assessed value of real and personal property was approximately \$573.6 million.

Receivables for property taxes are reported net of the allowance for uncollectible accounts. Taxes receivable of approximately \$8,066,000 in the General Fund and approximately \$2,527,000 in the Debt Service Fund are reported net of an allowance for uncollectible amounts of approximately \$1,215,000 and \$374,000, respectively. For the year ended June 30, 2021, the District had accounts receivable of approximately \$1,082,000 which was net of an allowance for uncollectible amounts of approximately \$143,000.

Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (unavailable revenues). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenues). At June 30, 2021, unavailable revenue related to property taxes reported in the governmental funds totaled approximately \$7,720,000 and \$2,367,000 in the General Fund and Debt Service Fund, respectively. Unavailable and unearned revenues in the special revenue funds totaled approximately \$704,000 and \$4,128,000, respectively, at June 30, 2021.

Intergovernmental receivables at June 30, 2021 consisted of intergovernmental grants and reimbursements. All intergovernmental receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables at June 30, 2021 was as follows:

Due from Federal Government:	
Special Revenue - Food Service Fund	\$ 479,529
Special Revenue Fund	3,549,601
Total Due from Federal Government	<u>4,029,130</u>
Due from State Agencies:	
General Fund	146,223
Special Revenue Fund	55
Special Revenue - Education Improvement Act Fund	102,000
Total Due from State Agencies	<u>248,278</u>
Total Intergovernmental Receivables	<u><u>\$ 4,277,408</u></u>

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital Assets, Not Being Depreciated:					
Land	\$ 10,368,518	-	-	-	\$ 10,368,518
Construction in Progress	16,046,488	3,841,250	-	(17,797,222)	2,090,516
Total Capital Assets, Non-Depreciable	<u>26,415,006</u>	<u>3,841,250</u>	<u>-</u>	<u>(17,797,222)</u>	<u>12,459,034</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	428,185,569	361,287	-	17,075,841	445,622,697
Furniture and Equipment	25,823,677	1,128,312	(692,667)	721,381	26,980,703
Total Capital Assets Depreciable	<u>454,009,246</u>	<u>1,489,599</u>	<u>(692,667)</u>	<u>17,797,222</u>	<u>472,603,400</u>
Less: Accumulated Depreciation For:					
Buildings and Improvements	150,232,117	11,951,171	-	-	162,183,288
Furniture and Equipment	15,944,669	1,787,088	(670,013)	-	17,061,744
Total Accumulated Depreciation	<u>166,176,786</u>	<u>13,738,259</u>	<u>(670,013)</u>	<u>-</u>	<u>179,245,032</u>
Total Capital Assets, Depreciable, Net	<u>287,832,460</u>	<u>(12,248,660)</u>	<u>(22,654)</u>	<u>17,797,222</u>	<u>293,358,368</u>
Governmental Activities Capital Assets, Net	<u>\$ 314,247,466</u>	<u>(8,407,410)</u>	<u>(22,654)</u>	<u>-</u>	<u>\$ 305,817,402</u>

Capital asset additions and depreciation expense were charged to functions/programs of the District as follows:

	<b>Capital Asset Additions</b>	<b>Depreciation Expense</b>
Instruction	\$ -	\$ 7,918,643
Support Services	5,330,849	5,819,616
Total	<u>\$ 5,330,849</u>	<u>\$ 13,738,259</u>

The District has outstanding commitments related to construction totaling approximately \$3,645,000 at June 30, 2021.

**D. Long-Term Obligations**

The District issues bonds to provide funds for the acquisition and construction of major capital facilities for its governmental activities. General obligation bonds ("GOB") and general obligation refunding bonds ("GORB") are direct obligations and pledge the full faith and credit of the District and are subject to the 8% debt limit requirement if not issued under a bond referendum. Note payable obligations are direct obligations of the District payable from the general revenues of the District. The full faith, credit, and taxing powers of the District are not pledged for the payment of note payable obligation nor the interest thereon.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

The District's outstanding GOB and GORB are publicly traded debt. The District's outstanding note payable is a direct borrowing/placement and contains provisions that in an event of default, (a) outstanding amounts can become immediately due if the District is unable to make payment and (b) the lessor could exercise its option to demand return of the financed assets.

A summary of changes in long-term obligations for the year ended June 30, 2021 is as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds (Publicly Traded):					
Series 2014A GOB *	\$ 9,300,000	-	1,740,000	7,560,000	\$ 1,810,000
Series 2015A GORB *	45,770,000	-	2,775,000	42,995,000	2,915,000
Series 2016C GORB *	10,710,000	-	1,005,000	9,705,000	1,060,000
Series 2017B GOB *	99,135,000	-	2,880,000	96,255,000	3,025,000
Total Bonds	<u>164,915,000</u>	<u>-</u>	<u>8,400,000</u>	<u>156,515,000</u>	<u>8,810,000</u>
Note Payable (Direct Borrowing/Placement)					
2016 Note Payable *	2,067,000	-	503,000	1,564,000	512,000
Gross Debt	<u>166,982,000</u>	<u>-</u>	<u>8,903,000</u>	<u>158,079,000</u>	<u>9,322,000</u>
Unamortized Bond Premiums	17,119,988	-	1,129,551	15,990,437	-
Net Debt	<u>184,101,988</u>	<u>-</u>	<u>10,032,551</u>	<u>174,069,437</u>	<u>9,322,000</u>
Compensated Absences	814,792	522,588	591,892	745,488	745,488
Total Governmental Activities	<u>\$ 184,916,780</u>	<u>522,588</u>	<u>10,624,443</u>	<u>174,814,925</u>	<u>\$ 10,067,488</u>

\* This debt issue is not subject to the District's 8% debt limit.

Compensated absences are paid from the fund where the employee's salary is paid. General obligation and note payable debt is paid from the Debt Service Fund.

Long-term debt consists of the following at June 30, 2021:

<b>Date/Description of Issue</b>	<b>Interest Rate</b>	<b>Payment Dates</b>	<b>Maturity</b>	<b>Original Issue Amount</b>	<b>Outstanding Balance</b>
February 19, 2014 - Series 2014A	2.00 - 5.00%	Mar./Sept.	2025	\$ 16,170,000	\$ 7,560,000
March 12, 2015 - Series 2015A	3.00 - 5.00%	Mar./Sept.	2032	53,810,000	42,995,000
September 29, 2016 - Series 2016C	2.00-5.00%	Mar./Sept.	2029	11,665,000	9,705,000
December 23, 2016 - 2016 Notes Payable	1.86%	December	2024	3,525,000	1,564,000
July 13, 2017 - Series 2017B	5.00%	Mar./Sept.	2037	110,000,000	96,255,000
Total Long-Term Debt				<u>\$ 195,170,000</u>	<u>\$ 158,079,000</u>

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

The following table represents debt service requirements on all outstanding long-term indebtedness through maturity for the District as of June 30, 2021:

Year Ended June 30,	Publicly Traded		Direct Borrowing/Placement		Total
	Principal	Interest	Principal	Interest	
2022	\$ 8,810,000	6,589,875	512,000	29,012	\$ 15,940,887
2023	9,225,000	6,185,575	521,000	19,515	15,951,090
2024	9,660,000	5,801,525	531,000	9,850	16,002,375
2025	10,670,000	5,316,825	-	-	15,986,825
2026	9,125,000	4,822,825	-	-	13,947,825
2027-2031	49,690,000	18,014,740	-	-	67,704,740
2032-2036	49,790,000	7,882,250	-	-	57,672,250
2037	9,545,000	381,800	-	-	9,926,800
Totals	<u>\$ 156,515,000</u>	<u>54,995,415</u>	<u>1,564,000</u>	<u>58,377</u>	<u>\$ 213,132,792</u>

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2021, there were no amounts outstanding for arbitrage rebates.

Article X, Section 15 of the Constitution of the State of South Carolina, as amended, empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of the District voting in a referendum will not be considered in the computation of the 8% limitation. The District currently has no outstanding bonded indebtedness that is subject to the 8% debt limit of approximately \$45,890,000 at June 30, 2021.

**E. Short-Term Obligations**

The following is a summary of the changes in the District's short-term obligations for the year ended June 30, 2021:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
Series 2020A GOB	\$ -	1,500,000	1,500,000	\$ -
Series 2020B GOB	-	13,300,000	13,300,000	-
Total Governmental Activities	<u>\$ -</u>	<u>14,800,000</u>	<u>14,800,000</u>	<u>\$ -</u>

The District issued a short-term Series 2020A General Obligation Bond ("Series 2020A GOB") in September 2020 for approximately \$1,500,000 with an interest rate of 3%. The Series 2020A GOB was issued to fund capital needs. The bond plus interest of approximately \$21,000 was repaid in March 2021.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Short-Term Obligations (Continued)**

The District issued a short-term Series 2020B General Obligation Bond ("Series 2020B GOB") in September 2020 for approximately \$13,300,000 with an interest rate of 2%. The Series 2020B GOB was issued to fund capital needs and to fund the debt service on the 2016 Note Payable. The bond plus interest of approximately \$121,000 was repaid in March 2021.

**F. Interfund Receivables/Payables**

All cash activities are recorded in the General Fund, and as a result, receivable and payables exist at year end that are either due to or due from the General Fund in the other funds. Various differences include Special Revenue payments not received from the State Department of Education until after the fiscal year ended, fringe amounts paid by the General Fund for the Food Service Fund, taxes receivable for Debt Service Fund, and building project costs.

Interfund receivables and payables at June 30, 2021 (all of which are expected to be repaid within one year) are summarized as follows:

	Receivables	Payables
<u>Governmental Funds:</u>		
General Fund	\$ -	\$ 13,772,956
Special Revenue Fund	552,930	-
Special Revenue - EIA Fund	3,880,850	-
Special Revenue - Food Service Fund	3,219,999	-
Debt Service Fund	648,217	-
Capital Projects Fund	5,470,960	-
Totals	<u>\$ 13,772,956</u>	<u>\$ 13,772,956</u>

**G. Transfers In/Out**

During the course of normal operations, the District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers. Funds are transferred into the General Fund from other funds to cover Education Improvement Act raises for teachers, indirect costs for federal programs and the required Medicaid match. Funds are transferred from the General Fund to the Capital Projects Fund for capital needs for each school. Funds are transferred from the General Fund to the Food Service Fund for reimbursement of fringe-related costs. Funds of approximately \$5,231,000 that are assigned for capital projects were also transferred from the Special Revenue Fund to the Capital Projects Fund. Funds are transferred from the Debt Service Fund to the Capital Projects Fund was due to short-term debt that was used for equipment acquisitions and ongoing construction.



**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Transfers In/Out (Continued)**

Transfers between funds for the year ended June 30, 2021, consisted of the following:

	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$ 5,574,288	\$ 237,430
Special Revenue Fund	217,815	5,593,297
Special Revenue - EIA Fund	-	5,212,210
Special Revenue - Food Service Fund	19,615	-
Debt Service Fund	-	14,258,657
Capital Projects Fund	19,489,876	-
Totals	<u>\$ 25,301,594</u>	<u>\$ 25,301,594</u>

**IV. OTHER INFORMATION**

**A. Retirement Plans**

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

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

The PEBA issues a Comprehensive Annual Financial Report containing financial statements and required supplementary information for the System's Pension Trust Funds. The Comprehensive Annual Financial Report is publicly available through the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. The 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.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Plan Description*

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement 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 the SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts, and individuals first elected to the S.C. 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 service providers. The PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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

*Plan 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 the SCRS, newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employers to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Plan 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; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the 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.

*Plan 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 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.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Plan Contributions*

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS ("Plans") contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

As noted earlier, both employees and the District are required to contribute to the Plans at rates established and as amended by the PEBA. The District's contributions are actuarially determined but are communicated to and paid by the District as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past three years are as follows:

	SCRS and State ORP Rates			PORS Rates		
	2019	2020	2021	2019	2020	2021
Employer Contribution Rate: <sup>^</sup>						
Retirement*	14.41%	15.41%	15.41%	16.84%	17.84%	17.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>14.56%</u>	<u>15.56%</u>	<u>15.56%</u>	<u>17.24%</u>	<u>18.24%</u>	<u>18.24%</u>
Employee Contribution Rate <sup>^</sup>	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.75%</u>	<u>9.75%</u>	<u>9.75%</u>

<sup>^</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

\* Of the rate for the State ORP Plan, 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.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Plan Contributions (Continued)*

The required contributions and percentages of amounts contributed to the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		State ORP Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed	Required	% Contributed
2021	\$ 15,358,296	100%	\$ 1,467,689	100%	\$ 20,448	100%
2020	15,022,531	100%	1,366,483	100%	12,693	100%
2019	\$ 13,413,646	100%	\$ 1,132,675	100%	\$ 11,337	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2020. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2020 (measurement date) to the District were approximately \$1,002,000 and \$1,000 for the SCRS and PORS, respectively.

