



# ***ANNUAL COMPREHENSIVE FINANCIAL REPORT***

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***FISCAL YEAR ENDED JUNE 30, 2022  
COLUMBIA, SOUTH CAROLINA***

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



**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

*Prepared by:  
Office of Financial Services*

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

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

*Shelley S. Allen  
Chief Financial Officer*

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March 21, 2023

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 Annual Comprehensive Financial Report of Richland School District Two for the fiscal year ended June 30, 2022, 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 annual comprehensive 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, 2022, the District served approximately 28,000 students. The District continues to be one of the fastest growing districts in the state as it has over the past decade.

### **Economic Condition**

State and federal payrolls are major sources of employment and income for residents of the County. The state of South Carolina employs nearly 190,000 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 10,000 people. There are significant industrial enterprises within the School District including Koyo Bearings, Spirax Sarco, and FN Manufacturing, Inc.

Fort Jackson, one of the United States Army's largest training installation, is located adjacent to the District and is a major contributor to the economy. More than 3,500 active duty Soldiers and their 12,000 Family members are assigned to the installation and make this area their home. About one third of those live in on-post housing. Fort Jackson employs almost 3,500 civilians and provides services for more than 46,000 retirees and their family members. An additional 10,000 students attend courses at the Soldier Support Institute, Armed Forces Chaplain Center, National Center for Credibility Assessment and Drill Sergeant School annually; training in excess of 48,000 basic training and 12,000 additional advanced training Soldiers every year.

Richland County's per capita income is estimated to be \$52,726 for 2022. The annual unemployment rate for 2021 for Richland County was 5.8%, which was below the 6.2% state annual rate.

### **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 28,000-29,000 in the 2022-2023 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 2021 – 2022**

Richland Two named 2021 K-12 DIVE District of the Year

2022 Regeneron Science Talent Search Scholars -: Shyam Ganest Babu, Eileen Chen - Spring Valley High School

National Merit Scholarship Corporation scholarship winners - Macy Collins, Blythewood High; Zachary Huang, Spring Valley High; Alexander Winslow, Richland Northeast High

National Junior Science and Humanities Symposium - Shriya Kapoor, Eileen Chen and Cathy Tang, Spring Valley High

Invest-Write competition winner - Andrew Jennings, Kelly Mill Med Pro Middle School

Robotics Challenge in the 2022 South Carolina 4-H Engineering Challenge - Zoey Sangal, Center for Knowledge; Peyton Montgomery, Round Top Elementary School

Best in State - Spring Valley JROTC Drill Team

First place winner in the 2022 Magnet Schools of America Poster Contest – Samantha Williams, Sandlapper Elementary





Award for Aspirations in Computing National Center for Women and Information Technology- Faith Aiken, Ridge View High and R2i2 Student Innovation Center

State 4A Track Athlete of the Year – Brianna Rodriguez – Westwood High

State Basketball Champions – Ridge View High's Varsity Boys' Basketball

State Track and Field Champions – Spring Valley High School – Jackson Inmon, Ethan Taylor, Jack Stacy, Tyler Shuler and Mondell Hutto

2021 S.C. History Teacher of the Year – Saudah Collins, Jackson Creek Elementary

S.C. Association of School Administrators 2022 S.C. Elementary Assistant Principal of the Year – Dr. Tia Jones, Catawba Trail Elementary

2021- 2022 CS Teaching Excellence Award - Dr. Tim Swick, Sandlapper Elementary

2022 SC Stem Educator of the Year – Kirsten Bullington, R2i2 Student Innovation Center

2021 D.A.R.E Educator of the year: Susan Stokes, Jackson Creek Elementary

2021 – 2022 S.C. Personnel Administrator of the Year – Shawn Williams, Senior Chief Officer for Human Resources

2021 – 2022 Outstanding School Business Official Award – Harry Miley, Senior Chief Officer for Finance and Operations

2021 S.C. Association for physical Education and Sport Elementary Teacher of the Year – Michael Lally, Lake Carolina Elementary Upper

2021 recipient of the William Dahlgren Teacher of Excellence Award from SAMPE – Nicolas Jones, R2i2 Student Innovation Center

Palmetto State Literacy Association's Distinguished Literacy Administrator of the Year – Kim Hutcherson, Center for Achievement

2022 Yamaha Music USA National Top 40 Musicians under 40 – Kenneth Perkins, Joseph Keels Elementary

2021 S.C. Association of School Administrators Top 3 Secondary Principals – Dr. Brenda Mack-Foxworth, Ridge View High

Regeneron Science Talent Search Teachers of Merit – Michelle Spigner and Lindsey Rega, Spring Valley High

Premier 100 – 2022 William L. Hunter Diversity, Equity and Inclusion Award

The Association of School Business Officials International (ASBO) awarded Richland School District Two the Certificate of Excellence in Financial Reporting (COE) for the 35<sup>th</sup> consecutive year

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Richland Two the Certificate of Achievement for Excellence in Financial Reporting

Department of Defense Junior Science and Humanities Symposium Teacher of the Year – Lindsey Rega, Spring Valley High

SCAEOP Educational Office Professional of the Year - MaryBeth Gawrys, Lake Carolina Elementary Lower

NAEOP 2021 Olive T. Richie Office Professional of the Year – MaryBeth Gawrys, Lake Carolina Elementary Lower

Elected to serve on the Magnet Schools of America Board of Directors – Barbara Turner, Richland Two Director of Magnet Programs

2022 ASCD Whole Child Award - Ridge View High

2021 Ibrahim Janajreh Young Innovator Award/Innovision Award – R2i2 Student Innovation Center

2022 Magnet Schools of America, National Magnet Schools of Excellence – Sandlapper Elementary and Ridge View High

2022 Magnet Schools of America, National Magnet Schools of Distinction – L.W. Conder Elementary and Spring Valley High

COGNIA's STEM Certification – Westwood High

Awarded 13 communications awards by the S.C. chapter of the National School Public Relations Association – Ridge View Arts Innovation for Medical Sciences

2021 National Blue Ribbon Beacon School – Polo Road Elementary

2022 Outstanding Concert Band Performance Awards by S.C. Band Directors Association

Magnet Schools of America 2022 National New and Emerging Merit Award of Excellence – Sandlapper Elementary

Superintendent Dr. Baron Davis

- 2022 SCAAA 4A/5A Superintendent of the Year
- Member of AASA National Superintendent Certification Program
- 2022 Gerald Dawkins Leadership Builder Award Recipient
- American Heart Challenge Award – Administrator of the Year

### **Acknowledgements**

The preparation of the annual comprehensive financial report 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,



Nancy J. Gregory  
Interim Superintendent



Harry W. Miley, Jr., Ph.D.  
Senior Chief of Finance and Operations



# **RICHLAND SCHOOL DISTRICT TWO**

## **Principal Officers 2021-2022**

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

*The Honorable Teresa Holmes, Chair*

*The Honorable James Manning, Vice Chair*

*The Honorable Amelia McKie, Secretary*

*The Honorable Lindsay Agostini*

*The Honorable Cheryl Caution-Parker*

*The Honorable Monica E. Scott*

*The Honorable Lashonda McFadden*

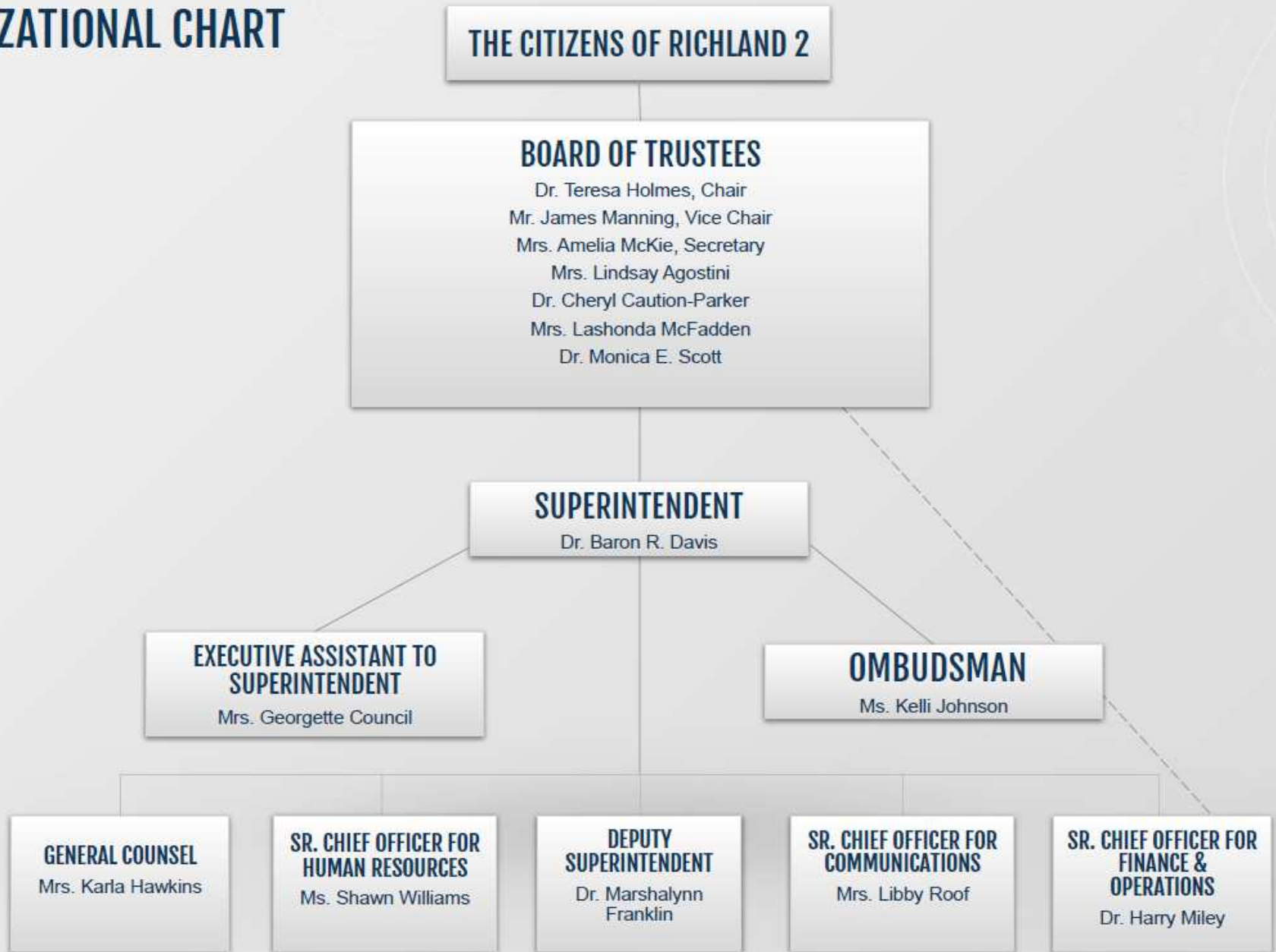
### **ADMINISTRATIVE STAFF**

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

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

*Shelley S. Allen  
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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

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 Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter**  
**President**

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

**David J. Lewis**  
**Executive Director**



## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Richland School District Two ("the School District"), as of and for the year ended June 30, 2022, 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.

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, and each major fund of Richland School District Two, as of June 30, 2022, 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.

### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued next page)



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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 for the General Fund, the pension schedules, and the OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary 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 supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

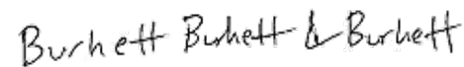
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

  
BURKETT BURKETT & BURKETT  
Certified Public Accountants, P.A.  
West Columbia, South Carolina  
March 21, 2023

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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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, 2022. 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 15th year under this legislation, Richland School District Two found that the cap allowed for an adequate level of local funding for FY 2021-2022. 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.

In FY 2021-2022, the School District's General Fund revenues exceeded expenditures, resulting in an increase in the General Fund Balance of over \$25 thousand. The School District's overall governmental funds' fund balances decreased by over \$20 million, largely due to capital outlay expenditures related to the 2018 bond referendum. As of June 30, 2022, the School District's combined Governmental Funds ending Fund Balance was over \$244.2 million.

Other key financial aspects were as follows:

- **Overall Governmental Fund Activities** – Governmental revenues totaled over \$454.7 million, other financing sources/(uses) totaled more than \$80.8 million, and expenditures totaled over \$555.6 million for all Governmental Funds at the fund level. This resulted in a decrease to the Governmental Fund ending fund balance of \$20.1 million. This decrease was largely due to capital outlay expenditures of over \$111.7 million in the Capital Projects Fund, which resulted in a decrease to Capital Projects fund balance by \$24.8 million.
- **General Fund/Fund Balance** - Among the major funds, the General Fund had \$319.3 million in revenues and other financing sources and \$319.0 million in expenditures and other financing uses. This increase in fund balance brings the ending balance to \$94.6 million (29.7% 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 over \$89.2 million or 13.4%. This is largely attributable to the increase in Construction in Progress resulting from the 2018 Bond Referendum projects continuing 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 \$74,083 and total net position exceeding \$2.5 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 decreased by over \$18.5 million from June 30, 2021 to June 30, 2022 which is largely attributable to capital outlay expenditures related to the 2018 bond referendum.

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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- **Debt (Governmental Activities)** - The School District retired \$89.5 million in principal during the 2021-2022 fiscal year, including \$40 million in defeased debt. In addition, the School District borrowed \$75 million in General Obligation bonds related to the 2018 bond referendum and \$42.2 million in General Obligation refunding bonds (additional information can be found Note 8 of the Notes to the Financial Statements). The Debt Service Fund Balance decreased by over \$1.2 million, to a total of nearly \$31.9 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, Food Service Fund and Pupil Activity Funds), Debt Service, Capital Projects, 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 those of the School District (known as the primary government), with no component units.

The government-wide financial statements can be found on pages 25 and 26 of this report.

**Statement of Net Position** - The statement of net position presents information on all of the School District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference 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 two categories: governmental and proprietary.

**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 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.

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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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 28 and 30.

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 27 and 29.

**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 31 through 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 \$259.1 million as of June 30, 2022. Overall, the School District's change in net position for the year was nearly a \$35 million increase.

By far the largest portion of the School District's assets, \$754.4 million (71.5% 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  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following table presents a summary of the School District's net position at June 30, 2022 compared to June 30, 2021.

	<b>Net Position</b>	
	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Current and Other Assets	\$ 300,420,614	\$ 325,214,453
Capital Assets	754,478,682	665,247,738
<b>Total Assets</b>	<b>1,054,899,296</b>	<b>990,462,191</b>
<b>Deferred Outflows of Resources</b>		
Deferred Charges on Bond Refunding	920,789	-
Deferred Outflows related to Pension Liability	56,169,500	63,662,962
Deferred Outflows related to OPEB Liability	106,654,259	77,986,836
<b>Total Deferred Outflow of Resources</b>	<b>163,744,548</b>	<b>141,649,798</b>
<b>Liabilities</b>		
Other Liabilities	52,437,171	57,008,893
Long-Term Liabilities	1,330,670,160	1,321,793,922
<b>Total Liabilities</b>	<b>1,383,107,331</b>	<b>1,378,802,815</b>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows related to Net Pension Liability	59,925,414	10,267,298
Deferred Inflows related to Net OPEB Liability	34,806,995	37,216,137
<b>Total Deferred Inflow of Resources</b>	<b>94,732,409</b>	<b>47,483,435</b>
<b>Net Position</b>		
Net Investment in Capital Assets	303,718,257	265,535,892
Restricted	41,434,849	37,008,631
Unrestricted	(604,349,002)	(596,718,784)
<b>Total Net Position</b>	<b>\$ (259,195,896)</b>	<b>\$ (294,174,261)</b>

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following table shows the changes in net position for fiscal years ended June 30, 2022 and 2021 (as restated for the prior period adjustment):

		<b>Changes in Net Position</b>	
		<b>Governmental Activities</b>	
		<b>2022</b>	<b>2021</b>
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$	650,356	\$ 460,323
Operating Grants		216,967,501	198,981,630
General Revenue:			
Property Taxes		178,693,940	170,893,065
Federal and State Aid		56,101,351	54,667,139
Investment Earnings		1,487,350	1,018,938
Other		944,806	2,339,418
<b>Total Revenues</b>		<b>454,845,304</b>	<b>428,360,513</b>
<b>Program Expenses</b>			
Instruction		225,192,106	231,171,951
Supporting Services		179,710,992	164,831,852
Community Services		1,740,912	272,943
Interest and Fiscal Charges		12,975,699	18,947,617
<b>Total Program Expenses</b>		<b>419,619,709</b>	<b>415,224,363</b>
Change in Net Position before Transfers		35,225,595	13,136,150
Transfers		-	-
<b>Change in Net Position</b>		<b>35,225,595</b>	<b>13,136,150</b>
Net Position, Beginning of Year		(294,174,261)	(310,758,916)
Prior Period Adjustment		(247,230)	(1,159,272)
Cumulative Change in Accounting Principle		-	4,607,777
Net Position, End of Year	\$	<b>(259,195,896)</b>	\$ <b>(294,174,261)</b>

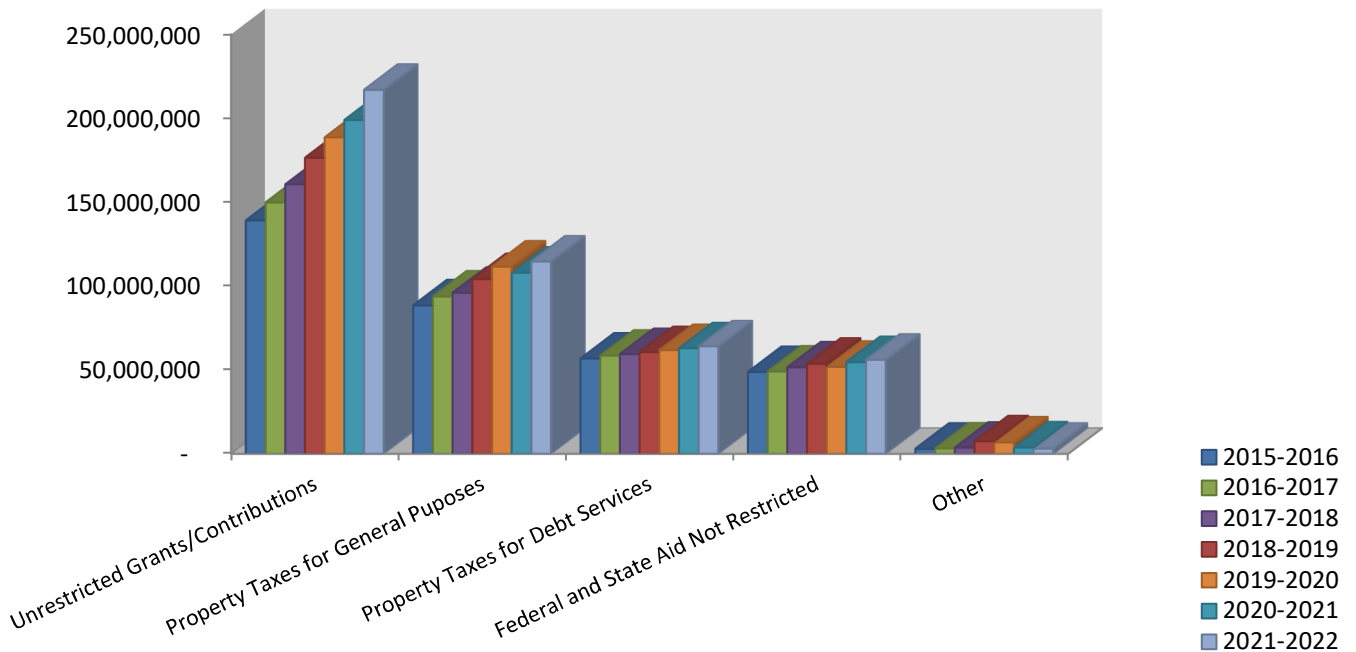
**Governmental Activities (Government-Wide Statements)** - The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital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

The School District's revenue for total governmental activities for FY 2022 was over \$454.8 million and exceeded expenses by \$35.2 million. 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 nearly \$35 million. This increase relates to an increase in Federal grant revenues, local property taxes and continued cost savings due to attrition and unfilled positions, primarily seen in the General Fund.

