

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FISCAL YEAR ENDED JUNE 30, 2020  
COLUMBIA, SOUTH CAROLINA**

*COMPREHENSIVE*  
*ANNUAL FINANCIAL REPORT*  
*OF*  
**RICHLAND SCHOOL DISTRICT TWO**  
**COLUMBIA, SOUTH CAROLINA**



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

*Prepared by:*  
*Office of Financial Services*

*Baron R. Davis, Ph.D.*  
*Superintendent*

*Harry W. Miley, Jr., Ph.D.*  
*Chief Financial Officer*

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February 5, 2021

To the Board of Trustees and Citizens of Richland School District Two:

South Carolina State law requires that all school districts publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a licensed certified public accounting firm within six months of the close of each fiscal year. The Comprehensive Annual Financial Report of Richland School District Two for the fiscal year ended June 30, 2020, is submitted. Responsibility for both the accuracy of the data and the completeness of the information, including all disclosures, rests with the school district. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the school district.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Richland School District Two has established a comprehensive internal control process that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles. As the cost of internal controls should not outweigh their benefits, the school district's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit of the financial statements of Richland School District Two was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the compliance section of this comprehensive annual financial report.

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including the portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the Single Audit revealed no instances of material weakness in the internal control structure or significant violations of laws, regulations, contracts, or grants.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors.

### **Profile of the School District**

The District is a political subdivision of the State of South Carolina. The District is located in the northeastern section of Richland County and is bordered on the west by Richland School District One of Richland County, on the east and on the south by Kershaw County, and on the north by Fairfield County. The City of Columbia, the state capital of South Carolina, is also the business and financial center of the state. The Columbia Metropolitan Statistical Area (MSA) has an estimated population of over 837,000.

The District operates a district-wide early childhood development program, twenty elementary schools, seven middle schools, five high schools, four elementary magnet schools, an alternative school, one adult education center and offers numerous magnet opportunities at all grade levels. The average age of schools in the district falls somewhere between 20-30 years and close to half of our schools are less than 20 years old. Richland School District Two is governed by a seven member Board of Trustees elected at large by the voters of the District. Board members are elected to four-year terms. As of June 30, 2020, the District served approximately 28,500 students. The District continues to be one of the fastest growing districts in the state as it has over the past decade.

### **Component Unit**

The District does have a component unit consisting of a hybrid virtual charter high school serving about 50-100 students from grades 9 through 12, predominately from the Richland Two area. The Richland 2 Charter High School is chartered by the District. It has an independent Board overseeing its operations. A charter school is considered a state supported public school, and as a result, is part of the District for purposes of the State Constitution. The financial statements of the Richland Two Charter High School are presented as a discretely presented component unit because the charter school is financially dependent on the District.

The school is designed to reduce the dropout rate by addressing the needs of students who could not successfully participate in a traditional high school environment. It offers a small school setting with a flexible class schedule tailored to the individual needs of each student and provides career counseling and development of job skills through seminars, job shadowing, and internships. Funding for the charter high school is formula based and consists of local, state and federal per pupil allocations. The charter high school does reimburse the District for expenses incurred in providing support services.

### **Economic Condition**

State and federal payrolls are major sources of employment and income for residents of the County. The state of South Carolina employs about 30,000 persons in the County. The County has experienced considerable expansion of Federal, State and County facilities. The headquarters of Blue Cross / Blue Shield of South Carolina is located in the School District where the company employs approximately 6,800 people. There are significant industrial enterprises within the School District including Koyo Bearings, Spirax Sarco, and FN Manufacturing, Inc.

Fort Jackson, the United States Army's largest training installation, is located adjacent to the District and is a major contributor to the economy. Fort Jackson employs approximately 5,500 civilian/contract employees and provides services

to 48,000 retired military personnel and their dependents living in the Columbia MSA. The Fort instructs in excess of 40,000 soldiers in basic training and advanced individual training each year.

Richland County's per capita income is estimated to be \$51,209 for 2020. As of November 2020, the unemployment rate for Richland County was 4.4%.

### **Long-term Financial Planning**

As previously noted, Richland School District Two has been one of the fastest growing school districts in South Carolina over the past decade. To address this growth, the Board regularly updates a 10-Year Facility Study. As a result of this planning process, in November 2018, voters approved by a 65% yes vote a \$468 million referendum which will fund system wide improvements in safety and security, learning spaces, technology and transportation. .

The growth in student enrollment is projected to be about 200-400 per year, which will put student enrollment between 29,000-30,000 in the 2020-2021 school year.

### **Budgetary Control**

Richland School District Two exercises budgetary controls. The objective of these budgetary controls is to ensure compliance with the provisions set forth in the annual appropriation adopted by the Board of Trustees. The Board of Trustees annually adopts and approves the General Fund budget by June 30<sup>th</sup>. The District maintains the modified accrual system for all governmental funds, and uses encumbrance accounting to accomplish budgetary controls at the function level. The Superintendent has authority to approve line item transfers within a fund. The legal level of control is at the fund level. Encumbrances are utilized to assist in budgetary control, and encumbrances lapse at fiscal year-end. The Board of Trustees is given a budget status report on a quarterly basis which is reviewed by members of the Board.

Special Revenue fund budgets are expended in conformance with the specific state and federal requirements of each fund, and budgets are not legally adopted by the Board of Trustees. Budgets are not formally adopted for the Capital Projects Fund or the Debt Service Fund. Debt Service expenditures are set in accordance with bond issue requirements, with revenues needed to pay the debt service requirement levied by the County Auditor.

### **Economic Assessment**

District policies are in place to assess and maintain the economic condition of the District. Among these is Policy DA which states the District's Fiscal Management Goals including a requirement to maintain a reserve fund of from seven percent to the equivalent of two months operating expenditures of the General Fund Operating Budget. Other policies address managing indebtedness and debt service, determining a budget that reflects the education priorities of the District, maintaining a level of per student expenditures needed to provide a quality education, as well as other policies regarding investments, inventories and various other aspects of financial operations designed to assist in assessing and maintaining the economic condition of the District.



#### Awards and Acknowledgements for 2019 – 2020

- Class of 2020 — earned \$151.4 million in college scholarship offers in academics, athletics and fine arts
- 18 National Merit Finalists
- 9 students selected as candidates for the 2020 U.S. Presidential Scholars Program — Audrey Royall from Spring Valley High School; Swetha Sekhar and Adrienne Luedicke from Blythewood High School; Vamsi Gorrepati, Pranav Guntupalli, Jareer Imran, Pallavi Rao, Amal Verma and Alyssa Williams - all from Spring Valley High School
- Richland Northeast High's Natalia Davis — SC Scholastic Press Association 1st Place Award
- RNE-TV Live — National Scholastic Press Association Pacemaker Award
- Summit Parkway Middle's Makayla Brown — S.C. Lions Club Peace Poster Contest Winner
- Spring Valley High's Karisma Virk — Girl's Nation SC Representative
- Ridge View High's Trenton Love — SC Boys State Superintendent of Education
- State Champions:
  - SVH's Dan Todd (200 Swim Freestyle)
  - BHS Girls Golf Team
  - RVH Boys Basketball Team
- SC Youth Philharmonic Symphonic Orchestra — 5 schools and 30 students
- Langford Elementary's Dr. Twanisha Garner — SCASA Elementary Assistant Principal of the Year
- Operations' Nona Montoya — 2019 Olive T. Ritchie Educational Office Professional of the Year
- Ridge View High's Jennifer McLeod-Crady — South Carolina Academy of Science Teacher of the Year
- Ridge View High's Dr. David Degenhardt & Spring Valley High's Layne Siceloff — State Finalists for the Presidential Awards for Excellence in Mathematics and Science Teaching
- Spring Valley High's Josh Drews — National Secondary Art Educator of the Year
- Catawba Trail Elementary's Sarah Odom — South Carolina School Nurse of the Year
- Bethel-Hanberry Elementary's Terina Gardner — Elementary School Counselor of the Year
- Richland Northeast's Kimberley Norris-Jones — SC's "Outstanding Earth Science Teacher"
- Bookman Road Elementary & Lake Carolina Lower Elementary — Special Olympics Unified Banner School

- Lake Carolina Elementary Lower — Sonoco Green Step Conserve School of the Year
- Blythewood Middle & Muller Road Middle — Schools to Watch
- Muller Road Middle & E.L. Wright Middle — AVID Schoolwide Site of Distinction
- Bookman Road, Pontiac and Round Top Elementary — SC-SIC Honor Roll
- Forest Lake Elementary — National Recognition - NASA Explorer School magnet
- Spring Valley High School — National Recognition - Discovery & Explorations

### **Acknowledgements**

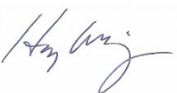
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated efforts of the entire Business Services office staff. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Richland School District Two Board of Trustees, preparation of the report would not have been possible.

Respectfully submitted,



Baron R. Davis, Ph.D.  
Superintendent



Harry W. Miley, Jr., Ph.D.  
Chief Financial Officer

# **RICHLAND SCHOOL DISTRICT TWO**

## **Principal Officers 2019-2020**

### **MEMBERS OF THE BOARD OF TRUSTEES**

*The Honorable James Shadd III, Chair*

*The Honorable Teresa Holmes, Vice Chair*

*The Honorable Cheryl Caution-Parker, Secretary*

*The Honorable Lindsay Agostini*

*The Honorable Monica Elkins-Johnson*

*The Honorable Amelia McKie*

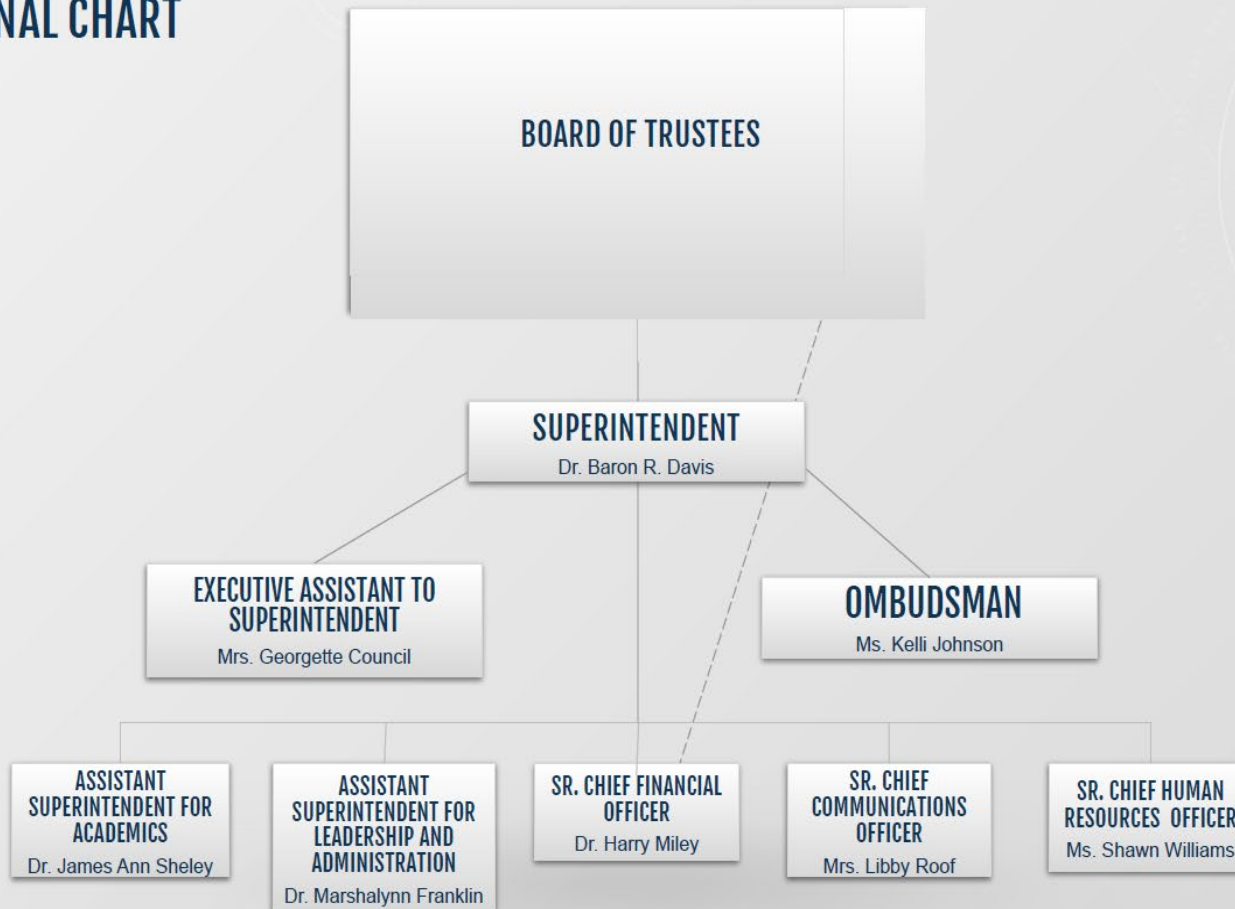
*The Honorable James Manning*

### **ADMINISTRATIVE STAFF**

*Baron R. Davis, Ph.D.  
Superintendent*

*Harry W. Miley, Jr., Ph.D.  
Chief Financial Officer*

## ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Richland School District Two  
South Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrell*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Richland School District Two**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



## INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of  
the Board of Trustees of  
Richland School District Two  
Columbia, South Carolina

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the pension schedules and the OPEB 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.

### *Other Information*

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



The 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 School District's internal control over financial reporting and compliance.



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**Burkett Burkett & Burkett**  
Certified Public Accountants, P.A.  
West Columbia, South Carolina  
February 5, 2021

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**INTRODUCTION**

This narrative overview gives an analysis of the financial activities of the School District for the fiscal year ended June 30, 2020. Our purpose is to inform our citizens of the effect of our School District's operations and to present our financial position. We ask our citizens to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal as well as the basic financial statements and the associated notes to enhance understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

A sweeping piece of legislation impacting the funding of public K-12 education, Act 388, was passed by the South Carolina Legislature in 2007. This legislation removed taxes imposed for school operations for owner-occupied property in South Carolina. It was replaced by a one cent sales tax increase. Act 388 also imposed a cap on the annual increase in millage for school operations.

In this, the thirteenth year under this legislation, Richland School District Two found that the cap allowed for an adequate level of local funding for FY 2019-2020. The School District was also fortunate to maintain its "Aa1" rating from Moody's and "AA" from Standard & Poor's for general obligation debt. Both firms cited the School District's experienced and capable management, satisfactory level of fund balance, long-term capital facilities planning, and stable financial operations in awarding their rating.

The School District's overall financial picture for Governmental Fund activities improved in FY 2019-2020 as revenues exceeded expenditures resulting in an increase the Governmental Funds year end fund Balance of over \$53.2 million. As of June 30, 2020, the School District's combined Governmental Funds ending Fund Balance was over \$200.8 million.

Other key financial aspects were as follows:

- **Overall Governmental Fund Activities** – Governmental revenues totaled over \$420.7 million, other financing sources/(uses) totaled more than \$171.3 million, and expenditures totaled over \$538.8 million for all Governmental Funds at the fund level. This resulted in an increase to the Governmental Fund ending fund balance of \$53.2 million. This increase was largely due to the issuance of debt resulting in proceeds of \$152.6 million in the Debt Service and Capital Project funds and the increase in the General Fund ending fund balance.
- **General Fund/Fund Balance** - Among the major funds, the General Fund had \$304.2 million in revenues and other financing sources and \$292.8 million in expenditures and other financing uses. This increase in fund balance brings the ending balance to \$81.2 million (26.9% of the total School District operating budget), exceeding the range of 7 - 16.7% as preferred in Board Policy.
- **Major Capital Additions** - The School District's net capital assets for governmental activities increased by nearly \$27.3 million or 5.1%. This is largely attributable to the increase in Construction in Progress resulting from the 2018 Bond Referendum projects getting under way during the year to numerous facilities throughout the district.
- **Internal Service Fund** –The Board of Trustees approved for the School District to self-insure for Worker's Compensation beginning in the 2008-2009 fiscal year. To fund the self-insurance program the School District transferred \$1 million in FY 2007-2008 to establish the Internal Service Fund to account for the Workers Compensation Program beginning July 1, 2008. The fund provides workers compensation benefits to School District employees and is a governmental activity. The fund ended the year with an increase in net position of \$1.2 million and total net position exceeding \$1.4 million. This increase is a result of funds transferred to cover the cost of reserves projected for outstanding claims.
- **Cash and Investments (Governmental Activities)** - Cash and Investments in the Governmental Funds increased by over \$26.4 million from June 30, 2019 to June 30, 2020 which is largely attributable to an increase in funds received from the county prior to year end over the prior year, as well as, the increase in fund balance over prior year.

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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- **Debt (Governmental Activities)** - The School District retired \$127.3 million in principal during the 2019-2020 fiscal year. In addition, the School District borrowed \$152.6 million in General Obligation bonds related to the 2018 bond referendum, Special Obligation bonds for energy management contract equipment acquisition and for refunding of 3 existing issues (additional information can be found Note 8 of the Notes to the Financial Statements). The Debt Service Fund Balance increased by over \$2.2 million to a total in excess of \$30.8 million.

#### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements (General, Special Revenue (Special Projects, EIA and Food Service Funds), Debt Service, Capital Projects, Fiduciary (Pupil Activity), Proprietary (Internal Service Fund) and 3) Notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow:

**Government-wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business. These statements outline functions of the School District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the School District include instruction, support services, community services, and intergovernmental expenditures. The government-wide financial statements include not only the School District itself (known as the primary government), but also a discretely presented component unit. The component unit is a legally separate charter school. Financial information for the charter schools is reported separately from the financial information presented for the primary government itself; this information is not significant or material to the School District as a whole. See note 1A of the Notes to the Basic Financial Statement on page 34.

The government-wide financial statements can be found on pages 24 and 25 of this report.

**Statement of Net Position** - The statement of net position presents information on all of the School District's assets and liabilities, with the difference between the two 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 School District is improving or deteriorating.

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

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

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

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

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 27 and 29.

The School District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, Education Improvement Act (EIA), Food Service, Debt Service and Capital Projects Funds, all of which are considered to be major funds. The basic governmental funds financial statements can be found on pages 26 and 28.

***Proprietary Funds*** – The School District uses an internal service proprietary fund to account for self-funded workers compensation benefits. Internal services benefit governmental activities and are included within that column in the government-wide financial statements. The School District's internal service fund is also presented in a single column in the proprietary fund financial statements as governmental activities. The basic proprietary fund financial statements can be found on pages 30 through 32 of this report.

***Fiduciary Funds*** - Fiduciary (Pupil Activity) funds are used to account for resources held for the benefit of students and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The basic fiduciary fund financial statement can be found on page 33 of this report.

***Notes to basic financial statements*** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34 through 68 of this report.

***Supplemental information*** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. A budgetary comparison statement has been provided for the General Fund, which is legally adopted by the Board, as well as several other pension related supplementary information schedules required by the State Department of Education. The required supplementary information can be found on pages 70-74 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS-THE GOVERNMENT AS A WHOLE**

Net position may serve over time as a useful indicator of a government's financial situation. In the case of the School District as a whole, total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by over \$310.7 million as of June 30, 2020. Overall, the School District's change in net position for the year was over a \$31.0 million increase.

By far the largest portion of the School District's assets, \$567.2 million (69.2% of total assets) reflects its investment in capital assets, net of accumulated depreciation (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress). The School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School 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 must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**RICHLAND SCHOOL DISTRICT TWO  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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The following table presents a summary of the School District's net position at June 30, 2020 compared to June 30, 2019.

	Net Position	
	Governmental Activities	
	2019	2020
<b>Assets</b>		
Current and Other Assets	\$ 192,841,829	\$ 252,849,036
Capital Assets	539,964,553	567,264,812
<b>Total Assets</b>	<b>732,806,382</b>	<b>820,113,848</b>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows related to Pension Liability	46,877,560	38,984,853
Deferred Outflows related to OPEB Liability	16,842,760	36,783,028
<b>Total Deferred Outflow of Resources</b>	<b>63,720,320</b>	<b>75,767,881</b>
<b>Liabilities</b>		
Other Liabilities	121,873,701	49,400,968
Long-Term Liabilities	982,421,636	1,108,022,015
<b>Total Liabilities</b>	<b>1,104,295,337</b>	<b>1,157,422,983</b>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows related to Net Pension Liability	6,557,285	11,034,552
Deferred Inflows related to Net OPEB Liability	27,501,059	38,183,110
<b>Total Deferred Inflow of Resources</b>	<b>34,058,344</b>	<b>49,217,662</b>
<b>Net Position</b>		
Net Investment in Capital Assets	209,007,266	238,905,419
Restricted	28,770,909	33,105,014
Unrestricted	(579,605,154)	(582,769,349)
<b>Total Net Position</b>	<b>\$ (341,826,979)</b>	<b>\$ (310,758,916)</b>

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The following table shows the changes in net position for fiscal years ended June 30, 2019 and 2020 (as restated for the cumulative change in accounting principle):

		<b>Changes in Net Position</b>	
		<b>Governmental Activities</b>	
		<b>2019</b>	<b>2020</b>
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$	3,457,261	\$ 2,948,094
Operating Grants		176,473,741	188,607,078
General Revenue:			
Property Taxes		164,790,528	173,479,783
Federal and State Aid		53,707,919	51,878,218
Investment Earnings		2,614,083	3,206,031
Other		1,403,327	651,857
<b>Total Revenues</b>		<b>402,446,859</b>	<b>420,771,061</b>
<b>Program Expenses</b>			
Instruction		207,429,969	206,378,461
Supporting Services		154,341,997	176,570,046
Community Services		323,550	360,780
Interest and Fiscal Charges		8,302,252	6,393,711
<b>Total Program Expenses</b>		<b>370,397,768</b>	<b>389,702,998</b>
Change in Net Position before Transfers		32,049,091	31,068,063
Transfers		-	-
<b>Change in Net Position</b>		<b>32,049,091</b>	<b>31,068,063</b>
Net Position, Beginning of Year		(372,584,532)	(341,826,979)
Cumulative Change in Accounting Principle		(1,291,538)	
Net Position, End of Year	\$	<b>(341,826,979)</b>	<b>\$ (310,758,916)</b>

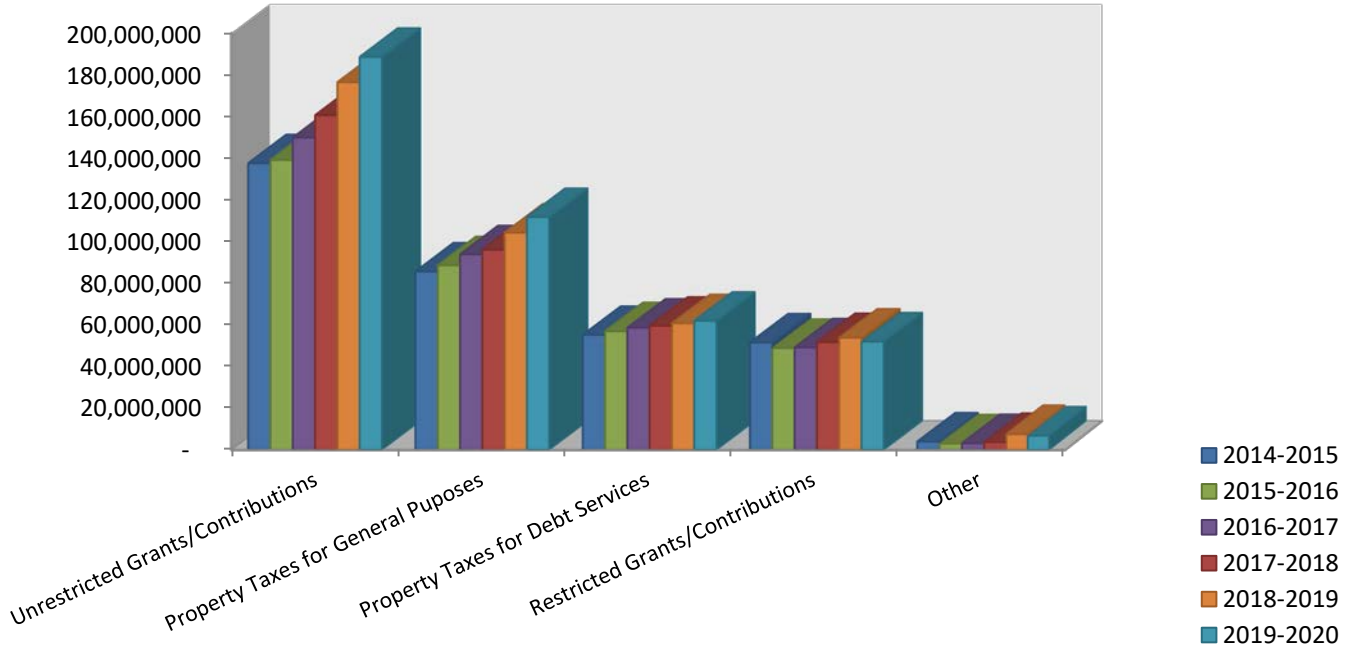
**Governmental Activities (Government-Wide Statements)** - The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The School District's revenue for total governmental activities for FY 2020 was over \$420.7 million and exceeded expenses by \$31.0 million. In November 2018, voters approved a bond referendum to fund the new construction, safety upgrades, as well as renovations to our existing schools throughout the district. With the passage of Act 388 by the South Carolina General Assembly, the classification of revenues for governmental activities reflects revenue that was formerly classified as Property Tax Revenue to now be classified as State Aid. Act 388 replaces local property taxes for owner occupied homes with funds generated from an additional one cent sales tax collected by the State of South Carolina. Act 388 did not, however, affect property taxes collected for debt service purposes. Overall, the School District's net position for governmental activities increased by approximately \$31.0 million, as a result of a proceeds from debt issued and an increase in the General Fund fund balance.

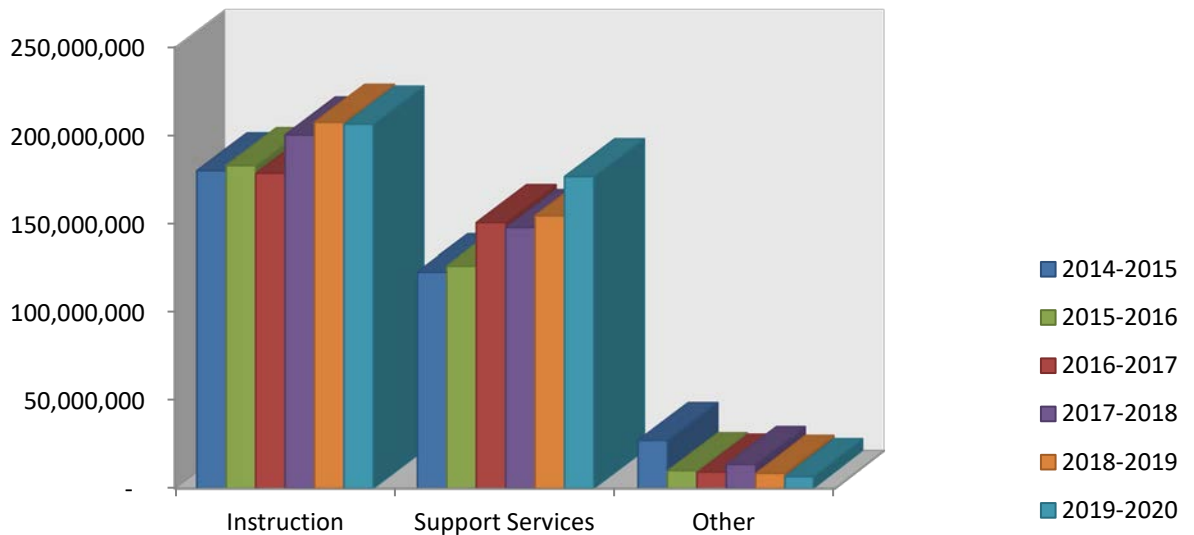
The following charts show the breakdown of revenues supporting governmental Activities and the net cost of services related to governmental activities for the 2015 fiscal year through 2020 fiscal year:

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Revenues Supporting Governmental Activities By Source  
For FY 2015 through FY 2020**



**Governmental Activities - Expenses By Function  
For FY 2015 through FY 2020**



**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S MAJOR FUNDS**

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the School District and not on the School District as a whole, and report the School District's operations in more detail than the government-wide statements.

**Governmental funds** – The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

As the School District completed the year, its governmental funds reported a combined fund balance of \$200.8 million, an increase of a little over \$53.2 million. This increase was due primarily to a continued cost savings in energy costs resulting from a mild climate, combined with salary related cost savings from attrition and unfilled positions. A significant portion of this increase also related to the increase in the Capital Projects Fund, which resulted from the General Obligation Bonds issued related to the 2018 Bond Referendum. Unassigned fund balance totaling \$81.2 million, is available for spending at the School District's discretion. There was \$30.8 million restricted for debt service and \$82.3 million restricted for capital projects. Note 11 of the notes to the basic financial statements provides detail on fund balances for the governmental funds.

The General Fund is the principal operating fund of the School District. The fund balance in the General Fund increased by \$11.3 million, due primarily to additional local revenues and cost savings, related to energy and personnel costs. The Debt Service Fund balance showed an increase of \$1.2 million from the prior year due to an increase in assessed value. The Capital Projects Funds showed a significant fund balance increase of \$36.6 million due to proceeds for 2018 Bond Referendum projects. In 2018, the Food Service fund converted from an Enterprise fund to a Special Revenue fund. As of June 30, 2020, the Food Service fund ended the year with a Fund Balance exceeding \$5.8 million. Increased federal reimbursement rates resulting from the pandemic were the primary contributor to the more than \$2.4 million increase in fund balance.

**Proprietary Fund** – The Proprietary Fund statements provide the same type of information found in the government-wide statements, except the information is provided in more detail. This fund is adjusted for internal service balances in the government-wide statements. The School District maintains an internal service proprietary fund to account for self-funded workers compensation benefits.

Net position in the Internal Service Fund increased by \$1.2 million, bringing the ending fund balance to nearly \$1.5 million, which is sufficient to cover anticipated reserves.