The District recognized contributions (on-behalf benefits) from the State of approximately \$1,002,000 and \$1,000 for the year ended June 30, 2021. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the District's governmental fund financial statements.

Eligible payrolls covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	State ORP Payroll	PORS Payroll	Total Payroll
2021	\$ 98,703,701	13,898,574	112,102	\$ 112,714,377
2020	96,545,830	12,940,179	69,589	109,555,598
2019	\$ 92,126,691	11,848,064	65,758	\$ 104,040,513

*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, 2019 for first use in the July 1, 2021 actuarial valuation (previous report was issued for the period ending June 30, 2015).

The June 30, 2020 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2019. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

**ROCK HILL SCHOOL DISTRICT THREE  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Actuarial Assumptions and Methods (Continued)*

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.25%	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

\* Includes inflation at 2.25%.

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"), were 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.

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

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 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 following table. 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.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Long-Term Expected Rate of Return (Continued)*

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	100.0%		5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			8.05%

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions*

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 the June 30, 2020 measurement date, for the SCRS and PORS, are presented in the following table:

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	\$ 51,844,187,763	26,292,418,682	\$ 25,551,769,081	50.7%
PORS	\$ 8,046,386,629	4,730,174,642	\$ 3,316,211,987	58.8%

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 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.

At June 30, 2021, the District reported liabilities of approximately \$241,230,000 and \$161,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2020, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2019 that was projected forward to the measurement date. The District's proportion of the NPL were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the District's SCRS proportion was 0.944084 percent, which was a decrease of 0.001983 from its proportion measured as of June 30, 2019. At the June 30, 2020 measurement date, the District's PORS proportion was 0.004852 percent, which was an increase of 0.000318 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of approximately \$25,733,000 and \$21,000 for the SCRS and PORS, respectively. At June 30, 2021, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 2,783,477	\$ 912,194
Change in Assumptions	295,546	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	17,744,502	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	-	1,748,649
District's Contributions Subsequent to the Measurement Date	15,823,886	-
Total SCRS	<u>36,647,411</u>	<u>2,660,843</u>
<b>PORS</b>		
Differences Between Expected and Actual Experience	3,420	708
Change in Assumptions	1,964	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	16,476	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	6,484	6,109
District's Contributions Subsequent to the Measurement Date	19,771	-
Total PORS	<u>48,115</u>	<u>6,817</u>
Total SCRS and PORS	<u>\$ 36,695,526</u>	<u>\$ 2,667,660</u>



**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

Approximately \$15,824,000 and \$20,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2022	\$ 2,566,869	5,057	\$ 2,571,926
2023	5,014,585	4,926	5,019,511
2024	6,053,214	6,928	6,060,142
2025	4,528,014	4,616	4,532,630
Total	<u>\$ 18,162,682</u>	<u>21,527</u>	<u>\$ 18,184,209</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 the 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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

*Sensitivity Analysis*

The following table presents the sensitivity of the District's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability of the SCRS	\$ 298,975,222	241,230,175	\$ 193,012,364
District's proportionate share of the net pension liability of the PORS	213,007	160,902	119,065
	<u>\$ 299,188,229</u>	<u>241,391,077</u>	<u>\$ 193,131,429</u>

*Plans Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued Comprehensive Annual Financial Report containing financial statements and required supplementary information for the SCRS and PORS. The Comprehensive Annual Financial Report is publicly available through the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Payable to Plans*

The District reported a payable of approximately \$2,367,000 to the PEBA as of June 30, 2021, representing required employer and employee contributions for the month of June 2021 for the SCRS and PORS. This amount is included in Accrued Salaries, Fringe, and Benefits on the financial statements and was paid in July 2021.

**B. Other Postemployment Benefit Plans**

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other postemployment benefits trusts, and retirement systems. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of the PEBA. By law, the SFAA also reviews certain PEBA Board decisions in administering the State Health Plan and OPEB. See Note IV.A for more details on the PEBA and the SFAA.

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.

The 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 the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. The 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.

*Plan Descriptions*

The Other Postemployment Benefits Trust Funds ("OPEB Trusts" or "OPEB Plans"), collectively refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability ("BLTD") 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 PEBA Board 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 postemployment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

**ROCK HILL SCHOOL DISTRICT THREE**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Plan 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. Since the employer contribution/premium paid and the proportionate share of the net OPEB liability and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the District, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

*Plan 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 nonemployer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Nonemployer 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 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 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. Nonemployer 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 covered payroll surcharge rates for the past three years were as follows:

	Year Ended June 30,		
	2019	2020	2021
Employer Contribution Rate <sup>^</sup>	6.05%	6.25%	6.25%

<sup>^</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Plan Contributions and Funding Policies (Continued)*

The required payroll surcharge, percentages of amounts contributed, and eligible payroll covered by the SCRHITF for the past three years were as follows:

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2021	\$ 7,044,649	100%	\$ 112,714,377
2020	6,847,225	100%	109,555,598
2019	\$ 6,294,451	100%	\$ 104,040,513

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the District approximately \$1,585,000 for the year ended June 30, 2020 (measurement period). The contributions from these nonemployer contributing entities were approximately \$28,000 for the year ended June 30, 2021 and are recognized as state revenues and intergovernmental expenditures in the District's governmental fund financial statements.

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 nonemployer 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.

*Actuarial Assumptions and Methods*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of the District's Proportionate Share of the Net OPEB Liability and the Schedule of the District's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the District's net OPEB liability, funded status of the OPEB Plan, and the District's contributions to the OPEB Plan.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability, net OPEB liability, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2019 actuarial valuation. The total OPEB liability was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2020 using generally accepted actuarial principles.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Actuarial Assumptions and Methods (Continued)*

The following table provides a summary of the actuarial assumptions and methods used in the latest valuation for the SCRHITF:

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense (including inflation)
Single Discount Rate:	2.45% as of June 30, 2020
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the based tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Participation Assumption:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020. Minor updates were also made to the healthcare trend rate assumption including an adjustment to reflect the repeal of the "Cadillac Tax".

*Long-Term Expected Rate of Return*

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. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
US Domestic Fixed Income	80.0%	0.60%	0.48%
Cash	20.0%	0.35%	0.07%
<b>Total</b>	<b>100.0%</b>		<b>0.55%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>2.80%</b>
<b>Investment Return Assumption</b>			<b>2.75%</b>

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Single Discount Rate*

The Single Discount Rate of 2.45% 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 SCRHITF'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).

*OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB*

The net OPEB liability ("NOL") is calculated separately for each system and represents that particular system's total OPEB liability determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2020 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 19,703,745,672	1,652,299,185	\$ 18,051,446,487	8.39%

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

At June 30, 2021, the District reported a liability of approximately \$214,545,000 for its proportionate share of the net OPEB liability for the SCRHITF. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability for the SCRHITF used to calculate the net OPEB liability was determined based on the most recent actuarial valuation report of June 30, 2019 that was projected forward to the measurement date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the District's proportion was 1.188518 percent which was a decrease of 0.001083 percent from its proportion measured as of June 30, 2019.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)*

For the year ended June 30, 2021, the District recognized OPEB expense of approximately \$15,825,000 for the SCRHITF. At June 30, 2021, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,136,174	\$ 4,885,951
Change in Assumptions	31,926,928	8,544,266
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	500,416
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	-	2,361,906
Employer Contributions Subsequent to the Measurement Date	6,925,177	-
Total	<u>\$ 44,988,279</u>	<u>\$ 16,292,539</u>

Approximately \$6,925,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date (which includes an adjustment for an implicit subsidy) to the SCRHITF, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2022	\$ 2,572,201
2023	2,503,048
2024	2,393,466
2025	4,294,984
2026	5,038,646
Thereafter	4,968,218
Total	<u>\$ 21,770,563</u>

*Sensitivity Analysis*

The following table presents the sensitivity of the District's net OPEB liability for the SCRHITF to changes in the discount rate, calculated using the discount rate of 2.45%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (1.45%) or 1% point higher (3.45%) than the current rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Net OPEB Liability	\$ 255,994,882	214,544,691	\$ 181,422,888

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Sensitivity Analysis (Continued)*

The following table presents the sensitivity of the District's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.40% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.40% decreasing to 3.00%) or 1% point higher (7.40% decreasing to 5.00%) than the current rate:

	1% Decrease (5.40% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.40% decreasing to 4.00%)	1% Increase (7.40% decreasing to 5.00%)
Net OPEB Liability	\$ 173,653,334	214,544,691	\$ 268,246,811

*OPEB Plans' Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the OPEB Plans administered by the PEBA is available in the separately issued financial statements and required supplementary information for the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Postemployment Benefits Trust Funds. This information is publicly available through the Insurance Benefits' link on the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223.

*Payable to SCRHITF*

The District reported a payable of approximately \$648,000 to the PEBA as of June 30, 2021, representing required employer contributions for the month of June 2021 for the SCRHITF. This amount is included in Accrued Salaries, Fringe, and Benefits on the financial statements and was paid in July 2021.

**C. Deferred Compensation/Salary Deferral Plan**

The District employees may participate in the 457 and/or 401(k) defined contribution deferred compensation plans available to state and local governmental employees through the state public employee retirement system. These programs are administered by a state approved nongovernmental third party. Contributions by employees under these plans totaled approximately \$576,000 for the year ended June 30, 2021.

**D. Risk Management**

The District is exposed to various risks of loss related to torts, theft of damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters for which the District carries commercial insurance. During the year ended June 30, 2021, the District obtained general liability, workers' compensation, and property insurance through the South Carolina Boards Insurance Trust (the "Trust") which represents South Carolina school districts joined together in a public entity risk pool. The District pays an annual premium to the Trust for its general liability, workers' compensation and property insurance. The agreement for formation of the Trust provides that the Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 for each insured event.

The District obtains its employee health and life insurance through the South Carolina State Budget and Control Board, Office of Insurance services, which represents all State agencies in South Carolina, joined together in a public entity risk pool. The District pays monthly premiums based on participating employees.



**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**D. Risk Management (Continued)**

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has remained stable since the prior fiscal year.

**E. Tax Abatements**

*District's Tax Abatements*

The District does not have any of its own tax abatement agreements.

*York County Tax Abatements*

The following table details which entities in the District have received tax abatements in the year ended June 30, 2021, as well as the District's portion of the County-wide taxes that have been abated:

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**E. Tax Abatements (Continued)**

Entity	Taxes Abated
New Indy Catawba LLC	\$ 5,446,768
Rudolf Venture Chemical Inc.	46,889
Schuff Steel Company	155,279
National Machinery & fabrication Inc.	15,306
Albany Road-Southcross LLC	3,615
Bradman Lake Inc.	1,908
Composite Resources Inc.	3,418
Core Autosport LLC	2,843
Coroplast Tape Corporation	314,060
CR Manufacturing LLC	8,638
Crystal Distribution Inc.	30,551
Exel Inc.	20,131
GCP Legacy Park West	14,929
Goldenrod Inc.	299,715
Lexington Corporate Properties	170
LIT Industrial LP	47,602
McKesson Medical Surgical Inc.	78,842
MSI Forks Inc.	97,733
O'Brien Rock Hill LLC	85,474
Oerlikon Balzers Coating USA Inc.	55,534
PFG Customized South Carolina	57,031
Possehl Connector Services SC	21,454
Power Technique North America LLC	50,228
Pulcra Chemicals LLC	63,323
Retford Investments LLC	29,214
Riverwalk GRH-TKC LLC	14,700
Ross Dress For Less Inc.	403,493
Select Income REIT	219,569
The Hartz Group Inc.	8,683
Transaxle Manufacturing of	249,902
Winbro Group Technologies LLC	52,661
Workspace Resources LLC	75,735
3D Systems Corporation	5,485
3D Systems Inc.	4,144
Albany Road Southcross LLC	196
Lexington Realty Trust	1,107
Lexington Corporate Properties Inc.	2,555
Oerlikon Balzers Coating USA Inc.	(53,720)
District's Portion of County-wide Abatements	1,106,493
Total Tax Abatements	<u><u>\$ 9,041,660</u></u>

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**F. Operating Lease and Service Agreement**

The District entered into a non-cancellable operating lease for office equipment in July 2018. The lease requires a minimum monthly payment of approximately \$20,000 for a term of 60 months expiring in August 2024. This lease replaces the existing lease that the District had in place which was under similar terms. Lease payments for the year ended June 30, 2021 were approximately \$236,000. The new lease expires in August 2024, and the remaining commitments under this agreement are approximately \$493,000.

The District entered into a non-cancellable service agreement for equipment repair and maintenance services for the District's leased office equipment in August 2018. The agreement requires a minimum monthly payment of approximately \$15,000 for a term of 60 months expiring in September 2024. Lease payments for the year ended June 30, 2021 were approximately \$180,000. The remaining commitments under this agreement are approximately \$375,000.