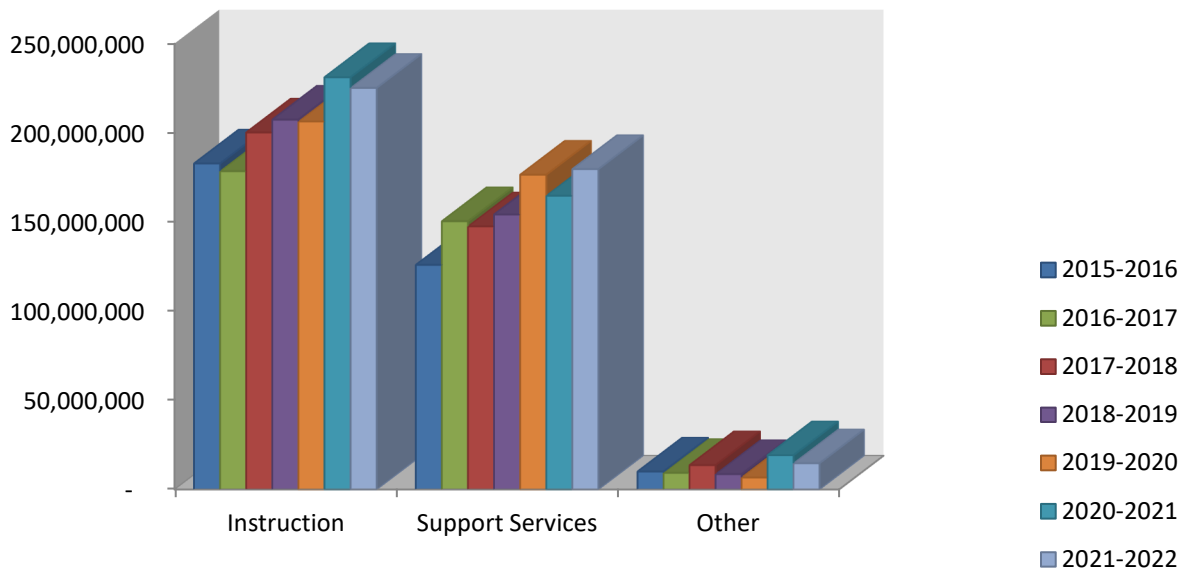
**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following charts show the breakdown of revenues supporting governmental activities and the net cost of services related to governmental activities for the 2016 fiscal year through 2022 fiscal year:

**Revenues Supporting Governmental Activities By Source  
For FY 2016 through FY 2022**



**Governmental Activities - Expenses By Function  
For FY 2016 through FY 2022**





**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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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 \$244.2 million, a decrease of over \$20.3 million. This decrease related to the decrease in the Capital Projects Fund, which resulted from capital outlay expenditures related to the 2018 Bond Referendum. Unassigned fund balance totaling \$94.6 million, is available for spending at the School District's discretion. There was \$5.3 million restricted for Special Revenue-Special Projects, \$9.5 million restricted for food service program, \$31.9 million restricted for debt service, \$102.8 million restricted for capital projects. Note 12 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 \$25 thousand, due primarily to additional local revenues and cost savings, related to personnel costs coming in under budget. The Debt Service Fund balance showed a decrease of over \$1.2 million from the prior year due to an increase in principal and interest payments. The Capital Projects' fund balance decreased by \$24.9 million as a result of capital outlay expenditures for the 2018 Bond Referendum projects. As of June 30, 2022, the Food Service fund ended the year with a Fund Balance exceeding \$9.5 million. The increase in fund balance relates to \$11.3 million in additional Federal revenues. As of June 30, 2022, the Special Revenue Special Projects fund ended the year with a fund balance of over \$5.3 million, representing an increase of over \$595 thousand. The majority of this increase related to pupil activity fund revenues in excess of expenditures.

**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 \$74,083, bringing the ending fund balance to over \$2.5 million, which is sufficient to cover anticipated reserves.

**BUDGETARY HIGHLIGHTS**

The most significant budgeted fund is the district's General Fund. The FY 2021-2022 general fund budget was built with a state base student cost of \$2,516.

In February of 2022, the Richland School District Two Board of Trustees approved to make a non-recurring allocation of \$6,450,000 in general fund dollars to provide a bonus to full-time and part-time permanent employees. In addition, the Board approved to make a non-recurring transfer of \$10 million from the General Fund to the Capital Projects fund to help offset the cost of future capital improvement needs.

Some significant highlights of initiatives funded in the 2021-2022 budget included:

- Maintaining class size ratios and addressing growth needs in Special Education.
- 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 \$1,000 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, as outlined in H.4100 State Appropriations Act.

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

- Bus driver salary schedule increased by 7.5% as provided in H.4100 State Appropriations Act.
- All other employee salary schedules increased by 2%.
- Modifications to bring the teacher salary schedule's entry level to \$41k and align impacted steps for BA and BA+18 categories.
- Addressing safety and security needs that include maintaining the current SRO staffing levels through an annual contract increase.
- Anticipated state increase for the employer portion of state retirement.
- Additional positions to support expanded ESOL needs.
- District level interpreter/translator to support district-wide services.
- Additional funding to maintain overall staffing standards and to add positions to provide district-wide support for students and other programmatic needs.

The following table shows the Budget to Actual variances for the General Fund as of June 30, 2022:

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance to Final Budget</b>
<b>REVENUES:</b>				
Local Property Tax	\$ 115,269,499	\$ 115,269,499	\$ 114,607,144	\$ (662,355)
Other Local Revenue	1,250,000	1,250,000	1,768,700	518,700
State Sources	189,327,793	189,327,793	191,172,560	1,844,767
Federal Sources	200,000	200,000	126,457	(73,543)
<b>Total Revenues - All Sources</b>	<b>306,047,292</b>	<b>306,047,292</b>	<b>307,674,861</b>	<b>1,627,569</b>
<b>EXPENDITURES:</b>				
Instruction	173,541,711	186,446,071	175,670,499	10,775,572
Support Services	137,054,954	129,538,764	127,148,736	2,390,028
Community Services	391,524	1,638,353	1,521,032	117,321
Other Charges	505,794	311,963	238,445	73,518
<b>Total Expenditures</b>	<b>\$ 311,493,983</b>	<b>\$ 317,935,151</b>	<b>\$ 304,578,712</b>	<b>\$ 13,356,439</b>
<b>OTHER FINANCING SOURCES(USES):</b>				
Sale of Capital Assets			706	706
Transfer In	9,865,691	9,865,691	11,594,473	1,728,782
Transfer Out	(4,419,000)	(14,427,832)	(14,419,043)	8,789
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 5,446,691</b>	<b>\$ (4,562,141)</b>	<b>\$ (2,823,864)</b>	<b>\$ 1,738,277</b>

The District's general fund budget is prepared according to South Carolina law. In February 2022, the Board of Trustees approved an amendment to the general fund budget to authorize the allocation of \$16,450,000 million in fund balance to be allocated to fund the following one-time costs:

- **Investment in our employees** through a one-time bonus of \$1,580 to all full-time permanent employees and \$789 to all part-time permanent employees (roughly \$1,000 and \$500 after taxes, respectively).

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

- **Investment in our community** with a one-time transfer of \$10,000,000 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 budget by \$1.6 million as a result of state revenue exceeding budget by more than \$1.8 million.

The final amended budgeted expenditures of the District had a positive variance from the actual expenditures of over \$13.3 million. Several factors impacted these savings, including the District utilizing substitutes or existing personnel to cover vacated positions. Savings from staff attrition and unfilled vacancies created additional cost reductions.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - The School District's investment in capital assets for governmental activities at June 30, 2022 exceeded \$754.4 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 \$89.2 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, 2022 and 2021:

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Land	\$ 27,340,376	\$ 27,340,376
Buildings and improvements	750,470,909	750,334,871
Furniture and Equipment	29,176,713	28,753,100
Vehicles	8,091,033	7,311,959
Construction in progress	269,876,480	162,149,130
<b>Total before accumulated depreciation</b>	<b>1,084,955,511</b>	<b>975,889,436</b>
Less accumulated depreciation	(330,476,829)	(310,641,698)
<b>Net capital assets</b>	<b>\$ 754,478,682</b>	<b>\$ 665,247,738</b>

**Long-term Debt** - At June 30, 2022, the School District had total general and special obligation debt outstanding of over \$506.3 million. This is an increase of over \$27.6 million from the last fiscal year. The School District retired \$89.5 million in principal during the 2021-2022 fiscal year, including \$40 million in defeased debt. In addition, the School District borrowed \$75 million in General Obligation bonds related to the 2018 bond referendum and \$42.2 million in General Obligation refunding bonds.

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, 2022, the remaining debt margin available to the School District is just over \$48.8 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.

**RICHLAND SCHOOL DISTRICT TWO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**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.

Many factors were considered by the School District's administration during the process of developing the FY 2022-2023 budget. The School District's top budget goals are to provide a quality education for all students through student engagement and to retain and recruit highly qualified certified and classified staff. These matters, along with the district's goals and priorities were considered when adopting the budget for FY 2022-2023. The total approved General Fund 2022-2023 budget exceeded \$332.7 million, a \$16.8 million increase over prior year. Approximately \$1.8 million (10.9% of the increase) was funded with increased local tax dollars and the remaining increase related primarily to increases in State funding allocations totaling in nearly of \$12.1 million. State funding increases were driven largely by additional state revenues provided for the State Aid to Classroom Program and the related transfer from EIA funds, as well as the State Retiree Insurance funding provided by the State. Some of the additional items incorporated into the FY 2022-2023 budget include increases to the Teacher Salary Schedules, increases to the Transportation Salary Schedules and the other employees' salary schedules.

**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, 2022**

	<b>PRIMARY GOVERNMENT</b>
	<b>Governmental</b>
	<b>Activities</b>
<b>ASSETS</b>	
Cash and Investments	\$ 180,037,033
Deposits with Richland County Treasurer	104,008,115
Taxes Receivable, Net of Allowances	1,666,114
Prepaid Expenses	504,945
Accrued Intergovernmental Revenue Receivable	725,291
Due From:	
Federal Agencies	12,296,638
State Department of Education	877,318
Other Receivables	305,160
Capital assets:	
Land	27,340,376
Construction in Progress	269,876,480
Buildings, Additions and Improvements	750,470,909
Furniture and Equipment	29,176,713
Vehicles	8,091,033
Less: Accumulated Depreciation	(330,476,829)
<b>TOTAL ASSETS</b>	<b>1,054,899,296</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charges on Bond Refunding	920,789
Deferred Outflows related to Pension Liability	56,169,500
Deferred Outflows related to OPEB Liability	106,654,259
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>163,744,548</b>
<b>LIABILITIES</b>	
Accounts Payable	14,782,255
Retainage Payable	4,042,538
Due to State Department of Education	234,814
Accrued Salaries and Related Liabilities	24,238,395
Unearned Revenue	9,139,169
Non-current Liabilities:	
Due within One Year	50,914,375
Due in more than One Year	1,279,755,785
<b>TOTAL LIABILITIES</b>	<b>1,383,107,331</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows related to Net Pension Liability	59,925,414
Deferred Inflows related to Net OPEB Liability	34,806,995
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>94,732,409</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	303,718,257
Restricted For:	
Debt Service	26,552,027
Special Projects	5,319,867
Food Service	9,562,955
Unrestricted	(604,349,002)
<b>TOTAL NET POSITION</b>	<b>\$ (259,195,896)</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, 2022**

<b><u>FUNCTIONS/PROGRAMS</u></b>	<b><u>PROGRAM REVENUES</u></b>			<b><u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u></b>
	<b><u>Expenses</u></b>	<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Governmental Activities</u></b>
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
Instruction	\$ 225,192,106	\$ 157,158	\$ 159,405,077	\$ (65,629,871)
Supporting Services	179,710,992	493,198	57,562,424	(121,655,370)
Community Services	1,740,912			(1,740,912)
Interest and Other Charges	12,975,699			(12,975,699)
<b>Total Governmental Activities</b>	<b>419,619,709</b>	<b>650,356</b>	<b>216,967,501</b>	<b>(202,001,852)</b>
<b>TOTAL - PRIMARY GOVERNMENT</b>	<b>419,619,709</b>	<b>650,356</b>	<b>216,967,501</b>	<b>(202,001,852)</b>
<b>General Revenues:</b>				
Property Taxes Levied for General Purposes				114,621,663
Property Taxes Levied for Debt Service				64,072,277
Miscellaneous				944,806
Unrestricted Investment Earnings				1,487,350
Federal and State aid not restricted for specific purpose				56,101,351
<b>Total General Revenues and Transfers</b>				<b>237,227,447</b>
<b>CHANGE IN NET POSITION</b>				<b>35,225,595</b>
<b>NET POSITION - Beginning of Year</b>				<b>(294,174,261)</b>
Prior Period Adjustment				(247,230)
<b>NET POSITION - End of Year</b>				<b>\$ (259,195,896)</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, 2022**

	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	\$ 143,693,646	\$ 6,735,062	\$	\$ 1,301,225	\$ 25,432,739	\$ 1,192,857	\$ 178,355,529
Deposits with Richland County Treasurer	5,066,509				6,115,719	92,825,887	104,008,115
Taxes Receivable, Net of Allowances	1,160,326				505,788		1,666,114
Due From Federal Agencies		12,007,320		289,318			12,296,638
Due From State Department of Education	500,626	59,891	316,801				877,318
Due From:							
General Fund			3,776,856	8,108,835		20,468,078	32,353,769
Special Revenue - Special Projects	7,478,464		2,850				7,481,314
Debt Service	31,150						31,150
Prepaid Items		48,167					48,167
Other Receivables	131,765	45,495	3,121	111,834			292,215
<b>TOTAL ASSETS</b>	<b>158,062,486</b>	<b>18,895,935</b>	<b>4,099,628</b>	<b>9,811,212</b>	<b>32,054,246</b>	<b>114,486,822</b>	<b>337,410,329</b>
<b>LIABILITIES</b>							
Accounts Payable	4,316,376	516,179	43,781	248,257		7,677,128	12,801,721
Retainage Payable						4,042,538	4,042,538
Due To:							
General Fund		7,478,464			31,150		7,509,614
Special Revenue - EIA	3,776,856	2,850					3,779,706
Special Revenue - Food Service Fund	8,108,835						8,108,835
Internal Service Fund	2,381,313						2,381,313
Capital Projects	20,468,078						20,468,078
Due To State Agencies	11,100	2,145	221,569				234,814
Unearned Revenue		5,576,430	3,562,739				9,139,169
Accrued Salaries and Related Liabilities	23,966,856		271,539				24,238,395
<b>TOTAL LIABILITIES</b>	<b>63,029,414</b>	<b>13,576,068</b>	<b>4,099,628</b>	<b>248,257</b>	<b>31,150</b>	<b>11,719,666</b>	<b>92,704,183</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	401,828				125,987		527,815
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>401,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,987</b>	<b>-</b>	<b>527,815</b>
<b>FUND BALANCES</b>							
Fund Balances							
Nonspendable:							
Prepaid Items		48,167					48,167
Restricted		5,271,700		9,562,955	31,897,109	102,767,156	149,498,920
Unassigned	94,631,244						94,631,244
<b>TOTAL FUND BALANCES</b>	<b>94,631,244</b>	<b>5,319,867</b>	<b>-</b>	<b>9,562,955</b>	<b>31,897,109</b>	<b>102,767,156</b>	<b>244,178,331</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 158,062,486</b>	<b>\$ 18,895,935</b>	<b>\$ 4,099,628</b>	<b>\$ 9,811,212</b>	<b>\$ 32,054,246</b>	<b>\$ 114,486,822</b>	<b>\$ 337,410,329</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, 2022**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>		<b>\$ 244,178,331</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 \$1,084,955,511 and the accumulated depreciation was \$330,476,829.		754,478,682
Deferred charges on refunding are amortized over the lives of the bonds; however, in governmental accounting, deferred charges on refunding are expenditures in the year they are incurred. The deferred charges on refunding have been shown net of accumulated amortization expense.		920,789
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.		2,552,006
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	\$ 401,828	
Debt Service Fund	<u>125,987</u>	527,815
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.		(6,196,360)
Unearned bond premiums are unearned in the statement of net position. The net premiums of \$75,389,917 have been amortized by \$27,334,547 with a remaining unamortized net bond discount.		(48,055,370)
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.		725,291
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.		(3,755,914)
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.		71,847,264
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	\$ 488,651,000	
Special Obligation Bonds Payable	17,742,000	
Accrued Compensated Absences	6,297,305	
Net Pension Liability	343,196,754	
Net OPEB Liability	<u>420,531,371</u>	(1,276,418,430)
<b>TOTAL NET POSITION - GOVERNMENTAL FUNDS</b>		<b><u>\$ (259,195,896)</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, 2022**

	GENERAL	SPECIAL REVENUE - SPECIAL PROJECTS	SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>							
Local Property Tax	\$ 114,607,144	\$	\$	\$	\$ 65,518,448	\$	\$ 180,125,592
Other Local Revenue	1,400,937	7,945,514		97,336		42,250	9,486,037
Total Revenue from Local Sources	116,008,081	7,945,514	-	97,336	65,518,448	42,250	189,611,629
State Sources	191,172,560	2,699,758	20,926,003				214,798,321
Federal Sources	126,457	29,865,217		18,868,908			48,860,582
Interest on Investments	367,763			323	745,938	372,819	1,486,843
<b>TOTAL REVENUES ALL SOURCES</b>	<b>307,674,861</b>	<b>40,510,489</b>	<b>20,926,003</b>	<b>18,966,567</b>	<b>66,264,386</b>	<b>415,069</b>	<b>454,757,375</b>
<b>EXPENDITURES</b>							
Current:							
Instruction	175,663,245	17,767,517	8,762,455				202,193,217
Support Services	126,990,422	18,241,073	3,142,560	13,543,261		5,942,236	167,859,552
Community Services	1,520,374	220,538					1,740,912
Intergovernmental	238,445	1,709,912					1,948,357
Capital Outlay	166,226	74,140	152,432	233,364		111,768,104	112,394,266
Debt Service:							
Principal Retirement					49,552,000		49,552,000
Interest					19,555,059		19,555,059
Fiscal Charges for Cost of Issuance					140,499	299,827	440,326
<b>TOTAL EXPENDITURES</b>	<b>304,578,712</b>	<b>38,013,180</b>	<b>12,057,447</b>	<b>13,776,625</b>	<b>69,247,558</b>	<b>118,010,167</b>	<b>555,683,689</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,096,149</b>	<b>2,497,309</b>	<b>8,868,556</b>	<b>5,189,942</b>	<b>(2,983,172)</b>	<b>(117,595,098)</b>	<b>(100,926,314)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of General and Special Obligation Debt					42,180,000	74,995,000	117,175,000
Payment to Refunded Debt Escrow Agent					(42,046,000)		(42,046,000)
Premium on Bonds Issued						7,715,430	7,715,430
Sale of Capital Assets	706						706
Transfers In	11,594,473	444,000		383,832	1,591,211	10,000,000	24,013,516
Transfers Out	(14,419,043)	(2,345,992)	(8,868,556)	(379,925)			(26,013,516)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,823,864)</b>	<b>(1,901,992)</b>	<b>(8,868,556)</b>	<b>3,907</b>	<b>1,725,211</b>	<b>92,710,430</b>	<b>80,845,136</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>272,285</b>	<b>595,317</b>	<b>-</b>	<b>5,193,849</b>	<b>(1,257,961)</b>	<b>(24,884,668)</b>	<b>(20,081,178)</b>
FUND BALANCES, Beginning of Year, as Previously Stated	94,606,189	4,724,550	-	4,369,106	33,155,070	127,651,824	264,506,739
Prior Period Adjustment	(247,230)						(247,230)
<b>FUND BALANCES, End of Year</b>	<b>\$ 94,631,244</b>	<b>\$ 5,319,867</b>	<b>\$ -</b>	<b>\$ 9,562,955</b>	<b>\$ 31,897,109</b>	<b>\$ 102,767,156</b>	<b>\$ 244,178,331</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, 2022**