**BUDGETARY HIGHLIGHTS**

The most significant budgeted fund is the district's General Fund. The FY 2019-2020 general fund budget was built with a state base student cost of \$2,487. The general fund budget included increases to operational costs for utilities and employee benefits. Some other significant highlights of initiatives funded in the 2019-2020 budget included:

- Preserving student/teacher ratios and manage growth by adding 7.0 positions for classroom teachers, 5.0 positions for Special Education teachers and 10.0 positions for teaching assistants to assist in Special Education classrooms.
- Continuing to maintain, recruit and support quality personnel by providing a salary schedule increase, in addition to a step increase for all eligible employees (of approx. range of 1-2% step based on current salary schedules).
- Teacher Salary Schedule increased by 4% as mandated in the proposed state budget and includes classroom teachers, librarians, guidance counselors, psychologists, social workers, occupational and physical therapists, school nurses, orientation/mobility instructors, and audiologists
- Administrator Salary Schedules increased by 1% and includes Principals, Assistant Principals, Athletic Directors, Chiefs, Executive Directors, Directors and all other negotiated contract employees.
- All other employee Salary Schedules increased by 4%.



**RICHLAND SCHOOL DISTRICT TWO  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

- Funding District-wide AVID implementation.
- Hiring additional psychologists for the elementary schools as well as a Mental Health.
- Anticipated State increase for the employer portion of State Retirement
- Additional Intervention Specialists and teacher for ESOL Newcomer Program
- Itinerant nurse to be shared between several locations
- Funding of TE 21 / Case Benchmark Exams based on SC College and Career Ready Standards
- Funding for 6.0 positions for classroom teachers to help manage growth and maintain class size
- Continuing to maintain, recruit and support quality personnel by providing a 1% salary schedule increase, in addition to a step increase for all eligible employees, which was in-line with the increase to the teacher salary schedule mandated by the State.
- Funding for the reauthorization of IB schools
- Funding to cover annual contractual increases for School Resource Officers and funding to reorganize security staff to provide additional coverage to schools without full-time SROs.
- Some of the other items that were included in the proposed budget include:
- Anticipated increase to the employer portion of State Retirement and Health insurance cost.
- Anticipated increase in Utilities and annual recurring operating contracts
- Funding for Elementary Reading Curriculum
- Funding for TE 21/Case Benchmark Exams based on SC College and Career Ready Standards

The School District had no adjustments to the total general fund budget for FY 2019-2020. The following table shows the Budget to Actual variances for the General Fund as of June 30, 2020:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
<b>REVENUES:</b>				
Local Property Tax	\$ 107,101,090	\$ 107,101,090	\$ 111,581,413	\$ 4,480,323
Other Local Revenue	1,953,158	1,953,158	2,484,303	531,145
Intergovernmental Sources	250,000	250,000	213,581	(36,419)
State Sources	182,338,861	182,338,861	180,500,507	(1,838,354)
Federal Sources	250,000	250,000	250,014	14
<b>Total Revenues - All Sources</b>	<u>291,893,109</u>	<u>291,893,109</u>	<u>295,029,818</u>	<u>3,136,709</u>
<b>EXPENDITURES:</b>				
Instruction	171,976,653	179,527,755	169,053,482	10,474,273
Support Services	127,148,820	121,278,671	114,732,838	6,545,833
Community Services	423,236	410,788	296,501	114,287
Other Charges	1,225,512	1,950,025	1,619,906	330,119
<b>Total Expenditures</b>	<u>\$ 300,774,221</u>	<u>\$ 303,167,239</u>	<u>\$ 285,702,727</u>	<u>\$ 17,464,512</u>
<b>OTHER FINANCING SOURCES(USES):</b>				
Sale of Capital Assets			619	(619)
Transfer In	9,321,512	9,321,512	9,178,451	143,061
Transfer Out	<u>(440,400)</u>	<u>(7,147,382)</u>	<u>(7,147,382)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 8,881,112</u>	<u>\$ 2,174,130</u>	<u>\$ 2,031,688</u>	<u>\$ 142,442</u>

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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The District's general fund budget is prepared according to South Carolina law. In January 2020, the Board of Trustees approved an amendment to the general fund budget to authorize the allocation of \$9.1 million in fund balance to be allocated to fund the following one-time costs:

- **Investment in our students** with a one-time General Fund Budget allocation of \$25 per student to supplement school discretionary instructional allocations and an additional \$25 per student to supplement our media centers circulations to update and provide additional media supplies and resources to support our students.
- **Investment in our employees** through a one-time bonus of \$1,000 to all full-time permanent employees.
- **Investment in our community** with a one-time transfer of \$3,500,000 from the General Fund to the Capital Project Fund. This investment helps lessen the impact on taxpayers for the funding of annual capital improvement expenditures.

The District also made typical categorical budget amendments during the year to ensure that expenditures were charged to the proper account codes as required by the South Carolina Department of Education. Actual total revenue came in above the original budget by \$3.1 million as a result of final local revenue allocations exceeding anticipated budget by approximately \$5 million, which offset total state revenue budget deficit of \$1.8 million.

The final amended budgeted expenditures of the District had a positive variance from the actual expenditures of over \$20.4 million. Several factors impacted these savings, including district-wide energy cost savings in excess of \$1.9 million of the original budget in the general fund as a result of continued mild temperatures and energy conservation measures. The District also utilized substitutes or existing personnel to cover vacated positions which were a factor in actual expenditures being less than budget. Above the expected savings from staff attrition and unfilled vacancies, the unanticipated impact of the pandemic that began in March of 2020, the district saw savings across all categories of expenditures. The impact of limited travel and shift from face to face instruction, created unanticipated cost savings throughout all categories as a result of the instructional changes related to the pandemic.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - The School District's investment in capital assets for governmental activities at June 30, 2020 exceeded \$567.2 million net of accumulated depreciation. This investment in assets includes land, buildings, improvements other than buildings, construction in progress, and equipment. The total net increase exceeded \$27.3 million. The increase in net capital assets is due primarily to the increase in construction projects related to the 2018 Bond Referendum. See the relevant disclosures in the notes to the basic financial statements (Note 5) for more detailed information on capital asset activity.

The table below shows the total capital assets, net of accumulated depreciation, as of June 30, 2019 and 2020:

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2020</b>
Land	\$ 27,340,376	\$ 27,340,376
Buildings and improvements	749,915,587	750,147,252
Furniture and Equipment	27,576,814	28,123,174
Vehicles	5,676,844	7,038,677
Construction in progress	751,128	45,285,934
<b>Total before accumulated depreciation</b>	811,260,749	857,935,413
Less accumulated depreciation	(271,296,196)	(290,670,601)
<b>Net capital assets</b>	<u>\$ 539,964,553</u>	<u>\$ 567,264,812</u>

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**Long-term Debt** - At June 30, 2020, the School District had total general obligation debt outstanding of over \$376.0 million. This is an increase of over \$25.2 million from the last fiscal year. The School District issued debt during FY 2020 related to the 2018 bond referendum. The School District retired \$127.3 million in principal during the 2019-2020 fiscal year. In addition, the School District borrowed \$152.6 million in General Obligation bonds related to the 2018 bond referendum, Special Obligation bonds for energy management contract equipment acquisition and for refunding of 3 existing issues.

The School District maintains an "Aa1" rating from Moody's and an AA rating from Standard & Poor's for general obligation debt. State statutes currently limit the amount of general obligation debt a school district may issue to 8 percent of its total assessed valuation. As of June 30, 2020, the remaining debt margin available to the School District is just over \$29.0 million. Other long-term obligations include unamortized bond premiums and accrued compensated absences.

Additional information on the School District's long-term debt and other long-term liabilities can be found in Note 8 of the notes to the basic financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The School District, a suburban residential and shopping area located northeast of Columbia, the state capital and most populous city in South Carolina, is one of the fastest growing areas in the state. State and federal payrolls are major sources of employment and income and economic stability. Fort Jackson, the United States Army's largest training installation is located within the school district. Private employers such as the state headquarters for Blue Cross/Blue Shield of South Carolina and The Village at Sandhills, one of the largest shopping complexes in the southeast, contribute to a diverse and stable economy.

In April of 2020, the Richland School District Two Board of Trustees approved a Continuing Resolution related to the General Fund operating budget for the 2020-2021 school year, which authorized administration to operate under the same budget adopted for the 2019-2020 school year. This was in line with the State of South Carolina's decision to operate the state budget for the 2020-2021 fiscal year under a Continuing Resolution.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Division of Business Services, Richland School District Two, 124 Risdon Way, Columbia, South Carolina 29223 (Telephone number 803-787-1910).

## **BASIC FINANCIAL STATEMENTS**

**RICHLAND SCHOOL DISTRICT TWO**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>PRIMARY GOVERNMENT</b>	<b>COMPONENT</b>
	<b>Governmental</b>	<b>UNIT</b>
	<b>Activities</b>	<b>CHARTER HIGH</b>
		<b>SCHOOL</b>
<b>ASSETS</b>		
Cash and Investments	\$ 166,167,853	\$
Deposits with Richland County Treasurer	73,850,770	
Taxes Receivable, Net of Allowances	1,896,958	
Prepaid Expenses	589,676	
Accrued Intergovernmental Revenue Receivable	654,761	
Due From:		
Federal Agencies	7,239,037	
State Department of Education	955,033	
Other Governmental Units	-	1,126,688
Other Receivables	417,440	
Receivable from Other Funds	1,077,508	
Inventories	-	
Capital assets:		
Land	27,340,376	
Construction in Progress	45,285,934	
Buildings, Additions and Improvements	750,147,252	
Furniture and Equipment	28,123,174	
Vehicles	7,038,677	
Less: Accumulated Depreciation	(290,670,601)	
<b>TOTAL ASSETS</b>	<b>820,113,848</b>	<b>1,126,688</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows related to Pension Liability	38,984,853	205,501
Deferred Outflows related to OPEB Liability	36,783,028	180,502
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>75,767,881</b>	<b>386,003</b>
<b>LIABILITIES</b>		
Accounts Payable	16,375,216	46
Retainage Payable	575,740	
Payable to Charter High School	1,126,688	
Due to State Department of Education	20,803	
Accrued Salaries and Related Liabilities	21,793,655	
Unearned Revenue	9,508,866	
Non-current Liabilities:		
Due within One Year	50,842,713	
Due in more than One Year	1,057,179,302	1,667,707
<b>TOTAL LIABILITIES</b>	<b>1,157,422,983</b>	<b>1,667,753</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows related to Net Pension Liability	11,034,552	6,748
Deferred Inflows related to Net OPEB Liability	38,183,110	69,971
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>49,217,662</b>	<b>76,719</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	238,905,419	
Restricted For:		
Debt Service	26,726,508	
Special Projects	524,765	
Food Service	5,853,741	
Unrestricted	(582,769,349)	(231,781)
<b>TOTAL NET POSITION</b>	<b>\$ (310,758,916)</b>	<b>\$ (231,781)</b>

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

**RICHLAND SCHOOL DISTRICT TWO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>FUNCTIONS/PROGRAMS</b>	<b>PROGRAM REVENUES</b>			<b>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</b>	
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>PRIMARY GOVERNMENT:</b>					
Governmental Activities:					
Instruction	\$ 206,378,461	\$ 376,715	\$ 146,162,749	\$ (59,838,997)	\$
Supporting Services	176,570,046	2,571,379	42,444,329	(131,554,338)	
Community Services	360,780			(360,780)	
Interest and Other Charges	6,393,711			(6,393,711)	
<b>Total Governmental Activities</b>	<b>389,702,998</b>	<b>2,948,094</b>	<b>188,607,078</b>	<b>(198,147,826)</b>	<b>-</b>
<b>TOTAL - PRIMARY GOVERNMENT</b>	<b>389,702,998</b>	<b>2,948,094</b>	<b>188,607,078</b>	<b>(198,147,826)</b>	<b>-</b>
<b>Component Units:</b>					
Charter School	\$ 1,070,265	\$	\$ 898,319		(171,946)
<b>General Revenues:</b>					
Property Taxes Levied for General Purposes				111,642,361	
Property Taxes Levied for Debt Service				61,837,422	
Miscellaneous				651,857	
Unrestricted Investment Earnings				3,206,031	
Federal and State aid not restricted for specific purpose				51,878,218	
<b>Total General Revenues and Transfers</b>				<b>229,215,889</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>				<b>31,068,063</b>	<b>(171,946)</b>
<b>NET POSITION - Beginning of Year</b>				(341,826,979)	(59,835)
<b>NET POSITION - End of Year</b>				<b>\$ (310,758,916)</b>	<b>\$ (231,781)</b>

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

**RICHLAND SCHOOL DISTRICT TWO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	GENERAL	SPECIAL REVENUE - SPECIAL PROJECTS	SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Cash and Investments	\$ 113,449,464	\$ 540,330	\$	\$ 1,077,086	\$ 20,168,031	\$ 29,252,449	\$ 164,487,360
Deposits with Richland County Treasurer	9,475,659				9,476,188	54,898,923	73,850,770
Taxes Receivable, Net of Allowances	1,337,875				559,083		1,896,958
Due From Federal Agencies		5,273,319		1,477,361	488,357		7,239,037
Due From State Department of Education	311,021	1,500	642,512				955,033
Due From:							
General Fund		21,601	4,201,203	3,405,404	267,413	7,333,128	15,228,749
Prepaid Items		80,041					80,041
Other Receivables	16,757	106,752		293,931			417,440
Receivable from Other Funds	1,077,508						1,077,508
<b>TOTAL ASSETS</b>	<b>125,668,284</b>	<b>6,023,543</b>	<b>4,843,715</b>	<b>6,253,782</b>	<b>30,959,072</b>	<b>91,484,500</b>	<b>265,232,896</b>
<b>LIABILITIES</b>							
Accounts Payable	4,100,201	545,858	187,953	399,642		8,539,643	13,773,297
Retainage Payable	.					575,740	575,740
Due To:							
Special Revenue - Special Projects	21,601						21,601
Special Revenue - EIA	4,201,203						4,201,203
Special Revenue - Food Service Fund	3,405,404						3,405,404
Internal Service Fund	1,905,413						1,905,413
Debt Service	267,413						267,413
Capital Projects	7,333,128						7,333,128
Payable to Charter High School	1,126,688						1,126,688
Due To State Agencies		18,183	2,620				20,803
Unearned Revenue		4,934,737	4,573,730	399			9,508,866
Accrued Salaries and Related Liabilities	21,714,243		79,412				21,793,655
<b>TOTAL LIABILITIES</b>	<b>44,075,294</b>	<b>5,498,778</b>	<b>4,843,715</b>	<b>400,041</b>	<b>-</b>	<b>9,115,383</b>	<b>63,933,211</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	355,238				111,380		466,618
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>355,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,380</b>	<b>-</b>	<b>466,618</b>
<b>FUND BALANCES</b>							
Fund Balances							
Nonspendable:							
Prepaid Items		80,041					80,041
Restricted		444,724		5,853,741	30,847,692	82,369,117	119,515,274
Unassigned	81,237,752						81,237,752
<b>TOTAL FUND BALANCES</b>	<b>81,237,752</b>	<b>524,765</b>	<b>-</b>	<b>5,853,741</b>	<b>30,847,692</b>	<b>82,369,117</b>	<b>200,833,067</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 125,668,284</b>	<b>\$ 6,023,543</b>	<b>\$ 4,843,715</b>	<b>\$ 6,253,782</b>	<b>\$ 30,959,072</b>	<b>\$ 91,484,500</b>	<b>\$ 265,232,896</b>

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

**RICHLAND SCHOOL DISTRICT TWO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>		<b>\$ 200,833,067</b>
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets were \$857,935,413 and the accumulated depreciation was \$290,670,601.		567,264,812
The internal service fund is used to fund insurance and risk management of the School District. The assets and liabilities of the internal service fund are included with governmental activities.		1,493,622
Property Taxes Receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the governmental funds. Unavailable Property Tax at year end consists of:		
General Fund	\$ 355,238	
Debt Service Fund	<u>111,380</u>	466,618
Accrued interest on bonds payable in governmental funds is not due and payable in the current period and is therefore, not reported as a liability in the funds.		(4,887,325)
Unearned bond premiums are unearned in the statement of net position. The net premiums of \$82,927,649 have been amortized by \$48,288,139 with a remaining unamortized net bond discount.		(34,639,510)
Rebatable interest receivable on Build America Bonds in governmental funds is not a current financial resource in the current period and is, therefore, not reported as an asset in the funds.		654,761
The District's proportionate share of the deferred outflows of resources and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		27,950,301
The District's proportionate share of the deferred outflows of resources and deferred inflows of resources related to its participation in the State insurance plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(1,400,082)
Long-term liabilities, including bonds payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:		
General Obligation Bonds Payable	\$ 357,699,000	
Special Obligation Bonds Payable	18,390,000	
Accrued Compensated Absences	4,860,632	
Net Pension Liability	372,756,987	
Net OPEB Liability	<u>314,788,561</u>	(1,068,495,180)
<b>TOTAL NET POSITION - GOVERNMENTAL FUNDS</b>		<b><u>\$ (310,758,916)</u></b>

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



**RICHLAND SCHOOL DISTRICT TWO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>GENERAL</b>	<b>SPECIAL REVENUE - SPECIAL PROJECTS</b>	<b>SPECIAL REVENUE - EIA</b>	<b>SPECIAL REVENUE - FOOD SERVICE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>							
Local Property Tax	\$ 111,581,413	\$	\$	\$	\$ 61,821,890	\$	\$ 173,403,303
Other Local Revenue	1,502,854	1,931,835		2,019,377		7,037	5,461,103
Total Revenue from Local Sources	113,084,267	1,931,835	-	2,019,377	61,821,890	7,037	178,864,406
State Sources	180,500,507	4,602,457	22,827,870				207,930,834
Federal Sources	250,014	18,258,479		9,142,822	2,971,312		30,622,627
Intergovernmental Sources	213,581						213,581
Interest on Investments	981,449				820,685	1,283,483	3,085,617
<b>TOTAL REVENUES ALL SOURCES</b>	<b>295,029,818</b>	<b>24,792,771</b>	<b>22,827,870</b>	<b>11,162,199</b>	<b>65,613,887</b>	<b>1,290,520</b>	<b>420,717,065</b>
<b>EXPENDITURES</b>							
Current:							
Instruction	169,031,701	8,848,238	9,181,125				187,061,064
Support Services	114,461,032	11,237,475	4,973,632	8,818,498		27,464,424	166,955,061
Community Services	292,901	67,879	-				360,780
Intergovernmental	1,619,906	3,867,937	-				5,487,843
Capital Outlay	297,187	159,448	219,908	106,869		32,758,739	33,542,151
Debt Service:							
Principal Retirement					101,335,000	26,000,000	127,335,000
Interest					16,499,114	322,833	16,821,947
Fiscal Charges for Cost of Issuance					634,538	620,943	1,255,481
<b>TOTAL EXPENDITURES</b>	<b>285,702,727</b>	<b>24,180,977</b>	<b>14,374,665</b>	<b>8,925,367</b>	<b>118,468,652</b>	<b>87,166,939</b>	<b>538,819,327</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,327,091</b>	<b>611,794</b>	<b>8,453,205</b>	<b>2,236,832</b>	<b>(52,854,765)</b>	<b>(85,876,419)</b>	<b>(118,102,262)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of General and Special Obligation Debt					49,235,000	18,390,000	67,625,000
Issuance of Refunded Debt						85,000,000	85,000,000
Premium on Bonds Issued					6,322,019	14,850,568	21,172,587
Sale of Capital Assets	619					14,855	15,474
Transfers In	9,178,451	450,200		392,533	640,781	4,600,000	15,261,965
Transfers Out	(7,147,382)	(554,545)	(8,453,205)	(185,830)	(1,100,000)	(321,003)	(17,761,965)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,031,688</b>	<b>(104,345)</b>	<b>(8,453,205)</b>	<b>206,703</b>	<b>55,097,800</b>	<b>122,534,420</b>	<b>171,313,061</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>11,358,779</b>	<b>507,449</b>	<b>-</b>	<b>2,443,535</b>	<b>2,243,035</b>	<b>36,658,001</b>	<b>53,210,799</b>
FUND BALANCES, Beginning of Year	69,878,973	17,316	-	3,410,206	28,604,657	45,711,116	147,622,268
<b>FUND BALANCES, End of Year</b>	<b>\$ 81,237,752</b>	<b>\$ 524,765</b>	<b>\$ -</b>	<b>\$ 5,853,741</b>	<b>\$ 30,847,692</b>	<b>\$ 82,369,117</b>	<b>\$ 200,833,067</b>

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

**RICHLAND SCHOOL DISTRICT TWO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 53,210,799</b>
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Property tax revenues not considered current financial resources are unearned in the governmental funds but are not in the statement of activities. Unavailable taxes receivable increased by \$76,480 over the year ended June 30, 2020.	76,480
Rebatable interest receivable on Build America Bonds in governmental funds is not a current financial resource in the current period and is, therefore, not reported as an asset in the funds.	(141,209)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays of \$33,542,151 exceeded depreciation expense and noncapital expenditures of \$6,241,892.	27,300,259
Repayment of long-term liabilities, such as Bonds and Notes Payable and Capital Leases is an expenditure in the governmental funds, but merely reduces liabilities in the statement of net position.	127,335,000
Amortization of bond premiums as income over the terms of the associated bonds. The amount recognized as income for the year ended June 30, 2020 is \$12,402,480.	12,402,480
The internal service fund is used to fund insurance and risk management of the School District. The net change in net position of the internal service fund is reported with governmental activities.	1,282,623
Issuing bonds and loans provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net position. In the current period, the school district issued general obligation bonds and special obligation bonds.	(173,797,587)
Employer pension costs are recognized in the governmental funds only when contributions to the defined benefit plan are paid in cash. However, in the Statement of Activities, the expense is recorded based on the results of an actuarial valuation of the plan. This is the net change for these transactions during the year.	(11,103,753)
Employer insurance costs are recognized in the governmental funds only when contributions to the defined benefit plan are paid in cash. However, in the Statement of Activities, the expense is recorded based on the results of an actuarial valuation of the plan. This is the net change for these transactions during the year.	(3,892,763)
Interest on long-term debt in the statement of activities differs from the governmental funds because governmental funds recognize interest expense only when it is paid. In the statement of net position, interest expense is recognized as it accrues. Accrued interest payable increased for the year ended June 30, 2020 by \$734,237.	(734,237)
The cost of compensated employee absences is recognized in the governmental funds only when actually paid in cash. However, in the statement of net position, the expense is recorded when the employees earn the benefits. The total liability for compensated absences increased by \$870,029 during this fiscal year.	(870,029)
<b>TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>31,068,063</u></b>

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

**RICHLAND SCHOOL DISTRICT TWO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020**

		<b>GOVERNMENTAL ACTIVITIES</b>
		<b>INTERNAL SERVICE FUND</b>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$	1,680,493
Prepaid Expense		509,635
Due from General Fund		1,905,413
Total Current Assets		<u>4,095,541</u>
<b>TOTAL ASSETS</b>		<u><u>4,095,541</u></u>
<b>LIABILITIES</b>		
Current Liabilities		
Claims Payable		<u>2,601,919</u>
Total Current Liabilities		<u>2,601,919</u>
<b>TOTAL LIABILITIES</b>		<u><u>2,601,919</u></u>
<b>NET POSITION</b>		
Unrestricted		<u>1,493,622</u>
<b>TOTAL NET POSITION</b>	\$	<u><u>1,493,622</u></u>

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

**RICHLAND SCHOOL DISTRICT TWO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>GOVERNMENTAL ACTIVITIES</b>
	<b>INTERNAL SERVICE FUND</b>
<b>OPERATING REVENUES</b>	
Other Operating Revenue	\$ 117,982
<b>Total Operating Revenues</b>	<b>117,982</b>
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	1,069,723
Supplies	11,358
Other	255,021
<b>Total Operating Expenses</b>	<b>1,336,102</b>
<b>Operating Income (Loss)</b>	<b>(1,218,120)</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>	
Interest	743
<b>Total Non-Operating Revenues</b>	<b>743</b>
<b>Income (loss) Before Transfers</b>	<b>(1,217,377)</b>
<b>TRANSFERS IN (OUT)</b>	
Transfer from General Fund	2,500,000
<b>Total Transfers</b>	<b>2,500,000</b>
<b>CHANGE IN NET POSITION</b>	<b>1,282,623</b>
TOTAL NET POSITION - Beginning of Year	210,999
<b>TOTAL NET POSITION - End of Year</b>	<b>\$ 1,493,622</b>

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

**RICHLAND SCHOOL DISTRICT TWO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>GOVERNMENTAL ACTIVITIES</b>
	<b>INTERNAL SERVICE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Participants	\$ 117,982
Cash Paid to Employees for Services	(1,070,416)
Cash Paid to Suppliers of Goods and Services	(1,547,566)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(2,500,000)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from General Fund	2,500,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>2,500,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	743
<b>Net Cash Provided by Investing Activities</b>	<b>743</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>743</b>
Cash and Cash Equivalents - Beginning of Year	1,679,750
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,680,493</b>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Net Operating Income (Loss)	(1,218,120)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Changes in Assets and Liabilities:	
Decrease (Increase) in Receivables and Due from Others	(606,426)
Decrease (Increase) in Prepaid Expenses	(82,989)
Increase (Decrease) in Accounts Payable and Due to Others	(592,465)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (2,500,000)</b>

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

**RICHLAND SCHOOL DISTRICT TWO  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2020**

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**ASSETS**

Cash and Investments	\$ 5,719,535
Accounts Receivable	28,741
<b>TOTAL ASSETS</b>	<b><u>5,748,276</u></b>

**LIABILITIES**

Accounts Payable	1,140,499
Due to Pupil Activities	4,607,777
<b>TOTAL LIABILITIES</b>	<b><u>\$ 5,748,276</u></b>

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

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Richland County School District Two (the School District) is governed by a seven member elected Board of Trustees (the Board). The School District is located in suburban Columbia, SC, in the Northeast section of Richland County. The School District provides a broad range of general and specialized elementary and secondary educational services for students in pre-school through grade twelve, and derives its local revenue from the tax base in these areas. In addition, the School District receives funding from the State of South Carolina and the United States Federal Government and must comply with the related requirements of these funding source entities.

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

**A. Reporting Entity**

The School District's financial statements include all funds over which the Board is considered to be financially accountable. The School District receives funding from local, state and federal governmental sources and must comply with the requirements of these funding source entities. Richland County School District Two is the lowest level of government which has financial accountability and control over all activities related to public school education in the School District. The School District is not included in any other governmental "reporting entity", since members of the School Board of Trustees are elected by the public and since members have decision making authority, the power to designate management, the ability to significantly influence operations, and have primary accountability for fiscal matters. The School District invests funds and receives property tax revenues through its relationship with Richland County.

The School District has determined that there are no affiliate entities (such as parent-teacher organizations, foundations and athletic booster clubs) that meet the requirements for inclusion as a discretely presented component.

*Discretely Presented Component Unit:* The component unit column in the basic financial statements includes the financial data of the School District's component unit, the Richland Two Charter High School ("the Charter School"). This unit is reported in a separate column to emphasize that it is legally separate from the School District. The Charter School operates under a charter granted by the School District and is considered, under South Carolina law, to be a public school and part of the School District. It is administered and governed by its annually elected governing body. The South Carolina State Department of Education ("SDE") regulations require that charter schools be discretely presented in the basic financial statements, but blended with the School District balances in the supplementary schedules. If this presentation format were followed, the amounts reported as revenues, expenditures and changes in fund balances for the General Fund and Special Revenue Funds in the supplementary schedules would not agree to the amounts reported as revenues, expenditures and changes in fund balances for the General Fund and Special Revenue Funds in the basic financial statements. The School District has not prepared the supplemental schedules in accordance with the SDE requirements as the School District does not believe that this presentation is consistent with accounting principles generally accepted in the United States of America ("GAAP").

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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The Charter School is fiscally dependent on the School District and because the nature and significance of the relationship between the Charter School and District, the exclusion of the Charter School would cause the School District's financial statements to be incomplete. The Charter School financial statements are included in the School District's basic financial statements.

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

The statements of the School District are presented as follows:

**Government-Wide Financial Statements** - The Statement of Net Position and the Statement of Activities report information about the School District as a whole. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows. These statements include the financial activities of the School District, except for the fiduciary funds. The effect of inter-fund activity has been eliminated from the statements in the consolidation process, with the exception of the inter-fund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are 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. Revenues, including taxes, which are not classified as program revenues are presented as general revenues of the School District with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The governmental fund financial statements are reported using the flow of 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 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.

Because the government-wide financial statements and the fund financial statements are prepared using a different measurement focus, the financial section of the statements includes a reconciliation with brief explanations to better identify the relationship between the government-wide and governmental fund statements.



**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

Fund financial statements report detailed information about the School District. The financial statements for governmental funds are the balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources. 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type. All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

**Cash Flow Statement** - The statement of cash flows provides information about how the School District finances and meets cash flow needs of its proprietary activities. For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

### ***FUND ACCOUNTING***

As outlined above, the accounts of the School District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

The School District has the following major funds and fund types:

#### **Governmental Fund Types**

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is separated as fund balance. The following are the School District's major governmental funds:

**General Fund** - The General Fund is a budgeted fund and serves as the primary operating fund of the School District. The School District uses this fund to account for expenditures principally for administration, instruction, pupil services, operations and maintenance of plant and related fixed charges. It accounts for all revenues and expenditures of the School District except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**Special Revenue Funds** - Special Revenue Funds are used to account for specific revenue sources (other than debt service or major capital projects) that require separate accounting because of legal or regulatory provisions or administrative action. The School District has two Special Revenue Funds:

1. **The Special Projects Fund**, used to account for financial resources provided by federal, state, local projects and grants. Budgets are prepared on a per project basis, generally with approval of the funding source. These budgets are not a part of the formal budget process approved by the board of trustees.
2. **The Education Improvement Act (EIA) Fund**, used to account for the 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. Budgets are prepared on a per project basis. These budgets are not part of the formal budget process approved by the board of trustees.
3. **The Food Service Fund**, is used to account for the United States Department of Agriculture's (USDA) approved school breakfast and lunch programs. The principal revenues of the Food Service Fund include charges to students and teachers for breakfast, lunch and special sales and federal reimbursements for meals and commodities. Primary expenditures for the fund includes cost of sales, administrative expenses and depreciation of capital assets.

**Capital Projects Fund** – used to account for financial resources to be used for site acquisitions, construction of major capital facilities, equipment and renovation of all major capital facilities.

**Debt Service Fund** - used to account for annual payments of principal and interest on long-term general obligation debt and related costs.

**Proprietary Fund Types**

Proprietary funds are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

**Internal Service Fund** is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the School District. When services are rendered, charges are made to the users and revenue is accumulated in the Internal Services Fund to cover costs of operations. The Worker's Compensation Fund is the School District's only Internal Service Fund. This fund accounts for the insurance and risk management services of the School District and services provided are on a cost reimbursement basis. The assets and related liabilities for the Internal Service Fund are included in the governmental activities column on the government-wide Statement of Net position.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Fiduciary Fund Types**

Fiduciary funds are used to account for assets held by the government in a trustee capacity or as an agent on behalf of others, and include trust funds and agency funds. The Agency Fund is the only Fiduciary Fund type maintained by the School District. The Fund accounts for the receipt and disbursement of monies to and from student activity organizations, and/or on behalf of outside parties. These funds have no equity and do not include revenues and expenditures for general operation of the School District. The Agency Fund is custodial in nature and does not involve measurement of results of operation.