**G. Contingencies**

Amounts received for receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is a defendant in lawsuits arising in the normal course of business. It is the opinion of the District's management, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the District's financial position.

**H. COVID-19 Health Pandemic**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Management continues to actively monitor the impact from the COVID-19 outbreak on its financial condition, liquidity, operations, and workforce. If the COVID-19 outbreak continues or strengthens due to new variants resulting in state, local, and federal governments recommending or mandating restrictions on business and travel in an effort to curb the COVID-19 outbreak (by changing consumer behavior), the District expects such restrictions may negatively impact the District's operations.

**I. Subsequent Event**

In September 2021, the District issued its Series 2021B SCAGO General Obligation Bonds in the amount of approximately \$14,594,000 for the purpose of providing funds to pay for the acquisition and installation of technology, capital improvements and upgrades, and student activity equipment. The District received a premium of approximately \$187,000 and incurred issuance costs of approximately \$54,000. The interest rate on the Series 2021B bonds is 3% with final maturity in March 2022.

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# Required Supplementary Information

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**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGETS AND ACTUAL - GENERAL FUND**

**YEAR ENDED JUNE 30, 2021**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL (BUDGETARY BASIS)</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local Sources:				
Taxes	\$ 60,405,365	62,159,106	66,690,675	\$ 4,531,569
Investment Earnings	800,000	103,500	121,601	18,101
Other Local Sources	310,000	85,000	293,726	208,726
State Sources	103,917,432	102,735,191	101,693,277	(1,041,914)
Intergovernmental Revenue	-	350,000	350,000	-
<b>TOTAL REVENUES</b>	<b>165,432,797</b>	<b>165,432,797</b>	<b>169,149,279</b>	<b>3,716,482</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	99,750,205	102,238,799	101,365,238	873,561
Support Services	74,536,431	71,563,704	71,034,680	529,024
Community Services	143,979	233,579	237,259	(3,680)
Intergovernmental	405,000	571,917	571,917	-
Capital Outlay	-	116,386	96,094	20,292
<b>TOTAL EXPENDITURES</b>	<b>174,835,615</b>	<b>174,724,385</b>	<b>173,305,188</b>	<b>1,419,197</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(9,402,818)</b>	<b>(9,291,588)</b>	<b>(4,155,909)</b>	<b>5,135,679</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	-	-	19,435	19,435
Transfers In	5,710,124	5,710,124	5,574,288	(135,836)
Transfers Out	(126,200)	(237,430)	(237,430)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,583,924</b>	<b>5,472,694</b>	<b>5,356,293</b>	<b>(116,401)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(3,818,894)</b>	<b>(3,818,894)</b>	<b>1,200,384</b>	<b>5,019,278</b>
FUND BALANCES, Beginning of Year	39,092,025	39,092,025	39,092,025	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 35,273,131</b>	<b>35,273,131</b>	<b>40,292,409</b>	<b>\$ 5,019,278</b>

Note: The District's original and final budget reflected an expected use of fund balance of approximately \$3,819,000.

Note: This schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.944084%	0.946067%	0.954401%	0.963850%	0.964292%	1.002653%	1.024708%	1.024708%
District's Proportionate Share of the Net Pension Liability	\$ 241,230,175	216,026,393	213,850,779	216,978,136	205,971,348	190,157,976	176,420,746	\$ 183,796,061
District's Covered Payroll	\$ 109,486,009	103,974,755	103,456,249	105,149,109	98,215,989	98,787,910	97,540,171	\$ 95,647,881
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	220.33%	207.77%	206.71%	206.35%	209.71%	192.49%	180.87%	192.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.



ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 16,825,985	16,389,014	14,546,321	13,412,038	11,238,801	10,324,978	10,245,571	\$ 9,860,741
Contributions in Relation to the Contractually Required Contribution								
Contributions from the District	15,823,886	15,386,915	13,544,222	12,409,939	11,238,801	10,324,978	10,245,571	9,860,741
Contributions from the State	1,002,099	1,002,099	1,002,099	1,002,099	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 112,602,275	109,486,009	103,974,755	103,456,249	105,149,109	98,215,989	98,787,910	\$ 97,540,171
Contributions as a Percentage of Covered Payroll	14.94%	14.97%	13.99%	12.96%	10.69%	10.51%	10.37%	10.11%

**Notes to Schedule:**

The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
POLICE OFFICERS RETIREMENT SYSTEM**

**LAST EIGHT FISCAL YEARS**

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.00485%	0.00453%	0.00486%	0.00508%	0.00516%	0.00531%	0.00344%	0.00344%
District's Proportionate Share of the Net Pension Liability	\$ 160,902	129,930	137,718	139,088	130,831	115,731	65,875	\$ 71,331
District's Covered Payroll	\$ 69,589	65,758	67,273	68,365	65,753	65,785	41,065	\$ 24,781
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	231.22%	197.59%	204.72%	203.45%	198.97%	175.92%	160.42%	287.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%	62.98%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.  
The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.  
The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 20,448	12,693	11,337	10,925	9,735	9,034	8,822	\$ 5,273
Contributions in Relation to the Contractually Required Contribution								
Contributions from the District	19,771	12,017	10,661	10,249	9,735	9,034	8,822	5,273
Contributions from the State	677	676	676	676	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 112,102	69,589	65,758	67,273	68,365	65,753	65,785	\$ 41,065
Contributions as a Percentage of Covered Payroll	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%

Notes to Schedule:

The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	1.188518%	1.189601%	1.200452%	1.212211%	1.212211%
District's Proportionate Share of the Net OPEB Liability	\$ 214,544,691	179,885,807	170,111,070	164,191,994	\$ 175,390,336
District's Covered Payroll	\$ 109,555,598	104,040,513	103,523,522	105,217,474	\$ 98,281,742
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	195.8%	172.9%	164.3%	156.1%	178.5%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.4%	8.4%	7.9%	7.6%	6.6%

**Notes to Schedule:**

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

The District adopted GASB #75 during the year ended June 30, 2018. Information prior to 2017 is not available.

The discount rates used by year were as follows:

	2.45%	3.13%	3.62%	3.56%	2.92%
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**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

**LAST FIVE FISCAL YEARS**

	<b>Year Ended June 30,</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually Required Contribution	\$ 7,044,649	6,847,225	6,294,451	5,693,794	\$ 5,448,191
Contributions in Relation to the Contractually Required Contribution	7,044,649	6,847,225	6,294,451	5,693,794	5,448,191
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
District's Covered Payroll	\$ 112,714,377	109,555,598	104,040,513	103,523,522	\$ 105,217,474
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	6.05%	5.50%	5.18%

**Notes to Schedule:**

The District adopted GASB #75 during the year ended June 30, 2018. Information prior to 2017 is not available.  
The above amounts exclude any adjustments for implicit subsidies made by the District.

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# Supplementary Information

## Combining and Individual Fund Financial Schedules

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# GENERAL FUND

The General Fund, a major fund and a budgeted fund, is the general operating fund of the District and accounts for all revenues and expenditures of the District except those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The following Budgetary Comparison Schedule for the General Fund has been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedule are also mandated by the South Carolina Department of Education.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
1000 Revenues from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 47,729,072	50,892,836	\$ 3,163,764
1140 Penalties & Interest on Taxes (Independent)	399,043	660,837	261,794
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	8,175,000	8,670,430	495,430
1240 Penalties & Interest on Taxes (Dependent)	25,000	44,006	19,006
1280 Revenue in Lieu of Taxes (Independent and Dependent)	5,830,991	6,422,566	591,575
1300 Tuition:			
1310 From Patrons for Regular Day School	5,000	12,643	7,643
1320 From Other LEAs for Regular Day School	-	96,174	96,174
1500 Earnings on Investments:			
1510 Interest on Investments	103,500	121,601	18,101
1900 Other Revenue from Local Sources:			
1910 Rentals	25,000	27,195	2,195
1950 Refund of Prior Year's Expenditures	-	12,346	12,346
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	44,923	44,923
1994 Receipt of Legal Settlements	-	36,099	36,099
1999 Revenue from Other Local Sources	55,000	64,346	9,346
Total Revenue from Local Sources	<u>62,347,606</u>	<u>67,106,002</u>	<u>4,758,396</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	350,000	350,000	-
Total Intergovernmental Revenue	<u>350,000</u>	<u>350,000</u>	<u>-</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	8,500	4,542	(3,958)
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	916,544	1,111,252	194,708
3162 Transportation Workers' Compensation	53,000	57,198	4,198
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	19,709,351	19,782,706	73,355
3181 Retiree Insurance (No Carryover Provision)	4,666,359	4,676,676	10,317
3186 State Aid to Classrooms - Teacher Salary Increase	4,626,460	3,759,966	(866,494)
3189 Teacher Step	\$ -	796,684	\$ 796,684

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
3300 State Aid to Classrooms - Education Finance Act (EFA):			
3310 Full-Time Programs:			
3311 Kindergarten	\$ 1,818,676	1,815,350	\$ (3,326)
3312 Primary	5,751,633	5,681,738	(69,895)
3313 Elementary	10,166,136	10,080,696	(85,440)
3314 High School	3,797,388	3,591,081	(206,307)
3315 Trainable Mentally Handicapped	117,929	111,874	(6,055)
3316 Speech Handicapped (Part-Time)	2,100,595	2,176,211	75,616
3317 Homebound	12,755	16,796	4,041
3320 Part-Time Programs:			
3321 Emotionally Handicapped	147,747	140,969	(6,778)
3322 Educable Mentally Handicapped	112,503	114,873	2,370
3323 Learning Disabilities	4,937,186	5,057,733	120,547
3324 Hearing Handicapped	157,295	154,343	(2,952)
3325 Visually Handicapped	111,291	113,885	2,594
3326 Orthopedically Handicapped	81,417	79,183	(2,234)
3327 Pre-Career and Career Technology	5,344,232	5,413,453	69,221
3330 Miscellaneous EFA Programs:			
3331 Autism	995,687	1,016,792	21,105
3332 High Achieving Students	657,358	653,361	(3,997)
3334 Limited English Proficiency	335,793	336,329	536
3350 Residential Treatment Facilities (RTF)	-	99,274	99,274
3351 Academic Assistance	1,537,782	1,526,483	(11,299)
3352 Pupils in Poverty	3,719,663	3,721,786	2,123
3353 Dual Credit Enrollment	58,237	59,197	960
3392 NBC Excess EFA Formula	-	124,460	124,460
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	5,991,204	5,991,204	-
3820 Homestead Exemption (Tier 2)	1,710,186	1,710,186	-
3825 Reimbursement for Property Tax Relief (Tier 3)	20,257,970	19,901,803	(356,167)
3830 Merchant's Inventory Tax	221,539	221,539	-
3840 Manufacturers Depreciation Reimbursement	1,500,000	348,353	(1,151,647)
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	110,000	242,526	132,526
3900 Other State Revenue:			
3993 PEBA On-Behalf	1,002,775	1,002,775	-
Total Revenue from State Sources	102,735,191	101,693,277	(1,041,914)
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ 165,432,797</b>	<b>169,149,279</b>	<b>\$ 3,716,482</b>

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 4,339,503	4,338,286	\$ 1,217
200 Employee Benefits	2,073,311	2,072,575	736
300 Purchased Services	135,660	135,372	288
400 Supplies and Materials	85,840	79,739	6,101
112 Primary Programs:			
100 Salaries	12,577,261	12,575,702	1,559
200 Employee Benefits	5,311,538	5,311,297	241
300 Purchased Services	1,375,379	1,370,277	5,102
400 Supplies and Materials	383,401	374,567	8,834
113 Elementary Programs:			
100 Salaries	21,891,814	21,889,755	2,059
200 Employee Benefits	8,790,620	8,790,067	553
300 Purchased Services	1,187,654	1,177,899	9,755
400 Supplies and Materials	749,067	740,036	9,031
600 Other Objects	100	100	-
114 High School Programs:			
100 Salaries	15,777,291	15,772,386	4,905
200 Employee Benefits	6,352,342	6,351,524	818
300 Purchased Services	541,550	540,978	572
400 Supplies and Materials	359,625	351,485	8,140
500 Capital Outlay	11,770	11,770	-
600 Other Objects	5,345	5,344	1
115 Career and Technology Education Program:			
100 Salaries	1,685,840	1,663,235	22,605
200 Employee Benefits	753,894	733,052	20,842
300 Purchased Services - Other Than Tuition	159,191	157,729	1,462
400 Supplies and Materials	64,174	61,241	2,933
600 Other Objects	1,950	1,950	-
118 Montessori Programs:			
100 Salaries	515,484	482,110	33,374
200 Employee Benefits	208,857	186,285	22,572
300 Purchased Services	1,860	6,292	(4,432)
400 Supplies and Materials	2,647	2,464	183
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	1,203,746	1,095,710	108,036
200 Employee Benefits	563,836	490,813	73,023
300 Purchased Services	4,254	13,072	(8,818)
400 Supplies and Materials	\$ 1,679	1,322	\$ 357