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ (20,081,178)</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 unavailable in the governmental funds but are not in the statement of activities. Unavailable taxes receivable increased by \$19,071 over the year ended June 30, 2022.	19,071
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.	13,137
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 current year capital additions of \$109,066,075 exceeded depreciation expense of \$19,835,131.	89,230,944
Repayment of long-term liabilities, such as Bonds and Notes Payable, is an expenditure in the governmental funds, but merely reduces liabilities in the statement of net position.	89,552,000
Bond premiums are revenues the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the difference between the premiums received during the current year and the amortization of premiums.	538,300
Deferred charges on refunding are expenditures in the year they are incurred in governmental funds but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the amount by which current year deferred charges on refunding exceed amortization for the year.	920,789
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.	74,083
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.	(117,175,000)
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.	12,201,153
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.	(20,494,611)
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, 2022 by \$122,676.	(122,676)
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 \$549,583 during this fiscal year.	549,583
<b>TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 35,225,595</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, 2022**

		<b>GOVERNMENTAL ACTIVITIES</b>
		<b>INTERNAL SERVICE FUND</b>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$	1,681,504
Accounts Receivable		12,945
Prepaid Expense		456,778
Due from General Fund		2,381,313
Total Current Assets		4,532,540
<b>TOTAL ASSETS</b>		<b>4,532,540</b>
<b>LIABILITIES</b>		
Current Liabilities		
Claims Payable		1,980,534
Total Current Liabilities		1,980,534
<b>TOTAL LIABILITIES</b>		<b>1,980,534</b>
<b>NET POSITION</b>		
Unrestricted		2,552,006
<b>TOTAL NET POSITION</b>	\$	<b>2,552,006</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, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>GOVERNMENTAL ACTIVITIES</b>
	<b>INTERNAL SERVICE FUND</b>
<b>OPERATING REVENUES</b>	
Other Operating Revenue	\$ 68,351
<b>Total Operating Revenues</b>	<b>68,351</b>
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	1,776,280
Other	218,495
<b>Total Operating Expenses</b>	<b>1,994,775</b>
<b>Operating Income (Loss)</b>	<b>(1,926,424)</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>	
Interest	507
<b>Total Non-Operating Revenues</b>	<b>507</b>
<b>Income (loss) Before Transfers</b>	<b>(1,925,917)</b>
<b>TRANSFERS IN (OUT)</b>	
Transfer from General Fund	2,000,000
<b>Total Transfers</b>	<b>2,000,000</b>
<b>CHANGE IN NET POSITION</b>	<b>74,083</b>
TOTAL NET POSITION - Beginning of Year	2,477,923
<b>TOTAL NET POSITION - End of Year</b>	<b>\$ 2,552,006</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, 2022**

	<b>GOVERNMENTAL ACTIVITIES</b>
	<b>INTERNAL SERVICE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Participants	\$ 68,351
Cash Paid to Employees for Services	(1,776,280)
Cash Paid to Suppliers of Goods and Services	(292,071)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(2,000,000)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from General Fund	2,000,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>2,000,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	507
<b>Net Cash Provided by Investing Activities</b>	<b>507</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>507</b>
Cash and Cash Equivalents - Beginning of Year	1,680,997
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,681,504</b>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Net Operating Income (Loss)	(1,926,424)
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	(224,091)
Decrease (Increase) in Prepaid Expenses	(161,611)
Increase (Decrease) in Accounts Payable and Due to Others	312,126
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (2,000,000)</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, 2022**

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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, South Carolina, 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.

**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. 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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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.

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. 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.



**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**FUND ACCOUNTING**

As outlined on the previous page, 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 and proprietary.

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.

**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 three Special Revenue Funds:

1. **The Special Projects Fund**, used to account for financial resources provided by federal, state, local projects and grants. In accordance with GASB 84, the student (pupil) activity fund has been reported in the Special Projects Fund rather than classified as an agency fund. 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. Budgets for the Food Service Fund are not part of the formal budget process approved by the board of trustees.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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.

***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 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
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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 the School District's fiscal year-end, 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.

**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.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
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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 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
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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.

**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.

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**NOTES TO FINANCIAL STATEMENTS**  
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**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 a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. 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.

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.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
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The School District applies restricted resources when expenditures are incurred for the purposes for which both restricted and unrestricted net position is 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.

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.

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**NOTES TO FINANCIAL STATEMENTS**  
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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 Senior Chief Officer for Finance and Operations 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.

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.



**RICHLAND SCHOOL DISTRICT TWO**  
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**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, 2022, the carrying amount of the School District's deposits and investments was \$180,037,033 and the bank balance was \$189,998,419.

**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, 2022, none of the School District's bank balances of \$34,858,895, which had a carrying value of \$24,898,508, were exposed to custodial credit risk.

As of June 30, 2022, 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	\$ 128,329,796
Certificates of Deposit	Level 1	Various	Unrated	794,662
Regions – Morgan Stanley Liquidity Fund	Level 1	Various	Unrated	581,328
US Bank – Morgan Stanley GIC	Level 1	9/1/2027	Unrated	<u>25,432,739</u>
Total Investments				<u>\$ 155,138,525</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, 2022, 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 \$104,008,115.

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.

# RICHLAND SCHOOL DISTRICT TWO

## NOTES TO FINANCIAL STATEMENTS

### JUNE 30, 2022

**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:

Basic Financial Statements		Notes to Financials	
Cash and Investments:		Carrying Amount of	
Governmental Funds	\$ 178,355,529	Deposits:	\$ 24,898,508
Internal Service Fund	<u>1,681,504</u>	Fair Value of	
		Investments:	<u>155,138,525</u>
	<u>\$ 180,037,033</u>		<u>\$ 180,037,033</u>

### 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 \$636.3 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 2021-2022 fiscal year totaled over \$168.7 million, for the General Fund and Debt Service Fund. Of this total amount levied, approximately \$159.0 million was collected during the fiscal year, representing 94.2% collection of the total levied for the year ending June 30, 2022. Collections for delinquent taxes for both funds totaled approximately \$7.5 million. In addition, fees in lieu of taxes collected totaled over \$5.3 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 \$1,666,114 net of allowances for uncollectible at June 30, 2022.

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.

**RICHLAND SCHOOL DISTRICT TWO**  
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**JUNE 30, 2022**

At June 30, 2022, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	<u>General Fund</u>	<u>Special Revenue Special Projects Fund</u>	<u>Special Revenue- EIA Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Unavailable Revenue -					
Property Taxes	\$ 401,828	\$	\$	\$ 125,987	\$ 527,815
Unearned Revenue		5,576,430	3,562,739		9,139,169
Total	<u>\$ 401,828</u>	<u>\$ 5,576,430</u>	<u>\$ 3,562,739</u>	<u>\$ 125,987</u>	<u>\$ 9,666,984</u>

**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, 2022, but had not been received as of June 30, 2022. The total amount Due to the State Department as of June 30, 2022 was \$234,814.

**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, 2021</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance as of June 30, 2022</u>
<b>Non-depreciable Assets:</b>				
Land	\$ 27,340,376	\$	\$	\$ 27,340,376
Construction in Progress	162,149,130	107,727,350		269,876,480
Total Non-depreciable	<u>189,489,506</u>	<u>107,727,350</u>	<u>-</u>	<u>297,216,856</u>
<b>Depreciable Assets:</b>				
Buildings and Improvements	750,334,871	136,038		750,470,909
Vehicles	7,311,959	779,074		8,091,033
Furniture & Equipment	28,753,100	423,613		29,176,713
Total Depreciable Assets	<u>786,399,930</u>	<u>1,338,725</u>	<u>-</u>	<u>787,738,655</u>
<b>Total All Assets</b>	<u>975,889,436</u>	<u>109,066,075</u>	<u>-</u>	<u>1,084,955,511</u>
<b>Less: Accumulated Depreciation</b>				
Buildings and Improvements	(278,613,099)	(18,364,478)		(296,977,577)
Vehicles	(5,533,761)	(659,720)		(6,193,481)
Furniture & Equipment	(26,494,838)	(810,933)		(27,305,771)
Total Accumulated Depreciation	<u>(310,641,698)</u>	<u>(19,835,131)</u>	<u>-</u>	<u>(330,476,829)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 665,247,738</u>	<u>\$ 89,230,944</u>	<u>\$ -</u>	<u>\$ 754,478,682</u>

**RICHLAND SCHOOL DISTRICT TWO**  
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**JUNE 30, 2022**

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

<b>Governmental Activities:</b>	
Instruction	\$ 13,884,592
Supporting Services	5,950,539
	<hr/>
Total Depreciation Expense – governmental activities	\$ 19,835,131
	<hr/>

**Intangible Right-to-Use Assets**

During the year ended June 30, 2022, the School District implemented the guidance in GASBS No. 87, Leases for accounting and reporting leases that had previously been reported as operating leases. As of June 30, 2022, the School District had lease agreements in place for copiers/printers. The minimum future lease obligation as of June 30, 2022 was \$645,928. The School District has determined that the intangible right-to-use assets are not material and no such assets have been recognized as of June 30, 2022.

**6. INTER-FUND RECEIVABLES AND PAYABLES**

Inter-fund balances at June 30, 2022 consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
<b>General Fund:</b>		
Due from Special Revenue – Special Projects	\$ 7,478,464	\$
Due to Special Revenue – EIA		3,776,856
Due to Special Revenue – Food Service Fund		8,108,835
Due from Debt Service	31,150	
Due to Capital Projects Fund		20,468,078
Due to Internal Service Fund		2,381,313
	<hr/>	<hr/>
<b>Total</b>	7,509,614	34,735,082
<b>Special Revenue – Special Projects</b>		
Due to General Fund		7,478,464
Due to Special Revenue – EIA		2,850
<b>Special Revenue – EIA</b>		
Due from General Fund	3,776,856	
Due from Special Revenue – Special Projects	2,850	
<b>Special Revenue – Food Service Fund</b>		
Due from General Fund	8,108,835	
<b>Debt Service</b>		
Due to General Fund		31,150
<b>Capital Projects</b>		
Due from General Fund	20,468,078	
<b>Internal Service Fund</b>		
Due from General Fund	2,381,313	
	<hr/>	<hr/>
<b>Totals</b>	\$ 42,247,546	\$ 42,247,546
	<hr/>	<hr/>

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.

**RICHLAND SCHOOL DISTRICT TWO**  
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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, 2022 are as follows:

Fund	<u>Transfers In</u>	<u>Transfers Out</u>
<b>General Fund:</b>		
Special Revenue – Special Projects	\$	\$ 444,000
Special Revenue – Special Projects Indirect Cost	2,345,992	
Special Revenue – EIA	8,868,556	
Special Revenue – Food Service Fund		383,832
Special Revenue – Food Service Fund Indirect Cost	379,925	
Debt Service Fund		1,591,211
Capital Project Funds		10,000,000
Internal Service Fund		2,000,000
<b>Total</b>	<u>11,594.473</u>	<u>14,419,043</u>
<b>Special Revenue – EIA</b>		
General Fund		8,868,556
<b>Special Revenue – Special Projects</b>		
General Fund	444,000	
General Fund – Indirect Cost		2,345,992
<b>Special Revenue – Food Service Fund</b>		
General Fund	383,832	
General Fund – Indirect Cost		379,925
<b>Debt Service Fund</b>		
General Fund	1,591,211	
<b>Capital Projects Fund</b>		
General Fund	10,000,000	
<b>Internal Service Fund</b>		
General Fund	<u>2,000,000</u>	
<b>Total All Funds</b>	\$ <u>26,013,516</u>	\$ <u>26,013,516</u>

During the 2021-2022 fiscal year, transfers were made from Special Revenue-Special Project Funds to the General Fund for indirect costs paid to the General Fund. 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, 2022. Funds were also transferred from the General Fund to the Debt Service fund for costs associated with closing costs and to cover the annual payment on the equipment acquisition payments. In February 2022, the Board of Trustees approved a \$10.0 million allocation from the General Fund to the Capital Project funds to help offset costs associated with annual capital improvement needs.

**RICHLAND SCHOOL DISTRICT TWO**  
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**8. LONG TERM OBLIGATIONS**

The following summarizes the changes in long-term debt obligations for the year ended June 30, 2022:

<b>Governmental Activities</b>	<b>Principal Outstanding</b>			<b>Principal Outstanding</b>	<b>Amounts Due in</b>
	<b>July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2022</b>	<b>One Year</b>
General Obligation Bonds:					
May 25, 2010 (A)	\$ 6,450,000		(1,075,000)	5,375,000	\$ 1,075,000
September 8, 2010	42,620,000			42,620,000	
April 25, 2013	48,000,000		(44,000,000)	4,000,000	4,000,000
May 21, 2014	4,060,000		(1,980,000)	2,080,000	2,080,000
March 10, 2015	42,540,000		(20,030,000)	22,510,000	22,510,000
May 30, 2017	2,075,000		(2,075,000)	-	
November 30, 2017	39,490,000		(2,980,000)	36,510,000	4,355,000
June 12, 2018	3,600,000		(3,600,000)	-	
September 26, 2019	84,800,000		(100,000)	84,700,000	100,000
May 1, 2020	37,965,000		(11,050,000)	26,915,000	8,475,000
October 14, 2020	148,445,000		(500,000)	147,945,000	500,000
October 27, 2021	-	74,995,000	(500,000)	74,495,000	500,000
March 9, 2022	-	42,180,000	(679,000)	41,501,000	431,000
Total General Obligation Bonds	<u>460,045,000</u>	<u>117,175,000</u>	<u>(88,569,000)</u>	<u>488,651,000</u>	<u>44,026,000</u>
Special Obligation Bonds:					
July 26, 2016	630,000		(313,000)	317,000	317,000
June 9, 2020	18,095,000		(670,000)	17,425,000	745,000
Total Special Obligation Bonds	<u>18,725,000</u>	<u>-</u>	<u>(983,000)</u>	<u>17,742,000</u>	<u>1,062,000</u>
Unamortized Bond Premiums	48,593,670	7,715,430	(8,253,730)	48,055,370	5,125,726
Accrued Compensated Absences	<u>6,846,888</u>	<u>1,124,843</u>	<u>(1,674,426)</u>	<u>6,297,305</u>	<u>700,649</u>
Total	<u>\$ 534,210,558</u>	<u>126,015,273</u>	<u>(99,480,156)</u>	<u>560,745,675</u>	<u>\$ 50,914,375</u>

During the 2021-2022 fiscal year, the School District issued \$74,995,000 in 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.

On March 9, 2022, the School District issued \$42,180,000 in general obligation refunding bonds with an interest rate of 1.72%. The School District issued the bonds to advance refund \$40,000,000 of the outstanding 2013B general obligation bonds with rates ranging between 2.90% and 4.00%. The School District placed the net proceeds of \$42,046,000 into an irrevocable trust to provide for all future debt service on the refunded portion of the 2013B general obligation bonds. As a result, that portion of the 2013B general obligation bonds is considered defeased, and the School District has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$40,000,000 at June 30, 2022. The advance refunding reduced total debt service payments over the next 11 years by \$2,675,010. This results in an economic gain of \$2,415,613.

**RICHLAND SCHOOL DISTRICT TWO**  
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**General and Special Obligations**

General and Special obligations primarily consist of obligations related to general obligation bonds as of June 30, 2022. The following table outlines the debt outstanding at June 30, 2022:

Issue	Date of Issue	Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2021
2010A/QSCB <sub>1</sub>	May 25, 2010	.75%-5.20%	May/Nov	2027	\$ 18,235,000	\$ 5,375,000
2010D/QSCB <sub>1</sub>	September 8, 2010	1.00%-5.00%	Mar/Sept	2028	42,625,000	42,620,000
2013B <sub>1</sub>	April 25, 2013	2.90%-5.00%	Nov/May	2033	55,140,000	4,000,000
2014 <sub>2</sub>	May 21, 2014	5.00%	Nov/May	2023	10,950,000	2,080,000
2015A (Refunding) <sub>3</sub>	March 10, 2015	2.00% - 5.00%	Feb/Aug	2023	60,010,000	22,510,000
2016 ACQ <sub>4</sub>	July 26, 2016	1.12%	Dec	2022	2,100,000	317,000
2017B (Refunding) <sub>3</sub>	November 30, 2017	2.00% - 5.00%	Mar/Sept	2031	40,880,000	36,510,000
2019 <sub>5</sub>	September 26, 2019	2.00% - 5.00%	Mar/Sept	2039	85,000,000	84,700,000
2020 (Refunding) <sub>3</sub>	May 1, 2020	5.00%	Mar/Sept	2028	49,235,000	26,915,000
2020 SOB <sub>6</sub>	June 9, 2020	2.00% - 5.00%	Dec/Mar	2035	18,390,000	17,425,000
2020A <sub>5</sub>	October 14, 2020	1.75%-5.00%	Mar/Sept	2039	149,995,000	147,945,000
2021A <sub>5</sub>	October 27, 2021	1.78%	Mar/Sept	2039	74,995,000	74,495,000
2022A (Refunding) <sub>3</sub>	March 9, 2022	1.72%	Nov/May	2033	42,180,000	41,501,000
					<b>\$ 649,735,000</b>	<b>\$ 506,393,000</b>

General obligations at June 30, 2022 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 (2014) was 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 2015A Refunding relates to a partial refunding of 2008A and 2009A original issues. The 2017B Refunding relates to a partial refunding of 2011B. The 2021 Refunding relates to defeasance of the 2009C, 2010C and 2010E (QSCB) original issues. The 2022A Refunding relates to a partial refunding of 2013B 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, 2022, including interest payments of \$124,709,762 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 45,088,000	\$ 19,862,169	\$ 64,950,169
2024	31,738,000	16,474,148	48,212,148
2025	30,587,000	15,032,412	45,619,412
2026	29,133,000	13,644,333	42,777,333
2027	32,136,000	12,325,778	44,461,778
2028-2032	179,862,000	33,267,838	213,129,838
2033-2037	112,004,000	12,533,446	124,537,446
2038-2039	45,845,000	1,569,638	47,414,638
Total	\$ 506,393,000	\$ 124,709,762	\$ 631,102,762

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 \$700,649 for the Governmental Funds.

Lease Liabilities

As stated in Note 5, Capital Assets, during the year ended June 30, 2022, the School District implemented the guidance in GASBS No. 87, Leases for accounting and reporting leases that had previously been reported as operating leases. As of June 30, 2022, the School District had lease agreements in place for copiers/printers (see Note 5 for additional information). The minimum future lease obligation under these lease agreements as of June 30, 2022 was \$645,928. The School District has determined that the lease liability is not material, and no such amount has been recognized on the Statement of Net Position as of June 30, 2022.



**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. EMPLOYEE RETIREMENT**

The School 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 and manages the various retirement systems and retirement programs of the State of South Carolina. PEBA has an 11-member Board of Directors ("PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the systems.

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

The PEBA issues an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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 annual comprehensive 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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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

**RICHLAND SCHOOL DISTRICT TWO**  
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**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. 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 below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**RICHLAND SCHOOL DISTRICT TWO**  
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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 in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the 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 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent.

**RICHLAND SCHOOL DISTRICT TWO**  
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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 1, 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		
	2020	2021	2022	2020	2021	2022
Employer Contribution Rate: <sup>^</sup>						
Retirement*	15.41%	15.41%	16.41%	17.84%	17.84%	18.84%
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>15.56%</u>	<u>15.56%</u>	<u>16.56%</u>	<u>18.24%</u>	<u>18.24%</u>	<u>19.24%</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>^</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 five years were as follows:

Year Ended June 30,	SCRS Contributions		State ORP Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed	Required	% Contributed
2022	\$ 28,086,156	100%	\$ 3,287,069	100%	\$ 100,599	100%
2021	24,835,219	100%	2,987,406	100%	75,100	100%
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%

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

Year Ended June 30,	SCRS Payroll	State ORP Payroll	PORS Payroll	Total Payroll
2022	\$ 169,602,389	\$ 28,434,850	\$ 528,358	\$ 198,565,597
2021	159,609,379	28,289,828	416,296	188,315,503
2020	159,152,632	28,281,434	491,691	188,404,350
2019	154,101,103	27,450,469	494,559	182,474,709
2018	\$ 156,344,741	\$ 26,637,893	\$ 553,219	\$ 183,535,853

**Actuarial Assumptions and Methods**

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases.