***BASIS OF ACCOUNTING***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Propriety and fiduciary funds also use the accrual basis of accounting.

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

The School District follows GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* to account for non-exchange revenues. Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, property tax revenues are recognized in the fiscal year for which they are appropriated by the County. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; property taxes, interest, tuition, grants, student fees and rentals.

***Unearned Revenue*** arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2020, but which have not met the revenue recognition criteria, have been recorded as unearned revenue. Grants and entitlements received before revenue recognition requirements are met are also recorded as unearned revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

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

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**C. Assets, Liabilities and Equity**

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

South Carolina Local Government Investment Pool ("SC Pool" or "LGIP") investments are invested with the South Carolina State Treasurer's Office, which established the LGIP pursuant to Section 6-6-10 of the South Carolina Code. The LGIP 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. The LGIP is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the LGIP 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 LGIP may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

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

The School 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 Pooled Investment Fund ("Pool") to be cash equivalents.

**Interfund Receivables and Payables** - Transactions between funds that represent reimbursement arrangements outstanding at the end of the year are referred to as "due from other funds" or "due to other funds" on the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances". All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

**Prepaid Items** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year consumed.

**Capital Assets** - General capital assets are those assets not specifically related to activities reported in the enterprise fund. These 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

**RICHLAND SCHOOL DISTRICT TWO**  
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but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported in both the business-type activities column of the government-wide statement of net position and in the respective 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The district maintains a capitalization threshold of \$5,000. Management may elect to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset's life are not capitalized. For purposes of reporting state and federal funds, small equipment items that may not be capitalized are still categorized as capital outlays in the supporting schedules. The School District does not maintain any infrastructure. Improvements to existing capital assets are capitalized; however, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

In the enterprise fund, assets acquired or constructed by grants and share revenues externally restricted for capital acquisitions and construction are reported as revenue in the period received in accordance with Governmental Accounting Standards Board Statement No. 33.

All reported capital assets, except land and construction in progress, are depreciated. Construction projects begin being depreciated once they are complete, 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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Food Service Activities Estimated Lives</u>
Buildings and Improvements	20-39 years	N/A
Furniture and Equipment	5 years	12 years
Vehicles	5 years	N/A

**Compensated Absences** – Compensated absences are payments to employees for accumulated vacation and sick leave. Vacation leave is earned by employees up to a maximum of ten days. The School District's policy at fiscal year-end is to allow twelve-month employees to carry over five days, which are lost if not used by the following December 31. When an employee with over fifteen years of service retires or otherwise terminates the School District pays out all unused accrued annual and sick leave days at the current substitute rate of pay. Employees can accrue up to fifty-seven sick leave days.

All vacation pay is accrued when incurred in the government-wide financial statements. Liabilities for compensated absences are reported as fund liabilities when amounts are due and payable rather than to the extent that they will be paid with current, expendable and available financial resources. In the proprietary funds, compensated absences are recorded as an expense and liability of the fund as the benefits accrue to employees.

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**Accrued Liabilities and Long-term Obligations** - All payables, accrued liabilities and long-term obligations are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, contractually required pension contributions and special termination benefits, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current expendable, available, financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Typically, the General Fund is used to liquidate any liability related to compensated absences. 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.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from actual net proceeds received, are reported as debt service expenditures.

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

**Net OPEB Liability** - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) and additions to/deductions from SCRHITF' and SCLTDITF' fiduciary net position have been determined on the same basis as they are reported by SCRHITF or SCLTDITF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - Deferred outflows of resources represent consumption of net position that is applicable to a future period. Deferred inflows of resources represent acquisition of net position that is applicable to a future period. Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources. Likewise, changes in net OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net OPEB liability are reported as deferred outflows of resources.

**Fund Balances, Equity and Net Position** – The School District reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines five classifications of governmental fund balances: non-spendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet. The School District's highest level of decision-making authority is the Board of Trustees.

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**NOTES TO FINANCIAL STATEMENTS**  
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The School District classifies fund balances as follows:

Non-spendable – This includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaid items, inventories, etc.) or because of legal or contractual requirements (i.e. principal amount of resources that are required to remain intact.)

Restricted – This includes amounts that have constraints placed on the use of resources externally imposed by creditors, grantors, or contributors.

Committed – This includes amounts that have constraints for specific purposes by the School District itself, using its highest level of decision-making authority, which as noted above is the Board of Trustees. Constraints must remain in place unless removed in the same manner as imposed and must take place no later than the close of the fiscal year. Required formal action would be in the form of a resolution by the Board of Trustees.

Assigned – This includes amounts that the School District intends to use for specific purposes that are neither considered restricted nor committed and these assignments are made before the report issuance date. The intent to assign these balances can be expressed by the Board of Trustees with a resolution or approval of recommendation by the Board of Trustees.

Unassigned – This includes amounts that do not qualify to be accounted for or reported in any of the other fund balance categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The School District applies restricted resources when expenditures are incurred for the purposes for which both restricted and unrestricted Net Positions are available. The School District applies assigned, then unassigned fund balance. Committed resources can only be applied if the Board of Trustees takes formal action to release resources for incurring expenditures.

Net Position

Net position represents assets plus deferred outflows of resources less liabilities less deferred inflows of resources. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, that 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 the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available.

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

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

***Operating Revenue and Expenses*** – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds.

***Use of Accounting Estimates*** - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the School District's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value**

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives the 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 include:

- Quoted prices for similar assets or 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.

**Budgetary Accounting**

The Board of Trustees adopts a legal annual appropriated budget for the general fund revenues and expenditures on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America each fiscal year. The budget is prepared, controlled, and amended at the revenue and expenditure object level. The Superintendent and/or Chief Financial Officer may authorize line item transfers in the general fund budget that are subject to final review by the Board. Revisions to the budget were made throughout the year at the legal level of budgetary control.



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During the fiscal year, no additional appropriations to the general fund budget were adopted. Unexpended appropriations lapse at fiscal year-end. Expenditures may not legally exceed budgeted appropriations at the fund level unless, in a supplementary action, the Board approves an increase or decrease to the fund or the School District's "per pupil" state allotment changes whereby management can increase or decrease expenditures to match the change in state appropriations. Supplemental budget appropriations are made by the Board for expenditures exceeding total appropriations within the legal level of control.

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

1. The initial step in the budget development process is the adoption of budget priorities by the Board of Trustees.
2. The Financial Services Office develops revenue projections based on enrollment projections and data received from the State Department of Education.
3. Input is obtained from District stakeholders and compiled by Administration.
4. The Superintendent submits a budget to the Board for approval.
5. The Board recommends a budget to County Council around April.
6. The County Council has three readings on the budget and a public hearing.
7. After approval by County Council, the Board approves a final budget.

Special Revenue Fund budgets are developed and controlled in conformance with the specific requirements of each grant or funding agency. These budgets are not legally adopted by the School Board. Both General and Special Revenue Fund budgets are used as a management control device during the year.

The Administration has discretionary authority to make transfers between appropriation accounts. The budget amounts in the financial statements are as amended by Administration. No supplemental appropriations were necessary during the year.

**Encumbrances**

The appropriations of the general fund of the School District lapse at June 30 each year and the outstanding purchase orders, contracts, and other commitments must be renewed. Therefore, there are no restrictions or assignments of the fund balances at year-end for encumbrances.

**2. CASH AND INVESTMENTS**

At June 30, 2020 the carrying amount of the School District's deposits and investments was \$171,887,388 and the bank balance was \$181,487,035.

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District does not have a deposit policy for custodial credit risk but follows the investment policy statues of the State of South Carolina. As of June 30, 2020, none of the School District's bank balances of \$56,709,409, which had a carrying value of \$47,109,762, were exposed to custodial credit risk.

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As of June 30, 2020, the School District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u> <u>Level</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
SC Local Government Investment Pool	N/A	Various	Unrated	\$ 83,821,321
Certificates of Deposit	Level 1	Various	Unrated	788,274
Regions – Morgan Stanley Liquidity Fund	Level 1	Various	Unrated	20,000,000
US Bank – Morgan Stanley GIC	Level 1	9/1/2027	Unrated	<u>20,168,031</u>
Total Investments				<u>\$ 124,777,626</u>

**Interest Rate Risk:** The School District's Interest Rate Risk policy states that to address interest rate risk (i.e., fair value losses arising from increasing interest rates), the district will not invest in maturities exceeding 24 months.

**Custodial Credit Risk for Investments:** In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Custodial credit risk for investments is the risk that, in the event of a failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The School District's investment policy operates in conformance with federal, state and other legal requirements, as outlined in the Code of Laws, State of South Carolina, Section 59-69-215. To address the risk that the School District's deposits will not be returned, the School District will only use instruments that are collateralized by third parties or insured by the Federal Deposit Insurance Corporation. As of June 30, 2020, all of the District's deposits were collateralized with securities held by the pledging financial institution's trust department or its agent, and in the School District's name or insured by the Federal Deposit Insurance Corporation. Information was not available regarding the custodial credit risk of deposits with the Richland County Treasurer of \$73,850,770.

South Carolina statutes authorize investments in certificates of deposits, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The School District has no policy that would further restrict these investment choices.

The SC Local Government Investment Pools is not rated.

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

The following table reconciles the carrying amount of deposits and investments to the amounts listed in the financial statements for all fund types:

<b>Basic Financial Statements</b>		<b>Notes to Financials</b>	
Cash and Investments:		Carrying Amount of	
Governmental Funds	\$ 164,487,360	Deposits:	\$ 47,109,762
Internal Service Fund	1,680,493	Fair Value of	
Agency Fund	<u>5,719,535</u>	Investments:	<u>124,777,626</u>
	<u>\$ 171,887,388</u>		<u>\$ 171,887,388</u>

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**3. PROPERTY TAXES AND OTHER RECEIVABLES**

Property taxes are levied, collected and distributed by Richland County (the County) on real and personal properties owned on the preceding December 31 of each fiscal year ended June 30. Liens are attached to the property at the time the taxes are levied, which usually occurs in November of each year. These taxes are due without penalty through January 15.

Penalties are added to taxes when paid after January 15 depending on the period of time the tax is delinquent. Property taxes are levied and billed on an assessed value of a little over \$604 million at tax rates of 331.7 mills for the general fund and 104.0 mills for the debt service fund.

Current year real and personal property taxes become delinquent on April 1. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month. Taxes levied for the 2019-2020 fiscal year totaled over \$161.3 million, for the General Fund. Of this total amount levied, approximately \$152.3 million was collected during the fiscal year, representing 94.43% collection of the total levied for the year ending June 30, 2020. Collections for delinquent taxes for both funds totaled close to \$2.5 million. In addition, fees in lieu of taxes collected totaled over \$3.9 million for both funds.

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.

Taxes receivable in the government funds, including general fund and debt service fund, are \$1,896,958 net of allowances for uncollectible at June 30, 2020.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2020, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<b>General Fund</b>	<b>Special Revenue Special Projects Fund</b>	<b>Special Revenue- EIA Fund</b>	<b>Special Revenue Food Service Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
Unavailable Revenue -						
Property Taxes	\$ 355,238	\$	\$	\$	111,380	\$ 466,618
Unearned Revenue		4,934,737	4,573,730	399		9,508,866
Total	<u>\$ 355,238</u>	<u>\$ 4,934,737</u>	<u>\$ 4,573,730</u>	<u>\$ 399</u>	<u>\$ 111,380</u>	<u>\$ 9,975,484</u>

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**4. DUE FROM STATE DEPARTMENT OF EDUCATION AND OTHER STATE AGENCIES**

The Due from State Department of Education and Federal Agencies represents amounts due for state and federal revenues that had been earned as of June 30, 2020, but had not been received as of June 30, 2020. The total amount Due to the State Department as of June 30, 2020 was \$19,053. In addition, \$1,750 was due to other state agencies as of June 30, 2020.

**5. CAPITAL ASSETS**

A summary of changes in capital assets for the School District is as follows:

**Governmental Activities**

	<u>Balance as of July 1, 2019</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance as of June 30, 2020</u>
<b>Non-depreciable Assets:</b>				
Land	\$ 27,340,376	\$	\$	\$ 27,340,376
Construction in Progress	751,128	44,534,806		45,285,934
Total Non-depreciable	<u>28,091,504</u>	<u>44,534,806</u>	<u>-</u>	<u>72,626,310</u>
<b>Depreciable Assets:</b>				
Buildings and Improvements	749,915,587	231,665		750,147,252
Vehicles	5,676,844	1,879,533	(517,700)	7,038,677
Furniture & Equipment	27,576,814	578,686	(32,326)	28,123,174
Total Depreciable Assets	<u>783,169,245</u>	<u>2,689,884</u>	<u>(550,026)</u>	<u>785,309,103</u>
<b>Total All Assets</b>	<u>811,260,749</u>	<u>47,224,690</u>	<u>(550,026)</u>	<u>857,935,413</u>
Less: Accumulated Depreciation				
Buildings and Improvements	(241,663,775)	(18,479,499)		(260,143,274)
Vehicles	(4,970,937)	(484,734)	517,700	(4,937,971)
Furniture & Equipment	(24,661,484)	(960,198)	32,326	(25,589,356)
Total Accumulated Depreciation	<u>(271,296,196)</u>	<u>(19,924,431)</u>	<u>550,026</u>	<u>(290,670,601)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 539,964,553</u>	<u>\$ 27,300,259</u>	<u>\$ -</u>	<u>\$ 567,264,812</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

Instruction	\$ 13,947,102
Supporting Services	<u>5,977,329</u>
Total Depreciation Expense – governmental activities	<u>\$ 19,924,431</u>

**RICHLAND SCHOOL DISTRICT TWO**  
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**6. INTER-FUND RECEIVABLES AND PAYABLES**

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

Fund	Receivables	Payables
<b>General Fund:</b>		
Due to Special Revenue – Special Projects	\$	\$ 21,601
Due to Special Revenue – EIA		4,201,203
Due to Special Revenue – Food Service Fund		3,405,404
Due to Debt Service		267,413
Due to Capital Projects Fund		7,333,128
Due to Internal Service Fund		1,905,413
<b>Total</b>		17,134,162
<b>Special Revenue – Special Projects</b>		
Due from General Fund	21,601	
<b>Special Revenue – EIA</b>		
Due from General Fund	4,201,203	
<b>Special Revenue – Food Service Fund</b>		
Due from General Fund	3,405,404	
<b>Debt Service</b>		
Due from General Fund	267,413	
<b>Capital Projects</b>		
Due from General Fund	7,333,128	
<b>Internal Service Fund</b>		
Due from General Fund	1,905,413	
<b>Totals</b>	\$ 17,134,162	\$ 17,134,162

The district uses a General Fund Cash account to pay expenditures and receive payments from State and Federal Agencies for other district funds. As a result, receivables and payables exist at year end that are either due to or due from the General Fund to/from other funds. These funds will be collected or disbursed in the subsequent fiscal year. Other inter-fund balances include Special Revenue payments not received from the State Department of Education until after the fiscal year end, fringe amounts paid by the General Fund for Food Service, indirect cost transfers adjustments made at year end and adjustments made at year end for Taxes receivable for Debt Service, and building project costs.

In addition to the inter-fund balances noted above in the governmental funds, there is also an amount receivable from other funds to the General Fund from the Pupil Activity Agency Fund in the amount of \$1,077,508. This amount represents amount owed to the General Fund at year end as a result of the timing of cash transfers, to cover the amounts that the General Fund Cash account pays for the Pupil Activity fund, much like the governmental funds.

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**7. TRANSFERS IN AND OUT**

Transfers between the various funds of the School District for the year ending on June 30, 2020 are as follows:

Fund	<u>Transfers In</u>	<u>Transfers Out</u>
<b>General Fund:</b>		
Special Revenue – Special Projects	\$	\$ 450,200
Special Revenue – Special Projects Indirect Cost	539,416	
Special Revenue – EIA	8,453,205	
Special Revenue – Food Service Fund		377,404
Special Revenue – Food Service Fund Indirect Cost	185,830	
Debt Service Fund		319,778
Capital Project Funds		3,500,000
Internal Service Fund		2,500,000
<b>Total</b>	<u>9,178,451</u>	<u>7,147,382</u>
<b>Special Revenue – EIA</b>		
General Fund		8,453,205
<b>Special Revenue – Special Projects</b>		
General Fund	450,200	
General Fund – Indirect Cost		539,416
Special Revenue – Food Service Fund		15,129
<b>Special Revenue – Food Service Fund</b>		
General Fund	377,404	
General Fund – Indirect Cost		185,830
Special Revenue Fund – Special Projects	15,129	
<b>Debt Service Fund</b>		
General Fund	319,778	
Capital Projects Fund	321,003	1,100,000
<b>Capital Projects Fund</b>		
General Fund	3,500,000	
Debt Service Fund	1,100,000	321,003
<b>Internal Service Fund</b>		
General Fund	<u>2,500,000</u>	
<b>Total All Funds</b>	\$ <u>17,761,965</u>	\$ <u>17,761,965</u>

During the 2019-2020 fiscal year transfers were made from Special Revenue-Special Project Funds to the general fund to offset costs. Transfers from the General Fund into Special Revenue – Special Projects reflect amounts allocated as discretionary funds for student activities and athletic programs. Annual transfers are done from the Special Revenue – EIA fund into the General fund for State revenues provided for teacher salary increases and employer fringe contributions. Amounts were transferred from the Food Service fund for indirect costs paid to the General fund and a transfer was made from the General Fund into the Food Service Fund to allocate state fringe benefits reimbursement funds applicable to the Food Service Program.

In addition, funds were transferred from the General Fund to the Internal Service Fund in order to cover the cost associated with the Self-insured Workers' Compensation program and the required reserves at June 30, 2020. Funds were also transferred from the General Fund and Capital Project funds to the Debt Service fund for costs associated with closing costs and to cover the annual

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payment on the equipment acquisition payments. In January of 2020, the Board of Trustees approved a \$3.5 million allocation from the General Fund to the Capital Project funds to help offset costs associated with annual capital improvement needs.

**8. LONG TERM OBLIGATIONS**

The following summarizes the changes in long-term debt obligations for the year ended June 30, 2020:

<b>Governmental Activities</b>	<b>Principal Outstanding July 1, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Principal Outstanding June 30, 2020</b>	<b>Amounts Due in One Year</b>
General Obligation Bonds:					
June 11, 2009	\$ 3,585,000		(3,585,000)	-	\$ -
May 25, 2010 (A)	8,600,000		(1,075,000)	7,525,000	1,075,000
September 8, 2010	28,725,000		(28,725,000)	-	-
September 8, 2010	42,620,000			42,620,000	-
November 9, 2010	38,570,000		(38,570,000)	-	-
October 5, 2011	8,550,000		(4,275,000)	4,275,000	4,275,000
December 5, 2012	7,720,000		(5,775,000)	1,945,000	1,945,000
April 25, 2013	55,110,000		(5,000)	55,105,000	7,105,000
May 21, 2014	7,730,000		(1,790,000)	5,940,000	1,880,000
March 10, 2015	58,745,000		(6,370,000)	52,375,000	9,835,000
March 10, 2015	3,440,000		(3,440,000)	-	-
May 31, 2016	6,850,000		(3,335,000)	3,515,000	3,515,000
May 30, 2017	5,895,000		(1,870,000)	4,025,000	1,950,000
November 30, 2017	39,490,000			39,490,000	-
June 12, 2018	7,925,000		(2,115,000)	5,810,000	2,210,000
May 2, 2019	26,000,000		(26,000,000)	-	-
September 26, 2019		85,000,000	(100,000)	84,900,000	100,000
May 1, 2020		49,235,000		49,235,000	11,270,000
Total General Obligation Bonds	<u>349,555,000</u>	<u>134,235,000</u>	<u>(127,030,000)</u>	<u>356,760,000</u>	<u>45,160,000</u>
Special Obligation Bonds:					
July 26, 2016	1,244,000		(305,000)	939,000	309,000
June 9, 2020		18,390,000		18,390,000	295,000
Total Special Obligation Bonds	<u>1,244,000</u>	<u>18,390,000</u>	<u>(305,000)</u>	<u>19,329,000</u>	<u>604,000</u>
Unamortized Bond Premiums	25,869,403	21,172,587	(12,402,480)	34,639,510	4,742,903
Accrued Compensated Absences	3,990,603	1,224,131	(354,102)	4,860,632	335,810
Total	\$ <u>380,659,006</u>	<u>175,021,718</u>	<u>(140,091,582)</u>	<u>415,589,142</u>	\$ <u>50,842,713</u>

During the 2019-2020 fiscal year, the School District issued \$85,000,000 in Series 2019 General Obligation Bonds to continue annual projects approved under the 2018 Bond Referendum. The referendum consist of safety upgrades and improvements, facility upgrades and additions and numerous improvements throughout the district. In May of 2020, the District also did a refunding issue, related to defeasance of the

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2009C, 2010C and 2010E (QSCB) series issues. The debt service savings to the School District was \$4,772,788. The economic gain of the savings is \$4,553,250. In addition, Special Obligation Bonds were issued in June of 2020 to fund costs associated with an equipment acquisition on energy saving performance contracts.

**General and Special Obligations**

General and Special obligations primarily consist of obligations related to general obligation bonds as of June 30, 2020. The following table outlines the debt outstanding at June 30, 2020:

Issue	Date of Issue	Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2020
2010A/QSCB <sub>1</sub>	May 25, 2010	.75%-5.20%	May/Nov	2027	\$ 18,235,000	\$ 7,525,000
2010D/QSCB <sub>1</sub>	September 8, 2010	1.00%-5.00%	Mar/Sept	2028	42,625,000	42,620,000
2011B <sub>1</sub>	October 5, 2011	3%-5%	May/Nov	2031	60,000,000	4,275,000
2012B (Refunding) <sub>3</sub>	December 5, 2012	3%-5%	Oct/Apr	2021	28,215,000	1,945,000
2013B <sub>1</sub>	April 25, 2013	2.9%-5%	Nov/May	2033	55,140,000	55,105,000
2014A <sub>2</sub>	April 25, 2013	5.00%	Nov/May	2023	9,430,000	5,940,000
2015A (Refunding) <sub>3</sub>	March 10, 2015	2.000% - 5.000%	Feb/Aug	2023	60,010,000	52,375,000
2016 <sub>2</sub>	May 31, 2015	5.00%	Mar/Sept	2021	10,000,000	3,515,000
2016 ACQ <sub>4</sub>	July 26, 2016	1.118%	Dec	2022	2,100,000	939,000
2017A <sub>2</sub>	May 30, 2017	2.000% - 5.000%	Sept/Mar	2022	10,000,000	4,025,000
2017B (Refunding) <sub>3</sub>	November 30, 2017	2.000% - 5.000%	Mar/Sept	2031	40,880,000	39,490,000
2018A <sub>2</sub>	June 12, 2018	2.000% - 5.000%	Mar/Sept	2023	10,000,000	5,810,000
2019 <sub>5</sub>	September 26, 2019	2.000% - 5.000%	Mar/Sept	2039	85,000,000	84,900,000
2020 (Refunding) <sub>3</sub>	May 1, 2020	5.00%	Mar/Sept	2028	49,235,000	49,235,000
2020 SOB <sub>6</sub>	June 9, 2020	2.000% - 5.000%	Dec/Mar	2035	18,390,000	18,390,000
					<u>\$ 499,260,000</u>	<u>\$ 376,089,000</u>

General obligations at June 30, 2020 consist of primarily general obligation bonds payable, issued under the approved 2008 referendum, the 2018 referendum and several obligations issued under the legal 8% debt limit for technology equipment and recurring facility capital needs. Of these, the Series 2010A and 2010D were issued as Taxable Qualified School Construction Bonds under the provisions of the State of South Carolina Federal Education Tax-Credit Bond Implementation Act of 2009. A refundable tax credit must be applied for each time an interest payment is due for these bonds. These issues provided federal subsidy for future interest payments due each year for the life of the bonds; however, following federal sequestration the District projects a 7-9% reduction to the subsidy for future years.

The remaining outstanding debt issued (2014A, 2016, 2017A and the 2018A issues) were issued under the legal 8% debt limit for technology equipment and facilities recurring capital needs.

1 Issues relate to the November 2008 bond referendum of \$306 million. The referendum and the related issues funded construction of four new elementary schools, a new middle school, a new high school, as well as renovations to existing facilities.

2 Annual issues relate to recurring technology equipment needs and recurring facility capital needs. These issues are allowed under the State of SC constitution, allowing school districts to issue up to 8% of the assessed value in General Obligation Bonds without voter approval.

3 Issues relate to Refunded debt. The 2012A Refunding relates to a partial refunding of 2006A and 2007B original issues. The 2015A Refunding relates to a partial refunding of 2008A and 2009A original issues. The 2017B Refunding relates to a partial refunding of 2011B. The 2020 Refunding relates to defeasance of the 2009C, 2010C and 2010E (QSCB) original issues.

4 Issue relates to an equipment acquisition to purchase solar panels for the new R2i2 facility.

5 Issues relate to the November 2018 Bond Referendum approved for \$468 million, which was approved for construction projects throughout the District, significant safety and security upgrades to all District facilities, renovation and replacement of several existing schools and new facility needs.

6 Issue relates to Special Obligation Bonds for equipment acquisition on energy saving performance contracts.



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The annual requirements to amortize the General Obligation Bonds outstanding at June 30, 2020, including interest payments of \$81,684,259 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 45,764,000	\$ 13,693,995	\$ 59,457,995
2022	47,873,000	11,964,851	59,837,851
2023	43,657,000	9,610,717	53,267,717
2024	18,525,000	7,495,708	26,020,708
2025	17,055,000	6,663,208	23,718,208
2026-2030	123,715,000	22,096,524	145,811,524
2031-2035	53,560,000	8,184,506	61,744,506
2036-2039	25,940,000	1,974,750	27,914,750
Total	<u>\$ 376,089,000</u>	<u>\$ 81,684,259</u>	<u>\$ 457,773,259</u>

The School District has satisfied all sinking fund requirements. There is an annual tax millage, currently 104.0 mills, to repay this General Obligation debt. Details on the Bonds Payable are presented as schedules.

#### Compensated Absences

The School District estimates that the compensated absences amount to be considered as the current portion due within one year to be \$325,914 for the General Fund and \$9,896 for the Food Service Fund.

## **9. EMPLOYEE RETIREMENT**

The District participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors ("PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review.

The PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the System's Pension Trust Funds. The CAFR is publicly available through the Retirement 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 PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

#### **Plan Descriptions**

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

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

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

**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 first 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 beginning with the November 2012 general election have the option to participate in the State ORP, which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and employer contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employer 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 SCRS.

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

**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 on the next page.

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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.

### **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 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 through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 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 board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent.

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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 first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 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		
	2018	2019	2020	2018	2019	2020
Employer Contribution Rate: <sup>A</sup>						
Retirement*	13.41%	14.41%	15.41%	15.84%	16.84%	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>13.56%</u>	<u>14.56%</u>	<u>15.56%</u>	<u>16.24%</u>	<u>17.24%</u>	<u>18.24%</u>
Employee Contribution Rate	<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>A</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.

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

Year Ended June 30,	SCRS Contributions		State ORP Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed	Required	% Contributed
2020	\$ 24,764,149	100%	\$ 2,986,519	100%	\$ 88,701	100%
2019	22,439,956	100%	2,625,975	100%	84,273	100%
2018	21,202,441	100%	2,281,965	100%	88,736	100%
2017	\$ 17,941,197	100%	\$ 1,690,341	100%	\$ 77,814	100%

Eligible payrolls of the District covered under the Plans for the past four years were as follows:

Year Ended June 30,	SCRS Payroll		State ORP Payroll		PORS Payroll		Total Payroll
2020	\$	159,152,632	\$	28,281,434	\$	491,691	\$ 187,925,757
2019		154,101,103		27,450,469		494,559	182,046,130
2018		156,344,741		26,637,893		553,219	183,535,853
2017	\$	162,135,155	\$	27,943,472	\$	554,188	\$ 190,632,815

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**Actuarial Assumptions and Methods**

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

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

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

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

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

Assumptions used in the determination of the June 30, 2019 total pension liability are as follows:

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 rates of return represent assumptions developed using an arithmetical building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

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The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted at the beginning of the 2019 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 total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (Private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Real Return	100.0%		5.41%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.66%

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

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

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	\$ 7,681,749,768	\$ 4,815,808,554	\$ 2,865,941,214	62.7%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement 67 in the System's notes to the financial statements and required supplementary information.

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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, 2020, the School District reported liabilities of \$371,770,218 and \$986,769 for its proportionate share of the SCRS and PORS net pension liability, respectively. The School District's total net pension liability at June 30, 2020 was \$372,756,987. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 projected forward to June 30, 2019. The School District's proportionate share of the net pension liability was calculated on the basis of historical employer contributions to the pension plan relative to historical contributions of all participating employers. As of the June 30, 2019 measurement date, the School District's proportionate share of the SCRS plan was 1.628133%, which was a decrease of 0.036074% from its proportion measured as of June 30, 2018. As of the June 30, 2019 measurement date, the School District's proportionate share of the PORS plan was 0.034431%, which was a decrease of 0.005359% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized pension expense of \$38,838,117 and \$105,006 for SCRS and PORS, respectively, for a total pension expense of \$38,943,123.

**Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b><u>South Carolina Retirement System</u></b>		
Contributions subsequent to the measurement date	\$ 27,750,669	\$ -
Changes in assumptions	7,491,708	
Differences between expected and actual experience	255,556	2,670,731
Net difference between projected and actual earnings on pension plan investments	3,291,408	
Deferred amounts from changes in proportionate share	-	8,224,057
<b>Total SCRS</b>	<b>\$ 38,789,341</b>	<b>\$ 10,894,788</b>
<b><u>Police Officers Retirement System</u></b>		
Contributions subsequent to the measurement date	\$ 88,701	\$
Changes in assumptions	39,130	
Differences between expected and actual experience	20,290	7,293
Net difference between projected and actual earnings on pension plan investments	12,511	
Deferred amounts from changes in proportionate share	34,880	132,471
<b>Total PORS</b>	<b>\$ 195,512</b>	<b>\$ 139,764</b>
<b>Total SCRS and PORS</b>	<b>\$ 38,984,853</b>	<b>\$ 11,034,552</b>

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The \$27,750,669 and \$88,701 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 net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively.