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
122 Trainable Mentally Handicapped:			
100 Salaries	\$ 725,116	716,630	\$ 8,486
200 Employee Benefits	326,224	311,126	15,098
300 Purchased Services	8,121	7,604	517
400 Supplies and Materials	2,490	2,287	203
123 Orthopedically Handicapped:			
100 Salaries	21,106	21,039	67
200 Employee Benefits	7,496	7,478	18
300 Purchased Services	500	491	9
124 Visually Handicapped:			
100 Salaries	64,464	64,477	(13)
200 Employee Benefits	30,627	30,626	1
125 Hearing Handicapped:			
100 Salaries	395,890	394,954	936
200 Employee Benefits	155,430	155,364	66
300 Purchased Services	144,593	143,723	870
126 Speech Handicapped:			
100 Salaries	903,111	902,423	688
200 Employee Benefits	341,042	341,008	34
300 Purchased Services	180,510	180,506	4
400 Supplies and Materials	1,919	1,919	-
600 Other Objects	3,430	7,756	(4,326)
127 Learning Disabilities:			
100 Salaries	4,561,507	4,557,755	3,752
200 Employee Benefits	1,943,038	1,932,932	10,106
300 Purchased Services	104,370	103,684	686
400 Supplies and Materials	5,613	4,747	866
128 Emotionally Handicapped:			
100 Salaries	602,324	445,371	156,953
200 Employee Benefits	277,424	178,359	99,065
300 Purchased Services	821	5,264	(4,443)
400 Supplies and Materials	250	215	35
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	99,663	99,575	88
200 Employee Benefits	58,329	57,456	873
300 Purchased Services	1,490	1,406	84
136 Pre-School Handicapped-Itinerant (3 & 4-Yr. Olds)			
100 Salaries	44,752	44,525	227
200 Employee Benefits	18,094	18,075	19
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds)			
100 Salaries	365,275	364,544	731
200 Employee Benefits	148,135	142,631	5,504
300 Purchased Services	\$ 50,130	49,563	\$ 567

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
139 Early Childhood Programs:			
100 Salaries	\$ 378,890	377,959	\$ 931
200 Employee Benefits	185,272	183,121	2,151
300 Purchased Services	41,011	40,340	671
400 Supplies and Materials	10,640	10,489	151
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	500,630	500,335	295
200 Employee Benefits	197,829	197,612	217
300 Purchased Services	-	279	(279)
400 Supplies and Materials	30,208	28,220	1,988
600 Other Objects	119	119	-
145 Homebound:			
100 Salaries	130,000.0	46,959	83,041.0
200 Employee Benefits	39,442	13,980	25,462
148 Gifted and Talented - Artistic:			
300 Purchased Services	63,000	54,612	8,388
149 Other Special Programs:			
100 Salaries	637,298	632,028	5,270
200 Employee Benefits	313,117	309,298	3,819
300 Purchased Services	66,924	52,755	14,169
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	239,300	221,282	18,018
200 Employee Benefits	109,372	90,769	18,603
300 Purchased Services	-	577	(577)
400 Supplies and Materials	16	16	-
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	6,423	6,423	-
200 Employee Benefits	1,993	1,993	-
172 Elementary Summer School:			
100 Salaries	6,453	6,453	-
200 Employee Benefits	1,940	1,940	-
300 Purchased Services	1,736	1,736	-
173 High School Summer School:			
100 Salaries	7,640	7,640	-
200 Employee Benefits	2,257	2,257	-
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	14,996	14,996	-
200 Employee Benefits	4,480	4,480	-
300 Purchased Services	\$ 567	567	\$ -

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	\$ 44,303	12,442	\$ 31,861
200 Employee Benefits	18,641	6,662	11,979
300 Purchased Services	780	314	466
400 Supplies and Materials	4,937	1,448	3,489
600 Other Objects	556	416	140
182 Adult Secondary Education Programs:			
100 Salaries	61,850	62,658	(808)
200 Employee Benefits	18,779	18,720	59
188 Parenting/Family Literacy:			
100 Salaries	253,918	253,587	331
200 Employee Benefits	126,954	117,832	9,122
300 Purchased Services	10,600	6,529	4,071
400 Supplies and Materials	7,931	7,218	713
Total Instruction	<u>102,250,569</u>	<u>101,377,008</u>	<u>873,561</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	842,284	840,689	1,595
140 Terminal Leave	-	905	(905)
200 Employee Benefits	394,120	394,105	15
300 Purchased Services	23,818	6,809	17,009
400 Supplies and Materials	3,973	1,669	2,304
600 Other Objects	137	-	137
212 Guidance Services:			
100 Salaries	3,242,759	3,238,105	4,654
200 Employee Benefits	1,318,549	1,299,005	19,544
300 Purchased Services	79,242	85,389	(6,147)
400 Supplies and Materials	24,198	19,133	5,065
600 Other Objects	2,513	2,513	-
213 Health Services:			
100 Salaries	2,190,023	2,182,170	7,853
200 Employee Benefits	933,958	885,126	48,832
300 Purchased Services	221,642	220,512	1,130
400 Supplies and Materials	25,508	26,457	(949)
600 Other Objects	3,927	2,668	1,259
214 Psychological Services:			
100 Salaries	1,552,054	1,551,520	534
200 Employee Benefits	592,865	576,517	16,348
300 Purchased Services	29,463	29,546	(83)
215 Exceptional Program Services:			
100 Salaries	1,029	1,029	-
200 Employee Benefits	\$ 79	78	\$ 1

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	REVISED BUDGET	ACTUAL	VARIANCE
216 Career and Technical Education Placement Services:			
100 Salaries	\$ 6,623	6,623	\$ -
200 Employee Benefits	2,030	2,030	-
300 Purchased Services	13,321	9,989	3,332
400 Supplies and Materials	3,513	3,078	435
600 Other Objects	305	176	129
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	2,506,626	2,411,299	95,327
200 Employee Benefits	1,002,854	964,538	38,316
300 Purchased Services	903,036	901,428	1,608
400 Supplies and Materials	81,804	88,194	(6,390)
500 Capital Outlay	76,773	71,750	5,023
600 Other Objects	93,467	93,656	(189)
222 Library and Media Services:			
100 Salaries	1,662,611	1,659,786	2,825
200 Employee Benefits	657,195	656,275	920
300 Purchased Services	8,208	9,844	(1,636)
400 Supplies and Materials	81,404	79,561	1,843
500 Capital Outlay	7,660	7,660	-
600 Other Objects	242	242	-
223 Supervision of Special Programs:			
100 Salaries	635,136	626,879	8,257
140 Terminal Leave	-	4,475	(4,475)
200 Employee Benefits	261,722	258,864	2,858
300 Purchased Services	74,065	74,769	(704)
400 Supplies and Materials	109,327	104,974	4,353
600 Other Objects	(587)	1,855	(2,442)
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	279,016	262,304	16,712
200 Employee Benefits	113,554	103,545	10,009
300 Purchased Services	137,810	60,222	77,588
400 Supplies and Materials	4,663	4,613	50
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	51,600	49,800	1,800
200 Employee Benefits	39,189	31,330	7,859
300 Purchased Services	142,502	179,036	(36,534)
318 Audit Services	94,690	57,500	37,190
400 Supplies and Materials	3,524	3,528	(4)
600 Other Objects	52,130	52,030	100
232 Office of Superintendent:			
100 Salaries	298,576	298,516	60
200 Employee Benefits	86,558	85,025	1,533
300 Purchased Services	8,900	8,438	462
400 Supplies and Materials	17,199	16,643	556
600 Other Objects	\$ 50,549	47,282	\$ 3,267

(Continued)



**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
233 School Administration:			
100 Salaries	\$ 8,311,888	8,253,147	\$ 58,741
140 Terminal Leave	-	17,058	(17,058)
200 Employee Benefits	3,405,153	3,380,197	24,956
300 Purchased Services	548,673	593,739	(45,066)
400 Supplies and Materials	491,416	473,285	18,131
600 Other Objects	19,784	20,793	(1,009)
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	21,384	21,383	1
200 Employee Benefits	6,355	6,355	-
300 Purchased Services	885	885	-
600 Other Objects	804	804	-
252 Fiscal Services:			
100 Salaries	639,665	615,023	24,642
140 Terminal Leave	-	1,876	(1,876)
180 Head of Organizational Unit Salaries	123,480	125,150	(1,670)
200 Employee Benefits	424,120	408,743	15,377
300 Purchased Services	343,829	343,825	4
400 Supplies and Materials	22,107	16,530	5,577
600 Other Objects	7,445	2,910	4,535
680 Head of Organizational Unit Other Objects	251	466	(215)
253 Facilities Acquisition and Construction:			
400 Supplies and Materials	-	978	(978)
500 Capital Outlay:			
540 Equipment	-	3,850	(3,850)
550 Vehicles	20,183	-	20,183
254 Operation and Maintenance of Plant:			
100 Salaries	7,712,625	7,617,998	94,627
140 Terminal Leave	-	7,756	(7,756)
200 Employee Benefits	3,402,100	3,374,570	27,530
300 Purchased Services	3,380,626	3,380,287	339
400 Supplies and Materials	5,163,151	5,159,721	3,430
500 Capital Outlay	-	1,064	(1,064)
600 Other Objects	4,800	2,381	2,419
255 Student Transportation (State Mandated):			
100 Salaries	4,049,392	4,048,742	650
200 Employee Benefits	1,654,684	1,651,996	2,688
300 Purchased Services	130,864	130,710	154
400 Supplies and Materials	17,844	18,390	(546)
256 Food Service:			
100 Salaries	3,430	3,430	-
200 Employee Benefits	\$ 261	261	\$ -

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
257 Internal Services:			
100 Salaries	\$ 224,399	224,399	\$ -
200 Employee Benefits	98,729	98,725	4
300 Purchased Services	434,412	440,795	(6,383)
400 Supplies and Materials	13,236	7,242	5,994
600 Other Objects	3,000	1,130	1,870
258 Security:			
100 Salaries	268,859	310,411	(41,552)
140 Terminal Leave	-	1,448	(1,448)
200 Employee Benefits	108,080	130,564	(22,484)
300 Purchased Services	1,296,450	1,343,480	(47,030)
400 Supplies and Materials	26,250	29,285	(3,035)
600 Other Objects	1,500	1,593	(93)
260 Central Support Services:			
262 Planning:			
100 Salaries	91,852	93,050	(1,198)
140 Terminal Leave	-	4,942	(4,942)
180 Head of Organizational Unit Salaries	133,489	127,189	6,300
200 Employee Benefits	87,743	86,944	799
300 Purchased Services	91,397	91,182	215
400 Supplies and Materials	26,750	22,667	4,083
600 Other Objects	1,000	955	45
263 Information Services:			
100 Salaries	73,504	68,621	4,883
140 Terminal Leave	-	3,608	(3,608)
180 Head of Organizational Unit Salaries	93,818	95,085	(1,267)
200 Employee Benefits	63,466	63,440	26
300 Purchased Services	43,878	43,657	221
400 Supplies and Materials	3,773	2,120	1,653
600 Other Objects	3,500	3,217	283
264 Staff Services:			
100 Salaries	298,700	284,841	13,859
140 Terminal Leave	-	1,363	(1,363)
180 Head of Organizational Unit Salaries	123,480	125,150	(1,670)
200 Employee Benefits	175,349	172,326	3,023
300 Purchased Services	363,541	361,639	1,902
400 Supplies and Materials	53,297	54,667	(1,370)
600 Other Objects	7,267	1,542	5,725
266 Technology and Data Processing Services:			
100 Salaries	1,617,191	1,615,203	1,988
140 Terminal Leave	-	1,377	(1,377)
200 Employee Benefits	681,284	679,318	1,966
300 Purchased Services	1,283,091	1,275,630	7,461
400 Supplies and Materials	144,850	130,445	14,405
600 Other Objects	\$ 351	351	\$ -

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**REVISED BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2021**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	\$ 1,729,645	1,728,539	\$ 1,106
140 Terminal Leave	-	1,105	(1,105)
200 Employee Benefits (Optional)	526,189	526,159	30
300 Purchased Services (Optional)	145,690	145,439	251
400 Supplies and Materials (Optional)	324,138	324,170	(32)
600 Other Objects (Optional)	48,037	47,986	51
Total Support Services	<u>71,668,320</u>	<u>71,119,004</u>	<u>549,316</u>
300 Community Services:			
370 Non-Public School Services:			
300 Purchased Services	1,147	1,147	-
400 Supplies and Materials	3,239	3,239	-
390 Other Community Services:			
100 Salaries	94,374	94,391	(17)
200 Employee Benefits	33,816	33,838	(22)
300 Purchased Services	4,278	7,919	(3,641)
400 Supplies and Materials	96,541	96,541	-
600 Other Objects	184	184	-
Total Community Services	<u>233,579</u>	<u>237,259</u>	<u>(3,680)</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	192,088	192,088	-
413 Payments to Non-Public School			
720 Transits	5,514	5,514	-
416 LEA Payments to Public Charter Schools			
720 Transits	374,315	374,315	-
Total Intergovernmental Expenditures	<u>571,917</u>	<u>571,917</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>174,724,385</u></b>	<b><u>173,305,188</u></b>	<b><u>1,419,197</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
5300 Proceeds from the Sale of Capital Assets	-	19,435	19,435
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	5,135,124	5,212,210	77,086
5280 Transfer from Other Funds Indirect Costs	575,000	362,078	(212,922)
421-710 Transfer to Special Revenue Fund	(217,815)	(217,815)	-
425-710 Transfer to Food Service Fund	(19,615)	(19,615)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,472,694</u>	<u>5,356,293</u>	<u>(116,401)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(3,818,894)</b>	<b>1,200,384</b>	<b>5,019,278</b>
FUND BALANCES, Beginning of Year	<u>39,092,025</u>	<u>39,092,025</u>	<u>-</u>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ 35,273,131</u></b>	<b><u>40,292,409</u></b>	<b><u>\$ 5,019,278</u></b>

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# **SPECIAL REVENUE FUNDS**

To account for the operations of federal, state, or local projects which are required to be accounted for in separate funds.