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Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2021, total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel Roeder Smith & Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year ended June 30, 2021, using generally accepted actuarial principles. In FY 2021, the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in the South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods to calculate the total pension liability as of June 30, 2021.

	<b>SCRS</b>	<b>PORS</b>
Actuarial assumptions:		
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7%	7%
Projected salary increases	3.0%-11.0% (varies by service)	3.5%-10.5% (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 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the System's mortality experience. These base rates are adjusted for future improvement in mortality using published 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2021 total pension liability are as follows:

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

**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 2021 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 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 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
Public	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	<b>12.0%</b>		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total Expected Real Return	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
			7.43%

**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, 2021, 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	\$ 55,131,579,363	\$ 33,490,305,970	\$ 21,641,273,393	60.7%
PORS	\$ 8,684,586,488	\$ 6,111,672,064	\$ 2,572,914,424	70.4%

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. 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, 2022, the School District reported liabilities of \$342,476,936 and \$719,818 for its proportionate share of the SCRS and PORS net pension liability, respectively. The School District's total net pension liability at June 30, 2022 was \$343,196,754. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 projected forward to June 30, 2021. 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, 2021 measurement date, the School District's proportionate share of the SCRS plan was 1.582518%, which was a decrease of 0.027794% from its proportion measured as of June 30, 2020.

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As of the June 30, 2021 measurement date, the School District's proportionate share of the PORS plan was 0.0279769%, which was a decrease of 0.0047771% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized pension expense of \$19,265,024 and \$7,647 for SCRS and PORS, respectively, for a total pension expense of \$19,272,671. In prior years, the School District has used General Fund resources to liquidate pension liabilities.

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

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b><u>South Carolina Retirement System</u></b>		
Contributions subsequent to the measurement date	\$ 31,373,224	\$ -
Changes in assumptions	18,746,063	-
Differences between expected and actual experience	5,833,699	462,219
Net difference between projected and actual earnings on pension plan investments	-	49,749,288
Deferred amounts from changes in proportionate share	40,085	9,381,085
Total SCRS	<u>\$ 55,993,071</u>	<u>\$ 59,592,592</u>
<b><u>Police Officers Retirement System</u></b>		
Contributions subsequent to the measurement date	\$ 100,600	\$ -
Changes in assumptions	51,341	-
Differences between expected and actual experience	24,488	2,242
Net difference between projected and actual earnings on pension plan investments	-	161,380
Deferred amounts from changes in proportionate share	-	169,200
Total PORS	<u>\$ 176,429</u>	<u>\$ 332,822</u>
Total SCRS and PORS	<u>\$ 56,169,500</u>	<u>\$ 59,925,414</u>

The \$31,373,224 and \$100,600 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, 2023.

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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.

Year Ended June 30,	SCRS	PORS	Total
2022	\$ (6,706,661)	\$ (87,063)	\$ (6,793,724)
2023	(3,816,704)	(59,100)	(3,875,804)
2024	(5,833,840)	(49,402)	(5,883,242)
2025	(18,615,540)	(61,428)	(18,676,968)
2026	-	-	-
Thereafter	-	-	-
Total	<u>\$ (34,972,745)</u>	<u>\$ (256,993)</u>	<u>\$ (35,229,738)</u>

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00 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 7.00 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

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

System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$ 448,602,146	\$ 342,476,936	\$ 254,264,936
PORS	\$ 1,044,364	\$ 719,818	\$ 453,965

**Pension Plan Fiduciary Net Position**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS. The ACFR 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 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 annual comprehensive 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 in May 2008. The SCRHITF was created to fund and account for the employer costs of the State’s retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State’s Basic Long-Term Disability Income Benefit Plan.

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

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

#### **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.

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, 2022, 2021 and 2020 were 6.25 percent, 6.25 percent and 6.25 percent, respectively. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer’s active employees.

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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 consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. 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, 2022. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2021 totaled \$585,482,183. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$2,619,984.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

#### **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.

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Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date: June 30, 2020

Actuarial Cost Method: Individual Entry - Age Normal

Inflation: 2.25%

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

Single Discount Rate: 1.92% as of June 30, 2021

Demographic Assumptions: Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019

Mortality: For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.

Health Care Trend Rate: Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 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.

Notes: There were no benefit changes during the year. The discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021; demographic and salary increases assumptions were updated to reflect the 2020 SCRS experience study and the healthcare trend rates were reset to better reflect the plan's anticipated experience.

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date: June 30, 2020

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: 2.48% as of June 30, 2021

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, 2019

Disability Incidence: The rates used in the valuation are 165% of 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 93% were assumed to recover after the first two years

Offsets: 45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group

Expenses: Third party administrative expenses were included in the benefit projections

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Notes: The discount rate changed from 2.83% as of June 30, 2020 to 2.48% as of June 30, 2021. Additionally, the salary, termination, and retirement rates assumptions were updated to reflect the 2020 experience study for the South Carolina Retirement Systems' pension valuations, and the disability incidence, disability recovery, and administration fee and offset assumptions were updated to better reflect the plan's anticipated experience.

**Long-term Expected Rate of Return**

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 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%	0.35%	0.07%
<b>Total</b>	<b>100.00%</b>		<b>0.55%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>2.80%</b>
<b>Investment Return Assumption</b>			<b>2.75%</b>

**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%	0.35%	0.07%
<b>Total</b>	<b>100.00%</b>		<b>0.83%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>3.08%</b>
<b>Investment Return Assumption</b>			<b>3.00%</b>

**Discount Rate**

The Single Discount Rate of 1.92% 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).

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A Single Discount Rate of 2.48% 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 1.92%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

The following table presents the School District's proportionate share of the net OPEB liability of the SCRHITF calculated using a Single Discount Rate of 1.92 percent, as well as what the School 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 (0.92%)	Current Discount Rate (1.92%)	1.00% Increase (2.92%)
\$ 506,784,653	\$ 420,481,869	\$ 352,442,752

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:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Healthcare Cost Trend Rates		
1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
\$ 337,339,627	\$ 420,481,869	\$ 531,266,147

The following table presents the District's proportionate share of the net OPEB liability of the SCLTDITF calculated using a Single Discount Rate of 2.83 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 (1.48%)	Current Discount Rate (2.48%)	1.00% Increase (3.48%)
\$ 72,012	\$ 49,502	\$ 26,813

**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.

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Net OPEB liability totals, as of June 30, 2021 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	\$ 22,506,597,989	\$ 1,683,416,992	\$ 20,823,180,997	7.48%
SCLTDITF	\$ 44,378,931	\$ 41,201,247	\$ 3,177,684	92.84%

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. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

At June 30, 2022, the District reported liabilities of \$420,481,869 and \$49,502 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, 2022 was \$420,531,371. The net OPEB liabilities were measured as of June 30, 2021, 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, 2020 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, 2021 measurement date, the District's SCRHITF proportion was 2.019297 percent, which was .024614 percent less than its proportion measured as of June 30, 2020. At the June 30, 2021 measurement date, the District's SCLTDITF proportion was 1.557811 percent, which was .009498 percent more than its proportion measured as of June 30, 2020.

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, 2022, the District recognized \$47,852 and \$0 for the SCRHITF and SCLTDITF, respectively, for a total of \$47,852 of revenues from state sources and intergovernmental expenditures in the District's special revenue funds. In prior years, the School District has used General Fund resources to liquidate OPEB liabilities.

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For the year ended June 30, 2022, the District recognized OPEB expense of \$32,888,136 and \$133,308 for the SCRHITF and SCLTDITF, respectively, for a total OPEB expense of \$33,021,444. At June 30, 2021, 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	\$ 8,509,233	\$10,777,613
Changes in Assumptions	85,485,962	10,124,649
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	113,700
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	91,105	13,732,096
The School District's Contributions Subsequent to the Measurement Date	12,410,350	-
<b>Total SCRHITF</b>	<u>106,496,650</u>	<u>34,748,058</u>
<b>SCLTDITF</b>		
Differences Between Expected and Actual Experience	-	36,506
Changes in Assumptions	40,872	1,984
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	15,180
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	254	5,267
The School District's Contributions Subsequent to the Measurement Date	116,483	-
<b>Total SCLTDITF</b>	<u>157,609</u>	<u>58,937</u>
<b>Total SCRHITF and SCLTDITF</b>	<u><u>\$106,654,259</u></u>	<u><u>\$ 34,806,995</u></u>

\$12,410,350 and \$116,483 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, 2023.

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	SC LTDITF:	Total
2022	\$ 8,502,160	\$ (5,970)	\$ 8,496,190
2023	8,315,980	(10,344)	8,305,636
2024	11,546,692	(5,568)	11,541,124
2025	12,839,014	3,730	12,842,744
2026	12,060,961	(730)	12,060,231
Thereafter	6,073,435	1,071	6,074,506
	<u>\$ 59,338,242</u>	<u>\$ (17,811)</u>	<u>\$ 59,320,431</u>

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**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 2021-2022 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, 2022, the School District has recognized a liability for claims payable in the Internal Service fund for \$1,980,534 related to estimated future claim payments.

Unpaid Claims – Beginning of Year	\$ 1,664,728
Current Year Claims and Changes in Estimates	2,091,504
Claim Payments	(1,775,698)
Unpaid Claims – End of Year	<u>\$ 1,980,534</u>

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, 2022.

**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>	\$ 48,167
Restricted Fund Balance:	
<i>Restricted for Special Projects</i>	5,271,700
<i>Restricted for Food Service</i>	9,562,955
<i>Restricted for Debt Service</i>	31,897,109
<i>Restricted for Capital Projects</i>	102,767,156
Unassigned Fund Balance	<u>94,631,244</u>
Total Governmental Fund Balance	<u>\$ 244,178,331</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.

**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.



**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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 2021, 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:	\$11,879,894
SSRC Program:	\$294,917 <sup>1</sup>
MCIP:	\$718,539

For tax year 2021, 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:	\$5,044,017
SSRC Program:	\$307,020 <sup>1</sup>
MCIP:	\$4,078,289

<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, 2022, primarily related to safety and security projects approved in the 2018 Bond Referendum. The School District has entered into contracts for these projects totaling nearly \$201.9 million, of which approximately \$90.4 million had not been expended as of June 30, 2022.

**16. SUBSEQUENT EVENTS**

The School District has considered subsequent events through the date of the auditor's 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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
<b>REVENUES:</b>				
Local Property Tax	\$ 115,269,499	\$ 115,269,499	\$ 114,607,144	\$ (662,355)
Other Local Revenue	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,768,700</u>	<u>518,700</u>
Total Revenue from Local Sources	116,519,499	116,519,499	116,375,844	(143,655)
State Sources	189,327,793	189,327,793	191,172,560	1,844,767
Federal Sources	<u>200,000</u>	<u>200,000</u>	<u>126,457</u>	<u>(73,543)</u>
<b>Total Revenues - All Sources</b>	<u>306,047,292</u>	<u>306,047,292</u>	<u>307,674,861</u>	<u>1,627,569</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	173,541,711	186,446,071	175,670,499	10,775,572
Support Services	137,054,954	129,538,764	127,148,736	2,390,028
Community Services	391,524	1,638,353	1,521,032	117,321
Other Charges	<u>505,794</u>	<u>311,963</u>	<u>238,445</u>	<u>73,518</u>
<b>Total Expenditures</b>	<u>311,493,983</u>	<u>317,935,151</u>	<u>304,578,712</u>	<u>13,356,439</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>(5,446,691)</u>	<u>(11,887,859)</u>	<u>3,096,149</u>	<u>14,984,008</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Capital Assets			706	706
Transfers In	9,865,691	9,865,691	11,594,473	1,728,782
Transfers Out	<u>(4,419,000)</u>	<u>(14,427,832)</u>	<u>(14,419,043)</u>	<u>8,789</u>
<b>Total Other Financing Sources (Uses)</b>	<u>5,446,691</u>	<u>(4,562,141)</u>	<u>(2,823,864)</u>	<u>1,738,277</u>
<b>Excess / (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)</b>	<u>\$ -</u>	<u>\$ (16,450,000)</u>	<u>272,285</u>	<u>\$ 16,722,285</u>
FUND BALANCES, Beginning of Year, as Previously Stated			94,606,189	
Prior Period Adjustment			<u>(247,230)</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 94,631,244</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, 2022**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>South Carolina Retirement System (SCRS)</b>									
Proportionate Share of Net Liability as a Percentage	1.582518%	1.610312%	1.628133%	1.664207%	1.682357%	1.691729%	1.702456%	1.681826%	1.681826%
Proportionate Share of Net Liability as an Amount	342,476,936	411,463,295	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	187,899,207	187,434,066	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	182.27%	219.52%	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	60.70%	50.70%	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	0.027977%	0.032754%	0.034431%	0.039786%	0.041180%	0.036550%	0.040650%	0.042410%	0.042410%
Proportionate Share of Net Liability as an Amount	719,818	1,086,190	986,769	1,127,346	1,128,261	927,208	886,031	812,351	812,351
Covered Payroll During the Measurement Period	416,296	491,691	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	172.91%	220.91%	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	70.40%	58.80%	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, 2022, only nine 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, 2022**

**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>
2022	\$ 31,373,224	\$ 31,373,224	\$ -	\$ 198,037,239	15.84%
2021	\$ 27,822,625	\$ 27,822,625	\$ -	\$ 187,899,207	14.81%
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>
2022	\$ 100,599	\$ 100,599	\$ -	\$ 528,358	19.04%
2021	\$ 75,100	\$ 75,100	\$ -	\$ 416,296	18.04%
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, 2022, only nine 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, 2022**

	<b>2022</b>	<b>2021</b>	<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	2.019297%	2.043911%	2.081519%	2.128269%	2.150499%	2.150499%
Proportionate Share of Net Liability as an Amount	420,481,869	368,955,500	314,757,407	301,588,167	291,281,567	311,147,763
Covered Payroll During the Measurement Period	187,899,207	187,925,757	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	223.78%	196.33%	172.90%	164.32%	160.62%	171.57%
System Plan Fiduciary Net Position as a Percentage of the Total System OPEB Liability	7.48%	8.39%	8.44%	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	1.557811%	1.548313%	1.582827%	1.614178%	0.411800%	0.036550%
Proportionate Share of Net Liability as an Amount	49,502	4,695	31,154	49,414	1,128,261	927,208
Covered Payroll During the Measurement Period**	N/A	N/A	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	N/A	N/A
System Plan Fiduciary Net Position as a Percentage of the Total System OPEB Liability	92.84%	99.29%	95.17%	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, 2022, only six 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 SCRHTF AND SCLTDITF  
YEAR ENDED JUNE 30, 2022**

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

	<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>
2022	\$ 12,410,350	\$ 12,410,350	\$ -	\$ 198,565,597	6.25%
2021	\$ 11,769,719	\$ 11,769,719	\$ -	\$ 188,315,503	6.25%
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>
2022	\$ 116,483	\$ 116,483	\$ -	N/A	N/A
2021	\$ 118,016	\$ 118,016	\$ -	N/A	N/A
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, 2022, only six 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, 2022**

	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	\$ 112,856,839	\$ 109,027,795	\$ (3,829,044)
1240 Penalties and Interest on Taxes	1,395,439	973,882	(421,557)
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,017,221	4,605,467	3,588,246
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	37,222	33,316	(3,906)
1350 Tuition from Patrons for Summer School	-	46,619	46,619
1500 Earnings on Investments:			
1510 Interest on Investments	500,000	367,763	(132,237)
1700 Pupil Activities:			
1740 Student Fees	64,050	77,223	13,173
1900 Other Revenue from Local Sources:			
1910 Rentals	320,371	409,574	89,203
1950 Refund of Prior Years Expenditures	-	347,871	347,871
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds	-	2,435	2,435
1999 Revenue from Other Local Sources	328,357	483,899	155,542
Total Local Sources	<u>116,519,499</u>	<u>116,375,844</u>	<u>(143,655)</u>
3000 Revenue from State Sources			
3130 Special Programs:			
3131 Handicapped Transportation - Bus Driver Aides	20,000	4,743	(15,257)
3132 Home Schooling	-	629	629
3160 School Bus Driver Salary	1,406,361	1,702,545	296,184
3161 EAA Bus Driver Salary and Fringe	5,070	5,244	174
3162 Transportation Workers' Compensation	72,410	72,410	-
3180 Fringe Benefits Employer Contributions	37,465,715	37,560,123	94,408
3181 Retiree Insurance	7,723,648	7,728,160	4,512
3186 State Aid Classroom T/S	8,850,711	8,788,696	(62,015)
3199 Other State Restricted	-	210	210
3300 Education Finance Act			
3310 Full-Time Programs:			
3311 Kindergarten	3,625,734	3,581,461	(44,273)
3312 Primary	10,887,827	10,824,995	(62,832)
3313 Elementary	20,361,166	20,041,111	(320,055)
3314 High School	6,623,878	6,558,060	(65,818)
3315 Trainable Mentally Handicapped	241,010	243,878	2,868
3316 Speech Handicapped (Part-time Program)	3,296,231	3,125,844	(170,387)
3317 Homebound	8,333	16,654	8,321
3320 Part-Time Programs:			
3321 Emotionally Handicapped	410,830	378,912	(31,918)
3322 Educable Mentally Handicapped	212,271	192,982	(19,289)
3323 Learning Disabilities	6,759,752	6,751,446	(8,306)
3324 Hearing Handicapped	251,085	223,273	(27,812)
3325 Visually Handicapped	174,752	134,015	(40,737)
3326 Orthopedically Handicapped	90,979	109,672	18,693
3327 Vocational	11,958,064	12,665,580	707,516
3300 Other EFA Programs:			
3331 Autism	3,110,467	3,245,627	135,160
3332 High Achieving	1,323,959	1,137,055	(186,904)
3334 Limited English Proficiency	516,371	552,968	36,597
3351 Academic Assistance	2,753,948	2,375,667	(378,281)
3352 Pupils in Poverty	6,497,422	6,541,088	43,666
3353 Dual Credit Enrollment	61,135	75,706	14,571
3392 NBC Excess EFA Formula	-	220,109	220,109
			(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, 2022**

	REVISED BUDGET	ACTUAL	VARIANCE
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief	\$ 8,759,334	\$ 8,759,333	\$ (1)
3820 Homestead Exemption	1,894,248	1,894,248	-
3825 Reimbursement for Property Tax Relief - Tier 3	42,181,974	42,273,190	91,216
3830 Merchant's Inventory Tax	-	378,141	378,141
3840 Manufacturer's Depreciation Reimbursement	-	1,219,259	1,219,259
3900 Other State Revenue:			
3993 PEBA on-Behalf	1,783,108	1,789,526	6,418
Total State Sources	<u>189,327,793</u>	<u>191,172,560</u>	<u>1,844,767</u>
4000 Revenue from Federal Sources			
4100 Federally Impacted Areas			
4110 Maintenance and Operations P.L. 81-874	200,000	126,457	(73,543)
Total Federal Sources	<u>200,000</u>	<u>126,457</u>	<u>(73,543)</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<b><u>306,047,292</u></b>	<b><u>307,674,861</u></b>	<b><u>1,627,569</u></b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	7,618,187	7,397,661	220,526
200 Employee Benefits	3,338,358	3,287,037	51,321
300 Purchased Services	14,063	14,029	34
400 Supplies and Materials	28,925	27,320	1,605
112 Primary Programs:			
100 Salaries	28,966,085	27,854,342	1,111,743
200 Employee Benefits	11,584,912	11,215,601	369,311
300 Purchased Services	335,360	176,158	159,202
400 Supplies and Materials	700,137	596,418	103,719
113 Elementary Programs:			
100 Salaries	36,524,421	35,009,905	1,514,516
200 Employee Benefits	14,859,648	13,768,263	1,091,385
300 Purchased Services	535,397	529,519	5,878
400 Supplies and Materials	245,545	212,737	32,808
600 Other Objects	1,274	726	548
114 High School Programs:			
100 Salaries	27,505,134	26,678,241	826,893
200 Employee Benefits	10,985,511	10,147,969	837,542
300 Purchased Services	794,229	785,540	8,689
400 Supplies and Materials	500,328	397,033	103,295
500 Capital Outlay	15,000	-	15,000
600 Other Objects	2,516	2,516	-
115 Vocational Programs:			
100 Salaries	3,393,829	3,271,345	122,484
200 Employee Benefits	1,372,142	1,320,871	51,271
300 Purchased Services	43,722	37,214	6,508
400 Supplies and Materials	206,792	179,690	27,102
500 Capital Outlay	10,954	7,254	3,700
600 Other Objects	319	319	-
116 Career and Technology Education (Vocational Programs) - Middle School			
100 Salaries	226,400	207,043	19,357
200 Employee Benefits	86,198	80,791	5,407
118 Montessori Programs			
100 Salaries	1,132,627	1,116,731	15,896
200 Employee Benefits	522,330	495,669	26,661
400 Supplies and Materials	15,000	14,497	503