<b>Year Ending June 30,</b>	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
2021	\$ 6,714,176	\$ 16,240	\$ 6,730,416
2022	(6,060,285)	(15,484)	(6,075,769)
2023	(1,723,553)	(30,884)	(1,754,437)
2024	1,213,546	(2,825)	1,210,721
Thereafter	-	-	-
<b>Total</b>	<b>\$ 143,884</b>	<b>\$ (32,953)</b>	<b>\$ 110,931</b>

#### **Discount Rate**

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

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

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

<b>System</b>	<b>1.00% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.00% Increase (8.25%)</b>
SCRS	\$ 468,352,677	\$ 371,770,218	\$ 291,166,559
PORS	\$ 1,337,307	\$ 986,769	\$ 699,591

#### **Pension Plan Fiduciary Net Position**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' 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.

#### **10. OTHER POSTEMPLOYMENT BENEFITS**

As previously discussed, PEBA is a state agency responsible for the administration and management of the State of South Carolina's employee insurance programs, other post-employment benefit trusts and retirement systems and is part of the State of South Carolina primary government. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and OPEB.



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PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the other post-employment benefits trusts (“OPEB Trusts”). This information is publicly available through the PEBA – Insurance Benefits’ link on PEBA’s website at [www.peba.sc.gov](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, OPEB Trusts’ financial information is also included in the comprehensive annual financial report of the State.

**Plan Descriptions**

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

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

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

**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.

**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 non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the years ended June 30, 2020, 2019 and 2018 were 6.25 percent, 6.05 percent and 5.50 percent, respectively. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF.

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Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2020. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

**Actuarial Assumptions and Methods**

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

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

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date: June 30, 2018

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Investment Rate of Return: 2.75%, net of OPEB Plan investment expense; including inflation

Single Discount Rate: 3.13% as of June 30, 2019

Demographic Assumptions: Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015

Mortality: For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.

Health Care Trend Rate: Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years

Retiree Participation: 79% for retirees who are eligible for funded premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums.

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Notes: There were no benefit changes during the year. The discount rate changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019; minor updates were made to the healthcare trend rate assumption.

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date: June 30, 2018

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Investment Rate of Return: 3.00%, net of Plan investment expense; including inflation

Single Discount Rate: 3.04% as of June 30, 2019

Salary, Termination and Retirement Rates: Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015

Disability Incidence: The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans

Disability Recovery: For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years

Offsets: 40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group

Notes: The discount rate changed from 3.91% as of June 30, 2018 to 3.04% as of June 30, 2019.

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

**SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Allocation-Weighted Long-Term Expected Real Rate of Return</b>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash equivalents	20.00%	0.10%	0.02%
<b>Total</b>	<b>100.00%</b>		<b>0.50%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>2.75%</b>
<b>Investment Return Assumption</b>			<b>2.75%</b>

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**SOUTH CAROLINA LONG-TERM DISABILITY INSURANCE TRUST FUND**

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Allocation-Weighted Long-Term Expected Real Rate of Return</b>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash equivalents	20.00%	0.51%	0.10%
<b>Total</b>	100.00%		0.86%
Expected Inflation			2.25%
<b>Total Return</b>			3.11%
<b>Investment Return Assumption</b>			<b>3.00%</b>

**Discount Rate**

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

A Single Discount Rate of 3.04% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.13%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2039. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2039, and the municipal bond rate was applied to all benefit payments after that date.

The following table presents the District's proportionate share of the net OPEB liability of the SCRHITF calculated using a Single Discount Rate of 3.13 percent, as well as what the District's proportionate share of the net OPEB liability of the SCRHITF would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate		
1.00% Decrease (2.13%)	Current Discount Rate (3.13%)	1.00% Increase (4.13%)
\$ 373,141,053	\$ 314,757,407	\$ 267,902,109

Regarding the sensitivity of the District's proportionate share of the net OPEB liability of the SCRHITF to changes in the healthcare cost trend rates, the following table presents the District's proportionate share of the net OPEB liability of the SCRHITF, calculated using the assumed trend rates as well as what the District's proportionate share of the net OPEB liability of the SCRHITF would be using a trend rate that is one percent lower or one percent higher:

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Sensitivity of the SCRHITF Net OPEB Liability to Changes  
in the Healthcare Cost Trend Rates

	Current Healthcare	
1.00% Decrease	Cost Trend Rate	1.00% Increase
\$ 256,875,669	\$ 314,757,407	\$ 390,136,528

The following table presents the District's proportionate share of the net OPEB liability of the SCLTDITF calculated using a Single Discount Rate of 3.04 percent, as well as what the District's proportionate share of the net OPEB liability of the SCLTDITF would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the SCLTDITF Net OPEB Liability to Changes  
in the Discount Rate

1.00% Decrease (2.04%)	Current Discount (3.04%)	1.00% Increase (4.04%)
\$ 53,588	\$ 31,154	\$ 8,899

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

The Net OPEB Liability is calculated separately for each OPEB Trust Fund and represents that particular Trust's total OPEB liability determined in accordance with GASB No. 74 less that Trust's fiduciary net position. Net OPEB liability totals, as of June 30, 2019 measurement date, for the SCRHITF and SCLTDITF are presented in the following table:

System	Total OPEB Liability	Plan Fiduciary Net Position	Employer's Net OPEB Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 16,516,264,617	\$ 1,394,740,049	\$ 15,121,524,568	8.44%
SCLTDITF	\$ 40,743,755	\$ 38,775,500	\$ 1,968,255	95.17%

The total OPEB liability is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information.

At June 30, 2020, the District reported liabilities of \$314,757,407 and \$31,154 for its proportionate share of the net OPEB liabilities for the SCRHITF and SCLTDITF, respectively. The School District's total net OPEB liability at June 30, 2020 was \$314,788,561. The net OPEB liabilities were measured as of June 30, 2019, and the total OPEB liabilities for the OPEB Trusts used to calculate the net OPEB liabilities were determined based on the most recent actuarial valuation report as of July 1, 2018 that was projected forward to the measurement date. The District's proportion of the net OPEB liabilities were based on an allocation of the District's share of payroll-related contributions to the OPEB Trusts relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2019 measurement date, the District's SCRHITF proportion was 2.081519 percent, which was .04675 percent less than its proportion measured as of June 30, 2018. At the June 30, 2019 measurement date, the District's SCLTDITF proportion was 1.582827 percent, which was .031351 percent less than its proportion measured as of June 30, 2018.

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In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. For the year ended June 30, 2019, the District recognized \$2,147,680 and \$0 for the SCRHITF and SCLTDITF, respectively, for a total of \$2,147,680 of revenues from state sources and intergovernmental expenditures in the District's special revenue funds.

For the year ended June 30, 2020, the District recognized OPEB expense of \$15,625,784 and \$129,360 for the SCRHITF and SCLTDITF, respectively, for a total OPEB expense of \$15,755,144. At June 30, 2020, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRHITF</b>		
Differences Between Expected and Actual Experience	\$ 3,706,339	\$ 10,231,311
Changes in Assumptions	20,827,760	19,491,489
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	368,188	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	-	8,429,858
The School District's Contributions Subsequent to the Measurement Date	11,745,360	-
Total SCRHITF	<u>36,647,647</u>	<u>38,152,658</u>
<b>SCLTDITF</b>		
Differences Between Expected and Actual Experience	836	21,679
Changes in Assumptions	17,524	2,776
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	-	5,997
The School District's Contributions Subsequent to the Measurement Date	117,021	-
Total SCLTDITF	<u>135,381</u>	<u>30,452</u>
Total SCRHITF and SCLTDITF	<u>\$ 36,783,028</u>	<u>\$ 38,183,110</u>

\$11,745,360 and \$117,021 that were reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRHITF and SCLTDITF, respectively, will be recognized as a reduction of the net OPEB liabilities in the year ended June 30, 2021.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRHITF and SCLTDITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	SCRHITF	SCLTDITF	Total
2020	\$ (3,336,513)	\$ 1,501	\$ (3,335,012)
2021	(3,336,513)	1,501	(3,335,012)
2022	(3,457,625)	(1,956)	(3,459,581)
2023	(3,649,542)	(6,400)	(3,655,942)
2024	(319,806)	(1,548)	(321,354)
Thereafter	849,628	(5,190)	844,438
Total	<u>\$ (13,250,371)</u>	<u>\$ (12,092)</u>	<u>\$ (13,262,463)</u>

#### 11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2019-2020 fiscal year, the School District obtained its general liability and property insurance through Surry of NC.

The School District has operated a self-insured Workers Compensation program since July 1, 2008. Activity related to the Workers Compensation program is reported in an Internal Service Fund. The School District has also hired a third party administrator to handle claim processing related to the program. The School District has purchased excess workers compensation insurance that covers losses exceeding \$600k per occurrence, with no aggregate requirement. At June 30, 2020, the School District has recognized a liability for claims payable in the Internal Service fund for \$2,601,919 related to estimated future claim payments.

The School District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in coverage during the year ended June 30, 2020.

#### 12. FUND BALANCE CLASSIFICATIONS

The following table summarizes the amounts classified for specific fund balance classifications other than unassigned fund balance, which is only reportable in the General Fund:

Nonspendable:	
<i>Prepaid Items –Special Projects</i>	\$ 80,041
Restricted Fund Balance:	
<i>Restricted for Special Projects</i>	444,724
<i>Restricted for Food Service</i>	5,853,741
<i>Restricted for Debt Service</i>	30,847,692
<i>Restricted for Capital Projects</i>	82,369,117
Unassigned Fund Balance	<u>81,237,751</u>
Total Governmental Fund Balance	<u>\$ 200,833,067</u>

#### 13. CONTINGENT LIABILITIES

##### Litigation

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

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**Grants**

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

**14. TAX ABATEMENTS**

Richland County, South Carolina ("County") has two tax abatement programs which abate Richland School District Two's ("School District") property tax revenues from certain taxpayers. Those programs are the "Fee-in-Lieu of Ad Valorem Property Tax" ("FILOT") program and the "Special Source Revenue Credit" ("SSRC") Program. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina. The purpose of the SSRC program is to enhance economic development by reducing property taxes for taxpayers that use the credit provided under the SSRC program to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the local government or the taxpayer's property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

Additionally, the County uses multicounty industrial or business parks ("MCIP") in connection with the FILOT and SSRC programs which further abate the School District's property tax revenues from certain taxpayers.

For tax year 2019, the gross dollar amount by which the School District's property tax revenues were abated pursuant to tax abatement agreements entered into by the County under each of the programs described above is as follows:

FILOT Program:	\$9,568,744
SSRC Program:	\$570,969 <sup>1</sup>
MCIP:	\$555,691

For tax year 2019, the gross dollar amount of property tax revenues the School District received pursuant to the tax abatement agreements entered into by the County under each of the programs described above is as follows:

FILOT Program:	\$3,565,354
SSRC Program:	\$747,828 <sup>1</sup>
MCIP:	\$3,460,949

<sup>1</sup>The County may combine the FILOT and the SSRC program into one tax abatement agreement. The property tax revenues abated or received under the SSRC program are revenues that are abated or received by the School District through tax abatement agreements utilizing only the SSRC program. Abatements incurred or revenues received by the School District through tax abatement programs utilizing a combination of the FILOT and the SSRC programs are noted in the FILOT program abatements and revenues.

**15. COMMITMENTS**

The School District had capital projects still in process as of June 30, 2020, primarily related to safety and security projects approved in the 2018 Bond Referendum. The School District has entered into contracts for these projects totaling over \$325.0 million, of which approximately \$296.0 million had not been expended as of June 30, 2020.

The School District has entered into operating leases, generally for office machines, which are cancelable within one year. Payments under such leases typically do not exceed \$550k annually. The School District anticipates annual payments to approximate this amount on an on-going basis.



**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**16. SUBSEQUENT EVENTS**

On November 6, 2018, the citizens of Richland County passed a bond referendum approving an amount not to exceed \$468,406,000 for district capital needs. In September of 2020, the second issue under the 2018 referendum was issued in the amount of \$149,995,000. Of the \$468,406,000 approved, \$381,952,000 will be issued for the following purposes:

- Constructing, equipping and furnishing safety and security improvements at all existing School District facilities
- Acquiring new school buses and acquiring and installing safety and security improvements in all new and existing buses
- Constructing, equipping and furnishing replacement schools for Bethel-Hanberry Elementary, Forest Lake Elementary and Center for Knowledge North
- Constructing, equipping and furnishing a replacement school for E.L. Wright Middle, except the three-story existing building that will be improved and renovated
- Constructing, equipping and furnishing renovations, additions and other improvements to academic learning spaces at schools and facilities all across the School District
- Constructing, equipping and furnishing renovations, additions and other improvements to other facilities across the School District
- Acquisition and installation of technology infrastructure improvements
- Costs related to the foregoing, including architectural and engineering fees, costs of removal of existing facilities, cost of land acquisition, if necessary, legal fees, and costs of issuance of the bonds

The other \$86,454,000 will be issued for the purposes of:

- Constructing, equipping and furnishing renovations and additions to athletic facilities at Richland Northeast High and Ridge View High including additions, major renovations, and expansions of football stadiums
- Constructing, equipping and furnishing renovations and additions to other athletic facilities across the School District
- Constructing, equipping and furnishing a new School District Fine Arts Center
- Costs related to the foregoing, including architectural and engineering fees, costs of removal of existing facilities, cost of land acquisition, if necessary, legal fees and costs of issuance of the bonds

The School District has considered subsequent events through the date of the auditors' report, in preparing the financial statements and notes hereto.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**RICHLAND COUNTY SCHOOL DISTRICT TWO**  
**BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
<b>REVENUES:</b>				
Local Property Tax	\$ 107,101,090	\$ 107,101,090	\$ 111,581,413	\$ 4,480,323
Other Local Revenue	1,953,158	1,953,158	2,484,303	531,145
Total Revenue from Local Sources	109,054,248	109,054,248	114,065,716	5,011,468
Intergovernmental Sources	250,000	250,000	213,581	(36,419)
State Sources	182,338,861	182,338,861	180,500,507	(1,838,354)
Federal Sources	250,000	250,000	250,014	14
<b>Total Revenues - All Sources</b>	<u>291,893,109</u>	<u>291,893,109</u>	<u>295,029,818</u>	<u>3,136,709</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	171,976,653	179,527,755	169,053,482	10,474,273
Support Services	127,148,820	121,278,671	114,732,838	6,545,833
Community Services	423,236	410,788	296,501	114,287
Other Charges	1,225,512	1,950,025	1,619,906	330,119
<b>Total Expenditures</b>	<u>300,774,221</u>	<u>303,167,239</u>	<u>285,702,727</u>	<u>17,464,512</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>(8,881,112)</u>	<u>(11,274,130)</u>	<u>9,327,091</u>	<u>20,601,221</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Capital Assets			619	619
Transfers In	9,321,512	9,321,512	9,178,451	(143,061)
Transfers Out	(440,400)	(7,147,382)	(7,147,382)	-
<b>Total Other Financing Sources (Uses)</b>	<u>8,881,112</u>	<u>2,174,130</u>	<u>2,031,688</u>	<u>(142,442)</u>
<b>Excess / (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)</b>	<u>\$ -</u>	<u>\$ (9,100,000)</u>	<u>11,358,779</u>	<u>\$ 20,458,779</u>
Fund Balance, Beginning of Year			<u>69,878,973</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 81,237,752</u>	

*Note: The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.*

**RICHLAND COUNTY SCHOOL DISTRICT TWO**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>South Carolina Retirement System (SCRS)</b>							
Proportionate Share of Net Liability as a Percentage	1.628133%	1.664207%	1.682357%	1.691729%	1.702456%	1.681826%	1.681826%
Proportionate Share of Net Liability as an Amount	371,770,218	372,895,862	378,725,617	361,350,817	322,878,988	289,562,351	289,562,351
Covered Payroll During the Measurement Period	181,551,571	182,982,634	180,793,991	150,233,153	146,596,583	140,953,599	140,953,599
Proportionate Share of the Net Liability as a Percentage of its Covered Payroll	204.77%	203.79%	209.48%	240.53%	220.25%	205.43%	205.43%
System Plan Fiduciary Net Position as a Percentage of the Total System Pension Liability	54.40%	54.11%	53.34%	52.91%	56.99%	59.92%	56.39%
<b>Police Officers Retirement System (PORS)</b>							
Proportionate Share of Net Liability as a Percentage	0.034431%	0.039786%	0.041180%	0.036550%	0.040650%	0.042410%	0.042410%
Proportionate Share of Net Liability as an Amount	986,769	1,127,346	1,128,261	927,208	886,031	812,351	812,351
Covered Payroll During the Measurement Period	494,559	553,219	554,188	506,235	510,602	477,238	477,238
Proportionate Share of the Net Liability as a Percentage of its Covered Payroll	199.53%	203.78%	203.59%	183.16%	173.53%	170.22%	170.22%
System Plan Fiduciary Net Position as a Percentage of the Total System Pension Liability	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%	62.98%

Source: Information obtained from the South Carolina Public Employee Benefit Authority (PEBA) and the district's financial records.

*Note: The amounts presented for each fiscal year were determined as of June 30th of the preceding year. As of June 30, 2020, only seven years of data were available. Additional years' information will be included as it becomes available.*

**RICHLAND COUNTY SCHOOL DISTRICT TWO  
SCHEDULE OF CONTRIBUTIONS TO SCRS AND PORS  
YEAR ENDED JUNE 30, 2020**

**SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)**

	<b>Statutorily Required Contributions</b>	<b>Contributions Recognized by the Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2020	\$ 27,750,669	\$ 27,750,669	\$ -	\$ 187,434,066	14.81%
2019	\$ 25,065,931	\$ 25,065,931	\$ -	\$ 181,551,571	13.81%
2018	\$ 23,484,406	\$ 23,484,406	\$ -	\$ 182,982,634	12.83%
2017	\$ 19,631,538	\$ 19,631,538	\$ -	\$ 180,793,991	10.86%
2016	\$ 18,113,331	\$ 18,113,331	\$ -	\$ 150,233,153	12.06%
2015	\$ 17,378,471	\$ 17,378,471	\$ -	\$ 146,596,583	11.85%
2014	\$ 16,173,481	\$ 16,173,481	\$ -	\$ 140,953,599	11.47%

**POLICE OFFICER RETIREMENT SYSTEM (PORS)**

	<b>Statutorily Required Contributions</b>	<b>Contributions Recognized by the Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2020	\$ 88,701	\$ 88,701	\$ -	\$ 491,691	18.04%
2019	\$ 84,273	\$ 84,273	\$ -	\$ 494,559	17.04%
2018	\$ 88,736	\$ 88,736	\$ -	\$ 553,219	16.04%
2017	\$ 77,814	\$ 77,814	\$ -	\$ 554,188	14.04%
2016	\$ 68,544	\$ 68,544	\$ -	\$ 506,235	13.54%
2015	\$ 67,450	\$ 67,450	\$ -	\$ 510,602	13.21%
2014	\$ 60,322	\$ 60,322	\$ -	\$ 477,238	12.64%

Source: Information obtained from the South Carolina Public Employee Benefit Authority (PEBA) and the district's financial records.

Note: The amounts presented for each fiscal year were determined as of June 30th of the preceding year. As of June 30, 2020, only seven years of data were available. Additional years' information will be included as it becomes available.

**RICHLAND COUNTY SCHOOL DISTRICT TWO**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**YEAR ENDED JUNE 30, 2020**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>South Carolina Retiree Health Insurance Trust Fund (SCRHITF)</b>				
Proportionate Share of Net Liability as a Percentage	2.081519%	2.128269%	2.150499%	2.150499%
Proportionate Share of Net Liability as an Amount	314,757,407	301,588,167	291,281,567	311,147,763
Covered Payroll During the Measurement Period	182,046,130	183,535,853	181,348,179	181,348,179
Proportionate Share of the Net Liability as a Percentage of its Covered Payroll	172.90%	164.32%	160.62%	171.57%
System Plan Fiduciary Net Position as a Percentage of the Total System Pension Liability	7.60%	7.91%	7.60%	7.60%
<b>South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF)</b>				
Proportionate Share of Net Liability as a Percentage	1.582827%	1.614178%	0.411800%	0.036550%
Proportionate Share of Net Liability as an Amount	31,154	49,414	1,128,261	927,208
Covered Payroll During the Measurement Period**	N/A	N/A	N/A	N/A
Proportionate Share of the Net Liability as a Percentage of its Covered Payroll**	N/A	N/A	N/A	N/A
System Plan Fiduciary Net Position as a Percentage of the Total System Pension Liability	95.29%	92.20%	95.29%	95.29%

Source: Information obtained from the South Carolina Public Employee Benefit Authority (PEBA) and the district's financial records.

*Note: The amounts presented for each fiscal year were determined as of June 30th of the preceding year. As of June 30, 2020, only four years of data were available. Additional years' information will be included as it becomes available.*

*\*\* Because contributions for the plan are not based on a measure of pay, covered payroll for the measurement period is not presented.*

**RICHLAND COUNTY SCHOOL DISTRICT TWO  
SCHEDULE OF CONTRIBUTIONS TO SCRHITF AND SCLTDITF  
YEAR ENDED JUNE 30, 2020**

**SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND (SCRHITF)**

	<b>Statutorily Required Contributions</b>	<b>Contributions Recognized by the Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2020	\$ 11,745,360	\$ 11,745,360	\$ -	\$ 187,925,757	6.25%
2019	\$ 11,013,791	\$ 11,013,791	\$ -	\$ 182,046,130	6.05%
2018	\$ 10,094,472	\$ 10,094,472	\$ -	\$ 183,535,853	5.50%
2017	\$ 9,665,858	\$ 9,665,858	\$ -	\$ 181,348,179	5.33%

**SOUTH CAROLINA LONG-TERM DISABILITY INSURANCE TRUST FUND (SCLTDITF)**

	<b>Statutorily Required Contributions</b>	<b>Contributions Recognized by the Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll**</b>	<b>Contributions as a % of Covered Payroll**</b>
2020	\$ 117,021	\$ 117,021	\$ -	N/A	N/A
2019	\$ 125,931	\$ 125,931	\$ -	N/A	N/A
2018	\$ 126,955	\$ 126,955	\$ -	N/A	N/A
2017	\$ 117,150	\$ 117,150	\$ -	N/A	N/A

Source: Information obtained from the South Carolina Public Employee Benefit Authority (PEBA) and the district's financial records.

*Note: The amounts presented for each fiscal year were determined as of June 30th of the preceding year. As of June 30, 2020, only four years of data were available. Additional years' information will be included as it becomes available.*

*\*\* Because contributions for the plan are not based on a measure of pay, covered payroll for the measurement period is not presented.*

## **OTHER SUPPLEMENTAL INFORMATION**

The following schedules are required by the South Carolina Department of Education.



## **SCHEDULE A**

### **GENERAL FUND**

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

The following schedule 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.

**RICHLAND SCHOOL DISTRICT TWO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
REVISED BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
1000 Revenues from Local Sources			
1200 Revenue from Local Governmental Units Other Than LEAs:			
1210 Ad Valorem Taxes - Including Delinquents	\$ 104,688,430	\$ 107,776,390	\$ 3,087,960
1240 Penalties and Interest on Taxes	1,395,439	784,457	(610,982)
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,017,221	3,020,566	2,003,345
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	37,222	42,499	5,277
1350 Tuition from Patrons for Summer School	100,000	84,410	(15,590)
1360 Tuition from Other LEAs for Summer School	125,000	166,050	41,050
1500 Earnings on Investments:			
1510 Interest on Investments	500,000	981,449	481,449
1700 Pupil Activities:			
1740 Student Fees	89,340	83,756	(5,584)
1900 Other Revenue from Local Sources:			
1910 Rentals	406,471	553,691	147,220
1950 Refund of Prior Years Expenditures		24,823	24,823
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds		1,965	1,965
1999 Revenue from Other Local Sources	695,125	545,660	(149,465)
Total Local Sources	<u>109,054,248</u>	<u>114,065,716</u>	<u>5,011,468</u>
2000 Intergovernmental Revenue			
2200 Payments from Public Charter School	250,000	213,581	(36,419)
Total Intergovernmental Revenues	<u>250,000</u>	<u>213,581</u>	<u>(36,419)</u>
3000 Revenue from State Sources			
3130 Special Programs:			
3131 Handicapped Transportation - Bus Driver Aides	18,000	20,325	2,325
3160 School Bus Driver Salary	1,226,968	1,431,592	204,624
3161 EAA Bus Driver Salary and Fringe	4,700	5,084	384
3162 Transportation Workers' Compensation	71,410	71,410	-
3180 Fringe Benefits Employer Contributions	35,193,020	36,216,620	1,023,600
3181 Retiree Insurance	6,875,820	7,822,704	946,884
3186 State Aid Classroom T/S	6,566,186	6,097,945	(468,241)
3300 Education Finance Act			
3310 Full-Time Programs:			
3311 Kindergarten	3,548,088	3,522,823	(25,265)
3312 Primary	11,122,647	10,818,240	(304,407)
3313 Elementary	20,341,806	19,693,337	(648,469)
3314 High School	6,530,703	7,295,078	764,375
3315 Trainable Mentally Handicapped	286,826	231,739	(55,087)
3316 Speech Handicapped (Part-time Program)	3,175,502	3,207,437	31,935
3317 Homebound	23,057	31,667	8,610
3320 Part-Time Programs:			
3321 Emotionally Handicapped	535,717	459,707	(76,010)
3322 Educable Mentally Handicapped	224,418	220,869	(3,549)
3323 Learning Disabilities	6,597,803	6,734,134	136,331
3324 Hearing Handicapped	292,744	259,593	(33,151)
3325 Visually Handicapped	166,850	137,745	(29,105)
3326 Orthopedically Handicapped	63,845	78,663	14,818
3327 Vocational	12,007,936	11,656,352	(351,584)
3300 Other EFA Programs:			
3331 Autism	3,136,109	3,072,520	(63,589)
3332 High Achieving	1,295,895	1,253,734	(42,161)
3334 Limited English Proficiency	570,947	553,911	(17,036)
3351 Academic Assistance	2,865,429	2,747,625	(117,804)
3352 Pupils in Poverty	6,356,900	6,349,321	(7,579)
3353 Dual Credit Enrollment	65,219	63,123	(2,096)

(Continued)

**RICHLAND SCHOOL DISTRICT TWO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**REVISED BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief	\$ 8,759,334	\$ 8,759,334	\$ -
3820 Homestead Exemption	1,894,248	1,894,248	-
3825 Reimbursement for Property Tax Relief - Tier 3	40,728,302	36,658,146	(4,070,156)
3830 Merchant's Inventory Tax	-	378,141	378,141
3840 Manufacturer's Depreciation Reimbursement	-	967,023	967,023
3900 Other State Revenue:			
3993 PEBA on-Behalf	1,792,432	1,790,317	(2,115)
Total State Sources	<u>182,338,861</u>	<u>180,500,507</u>	<u>(1,838,354)</u>
4000 Revenue from Federal Sources			
4100 Federally Impacted Areas			
4110 Maintenance and Operations	250,000	250,014	14
Total Federal Sources	<u>250,000</u>	<u>250,014</u>	<u>14</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<b><u>291,893,109</u></b>	<b><u>295,029,818</u></b>	<b><u>3,136,709</u></b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	6,999,391	6,698,758	300,633
140 Terminal Leave	18,000	9,639	8,361
200 Employee Benefits	2,946,326	2,904,264	42,062
300 Purchased Services	13,262	13,262	-
400 Supplies and Materials	649,884	648,512	1,372
112 Primary Programs:			
100 Salaries	28,657,885	26,642,187	2,015,698
140 Terminal Leave	37,800	72,198	(34,398)
200 Employee Benefits	10,986,146	10,577,143	409,003
300 Purchased Services	166,561	162,317	4,244
400 Supplies and Materials	1,796,396	859,824	936,572
500 Capital Outlay	148	148	-
113 Elementary Programs:			
100 Salaries	36,221,281	34,781,827	1,439,454
140 Terminal Leave	39,900	19,863	20,037
200 Employee Benefits	13,846,588	13,543,608	302,980
300 Purchased Services	364,617	351,177	13,440
400 Supplies and Materials	500,961	390,821	110,140
500 Capital Outlay	17,200	17,005	195
600 Other Objects	1,500	1,083	417
114 High School Programs:			
100 Salaries	27,083,029	26,027,658	1,055,371
140 Terminal Leave	18,400	38,682	(20,282)
200 Employee Benefits	10,034,935	9,838,013	196,922
300 Purchased Services	743,950	507,069	236,881
400 Supplies and Materials	825,265	664,917	160,348
500 Capital Outlay	3,750	3,705	45
600 Other Objects	258	258	-
115 Vocational Programs:			
100 Salaries	2,705,151	2,619,473	85,678
200 Employee Benefits	1,052,172	1,048,519	3,653
300 Purchased Services	24,279	18,807	5,472
400 Supplies and Materials	251,791	219,318	32,473
500 Capital Outlay	4,740	923	3,817
600 Other Objects	380	380	-
116 Career and Technology Education (Vocational Programs) - Middle School			
100 Salaries	222,608	221,371	1,237
200 Employee Benefits	83,226	82,921	305

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
REVISED BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
118 Montessori Programs			
100 Salaries	\$ 994,489	\$ 989,610	\$ 4,879
200 Employee Benefits	428,401	427,791	610
400 Supplies and Materials	21,851	21,845	6
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	1,869,105	1,739,132	129,973
200 Employee Benefits	638,327	630,920	7,407
300 Purchased Services	43,750	39,850	3,900
400 Supplies and Materials	3,500	1,173	2,327
122 Trainable Mentally Handicapped:			
100 Salaries	1,123,754	1,060,250	63,504
200 Employee Benefits	463,610	457,338	6,272
300 Purchased Services	77,600	75,345	2,255
400 Supplies and Materials	3,000	4,989	(1,989)
123 Orthopedically Handicapped:			
100 Salaries	22,200	22,173	27
200 Employee Benefits	14,718	13,567	1,151
300 Purchased Services	4,250	-	4,250
124 Visually Handicapped:			
100 Salaries	31,000	19,713	11,287
200 Employee Benefits	10,900	10,117	783
300 Purchased Services	2,500	1,358	1,142
125 Hearing Handicapped:			
100 Salaries	289,803	270,113	19,690
200 Employee Benefits	107,001	104,626	2,375
300 Purchased Services	22,500	9,298	13,202
126 Speech Handicapped:			
100 Salaries	2,565,892	2,424,238	141,654
200 Employee Benefits	1,018,522	1,007,919	10,603
300 Purchased Services	7,000	2,341	4,659
400 Supplies and Materials	500	208	292
127 Learning Disabilities:			
100 Salaries	7,229,380	6,796,085	433,295
200 Employee Benefits	2,682,062	2,660,983	21,079
300 Purchased Services	16,500	12,853	3,647
400 Supplies and Materials	3,760	3,255	505
128 Emotionally Handicapped:			
100 Salaries	1,182,046	1,092,287	89,759
200 Employee Benefits	472,877	463,788	9,089
300 Purchased Services	101	101	-
400 Supplies and Materials	5,000	1,521	3,479
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	422,423	318,970	103,453
200 Employee Benefits	135,400	119,413	15,987
130 Pre-School Programs:			
133 Preschool Handicapped Self-Contained (5-Yr.-Olds):			
100 Salaries	119,455	66,664	52,791
140 Terminal Leave	2,800	-	2,800
200 Employee Benefits	30,230	27,282	2,948
400 Supplies and Materials	1,000	-	1,000
136 Preschool Handicapped Itinerant(3- and 4-Yr.-Olds):			
100 Salaries	10,290	10,290	-
200 Employee Benefits	3,025	3,012	13
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	825,886	691,258	134,628
200 Employee Benefits	320,742	293,076	27,666
300 Purchased Services	3,000	2,711	289
400 Supplies and Materials	2,000	184	1,816