- i. The Special Revenue Fund, a major fund and an unbudgeted fund, is used to account for and report the financial resources provided by federal, state and local projects and grants (including pupil/student activities) that are restricted, committed or assigned for special educational programs or other special programs.
- ii. The Special Revenue – Education Improvement Act (“EIA”) Fund, a major fund and an unbudgeted fund, is used to account for and report the restricted revenue 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) which are restricted for specific programs authorized or mandated by EIA.
- iii. The Special Revenue – Food Services Fund, a major fund and an unbudgeted fund, is used to account for the United States Department of Agriculture’s (“USDA”) approved school breakfast and lunch programs.

The following schedules for the Special Revenue Fund, the Special Revenue – EIA Fund, and the Special Revenue – Food Services Fund have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedules are also mandated by the South Carolina Department of Education.

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>	<b>Preschool Handicapped (CG Projects) (205)</b>
<b>REVENUES</b>			
1000 Revenue from Local Sources:			
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	\$ -	-	-
1350 Tuition from Patrons for Summer School	-	-	-
1700 Pupil Activities			
1710 Admissions	-	-	-
1730 Pupil Organization Membership Dues and Fees	-	-	-
1740 Student Fees	-	-	-
1790 Pupil Activity Income	-	-	-
1900 Other Revenue from Local Sources:			
1920 Contributions and Donations Private Sources	-	-	-
1930 Special Needs Transportation - Medicaid	-	-	-
1999 Revenue from Other Local Sources	-	-	-
Total Revenue from Local Sources	-	-	-
2000 Intergovernmental Revenue:			
2300 Payments from Non-Profit Entities (for First Steps)	-	-	-
Total Intergovernmental Revenue	-	-	-
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3110 Occupational Education:			
3118 EEDA Career Specialist	-	-	-
3120 General Education:			
3127 Student Health and Fitness - PE Teachers	-	-	-
3130 Special Programs:			
3135 Reading Coaches	-	-	-
3136 Student Health and Fitness - Nurses	-	-	-
3156 Adult Education	-	-	-
3190 Miscellaneous Restricted State Grants:			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue:			
3699 Other State Lottery Programs	-	-	-
3900 Other State Revenue:			
3994 Nonemployer Contributions	-	-	-
3995 CRF Per Pupil Allocation	-	-	-
Total Revenue from State Sources	-	-	-
4000 Revenue from Federal Sources:			
4200 Occupational Education:			
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	-	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):			
4310 Title I, Basic State Grant Programs (Carryover Provision)	4,384,042	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-
4351 Supporting Effective Instruction	\$ -	-	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	491,079	-	\$ 491,079
-	-	-	6,671	-	6,671
-	-	-	-	299,986	299,986
-	-	-	-	58,973	58,973
-	-	-	-	120,814	120,814
-	-	-	-	849,098	849,098
-	-	-	74,500	657	75,157
-	-	-	317,391	-	317,391
-	-	-	851,271	-	851,271
-	-	-	1,740,912	1,329,528	3,070,440
-	-	-	857,661	-	857,661
-	-	-	857,661	-	857,661
-	-	895,907	-	-	895,907
-	-	111,661	-	-	111,661
-	-	344,622	-	-	344,622
-	-	461,666	-	-	461,666
-	-	18,805	-	-	18,805
-	-	2,598	-	-	2,598
-	-	-	5,808	-	5,808
-	-	172	-	-	172
-	-	28,231	-	-	28,231
-	-	-	3,871,494	-	3,871,494
-	-	1,863,662	3,877,302	-	5,740,964
259,351	-	-	-	-	259,351
-	-	-	257,966	-	4,642,008
-	-	-	79,765	-	79,765
-	-	-	463,696	-	\$ 463,696

(Continued)

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
4400 Adult Education:			
4410 Basic Adult Education	\$ -	-	-
4430 State Literacy Resource	-	-	-
4500 Programs for Children with Disabilities:			
4510 Individuals with Disabilities Education Act (IDEA)	-	2,818,005	-
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-	152,706
4900 Other Federal Sources:			
4975 Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	-	-	-
4997 Title IV - SSAE	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Revenue from Federal Sources	4,384,042	2,818,005	152,706
<b>TOTAL REVENUE ALL SOURCES</b>	<b>4,384,042</b>	<b>2,818,005</b>	<b>152,706</b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Program:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
112 Primary Programs:			
100 Salaries	965,507	-	-
200 Employee Benefits	419,704	-	-
300 Purchased Services	44,828	-	-
400 Supplies and Materials	312,725	-	-
500 Capital Outlay	-	-	-
113 Elementary Programs:			
100 Salaries	-	-	-
200 Employee Benefits	635	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
114 High School Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
115 Career and Technology Education Program:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services - Other Than Tuition	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
118 Montessori Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	\$ -	-	-



CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	275,581	-	-	-	\$ 275,581
-	30,288	-	-	-	30,288
-	-	-	44,741	-	2,862,746
-	-	-	-	-	152,706
-	-	-	3,068,536	-	3,068,536
-	-	-	209,161	-	209,161
-	-	-	616,059	-	616,059
259,351	305,869	-	4,739,924	-	12,659,897
259,351	305,869	1,863,662	11,215,799	1,329,528	22,328,962
-	-	-	107,027	-	107,027
-	-	-	32,366	-	32,366
-	-	-	1,622	-	1,622
-	-	-	4,201	-	4,201
-	-	62,623	723,469	-	1,751,599
-	-	31,846	224,986	-	676,536
-	-	-	1,082,444	-	1,127,272
-	-	-	278,034	-	590,759
-	-	-	7,897	-	7,897
-	-	11,369	651,611	-	662,980
-	-	5,824	211,235	-	217,694
-	-	-	627,489	-	627,489
-	-	2,596	113,321	-	115,917
-	-	-	193,684	-	193,684
-	-	-	2,601	-	2,601
-	-	-	569,171	-	569,171
-	-	-	160,131	-	160,131
5,500	-	-	-	-	5,500
1,590	-	-	-	-	1,590
49,000	-	-	1,677	-	50,677
13,748	-	-	3,609	-	17,357
72,277	-	-	-	-	72,277
-	-	-	77,603	-	77,603
-	-	-	38,753	-	38,753
-	-	-	440	-	440
-	-	-	19,990	-	19,990
-	-	-	6,065	-	6,065
-	-	-	2,077	-	\$ 2,077

(Continued)

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
122 Trainable Mentally Handicapped:			
100 Salaries	\$ -	309,891	-
200 Employee Benefits	-	121,633	-
123 Orthopedically Handicapped:			
100 Salaries	-	44,556	-
200 Employee Benefits	-	30,292	-
124 Visually Handicapped:			
100 Salaries	-	52,467	-
200 Employee Benefits	-	27,757	-
125 Hearing Handicapped:			
100 Salaries	-	66,062	-
200 Employee Benefits	-	39,360	-
300 Purchased Services	-	73,664	-
400 Supplies and Materials	-	1,908	-
126 Speech Handicapped:			
100 Salaries	-	254,897	-
200 Employee Benefits	-	104,329	-
127 Learning Disabilities:			
100 Salaries	-	484,454	-
200 Employee Benefits	-	219,373	-
300 Purchased Services	-	-	-
128 Emotionally Handicapped:			
100 Salaries	-	174,311	-
200 Employee Benefits	-	98,047	-
130 Pre-School Programs:			
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
136 Pre-School Handicapped Itinerant (3 & 4-Yr. Olds):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	-	-	82,222
200 Employee Benefits	-	-	44,499
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	64
139 Early Childhood Programs:			
100 Salaries	561,849	-	-
200 Employee Benefits	228,486	-	-
300 Purchased Services	25,668	-	-
400 Supplies and Materials	15,000	-	-
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
145 Homebound:			
300 Purchased Services	-	-	-
149 Other Special Programs:			
100 Salaries	-	21,820	-
200 Employee Benefits	-	14,761	-
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	-	78,330	-
200 Employee Benefits	\$ -	23,820	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	19,795	-	\$ 329,686
-	-	-	5,598	-	127,231
-	-	-	1,063	-	45,619
-	-	-	323	-	30,615
-	-	-	-	-	52,467
-	-	-	-	-	27,757
-	-	-	10,339	-	76,401
-	-	-	3,137	-	42,497
-	-	-	-	-	73,664
-	-	-	-	-	1,908
-	-	-	29,822	-	284,719
-	-	-	9,048	-	113,377
-	-	-	82,095	-	566,549
-	-	-	24,908	-	244,281
-	-	-	3,560	-	3,560
-	-	-	14,089	-	188,400
-	-	-	4,275	-	102,322
-	-	-	2,007	-	2,007
-	-	-	609	-	609
-	-	-	1,225	-	1,225
-	-	-	372	-	372
-	-	-	11,179	-	93,401
-	-	-	3,392	-	47,891
-	-	-	1,481	-	1,481
-	-	-	-	-	64
-	-	-	95,821	-	657,670
-	-	-	45,867	-	274,353
-	-	-	3,195	-	28,863
-	-	-	-	-	15,000
-	-	-	9,224	-	9,224
-	-	-	2,799	-	2,799
-	-	-	43,670	-	43,670
-	-	-	14,433	-	36,253
-	-	-	4,379	-	19,140
-	-	-	3,561	-	81,891
-	-	-	1,080	-	\$ 24,900

(Continued)

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	32	-	-
172 Elementary Summer School:			
100 Salaries	34,262	-	-
200 Employee Benefits	10,017	-	-
400 Supplies and Materials	14,589	-	-
173 High School Summer School:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	1,225	-	-
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
182 Adult Secondary Education Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
183 Adult English Literacy (ESL):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
188 Parenting/Family Literacy:			
100 Salaries	154,367	-	-
200 Employee Benefits	81,409	-	-
300 Purchased Services	3,590	-	-
400 Supplies and Materials	91,389	-	-
190 Instructional Pupil Activity:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
Total Instruction	2,965,282	2,241,732	126,785
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	8,056	-	-
212 Guidance Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	\$ -	-	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	199,763	-	\$ 199,763
-	-	-	60,607	-	60,607
-	-	-	-	-	32
-	-	-	41,837	-	76,099
-	-	-	12,226	-	22,243
-	-	-	-	-	14,589
-	-	-	50,059	-	50,059
-	-	-	14,655	-	14,655
-	-	-	43,386	-	43,386
-	-	-	12,399	-	12,399
-	-	-	-	-	1,225
-	85,725	4,857	6,027	-	96,609
-	30,922	1,474	1,883	-	34,279
-	1,800	-	4,371	-	6,171
-	5,819	3,072	1,425	-	10,316
-	73,715	4,620	-	-	78,335
-	22,952	1,402	-	-	24,354
-	1,300	-	-	-	1,300
-	6,097	3,552	-	-	9,649
-	14,901	-	-	-	14,901
-	1,271	-	-	-	1,271
-	910	-	-	-	910
-	16,850	-	-	-	16,850
-	20,800	-	97,470	-	272,637
-	6,311	-	50,922	-	138,642
-	-	-	1,625	-	5,215
-	-	-	3,573	-	94,962
-	-	-	-	1,500	1,500
-	-	-	-	29,338	29,338
-	-	-	-	45	45
142,115	289,373	133,235	6,196,077	30,883	12,125,482
-	-	-	3,510	-	3,510
-	-	-	1,065	-	1,065
-	-	-	-	-	8,056
70,746	-	628,522	88,771	-	788,039
31,659	-	267,385	31,854	-	330,898
-	-	-	1,622	-	\$ 1,622

(Continued)