(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, 2022**

	REVISED BUDGET	ACTUAL	VARIANCE
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	\$ 2,112,852	\$ 1,854,602	\$ 258,250
200 Employee Benefits	797,578	710,020	87,558
300 Purchased Services	100,750	97,759	2,991
400 Supplies and Materials	3,500	1,159	2,341
122 Trainable Mentally Handicapped:			
100 Salaries	1,236,986	1,123,506	113,480
200 Employee Benefits	507,146	466,512	40,634
300 Purchased Services	68,000	67,733	267
400 Supplies and Materials	14,286	14,205	81
123 Orthopedically Handicapped:			
100 Salaries	43,376	43,376	-
200 Employee Benefits	29,648	29,466	182
300 Purchased Services	4,250	-	4,250
124 Visually Handicapped:			
100 Salaries	18,094	5,078	13,016
200 Employee Benefits	10,977	2,780	8,197
300 Purchased Services	36,800	35,639	1,161
125 Hearing Handicapped:			
100 Salaries	326,668	326,668	-
200 Employee Benefits	128,087	128,011	76
300 Purchased Services	22,500	18,150	4,350
400 Supplies and Materials	1,400	1,353	47
126 Speech Handicapped:			
100 Salaries	2,715,585	2,360,929	354,656
200 Employee Benefits	1,115,881	987,069	128,812
300 Purchased Services	143,035	135,420	7,615
400 Supplies and Materials	3,100	3,045	55
127 Learning Disabilities:			
100 Salaries	7,916,874	7,195,884	720,990
200 Employee Benefits	3,086,943	2,808,805	278,138
300 Purchased Services	18,575	18,505	70
400 Supplies and Materials	4,878	4,863	15
128 Emotionally Handicapped:			
100 Salaries	1,217,542	1,112,496	105,046
200 Employee Benefits	489,113	456,907	32,206
300 Purchased Services	16,200	16,150	50
400 Supplies and Materials	5,000	1,661	3,339
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	473,326	340,731	132,595
200 Employee Benefits	172,313	125,860	46,453
130 Pre-School Programs:			
133 Preschool Handicapped Self-Contained (5-Yr.-Olds):			
100 Salaries	111,814	106,758	5,056
200 Employee Benefits	41,416	40,500	916
136 Preschool Handicapped Itinerant(3- and 4-Yr.-Olds):			
100 Salaries	13,109	12,457	652
200 Employee Benefits	4,438	4,243	195
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	932,508	832,310	100,198
200 Employee Benefits	380,681	330,224	50,457
300 Purchased Services	3,000	2,434	566
400 Supplies and Materials	4,900	4,859	41
139 Early Childhood Programs:			
100 Salaries	243,415	186,347	57,068
200 Employee Benefits	43,144	31,378	11,766
400 Supplies and Materials	597	597	-

(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, 2022**

	REVISED BUDGET	ACTUAL	VARIANCE
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	\$ 916,042	\$ 908,348	\$ 7,694
200 Employee Benefits	381,293	379,587	1,706
300 Purchased Services	26,000	6,741	19,259
400 Supplies and Materials	40,877	9,688	31,189
600 Other Objects	1,000	269	731
143 Advanced Placement:			
100 Salaries	10,319	10,319	-
200 Employee Benefits	3,105	3,105	-
400 Supplies and Materials	5,553	2,623	2,930
144 International Baccalaureate:			
300 Purchased Services	22,635	5,492	17,143
400 Supplies and Materials	2,500	1,497	1,003
600 Other Objects	33,522	33,522	-
145 Homebound:			
100 Salaries	112,508	111,276	1,232
200 Employee Benefits	44,635	44,496	139
300 Purchased Services	285,500	283,713	1,787
400 Supplies and Materials	2,000	405	1,595
147 Full Day 4K:			
100 Salaries	23,653	24,253	(600)
200 Employee Benefits	1,856	1,809	47
148 Gifted and Talented - Artistic:			
100 Salaries	126,285	124,054	2,231
200 Employee Benefits	46,115	45,383	732
300 Purchased Services	240,921	15,475	225,446
400 Supplies and Materials	70,500	42,711	27,789
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	2,794,544	2,518,615	275,929
200 Employee Benefits	1,184,914	1,050,901	134,013
400 Supplies and Materials	2,000	1,512	488
162 Limited English Proficiency			
100 Salaries	2,016,841	1,787,765	229,076
140 Terminal Leave			-
200 Employee Benefits	721,151	673,006	48,145
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	86,691	-	86,691
200 Employee Benefits	25,929	-	25,929
300 Purchased Services	30	28	2
172 Elementary Summer School:			
100 Salaries	47,677	-	47,677
200 Employee Benefits	12,517	-	12,517
300 Purchased Services			-
400 Supplies and Materials	6,280	6,218	62
173 High School Summer School:			
100 Salaries	64,922	10,700	54,222
200 Employee Benefits	21,574	2,105	19,469
175 Instructional Programs Beyond Regular School Days:			
100 Salaries	568,422	488,967	79,455
200 Employee Benefits	171,828	142,961	28,867
300 Purchased Services	972	943	29
400 Supplies and Materials	195	181	14
180 Adult/Continuing Educational Programs:			
182 Adult Secondary Education Programs:			
100 Salaries	72,955	15,286	57,669
200 Employee Benefits	30,633	4,191	26,442

(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, 2022**

	REVISED BUDGET	ACTUAL	VARIANCE
183 ESL Programs:			
100 Salaries	\$ 1,580	\$ 1,580	\$ -
200 Employee Benefits	121	121	-
188 Parenting/Family Literacy:			
100 Salaries	17,442	17,380	62
200 Employee Benefits	1,349	1,330	19
400 Supplies and Materials	1,409	1,409	-
190 Instructional Pupil Activity			
100 Salaries	10,354	10,354	-
200 Employee Benefits	794	792	2
300 Purchased Services	500	500	-
Total Instruction	186,446,071	175,670,499	10,775,572
200 Supporting Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	2,294,811	2,063,292	231,519
200 Employee Benefits	973,247	837,866	135,381
300 Purchased Services	34,100	34,068	32
400 Supplies and Materials	2,000	1,880	120
212 Guidance Services:			
100 Salaries	5,753,364	5,441,278	312,086
200 Employee Benefits	2,170,093	2,134,370	35,723
300 Purchased Services	80,565	80,345	220
400 Supplies and Materials	41,948	26,693	15,255
213 Health Services:			
100 Salaries	1,873,647	1,774,000	99,647
200 Employee Benefits	994,434	898,627	95,807
300 Purchased Services	75,832	72,166	3,666
400 Supplies and Materials	53,017	43,668	9,349
500 Capital Outlay	15,000	14,770	230
214 Psychological Services:			
100 Salaries	2,496,276	2,353,911	142,365
200 Employee Benefits	962,753	901,159	61,594
300 Purchased Services	24,950	14,074	10,876
400 Supplies and Materials	2,500	2,169	331
215 Exceptional Program Services:			
100 Salaries	178,545	145,263	33,282
200 Employee Benefits	47,556	46,906	650
300 Purchased Services	38,000	37,807	193
400 Supplies and Materials	3,750	3,618	132
217 Career Specialist Services:			
100 Salaries	41,940	41,940	-
200 Employee Benefits	3,240	3,208	32
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	3,064,395	3,026,908	37,487
200 Employee Benefits	1,650,151	1,649,443	708
300 Purchased Services	87,899	60,946	26,953
400 Supplies and Materials	57,106	54,063	3,043
600 Other Objects	104,534	104,534	-
222 Library and Media Services:			
100 Salaries	3,276,805	3,075,160	201,645
200 Employee Benefits	1,368,538	1,298,213	70,325
300 Purchased Services	112,786	112,435	351
400 Supplies and Materials	118,648	118,646	2

(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, 2022**

	REVISED BUDGET	ACTUAL	VARIANCE
223 Supervision of Special Programs:			
100 Salaries	\$ 2,924,354	\$ 2,822,398	\$ 101,956
200 Employee Benefits	1,093,600	1,054,043	39,557
300 Purchased Services	519,909	313,182	206,727
400 Supplies and Materials	91,949	43,198	48,751
600 Other Objects	24,000	9,495	14,505
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	569,036	488,423	80,613
200 Employee Benefits	277,061	147,021	130,040
300 Purchased Services	991,218	780,707	210,511
400 Supplies and Materials	96,895	58,462	38,433
230 General Administration Services:			
231 Board of Education:			
100 Salaries	131,069	114,734	16,335
200 Employee Benefits	45,571	39,021	6,550
300 Purchased Services	117,700	87,016	30,684
318 Audit services	42,000	37,350	4,650
400 Supplies and Materials	20,000	18,972	1,028
600 Other Objects	60,500	55,057	5,443
232 Office of the Superintendent:			
100 Salaries	917,000	917,000	-
200 Employee Benefits	572,939	565,809	7,130
300 Purchased Services	556,415	253,093	303,322
400 Supplies and Materials	29,100	22,002	7,098
600 Other Objects	74,510	73,932	578
233 School Administration:			
100 Salaries	20,610,778	19,997,368	613,410
200 Employee Benefits	8,242,718	7,990,444	252,274
300 Purchased Services	1,048,125	952,775	95,350
400 Supplies and Materials	824,465	783,159	41,306
500 Capital Outlay	7,300	5,769	1,531
600 Other Objects	31,259	29,626	1,633
250 Finance and Operations Services:			
251 Pupil Transportation-Federally Mandated:			
100 Salaries	223,007	223,007	-
200 Employee Benefits	55,378	55,251	127
300 Purchased Services	29,000	5,622	23,378
252 Fiscal Services:			
100 Salaries	1,889,970	1,839,167	50,803
200 Employee Benefits	728,751	727,161	1,590
300 Purchased Services	60,800	60,418	382
400 Supplies and Materials	70,200	68,619	1,581
600 Other Objects	95,300	86,356	8,944
680 Head of Organizational Unit Other Objects		50	(50)
253 Facilities Acq & Construction			
100 Salaries	134,740	133,078	1,662
200 Employee Benefits	52,363	52,033	330
254 Operation and Maintenance of Plant:			
100 Salaries	3,710,844	3,708,043	2,801
200 Employee Benefits	1,592,173	1,537,907	54,266
300 Purchased Services	13,149,603	13,311,096	(161,493)
321 Public utilities (exclude gas, oil, elec. & heating fuels)	1,685,000	1,520,575	164,425
400 Supplies and Materials	2,105,194	2,069,253	35,941
470 Energy (include gas, oil, elec. & heating fuels)	6,571,355	6,532,127	39,228
500 Capital Outlay	56,900	56,900	-
600 Other Objects	349,100	1,379,091	(1,029,991)
255 Student Transportation:			
100 Salaries	7,573,668	7,057,930	515,738
200 Employee Benefits	2,725,153	2,543,493	181,660
300 Purchased Services	116,100	115,758	342
400 Supplies and Materials	317,500	317,000	500
500 Capital Outlay	66,827	66,827	-

(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, 2022**

	REVISED BUDGET	ACTUAL	VARIANCE
256 Food Service:			
100 Salaries	\$ 82,185	\$ 78,264	\$ 3,921
200 Employee Benefits	6,048	5,987	61
258 Security:			
100 Salaries	2,577,799	2,507,161	70,638
200 Employee Benefits	908,765	894,770	13,995
300 Purchased Services	1,523,356	1,523,327	29
400 Supplies and Materials	65,000	54,704	10,296
500 Capital Outlay	11,953	11,953	-
260 Central Support Services:			
262 Planning, Research, Development & Evaluation:			
100 Salaries	897,208	873,572	23,636
200 Employee Benefits	330,870	326,891	3,979
300 Purchased Services	625,739	622,395	3,344
400 Supplies and Materials	16,293	9,448	6,845
600 Other Objects	42,368	41,953	415
263 Information Services:			
100 Salaries	1,018,193	1,006,167	12,026
200 Employee Benefits	389,157	389,072	85
300 Purchased Services	270,800	268,430	2,370
400 Supplies and Materials	45,675	19,973	25,702
500 Capital Outlay	6,000	2,095	3,905
600 Other Objects	2,229	2,168	61
264 Staff Services:			
100 Salaries	1,461,300	1,421,951	39,349
200 Employee Benefits	1,176,169	543,466	632,703
300 Purchased Services	306,144	228,392	77,752
400 Supplies and Materials	74,806	35,101	39,705
600 Other Objects	3,150	2,490	660
266 Technology and Data Processing Services:			
100 Salaries	3,169,876	3,044,888	124,988
200 Employee Benefits	1,278,095	1,239,417	38,678
300 Purchased Services	324,208	2,806,245	(2,482,037)
400 Supplies and Materials	120,000	98,066	21,934
600 Other Objects	1,200	1,097	103
270 Support Services - Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	1,004,219	992,822	11,397
200 Employee Benefits	303,885	302,791	1,094
300 Purchased Services	15,974	5,031	10,943
400 Supplies and Materials	106,948	96,084	10,864
600 Other Objects	92,325	92,321	4
Total Supporting Services	<u>129,538,764</u>	<u>127,148,736</u>	<u>2,390,028</u>
300 Community Service:			
360 Welfare			
100 Salaries	1,155,647	1,155,647	-
200 Employee Benefits	87,780	87,780	-
390 Other Community Services			
100 Salaries	147,031	96,936	50,095
200 Employee Benefits	65,460	33,708	31,752
300 Purchased Services	116,285	111,478	4,807
400 Supplies and Materials	61,050	34,825	26,225
500 Capital Outlay	5,000	658	4,342
600 Other Objects	100	-	100
Total Community Service	<u>1,638,353</u>	<u>1,521,032</u>	<u>117,321</u>

(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, 2022**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
400 Other Charges:			
410 Intergovernmental Expenditures			
412-720 Payments to Other Governmental Units	\$ 311,963	\$ 238,445	\$ 73,518
Total Intergovernmental Expenditures	<u>311,963</u>	<u>238,445</u>	<u>73,518</u>
<b>TOTAL EXPENDITURES</b>	<b><u>317,935,151</u></b>	<b><u>304,578,712</u></b>	<b><u>13,356,439</u></b>
<b>OTHER FINANCING SOURCES</b>			
5300 Sale of Capital Assets	-	706	706
<b>Interfund Transfers, From (To) Other Funds:</b>			
5230 Transfer from Special Revenue EIA Fund	8,665,691	8,868,556	202,865
5280 Transfer from Other Funds Indirect Costs	1,200,000	2,725,917	1,525,917
421-710 Transfer to Special Revenue Fund	(444,000)	(444,000)	-
423-710 Transfer to Debt Service Fund	(1,600,000)	(1,591,211)	8,789
424-710 Transfer to Building Fund	(10,000,000)	(10,000,000)	-
425-710 Transfer to Food Service Fund	(383,832)	(383,832)	-
427-710 Transfer to Internal Service Fund	(2,000,000)	(2,000,000)	-
Total Other Financing Sources (Uses)	<u>(4,562,141)</u>	<u>(2,823,864)</u>	<u>1,738,277</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(16,450,000)</b>	<b>272,285</b>	<b>16,722,285</b>
FUND BALANCE, Beginning of Year, As Previously Stated	94,606,189	94,606,189	-
Prior Period Adjustment	-	(247,230)	(247,230)
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 78,156,189</u></b>	<b><u>\$ 94,631,244</u></b>	<b><u>\$ 16,475,055</u></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 Pupil Activity Fund is used to record the receipts and disbursements of monies for pupil activities at schools within the district. These activities include student clubs and organizations, field studies, athletics, as well as, many other student activities.

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, 2022

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
<b>REVENUES</b>									
1000 Revenue from Local Sources									
1300 Tuition									
1350 Tuition from Patrons for Summer School	\$	\$	\$	\$	\$	\$	133,231	\$	133,231
1700 Pupil Activities									
1710 Admissions							387,546	28,148	415,694
1720 Bookstore Sales								548	548
1730 Pupil Organization Membership Dues and Fees								14,743	14,743
1740 Student Fees								436,413	436,413
1790 Other							442,391	4,727,164	5,169,555
1900 Other Revenue from Local Sources:									
1920 Contributions and Donations from Private Sources							109,917	450	110,367
1930 Medicaid							12,310		12,310
1955 Medicaid Reimbursement							764,405		764,405
1990 Miscellaneous Local Revenue									
1999 Revenue from Other Local Sources							203,042	685,206	888,248
Total Local Sources	-	-	-	-	-	-	2,052,842	5,892,672	7,945,514
3000 Revenue from State Sources									
3100 Restricted State Funding:									
3110 Occupational Education:									
3118 EEDA Career Specialists						1,482,792			1,482,792
3120 General Education:									
3127 Student Health and Fitness						281,308			281,308
3130 Special Programs:									
3134 Child Early Reading Dev & Education Program (CERDEP)						1,908			1,908
3136 Student Health and Fitness-Nurses						581,347			581,347
3156 Adult Education						88,553			88,553
3190 Miscellaneous Restricted State Grants:									
3193 Education License Plates						9,418			9,418
3199 Other Restricted State Grants							3,948		3,948
3600 Education Lottery Act Revenue:									
3699 Other State Lottery Programs							5,000		5,000
3900 Other State Revenue:									
3994 PEBA Nonemployer Contributions						47,852			47,852
3999 Revenue from Other State Sources						140,547	57,085		197,632
Total State Sources	-	-	-	-	-	2,633,725	66,033	-	2,699,758
4000 Revenue from Federal Sources									
4200 Occupational Education:									
4210 Perkins Aid, Title I - Career & Technology Education - Basic Grants to States				321,715					321,715
4300 Elementary and Secondary Education Act of 1965 (ESEA):									
4310 Title I, Basic State Grant Programs (Carryover Provision)	6,169,108						188,361		6,357,469
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III							152,196		152,196
4343 McKinney-Vento Education for Homeless Children and Youth Program							68,347		68,347
4351 Supporting Effective Instruction							728,371		728,371

(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, 2022**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
4400 Adult Education:									
4410 Basic Adult Education	\$	\$	\$	\$	\$ 212,224	\$	\$	\$	\$ 212,224
4500 Programs for Children with Disabilities:									
4510 Individuals with Disabilities Education Act (IDEA)		4,782,778					8,886		4,791,664
4520 Pre-School Grants (for Children With Disabilities (IDEA)			197,869						197,869
4900 Other Federal Sources:									
4924 Nita M. Lowey 21st Century Community Learning Centers, Program (Title IV, 21st Century Schools)							1,527,580		1,527,580
4931 ARP IDEA							159,827		159,827
4933 ARP IDEA Preschool							52,247		52,247
4937 ARP Homeless Children & Youth							508		508
4974 ESSER III							3,495,393		3,495,393
4975 Coronavirus Aid, Relief, and Economic Security Act (CARES Act)							548,683		548,683
4977 ESSER II							4,867,232		4,867,232
4990 Other Federal Revenue:									
4997 Title IV SSAE							544,317		544,317
4999 Revenue from Other Federal Sources							5,839,575		5,839,575
Total Federal Sources	6,169,108	4,782,778	197,869	321,715	212,224	-	18,181,523	-	29,865,217
<b>TOTAL REVENUES ALL SOURCES</b>	<b>6,169,108</b>	<b>4,782,778</b>	<b>197,869</b>	<b>321,715</b>	<b>212,224</b>	<b>2,633,725</b>	<b>20,300,398</b>	<b>5,892,672</b>	<b>40,510,489</b>
<b>EXPENDITURES</b>									
100 Instruction									
110 General Instruction									
111 Kindergarten Programs:									
400 Supplies and Materials	470								470
112 Primary Programs:									
100 Salaries	629,468					102,002	291,942		1,023,412
200 Employee Benefits	297,331					40,628	94,251		432,210
300 Purchased Services	101,086						86,058		187,144
400 Supplies and Materials	521,107					9,418	1,308,443		1,838,968
113 Elementary Programs:									
100 Salaries	75,582					98,633	116,437		290,652
200 Employee Benefits	32,954					40,046	36,846		109,846
300 Purchased Services	23,807						404,744		428,551
400 Supplies and Materials	53,558						108,778		162,336
114 High School Programs:									
100 Salaries							377,567		377,567
200 Employee Benefits							115,354		115,354
300 Purchased Services	13,424						160,910		174,334
400 Supplies and Materials	43,952						108,778		152,730
115 Career & Technology Education Programs:									
100 Salaries				16,582			10,069		26,651
200 Employee Benefits				5,028			4,239		9,267
300 Purchased Services				24,714			3,240		27,954
400 Supplies and Materials				59,118			10,302		69,420
500 Capital Outlay				34,194					34,194