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
REVISED BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
139 Early Childhood Programs:			
100 Salaries	\$ 377,484	\$ 200,013	\$ 177,471
200 Employee Benefits	53,687	46,413	7,274
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	907,266	826,918	80,348
200 Employee Benefits	363,640	347,558	16,082
300 Purchased Services	25,257	6,878	18,379
400 Supplies and Materials	26,750	5,889	20,861
600 Other Objects	500	193	307
143 Advanced Placement:			
100 Salaries	15,603	10,864	4,739
200 Employee Benefits	4,000	3,037	963
400 Supplies and Materials	7,417	3,646	3,771
144 International Baccalaureate:			
300 Purchased Services	69,847	54,461	15,386
400 Supplies and Materials	5,000	4,424	576
145 Homebound:			
100 Salaries	247,376	163,683	83,693
200 Employee Benefits	77,359	58,866	18,493
300 Purchased Services	122,500	85,866	36,634
400 Supplies and Materials	2,000	851	1,149
148 Gifted and Talented - Artistic:			
100 Salaries	193,439	121,892	71,547
200 Employee Benefits	61,331	41,882	19,449
300 Purchased Services	341,928	84,886	257,042
400 Supplies and Materials	67,000	26,135	40,865
149 Other Special Programs:			
300 Purchased Services	783	783	-
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	2,564,377	2,245,361	319,016
140 Terminal Leave	2,300	7,980	(5,680)
200 Employee Benefits	1,008,295	972,976	35,319
400 Supplies and Materials	2,000	839	1,161
162 Limited English Proficiency			
100 Salaries	1,895,861	1,573,770	322,091
200 Employee Benefits	637,595	609,546	28,049
170 Summer School Programs:			
172 Elementary Summer School:			
200 Employee Benefits	1,232	1,152	80
300 Purchased Services	20,000	-	20,000
173 High School Summer School:			
100 Salaries	34,340	23,950	10,390
200 Employee Benefits	8,772	7,149	1,623
400 Supplies and Materials	2,084	2,084	-
175 Instructional Programs Beyond Regular School Days:			
100 Salaries	464,590	366,299	98,291
200 Employee Benefits	122,827	107,517	15,310
300 Purchased Services	5,076	5,076	-
400 Supplies and Materials	335	335	-
180 Adult/Continuing Educational Programs:			
182 Adult Secondary Education Programs:			
100 Salaries	109,125	91,680	17,445
200 Employee Benefits	36,553	36,048	505
188 Parenting/Family Literacy:			
100 Salaries	13,000	13,000	-
200 Employee Benefits	995	995	-
400 Supplies and Materials	8,700	6	8,694

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
REVISED BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
190 Instructional Pupil Activity			
100 Salaries	\$ 63,300	\$ 4,500	\$ 58,800
200 Employee Benefits	2,400	883	1,517
600 Other Objects	3,901	3,901	-
Total Instruction	<u>179,527,755</u>	<u>169,053,482</u>	<u>10,474,273</u>
200 Supporting Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	2,090,301	1,942,080	148,221
140 Terminal Leave	500	-	500
200 Employee Benefits	815,784	804,512	11,272
300 Purchased Services	24,243	24,212	31
400 Supplies and Materials	2,790	2,790	-
212 Guidance Services:			
100 Salaries	5,420,479	5,256,990	163,489
140 Terminal Leave	700	219	481
200 Employee Benefits	2,052,692	2,027,185	25,507
300 Purchased Services	13,794	13,555	239
400 Supplies and Materials	54,296	27,861	26,435
213 Health Services:			
100 Salaries	1,728,937	1,499,059	229,878
200 Employee Benefits	831,369	815,376	15,993
300 Purchased Services	93,726	73,121	20,605
400 Supplies and Materials	41,049	37,552	3,497
214 Psychological Services:			
100 Salaries	2,481,782	2,141,498	340,284
200 Employee Benefits	808,361	797,212	11,149
300 Purchased Services	18,950	12,608	6,342
400 Supplies and Materials	2,500	-	2,500
215 Exceptional Program Services:			
100 Salaries	156,510	104,513	51,997
200 Employee Benefits	29,959	28,126	1,833
300 Purchased Services	24,000	4,147	19,853
400 Supplies and Materials	2,243	2,243	-
217 Career Specialist Services:			
100 Salaries	96,465	27,665	68,800
200 Employee Benefits	2,166	2,116	50
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	2,813,858	2,112,390	701,468
140 Terminal Leave	7,600	-	7,600
200 Employee Benefits	937,437	676,451	260,986
300 Purchased Services	558,303	342,455	215,848
400 Supplies and Materials	90,556	67,916	22,640
600 Other Objects	87,123	87,023	100
222 Library and Media Services:			
100 Salaries	2,981,933	2,769,670	212,263
140 Terminal Leave	500	-	500
200 Employee Benefits	1,186,685	1,161,910	24,775
300 Purchased Services	74,234	61,544	12,690
400 Supplies and Materials	799,313	634,414	164,899
223 Supervision of Special Programs:			
100 Salaries	2,667,604	2,349,929	317,675
140 Terminal Leave	8,300	16,650	(8,350)
200 Employee Benefits	932,384	893,751	38,633
300 Purchased Services	509,587	299,596	209,991
400 Supplies and Materials	99,712	58,516	41,196
600 Other Objects	18,473	14,314	4,159

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
REVISED BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	\$ 175,706	\$ 149,378	\$ 26,328
200 Employee Benefits	46,478	44,328	2,150
300 Purchased Services	769,308	676,711	92,597
400 Supplies and Materials	163,089	65,987	97,102
230 General Administration Services:			
231 Board of Education:			
100 Salaries	236,622	117,399	119,223
140 Terminal Leave	-	1,922	(1,922)
200 Employee Benefits	45,945	34,934	11,011
300 Purchased Services	101,200	50,636	50,564
318 Audit services	42,000	38,500	3,500
400 Supplies and Materials	19,500	13,828	5,672
600 Other Objects	60,500	100,980	(40,480)
232 Office of the Superintendent:			
100 Salaries	995,191	979,288	15,903
140 Terminal Leave	-	11,721	(11,721)
200 Employee Benefits	572,242	569,849	2,393
300 Purchased Services	463,715	345,390	118,325
400 Supplies and Materials	33,800	25,354	8,446
600 Other Objects	78,510	69,083	9,427
233 School Administration:			
100 Salaries	19,646,268	18,783,481	862,787
140 Terminal Leave	49,000	50,141	(1,141)
200 Employee Benefits	7,499,015	7,373,407	125,608
300 Purchased Services	871,851	794,443	77,408
400 Supplies and Materials	587,406	573,884	13,522
500 Capital Outlay	41,223	40,719	504
600 Other Objects	10,207	7,959	2,248
250 Finance and Operations Services:			
251 Pupil Transportation-Federally Mandated:			
100 Salaries	349,800	202,527	147,273
200 Employee Benefits	60,234	40,154	20,080
300 Purchased Services	215,389	63,965	151,424
252 Fiscal Services:			
100 Salaries	1,545,713	1,520,453	25,260
140 Terminal Leave	15,100	9,973	5,127
180 Head of Organizational Unit Salaries	177,300	172,176	5,124
200 Employee Benefits	654,768	604,428	50,340
280 Head of Organizational Unit Employee Benefits	55,500	56,025	(525)
300 Purchased Services	53,400	50,663	2,737
380 Head of Organizational Unit Travel	4,000	4,432	(432)
400 Supplies and Materials	40,907	39,162	1,745
480 Head of Organizational Unit Supplies	100	46	54
600 Other Objects	116,700	116,363	337
254 Operation and Maintenance of Plant:			
100 Salaries	3,835,798	3,576,195	259,603
140 Terminal Leave	21,000	21,350	(350)
200 Employee Benefits	1,494,734	1,450,431	44,303
300 Purchased Services	10,939,000	11,706,940	(767,940)
321 Public utilities (exclude gas, oil, elec. & heating fuels)	1,760,000	1,559,574	200,426
400 Supplies and Materials	1,757,554	1,280,029	477,525
470 Energy (include gas, oil, elec. & heating fuels)	9,023,948	7,065,843	1,958,105
500 Capital Outlay	21,000	-	21,000
600 Other Objects	240,771	190,363	50,408

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
REVISED BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
255 Student Transportation:			
100 Salaries	\$ 6,467,733	\$ 5,817,470	\$ 650,263
140 Terminal Leave	4,100	6,118	(2,018)
200 Employee Benefits	2,428,255	2,245,969	182,286
300 Purchased Services	137,350	94,125	43,225
400 Supplies and Materials	140,704	140,158	546
500 Capital Outlay	81,296	81,296	-
256 Food Service:			
100 Salaries	52,638	48,358	4,280
200 Employee Benefits	3,848	3,699	149
258 Security:			
100 Salaries	2,336,363	2,161,338	175,025
140 Terminal Leave	4,100	24,642	(20,542)
200 Employee Benefits	797,707	752,698	45,009
300 Purchased Services	1,455,800	1,579,441	(123,641)
400 Supplies and Materials	65,000	39,432	25,568
500 Capital Outlay	-	149,410	(149,410)
260 Central Support Services:			
262 Planning, Research, Development & Evaluation:			
100 Salaries	926,598	897,543	29,055
140 Terminal Leave	3,300	-	3,300
200 Employee Benefits	327,948	323,410	4,538
300 Purchased Services	260,523	215,625	44,898
400 Supplies and Materials	27,293	20,218	7,075
600 Other Objects	1,868	591	1,277
263 Information Services:			
100 Salaries	824,256	790,427	33,829
140 Terminal Leave	3,000	4,925	(1,925)
180 Head of Organizational Unit Salaries	137,500	133,529	3,971
200 Employee Benefits	354,880	307,270	47,610
280 Head of Organizational Unit Employee Benefits	43,800	44,061	(261)
300 Purchased Services	214,805	106,109	108,696
380 Head of Organizational Unit Travel	2,000	2,762	(762)
400 Supplies and Materials	65,675	56,887	8,788
500 Capital Outlay	6,000	381	5,619
600 Other Objects	1,695	1,695	-
264 Staff Services:			
100 Salaries	1,332,791	1,257,742	75,049
140 Terminal Leave	1,600	30,880	(29,280)
180 Head of Organizational Unit Salaries	150,400	146,089	4,311
200 Employee Benefits	579,989	509,869	70,120
280 Head of Organizational Unit Employee Benefits	43,700	43,921	(221)
300 Purchased Services	327,224	186,148	141,076
380 Head of Organizational Unit Travel	7,100	775	6,325
400 Supplies and Materials	82,597	47,830	34,767
600 Other Objects	2,500	2,270	230
266 Technology and Data Processing Services:			
100 Salaries	2,895,324	2,757,768	137,556
140 Terminal Leave	10,700	2,214	8,486
180 Head of Organizational Unit Salaries	150,400	146,089	4,311
200 Employee Benefits	1,200,770	1,106,485	94,285
280 Head of Organizational Unit Employee Benefits	41,100	52,009	(10,909)
300 Purchased Services	211,197	3,064,734	(2,853,537)
380 Head of Organizational Unit Travel	7,000	3,347	3,653
400 Supplies and Materials	165,000	263,917	(98,917)
600 Other Objects	1,200	97	1,103

(Continued)



**RICHLAND SCHOOL DISTRICT TWO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
REVISED BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	REVISED BUDGET	ACTUAL	VARIANCE
270 Support Services - Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	\$ 829,935	\$ 742,935	\$ 87,000
200 Employee Benefits	277,955	223,074	54,881
300 Purchased Services	257,841	243,889	13,952
400 Supplies and Materials	60,000	1,963	58,037
600 Other Objects	7,623	7,623	-
Total Supporting Services	121,278,671	114,732,838	6,545,833
300 Community Service:			
390 Other Community Services			
100 Salaries	180,401	89,401	91,000
200 Employee Benefits	44,985	31,036	13,949
300 Purchased Services	112,353	111,536	817
400 Supplies and Materials	60,949	60,879	70
500 Capital Outlays	12,000	3,600	8,400
600 Other Objects	100	49	51
Total Community Service	410,788	296,501	114,287
400 Other Charges:			
410 Intergovernmental Expenditures			
412-720 Payments to Other Governmental Units	724,513	724,513	-
416-720 Payments to Public Charter Schools	1,225,512	895,393	330,119
Total Intergovernmental Expenditures	1,950,025	1,619,906	330,119
<b>TOTAL EXPENDITURES</b>	<b>303,167,239</b>	<b>285,702,727</b>	<b>17,464,512</b>
<b>OTHER FINANCING SOURCES</b>			
5300 Sale of Capital Assets	-	619	619
<b>Interfund Transfers, From (To) Other Funds:</b>			
5230 Transfer from Special Revenue EIA Fund	8,421,512	8,453,205	31,693
5280 Transfer from Other Funds Indirect Costs	900,000	725,246	(174,754)
421-710 Transfer to Special Revenue Fund	(450,200)	(450,200)	-
423-710 Transfer to Debt Service Fund	(319,778)	(319,778)	-
424-710 Transfer to Building Fund	(3,500,000)	(3,500,000)	-
425-710 Transfer to Food Service Fund	(377,404)	(377,404)	-
427-710 Transfer to Internal Service Fund	(2,500,000)	(2,500,000)	-
Total Other Financing Sources (Uses)	2,174,130	2,031,688	(142,442)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(9,100,000)</b>	<b>11,358,779</b>	<b>20,458,779</b>
FUND BALANCE, Beginning of Year	69,878,973	69,878,973	-
<b>FUND BALANCE, End of Year</b>	<b>\$ 60,778,973</b>	<b>\$ 81,237,752</b>	<b>\$ 20,458,779</b>

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

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## **SCHEDULE B**

### **SPECIAL REVENUE FUNDS**

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

During 1984, the state legislature passed the Education Improvement Act (EIA) to upgrade the quality of education in South Carolina. Because of the categorical nature of the revenue, the state requires that revenues and expenditures be accounted for in separate funds. Accordingly, the EIA funds are reported as Special Revenue funds in the districts financial statements.

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

The Food Service Fund records the operation and maintenance of the food service fund operations. The fund's purpose is to provide balanced nutritional meals to School District students, some of which are free and reduced meals under the United States Department of Agriculture school breakfast and lunch programs.

The following Special Revenue Fund schedules 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>REVENUES</b>								
1000 Revenue from Local Sources								
1300 Tuition								
1350 Tuition from Patrons for Summer School	\$	\$	\$	\$	\$	\$	49,164	\$ 49,164
1700 Pupil Activities								
1710 Admissions							344,271	344,271
1790 Other							348,578	348,578
1900 Other Revenue from Local Sources:								
1920 Contributions and Donations from Private Sources							100,019	100,019
1955 Medicaid Reimbursement							685,692	685,692
1990 Miscellaneous Local Revenue								
1999 Revenue from Other Local Sources							404,111	404,111
Total Local Sources	-	-	-	-	-	-	1,931,835	1,931,835
3000 Revenue from State Sources								
3110 Occupational Education:								
3118 EEDA Career Specialists						1,478,244	-	1,478,244
3120 General Education:								
3127 Student Health and Fitness						151,207	-	151,207
3130 Special Programs:								
3136 Student Health and Fitness-Nurses						579,499	-	579,499
3150 Adult Education:								
3155 DSS SNAP & Employment and Training (E&T) Program						163	-	163
3156 Adult Education						60,617	-	60,617
3600 Education Lottery Act Revenue:								
3670 School Safety - Facility and Infrastructure Safety Upgrades						109,025	-	109,025
3699 Other State Lottery Programs							2,581	2,581
3900 Other State Revenue:								
3994 PEBA Nonemployer Contributions						2,147,680	-	2,147,680
3999 Revenue from Other State Sources							73,441	73,441
Total State Sources	-	-	-	-	-	4,526,435	76,022	4,602,457
4000 Revenue from Federal Sources								
4200 Occupational Education:								
4210 Perkins Aid, Title I				292,567			-	292,567
4300 Elementary and Secondary Education Act of 1965 (ESEA):								
4310 Title I, Basic State Grant Programs	4,585,202						266,637	4,851,839
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III (Carryover Provision)							62,571	62,571
4343 McKinney-Vento							128,914	128,914
4351 Supporting Effective Instruction							592,427	592,427
4400 Adult Education:								
4410 Basic Adult Education					135,752		-	135,752
4500 Programs for Children with Disabilities:								
4510 Individuals with Disabilities Education Act (IDEA) (Carry-Over Provision)		4,286,738					-	4,286,738
4520 Pre-School Grants (Carry-Over Provision)			225,556				-	225,556
4560-IDEA - SSIP							126,062	126,062

(Continued)

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
4900 Other Federal Sources:								
4924 21st Century Community Learning Center (Title IV, 21st Century Schools)	\$	\$	\$	\$	\$	\$	1,074,937	\$ 1,074,937
4997 Title IV SSAE							326,813	326,813
4999 Revenue from Other Federal Sources							6,154,303	6,154,303
Total Federal Sources	4,585,202	4,286,738	225,556	292,567	135,752	-	8,732,664	18,258,479
<b>TOTAL REVENUES ALL SOURCES</b>	<b>4,585,202</b>	<b>4,286,738</b>	<b>225,556</b>	<b>292,567</b>	<b>135,752</b>	<b>4,526,435</b>	<b>10,740,521</b>	<b>24,792,771</b>
<b>EXPENDITURES</b>								
100 Instruction								
110 General Instruction								
111 Kindergarten Programs:								
100 Salaries							21,162	21,162
200 Employee Benefits							6,155	6,155
112 Primary Programs:								
100 Salaries	540,805					110,065	55,675	706,545
200 Employee Benefits	246,250					41,143	18,587	305,980
300 Purchased Services	64,143						83,780	147,923
400 Supplies and Materials	139,267						387,608	526,875
500 Capital Outlay							11,392	11,392
113 Elementary Programs:								
100 Salaries	18,311						-	18,311
200 Employee Benefits	5,461						-	5,461
300 Purchased Services							63,004	63,004
400 Supplies and Materials	1,578						30,702	32,280
114 High School Programs:								
100 Salaries							249,322	249,322
200 Employee Benefits							74,242	74,242
300 Purchased Services							118,180	118,180
400 Supplies and Materials							75,829	75,829
115 Career & Technology Education Programs:								
100 Salaries					2,899		45,256	48,155
200 Employee Benefits					841		3,071	3,912
300 Purchased Services					88,185		120	88,305
400 Supplies and Materials					54,033		24,252	78,285
116 Career & Technology Education - Middle School Programs:								
400 Supplies and Materials							8,370	8,370
120 Exceptional Programs								
121 Educable Mentally Handicapped:								
100 Salaries		203,779					12	203,791
200 Employee Benefits		92,812					-	92,812
300 Purchased Services							102	102
122 Trainable Mentally Handicapped:								
100 Salaries		159,376					-	159,376
200 Employee Benefits		50,872					-	50,872
125 Hearing Handicapped:								
100 Salaries		67,976					-	67,976
200 Employee Benefits		29,504					-	29,504

(Continued)

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
126 Speech Handicapped:								
100 Salaries	\$	\$ 78,206	\$	\$	\$	\$	-	\$ 78,206
200 Employee Benefits		34,281					-	34,281
127 Learning Disabilities:								
100 Salaries		302,380					165,391	467,771
200 Employee Benefits		123,023					50,957	173,980
128 Emotionally Handicapped:								
100 Salaries		57,002					-	57,002
200 Employee Benefits		23,251					-	23,251
129 Coordinated Early Intervening Services (CEIS)								
100 Salaries		59,880					-	59,880
200 Employee Benefits		34,650					-	34,650
130 Pre-School Programs								
133 Preschool Handicapped Self-Contained (5 Yr. Olds)								
100 Salaries		4,167	79,049				-	83,216
200 Employee Benefits		1,228	30,848				-	32,076
400 Supplies and Materials			17,175				-	17,175
137 Pre-School Handicapped Self-Contained (3 & 4 Yr. Olds):								
100 Salaries		268	52,354				-	52,622
200 Employee Benefits		79	22,740				-	22,819
400 Supplies and Materials			12,686				-	12,686
139 Early Childhood Programs								
100 Salaries	1,628,677						-	1,628,677
200 Employee Benefits	757,183						-	757,183
300 Purchased Services	5,202						-	5,202
400 Supplies and Materials	54,796						-	54,796
140 Special Programs								
141 Gifted & Talented - Academic								
300 Purchased Services							5,000	5,000
149 Other Special Programs								
100 Salaries		4,947					-	4,947
200 Employee Benefits		1,457					-	1,457
300 Purchased Services							12,991	12,991
160 Other Exceptional Programs								
161 Autism:								
100 Salaries		86,809					-	86,809
200 Employee Benefits		43,206					-	43,206
400 Supplies and Materials			528				-	528
162 Limited English Proficiency:								
400 Supplies and Materials							33,521	33,521
170 Summer School Programs								
171 Primary Summer School								
100 Salaries	11,415						6,480	17,895
200 Employee Benefits	3,334						1,873	5,207

(Continued)

RICHLAND SCHOOL DISTRICT TWO  
 SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2020

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
172 Elementary Summer School								
100 Salaries	\$	\$	\$	\$	\$	\$	147,910	\$ 147,910
200 Employee Benefits							40,286	40,286
300 Purchased Services	950						15,900	16,850
400 Supplies and Materials							8,581	8,581
173 High School Summer School								
100 Salaries							11,430	11,430
200 Employee Benefits							3,344	3,344
400 Supplies and Materials							22,356	22,356
175 Instructional Programs Beyond Regular School Days								
100 Salaries							428,440	428,440
200 Employee Benefits							127,026	127,026
300 Purchased Services							156,320	156,320
400 Supplies and Materials							154,238	154,238
180 Adult/Continuing Education Programs								
182 Adult Secondary Education Programs:								
100 Salaries					86,245	3,470	2,531	92,246
200 Employee Benefits					22,968	1,022	738	24,728
300 Purchased Services						56,124	48,060	104,184
400 Supplies and Materials						163	513	676
183 Adult English Literacy (ESL):								
100 Salaries					21,639		-	21,639
200 Employee Benefits					4,900		-	4,900
188 Parenting/Family Literacy:								
100 Salaries	328,562						-	328,562
200 Employee Benefits	144,862						-	144,862
300 Purchased Services	5,109						-	5,109
400 Supplies and Materials	10,712						2,568	13,280
190 Instructional Pupil Activity:								
300 Purchased Services							1,508	1,508
Total Instruction	3,966,617	1,459,153	215,380	145,958	135,752	211,987	2,724,783	8,859,630
200 Support Services								
210 Pupil Services								
211 Attendance and Social Work Services								
100 Salaries							1,642	1,642
200 Employee Benefits							510	510
300 Purchased Services							26,979	26,979
400 Supplies and Materials							23,581	23,581
212 Guidance Services:								
100 Salaries				2,593			341,890	344,483
200 Employee Benefits				752			139,464	140,216
300 Purchased Services				13,219			2,043	15,262
400 Supplies and Materials							1,796	1,796
213 Health Services:								
100 Salaries						513,110	3,999	517,109
200 Employee Benefits						66,389	1,176	67,565
300 Purchased Services							96,897	96,897
400 Supplies and Materials							5,821	5,821

(Continued)

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
214 Psychological Services:								
100 Salaries	\$	\$ 269,210	\$	\$	\$	\$	\$ -	\$ 269,210
200 Employee Benefits		110,745					-	110,745
215 Exceptional Program Services:								
100 Salaries		637,495					-	637,495
200 Employee Benefits		236,209					-	236,209
217 Career Specialist Services:								
100 Salaries						1,000,260	-	1,000,260
200 Employee Benefits						477,984	-	477,984
400 Supplies and Materials							101	101
220 Instructional Staff Services								
221 Improvement of Instruction - Curriculum Development:								
100 Salaries	69,031						301,987	371,018
200 Employee Benefits	29,128						123,082	152,210
400 Supplies and Materials							80	80
222 Library and Media:								
400 Supplies and Materials							37,485	37,485
223 Supervision of Special Programs:								
100 Salaries	146,712	248,454					730,178	1,125,344
200 Employee Benefits	59,934	90,152					273,263	423,349
300 Purchased Services	23,476			21,562			778,217	823,255
400 Supplies and Materials	4,339			5894			306,831	317,064
500 Capital Outlays							42,288	42,288
600 Other Objects							18,149	18,149
224 Improvement of Instruction-In-service and Staff Training:								
100 Salaries	2,400						142,093	144,493
200 Employee Benefits	44						50,200	50,244
300 Purchased Services	89,746			102,233			658,556	850,535
400 Supplies and Materials	2,517			356			46,786	49,659
230 Support Services General Administration:								
233 School Administration								
300 Purchased Services							1,240	1,240
400 Supplies and Materials							680	680
250 Finance and Operations Services								
251 Student Transportation (Federal/District Mandated):								
100 Salaries		676,300					-	676,300
200 Employee Benefits		351,000					-	351,000
300 Purchased Services	24,396						446,349	470,745
254 Operations and Maintenance of Plant:								
400 Supplies and Materials							4,021	4,021
255 Student Transportation (state mandated)								
300 Purchased Services							266,828	266,828
400 Supplies and Materials							76,420	76,420
500 Capital Outlay							5,330	5,330
256 School Food Service								
300 Purchased Services							15,000	15,000
258 Security:								
300 Purchased Services						8,587	1,821	10,408
500 Capital Outlays						100,438	-	100,438

(Continued)



RICHLAND SCHOOL DISTRICT TWO  
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
260 Central Support Services								
264 Staff Services								
100 Salaries	\$	\$	\$	\$	\$	\$	28,782	\$ 28,782
200 Employee Benefits							12,111	12,111
266 Technology and Data Processing Services								
300 Purchased Services							156,344	156,344
270 Support Services Pupil Activity								
271 Pupil Service Activities:								
100 Salaries							21,874	21,874
200 Employee Benefits							6,350	6,350
300 Purchased Services							296,440	296,440
400 Supplies and Materials							303,917	303,917
600 Other Objects	51,808						150,457	202,265
Total Support Services	503,531	2,619,565	-	146,609	-	2,166,768	5,949,058	11,385,531
300 Community Services								
360 Welfare Services								
300 Purchased Services							16,839	16,839
400 Supplies and Materials	6,370						33,993	40,363
370 Non-Public School Services:								
300 Purchased Services							8,678	8,678
390 Other Community Services								
300 Purchased Services							887	887
400 Supplies and Materials							1,112	1,112
Total Community Services	6,370	-	-	-	-	-	61,509	67,879
410 Intergovernmental Expenditures								
412 Payments to Other Governmental Units								
720 Transits							1,502,687	1,502,687
414 Medicaid Payments to SCDE								
720 Transits							180,518	180,518
416 Payments to Public Charter Schools								
720 Transits		27,746					-	27,746
419 Payments from PEBA Nonemployer Contributions								
720 Transits						2,147,680	-	2,147,680
Total Intergovernmental Expenditures	-	27,746	-	-	-	2,147,680	1,683,205	3,858,631
TOTAL EXPENDITURES	4,476,518	4,106,464	215,380	292,567	135,752	4,526,435	10,418,555	24,171,671

(Continued)

RICHLAND SCHOOL DISTRICT TWO  
 SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2020

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>OTHER FINANCING SOURCES (USES)</b>								
<b>Interfund Transfer, From (To) Other funds</b>								
5210 Transfer from General Fund (Exclude Indirect Costs)	\$	\$	\$	\$	\$	\$	450,200	\$ 450,200
425-710 Transfer to Food Service Program							(15,129)	(15,129)
426-710 Transfer to Pupil Activity Funds							(9,306)	(9,306)
431-791 Special Revenue Fund Indirect Costs	(108,684)	(180,274)	(10,176)				(240,282)	(539,416)
Total Other Financing Sources (Uses)	<u>(108,684)</u>	<u>(180,274)</u>	<u>(10,176)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,483</u>	<u>(113,651)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	-	-	-	-	-	-	507,449	507,449
FUND BALANCES, Beginning of Year	-	-	-	-		15,951	1,365	17,316
<b>FUND BALANCES, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,951</u>	<u>\$ 508,814</u>	<u>\$ 524,765</u>

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

**RICHLAND COUNTY SCHOOL DISTRICT TWO**  
**NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**SPECIAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**\* Other Restricted State Grants**

928 EEDA Career Specialist  
 936 Student Health and Fitness - Nurses  
 937 Student Health and Fitness - PE Teachers  
 955 DSS SNAP & E&T Program  
 956 Adult Education  
 970 School Safety - Facility/Infrast. Safety Upgrades  
 994 PEBA Nonemployer Contributions

**\* Other Special Revenue Programs**

209 State Systemic Improvement Plan  
 210 Title IV  
 224 21st Century Grant  
 232 McKinney Vento Education for Homeless  
 237 Title I Focus  
 238 Title I Support  
 264 Language Inst.for Ltd English Proficient, Title III  
 267 Title II - Supporting Effective Instruction  
 269 Clemson/Agricultural  
 272 Donations  
 273 Department of Defense Grant # 3  
 274 Youth Risk Behavior Surveys  
 275 Department of Defense Grant # 6  
 276 Capturing Kids Hearts  
 277 Gear Up (2015 Award)  
 278 Magnet School Assistance (2017 Award)  
 279 Gear Up 2018 (Central Carolina)  
 282 Junior League of Columbia  
 286 Department of Defense Grant #4  
 288 Transportation  
 292 ROTC  
 293 Workforce Innovation  
 294 Department of Defense Grant #5  
 296 National Institute of Health  
 299 Medicaid  
 801 Cornell Lab of Ornithology  
 805 United Way Summer Reading  
 807 Virtual High School  
 808 Ecybermission Mini Grant  
 809 No Kid Hungry  
 810 Richland County Conservation  
 811 Columbia Chapter of Links, Inc.  
 812 NFL Foundation  
 814 Laptop Computer Insurance  
 815 Annie's Grants For Gardens  
 816 ING Unsung Hero Grant  
 819 Whole Kids Foundation  
 823 Southern Regional Education Board