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
213 Health Services:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
500 Capital Outlay	-	-	-
214 Psychological Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	68,107	-
215 Exceptional Program Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
216 Career and Technical Education Placement Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	679,196	-	-
200 Employee Benefits	258,700	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
222 Library and Media Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
223 Supervision of Special Programs:			
100 Salaries	117,916	108,751	-
200 Employee Benefits	51,734	33,157	-
300 Purchased Services	47,241	55,023	-
400 Supplies and Materials	1,553	77,297	19,252
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	2,022	14,028	-
400 Supplies and Materials	15,812	61,055	-
230 General Administration Services:			
233 School Administration:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	35,700	-
400 Supplies and Materials	-	-	-
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
254 Operation and Maintenance of Plant:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
255 Student Transportation (State Mandated):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	\$ -	-	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	330,131	404,395	-	\$ 734,526
-	-	131,536	172,233	-	303,769
-	-	-	77,612	-	77,612
-	-	-	7,808	-	7,808
-	-	-	8,318	-	8,318
-	-	-	2,524	-	2,524
-	-	-	-	-	68,107
-	-	-	32,129	-	32,129
-	-	-	14,558	-	14,558
-	-	-	41,153	-	41,153
-	-	-	45,000	-	45,000
-	-	-	12,000	-	12,000
-	-	-	914	-	914
-	-	238,046	249,191	-	1,166,433
-	-	73,804	98,783	-	431,287
-	-	-	38,411	-	38,411
-	-	-	2,311	-	2,311
-	-	-	34,959	-	34,959
-	-	-	10,550	-	10,550
-	2,200	-	194,837	-	423,704
-	667	-	76,034	-	161,592
-	3,534	-	-	-	105,798
-	-	-	67	-	98,169
-	-	-	100,702	-	100,702
-	-	-	33,743	-	33,743
3,550	-	-	117,269	-	136,869
-	-	-	4,424	-	81,291
-	-	-	11,177	-	11,177
-	-	-	2,427	-	2,427
-	-	-	6,706	-	42,406
-	-	-	4,223	-	4,223
-	-	-	13,392	-	13,392
-	-	-	3,841	-	3,841
-	-	-	28,092	-	28,092
-	-	-	337,270	-	337,270
-	-	-	463,567	-	463,567
-	-	-	74,975	-	74,975
-	-	-	24,779	-	24,779
-	-	-	86	-	\$ 86

(Continued)

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
257 Internal Services:			
400 Supplies and Materials	\$ -	-	-
258 Security:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
260 Central Support Services:			
264 Staff Services:			
300 Purchased Services	-	-	-
380 Head of Organizational Unit Travel	-	-	-
400 Supplies and Materials	-	-	-
266 Technology and Data Processing Services:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	-	-	-
200 Employee Benefits (Optional)	-	-	-
300 Purchased Services (Optional)	-	-	-
400 Supplies and Materials (Optional)	-	-	-
500 Capital Outlay (Optional)	-	-	-
600 Other Objects (Optional)	-	-	-
Total Support Services	1,182,230	453,118	19,252
300 Community Services:			
370 Non-Public School Services:			
400 Supplies and Materials	-	-	-
390 Other Community Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
600 Other Objects	-	-	-
Total Community Services	-	-	-
410 Intergovernmental Expenditures:			
411 Payments to SDE			
720 Transits	-	-	-
413 Payments to Non-Public Schools			
720 Transits	-	-	-
416 Payments to Public Charter Schools			
720 Transits	48,457	-	-
419 Payments from Nonemployer Contributions			
720 Transits	-	-	-
Total Intergovernmental Expenditures	48,457	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,195,969</b>	<b>2,694,850</b>	<b>146,037</b>



CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	50	-	\$ 50
-	-	-	60,094	-	60,094
-	-	-	22,076	-	22,076
-	-	-	25,362	-	25,362
-	-	-	263,436	-	263,436
-	-	-	17,690	-	17,690
-	-	-	957	-	957
-	-	-	9,001	-	9,001
-	-	-	52,604	-	52,604
-	-	-	1,095,654	-	1,095,654
-	-	-	51,076	-	51,076
-	-	-	95	82,094	82,189
-	-	-	28	23,051	23,079
-	-	-	497	198,932	199,429
-	-	-	25,817	975,343	1,001,160
-	-	-	-	5,908	5,908
-	-	-	161	159,653	159,814
105,955	6,401	1,669,424	4,501,880	1,444,981	9,383,241
-	-	-	551	-	551
-	-	-	2,305	-	2,305
-	-	-	679	-	679
-	-	-	1,020	-	1,020
-	-	-	4,555	-	4,555
-	-	-	127,869	-	127,869
-	-	32,772	10,684	-	43,456
-	-	-	-	-	48,457
-	-	28,231	-	-	28,231
-	-	61,003	138,553	-	248,013
248,070	295,774	1,863,662	10,841,065	1,475,864	\$ 21,761,291

(Continued)

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>	<b>Preschool Handicapped (CG Projects) (205)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Exclude Indirect Costs)	\$ -	-	-
424-710 Transfer to Capital Projects Fund	-	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(188,073)	(123,155)	(6,669)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(188,073)</b>	<b>(123,155)</b>	<b>(6,669)</b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCES, Beginning of Year, As Previously Reported	-	-	-
Cumulative Change in Accounting Principle - GASB #84	-	-	-
FUND BALANCES, Beginning of Year, As Restated	-	-	-
<b>FUND BALANCES, End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

<b>CATE (VA Projects) (207)</b>	<b>Adult Education (243/292)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Pupil Activity (700s)</b>	<b>Totals</b>
-	-	-	-	217,815	\$ 217,815
-	-	-	(5,231,219)	-	(5,231,219)
(11,281)	(10,095)	-	(22,805)	-	(362,078)
<u>(11,281)</u>	<u>(10,095)</u>	<u>-</u>	<u>(5,254,024)</u>	<u>217,815</u>	<u>(5,375,482)</u>
-	-	-	<b>(4,879,290)</b>	<b>71,479</b>	<b>(4,807,811)</b>
-	-	-	7,442,031	-	7,442,031
-	-	-	-	1,500,151	1,500,151
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,442,031</u>	<u>1,500,151</u>	<u>8,942,182</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u><b>2,562,741</b></u>	<u><b>1,571,630</b></u>	<u><b>\$ 4,134,371</b></u>

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES**

**YEAR ENDED JUNE 30, 2021**

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**OTHER DESIGNATED RESTRICTED STATE GRANTS**

919	Education License Plates
928	EEDA Career Specialists
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
955	SNAP - Adult Education
956	RAETAC - Adult Education
969	Lottery - Adult Education
994	PEBA Nonemployer Contributions

**OTHER SPECIAL REVENUE PROGRAMS**

210	Title IV - SSAE
217	Coronavirus Relief Fund
220	SC CARES ESSER
221	Title I (Neglected and Delinquent)
237	Title I - Targeted School Improvement
264	Title III - English Language Acquisition
267	Title II - Improving Teacher Quality
280	Medicaid
295	ROTC
801	After School Program
802	Tuition
812	COPS Grant
813	Attendance Make-Up: Saturday School
814	Adult Education Contributions
822	Extended School Year
826	Summer School Middle School
827	JSCG Grant
833	Arts in Education - Northside, Saluda Trail, & Palmetto School
835	DHEC Solid Waste Grants
858	Toolbox for Education
862	York County First Steps
864	Community Services - Transportation
866	Misc State Restricted
869	Back the Pack
870	First Steps Parent Smart Grant
872	Retention
873	Sisters of Mercy of N.C. Foundation
874	Technology Protection Plan
879	Special Needs Transportation
880	Profoundly Mentally Disabled
882	E-Rate
888	Southern Regional Education Board
890	Winthrop Program
891	Testing - PSAT
894	Title VI Indian Grant
897	Summer School/Credit Recovery - High School
898	Cooperative Agreements to Promote Adolescent Health
899	Local School Projects

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2021

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 2,598	2,598	-	-	\$ -
928	3118	EEDA Career Specialists	895,907	895,907	-	-	-
935	3135	Reading Coaches	344,622	344,622	-	-	-
936	3136	Student Health and Fitness - Nurses	461,666	461,666	-	-	82,409
937	3127	Student Health and Fitness - PE Teachers	111,661	111,661	-	-	47,882
955	3155	SNAP - Adult Education	-	-	-	-	8,354
956	3156	RAETAC - Adult Education	18,805	18,805	-	-	6,153
969	3699	Lottery - Adult Education	172	172	-	-	-
994	3994	PEBA Nonemployer Contributions	28,231	28,231	-	-	-
Totals			<u>\$ 1,863,662</u>	<u>1,863,662</u>	<u>-</u>	<u>-</u>	<u>\$ 144,798</u>

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS**

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
<b>REVENUES</b>	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 22,574
3509 Arts in Education	12,963
3518 Adoption List of Formative Assessment	82,100
3519 Grade 10 Assessments	81,711
3526 Refurbishment of Science Kits	38,318
3528 Industry Certificates / Credentials	99,343
3529 Career and Technology Education	449,352
3532 National Board Salary Supplement (No Carryover Provision)	1,031,047
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3538 Student at Risk of School Failure	1,781,121
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	592,972
3550 Teacher Salary Increase (No Carryover Provision)	4,192,151
3555 Teacher Salary Fringe (No Carryover Provision)	1,020,059
3556 Adult Education	260,124
3557 Summer Reading Program	112,944
3571 CSI and Priority Schools	357,266
3577 Teacher Supplies (No Carryover Provision)	355,300
3595 EEDA - Supplies and Materials	26,981
3597 Aid to Districts	647,518
3599 Other EIA	73,063
Total Revenue from State Sources	<u>11,237,984</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>11,237,984</u></b>
<b>EXPENDITURES</b>	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	31,280
200 Employee Benefits	9,238
112 Primary Programs:	
100 Salaries	654,789
200 Employee Benefits	239,485
300 Purchased Services	81,217
400 Supplies and Materials	397,208
113 Elementary Programs:	
100 Salaries	616,606
200 Employee Benefits	192,153
300 Purchased Services	74,709
400 Supplies and Materials	\$ 68,252

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS**

**YEAR ENDED JUNE 30, 2021**

	<u>ACTUAL</u>
114 High School Programs:	
100 Salaries	\$ 394,205
200 Employee Benefits	126,001
300 Purchased Services	417,310
400 Supplies and Materials	81,747
115 Career and Technology Education Program:	
100 Salaries	25,622
200 Employee Benefits	7,489
300 Purchased Services - Other Than Tuition	158,269
400 Supplies and Materials	241,218
500 Capital Outlay	53,087
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	6,691
200 Employee Benefits	1,963
122 Trainable Mentally Handicapped:	
100 Salaries	42,664
200 Employee Benefits	27,916
127 Learning Disabilities:	
100 Salaries	42,500
200 Employee Benefits	12,448
128 Emotionally Handicapped:	
100 Salaries	1,000
200 Employee Benefits	77
130 Pre-School Programs:	
139 Early Childhood Programs:	
100 Salaries	376,157
200 Employee Benefits	158,714
300 Purchased Services	893
400 Supplies and Materials	76,366
140 Special Programs:	
141 Gifted and Talented Academic:	
100 Salaries	27,500
200 Employee Benefits	7,976
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	87,337
200 Employee Benefits	23,847
300 Purchased Services	159
400 Supplies and Materials	\$ 1,601

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS**

**YEAR ENDED JUNE 30, 2021**

	<u>ACTUAL</u>
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	\$ 2,297
200 Employee Benefits	550
400 Supplies and Materials	3,060
182 Adult Secondary Education Programs:	
100 Salaries	16,778
200 Employee Benefits	4,887
400 Supplies and Materials	14,127
183 Adult Education Literacy (ESL):	
400 Supplies and Materials	123
Total Instruction	<u>4,807,516</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	117,632
200 Employee Benefits	46,907
300 Purchased Services	2,634
400 Supplies and Materials	24,347
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development:	
100 Salaries	216,547
200 Employee Benefits	80,411
300 Purchased Services	2,200
400 Supplies and Materials	4,198
222 Library and Media Services:	
100 Salaries	15,000
200 Employee Benefits	4,405
223 Supervision of Special Programs:	
100 Salaries	360,603
200 Employee Benefits	160,664
300 Purchased Services	3,053
400 Supplies and Materials	3,294
224 Improvement of Instruction Inservice and Staff Training:	
100 Salaries	18,200
200 Employee Benefits	3,402
300 Purchased Services	77,621
400 Supplies and Materials	3,271
230 General Administration Services:	
233 School Administration:	
300 Purchased Services	\$ 703

(Continued)



**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**EDUCATION IMPROVEMENT ACT**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS**