(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, 2022**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
116 Career & Technology Education - Middle School Programs:									
400 Supplies and Materials	\$	\$	\$	\$ 13,578	\$	\$	\$ 5,417	\$	\$ 18,995
120 Exceptional Programs									
121 Educable Mentally Handicapped:									
100 Salaries		274,055					1,820		275,875
200 Employee Benefits		118,823					423		119,246
300 Purchased Services		26,018							26,018
122 Trainable Mentally Handicapped:									
100 Salaries		152,498					12,595		165,093
200 Employee Benefits		56,514					3,595		60,109
300 Purchased Services		12,147					104,055		116,202
400 Supplies and Materials		4,010					17,536		21,546
124 Visually Handicapped:									
100 Salaries		9,556					21,467		31,023
200 Employee Benefits		2,911					5,890		8,801
125 Hearing Handicapped:									
100 Salaries		67,502					1,487		68,989
200 Employee Benefits		34,986					453		35,439
400 Supplies and Materials		227					35,768		35,995
126 Speech Handicapped:									
100 Salaries		92,695					120		92,815
200 Employee Benefits		40,397					37		40,434
400 Supplies and Materials							1,073		1,073
127 Learning Disabilities:									
100 Salaries		310,336					181,250		491,586
200 Employee Benefits		135,060					53,001		188,061
300 Purchased Services		65,556					11,448		77,004
400 Supplies and Materials		24,843					37,036		61,879
128 Emotionally Handicapped:									
100 Salaries		49,912					3,440		53,352
200 Employee Benefits		26,146					1,044		27,190
300 Purchased Services							173,346		173,346
129 Coordinated Early Intervening Services (CEIS)									
100 Salaries		43,292							43,292
200 Employee Benefits		22,060							22,060
130 Pre-School Programs									
132 Preschool Handicapped Itinerant (5 Yr. Olds)									
100 Salaries							4,920		4,920
200 Employee Benefits							1,495		1,495
133 Preschool Handicapped Self-Contained (5 Yr. Olds)									
100 Salaries			85,758						85,758
200 Employee Benefits			26,688						26,688
137 Pre-School Handicapped Self-Contained (3 & 4 Yr. Olds):									
100 Salaries		4,082	46,540				251,596		302,218
200 Employee Benefits		1,200	20,866				110,736		132,802
400 Supplies and Materials		21,113	8,888				58,292		88,293

(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, 2022**

						Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)				
139 Early Childhood Programs									
100 Salaries	\$ 1,712,776	\$	\$	\$	\$	\$	403	\$	1,713,179
200 Employee Benefits	785,581						94		785,675
300 Purchased Services	12,742								12,742
400 Supplies and Materials	97,288								97,288
140 Special Programs									
147 Full Day 4K									
400 Supplies and Materials						1,908			1,908
149 Other Special Programs									
100 Salaries		26,040							26,040
200 Employee Benefits		8,307							8,307
300 Purchased Services							622		622
400 Supplies and Materials		3,258					1,067		4,325
160 Other Exceptional Programs									
161 Autism:									
100 Salaries		86,917					5,725		92,642
200 Employee Benefits		37,839					1,469		39,308
400 Supplies and Materials		2,356					3,392		5,748
162 Limited English Proficiency:									
400 Supplies and Materials							25,532		25,532
170 Summer School Programs									
171 Primary Summer School									
100 Salaries							392,932		392,932
200 Employee Benefits							119,193		119,193
400 Supplies and Materials							235,653		235,653
172 Elementary Summer School									
100 Salaries							283,717		283,717
200 Employee Benefits							85,509		85,509
300 Purchased Services	2,700								2,700
400 Supplies and Materials							139,512		139,512
173 High School Summer School									
100 Salaries	53,285						99,492		152,777
200 Employee Benefits	13,651						28,102		41,753
300 Purchased Services							154,300		154,300
400 Supplies and Materials							31,349		31,349
175 Instructional Programs Beyond Regular School Days									
100 Salaries	19,890						1,140,949		1,160,839
200 Employee Benefits	6,015						337,786		343,801
300 Purchased Services	4,200						1,857,516		1,861,716
400 Supplies and Materials	2,938						169,847		172,785
180 Adult/Continuing Education Programs									
182 Adult Secondary Education Programs:									
100 Salaries					65,261	9,986			75,247
200 Employee Benefits					20,427	2,048			22,475
300 Purchased Services						81,403			81,403
400 Supplies and Materials					17,578	116			17,694

(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, 2022**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
183 Adult English Literacy (ESL):									
100 Salaries	\$	\$	\$	\$	\$ 57,099	\$	\$	\$	\$ 57,099
200 Employee Benefits					18,646				18,646
188 Parenting/Family Literacy:									
100 Salaries	289,935						750		290,685
200 Employee Benefits	132,862						226		133,088
300 Purchased Services	9,442						175		9,617
400 Supplies and Materials	32,175						31,431		63,606
600 Other Objects	2,836								2,836
190 Instructional Pupil Activity:									
100 Salaries								291,956	291,956
200 Employee Benefits								98,302	98,302
660 Pupil Activity								288,548	288,548
Total Instruction	<u>4,971,055</u>	<u>1,760,656</u>	<u>188,740</u>	<u>153,214</u>	<u>179,011</u>	<u>386,188</u>	<u>9,484,041</u>	<u>678,806</u>	<u>17,801,711</u>
200 Support Services									
210 Pupil Services									
211 Attendance and Social Work Services									
100 Salaries							7,660		7,660
200 Employee Benefits							2,309		2,309
300 Purchased Services							2,860		2,860
400 Supplies and Materials	19,970						7,693		27,663
212 Guidance Services:									
100 Salaries				2,099			214,323		216,422
200 Employee Benefits				623			82,845		83,468
300 Purchased Services				5,000			48,737		53,737
400 Supplies and Materials	603						4,627		5,230
213 Health Services:									
100 Salaries						581,347	224,993		806,340
200 Employee Benefits							93,091		93,091
300 Purchased Services							133,021		133,021
400 Supplies and Materials							10,407		10,407
214 Psychological Services:									
100 Salaries		326,358							326,358
200 Employee Benefits		137,390							137,390
300 Purchased Services							54,194		54,194
400 Supplies and Materials		2,498					20,021		22,519
215 Exceptional Program Services:									
100 Salaries		616,418					80		616,498
200 Employee Benefits		235,351					6		235,357
400 Supplies and Materials		1,142					1,461		2,603
217 Career Specialist Services:									
100 Salaries						999,348			999,348
200 Employee Benefits						483,443			483,443
400 Supplies and Materials							300		300

(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, 2022**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
220 Instructional Staff Services									
221 Improvement of Instruction - Curriculum Development:									
100 Salaries	\$ 35,263	\$	\$	\$	\$	\$	\$ 361,813	\$	\$ 397,076
200 Employee Benefits	14,483						137,734		152,217
300 Purchased Services							121,950		121,950
400 Supplies and Materials	483						5,449		5,932
222 Library and Media:									
400 Supplies and Materials	91,027						105,735		196,762
223 Supervision of Special Programs:									
100 Salaries	226,747	281,436					707,129		1,215,312
200 Employee Benefits	90,486	105,885					268,487		464,858
300 Purchased Services	9,639						812,068		821,707
400 Supplies and Materials	4,124	3,928		1,456			106,468		115,976
500 Capital Outlay							14,997		14,997
600 Other Objects							24,828		24,828
224 Improvement of Instruction-In-service and Staff Training:									
100 Salaries							173,219		173,219
200 Employee Benefits							56,066		56,066
300 Purchased Services	355,893	102,500		46,220			793,172		1,297,785
400 Supplies and Materials	29,312						41,211		70,523
230 General Administration Services:									
233 School Administration:									
100 Salaries							80,645		80,645
200 Employee Benefits							24,380		24,380
300 Purchased Services							1,320		1,320
400 Supplies and Materials							3,111		3,111
250 Finance and Operations Services									
251 Student Transportation (Federal/District Mandated):									
100 Salaries		704,039							704,039
200 Employee Benefits		297,764							297,764
300 Purchased Services	6,931						407,035		413,966
254 Operations and Maintenance of Plant:									
300 Purchased Services					24,000				24,000
400 Supplies and Materials							280,781		280,781
255 Student Transportation:									
100 Salaries							116,941		116,941
200 Employee Benefits							34,037		34,037
300 Purchased Services							240,708		240,708
400 Supplies and Materials							184,675		184,675
500 Capital Outlay							17,008		17,008
258 Security:									
300 Purchased Services							2,778		2,778
260 Central Support Services:									
264 Staff Services:									
100 Salaries							101,433		101,433
200 Employee Benefits							36,546		36,546
300 Purchased Services							9,565		9,565
400 Supplies and Materials							2,223		2,223

(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, 2022**

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
266 Technology and Data Processing Services:									
400 Supplies and Materials	\$	\$	\$	\$	\$	\$	100,515	\$	100,515
270 Support Services Pupil Activity									
271 Pupil Service Activities:									
100 Salaries							32,376	882,120	914,496
200 Employee Benefits							9,553	262,064	271,617
300 Purchased Services	5,000						281,571	21,587	308,158
400 Supplies and Materials							179,792	289	180,081
500 Capital Outlay							7,941		7,941
600 Other Objects	28,178			100,920			843,031		972,129
660 Pupil Activity								3,500,736	3,500,736
Total Support Services	<u>918,139</u>	<u>2,814,709</u>	<u>-</u>	<u>156,318</u>	<u>24,000</u>	<u>2,064,138</u>	<u>7,636,919</u>	<u>4,666,796</u>	<u>18,281,019</u>
300 Community Services									
350 Custody & Care of Children									
100 Salaries							185		185
200 Employee Benefits							56		56
360 Welfare Services									
300 Purchased Services							3,992		3,992
400 Supplies and Materials	16,783						45,012		61,795
370 Non-public School Services									
300 Purchased Services							12,406		12,406
400 Supplies and Materials							905		905
390 Other Community Services									
100 Salaries						96,939			96,939
200 Employee Benefits						33,220			33,220
300 Purchased Services						5,256			5,256
400 Supplies and Materials						2,376	3,408		5,784
Total Community Services	<u>16,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,791</u>	<u>65,964</u>	<u>-</u>	<u>220,538</u>
410 Intergovernmental Expenditures									
412 Payments to Other Governmental Units									
720 Transits							1,529,328		1,529,328
414 Medicaid Payments to the SCDE									
720 Transits							132,732		132,732
419 Payments from PEBA Nonemployer Contributions									
720 Transits						47,852			47,852
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,852</u>	<u>1,662,060</u>	<u>-</u>	<u>1,709,912</u>
TOTAL EXPENDITURES	<u>5,905,977</u>	<u>4,575,365</u>	<u>188,740</u>	<u>309,532</u>	<u>203,011</u>	<u>2,635,969</u>	<u>18,848,984</u>	<u>5,345,602</u>	<u>38,013,180</u>

(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, 2022

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
<b>OTHER FINANCING SOURCES (USES)</b>									
<b>Interfund Transfers, From (To) Other funds</b>									
5210 Transfer from General Fund (Exclude Indirect Costs)	\$	\$	\$	\$	\$	\$	444,000	\$	444,000
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)							(4,217)	4,217	4,217
421-710 Transfer to Special Revenue Fund							(1,842,167)		(4,217)
431-791 Special Revenue Fund Indirect Costs	(263,131)	(207,413)	(9,129)	(12,183)	(9,213)	(2,756)			(2,345,992)
Total Other Financing Sources (Uses)	<u>(263,131)</u>	<u>(207,413)</u>	<u>(9,129)</u>	<u>(12,183)</u>	<u>(9,213)</u>	<u>(2,756)</u>	<u>(1,402,384)</u>	<u>4,217</u>	<u>(1,901,992)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	-	-	-	-	-	(5,000)	49,030	551,287	595,317
FUND BALANCES, Beginning of Year	-	-	-	-	-	15,951	614,109	4,094,490	4,724,550
<b>FUND BALANCES, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,951</u>	<u>\$ 663,139</u>	<u>\$ 4,645,777</u>	<u>\$ 5,319,867</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, 2022**

**\* Other Designated Restricted State Grants**

913 Data District Governance Group  
 919 Education License Plates  
 924 CERDEP Program Supplies  
 928 EEDA Career Specialist  
 936 Student Health and Fitness - Nurses  
 937 Student Health and Fitness - PE Teachers  
 956 Adult Education  
 969 Miscellaneous Adult Education  
 994 PEBA Nonemployer Contributions

**\* Other Special Revenue Programs**

210 Title IV  
 212 Extended School Year  
 218 COVID-19, American Rescue Plan -  
 Elementary and Secondary School Education  
 Relief Plan (ARP - ESSER) / ESSER III  
 220 COVID-19, Elementary and Secondary School  
 Education Relief Fund / 20 SC CARES ESSER  
 224 21st Century Grant  
 225 COVID-19, Elementary and Secondary School  
 Education Relief Fund / ESSER II  
 230 COVID-19, IDEA / ARP Act of 2021  
 232 McKinney Vento Education for Homeless  
 233 COVID-19, IDEA / ARP Act of 2021 / Preschool  
 237 Title I Targeted Support and Improvement  
 263 COVID-19, American Rescue Plan Elementary  
 and Secondary Schools Emergency Relief  
 Fund Homeless Children and Youth (ARP-HCY)  
 264 Language Inst. for Ltd English Proficient, Title III  
 267 Title II - Supporting Effective Instruction  
 274 Youth Risk Behavior Surveys  
 275 Department of Defense Grant # 6  
 277 Gear Up (2015 Award)  
 278 Magnet School Assistance (2017 Award)  
 279 Gear Up 2018 (Central Carolina)  
 284 Department of Defense MCASP  
 288 Transportation  
 289 Impact Aid Handicapped, P.L. 81-874  
 292 ROTC  
 294 Department of Defense Grant #5  
 299 Medicaid  
 801 Cornell Lab of Ornithology  
 803 ACS High School Chemistry Grant  
 804 Inclusive Innovation for Adolescent Writing

814 Laptop Computer Insurance  
 824 Wellness-Palmetto Health  
 825 Sisters of Charity Foundation  
 826 DHEC Recycling Mini Grant  
 830 SC Council on the Holocaust  
 834 PTO Grants  
 836 Verizon Wireless  
 837 Society for Science  
 839 SC Coalition for Mathematics and Science  
 840 Francis Marion Prep Teachers of Poverty Students  
 841 Clemson Agricultural Education  
 843 Profoundly Mentally Disabled  
 846 Lipscomb Family Foundation  
 847 Target Field Trip Grant  
 848 Southeastern Grocers  
 849 Special Olympics  
 851 United Way - Parenting Teen Partnership  
 855 SC Arts Commission Grants  
 857 Beacon Hill Society Jan Stauber Grant  
 858 Rotary Club of Forest Acres Grant  
 861 Sodexo Grant  
 862 Summer School  
 867 Special Needs Transportation  
 868 Walmart Foundation Grant  
 869 Athletics Spring Valley High School  
 872 Donations  
 878 Mid-Atlantic DoDEA Conference  
 879 Athletics Richland Northeast High School  
 884 Athletics Ridge View High School  
 886 Ridge View High School Basketball Bash  
 892 Athletics Blythewood High School  
 894 Athletics Westwood High School

**RICHLAND SCHOOL DISTRICT TWO  
SPECIAL REVENUE FUNDS  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR THE YEAR ENDED JUNE 30, 2022**

<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>SPECIAL REVENUE INTERFUND TRANSFERS IN/(OUT)</u>	<u>SPECIAL REVENUE FUND UNEARNED</u>
919	3193	Education License Plates	\$ 9,418	\$ 9,418	\$	\$ 9,090
928	3118	EEDA Career Specialists	1,482,792	1,482,792		843,884
936	3136	Student Health and Fitness - Nurses	581,347	581,347		
937	3127	Student Health and Fitness - PE Teachers	281,308	281,308		278,062
956	3156	Adult Education	88,553	88,553		90,698
994	3994	PEBA Nonemployer Contributions	47,852	47,852		
		Totals	\$ <u>2,491,270</u>	\$ <u>2,491,270</u>	\$ <u>-</u>	\$ <u>1,221,734</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, 2022**

**REVENUES**

## 3000 Revenue from State Sources

## 3500 Education Improvement Act:

3502 ADEPT	\$ 30,078
3509 Arts in Education	29,004
3518 Adoption List of Formative Assessments	117,542
3519 Grade 10 Assessments	113,830
3526 Refurbishment of Science Kits	81,880
3528 Industry Certifications/Credentials	89,772
3529 Career & Technical Education	848,786
3532 National Board Salary Supplement	2,901,386
3533 Teacher of the Year Awards	1,077
3535 Reading Coaches	1,300,425
3536 Student Health and Fitness Nurses	138,746
3538 Students at Risk of School Failure	2,408,659
3541 Child Early Reading Development and Education Program (CERDEP)	996,951
3550 Teacher Salary Increase	6,885,885
3555 Teacher Salary Fringe	1,654,077
3556 Adult Education	567,162
3557 Summer Reading Program	176,694
3571 CSI and Priority Schools	180,631
3577 Teacher Supplies	570,900
3594 EEDA Supplemental Programs	137,981
3595 EEDA Supplies and Materials	48,362
3597 Aid to Districts	1,591,175
3599 Other EIA	55,000

Total State Sources

20,926,003

**TOTAL REVENUES ALL SOURCES****20,926,003****EXPENDITURES****100 Instruction:**

## 110 General Instruction:

## 111 Kindergarten Programs:

100 Salaries	77,500
200 Employee Benefits	23,415
400 Supplies and Materials	26,950

## 112 Primary Programs:

100 Salaries	1,129,687
200 Employee Benefits	459,282
300 Purchased Services	138,875
400 Supplies and Materials	203,428
500 Capital Outlay	16,483

## 113 Elementary Programs:

100 Salaries	1,027,067
200 Employee Benefits	371,061
300 Purchased Services	58,360
400 Supplies and Materials	192,548

(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, 2022**

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114 High School Programs:		
100 Salaries	\$	886,288
200 Employee Benefits		308,056
300 Purchased Services		113,830
400 Supplies and Materials		133,120
115 Career and Technology Education Programs:		
100 Salaries		25,000
200 Employee Benefits		9,840
300 Purchased Services		174,085
400 Supplies and Materials		484,260
500 Capital Outlay		135,949
116 Career and Technology Education Programs - Middle School		
400 Supplies and Materials		1,100
118 Montessori Programs		
100 Salaries		7,500
200 Employee Benefits		2,264
400 Supplies and Materials		3,850
120 Exceptional Programs:		
121 Educable Mentally Handicapped		
100 Salaries		31,289
200 Employee Benefits		14,410
300 Purchased Services		1,197
400 Supplies and Materials		8,130
122 Trainable Mentally Handicapped		
100 Salaries		22,500
200 Employee Benefits		6,828
300 Purchased Services		1,253
400 Supplies and Materials		17,624
124 Visually Handicapped		
400 Supplies and Materials		399
125 Hearing Handicapped		
300 Purchased Services		792
400 Supplies and Materials		6,342
126 Speech Handicapped:		
300 Purchased Services		351
400 Supplies and Materials		18,041
127 Learning Disabilities:		
100 Salaries		171,992
200 Employee Benefits		57,306
300 Purchased Services		40
400 Supplies and Materials		35,885
128 Emotionally Handicapped:		
300 Purchased Services		260,425
400 Supplies and Materials		4,785
129 Coordinated Early Intervening Services (CEIS)		
100 Salaries		7,500
200 Employee Benefits		2,278
400 Supplies and Materials		275