824 Wellness-Palmetto Health  
 825 Sisters of Charity Foundation  
 826 DHEC Recycling Mini Grant  
 827 Sparkleberry Fair  
 828 US Dept of Labor - CAT Grant  
 829 The Whole Child  
 830 Sadie Rogers  
 831 International Paper Foundation  
 833 Ezra Jack Keats Foundation  
 834 PTO Grants  
 835 GraceLife Church Grant  
 837 Society for Science  
 840 Francis Marion Prep Teachers of Poverty Students  
 842 State Farm Southern Zone YAB  
 845 Budding Botanist  
 850 Department of Social Services Food Program  
 851 United Way - Parenting Teen Partnership  
 853 SC Art Education Association  
 855 SC Arts Commission Grants  
 858 Rotary Club of Forest Acres Grant  
 859 SC Council for Exceptional Children  
 860 RSD2 Foundation Drug Free  
 861 Sodexo Grant  
 862 Summer School  
 865 Technical Assistance Network  
 868 Walmart Foundation Grant  
 869 Athletics Spring Valley High School  
 871 Teaching Tolerance Educator Grant  
 875 Blue Cross Blue Shield of SC  
 877 Innovate to Accelerate Language Learning  
 879 Athletics Richland Northeast High School  
 884 Athletics Ridge View High School  
 892 Athletics Blythewood High School  
 894 Athletics Westwood High School  
 969 Misc - Adult Education

**RICHLAND SCHOOL DISTRICT TWO  
SPECIAL REVENUE FUNDS  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
928	3118	EEDA Career Specialists	1,478,244	1,478,244
936	3136	Student Health and Fitness - Nurses	579,499	579,499
937	3127	Student Health and Fitness - PE Teachers	151,207	151,207
955	3155	DSS SNAP & E&T Program	163	163
956	3156	Adult Education	60,617	60,617
970	3670	Safety Upgrades	109,025	109,025
994	3994	PEBA Nonemployer Contributions	2,147,680	2,147,680
		Totals	\$ <u>4,526,435</u>	\$ <u>4,526,435</u>

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**REVENUES**

3000 Revenue from State Sources	
3500 Education Improvement Act:	
3502 ADEPT	\$ 14,518
3507 Aid to Districts - Technology	392,189
3509 Arts in Education	55,697
3518 Adoption List of Formative Assessments	265,115
3526 Refurbishment of Science Kits	75,197
3528 Industry Certifications/Credentials	74,945
3529 Career & Technical Education	722,683
3532 National Board Salary Supplement	3,366,284
3533 Teacher of the Year Awards	1,076
3535 Reading Coaches	1,294,200
3538 Students at Risk of School Failure	3,670,991
3540 Early Childhood Program (4K Programs Serving 4 yr. olds)	1,060,589
3550 Teacher Salary Increase	6,734,993
3555 Teacher Salary Fringe	1,718,212
3556 Adult Education	441,964
3557 Summer Reading Program	211,524
3571 CSI and Priority Schools	318,582
3577 Teacher Supplies	570,075
3594 EEDA Supplemental Programs	215,655
3595 EEDA Supplies and Materials	29,457
3597 Aid to Districts	1,475,246
3599 Other EIA	118,678
Total State Sources	<u>22,827,870</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<b><u>22,827,870</u></b>

**EXPENDITURES****100 Instruction:**

110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	96,711
200 Employee Benefits	28,168
400 Supplies and Materials	24,750
112 Primary Programs:	
100 Salaries	1,391,358
200 Employee Benefits	546,096
300 Purchased Services	159,540
400 Supplies and Materials	265,920
113 Elementary Programs:	
100 Salaries	923,027
200 Employee Benefits	304,480
300 Purchased Services	19,505
400 Supplies and Materials	274,846

(Continued)

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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114 High School Programs:		
100 Salaries	\$	1,074,572
200 Employee Benefits		352,913
300 Purchased Services		19,504
400 Supplies and Materials		131,853
115 Career and Technology Education Programs:		
100 Salaries		92,065
200 Employee Benefits		25,357
300 Purchased Services		102,183
400 Supplies and Materials		351,979
500 Capital Outlay		219,908
600 Other Objects		1,000
116 Career and Technology Education Programs - Middle School		
100 Salaries		7,500
200 Employee Benefits		2,199
400 Supplies and Materials		1,100
118 Montessori Programs		
100 Salaries		7,500
200 Employee Benefits		2,182
400 Supplies and Materials		3,300
120 Exceptional Programs:		
121 Educable Mentally Handicapped		
100 Salaries		39,044
200 Employee Benefits		16,371
300 Purchased Services		80,342
400 Supplies and Materials		13,620
122 Trainable Mentally Handicapped		
100 Salaries		37,500
200 Employee Benefits		10,975
300 Purchased Services		605
400 Supplies and Materials		34,335
124 Visually Handicapped		
300 Purchased Services		550
400 Supplies and Materials		4,474
125 Hearing Handicapped		
300 Purchased Services		120,123
400 Supplies and Materials		18,376
126 Speech Handicapped:		
100 Salaries		7,500
200 Employee Benefits		2,191
300 Purchased Services		30,019
400 Supplies and Materials		31,507
127 Learning Disabilities:		
100 Salaries		152,176
200 Employee Benefits		49,350
300 Purchased Services		32,660
400 Supplies and Materials		66,461

(Continued)

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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128 Emotionally Handicapped:		
300 Purchased Services	\$	1,425
400 Supplies and Materials		4,412
129 Coordinated Early Intervening Services (CEIS)		
100 Salaries		15,000
200 Employee Benefits		4,387
400 Supplies and Materials		275
130 Pre-School Programs:		
133 Pre-School Handicapped Self-Contained (5 Yr. olds):		
400 Supplies and Materials		550
137 Preschool Handicapped Self-Contained (3 and 4 Year Old)		
100 Salaries		92,848
200 Employee Benefits		49,199
400 Supplies and Materials		2,790
139 Early Childhood Programs:		
100 Salaries		674,547
200 Employee Benefits		310,595
400 Supplies and Materials		8,800
140 Special Programs:		
141 Gifted and Talented Academic:		
100 Salaries		16,875
200 Employee Benefits		4,884
400 Supplies and Materials		4,125
145 Homebound:		
400 Supplies and Materials		275
148 Gifted and Talented Artistic:		
400 Supplies and Materials		7,733
149 Other Special Programs:		
300 Purchased Services		2,900
400 Supplies and Materials		9,848
160 Other Exceptional Programs		
161 Autism		
100 Salaries		119,683
200 Employee Benefits		59,724
300 Purchased Services		26,223
400 Supplies and Materials		12,261
162 Limited English Proficiency		
100 Salaries		30,495
200 Employee Benefits		18,605
400 Supplies and Materials		7,700
170 Summer School Program:		
171 Primary Summer School:		
100 Salaries		162,898
200 Employee Benefits		47,714
400 Supplies and Materials		912

(Continued)

**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

---

172 Elementary Summer School:		
100 Salaries	\$	4,200
200 Employee Benefits		1,223
300 Purchased Services		5,029
173 High School Summer School:		
100 Salaries		18,879
200 Employee Benefits		5,539
300 Purchased Services		6,531
400 Supplies and Materials		1,273
175 Instructional Programs Beyond Regular School Day:		
100 Salaries		18,103
200 Employee Benefits		4,961
400 Supplies and Materials		275
180 Adult/Continuing Educational Programs:		
182 Adult Secondary Education Programs:		
100 Salaries		90,679
200 Employee Benefits		36,202
300 Purchased Services		31,124
400 Supplies and Materials		22,848
183 Adult English Literacy (ESL):		
100 Salaries		27,699
200 Employee Benefits		7,506
400 Supplies and Materials		1,621
188 Parenting:		
100 Salaries		169,472
200 Employee Benefits		72,381
190 Instructional Pupil Activity:		
400 Supplies and Materials		110
<b>Total Instruction</b>		<b>9,401,033</b>
<b>200 Supporting Services:</b>		
210 Pupil Services:		
211 Attendance and Social Work Services		
100 Salaries		105,552
200 Employee Benefits		43,154
300 Purchased Services		20,148
400 Supplies and Materials		12,396
212 Guidance Services		
100 Salaries		156,520
200 Employee Benefits		45,756
300 Purchased Services		24,875
400 Supplies and Materials		21,706
213 Health Services		
300 Purchased Services		12,873
214 Psychological Services		
300 Purchased Services		11,507
400 Supplies and Materials		23,913
		(Continued)



**RICHLAND SCHOOL DISTRICT TWO**  
**SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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215 Exceptional Program Services		
300 Purchased Services	\$	30,330
400 Supplies and Materials		10,196
500 Capital Outlays		315
217 Career Specialist Service		
400 Supplies and Materials		7,425
220 Instructional Staff Services		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries		1,611,218
200 Employee Benefits		736,053
300 Purchased Services		1,300
400 Supplies and Materials		4,233
222 Library and Media Services:		
100 Salaries		65,000
200 Employee Benefits		18,956
400 Supplies and Materials		9,900
223 Supervision of Special Programs:		
100 Salaries		406,857
200 Employee Benefits		143,672
300 Purchased Services		29,902
400 Supplies and Materials		55,520
224 Improvement of Instruction - In-service and Staff Training:		
100 Salaries		6,131
200 Employee Benefits		1,610
300 Purchased Services		396,650
400 Supplies and Materials		54,090
600 Other Objects		400
230 General Administrative Services:		
233 School Administration:		
100 Salaries		62,525
200 Employee Benefits		28,363
400 Supplies and Materials		1,113
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated)		
300 Purchased Services		7,645
260 Support Service - Central:		
262 Planning Services		
300 Purchased Services		265,115
266 Technology & Data Processing Services		
300 Purchased Services		207,415
400 Supplies and Materials		282,920

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2020**

270 Support Services - Pupil Activity:		
271 Pupil Service Activity		
300 Purchased Services	\$	38,700
400 Supplies and Materials		3,410
660 Pupil Activity		8,268
<b>Total Support Services</b>		<b>4,973,632</b>
<b>TOTAL EXPENDITURES</b>		<b>14,374,665</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
420 Interfund Transfers, From (To) Other Funds:		
420-710 Transfer to General Fund (Exclude Indirect Costs)		(8,453,205)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(8,453,205)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>		<b>-</b>
FUND BALANCES, Beginning of Year		-
<b>FUND BALANCES, End of Year</b>	\$	<b>-</b>

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

**RICHLAND SCHOOL DISTRICT TWO  
SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>PROGRAM</b>	<b>REVENUES</b>	<b>EXPENDITURES</b>	<b>TRANSFERS IN/(OUT)</b>	<b>UNEARNED REVENUE</b>
<b>3500 Education Improvement Act:</b>				
3502 ADEPT	\$ 14,518	\$ 14,518	\$	29,050
3507 Aid to Districts - Technology	392,189	392,189		
3509 Arts in Education	55,697	55,697		15,333
3518 Adoption List of Formative Assessments	265,115	265,115		
3519 Grade 10 Assessment				81,754
3526 Refurbishment of Science Kits	75,197	75,197		29,711
3528 Industry Certifications/Credentials	74,945	74,945		77,119
3529 Career & Technical Education	722,683	722,683		527,649
3532 National Board Salary Supplement	3,366,284	3,366,284		
3533 Teacher of the Year Awards	1,076	1,076		
3535 Reading Coaches	1,294,200	1,294,200		
3538 Students at Risk of School Failure	3,670,991	3,670,991		1,598,584
3540 Early Childhood Program (4K Programs Serving 4 yr. olds)	1,060,589	1,060,589		651,439
3550 Teacher Salary Increase	6,734,993		(6,734,993)	
3555 Teacher Salary Fringe	1,718,212		(1,718,212)	
3556 Adult Education	441,964	441,964		460,314
3557 Summer Reading Program	211,524	211,524		172,095
3571 CSI and Priority Schools	318,582	318,582		408,011
3577 Teacher Supplies	570,075	570,075		
3594 EEDA Supplemental Programs	215,655	215,655		
3595 EEDA Supplies and Materials	29,457	29,457		30,442
3597 Aid to Districts	1,475,246	1,475,246		318,981
3599 Other EIA	118,678	118,678		173,248
Totals	\$ <u>22,827,870</u>	\$ <u>14,374,665</u>	\$ <u>(8,453,205)</u>	\$ <u>4,573,730</u>

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

**RICHLAND SCHOOL DISTRICT TWO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**FOOD SERVICE PROGRAM**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**REVENUES:**

1000 Revenues from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,689
1600 Food Services:	
1610 Lunch Sales to Pupils	1,850,034
1620 Breakfast Sales to Pupils	19,645
1630 Special Sales to Pupils	71,222
1640 Lunch Sales to Adults	54,305
1650 Breakfast Sales to Adults	3,799
1660 Special Sales to Adults	13,792
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	4,891
Total Local Sources	<u>2,019,377</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursements:	
4810 School Lunch, After School Snacks & Special Milk Program	4,777,418
4830 School Breakfast Program	1,545,394
4860 Fresh Fruits and Vegetables (FFVP)	34,925
4870 School Food Service Equipment	39,788
4880 Summer Feeding Program (SFSP)	1,083,169
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program)	194,594
4999 Revenue from Other Federal Source	1,467,534
Total Federal Sources	<u>9,142,822</u>
<b>Total Revenue - All Sources</b>	<b><u>11,162,199</u></b>

**EXPENSES:**

250 Finance and Operation Services:	
256 Food Services:	
100 Salaries	850,362
200 Employee Benefits	465,799
300 Purchased Services	159,894
393 Direct Purchased Services	7,076,470
400 Supplies and Materials	261,438
500 Capital Outlay	106,869
600 Other Objects	4,535
<b>Total Expenses</b>	<b><u>8,925,367</u></b>

**OTHER FINANCING SOURCES(USES):**

<b>Interfund Transfers, From (To) Other Funds:</b>	
5210 Transfer from General Fund	377,404
5220 Transfer from Special Revenue Fund	15,129
432-791 Transfer Food Service Fund Indirect Costs	(185,830)
<b>Total Other Financing (Uses)</b>	<b><u>206,703</u></b>

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING  
SOURCES OVER EXPENDITURES AND OTHER FINANCING USES**

2,443,535

FUND BALANCE, Beginning of Year 3,410,206

**FUND BALANCE, End of Year** \$ **5,853,741**

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

## **SCHEDULE C**

### **DEBT SERVICE FUND**

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

The following schedule 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.

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

**REVENUES**

1000 Revenue from Local Sources		
1200 Revenue from Local Governmental Units Other than LEA's:		
1210 Ad Valorem Taxes - Including Delinquent	\$	59,097,969
1240 Penalties & Interest on Taxes		1,774,165
1280 Revenue in Lieu of Taxes		949,756
1500 Earnings on Investments:		
1510 Interest on Investments		820,685
Total Local Sources		<u>62,642,575</u>
4000 Revenue from Federal Sources		
4900 Other Federal Sources		
4999 Revenue from Other Federal Sources		2,971,312
Total Federal Sources		<u>2,971,312</u>
<b>TOTAL REVENUES ALL SOURCES</b>		<u><b>65,613,887</b></u>

**EXPENDITURES**

500 Debt Service:		
610 Redemption of Principal		101,335,000
620 Interest		16,499,114
690 Other Objects		634,538
<b>TOTAL EXPENDITURES</b>		<u><b>118,468,652</b></u>
<b>Excess of Revenues Over Expenditures</b>		(52,854,765)

**OTHER FINANCING SOURCES (USES)**

<b>5100 Sale of Bonds</b>		
5110 Premium on Bonds Sold		6,322,019
5130 Proceeds on Refunding Debt		49,235,000
<b>Interfund Transfers, From (To) Other Funds</b>		
5210 Transfer from General Fund		319,778
5250 Transfer from Capital Project Fund		321,003
424-710 Transfer to Capital Project Fund		(1,100,000)
Total Transfers and Other Financing Sources (Uses)		<u>55,097,800</u>

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING**  
**SOURCES OVER EXPENDITURES AND OTHER FINANCING USES**

FUND BALANCE, Beginning of Year		<u>28,604,657</u>
<b>FUND BALANCE, End of Year</b>	\$	<u><b>30,847,692</b></u>

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

## **SCHEDULE D**

### **CAPITAL PROJECTS FUND**

The Capital Projects fund, also referred to as the "Building Fund", accounts for financial resources to be used for the acquisition and construction of major capital facilities and equipment. The fund balance is reserved for the completion of specific projects.

The following schedule 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**REVENUES**

1000 Revenue from Local Sources	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,283,483
1900 Other Revenue from Local Services	
1993 Receipt of Insurance Proceeds	7,037
Total Local Sources	<u>1,290,520</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<b><u>1,290,520</u></b>

**EXPENDITURES**

200 Support Services	
250 Finance and Operations:	
251 Student Transportation	
500 Capital Outlay	1,798,480
253 Facilities Acquisition and Construction:	
300 Purchased Services	12,640,793
500 Capital Outlay	
520 Construction Services	13,781,577
530 Improvements Other Than Buildings	9,009,702
540 Expendable Equipment	947,644
541 Equipment	5,395,191
550 Vehicles	109,162
580 Mobile Classrooms	88,975
590 Other	286,533
254 Operations and Maintenance of Plant	
300 Purchased Services	87,800
258 Security	
500 Capital Outlay	1,341,475
260 Central Support Services	
266 Data Processing Services	
300 Purchased Services	588,960
400 Supplies and Materials	14,146,871
Total Support Services	<u>60,223,163</u>
500 Debt Services	
300 Purchased Services	126,460
610 Redemption of Principal	26,000,000
620 Interest	322,833
690 Other Objects	494,483
Total Debt Services	<u>26,943,776</u>
<b>TOTAL EXPENDITURES</b>	<b><u>87,166,939</u></b>

**OTHER FINANCING SOURCES (USES)**

5100 Sale of Bonds:	
5110 Premium on Bonds Sale	14,850,568
5120 Issuance of General Obligation Bonds	103,390,000

**Interfund Transfers, From (To) Other Funds:**

5210 Transfer from General Fund	3,500,000
5240 Transfer from Capital Project Funds	1,100,000
423-710 Transfer to Debt Service Fund	(321,003)
5300 Sale of Capital Assets	14,855

**TOTAL OTHER FINANCING SOURCES (USES)**122,534,420

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING**  
**SOURCES OVER EXPENDITURES AND OTHER FINANCING USES**

**36,658,001**

FUND BALANCE, Beginning of Year

45,711,116**FUND BALANCE, End of Year****\$ 82,369,117**

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*



## **SCHEDULE E**

### **INTERNAL SERVICE FUND**

The Internal Service Fund is used to account for the financing of goods and services provided by one department to other departments of the School District, on a cost-reimbursement basis.

The following schedule 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.

**RICHLAND SCHOOL DISTRICT TWO  
STATEMENT OF CHANGES IN NET POSITION AND LIABILITIES  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

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<b>ASSETS</b>	
Cash and Cash Equivalent	\$ 1,680,493
Prepaid Expenses	509,635
Receivable from Other Funds	<u>1,905,413</u>
<b>TOTAL ASSETS</b>	<b><u>4,095,541</u></b>
<b>LIABILITIES AND NET POSITION</b>	
Claims Payable	<u>2,601,919</u>
<b>TOTAL LIABILITIES</b>	<b><u>2,601,919</u></b>
<b>NET POSITION - UNRESTRICTED</b>	<b><u>1,493,622</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>4,095,541</u></b>

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

**RICHLAND SCHOOL DISTRICT TWO**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - INTERNAL SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**REVENUES**

1000 Receipts from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 743
1900 Other Revenue From Local Sources	
1950 Refund of Prior Year Expenditures	90,723
1993 Receipt of Insurance Proceeds	27,259
Total Local Sources	<u>118,725</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<b><u>118,725</u></b>

**EXPENSES**

111 Kindergarten Programs	
200 Employee Benefits	51,015
112 Primary Programs	
200 Employee Benefits	96,240
113 Elementary Programs	
200 Employee Benefits	80,142
114 High School Programs	
200 Employee Benefits	73,926
115 Career and Technology Education Programs	
200 Employee Benefits	126
118 Montessori Programs	
200 Employee Benefits	48
121 Educable Mentally Handicapped	
200 Employee Benefits	14,281
122 Trainable Mentally Handicapped	
200 Employee Benefits	13,679
126 Speech Handicapped	
200 Employee Benefits	103
127 Learning Disabilities	
200 Employee Benefits	66,054
128 Emotionally Handicapped	
200 Employee Benefits	23,685
137 Preschool Handicapped Self-Contained (3&4 Year Olds)	
200 Employee Benefits	307
139 Early Childhood Programs	
200 Employee Benefits	1,010
148 Gifted & Talented - Artistic Programs	
200 Employee Benefits	206
161 Autism	
200 Employee Benefits	30,947
162 Limited English Proficiency	
200 Employee Benefits	1,522
211 Attendance and Social Work	
200 Employee Benefits	432
212 Guidance	
200 Employee Benefits	10,558
213 Health Services	
200 Employee Benefits	413
214 Psychological Services	
200 Employee Benefits	7,542
217 Career Specialist Services	
200 Employee Benefits	174
233 School Administration	
200 Employee Benefits	74,006
400 Supplies and Materials	10,665
251 Student Transportation (Federal/District Mandated)	
200 Employee Benefits	45,773
252 Fiscal Services	
200 Employee Benefits	257,426
600 Other Objects	10,350
254 Operations and Maintenance of Plant	
200 Employee Benefits	149,725
400 Supplies and Materials	693
600 Other Objects	255,021

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - INTERNAL SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

255 Student Transportation	
100 Salaries	\$ 5,571
200 Employee Benefits	10,079
256 Food Service	
200 Employee Benefits	12,271
258 Security	
200 Employee Benefits	24,894
264 Staff Services	
200 Employee Benefits	649
271 Non-Instructional Pupil Activity	
200 Employee Benefits	467
350 Custody and Care of Children Services	
200 Employee Benefits	5,470
390 Other Community Services	
200 Employee Benefits	632
<b>TOTAL EXPENSES</b>	<u>1,336,102</u>
<b>EXCESS RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,217,377)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund	2,500,000
Total Other Financing Sources (Uses)	<u>2,500,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,282,623</b>
Net Position, Beginning of Year	<u>210,999</u>
<b>Net Position, End of Year</b>	<b><u>\$ 1,493,622</u></b>

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

## **SCHEDULE F**

### **FIDUCIARY FUND TYPE**

The Agency Fund is used to record the receipts and disbursements of monies from various pupil activity organizations. These organizations exist at the explicit approval of the Board of Trustees. The approval may be revoked by the Board of Trustees. The fund accounting reflects the School District's agency relationship with the Pupil Activity organizations. Since the Agency Fund is custodial, no fund balances exist.

The following schedule 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND - PUPIL ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,719,244	\$ 7,214,149	\$ 7,213,858	\$ 5,719,535
Accounts Receivable	23,670	5,071		28,741
<b>TOTAL ASSETS</b>	<u>5,742,914</u>	<u>7,219,220</u>	<u>7,213,858</u>	<u>5,748,276</u>
<b>LIABILITIES</b>				
Accounts Payable	1,621,749		481,250	1,140,499
Due to Pupil Activities	<u>4,121,165</u>	<u>486,612</u>		<u>4,607,777</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,742,914</u>	<u>\$ 486,612</u>	<u>\$ 481,250</u>	<u>\$ 5,748,276</u>

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

**RICHLAND SCHOOL DISTRICT TWO**  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITIES**  
**AGENCY FUND - PUPIL ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**RECEIPTS**

1000 Receipts from Local Sources		
1700 Pupil Activities		
1710 Admissions	\$	22,744
1720 Bookstore Sales		3,305
1730 Pupil Organization Membership Dues and Fees		4,116
1740 Student Fees		560,075
1790 Other Pupil Activity Income		6,073,954
1900 Other Revenue from Local Sources		
1999 Revenue from Other Local Sources		545,720
Total Local Sources		<u>7,209,914</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>		<b><u>7,209,914</u></b>

**DISBURSEMENTS**

190 Instructional Pupil Activity		
100 Salaries		411,844
200 Employee Benefits		101,233
660 Pupil Activity		374,769
270 Support Services Pupil Activity		
271 Pupil Services Activities		
100 Salaries		972,030
200 Employee Benefits		269,436
300 Purchased Services		22,208
660 Pupil Activity		4,581,088
<b>TOTAL DISBURSEMENTS</b>		<b><u>6,732,608</u></b>

**EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS** **477,306**

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, From (To) Other Funds:		
5220 Transfer from Special Revenue Fund		9,306
Total Other Financing Sources (Uses)		<u>9,306</u>

**EXCESS (DEFICIENCY) OF RECEIPTS AND DISBURSEMENTS**  
**SOURCES OVER EXPENDITURES AND OTHER FINANCING USES** **486,612**

**DUE TO PUPIL ACTIVITIES, Beginning of Year** **4,121,165**

**DUE TO PUPIL ACTIVITIES, End of Year** **\$ 4,607,777**

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

**SCHEDULE G**  
**COMPONENT UNIT**  
**CHARTER SCHOOL**

The Charter School operates under a Charter granted by the District and is considered, under South Carolina Law, to be a public school and a component unit of the School District.

The following schedule 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.



**RICHLAND SCHOOL DISTRICT TWO  
COMPONENT UNIT - RICHLAND TWO CHARTER HIGH SCHOOL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020**

**ASSETS**

Due from District	\$	1,126,688
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<b>TOTAL ASSETS</b>		1,126,688
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**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows related to Net Pension Liability		205,501
Deferred Outflows related to Net OPEB Liability		180,502

<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>		386,003
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<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		1,512,691
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**LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

Accounts Payable		46
Net Pension Liability		926,752
Net OPEB Liability		740,955

<b>TOTAL LIABILITIES</b>		1,667,753
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**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows related to Net Pension Liability		6,748
Deferred Inflows related to Net OPEB Liability		69,971

<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		76,719
--	--	--------

<b>NET POSITION - UNRESTRICTED</b>		(231,781)
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<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	\$	1,512,691
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*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

**RICHLAND SCHOOL DISTRICT TWO**  
**COMPONENT UNIT - RICHLAND TWO CHARTER HIGH SCHOOL**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**REVENUES**

1000 Revenue from Local Sources	
1990 Miscellaneous Local Revenue	
1999 Revenue from Other Local Sources	\$ 20
Total Local Sources	<u>20</u>
2000 Intergovernmental Units	
2100 Payments from Other Governmental Units	895,393
Total Intergovernmental Units	<u>895,393</u>
3000 Revenue from State Sources	
3993 PEBA On-Behalf	2,906
Total State Sources	<u>2,906</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<b><u>898,319</u></b>

**EXPENDITURES****100 INSTRUCTION**

115 Career and Technology Education Programs	
100 Salaries	122,310
200 Employee Benefits	52,293
300 Purchased Services	57
Total Instruction	<u>174,660</u>

**200 SUPPORT SERVICES**

212 Guidance Services	
100 Salaries	78,833
200 Employee Benefits	30,548
223 Supervision of Special Programs	
300 Purchased Services	1,733
400 Supplies and Materials	930
233 School Administration	
100 Salaries	253,694
200 Employee Benefits	213,352
300 Purchased Services	9,399
400 Supplies and Materials	3,360
500 Capital Outlay	692
600 Other Objects	3,195
254 Operations and Maintenance of Plant	
300 Purchased Services	54,495
258 Security	
100 Salaries	21,638
200 Employee Benefits	10,155
Total Support Services	<u>682,024</u>
410 Intergovernmental Expenditures	
412-720 Payments to Other Governmental Units	213,581
TOTAL EXPENDITURES	<u>1,070,265</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(171,946)</b>
Net Position, Beginning of Year	(59,835)
<b>Net Position, End of Year</b>	<b>\$ <u>(231,781)</u></b>

*Note: This schedule is presented as prescribed by the South Carolina State Department of Education.*

**SCHEDULE H**  
**OTHER SUPPLEMENTAL SCHEDULE**

The following schedule is required by the South Carolina Department of Education.