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	\$ 6,065
200 Employee Benefits	1,945
300 Purchased Services	600
253 Facilities Acquisition and Construction:	
500 Capital Outlay:	
545 Technology, Equipment and Software	63,591
255 Student Transportation (State Mandated):	
100 Salaries	747
200 Employee Benefits	218
Total Support Services	<u>1,218,258</u>
<b>TOTAL EXPENDITURES</b>	<b><u>6,025,774</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(5,212,210)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,212,210)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>
FUND BALANCE, Beginning of Year	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ -</u></b>

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2021

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 22,574	22,574	-	-	\$ -
3509 Arts in Education	12,963	12,963	-	-	-
3518 Adoption List of Formative Assessment	82,100	82,100	-	-	14,756
3519 Grade 10 Assessments	81,711	81,711	-	-	-
3526 Refurbishment of Science Kits	38,318	38,318	-	-	71,481
3528 Industry Certificates / Credentials	99,343	99,343	-	-	84,856
3529 Career and Technology Education	449,352	449,352	-	-	181,910
3532 National Board Salary Supplement (No Carryover Provision)	1,031,047	1,031,047	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3538 Student at Risk of School Failure	1,781,121	1,781,121	-	-	1,777,219
3540 Early Childhood Programs (4K Programs Serving Four-Year Old Children)	592,972	592,972	-	-	245,427
3550 Teacher Salary Increase (No Carryover Provision)	4,192,151	-	-	(4,192,151)	-
3555 Teacher Salary Fringe (No Carryover Provision)	1,020,059	-	-	(1,020,059)	-
3556 Adult Education	260,124	260,124	-	-	188,064
3557 Summer Reading Program	112,944	112,944	-	-	202,546
3571 CSI and Priority Schools	357,266	357,266	-	-	647,032
3577 Teacher Supplies (No Carryover Provision)	355,300	355,300	-	-	-
3595 EEDA - Supplies and Materials	26,981	26,981	-	-	20,026
3597 Aid to Districts	647,518	647,518	-	-	546,179
3599 Other EIA	73,063	73,063	-	-	3,354
<b>Totals</b>	<b>\$ 11,237,984</b>	<b>6,025,774</b>	<b>-</b>	<b>(5,212,210)</b>	<b>\$ 3,982,850</b>

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT**

**YEAR ENDED JUNE 30, 2021**

<b>Program</b>	<b>Project/ Grant Number</b>	<b>Revenue &amp; Subfund Code</b>	<b>Description</b>	<b>Amount Due to State Dept. of Education or Federal Government</b>	<b>Status of Amount Due to Grantors</b>
USDA	600	4810 & 4830	Amounts over claimed	974,617.05	Will be repaid in FY 2022

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**FOOD SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenues from Local Sources:	
1600 Food Service:	
1610 Lunch Sales to Pupils	\$ 11,292
1620 Breakfast Sales to Pupils	174
1630 Special Sales to Pupils	21,035
1640 Lunch Sales to Adults	19,926
1650 Breakfast Sales to Adults	695
1660 Special Sales to Adults	86,673
Total Revenue from Local Sources	<u>139,795</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	3,176,477
4830 School Breakfast Program (Carryover Provision)	1,372,551
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	483,687
Total Revenue from Federal Sources	<u>5,032,715</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>5,172,510</b></u>
<b>EXPENDITURES</b>	
256 Food Service:	
100 Salaries	103,385
200 Employee Benefits	41,237
300 Purchased Services (Exclude Energy Costs)	4,605,055
400 Supplies and Materials (Include Energy Costs)	773,146
500 Capital Outlay	139,227
600 Other Objects	5,821
Total Food Services Expenditures	<u>5,667,871</u>
<b>TOTAL EXPENDITURES</b>	<u><b>5,667,871</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
5300 Sale of Capital Assets	\$ 19,399

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**FOOD SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<u><b>ACTUAL</b></u>
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	\$ 19,615
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>39,014</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(456,347)</b>
FUND BALANCE, Beginning of Year	<u>3,181,258</u>
<b>FUND BALANCE, End of Year</b>	<u><b>\$ 2,724,911</b></u>

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# DEBT SERVICE FUND

The Debt Service Fund, a major fund and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs for the District.

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

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**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**Schedule C-1**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1100 Taxes Levied / Assessed by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 26,594,840
1140 Penalties & Interest on Taxes (Independent)	240,879
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,918,728
1500 Earnings on Investments:	
1510 Interest on Investments	26,503
Total Revenue from Local Sources	<u>28,780,950</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes (Independent and Dependent):	
3820 Homestead Exemption (Tier 2)	941,541
3830 Merchant's Inventory Tax	107,676
3840 Manufacturers Depreciation Reimbursement	92,353
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	152,374
Total Revenue from State Sources	<u>1,293,944</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>30,074,894</u></b>
<b>EXPENDITURES</b>	
500 Debt Service:	
610 Redemption of Principal	8,903,000
620 Interest	7,189,896
690 Other Objects (Includes Fees for Servicing Bonds)	3,272
Total Debt Service	<u>16,096,168</u>
<b>TOTAL EXPENDITURES</b>	<b><u>16,096,168</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
424-710 Transfer to Capital Projects Fund	(14,258,657)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(14,258,657)</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(279,931)</b>
<b>FUND BALANCE, Beginning of Year</b>	<b><u>6,697,534</u></b>
<b>FUND BALANCE, End of Year</b>	<b><u><u>\$ 6,417,603</u></u></b>

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# CAPITAL PROJECTS FUND

The Capital Projects Fund, a major fund and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities of the District.

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

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**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 43,429
Total Revenue from Local Sources	<u>43,429</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>43,429</u></b>
<b>EXPENDITURES</b>	
100 Instruction:	
112 Primary Programs:	
400 Supplies and Materials	435,529
113 Elementary Programs:	
400 Supplies and Materials	344,034
114 High School Programs:	
400 Supplies and Materials	202,825
500 Capital Outlay	5,548
130 Pre-School Programs:	
139 Early Childhood Programs:	
400 Supplies and Materials	21,042
Total Instruction	<u>1,008,978</u>
250 Finance and Operations Services:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	1,937,152
400 Supplies and Materials	4,830,858
500 Capital Outlay:	
520 Construction Services	1,949,595
530 Improvements Other Than Buildings	407,191
540 Equipment	358,471
545 Technology, Equipment and Software	173,009
550 Vehicles	400,991
254 Operations and Maintenance of Plant:	
300 Purchased Services	88,788
400 Supplies and Materials	61,668
500 Capital Outlay	218,300
258 Security:	
300 Purchased Services	15,382
400 Supplies and Materials	66,829
500 Capital Outlay	298,913
270 Support Services - Pupil Activity	
271 Pupil Services Activity:	
400 Supplies and Materials	103,565
500 Capital Outlay	37,842
Total Support Services	<u>\$ 10,948,554</u>

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<u><b>ACTUAL</b></u>
500 Debt Service:	
690 Other Objects (Includes Fees for Servicing Bonds)	\$ 62,718
Total Debt Service	<u>62,718</u>
<b>TOTAL EXPENDITURES</b>	<u><b>12,020,250</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
5100 Sale of Bonds	
5110 Premium on Bonds Sold	127,815
Interfund Transfers, From (To) Other Funds:	
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)	5,231,219
5240 Transfer from Debt Service Fund	14,258,657
TOTAL OTHER FINANCING SOURCES (USES)	<u>19,617,691</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>7,640,870</b>
FUND BALANCE, Beginning of Year	<u>19,062,073</u>
<b>FUND BALANCE, End of Year</b>	<u><b>\$ 26,702,943</b></u>

# Location Reconciliation

As Requested by the South Carolina  
Department of Education

**ROCK HILL SCHOOL DISTRICT THREE**  
**ROCK HILL, SOUTH CAROLINA**

**LOCATION RECONCILIATION SCHEDULE**

**YEAR ENDED JUNE 30, 2021**

<b>LOCATION ID</b>	<b>LOCATION DESCRIPTION</b>	<b>EDUCATION LEVEL</b>	<b>COST TYPE</b>	<b>TOTAL EXPENDITURES</b>
00	Districtwide	Non-Schools	Central	\$ 18,146,085
02	Bellevue Elementary	Elementary Schools	School	4,746,125
04	Castle Heights Middle	Middle Schools	School	7,307,425
05	Central Child Dev. Center	Other Schools	School	2,323,839
06	Ebenezer Avenue Elementary	Elementary Schools	School	4,437,713
07	Dutchman Creek Middle	Middle Schools	School	7,132,214
08	Ebinport Elementary	Elementary Schools	School	4,420,419
14	Finley Road Elementary	Elementary Schools	School	3,732,576
16	Independence Elementary	Elementary Schools	School	4,051,981
18	India Hook Elementary	Elementary Schools	School	4,587,509
20	Leslie Elementary	Elementary Schools	School	3,635,661
22	Mt. Gallant Elementary	Elementary Schools	School	3,799,261
23	Mt. Holly Elementary	Elementary Schools	School	4,088,739
24	Northside Elementary	Elementary Schools	School	4,588,508
26	Northwestern High	High Schools	School	14,672,925
28	Oakdale Elementary	Elementary Schools	School	4,345,759
29	Old Pointe Elementary	Elementary Schools	School	4,629,148
30	Rawlinson Road Middle	Middle Schools	School	5,957,312
31	Renaissance Academy	Other Schools	School	376,873
32	Richmond Drive Elementary	Elementary Schools	School	3,737,303
33	T-3	Other Schools	School	602,129
34	ParentSmart	Other Schools	School	570,627
35	Day Treatment Center	Non-Schools	Central	240,124
36	Applied Technology Center	Other Schools	School	3,906,371
38	Rock Hill High	High Schools	School	16,137,992
40	Rosewood Elementary	Elementary Schools	School	3,950,410
41	South Pointe High	High Schools	School	12,632,996
42	Sullivan Middle	Middle Schools	School	8,782,513
44	Sunset Park Elementary	Elementary Schools	School	3,841,500
46	Sylvia Circle Family Learning Center	Non-Schools	Central	224,483
48	York Road Elementary	Elementary Schools	School	3,998,449
49	Phoenix Academy	Other School	School	1,697,451
50	Saluda Trail Middle	Middle Schools	School	7,860,688
52	Cherry Park Elementary	Elementary Schools	School	5,317,369
60	Office of Superintendent	Non-Schools	Central	456,738
65	Health Services	Non-Schools	Central	42,874
66	Facilities Services	Non-Schools	Central	7,155,218
68	Food Service	Non-Schools	Central	5,208,193
70	Transportation	Non-Schools	Central	6,043,943
72	Procurement Services	Non-Schools	Central	775,096
76	Adult Education	Other Schools	School	750,234
77	Virtual Academy	Other Schools	School	1,158,121
78	Human Resources	Non-Schools	Central	1,374,375
80	Business Services	Non-Schools	Central	1,814,615
81	Administrative Services	Non-Schools	Central	\$ 1,958,121

(Continued)



**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**LOCATION RECONCILIATION SCHEDULE**

**YEAR ENDED JUNE 30, 2021**

<b>LOCATION ID</b>	<b>LOCATION DESCRIPTION</b>	<b>EDUCATION LEVEL</b>	<b>COST TYPE</b>	<b>TOTAL EXPENDITURES</b>
82	Information Services	Non-Schools	Central	\$ 280,260
83	Student Services	Non-Schools	Central	226,875
84	Planning & Program Support	Non-Schools	Central	773,772
85	Community Partnerships	Non-Schools	Central	340,884
86	Exceptional Student Education	Non-Schools	Central	7,851,102
87	Technology	Non-Schools	Central	8,195,346
88	District 3 Stadium South	Non-Schools	Central	56,078
89	District 3 Stadium	Non-Schools	Central	140,945
90	Board of Trustees	Non-Schools	Central	1,418,686
95	Flexible Learning Center	Other Schools	School	513,727
219	Raven Academy	Other Schools	School	603,846
660	Instruction/Accountability	Non-Schools	Central	7,257,016
<b>TOTAL EXPENDITURES FOR ALL FUNDS</b>				<b>\$ 234,876,542</b>

The above expenditures are reconciled to the District's financial statements as follows:

General Fund	\$ 173,305,188
Special Revenue Fund	21,761,291
Special Revenue - EIA Fund	6,025,774
Special Revenue - Food Service	5,667,871
Debt Service Fund	16,096,168
Capital Projects Fund	12,020,250
<b>TOTAL EXPENDITURES FOR ALL FUNDS</b>	<b>\$ 234,876,542</b>