(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, 2022**

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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		98,015
200 Employee Benefits		51,049
300 Purchased Services		279
400 Supplies and Materials		6,972
139 Early Childhood Programs:		
100 Salaries		17,500
200 Employee Benefits		5,270
400 Supplies and Materials		8,800
140 Special Programs:		
141 Gifted and Talented Academic:		
100 Salaries		15,000
200 Employee Benefits		4,531
400 Supplies and Materials		4,125
145 Homebound:		
400 Supplies and Materials		550
147 Full Day Kindergarten:		
100 Salaries		684,477
200 Employee Benefits		312,473
148 Gifted and Talented Artistic:		
400 Supplies and Materials		275
160 Other Exceptional Programs		
161 Autism		
100 Salaries		122,252
200 Employee Benefits		65,918
300 Purchased Services		54
400 Supplies and Materials		9,681
162 Limited English Proficiency		
100 Salaries		26,628
200 Employee Benefits		12,834
300 Purchased Services		3,991
400 Supplies and Materials		10,495
170 Summer School Program:		
171 Primary Summer School:		
100 Salaries		110,360
200 Employee Benefits		34,076
400 Supplies and Materials		9,796
172 Elementary Summer School:		
100 Salaries		17,474
200 Employee Benefits		5,478
300 Purchased Services		4,863
400 Supplies and Materials		6,651

(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, 2022**

173 High School Summer School:		
100 Salaries	\$	23,200
200 Employee Benefits		7,098
400 Supplies and Materials		593
175 Instructional Programs Beyond Regular School Day:		
100 Salaries		1,907
200 Employee Benefits		576
400 Supplies and Materials		275
180 Adult/Continuing Educational Programs:		
181 Adult Basic Education Programs:		
100 Salaries		46,391
200 Employee Benefits		23,229
182 Adult Secondary Education Programs:		
100 Salaries		128,139
200 Employee Benefits		62,602
300 Purchased Services		15,105
400 Supplies and Materials		32,676
183 Adult English Literacy (ESL):		
400 Supplies and Materials		15,644
188 Parenting:		
100 Salaries		157,478
200 Employee Benefits		70,117
<b>Total Instruction</b>		<b>8,914,887</b>
<b>200 Supporting Services:</b>		
210 Pupil Services:		
211 Attendance and Social Work Services		
100 Salaries		128,187
200 Employee Benefits		50,629
300 Purchased Services		17,915
400 Supplies and Materials		17,761
212 Guidance Services		
100 Salaries		151,444
200 Employee Benefits		52,251
300 Purchased Services		47,320
400 Supplies and Materials		25,413
213 Health Services		
100 Salaries		43,016
200 Employee Benefits		95,730
214 Psychological Services		
300 Purchased Services		410
400 Supplies and Materials		6,981
215 Exceptional Program Services		
300 Purchased Services		623
400 Supplies and Materials		901
217 Career Specialist Service		
400 Supplies and Materials		6,600

(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, 2022**

220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development:	
100 Salaries	\$ 1,310,427
200 Employee Benefits	3,258
222 Library and Media Services:	
100 Salaries	57,500
200 Employee Benefits	15,260
400 Supplies and Materials	10,268
223 Supervision of Special Programs:	
100 Salaries	318,174
200 Employee Benefits	112,353
300 Purchased Services	48,986
400 Supplies and Materials	2,129
224 Improvement of Instruction - In-service and Staff Training:	
100 Salaries	1,004
200 Employee Benefits	198
300 Purchased Services	293,517
400 Supplies and Materials	27,274
233 School Administration:	
100 Salaries	65,269
200 Employee Benefits	31,394
250 Finance and Operations Services:	
255 Student Transportation (State Mandated)	
300 Purchased Services	151
260 Support Service - Central:	
266 Technology & Data Processing Services	
100 Salaries	3,095
200 Employee Benefits	943
300 Purchased Services	93,104
270 Support Services - Pupil Activity:	
271 Pupil Service Activity	
300 Purchased Services	8,870
400 Supplies and Materials	670
660 Pupil Activity	93,535
<b>Total Support Services</b>	<b>3,142,560</b>
<b>TOTAL EXPENDITURES</b>	<b>12,057,447</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
420 Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(8,868,556)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(8,868,556)</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, 2022

PROGRAM	REVENUES	EXPENDITURES	EIA TRANSFERS IN/(OUT)	EIA FUND UNEARNED
<b>3500 Education Improvement Act:</b>				
3502 ADEPT	\$ 30,078	\$ 30,078	\$	\$ 45,193
3509 Arts in Education	29,004	29,004		
3518 Adoption List of Formative Assessments	117,542	117,542		
3519 Grade 10 Assessment	113,830	113,830		137,877
3526 Refurbishment of Science Kits	81,880	81,880		28,614
3528 Industry Certifications/Credentials	89,772	89,772		57,652
3529 Career & Technical Education	848,786	848,786		193,726
3532 National Board Salary Supplement	2,901,386	2,901,386		
3533 Teacher of the Year Awards	1,077	1,077		
3535 Reading Coaches	1,300,425	1,300,425		
3536 Student Health and Fitness Nurses	138,746	138,746		3,334
3538 Students at Risk of School Failure	2,408,659	2,408,659		959,815
3541 Child Early Reading Dev & Education Program (CERDEP)	996,951	996,951		756,365
3550 Teacher Salary Increase	6,885,885		(6,885,885)	
3555 Teacher Salary Fringe	1,654,077		(1,654,077)	
3556 Adult Education	567,162	567,162		356,467
3557 Summer Reading Program	176,694	176,694		211,134
3571 CSI and Priority Schools	180,631	180,631		268,318
3577 Teacher Supplies	570,900	570,900		
3594 EEDA Supplemental Programs	137,981	137,981		
3595 EEDA Supplies and Materials	48,362	48,362		36,526
3597 Aid to Districts	1,591,175	1,262,581	(328,594)	439,662
3599 Other EIA	55,000	55,000		68,056
Totals	\$ <u>20,926,003</u>	\$ <u>12,057,447</u>	\$ <u>(8,868,556)</u>	\$ <u>3,562,739</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, 2022**

**REVENUES:**

1000 Revenues from Local Sources:		
1500 Earnings on Investments:		
1510 Interest on Investments	\$	323
1600 Food Services:		
1610 Lunch Sales to Pupils		23,886
1620 Breakfast Sales to Pupils		23,563
1630 Special Sales to Pupils		3,772
1640 Lunch Sales to Adults		26,590
1650 Breakfast Sales to Adults		4,801
1660 Special Sales to Adults		1,012
1900 Other Revenue from Local Sources:		
1990 Miscellaneous Local Revenue:		
1999 Revenue from Other Local Sources		13,712
Total Local Sources		<u>97,659</u>
4000 Revenue from Federal Sources:		
4800 USDA Reimbursements:		
4810 School Lunch, After School Snacks & Special Milk Program		11,997,659
4820 Supply Chain Assistance Funding		556,729
4830 School Breakfast Program		5,145,777
4860 Fresh Fruits and Vegetables (FFVP)		62,637
4890 CN Emergency Operations		655,961
4900 Other Federal Sources:		
4991 USDA Commodities (Food Distribution Program)		450,145
Total Federal Sources		<u>18,868,908</u>
<b>Total Revenue - All Sources</b>		<b><u>18,966,567</u></b>

**EXPENSES:**

250 Finance and Operation Services:		
256 Food Services:		
100 Salaries		772,067
200 Employee Benefits		406,929
300 Purchased Services		152,726
393 Direct Purchased Services		11,597,254
400 Supplies and Materials		612,847
500 Capital Outlay		233,364
600 Other Objects		1,438
<b>Total Expenses</b>		<b><u>13,776,625</u></b>

**OTHER FINANCING SOURCES(USES):**

<b>Interfund Transfers, From (To) Other Funds:</b>		
5210 Transfer from General Fund		383,832
432-791 Transfer Food Service Fund Indirect Costs		(379,925)
<b>Total Other Financing (Uses)</b>		<b><u>3,907</u></b>

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

FUND BALANCE, Beginning of Year		4,369,106
<b>FUND BALANCE, End of Year</b>	<b>\$</b>	<b><u>9,562,955</u></b>

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

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## **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, 2022**

**REVENUES**

1000 Revenue from Local Sources		
1200 Revenue from Local Governmental Units Other than LEA's:		
1210 Ad Valorem Taxes - Including Delinquent	\$	64,067,725
1240 Penalties & Interest on Taxes		568
1280 Revenue in Lieu of Taxes		1,450,155
1500 Earnings on Investments:		
1510 Interest on Investments		745,938
Total Local Sources		<u>66,264,386</u>
<b>TOTAL REVENUES ALL SOURCES</b>		<u><b>66,264,386</b></u>

**EXPENDITURES**

500 Debt Service:		
610 Redemption of Principal		49,552,000
620 Interest		19,555,059
690 Other Objects		140,499
<b>TOTAL EXPENDITURES</b>		<u><b>69,247,558</b></u>
<b>Excess of Revenues Over Expenditures</b>		(2,983,172)

**OTHER FINANCING SOURCES (USES)****5100 Sale of Bonds**

5130 Proceeds on Refunding Debt	42,180,000
441-720 Payment to Refunded Debt Escrow Agent	(42,046,000)

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

5210 Transfer from General Fund	1,591,211
Total Transfers and Other Financing Sources (Uses)	<u>1,725,211</u>

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

**(1,257,961)**

FUND BALANCE, Beginning of Year	<u>33,155,070</u>
---------------------------------	-------------------

<b>FUND BALANCE, End of Year</b>	<u><b>\$ 31,897,109</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, 2022**

**REVENUES**

1000 Revenue from Local Sources		
1500 Earnings on Investments:		
1510 Interest on Investments	\$	372,819
1900 Other Revenue from Local Services		
1993 Receipt of Insurance Proceeds		2,250
1994 Receipt of Legal Settlements		40,000
Total Local Sources		<u>415,069</u>
<b>TOTAL REVENUES ALL SOURCES</b>		<u><b>415,069</b></u>

**EXPENDITURES**

200 Support Services		
250 Finance and Operations:		
251 Student Transportation		
500 Capital Outlay		574,540
253 Facilities Acquisition and Construction:		
100 Salaries		18,898
200 Employee Benefits		7,600
300 Purchased Services		36,693
500 Capital Outlay		
520 Construction Services		102,473,949
530 Improvements Other Than Buildings		3,454,501
540 Expendable Equipment		2,201,558
541 Equipment		35,236
550 Vehicles		204,534
590 Other		851,789
258 Security		
500 Capital Outlay		1,694,901
260 Central Support Services		
266 Data Processing Services		
300 Purchased Services		540,279
400 Supplies and Materials		5,338,766
500 Capital Outlay		277,096
Total Support Services		<u>117,710,340</u>
500 Debt Services		
690 Other Objects		299,827
Total Debt Services		<u>299,827</u>
<b>TOTAL EXPENDITURES</b>		<u><b>118,010,167</b></u>

**OTHER FINANCING SOURCES (USES)**

5100 Sale of Bonds:		
5110 Premium on Bonds Sale		7,715,430
5120 Issuance of General Obligation Bonds		74,995,000
<b>Interfund Transfers, From (To) Other Funds:</b>		
5210 Transfer from General Fund		10,000,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u><b>92,710,430</b></u>

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

**(24,884,668)**

FUND BALANCE, Beginning of Year		<u>127,651,824</u>
<b>FUND BALANCE, End of Year</b>	<b>\$</b>	<u><b>102,767,156</b></u>

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, 2022**

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<b>ASSETS</b>	
Cash and Cash Equivalent	\$ 1,681,504
Accounts Receivable	12,945
Prepaid Expenses	456,778
Receivable from Other Funds	<u>2,381,313</u>
<b>TOTAL ASSETS</b>	<u><u>4,532,540</u></u>
<b>LIABILITIES AND NET POSITION</b>	
Claims Payable	<u>1,980,534</u>
<b>TOTAL LIABILITIES</b>	<u>1,980,534</u>
<b>NET POSITION - UNRESTRICTED</b>	<u>2,552,006</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 4,532,540</u></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 NET POSITION - INTERNAL SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**REVENUES**

1000 Receipts from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 507
1900 Other Revenue From Local Sources	
1950 Refund of Prior Year Expenditures	481
1993 Receipt of Insurance Proceeds	67,870
Total Local Sources	<u>68,858</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<b><u>68,858</u></b>

**EXPENSES**

111 Kindergarten Programs	
200 Employee Benefits	322,709
112 Primary Programs	
200 Employee Benefits	161,887
113 Elementary Programs	
200 Employee Benefits	203,452
114 High School Programs	
200 Employee Benefits	32,504
121 Educable Mentally Handicapped	
200 Employee Benefits	122
122 Trainable Mentally Handicapped	
200 Employee Benefits	30,079
124 Visually Handicapped	
200 Employee Benefits	1,548
127 Learning Disabilities	
200 Employee Benefits	10,047
128 Emotionally Handicapped	
200 Employee Benefits	21,511
129 CEIS	
200 Employee Benefits	419
137 Preschool Handicapped Self-Contained (3&4 Year Olds)	
200 Employee Benefits	181
139 Early Childhood Programs	
200 Employee Benefits	27,229
161 Autism	
200 Employee Benefits	87,467
211 Attendance & Social Work	
200 Employee Benefits	1,359
212 Guidance	
200 Employee Benefits	145,103
213 Health Services	
200 Employee Benefits	25,521
214 Psychological Services	
200 Employee Benefits	84,275
215 Exceptional Program Services	
200 Employee Benefits	14,502
221 Improvement of Instruction	
200 Employee Benefits	418
223 Supervision of Special Programs	
200 Employee Benefits	278
233 School Administration	
200 Employee Benefits	219,814
400 Supplies and Materials	958
252 Fiscal Services	
100 Salaries	542
200 Employee Benefits	41
254 Operations and Maintenance of Plant	
200 Employee Benefits	338,078
400 Supplies and Materials	4,320
600 Other Objects	213,217
256 Food Service	
200 Employee Benefits	27,871
258 Security	
200 Employee Benefits	12,571

(Continued)

**RICHLAND SCHOOL DISTRICT TWO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - INTERNAL SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

264 Staff Services	
200 Employee Benefits	\$ 1,592
271 Non-Instructional Pupil Activities	
200 Employee Benefits	382
350 Custody and Care of Children Services	
200 Employee Benefits	4,778
<b>TOTAL EXPENSES</b>	<u>1,994,775</u>
<b>EXCESS RECEIPTS OVER DISBURSEMENTS</b>	<b>(1,925,917)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund	2,000,000
Total Other Financing Sources (Uses)	<u>2,000,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>74,083</b>
Net Position, Beginning of Year	<u>2,477,923</u>
<b>Net Position, End of Year</b>	<b><u>\$ 2,552,006</u></b>

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

**SCHEDULE F**  
**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, 2022**

<b>PROGRAM</b>	<b>PROJECT/ GRANT NUMBER</b>	<b>SUBFUND &amp; REVENUE CODES</b>	<b>DESCRIPTION</b>	<b>AMOUNT DUE TO STATE DEPARTMENT OF EDUCATION OR FEDERAL GOVERNMENT</b>	<b>STATUS OF AMOUNT DUE TO GRANTORS</b>
Transportation Bus Permits	N/A	100/NA	Bus Permits for May & June 2022	\$ 11,101.36	Paid - July 2022
Arts in Education	N/A	309/3509	Unspent Funds	1,516.24	Unpaid
National Board Certification	N/A	332/3532	Overpayment	16,840.78	Unpaid
Adult Education	N/A	356/3556	Unspent Funds	133,581.58	Unpaid
Summer Reading Program - Cultivating Literacy within the Arts	N/A	357/3557	Unspent Funds	27,639.38	Unpaid
CSI and Priority Schools	N/A	371/3571	Unspent Funds	35,116.68	Unpaid
Teacher Supply	N/A	377/3577	Overpayment	6,875.00	Unpaid
Adult Education	N/A	956/3156	Unspent Funds	2,144.87	Unpaid
				<u>\$ 234,815.89</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, 2022**

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
000 / 001 / 002/ 025 / 027/ 052 / 061 / 099	Districtwide/Shared Cost	Non-School	Central	\$ 118,737,933
023	Support Service Center (District Operations)	Non-School	Central	20,607,964
024 / 026	Alternative Program - Blythewood Academy	Alternative School	School	3,217,305
031	Transportation	Non-School	Central	15,234,351
040	Richland Two Child Development	Other School	School	532,401
043	W R Rogers Adult Education Program	Other School	School	1,287,077
045	Center for Inquiry	Elementary School	School	2,343,501
048	Center for Knowledge - North	Elementary School	School	2,096,239
050	Center for Knowledge	Elementary School	School	3,848,411
055	Center for Achievement	Elementary School	School	1,861,786
060	R2i2 - Richland Two Institute for Innovation	Other High School	School	2,064,239
062	R2eSchool	Other School	School	1,817,477
069	Spring Valley High	High School	School	19,944,238
070	Bethel-Hanberry Elementary	Elementary School	School	30,743,718
072	Dent Middle	Middle School	School	11,116,167
073	Conder Elementary	Elementary School	School	7,580,707
074	Forest Lake Elementary	Elementary School	School	34,666,484
075	Joseph Keels Elementary	Elementary School	School	6,416,965
076	Lonnice B Nelson Elementary	Elementary School	School	6,048,257
077	Windsor Elementary	Elementary School	School	7,292,688
078	EL Wright Middle	Middle School	School	40,120,062
079	Richland Northeast High	High School	School	25,794,524
080	North Springs Elementary	Elementary School	School	7,377,399
081	Pontiac Elementary	Elementary School	School	7,825,294
082	Summit Parkway Middle	Middle School	School	8,456,508
083	Rice Creek Elementary	Elementary School	School	7,806,421
084	Ridgeview High	High School	School	20,115,575
085	Blythewood Middle	Middle School	School	7,752,407
086	Killian Elementary	Elementary School	School	8,909,505
087	Bookman Road Elementary	Elementary School	School	6,087,232
089	Lake Carolina Lower Elementary	Elementary School	School	5,685,072
090	Round Top Elementary	Elementary School	School	6,303,883
091	Kelly Mill Middle	Middle School	School	8,593,326
092	Blythewood High	High School	School	22,906,290
093	Sandlapper Elementary	Elementary School	School	7,454,909
094	Polo Road Elementary	Elementary School	School	7,614,623
095	Longleaf Middle	Middle School	School	8,213,998
096	Bridge Creek Elementary	Elementary School	School	6,769,377
097	Langford Road Elementary	Elementary School	School	5,495,607
098	Muller Road Middle	Middle School	School	7,089,561
100	Westwood High	High School	School	15,238,432
101	Catawba Trail Elementary	Elementary School	School	5,841,703
102	Lake Carolina Upper Elementary	Elementary School	School	5,721,295
103	Jackson Creek Elementary	Elementary School	School	7,047,391
600	Richland Two Charter High (District Funded)	Other School	School	162
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>				<b>\$ 557,678,464</b>

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

General Fund	\$ 304,578,712
Special Revenue Fund	38,013,180
Special Revenue - EIA Fund	12,057,447
Special Revenue - Food Service Fund	13,776,625
Debt Service Fund	69,247,558
Capital Projects Fund	118,010,167
Internal Service Fund	1,994,775
	<b>\$ 557,678,464</b>

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



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## STATISTICAL SECTION

### (UNAUDITED)

The Statistical Section of the District's annual comprehensive 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 annual comprehensive financial reports for the relevant year.*

## RICHLAND SCHOOL DISTRICT TWO

## NET POSITION BY COMPONENT

JUNE 2013 THROUGH 2022

(ACCRUAL BASIS)