RICHLAND SCHOOL DISTRICT TWO  
 DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
 FOR THE YEAR ENDED JUNE 30, 2020

PROGRAM	PROJECT/ GRANT NUMBER	SUBFUND & REVENUE CODES	DESCRIPTION	AMOUNT DUE TO STATE DEPARTMENT OF EDUCATION OR FEDERAL GOVERNMENT	STATUS OF AMOUNT DUE TO GRANTORS
Individuals with Disabilities Education Act	84.173	205/4520	Over claim due to refunds	\$ 16,433	Check Issued
Arts in Education	N/A	309/3509	Unspent Funds	\$ 1,620	Check Issued
Teacher Supply	N/A	377/3577	Overpayment	\$ 1,000	In Process
				<u>\$ 19,053</u>	

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

**RICHLAND SCHOOL DISTRICT TWO  
LOCATION RECONCILIATION SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020**

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
000 / 001 / 002/ 025 / 027/ 052 / 061 / 099	Districtwide/Shared Cost	Non-School	Central	\$ 197,696,591
023	Support Service Center (District Operations)	Non-School	Central	22,496,238
024 / 026	Alternative Program - Blythewood Academy	Alternative School	School	2,863,493
031	Transportation	Non-School	Central	16,036,534
040	Richland Two Child Development	Other School	School	741,573
043	W R Rogers Adult Education Program	Other School	School	1,421,411
045	Center for Inquiry	Elementary School	School	2,080,488
048	Center for Knowledge - North	Elementary School	School	5,371,784
050	Center for Knowledge	Elementary School	School	1,968,317
055	Center for Achievement	Elementary School	School	1,943,317
060	R2i2 - Richland Two Institute for Innovation	Other High School	School	2,043,935
069	Spring Valley High	High School	School	18,648,649
070	Bethel-Hanberry Elementary	Elementary School	School	7,500,341
072	Dent Middle	Middle School	School	12,455,858
073	Conder Elementary	Elementary School	School	7,845,106
074	Forest Lake Elementary	Elementary School	School	7,225,296
075	Joseph Keels Elementary	Elementary School	School	6,133,371
076	Lonnie B Nelson Elementary	Elementary School	School	6,328,727
077	Windsor Elementary	Elementary School	School	6,759,546
078	EL Wright Middle	Middle School	School	10,315,975
079	Richland Northeast High	High School	School	16,886,570
080	North Springs Elementary	Elementary School	School	7,257,187
081	Pontiac Elementary	Elementary School	School	7,147,925
082	Summit Parkway Middle	Middle School	School	8,678,511
083	Rice Creek Elementary	Elementary School	School	11,047,000
084	Ridgeview High	High School	School	16,688,932
085	Blythewood Middle	Middle School	School	7,340,890
086	Killian Elementary	Elementary School	School	10,469,153
087	Bookman Road Elementary	Elementary School	School	7,739,754
089	Lake Carolina Lower Elementary	Elementary School	School	5,823,796
090	Round Top Elementary	Elementary School	School	6,055,163
091	Kelly Mill Middle	Middle School	School	8,628,747
092	Blythewood High	High School	School	19,482,412
093	Sandlapper Elementary	Elementary School	School	7,215,806
094	Polo Road Elementary	Elementary School	School	7,369,177
095	Longleaf Middle	Middle School	School	7,840,593
096	Bridege Creek Elementary	Elementary School	School	6,592,945
097	Langford Road Elementary	Elementary School	School	5,277,963
098	Muller Road Middle	Middle School	School	7,196,310
100	Westwood High	High School	School	14,879,202
101	Catawba Trail Elementary	Elementary School	School	6,217,445
102	Lake Carolina Upper Elementary	Elementary School	School	5,647,702
103	Jackson Creek Elementary	Elementary School	School	7,372,152
600	Richland Two Charter High (District Funded)	Other School	School	156,152
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>				<b>\$ 546,888,037</b>

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

General Fund	\$ 285,702,727
Special Revenue Fund	24,180,977
Special Revenue - EIA Fund	14,374,665
Special Revenue - Food Service Fund	8,925,367
Debt Service Fund	118,468,652
Capital Projects Fund	87,166,939
Internal Service Fund	1,336,102
Pupil Activity Fund	6,732,608
	<b>\$ 546,888,037</b>

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

## STATISTICAL SECTION

### (UNAUDITED)

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

#### ***Financial Trends***

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

#### ***Revenue Capacity***

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

#### ***Debt Capacity***

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

#### ***Demographic and Economic Information***

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

#### ***Operating Information***

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

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

## RICHLAND SCHOOL DISTRICT TWO

## NET POSITION BY COMPONENT

JUNE 2011 THROUGH 2020

(ACCRUAL BASIS)

	2011	2012	2013	2014	2015*	2016	2017	2018	2019 ^	2020 ^
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 64,763,449	\$ 83,927,677	\$ 109,733,690	\$ 113,769,149	\$ 116,956,102	\$ 137,108,277	\$ 158,447,739	\$ 180,950,749	\$ 209,007,266	\$ 238,905,419
Restricted	77,413,217	52,449,754	12,180,380	14,499,495	17,118,957	22,845,297	21,330,566	23,136,508	28,770,909	33,105,014
Unrestricted	23,910,614	26,362,608	32,682,030	35,864,156	(250,572,529)	(259,241,952)	(263,469,464)	(576,671,789)	(579,605,154)	(582,769,349)
<b>Total Governmental Activities Net Position</b>	<b>166,087,280</b>	<b>162,740,039</b>	<b>154,596,100</b>	<b>164,132,800</b>	<b>(116,497,470)</b>	<b>(99,288,378)</b>	<b>(83,691,159)</b>	<b>(372,584,532)</b>	<b>(341,826,979)</b>	<b>(310,758,916)</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	2,714,164	2,797,051	2,528,910	2,234,238	1,905,492	1,715,155	1,862,896	1,517,687	-	-
Unrestricted	2,842,873	2,914,064	2,755,534	3,335,786	427,840	(50,770)	(334,257)	(2,809,225)	-	-
<b>Total Business-Type Activities Net Position</b>	<b>5,557,037</b>	<b>5,711,115</b>	<b>5,284,444</b>	<b>5,570,024</b>	<b>2,333,332</b>	<b>1,664,385</b>	<b>1,528,639</b>	<b>(1,291,538)</b>	<b>-</b>	<b>-</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	67,477,613	86,724,728	112,262,600	116,003,387	118,861,594	138,823,432	160,310,635	182,468,436	209,007,266	238,905,419
Restricted	77,413,217	52,449,754	12,180,380	14,499,495	17,118,957	22,845,297	21,330,566	23,136,508	28,770,909	33,105,014
Unrestricted	26,753,487	29,276,672	35,437,564	39,199,942	(250,144,689)	(259,292,722)	(263,803,721)	(579,481,014)	(579,605,154)	(582,769,349)
<b>Total Primary Government</b>	<b>\$ 171,644,317</b>	<b>\$ 168,451,154</b>	<b>\$ 159,880,544</b>	<b>\$ 169,702,824</b>	<b>\$ (114,164,138)</b>	<b>\$ (97,623,993)</b>	<b>\$ (82,162,520)</b>	<b>\$ (373,876,070)</b>	<b>\$ (341,826,979)</b>	<b>\$ (310,758,916)</b>

\* The District Implemented GASB 68 for the year ending June 30, 2015. This implementation required recognition of a significant pension liability which resulted in a reporting deficit.

^ The District had a change in accounting principle in 2019, which reclassified the food service fund from a Business-Type Activity to a Governmental Activity.

**RICHLAND SCHOOL DISTRICT TWO**  
**EXPENSES, PROGRAM REVENUES AND NET (EXPENSE)**  
**FOR FISCAL YEARS ENDED JUNE 30, 2011 THROUGH 2020**  
**(ACCRUAL BASIS)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019^	2020^
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 145,856,218	\$ 155,352,131	\$ 166,236,699	\$ 171,250,774	\$ 179,943,863	\$ 182,882,044	\$ 178,527,719	\$ 200,253,684	\$ 207,429,969	\$ 206,378,461
Support Services	101,600,103	107,127,665	114,581,107	116,519,318	122,728,455	126,081,749	150,532,971	147,675,895	154,341,997	176,570,046
Community Services	1,656,079	1,429,158	1,534,120	1,189,962	1,168,386	156,500	190,015	297,796	323,550	360,780
Intergovernmental		21,154,095	1,200,154	1,391,393	1,683,142					
Interest and Other Charges	25,826,729	105,400	28,822,086	14,944,692	24,422,848	9,934,821	9,148,324	13,360,729	8,302,252	6,393,711
Pupil Activities	190,400	105,127								
Depreciation - Unallocated										
<b>Total Governmental Activities Expenses</b>	<b>275,129,529</b>	<b>285,273,576</b>	<b>312,374,166</b>	<b>305,296,139</b>	<b>329,946,694</b>	<b>319,055,114</b>	<b>338,399,029</b>	<b>361,588,104</b>	<b>370,397,768</b>	<b>389,702,998</b>
<b>Business-Type Activities:</b>										
Food Services	10,073,526	10,707,175	11,392,466	10,911,686	12,196,339	12,257,836	12,181,857	11,900,159	-	-
<b>Total Business-Type Activities Expenses</b>	<b>10,073,526</b>	<b>10,707,175</b>	<b>11,392,466</b>	<b>10,911,686</b>	<b>12,196,339</b>	<b>12,257,836</b>	<b>12,181,857</b>	<b>11,900,159</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government Expenses</b>	<b>285,203,055</b>	<b>295,980,751</b>	<b>323,766,632</b>	<b>316,207,825</b>	<b>342,143,033</b>	<b>331,312,950</b>	<b>350,580,886</b>	<b>373,488,263</b>	<b>370,397,768</b>	<b>389,702,998</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services										
Instruction	1,173,357	854,105	294,035	334,656	276,459	447,146	221,503	364,633	392,984	376,715
Support Services	414,042	633,902	160,689	162,922	144,774	157,823	212,346	470,353	3,064,277	2,571,379
Operating Grants and Contributions	110,113,364	112,961,004	121,897,536	127,304,694	137,514,617	139,135,888	149,846,237	160,595,221	176,473,741	188,607,078
Capital Grants and Contributions	477,640									
<b>Total Governmental Activities Program Revenues</b>	<b>112,178,403</b>	<b>114,449,011</b>	<b>122,352,260</b>	<b>127,802,272</b>	<b>137,935,850</b>	<b>139,740,857</b>	<b>150,280,086</b>	<b>161,430,207</b>	<b>179,931,002</b>	<b>191,555,172</b>
<b>Business-Type Activities</b>										
Charges for Services										
Food Services	3,437,746	3,273,672	3,408,127	3,107,800	3,093,080	3,147,985	2,752,009	2,621,519	-	-
Operating Grants and Contributions	6,607,778	7,140,736	7,398,346	7,788,741	7,878,779	8,313,365	8,632,309	9,131,491	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>10,045,524</b>	<b>10,414,408</b>	<b>10,806,473</b>	<b>10,896,541</b>	<b>10,971,859</b>	<b>11,461,350</b>	<b>11,384,318</b>	<b>11,753,010</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government Program Revenues</b>	<b>122,223,927</b>	<b>124,863,419</b>	<b>133,158,733</b>	<b>138,698,813</b>	<b>148,907,709</b>	<b>151,202,207</b>	<b>161,664,404</b>	<b>173,183,217</b>	<b>179,931,002</b>	<b>191,555,172</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	(162,951,126)	(170,824,565)	(190,021,906)	(177,493,867)	(192,010,844)	(179,314,257)	(188,118,943)	(200,157,897)	(190,466,766)	(198,147,826)
Business-Type Activities	(28,002)	(292,767)	(585,993)	(15,145)	(1,224,480)	(796,486)	(797,539)	(147,149)	-	-
<b>Total Primary Government Net (Expense)/Revenue</b>	<b>\$ (162,979,128)</b>	<b>\$ (171,117,332)</b>	<b>\$ (190,607,899)</b>	<b>\$ (177,509,012)</b>	<b>\$ (193,235,324)</b>	<b>\$ (180,110,743)</b>	<b>\$ (188,916,482)</b>	<b>\$ (200,305,046)</b>	<b>\$ (190,466,766)</b>	<b>\$ (198,147,826)</b>

^ The District had a change in accounting principle in 2019, which reclassified the food service fund from a Business-Type Activity to a Governmental Activity.



**RICHLAND SCHOOL DISTRICT TWO**  
**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION**  
**FOR FISCAL YEARS ENDED JUNE 30, 2011 THROUGH 2020**  
**(ACCRUAL BASIS)**

	2010	2012	2013	2014	2015	2016	2017	2018	2019^	2020^
<b>Net (Expense) Revenue:</b>										
Governmental Activities	\$ (162,951,126)	\$ (170,824,565)	\$ (190,021,906)	\$ (177,493,867)	\$ (192,010,844)	\$ (179,314,257)	\$ (188,118,943)	\$ (188,118,943)	\$ (190,466,766)	\$ (198,147,826)
Business-Type Activities	(28,002)	(292,767)	(585,993)	(15,145)	(1,224,480)	(796,486)	(797,539)	(797,539)	-	-
<b>Total Primary Government Net (Expense) Revenue</b>	<b>(162,979,128)</b>	<b>(171,117,332)</b>	<b>(190,607,899)</b>	<b>(177,509,012)</b>	<b>(193,235,324)</b>	<b>(180,110,743)</b>	<b>(188,916,482)</b>	<b>(188,916,482)</b>	<b>(190,466,766)</b>	<b>(198,147,826)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes										
Property Taxes Levied for General Purposes	70,625,051	73,749,462	80,052,909	83,784,521	85,522,956	88,498,475	93,776,751	95,996,569	104,159,771	111,642,361
Property Taxes Levied for Debt Services	44,457,617	42,274,586	45,620,780	50,979,099	55,045,358	56,820,028	58,515,896	59,435,654	60,630,757	61,837,422
Unrestricted Grants and Contributions	46,990,976	49,724,092	51,422,890	50,670,589	51,399,853	48,764,658	49,061,032	51,581,912	53,707,919	51,878,218
Investment Earnings	598,909	394,001	2,650,981	600,886	841,808	1,073,829	757,078	1,729,617	2,614,083	3,206,031
Miscellaneous	269,406	123,298	2,200,928	2,225,996	2,467,129	1,217,658	1,963,685	1,082,236	1,403,327	651,857
Insurance Proceeds		14,750								
Transfers	(1,171,943)	(403,001)	(70,521)	147,187	216,336	148,701	(358,280)	44,590		
<b>Total Governmental Activities</b>	<b>161,770,016</b>	<b>165,877,188</b>	<b>181,877,967</b>	<b>188,408,278</b>	<b>195,493,440</b>	<b>196,523,349</b>	<b>203,716,162</b>	<b>209,870,578</b>	<b>222,515,857</b>	<b>229,215,889</b>
<b>Business-Type Activities</b>										
Unrestricted Grants and Contributions	8,557									
Investment Earnings	16,386	12,854	25,371	27,871	49,740	43,047	845	1,373		
Miscellaneous	55,282	14,025	60,572	420,041	329,784	233,193	302,668	140,124		
Gain on Sale of Capital Assets		16,965	2,858							
Transfers	1,171,943	403,001	70,521	(147,187)	(216,336)	(148,701)	358,280	(44,590)		
<b>Total Business-Type Activities</b>	<b>1,252,168</b>	<b>446,845</b>	<b>159,322</b>	<b>300,725</b>	<b>163,188</b>	<b>127,539</b>	<b>661,793</b>	<b>96,907</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>163,022,184</b>	<b>166,324,033</b>	<b>182,037,289</b>	<b>188,709,003</b>	<b>195,656,628</b>	<b>196,650,888</b>	<b>204,377,955</b>	<b>209,967,485</b>	<b>222,515,857</b>	<b>229,215,889</b>
<b>Change in Net Position</b>										
Governmental Activities	(1,181,110)	(4,947,377)	(8,143,939)	10,914,411	3,482,596	17,209,092	15,597,219	21,751,635	32,049,091	31,068,063
Business-Type Activities	1,224,166	154,078	(426,671)	285,580	(1,061,292)	(668,947)	(135,746)	(700,632)	-	-
<b>Change in Net Position - Primary Government</b>	<b>\$ 43,056</b>	<b>\$ (4,793,299)</b>	<b>\$ (8,570,610)</b>	<b>\$ 11,199,991</b>	<b>\$ 2,421,304</b>	<b>\$ 16,540,145</b>	<b>\$ 15,461,473</b>	<b>\$ 21,051,003</b>	<b>\$ 32,049,091</b>	<b>\$ 31,068,063</b>

^ The District had a change in accounting principle in 2019, which reclassified the food service fund from a Business-Type Activity to a Governmental Activity.

**RICHLAND SCHOOL DISTRICT TWO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total General Fund</b>	-	-	-	-	-	-	-	-	-	-
<b>General Fund*</b>										
Nonspendable			110,666	60,093	51,494	40,652	50,196	-	-	-
Restricted										
Committed	13,791,031	13,933,189								
Assigned	577,994	547,814								
Unassigned	12,639,592	15,682,165	33,673,599	38,308,823	39,616,139	40,226,954	46,152,355	52,973,547	69,878,973	81,237,752
<b>Total General Fund*</b>	27,008,617	30,163,168	33,784,265	38,368,916	39,667,633	40,267,606	46,202,551	52,973,547	69,878,973	81,237,752
<b>All Other Governmental Funds</b>										
Reserved for Debt Service										
Reserved for Capital Projects										
<b>Total All Other Governmental Funds</b>	-	-	-	-	-	-	-	-	-	-
<b>All Other Governmental Funds*</b>										
Nonspendable										80,041
Restricted	77,413,217	97,923,741	134,501,224	117,090,962	106,725,208	72,286,334	51,168,835	53,073,535	77,743,295	119,515,274
Committed										
Assigned										
Unassigned										
<b>Total All Other Governmental Funds*</b>	\$ 77,413,217	\$ 97,923,741	\$ 134,501,224	\$ 117,090,962	\$ 106,725,208	\$ 72,286,334	\$ 51,168,835	\$ 53,073,535	\$ 77,743,295	\$ 119,595,315

Notes: \* The fund balances for the General Fund and all other Governmental Funds from FY2011 and later are reported based on the new requirements under GASB 54. The fund balances prior to 2011 are not reported under GASB 54.

Table 5

**RICHLAND SCHOOL DISTRICT TWO**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Sources</b>										
<b>Local Sources:</b>										
Local Property Tax	\$ 115,082,668	\$ 113,073,887	\$ 120,964,929	\$ 134,745,959	\$ 140,503,482	\$ 144,931,769	\$ 152,222,454	\$ 155,455,615	\$ 164,916,416	\$ 173,403,303
Interest Income	598,909	379,348	2,632,635	592,701	834,453	1,049,521	739,473	1,704,469	2,466,461	3,085,617
Other Revenues	7,182,282	6,874,820	8,367,295	4,324,464	4,568,823	3,729,041	4,058,968	3,051,338	6,436,948	5,461,103
<b>Total Revenue from Local Sources</b>	<b>122,863,859</b>	<b>120,328,055</b>	<b>131,964,859</b>	<b>139,663,124</b>	<b>145,906,758</b>	<b>149,710,331</b>	<b>157,020,895</b>	<b>160,211,422</b>	<b>173,819,825</b>	<b>181,950,023</b>
<b>State Sources:</b>										
State Education Finance Act	41,872,756	49,675,242	53,878,465	57,000,947	61,228,465	64,493,666	70,312,436	76,186,540	78,295,200	78,387,618
State Revenue in Lieu of Taxes	44,702,077	45,370,078	46,382,333	47,143,068	47,786,914	48,527,591	48,837,828	49,493,108	51,668,892	48,656,892
State Education Improvement Act	10,366,595	18,450,217	20,114,400	20,101,967	19,110,992	16,076,246	18,028,745	19,382,826	19,229,408	22,827,870
State Grants & Other State Revenue	33,783,860	29,451,875	36,823,577	34,645,799	36,350,570	38,685,065	40,631,865	47,183,734	50,818,188	58,058,454
<b>Total Revenue from State Sources</b>	<b>130,725,288</b>	<b>142,947,412</b>	<b>157,198,775</b>	<b>158,891,781</b>	<b>164,476,941</b>	<b>167,782,568</b>	<b>177,810,874</b>	<b>192,246,208</b>	<b>200,011,688</b>	<b>207,930,834</b>
<b>Federal Sources:</b>										
Federal Grants	21,114,771	16,969,492	13,260,225	17,468,028	22,562,606	17,982,496	19,089,346	18,615,660	28,366,177	30,622,627
<b>Total Federal Sources</b>	<b>21,114,771</b>	<b>16,969,492</b>	<b>13,260,225</b>	<b>17,468,028</b>	<b>22,562,606</b>	<b>17,982,496</b>	<b>19,089,346</b>	<b>18,615,660</b>	<b>28,366,177</b>	<b>30,622,627</b>
<b>Intergovernmental Revenue</b>										
Intergovernmental Revenue	457,594	454,838	612,294	92,980	194,007	238,276	352,513	181,149	229,733	213,581
<b>Total Intergovernmental Revenues</b>	<b>457,594</b>	<b>454,838</b>	<b>612,294</b>	<b>92,980</b>	<b>194,007</b>	<b>238,276</b>	<b>352,513</b>	<b>181,149</b>	<b>229,733</b>	<b>213,581</b>
<b>Total Revenues from All Sources</b>	<b>\$ 275,161,512</b>	<b>\$ 280,699,797</b>	<b>\$ 303,036,153</b>	<b>\$ 316,115,913</b>	<b>\$ 333,140,312</b>	<b>\$ 335,713,671</b>	<b>\$ 354,273,628</b>	<b>\$ 371,254,439</b>	<b>\$ 402,427,423</b>	<b>\$ 420,717,065</b>

**RICHLAND SCHOOL DISTRICT TWO**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures</b>										
Current:										
Instruction	\$ 137,340,353	\$ 141,282,551	\$ 150,941,022	\$ 156,617,482	\$ 162,098,330	\$ 162,705,321	\$ 167,746,259	\$ 173,500,467	\$ 176,804,024	\$ 187,061,064
Support Services	91,198,165	96,530,360	104,499,931	106,497,349	112,622,549	115,753,657	144,017,660	127,617,115	138,270,437	166,955,061
Community Services	1,651,121	1,387,105	1,534,120	1,189,961	1,168,386	156,500	190,015	297,796	323,550	360,780
Capital Additions	87,727,790	42,446,388	28,802,838	21,254,322	18,154,121	44,273,913	9,484,256	6,935,244	6,290,035	33,542,151
Debt Service:										
Principal Retirement	29,605,000	27,754,243	56,500,000	29,305,000	97,210,000	37,665,000	40,246,000	43,972,984	45,847,000	101,595,815
Interest and Fiscal Charges	28,110,298	23,079,215	26,128,127	22,775,177	30,874,055	17,409,696	16,740,331	15,200,286	14,155,133	43,816,613
Intergovernmental	1,011,140	829,891	1,200,154	1,391,393	1,683,142	1,739,055	1,855,598	3,754,927	5,073,420	5,487,843
<b>Total Expenditures</b>	<b>\$ 376,643,867</b>	<b>\$ 333,309,753</b>	<b>\$ 369,606,192</b>	<b>\$ 339,030,684</b>	<b>\$ 423,810,583</b>	<b>\$ 379,703,142</b>	<b>\$ 380,280,119</b>	<b>\$ 371,278,819</b>	<b>\$ 386,763,599</b>	<b>\$ 538,819,327</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	19.98%	17.48%	24.25%	16.39%	31.57%	16.42%	15.37%	16.24%	15.77%	28.78%

Table 7

**RICHLAND SCHOOL DISTRICT TWO**

**OTHER FINANCING SOURCES AND USES AND**

**NET CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

**(MODIFIED ACCRUAL BASIS)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (101,482,355)	\$ (52,609,956)	\$ (66,570,039)	\$ (22,914,771)	\$ (90,670,271)	\$ (43,989,471)	\$ (26,006,491)	\$ (24,380)	\$ 15,663,824	\$ (118,102,262)
<b>Other Financing Sources (Uses)</b>										
General & Special Long-Term Debt Issued	111,885,000	70,000,000	106,836,546	11,396,124	10,000,000	10,000,000	12,100,000	50,880,000	26,000,000	67,625,000
Premium on Bonds Issued	17,203,709	6,665,916			12,864,732	1,491,294	579,826	6,846,795	151,580	21,172,587
Sale of Capital Assets		17,380	2,594	45,849	12,166	10,575	2,391	13,563	63,891	15,474
Issuance of Long-Term Notes	149,212									
Issuance of Refunding Debt	83,260,000									
Payments to Refunded Debt Escrow Agents	(89,300,000)							(46,822,585)		
Issuance of Refunded Debt (Net)					60,010,000					85,000,000
Transfers in	3,142,632	4,305,720	9,183,514	6,439,855	9,228,298	7,163,447	8,709,364	8,386,612	10,221,778	15,261,965
Transfers out	(6,004,975)	(6,314,121)	(9,254,035)	(7,792,668)	(10,511,962)	(8,514,746)	(10,567,644)	(10,604,309)	(13,063,993)	(17,761,965)
<b>Total Other Financing Sources</b>	120,335,578	74,674,895	106,768,619	10,089,160	81,603,234	10,150,570	10,823,937	8,700,076	23,373,256	171,313,061
<b>Net Change in Fund Balances</b>	\$ 18,853,223	\$ 22,064,939	\$ 40,198,580	\$ (12,825,611)	\$ (9,067,037)	\$ (33,838,901)	\$ (15,182,554)	\$ 8,675,696	\$ 39,037,080	\$ 53,210,799

**RICHLAND SCHOOL DISTRICT TWO**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended	Assessed Value			Actual Value			Total Direct Tax Rate
	Real Property	Personal Property	Total	Real Property	Personal Property	Total	
2011	\$ 400,814,700	\$ 117,675,076	\$ 518,489,776	\$ 8,739,478,082	\$ 1,454,335,889	\$ 10,193,813,971	343.3
2012	\$ 406,302,990	\$ 118,186,867	\$ 524,489,857	\$ 8,882,531,052	\$ 1,480,507,521	\$ 10,363,038,573	349.4
2013	\$ 409,508,640	\$ 128,883,188	\$ 538,391,828	\$ 8,967,744,550	\$ 1,644,392,695	\$ 10,612,137,245	367.5
2014	\$ 414,201,660	\$ 135,129,099	\$ 549,330,759	\$ 9,069,862,050	\$ 1,736,060,994	\$ 10,805,923,044	385.5
2015	\$ 380,188,860	\$ 137,722,914	\$ 517,911,774	\$ 8,250,836,720	\$ 1,785,430,842	\$ 10,036,267,562	406.0
2016	\$ 389,892,460	\$ 143,192,835	\$ 533,085,295	\$ 8,466,308,860	\$ 1,867,523,548	\$ 10,333,832,408	412.0
2017	\$ 398,138,830	\$ 147,487,771	\$ 545,626,601	\$ 8,653,428,450	\$ 1,910,910,660	\$ 10,564,339,110	427.0
2018	\$ 411,907,320	\$ 144,756,816	\$ 556,664,136	\$ 8,947,211,680	\$ 1,874,515,236	\$ 10,821,726,916	429.2
2019	\$ 423,322,970	\$ 146,610,390	\$ 569,933,360	\$ 9,192,444,464	\$ 1,893,019,320	\$ 11,085,463,784	439.6
2020	\$ 456,716,580	\$ 147,443,009	\$ 604,159,589	\$ 9,889,374,511	\$ 1,906,521,805	\$ 11,795,896,316	435.7

Source: Richland County Assessor's Office and Richland County Auditor's Office

**RICHLAND SCHOOL DISTRICT TWO**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
(rate per \$1,000 of assessed value)

Fiscal Year	District Direct Rates			Overlapping Rates <sup>a</sup>				
	General Purposes	Capital Purposes	Total	Richland School District 2	Richland County	Recreation District of Richland County	East Richland Public Service District	Richland-Lexington Riverbanks Park
2011	258.3	85.0	343.3	343.3	79.7	13.4	4.0	2.00
2012	269.4	80.0	349.4	349.4	81.6	13.7	4.0	2.00
2013	282.5	85.0	367.5	367.5	84.2	14.1	4.0	2.00
2014	291.5	94.0	385.5	385.5	86.5	14.4	4.0	2.10
2015	298.0	108.0	406.0	406.0	93.9	15.6	4.0	2.70
2016	304.0	108.0	412.0	412.0	95.6	15.8	4.0	2.40
2017	319.0	108.0	427.0	427.0	96.8	15.8	6.0	2.40
2018	321.2	108.0	429.2	429.2	97.1	16.1	6.0	2.40
2019	331.6	108.0	439.6	439.6	99.3	16.5	6.0	2.40
2020	331.7	104.0	435.7	435.7	97.7	16.0	4.0	2.40

**Source:** County Auditor's Office

**Note:** <sup>a</sup> Includes levies for operating and debt service costs.

**RICHLAND SCHOOL DISTRICT TWO**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020			2011		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Value
South Carolina Electric & Gas	1	\$ 20,212,070	3.54%	1	\$ 14,381,710	2.75%
Blue Cross - Blue Shield**	2	3,352,330	0.59%	4	2,814,170	0.54%
JTEKT North America Corp**	3	7,777,390	1.36%			
The Kroger Co**	4	2,726,730	0.48%			
Fairfield Electric Co-op Inc	5	2,158,600	0.38%			
Time Warner Cable SE LLC	6	2,115,700	0.37%			
F N Manufacturing, Inc.	7	2,065,520	0.36%	6	2,840,890	0.54%
Edward Rose Development Co. LLC	8	1,941,100	0.34%			
Bellsouth Telecommunications	9	1,664,330	0.29%	5	2,663,100	0.51%
Cellco Partnership	10	1,668,900	0.29%			
Continental Diesel Systems US				2	3,664,020	0.70%
Koyo Corporation of USA**				3	3,764,552	0.72%
Bose Corporation**				7	3,609,206	0.69%
CBL/Columbia Place, LLC				8	2,290,910	0.44%
Century Realty, LLC				9	2,184,880	0.42%
Amcor Rigid Plastic USA Inc				10	2,440,753	0.47%
<b>Total</b>		<b>\$ 45,682,670</b>	<b>8.00%</b>		<b>\$ 40,654,191</b>	<b>7.78%</b>

**Source:** County Treasurer's Office

\*\* Fee agreement reduced taxes owed



**RICHLAND SCHOOL DISTRICT TWO**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 117,100,628	\$ 110,202,275	94.11%	\$ 4,459,300	\$ 114,661,575	97.92%
2012	\$ 119,840,092	\$ 113,972,278	95.10%	\$ 3,157,842	\$ 117,130,120	97.74%
2013	\$ 126,061,667	\$ 119,395,021	94.71%	\$ 2,612,156	\$ 122,007,177	96.78%
2014	\$ 131,695,063	\$ 126,674,179	96.19%	\$ 2,445,993	\$ 129,120,172	98.04%
2015	\$ 133,882,532	\$ 128,756,319	96.17%	\$ 3,857,594	\$ 132,613,913	99.05%
2016	\$ 139,053,118	\$ 130,985,169	94.20%	\$ 1,713,301	\$ 132,698,470	95.43%
2017	\$ 146,075,919	\$ 140,150,070	95.94%	\$ 1,607,692	\$ 141,757,762	97.04%
2018	\$ 148,453,984	\$ 141,152,003	95.08%	\$ 2,611,785	\$ 143,763,788	96.84%
2019	\$ 154,805,872	\$ 146,904,884	94.90%	\$ 3,114,965	\$ 150,019,849	96.91%
2020	\$ 161,311,101	\$ 152,321,469	94.43%	\$ -	\$ 152,321,469	94.43%

Source : County Treasurer

Table 12

## RICHLAND SCHOOL DISTRICT TWO

## RATIOS OF DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

Ratios of Total Debt Outstanding						
Year	General & Special Obligation Bonds	Unamortized Bond Premiums	Total Debt Primary Government	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2011	\$ 427,430,000	\$ 30,621,933	\$ 458,051,933	88%	3%	\$ 1,176
2012	\$ 471,630,000	\$ 34,413,572	\$ 506,043,572	96%	3%	\$ 1,286
2013	\$ 509,435,000	\$ 46,289,512	\$ 555,724,512	103%	3%	\$ 1,398
2014	\$ 489,560,000	\$ 40,695,255	\$ 530,255,255	97%	3%	\$ 1,320
2015	\$ 462,360,000	\$ 47,066,450	\$ 509,426,450	98%	3%	\$ 1,252
2016	\$ 434,695,000	\$ 40,935,532	\$ 475,630,532	89%	4%	\$ 1,161
2017	\$ 406,549,000	\$ 34,163,324	\$ 440,712,324	81%	4%	\$ 1,070
2018	\$ 370,646,000	\$ 31,207,636	\$ 401,853,636	72%	5%	\$ 970
2019	\$ 350,799,000	\$ 25,869,403	\$ 376,668,403	66%	5%	\$ 906
2020	\$ 376,089,000	\$ 34,639,510	\$ 410,728,510	68%	5%	\$ 984

Ratios of General Bonded Debt Outstanding						
Year	Total Debt Primary Government	Less: Amounts Available in Debt Service Fund	Total General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2011	\$ 458,051,933	\$ 17,748,647	\$ 440,303,286	85%	3%	\$ 1,130
2012	\$ 506,043,572	\$ 13,316,088	\$ 492,727,484	94%	3%	\$ 1,252
2013	\$ 555,724,512	\$ 15,816,637	\$ 539,907,875	100%	3%	\$ 1,358
2014	\$ 530,255,255	\$ 18,104,485	\$ 512,150,770	93%	3%	\$ 1,275
2015	\$ 509,426,450	\$ 20,753,211	\$ 488,673,239	94%	3%	\$ 1,201
2016	\$ 475,630,532	\$ 22,828,791	\$ 452,801,741	85%	4%	\$ 1,106
2017	\$ 440,712,324	\$ 24,921,560	\$ 415,790,764	76%	4%	\$ 1,010
2018	\$ 401,853,636	\$ 26,645,639	\$ 375,207,997	67%	5%	\$ 906
2019	\$ 376,668,403	\$ 25,343,387	\$ 351,325,016	62%	6%	\$ 845
2020	\$ 410,728,510	\$ 26,726,508	\$ 384,002,002	64%	5%	\$ 920

Source: District Records

## Notes:

See Table 8 for property value data

See Table 14 for Personal Income and Per Capita Income Data

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

## RICHLAND SCHOOL DISTRICT TWO

## LEGAL DEBT MARGIN

## LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 41,479,182	\$ 41,959,189	\$ 43,071,346	\$ 43,946,461	\$ 41,432,942	\$ 42,646,824	\$ 43,650,128	\$ 44,533,131	\$ 45,594,669	\$ 48,332,767
Total Net Debt Applicable to Limit	17,320,000	21,260,000	28,910,000	23,910,000	36,840,000	40,330,000	43,490,000	43,875,000	31,840,000	19,290,000
<b>Legal Debt Margin</b>	<b>\$ 24,159,182</b>	<b>\$ 20,699,189</b>	<b>\$ 14,161,346</b>	<b>\$ 20,036,461</b>	<b>\$ 4,592,942</b>	<b>\$ 2,316,824</b>	<b>\$ 160,128</b>	<b>\$ 658,131</b>	<b>\$ 13,754,669</b>	<b>\$ 29,042,767</b>
<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>	41.76%	50.67%	67.12%	54.41%	88.91%	94.57%	99.63%	98.52%	69.83%	39.91%

## Legal Debt Margin Calculation:

Total Assessed Value	<u>\$ 604,159,589</u>
Debt Limit (8% of Total Assessed Value)	<u>48,332,767</u>
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt Outstanding	376,089,000
Less: General Bonds Outstanding Not Subject to Debt Limit	<u>(356,799,000)</u>
Total Net Debt Applicable to Debt Limit	<u>19,290,000</u>
Legal Debt Margin	<u>\$ 29,042,767</u>

**Notes:**

The Constitution of the State of South Carolina allows for school districts to issue up to 8% of the assessed value of all properties in the School District.