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# Compliance Section

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
<b>US Department of Agriculture</b>					
Pass-through State Department of Education:					
600	National School Breakfast Program	10.553	N/A	\$ 1,372,551	\$ -
600	National School Lunch Program - Cash Assistance	10.555	N/A	3,176,477	-
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	483,687	-
Total 10.553 & 10.555 Cluster				<u>5,032,715</u>	<u>-</u>
<b>Total US Department of Agriculture</b>				<u><b>5,032,715</b></u>	<u><b>-</b></u>
<b>US Department of Education</b>					
Pass-through State Department of Education:					
201	Title I	84.010A	Title I - 19	243,162	-
201	Title I	84.010A	Title I - 20	1,066,544	-
201	Title I	84.010A	Title I - 21	3,074,335	49,719
221	Title I - Neglected and Delinquent	84.010A	Title I N&D - 20	135,190	-
221	Title I - Neglected and Delinquent	84.010A	Title I N&D - 21	30,526	-
237	Title I - ATSI	84.010A	Title I - TSI - 19	39,097	-
237	Title I - ATSI	84.010A	Title I - TSI - 20	53,153	-
Total 84.010 & 84.010A				<u>4,642,007</u>	<u>49,719</u>
Individuals with Disabilities Education Act:					
203	IDEA - Supplement	84.027A	IDEA - 19	161,424	-
203	IDEA	84.027A	IDEA - 20	272,423	-
203	IDEA	84.027A	IDEA - 21	2,384,158	-
205	IDEA - Preschool Handicapped	84.173A	IDEA Pre-School Grants - 19	114	-
205	IDEA - Preschool Handicapped - Supplement	84.173A	IDEA Pre-School Grants - 19	6,482	-
205	IDEA - Preschool Handicapped	84.173A	IDEA Pre-School Grants - 20	12,637	-
205	IDEA - Preschool Handicapped	84.173A	IDEA Pre-School Grants - 21	133,474	-
280	Private School Placement	84.027	Private Placement - 21	43,670	-
822	Extended School Year	84.027	Extended School Year - 19	1,071	-
Total 84.027A, 84.173, & 84.027 Cluster				<u>3,015,453</u>	<u>-</u>
207	Vocational Education	84.048A	Perkins Aid, Title I - 20	88,820	-
207	Vocational Education	84.048A	Perkins Aid, Title I - 21	169,482	-
207	Vocational Education - CATE PPE	84.048A	Perkins Aid, Title I - 20	1,049	-
Total 84.048A				<u>259,351</u>	<u>-</u>
220	COVID-19 - SC CARES ESSER	84.425D	ESSER I	3,068,536	-
210	Title IV SSAE	84.424A	Title IV SSAE - 19	35,701	-
210	Title IV SSAE	84.424A	Title IV SSAE - 20	172,257	-
210	Title IV SSAE	84.424A	Title IV SSAE - 21	1,203	-
Total 84.424A				<u>209,161</u>	<u>-</u>
243	Adult Education - Reverted Funds	84.002	Adult Education - 20	14,578	-
243	Adult Education - Reverted Funds	84.002A	Adult Education - 21	3,063	-
243	Adult Education	84.002	Adult Education - 20	52,554	-
243	Adult Education	84.002	Adult Education - 21	175,387	-
243	Adult Education	84.002	Adult Ed - 20	4,912	-
243	Adult Education - Integrated English Literacy and Civics	84.002A	Adult Ed - 21	25,375	-
243	Adult Education - Generational Family Services	84.002A	GFS Family Literacy - 20	30,000	-
Total 84.002				<u>305,869</u>	<u>-</u>
264	Title III - English Language Immigrant	84.365A	Title III - 19	1,795	-
264	Title III - English Language Immigrant	84.365A	Title III - 20	3,645	-
264	Title III - English Language Acquisition	84.365A	Title III - 20	1,988	-
264	Title III - English Language Acquisition	84.365A	Title III - 21	72,337	-
Total 84.365A				<u>\$ 79,765</u>	<u>\$ -</u>

(Continued)

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
267	Title II - Improving Teacher Quality	84.367A	Title II - 20	\$ 145,160	\$ -
267	Title II - Improving Teacher Quality	84.367A	Title II - 20	318,536	-
		Total 84.367A		<u>463,696</u>	<u>-</u>
894	Title VI - Indian Education	84.060A	Title VII - 20	9,571	-
894	Title VI - Indian Education	84.060A	Title VII - 21	17,528	-
		Total 84.060A		<u>27,099</u>	<u>-</u>
898	Cooperative Agreements to Promote Adolescent Health	93.079	YRBS/YTS Administration	600	-
	Total Passed Through State Department of Education			<u>12,071,537</u>	<u>49,719</u>
	<b>Total US Department of Education</b>			<b><u>12,071,537</u></b>	<b><u>49,719</u></b>
	<b><u>US Department of Justice</u></b>				
	Direct Programs:				
812	Public Safety Partnership and Community Policing Grant	16.710	N/A	345,606	-
	<b>Total US Department of Health &amp; Human Services</b>			<b><u>345,606</u></b>	<b><u>-</u></b>
	<b><u>US Department of Defense</u></b>				
	Direct Programs:				
295	JROTC	12.000	N/A	184,840	-
	<b>Total US Department of Defense</b>			<b><u>184,840</u></b>	<b><u>-</u></b>
	<b><u>US Department of Labor</u></b>				
	Direct Programs:				
827	Jobs for America's Graduates	17.278	N/A	57,914	-
	<b>Total US Department of Labor</b>			<b><u>57,914</u></b>	<b><u>-</u></b>
	<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>			<b><u>\$ 17,692,612</u></b>	<b><u>\$ 49,719</u></b>

See accompanying notes to the schedule of expenditures of federal awards.

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2021**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Rock Hill School District Three, Rock Hill, South Carolina (the “District”) for the year ended June 30, 2021. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B – Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the District’s financial statements.

**C – Relationship to Financial Statements**

Federal award expenditures are reported in the District’s financial statements as expenditures in the Special Revenue Funds.

**D – Relationship to Federal Financial Reports**

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

**E – Indirect Cost Rate**

The District has elected not to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.



# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## 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*

### INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Rock Hill School District Three  
Rock Hill, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of Rock Hill School District Three, South Carolina (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 21, 2022. Our report includes a reference to another auditor who audited the financial statements of the discretely presented component unit, as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be material weakness.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-002.

## **District's Responses to the Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
March 21, 2022





# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

### INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Rock Hill School District Three  
Rock Hill, South Carolina

#### Report on Compliance for Each Major Federal Program

We have audited Rock Hill School District Three, South Carolina's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

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

#### Auditor's Responsibility

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

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

#### Opinion on Each Major Federal Program

In our opinion, the 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, 2021.

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### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-003. Our opinion on each major program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-003 that we consider to be a material weakness.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
March 21, 2022

**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2021**

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There were no audit findings in the prior year.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

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Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>  X  </u> Yes	<u>      </u> No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?	<u>  X  </u> Yes	<u>      </u> No
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D	COVID-19 - SC CARES ESSER I
16.710	Public Safety Partnership and Community Policing Grant

Dollar threshold used to distinguish between type A and type B programs:	<u>      </u> \$ <u>750,000</u>
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Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
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**ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2021**

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**Section II – Current Year Financial Statement Findings**

**2021-001: MATERIAL WEAKNESS OVER CHILD NUTRITION CLUSTER**

**Finding in Prior Year:** No

**Condition:** The District's counts of student meals for the United States Department of Agriculture ("USDA") Child Nutrition Cluster were overreported throughout the year to the USDA for FY 2021. This has resulted in the District being (a) reimbursed for more meals than were actually served to students and (b) overpaying the food service company for these meals. The District discovered this error in April 2021 and took appropriate steps to correct this error. See finding 2021-003 for more details.

**Criteria:** The District should ensure that internal controls are sufficient to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

**Context and Effect:** The District's third-party food service company is required to provide meal counts for the student meals served during the school year. During the course of the District's review of the meal counts, they discovered unsupported meals in the counts that were provided by the third-party food service company.

**Cause:** Failure to claim the correct number of student meals for reimbursement.

**Recommendation:** We recommend that the District take the necessary steps to monitor and ensure that the number of student meals claimed for reimbursement are substantiated by appropriate supporting documentation.

**Response:** The District agrees with this finding and will adhere to the corrective action plan on page 135 in this audit report.

**2021-002: NONCOMPLIANCE WITH LAWS AND REGULATIONS – COLLATERALIZATION OF DEPOSITS**

**Finding in Prior Year:** No

**Condition:** The District's deposit balances at June 30, 2021 were not properly collateralized and thus were exposed to custodial credit risk.

**Criteria:** State law requires that financial institutions provide collateral for bank deposits for state and local governments to protect local entities against loss in the event of insolvency, liquidation, or for any other cause.

**Context and Effect:** The District was relying on its financial institution to maintain sufficient collateral for its bank deposits. Thus, the District's bank balances of approximately \$9,294,000 at June 30, 2021 were exposed to custodial credit risk.

**Cause:** Failure of the District's financial institution to provide collateral.

**Recommendation:** We recommend that the District take the necessary steps to monitor and ensure that its financial institutions maintain adequate collateral for its bank balances.

**Response:** The District agrees with this finding and will adhere to the corrective action plan on page 135 in this audit report.

ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

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Section III – Current Year Findings and Questioned Costs - Major Federal Awards Programs Audit

Federal Agency: U.S. Department of Agriculture  
Pass-Through Agency: South Carolina Department of Education  
Child Nutrition Cluster: Assistance Listing Numbers 10.553 and 10.555  
Pass-Through Grantor's Award Numbers and Years: N/A  
FAIN: 225SC325N1199  
Repeat Comment from Prior Year? No

**2021-003: ALLOWABLE COSTS (MEAL CLAIMS)**

**Questioned Costs**  
**\$0**

**Condition:** The District's counts of student meals were overreported throughout the year to the USDA for FY 2021. This has resulted in the District being reimbursed for more meals than were actually served to students.

**Criteria:** USDA guidelines require the District to have supporting documentation for the number of meals served and claimed for reimbursement.

**Context and Effect:** The District's third-party food service company is required to provide meal counts for the student meals served during the school year. During the course of the District's review of the meal counts, they discovered unsupported meals in the counts that were provided by the third-party food service company. After conducting a review, the District discovered that approximately \$975,000 was overclaimed throughout the year (as there was not adequate required supporting documentation for these meals being served). The District has recorded this amount as a payable back to USDA at June 30, 2021. The District has also recorded a gross receivable from the food service company of approximately \$847,000 for the overpaid meals.

**Cause:** Failure to claim the correct number of student meals for reimbursement.

**Recommendation:** We recommend that the District take the necessary steps to monitor and ensure that the number of student meals claimed for reimbursement are substantiated by appropriate supporting documentation.

**Response:** The District agrees with this finding and will adhere to the corrective action plan on page 135 in this audit report.

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

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**Section II – Financial Statement Findings**

**Finding:** 2021-001

**Contact Person:** Terri Smith, Chief of Business Services, [trsmith@rhmail.org](mailto:trsmith@rhmail.org)

**Corrective Action:** Meal counts were overreported during a one-year period of time when COVID protocols changed the method of counting those meals. Prior to FY 2021, and after that fiscal year, the District used a point-of-sale computer system to track meal counts in the cafeteria as they were served. COVID protocols changed the method by which meals were provided, which required the meals to be counted manually. Beginning FY 2022, the District has resumed using a point-of-sale computer system to accurately count the meals. District staff also monitor the meal counts regularly to ensure that they are being reported and recorded correctly. As a result, this overreporting of meals was a one-time aberration that will not re-occur.

**Proposed Completion**

**Date:** June 30, 2022

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**Finding:** 2021-002

**Contact Person:** Terri Smith, Chief of Business Services, [trsmith@rhmail.org](mailto:trsmith@rhmail.org)

**Corrective Action:** The District's banking institution has an annual collateral process in which the bank manually inquires on clients' expected deposits on June 30<sup>th</sup>. The bank shared the collected information with the collateral group to proactively add collateral ahead of June 30<sup>th</sup>. This annual collateral process was interrupted, and the posting of collateral was based on inaccurate data which resulted in clients' bank deposits being under-collateralized on June 30<sup>th</sup>. The bank's collateral group had sufficient collateral on June 29<sup>th</sup> and July 1<sup>st</sup>. However, the breakdown in the collateral process caused a decline in collateral below clients' balance levels on June 30<sup>th</sup>. The District will work with its bank to ensure that all deposits are sufficiently collateralized.

**Proposed Completion**

**Date:** August 31, 2021

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**Section III – Federal Award Findings and Questioned Costs**

**Finding:** 2021-003

**Contact Person:** Terri Smith, Chief of Business Services, [trsmith@rhmail.org](mailto:trsmith@rhmail.org)

**Corrective Action:** Meal counts were overreported during a one-year period of time when COVID protocols changed the method of counting those meals. Prior to FY 2021, and after that fiscal year, the District used a point-of-sale computer system to track meal counts in the cafeteria as they were served. COVID protocols changed the method by which meals were provided, which required the meals to be counted manually. Beginning FY 2022, the District has resumed using a point-of-sale computer system to accurately count the meals. District staff also monitor the meal counts regularly to ensure that they are being reported and recorded correctly. As a result, this overreporting of meals was a one-time aberration that will not re-occur.

**Proposed Completion**

**Date:** June 30, 2022