## RICHLAND SCHOOL DISTRICT TWO

## DIRECT AND OVERLAPPING DEBT

June 30, 2020

	Debt Outstanding	Assessed Value Related to Debt	Percentage Applicable to District	District Share of Debt
<b>Overlapping Debt</b>				
City of Columbia	\$ 89,924,394	\$ 596,197,553	8.80%	\$ 7,913,347
Richland County	76,510,000	1,748,387,340	34.56%	26,441,856
Recreation District	30,740,000	1,152,189,787	47.88%	14,718,312
Richland/Lexington Riverbank Park District	27,935,000	1,748,387,340	34.56%	9,654,336
East Richland County Public Sewer District	12,468,052	244,609,355	73.65%	9,182,720
Richland/Lexington Airport District	5,370,000	1,748,387,340	34.56%	1,855,872
<b>Total Overlapping Debt</b>	<u>242,947,446</u>			<u>69,766,443</u>
<b>Direct</b>				
Richland School District Two	<u>376,089,000</u>	604,159,589	100.00%	<u>376,089,000</u>
<b>Total Direct Debt</b>	<u>376,089,000</u>			<u>376,089,000</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 619,036,446</u>			<u>\$ 445,855,443</u>

Source: Richland County Treasurer's Office &amp; Richland County Auditor

*Note: The percentage of overlapping debt applicable to the School District is estimated using the taxable assessed property values. The County Auditor calculates the applicable percentages based on the assessed values of each overlapping entity. Debt and % information reflects the most recent information provided by Richland County and does not include unamortized bond premiums.*

**RICHLAND SCHOOL DISTRICT TWO**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

<b>Calendar Year</b>	<b>Population (a)</b>	<b>County Per Capita Income (b)</b>	<b>County Personal Income (b)</b>	<b>Unemployment Rate (c)</b>
2011	389,621	\$ 36,490	\$ 14,217,426	9.2%
2012	393,589	\$ 37,467	\$ 14,746,444	8.2%
2013	397,645	\$ 37,860	\$ 15,054,812	6.9%
2014	401,591	\$ 39,415	\$ 15,828,677	6.0%
2015	407,051	\$ 41,025	\$ 16,699,290	5.7%
2016	409,549	\$ 42,560	\$ 17,301,307	4.8%
2017	411,800	\$ 44,241	\$ 18,218,346	3.9%
2018	414,202	\$ 45,554	\$ 18,868,466	3.3%
2019	415,759	\$ 47,299	\$ 19,664,968	1.8%
2020	417,322	\$ 51,209	\$ 20,495,093	4.4%

(a) 2008 to 2019, US Bureau of Economic Analysis; 2020 estimated

(b) US Bureau of Economic Analysis, US Department of Commerce; 2020 estimated

(c) State Agency for Workforce Innovation, Office of Workforce Information Services,  
Labor Market Statistics; November 2020 for 2020 data

## RICHLAND SCHOOL DISTRICT TWO

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND 2010

Employer	2020			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Prisma Health Midlands <sup>1</sup>	14,000 - 15,000	1	7.7%	9,000 - 10,000	1	5.5%
Blue Cross-Blue Shield of SC	10,000 - 11,000	2	5.0%	6,000 - 7,000	2	4.1%
University of South Carolina	6,000 - 7,000	3	3.3%	4,000 - 5,000	3	2.8%
Richland School District One	4,000 - 5,000	4	2.2%			
Richland School District Two	4,000 - 5,000	5	1.9%			
City of Columbia	2,000 - 3,000	6	1.3%			
AT&T	2,000 - 3,000	7	1.1%	2,000 - 3,000	5	1.7%
Richland County	1,000 - 2,000	8	1.0%			
Dorn VA Medical Ctr	1,000 - 2,000	9	0.7%			
Verizon Wireless	1,000 - 2,000	10	0.5%			
Department of Defense				3,000 - 4,000	4	2.3%
Dominion Energy <sup>3</sup>				2,000 - 3,000	6	1.3%
Humana/Tricare				2,000 - 3,000	7	1.2%
Providence Hospitals				1,000 - 2,000	8	1.1%
DXC Technology <sup>2</sup>				1,000 - 2,000	9	0.6%
Columbia Life				1,000 - 2,000	10	0.6%
<b>Total</b>	<b>45,000 - 55,000</b>			<b>31,000 - 41,000</b>		

**Source:** Central South Carolina Alliance, SC Employment Security Commission, Central Midlands Council of Governments  
Richland County Economic Development Office

*Information on Principal Employers for Richland County was only available in the form of range of employees.*

<sup>1</sup> Formerly Palmetto Health

<sup>2</sup> Formerly CSC Corporation

<sup>3</sup> Formerly SC Electric & Gas

Table 17

**RICHLAND SCHOOL DISTRICT TWO**  
**FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Instruction</b>										
Teaching Faculty	1,809	1,851	1,892	1,942	1,993	2,015	2,037	2,059	2,019	2,114
Other	505	506	506	520	593	572	556	565	626	614
<b>Total Instruction</b>	2,314	2,357	2,398	2,462	2,586	2,587	2,593	2,624	2,645	2,728
<b>Support Services</b>										
Principals	30	33	36	36	37	36	36	37	36	36
Assistant Principals	70	75	80	83	83	82	83	85	84	80
Other Administration & Support	850	872	910	920	922	984	993	995	997	965
<b>Total Support Services</b>	950	980	1,026	1,039	1,042	1,102	1,112	1,117	1,117	1,081
<b>Total</b>	<b>3,264</b>	<b>3,337</b>	<b>3,424</b>	<b>3,501</b>	<b>3,628</b>	<b>3,689</b>	<b>3,705</b>	<b>3,741</b>	<b>3,762</b>	<b>3,809</b>

**Source:** District Records

Note: Full-time instructional employees of the District are employed for all 180 scheduled school days, at seven hours per day or 1,260 per year. Total work hours by instructional employees are divided by 1,260 to obtain full-time employment. Full-time equivalent employment for all other positions is determined based on 1,820 hours per year (52 weeks times five days times seven hours).

Table 18

## RICHLAND SCHOOL DISTRICT TWO

## OPERATING STATISTICS

## LAST TEN FISCAL YEARS

Fiscal Year Ended	Modified Accrual Basis of Accounting				Accrual Basis of Accounting			Teaching Staff	Percentage of Students Receiving Free or Reduced-Price Meals
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change		
2011	24,965	\$ 222,477,459	\$ 8,912	-3.68%	\$ 275,129,529	\$ 11,021	0.12%	1,800	45%
2012	25,988	\$ 240,029,909	\$ 9,236	3.64%	\$ 285,273,576	\$ 10,977	-0.39%	1,851	48%
2013	26,533	\$ 258,175,227	\$ 9,730	5.35%	\$ 312,307,926	\$ 11,771	7.23%	1,892	47%
2014	26,877	\$ 265,696,185	\$ 9,886	1.60%	\$ 305,296,139	\$ 11,359	-3.50%	1,942	49%
2015	27,325	\$ 277,572,407	\$ 10,158	2.76%	\$ 329,946,694	\$ 12,075	6.30%	1,993	49%
2016	27,607	\$ 280,354,533	\$ 10,155	-0.03%	\$ 319,055,114	\$ 11,557	-4.29%	2,015	49%
2017	27,872	\$ 313,809,532	\$ 11,259	10.87%	\$ 338,399,029	\$ 12,141	5.05%	2,037	49%
2018	28,056	\$ 305,170,305	\$ 10,877	-3.39%	\$ 361,588,104	\$ 12,888	6.15%	2,059	50%
2019	28,359	\$ 320,471,431	\$ 11,301	3.89%	\$ 370,397,768	\$ 13,061	1.34%	2,019	50%
2020	28,549	\$ 359,864,748	\$ 12,605	11.54%	\$ 389,702,998	\$ 13,650	4.51%	2,114	49%

**Source:** All information from School District records.

*Note: Operating expenditures are total expenditures in the governmental funds less debt service and capital outlay expenditures.*



Table 19

## RICHLAND SCHOOL DISTRICT TWO

## SCHOOL BUILDING INFORMATION

## LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Anna Boyd School										
Square Feet	13,500	13,500	13,500	13,500	13,500	13,500	-	-	-	-
Capacity (Students)	200	200	200	200	200	200	-	-	-	-
Enrollment	38	24	38	40	40	40	-	-	-	-
Bethel-Hanberry Elementary School										
Square Feet	128,369	128,369	128,369	128,369	128,369	128,369	128,369	128,369	128,369	128,369
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	633	628	648	668	674	720	720	705	722	804
Bookman Road Elementary School										
Square Feet	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670
Capacity (Students)	740	740	740	740	740	740	740	740	740	740
Enrollment	571	565	565	517	509	494	477	461	424	420
Blythewood Academy										
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (Students)	150	150	150	150	150	150	150	150	150	150
Enrollment	85	71	92	95	95	95	95	95	95	95
Bridge Creek Elementary School										
Square Feet	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105
Capacity (Students)	705	705	705	705	705	705	705	705	705	705
Enrollment	602	591	597	612	607	593	583	554	593	570
Catawba Trail Elementary										
Square Feet	N/A	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771
Capacity (Students)	N/A	747	747	747	747	747	747	747	747	747
Enrollment	N/A	416	481	504	527	589	609	603	611	672
Conder Elementary School										
Square Feet	80,047	80,047	80,047	80,047	80,047	80,047	80,047	80,047	80,047	80,047
Capacity (Students)	648	648	648	648	648	648	648	648	648	648
Enrollment	699	709	766	802	800	848	864	566	546	552
Forest Lake Elementary School										
Square Feet	76,245	76,245	76,245	76,245	76,245	76,245	76,245	76,245	76,245	76,245
Capacity (Students)	623	623	623	623	623	623	623	623	623	623
Enrollment	600	600	649	617	597	577	580	599	606	605
Jackson Creek Elementary School										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	125,000	125,000	125,000
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	747	747	747
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	645	704	650
Joseph Keels Elementary School										
Square Feet	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558
Capacity (Students)	688	688	688	688	688	688	688	688	688	688
Enrollment	648	637	692	691	670	699	674	551	518	505

Table 19

## RICHLAND SCHOOL DISTRICT TWO

## SCHOOL BUILDING INFORMATION

## LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Killian Elementary School										
Square Feet	81,429	81,429	81,429	81,429	81,429	81,429	81,429	81,429	81,429	81,429
Capacity (Students)	740	740	740	740	740	740	740	740	740	740
Enrollment	697	710	737	769	759	759	790	730	687	697
Lake Carolina Elementary School - Lower Campus										
Square Feet	91,635	91,635	91,635	91,635	91,635	91,635	91,635	91,635	91,635	91,635
Capacity (Students)	637	637	637	637	637	637	637	637	637	637
Enrollment	788	792	828	801	460	473	480	472	466	450
Lake Carolina Elementary School - Upper Campus										
Square Feet	N/A	N/A	N/A	N/A	128,656	128,656	128,656	128,656	128,656	128,656
Capacity (Students)	N/A	N/A	N/A	N/A	747	747	747	747	747	747
Enrollment	N/A	N/A	N/A	N/A	491	478	494	480	512	501
Langford Elementary										
Square Feet	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771
Capacity (Students)	747	747	747	747	747	747	747	747	747	747
Enrollment	439	504	534	525	489	501	473	453	475	478
Lonnie B. Nelson Elementary School										
Square Feet	100,495	100,495	100,495	100,495	100,495	100,495	100,495	100,495	100,495	100,495
Capacity (Students)	608	608	608	608	608	608	608	608	608	608
Enrollment	523	573	590	563	580	588	592	587	617	618
North Springs Elementary School										
Square Feet	101,448	101,448	101,448	101,448	101,448	101,448	101,448	101,448	101,448	101,448
Capacity (Students)	834	834	834	834	834	834	834	834	834	834
Enrollment	749	717	719	745	761	758	734	763	710	736
Polo Road Elementary School										
Square Feet	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830
Capacity (Students)	705	705	705	705	705	705	705	705	705	705
Enrollment	771	587	619	616	646	677	691	686	686	648
Pontiac Elementary School										
Square Feet	89,296	89,296	89,296	89,296	89,296	89,296	89,296	89,296	89,296	89,296
Capacity (Students)	796	796	796	796	796	796	796	796	796	796
Enrollment	940	705	689	696	735	700	691	722	693	696
Rice Creek Elementary School										
Square Feet	90,016	90,016	90,016	90,016	90,016	90,016	90,016	90,016	90,016	90,016
Capacity (Students)	796	796	796	796	796	796	796	796	796	796
Enrollment	782	771	777	729	733	753	723	742	758	752
Round Top Elementary School										
Square Feet	97,360	97,360	97,360	97,360	97,360	97,360	97,360	97,360	97,360	97,360
Capacity (Students)	637	637	637	637	637	637	637	637	637	637
Enrollment	657	630	625	657	575	579	570	560	615	610

Table 19

## RICHLAND SCHOOL DISTRICT TWO

## SCHOOL BUILDING INFORMATION

## LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sandlapper Elementary School										
Square Feet	94,500	94,500	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830
Capacity (Students)	705	705	705	705	705	705	705	705	705	705
Enrollment	746	709	712	711	674	684	659	653	696	655
Windsor Elementary School										
Square Feet	95,563	95,563	98,973	98,973	98,973	98,973	98,973	98,973	98,973	98,973
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	648	636	660	688	744	764	745	608	574	535
Blythewood Middle School										
Square Feet	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	1,091	590	646	699	785	764	830	833	805	838
Dent Middle School										
Square Feet	198,853	198,853	198,853	198,853	198,853	198,853	198,853	198,853	198,853	198,853
Capacity (Students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	1,282	1,282	1,317	1,257	1,200	1,217	1,234	1,246	1,272	1,274
Kelly Mill Middle School										
Square Feet	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,546
Capacity (Students)	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Enrollment	1,339	921	925	917	922	921	912	880	897	984
CFA Enrollment	127	93	93	93	112	103	100	87	87	73
Long Leaf Middle School										
Square Feet	150,646	150,646	150,646	150,646	150,646	150,646	150,646	150,646	150,646	150,646
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	588	645	683	665	675	720	785	772	841	865
Muller Road Middle										
Square Feet	N/A	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532
Capacity (Students)	N/A	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	N/A	666	698	725	696	717	793	810	872	911
CFK North Enrollment	N/A	N/A	N/A	96	141	193	235	260	260	257
Summit Parkway Middle School										
Square Feet	149,132	149,132	149,132	149,132	149,132	149,132	149,132	149,132	149,132	149,132
Capacity (Students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	889	878	860	877	934	976	958	987	933	902
CFI Enrollment	240	263	261	260	252	275	250	250	250	252

Table 19

## RICHLAND SCHOOL DISTRICT TWO

## SCHOOL BUILDING INFORMATION

## LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
E. L. Wright Middle School										
Square Feet	195,472	211,982	211,982	211,982	211,982	211,982	211,982	211,982	211,982	211,982
Capacity (Students)	1,225	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489
Enrollment	996	1,035	1,079	1,088	1,081	1,066	1,078	1,092	1,114	1,092
CFK Enrollment	264	264	258	265	261	280	267	267	267	260
Blythewood High School										
Square Feet	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	2,073	2,146	1,588	1,664	1,820	1,924	1,987	1,987	1,920	1,886
Richland Northeast High School										
Square Feet	302,413	302,413	302,413	302,413	302,413	302,413	302,413	302,413	302,413	302,413
Capacity (Students)	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Enrollment	1,498	1,449	1,374	1,451	1,447	1,410	1,423	1,359	1,410	1,446
Ridge View High School										
Square Feet	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,995	2,047	1,591	1,524	1,473	1,357	1,343	1,442	1,507	1,593
Spring Valley High School										
Square Feet	458,812	458,812	458,812	458,812	458,812	458,812	458,812	458,812	458,812	458,812
Capacity (Students)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Enrollment	2,051	2,134	1,973	1,947	2,014	1,970	2,079	2,077	2,152	2,201
Westwood High School										
Square Feet	N/A	N/A	328,874	328,874	328,874	328,874	328,874	328,874	328,874	328,874
Capacity (Students)	N/A	N/A	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	N/A	N/A	1,169	1,303	1,346	1,345	1,354	1,472	1,464	1,466
<b>Total</b>										
<b>Square Feet</b>	<b>3,931,766</b>	<b>4,235,579</b>	<b>4,568,193</b>	<b>4,568,193</b>	<b>4,696,849</b>	<b>4,696,849</b>	<b>4,683,349</b>	<b>4,808,349</b>	<b>4,808,349</b>	<b>4,808,349</b>
<b>Capacity (Students)</b>	<b>26,388</b>	<b>28,449</b>	<b>30,149</b>	<b>30,149</b>	<b>30,896</b>	<b>30,896</b>	<b>30,696</b>	<b>31,443</b>	<b>31,443</b>	<b>31,443</b>
<b>Enrollment</b>	<b>26,049</b>	<b>25,988</b>	<b>26,533</b>	<b>26,877</b>	<b>27,325</b>	<b>27,607</b>	<b>27,872</b>	<b>28,056</b>	<b>28,359</b>	<b>28,549</b>
<b>Component Unit - Charter High School:</b>										
<i>Charter High School</i>										
<i>Square Feet</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>13,500</i>	<i>13,500</i>	<i>13,500</i>	<i>13,500</i>
<i>Capacity (Students)</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>200</i>	<i>200</i>	<i>200</i>	<i>200</i>
<i>Enrollment</i>	<i>51</i>	<i>68</i>	<i>69</i>	<i>78</i>	<i>98</i>	<i>102</i>	<i>108</i>	<i>114</i>	<i>114</i>	<i>81</i>

Source: District Records

## RICHLAND SCHOOL DISTRICT TWO

## TEACHER BASE SALARIES

## LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>Statewide Average Salary (2)</u>
2011	\$ 33,813	\$ 73,264	\$ 47,050
2012	\$ 33,843	\$ 73,624	\$ 47,428
2013	\$ 35,210	\$ 76,598	\$ 48,375
2014	\$ 35,210	\$ 76,598	\$ 48,340
2015	\$ 35,210	\$ 76,598	\$ 48,892
2016	\$ 35,210	\$ 76,598	\$ 49,796
2017	\$ 36,094	\$ 78,129	\$ 51,495
2018	\$ 36,094	\$ 78,130	\$ 51,966
2019	\$ 36,455	\$ 78,911	\$ 52,152
2020	\$ 36,455	\$ 78,911	\$ 52,830

Source: (1) District records

(2) SC Department of Education and SC Revenue and Fiscal Affairs Office

## **SINGLE AUDIT SECTION**



Certified Public Accountants, P.A.

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

Honorable Chairman and Members of  
the Board of Trustees of  
Richland School District Two  
Columbia, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of Richland School District Two ("the School District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 5, 2021.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



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**Burkett Burkett & Burkett**  
Certified Public Accountants, P.A.  
West Columbia, South Carolina  
February 5, 2021





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

Honorable Chairman and Members of  
the Board of Trustees of  
Richland School District Two  
Columbia, South Carolina

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

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

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

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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 School District's internal control over compliance.

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

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

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



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**Burkett Burkett & Burkett**  
Certified Public Accountants, P.A.  
West Columbia, South Carolina  
February 5, 2021

**RICHLAND SCHOOL DISTRICT TWO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Total Expenditures
<b><u>U. S. Department of Education</u></b>				
<i>Direct Programs:</i>				
100	Impact Aid	84.041		\$ 250,014
278	Federal Magnet Grant/Project MedPro	84.165A	U165A170064-19	1,998,679
277	Gear Up (2014 Award)	84.334A	P334A140210-19	1,083,076
279	Gear Up (2018 Award)	84.334A	P334A180036-19	1,957,470
<b>Total U.S Department of Education Direct Programs</b>				<b>5,289,239</b>
<i>Passed Through S. C. Department of Education:</i>				
243	Adult Education	84.002	20 Adult Education	119,788
243	Adult Education	84.002	20 Adult Education - Institutionalized	890
243	Adult Education	84.002	20 Adult Education reverted	15,073
<i>Total Adult Education</i>				<i>135,751</i>
201	Title I	84.010	19/20 Title I	4,582,537
201	Title I	84.010	Project Literacy	2,665
237	Title I Targeted School Improvement	84.010A	19/20 Title I TSI	216,348
238	Title I School Improvement Mini Grant	84.010		50,289
<i>Total Title I Grants to LEAs</i>				<i>4,851,839</i>
203	Individuals with Disabilities Education Act	84.027	18/19/20 IDEA	4,286,738
205	Individuals with Disabilities Education Act - Preschool	84.173	19/20 IDEA Preschool	225,556
209	State Systemic Improvement Plan	84.027	n/a	126,062
<i>Total IDEA Cluster</i>				<i>4,638,356</i>
207	CATE (subprogram 01)	84.048	19/20 CTE Federal	39,321
207	CATE (subprogram 02)	84.048	19/20 CTE Federal	4,000
207	CATE (subprogram 03)	84.048	19/20 CTE Federal	86,678
207	CATE (subprogram 04)	84.048	19/20 CTE Federal	102,505
207	CATE (subprogram 04)	84.048	20 CTE Federal	5,563
207	CATE (subprogram 06)	84.048	19/20 CTE Federal	32,172
207	CATE (subprogram 10)	84.048	19 CTE Federal	561
207	CATE (subprogram 15)	84.048	20 CTE Federal	5,768
207	CATE (subprogram 17)	84.048	19 CTE Federal	16,000
<i>Total CATE</i>				<i>292,568</i>
232	Education for Homeless Children and Youth	84.196A	18/19/20 McKinney-Vento Homeless	128,914
224	21st Century Community Learning Centers	84.287C	18-19/19-20 21st CCLC	1,074,937
264	Title III - Language Instruction for Limited English Proficient and Immigrant Students	84.365		62,571
267	Title II Improving Teacher Quality	84.367		592,427
210	Title IV (SSAE)	84.424A		326,813
<b>Total Passed Through S. C. Department of Education</b>				<b>12,104,176</b>
<b>Total U. S. Department of Education</b>				<b>17,393,415</b>
<b><u>U. S. Department of Agriculture</u></b>				
<i>Passed Through S. C. Department of Education</i>				
<i>Non-Cash Assistance (Commodities):</i>				
600	School Breakfast Program	10.553	N/A	1,545,394
600	Summer Feeding Program	10.555	N/A	1,083,169
600	Commodities/Food Distribution	10.555	N/A	194,595
600	School Lunch Program	10.555	N/A	4,777,418
<i>Total National School Lunch Program</i>				<i>6,055,182</i>
600	CNP School Meals Equipment	10.579		39,788
600	Fresh Fruit & Vegetable Program	10.582		34,925
<b>Total Passed Through S. C. Department of Education</b>				<b>7,675,289</b>
<i>Passed Through S. C. Department of Social Services</i>				
600	Summer Food Service Program (Dinner Program)	10.559	N/A	1,467,534
<b>Total Passed Through S. C. Department of Social Services</b>				<b>1,467,534</b>
<b>Total U. S. Department of Agriculture</b>				<b>9,142,823</b>
<b>OTHER FEDERAL ASSISTANCE</b>				
<b><u>U. S. Department of Defense</u></b>				
292	Air Force, Army and Navy ROTC	12.000	N/A	318,225
275	Department of Defense	12.556	HE1254	51,431
273	Department of Defense	12.556	HE1254	313,919
286	Department of Defense	12.556	HE1254	263,132
294	Department of Defense	12.556	HE1254	37,784
<i>Total 12.556</i>				<i>666,266</i>
<b>Total Department of Defense</b>				<b>984,491</b>

(Continued)

RICHLAND SCHOOL DISTRICT TWO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Total Expenditures
<b><u>U. S. Department of Justice</u></b>				
<i>Passed Through S. C. Department of Education</i>				
276	Capturing Kids Hearts	16.560	H6304999	\$ 5,137
	<b>Total Passed Through S. C. Department of Education</b>			<b>5,137</b>
	<b>Total U.S. Department of Justice</b>			<b>5,137</b>
<b><u>U. S. Department of Labor</u></b>				
828	U. S. Department of Labor - CAT Grant	17.274	SGA-DFA-PY-13-01	37,692
293	U. S. Department of Labor - Workforce Innovation Grant	17.259	ETA-TEGL-PY-YOUTH-2018	49,650
	<b>Total Department of Labor</b>			<b>87,342</b>
<b><u>U. S. Department of Health and Human Services</u></b>				
296	Child Health and Human Development Extramural Research	93.865	1R21HD090647-01A1	36,747
<i>Passed Through S. C. Department of Education</i>				
274	Youth Risk Behavior Surveys	93.079		1,360
	<b>Total Passed Through S. C. Department of Education</b>			<b>1,360</b>
	<b>Total Department of Health and Human Services</b>			<b>38,107</b>
	<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 27,651,315</b>

**Footnotes:**

The accounting policies of the School District conform to accounting principles generally accepted in the United States of America applicable to governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the more significant policies can be found in the notes to the financial statements of the School District's basic financial statements for the year ended June 30, 2020. All expenditures reported on the above Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting as applicable to governmental funds.

Reconciliation of SEFA to Financial Statements:

Federal Assistance:

Government Funds	\$ 30,622,627
Total Federal Assistance per Financial Statements	30,622,627
Less: Federal Interest Subsidy - Debt Service Fund	(2,971,312)
Total Federal Assistance per SEFA	\$ 27,651,315

*Federally Funded Programs Not Subject to Single Audit:*

Build America Bonds  
Qualified School Construction Bonds

The Federal interest subsidy assistance received from these bond programs is excluded from the SEFA reporting.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2020**

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**General**

The accompanying Schedule of Expenditures of Federal Awards presents the federal grant activity of Richland County School District Two. All federal awards received directly from federal agencies, as well as those passed through other governmental agencies, are included in the schedule.

**Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, the same basis of accounting used to prepare the governmental financial statements as outlined in the Notes to the Financial Statements.

**Relationship to Financial Statements**

Federal Award Expenditures are generally reported in the District's financial statements as expenditures in the Special Revenue Funds, with the exception of the revenues for Impact Aid, which are reported in the General Fund.

**Indirect Costs**

The District elected not to use the de minimis indirect cost rate of 10%.

*The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements or reported in the federal financial reports.*

**RICHLAND SCHOOL DISTRICT TWO  
COLUMBIA, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

- 1 The independent auditors' report on the financial statements expressed an unmodified opinion.
- 2 There were no significant deficiencies in internal control over financial reporting disclosed in the audit of the financial statements.
- 3 The audit did not disclose any material noncompliance matters in relation to the financial statements.
- 4 There were no significant deficiencies in internal control over compliance applicable to major programs.
- 5 The report on compliance for major programs expressed an unmodified opinion.
- 6 The audit disclosed no audit findings.
- 7 The major programs of the School District included in the audit were:
  - A. Special Education Cluster - 84.027/84.173
  - B. Federal Magnet Grant - 84.165A
  - C. Title II - Improving Teacher Quality - 84.367
- 8 The dollar threshold for Type A programs for the School District was \$829,539.
- 9 The School District did qualify as a low-risk auditee.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**RICHLAND SCHOOL DISTRICT TWO  
COLUMBIA, SOUTH CAROLINA  
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**There were no Findings or Questioned Costs reported in the prior year.**