	2013	2014	2015*	2016	2017	2018	2019 ^	2020	2021	2022
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 109,733,690	\$ 113,769,149	\$ 116,956,102	\$ 137,108,277	\$ 158,447,739	\$ 180,950,749	\$ 209,007,266	\$ 238,905,419	\$ 265,535,892	\$ 303,718,257
Restricted	12,180,380	14,499,495	17,118,957	22,845,297	21,330,566	23,136,508	28,770,909	33,105,014	37,008,631	41,434,849
Unrestricted	32,682,030	35,864,156	(250,572,529)	(259,241,952)	(263,469,464)	(576,671,789)	(579,605,154)	(582,769,349)	(596,718,784)	(604,349,002)
<b>Total Governmental Activities Net Position</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>(294,174,261)</b>	<b>(259,195,896)</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	2,528,910	2,234,238	1,905,492	1,715,155	1,862,896	1,517,687	-	-	-	-
Unrestricted	2,755,534	3,335,786	427,840	(50,770)	(334,257)	(2,809,225)	-	-	-	-
<b>Total Business-Type Activities Net Position</b>	<b>5,284,444</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>-</b>	<b>-</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	112,262,600	116,003,387	118,861,594	138,823,432	160,310,635	182,468,436	209,007,266	238,905,419	265,535,892	303,718,257
Restricted	12,180,380	14,499,495	17,118,957	22,845,297	21,330,566	23,136,508	28,770,909	33,105,014	37,008,631	41,434,849
Unrestricted	35,437,564	39,199,942	(250,144,689)	(259,292,722)	(263,803,721)	(579,481,014)	(579,605,154)	(582,769,349)	(596,718,784)	(604,349,002)
<b>Total Primary Government</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>	<b>\$ (294,174,261)</b>	<b>\$ (259,195,896)</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, 2013 THROUGH 2022**  
**(ACCRUAL BASIS)**

	2013	2014	2015	2016	2017	2018	2019^	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 166,236,699	\$ 171,250,774	\$ 179,943,863	\$ 182,882,044	\$ 178,527,719	\$ 200,253,684	\$ 207,429,969	\$ 206,378,461	\$ 231,171,951	\$ 225,192,106
Support Services	114,581,107	116,519,318	122,728,455	126,081,749	150,532,971	147,675,895	154,341,997	176,570,046	164,831,852	179,710,992
Community Services	1,534,120	1,189,962	1,168,386	156,500	190,015	297,796	323,550	360,780	272,943	1,740,912
Intergovernmental	1,200,154	1,391,393	1,683,142							
Interest and Other Charges	28,822,086	14,944,692	24,422,848	9,934,821	9,148,324	13,360,729	8,302,252	6,393,711	18,947,617	12,975,699
Depreciation - Unallocated										
<b>Total Governmental Activities Expenses</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>415,224,363</b>	<b>419,619,709</b>
<b>Business-Type Activities:</b>										
Food Services	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>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>-</b>	<b>-</b>
<b>Total Primary Government Expenses</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>415,224,363</b>	<b>419,619,709</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services										
Instruction	294,035	334,656	276,459	447,146	221,503	364,633	392,984	376,715	160,326	157,158
Support Services	160,689	162,922	144,774	157,823	212,346	470,353	3,064,277	2,571,379	299,997	493,198
Operating Grants and Contributions	121,897,536	127,304,694	137,514,617	139,135,888	149,846,237	160,595,221	176,473,741	188,607,078	198,981,630	216,967,501
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</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>199,441,953</b>	<b>217,617,857</b>
<b>Business-Type Activities</b>										
Charges for Services										
Food Services	3,408,127	3,107,800	3,093,080	3,147,985	2,752,009	2,621,519	-	-	-	-
Operating Grants and Contributions	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>10,806,473</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>-</b>	<b>-</b>
<b>Total Primary Government Program Revenues</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>199,441,953</b>	<b>217,617,857</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	(190,021,906)	(177,493,867)	(192,010,844)	(179,314,257)	(188,118,943)	(200,157,897)	(190,466,766)	(198,147,826)	(215,782,410)	(202,001,852)
Business-Type Activities	(585,993)	(15,145)	(1,224,480)	(796,486)	(797,539)	(147,149)	-	-	-	-
<b>Total Primary Government Net (Expense)/Revenue</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>	<b>\$ (215,782,410)</b>	<b>\$ (202,001,852)</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, 2013 THROUGH 2022**  
**(ACCRUAL BASIS)**

	2013	2014	2015	2016	2017	2018	2019^	2020	2021	2022
<b>Net (Expense) Revenue:</b>										
Governmental Activities	\$ (190,021,906)	\$ (177,493,867)	\$ (192,010,844)	\$ (179,314,257)	\$ (188,118,943)	\$ (200,157,897)	\$ (190,466,766)	\$ (198,147,826)	\$ (215,782,410)	\$ (202,001,852)
Business-Type Activities	(585,993)	(15,145)	(1,224,480)	(796,486)	(797,539)	(147,149)	-	-	-	-
<b>Total Primary Government Net (Expense) Revenue</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>	<b>(215,782,410)</b>	<b>(202,001,852)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes										
Property Taxes Levied for General Purposes	80,052,909	83,784,521	85,522,956	88,498,475	93,776,751	95,996,569	104,159,771	111,642,361	107,989,495	114,621,663
Property Taxes Levied for Debt Services	45,620,780	50,979,099	55,045,358	56,820,028	58,515,896	59,435,654	60,630,757	61,837,422	62,903,570	64,072,277
Unrestricted Grants and Contributions	51,422,890	50,670,589	51,399,853	48,764,658	49,061,032	51,581,912	53,707,919	51,878,218	54,667,139	56,101,351
Investment Earnings	2,650,981	600,886	841,808	1,073,829	757,078	1,729,617	2,614,083	3,206,031	1,018,938	1,487,350
Miscellaneous	2,200,928	2,225,996	2,467,129	1,217,658	1,963,685	1,082,236	1,403,327	651,857	2,339,418	944,806
Insurance Proceeds										
Transfers	(70,521)	147,187	216,336	148,701	(358,280)	44,590				
<b>Total Governmental Activities</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>228,918,560</b>	<b>237,227,447</b>
<b>Business-Type Activities</b>										
Unrestricted Grants and Contributions										
Investment Earnings	25,371	27,871	49,740	43,047	845	1,373				
Miscellaneous	60,572	420,041	329,784	233,193	302,668	140,124				
Gain on Sale of Capital Assets	2,858									
Transfers	70,521	(147,187)	(216,336)	(148,701)	358,280	(44,590)				
<b>Total Business-Type Activities</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>-</b>	<b>-</b>
<b>Total Primary Government</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>228,918,560</b>	<b>237,227,447</b>
<b>Change in Net Position</b>										
Governmental Activities	(8,143,939)	10,914,411	3,482,596	17,209,092	15,597,219	9,712,681	32,049,091	31,068,063	13,136,150	35,225,595
Business-Type Activities	(426,671)	285,580	(1,061,292)	(668,947)	(135,746)	(50,242)	-	-	-	-
<b>Change in Net Position - Primary Government</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>\$ 9,662,439</b>	<b>\$ 32,049,091</b>	<b>\$ 31,068,063</b>	<b>\$ 13,136,150</b>	<b>\$ 35,225,595</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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable	\$ 110,666	\$ 60,093	\$ 51,494	\$ 40,652	\$ 50,196	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Committed										
Assigned										
Unassigned	33,673,599	38,308,823	39,616,139	40,226,954	46,152,355	52,973,547	69,878,973	81,237,752	94,606,189	94,631,244
<b>Total General Fund</b>	<u>33,784,265</u>	<u>38,368,916</u>	<u>39,667,633</u>	<u>40,267,606</u>	<u>46,202,551</u>	<u>52,973,547</u>	<u>69,878,973</u>	<u>81,237,752</u>	<u>94,606,189</u>	<u>94,631,244</u>
<b>All Other Governmental Funds</b>										
Nonspendable								80,041	140,376	48,167
Restricted	134,501,224	117,090,962	106,725,208	72,286,334	51,168,835	53,073,535	77,743,295	119,515,274	169,760,174	149,498,920
Committed										
Assigned										
Unassigned										
<b>Total All Other Governmental Funds</b>	<u>\$ 134,501,224</u>	<u>\$ 117,090,962</u>	<u>\$ 106,725,208</u>	<u>\$ 72,286,334</u>	<u>\$ 51,168,835</u>	<u>\$ 53,073,535</u>	<u>\$ 77,743,295</u>	<u>\$ 119,595,315</u>	<u>\$ 169,900,550</u>	<u>\$ 149,547,087</u>

Table 5

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

Sources	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Local Sources:</b>										
Local Property Tax	\$ 120,964,929	\$ 134,745,959	\$ 140,503,482	\$ 144,931,769	\$ 152,222,454	\$ 155,455,615	\$ 164,916,416	\$ 173,403,303	\$ 172,285,774	\$ 180,125,592
Interest Income	2,632,635	592,701	834,453	1,049,521	739,473	1,704,469	2,466,461	3,085,617	1,018,434	1,486,843
Other Revenues	8,367,295	4,324,464	4,568,823	3,729,041	4,058,968	3,051,338	6,436,948	5,461,103	4,934,924	9,486,037
<b>Total Revenue from Local Sources</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>178,239,132</b>	<b>191,098,472</b>
<b>State Sources:</b>										
State Education Finance Act	53,878,465	57,000,947	61,228,465	64,493,666	70,312,436	76,186,540	78,295,200	78,387,618	77,920,214	78,996,103
State Revenue in Lieu of Taxes	46,382,333	47,143,068	47,786,914	48,527,591	48,837,828	49,493,108	51,668,892	48,656,892	50,078,440	52,926,771
State Education Improvement Act	20,114,400	20,101,967	19,110,992	16,076,246	18,028,745	19,382,826	19,229,408	22,827,870	22,222,014	20,926,003
State Grants & Other State Revenue	36,823,577	34,645,799	36,350,570	38,685,065	40,631,865	47,183,734	50,818,188	58,058,454	65,465,901	61,949,444
<b>Total Revenue from State Sources</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>215,686,569</b>	<b>214,798,321</b>
<b>Federal Sources:</b>										
Federal Grants	13,260,225	17,468,028	22,562,606	17,982,496	19,089,346	18,615,660	28,366,177	30,622,627	33,372,966	48,860,582
<b>Total Federal Sources</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>33,372,966</b>	<b>48,860,582</b>
<b>Intergovernmental Revenue</b>										
Intergovernmental Revenue	612,294	92,980	194,007	238,276	352,513	181,149	229,733	213,581	972,255	-
<b>Total Intergovernmental Revenues</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>972,255</b>	<b>-</b>
<b>Total Revenues from All Sources</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>	<b>\$ 428,270,922</b>	<b>\$ 454,757,375</b>

## RICHLAND SCHOOL DISTRICT TWO

## GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO

## LAST TEN FISCAL YEARS

## (MODIFIED ACCRUAL BASIS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenditures</b>										
Current:										
Instruction	\$ 150,941,022	\$ 156,617,482	\$ 162,098,330	\$ 162,705,321	\$ 167,746,259	\$ 173,500,467	\$ 176,804,024	\$ 187,061,064	\$ 194,706,976	\$ 202,193,217
Support Services	104,499,931	106,497,349	112,622,549	115,753,657	144,017,660	127,617,115	138,270,437	166,955,061	148,640,842	167,859,552
Community Services	1,534,120	1,189,961	1,168,386	156,500	190,015	297,796	323,550	360,780	272,943	1,740,912
Capital Additions	28,802,838	21,254,322	18,154,121	44,273,913	9,484,256	6,935,244	6,290,035	33,542,151	121,741,503	112,394,266
Debt Service:										
Principal Retirement	56,500,000	29,305,000	97,210,000	37,665,000	40,246,000	43,972,984	45,847,000	127,335,000	47,314,000	49,552,000
Interest and Fiscal Charges	26,128,127	22,775,177	30,874,055	17,409,696	16,740,331	15,200,286	14,155,133	18,077,428	18,440,053	19,995,385
Intergovernmental	1,200,154	1,391,393	1,683,142	1,739,055	1,855,598	3,754,927	5,073,420	5,487,843	4,928,339	1,948,357
<b>Total Expenditures</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>\$ 536,044,656</b>	<b>\$ 555,683,689</b>
<b>Debt Service as a Percentage of</b>										
<b>Non-Capital Expenditures</b>	23.72%	16.32%	31.85%	16.38%	15.33%	15.96%	15.74%	28.53%	15.62%	15.47%



**RICHLAND SCHOOL DISTRICT TWO**

**OTHER FINANCING SOURCES AND USES AND**

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

**LAST TEN FISCAL YEARS**

**(MODIFIED ACCRUAL BASIS)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (66,570,039)	\$ (22,914,771)	\$ (90,670,271)	\$ (43,989,471)	\$ (26,006,491)	\$ (24,380)	\$ 15,663,824	\$ (118,102,262)	\$ (107,773,734)	\$ (100,926,314)
<b>Other Financing Sources (Uses)</b>										
General & Special Long-Term Debt Issued	106,836,546	11,396,124	10,000,000	10,000,000	12,100,000	50,880,000	26,000,000	67,625,000	149,995,000	117,175,000
Premium on Bonds Issued			12,864,732	1,491,294	579,826	6,846,795	151,580	21,172,587	19,487,078	7,715,430
Sale of Capital Assets	2,594	45,849	12,166	10,575	2,391	13,563	63,891	15,474	16,823	706
Payments to Refunded Debt Escrow Agents						(46,822,585)				(42,046,000)
Issuance of Refunded Debt (Net)			60,010,000					85,000,000		
Transfers in	9,183,514	6,439,855	9,228,298	7,163,447	8,709,364	8,386,612	10,221,778	15,261,965	16,100,229	24,013,516
Transfers out	(9,254,035)	(7,792,668)	(10,511,962)	(8,514,746)	(10,567,644)	(10,604,309)	(13,063,993)	(17,761,965)	(17,600,229)	(26,013,516)
<b>Total Other Financing Sources</b>	106,768,619	10,089,160	81,603,234	10,150,570	10,823,937	8,700,076	23,373,256	171,313,061	167,998,901	80,845,136
<b>Net Change in Fund Balances</b>	\$ 40,198,580	\$ (12,825,611)	\$ (9,067,037)	\$ (33,838,901)	\$ (15,182,554)	\$ 8,675,696	\$ 39,037,080	\$ 53,210,799	\$ 60,225,167	\$ (20,081,178)

**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	
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
2021	\$ 471,310,810	\$ 154,596,412	\$ 625,907,222	\$ 10,198,757,481	\$ 2,019,781,463	\$ 12,218,538,944	435.7
2022	\$ 482,957,190	\$ 153,399,733	\$ 636,356,923	\$ 10,479,841,950	\$ 2,043,414,902	\$ 12,523,256,852	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
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
2021	331.7	104.0	435.7	435.7	96.5	15.0	4.0	2.40
2022	331.7	104.0	435.7	435.7	96.5	15.0	4.0	2.20

**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 2013

Taxpayer	2022			2013		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Value
Dominion Energy <sup>1</sup>	1	\$ 19,554,290	3.07%	1	\$ 16,198,640	2.94%
Blue Cross - Blue Shield**	2	7,349,060	1.15%	2	8,109,000	1.47%
JTEKT North America Corp**	3	7,055,490	1.11%	4	2,852,870	0.52%
Trane US Inc	4	6,661,040	1.04%			
Charter	5	3,833,090	0.60%			
Intertape Polymer Corp	6	2,549,280	0.40%			
Fairfield Electric Co-op Inc	7	2,258,610	0.35%	9	1,857,230	0.34%
FN America LLC	8	2,166,690	0.34%	6	2,132,620	0.39%
The Kroger Co	9	2,144,910	0.34%	7	1,973,090	0.36%
Edward Rose Development Co. LLC	10	1,941,100	0.30%			
Bose Corporation				3	3,185,080	0.58%
Bellsouth Telecommunications				8	1,969,970	0.36%
Century Realty, LLC				5	2,184,880	0.40%
IBM Credit, LLC				10	1,719,510	0.31%
<b>Total</b>		<b>\$ 55,513,560</b>	<b>8.70%</b>		<b>\$ 42,182,890</b>	<b>7.67%</b>

**Source:** County Treasurer's Office

\*\* Fee agreement reduced taxes owed

<sup>1</sup> Formerly SC Electric & Gas/SCANA

**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
2013	\$ 126,061,667	\$ 119,395,021	94.71%	\$ 2,622,974	\$ 122,017,995	96.79%
2014	\$ 131,695,063	\$ 126,674,179	96.19%	\$ 2,453,974	\$ 129,128,153	98.05%
2015	\$ 133,882,532	\$ 128,756,319	96.17%	\$ 3,887,962	\$ 132,644,281	99.08%
2016	\$ 139,053,118	\$ 130,985,169	94.20%	\$ 1,802,579	\$ 132,787,748	95.49%
2017	\$ 146,075,919	\$ 140,150,070	95.94%	\$ 1,779,640	\$ 141,929,710	97.16%
2018	\$ 148,453,984	\$ 141,152,003	95.08%	\$ 2,827,840	\$ 143,979,843	96.99%
2019	\$ 154,805,872	\$ 146,904,884	94.90%	\$ 4,992,627	\$ 151,897,511	98.12%
2020	\$ 166,078,425	\$ 150,779,404	90.79%	\$ 2,642,874	\$ 153,422,278	92.38%
2021	\$ 169,811,094	\$ 158,275,948	93.21%	\$ 2,246,053	\$ 160,522,001	94.53%
2022	\$ 168,751,722	\$ 158,972,317	94.20%	\$ -	\$ 158,972,317	94.20%

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
2013	\$ 509,435,000	\$ 46,289,512	\$ 555,724,512	103%	3%	\$ 1,400
2014	\$ 489,560,000	\$ 40,695,255	\$ 530,255,255	97%	3%	\$ 1,323
2015	\$ 462,360,000	\$ 47,066,450	\$ 509,426,450	98%	3%	\$ 1,253
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%	\$ 1,068
2018	\$ 370,646,000	\$ 31,207,636	\$ 401,853,636	72%	5%	\$ 968
2019	\$ 350,799,000	\$ 25,869,403	\$ 376,668,403	66%	5%	\$ 903
2020	\$ 376,089,000	\$ 34,639,510	\$ 410,728,510	68%	5%	\$ 975
2021	\$ 478,770,000	\$ 48,593,670	\$ 527,363,670	84%	4%	\$ 1,252
2022	\$ 506,393,000	\$ 48,055,370	\$ 554,448,370	87%	4%	\$ 1,312

Ratios of General Bonded Debt Outstanding						
Year	Total Debt Primary Government	Less: Net Position Restricted for Debt Service Payments	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2013	\$ 555,724,512	\$ 12,163,874	\$ 543,560,638	101%	3%	\$ 1,369
2014	\$ 530,255,255	\$ 14,482,989	\$ 515,772,266	94%	3%	\$ 1,287
2015	\$ 509,426,450	\$ 17,102,451	\$ 492,323,999	95%	3%	\$ 1,211
2016	\$ 475,630,532	\$ 22,828,791	\$ 452,801,741	85%	4%	\$ 1,106
2017	\$ 440,712,324	\$ 21,313,250	\$ 419,399,074	77%	4%	\$ 1,017
2018	\$ 401,853,636	\$ 23,119,192	\$ 375,207,997	67%	5%	\$ 904
2019	\$ 376,668,403	\$ 25,343,387	\$ 351,325,016	62%	6%	\$ 842
2020	\$ 410,728,510	\$ 26,726,508	\$ 384,002,002	64%	5%	\$ 912
2021	\$ 527,363,670	\$ 27,914,975	\$ 499,448,695	80%	5%	\$ 1,186
2022	\$ 554,448,370	\$ 26,552,027	\$ 527,896,343	83%	4%	\$ 1,250

Source: District Records

Notes:

See Table 8 for property value data

See Table 15 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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 43,071,346	\$ 43,946,461	\$ 41,432,942	\$ 42,646,824	\$ 43,650,128	\$ 44,533,131	\$ 45,594,669	\$ 48,332,767	\$ 50,072,578	\$ 50,908,554
Total Net Debt Applicable to Limit	28,910,000	23,910,000	36,840,000	40,330,000	43,490,000	43,875,000	31,840,000	19,290,000	9,735,000	2,080,000
<b>Legal Debt Margin</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>\$ 40,337,578</b>	<b>\$ 48,828,554</b>
<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>	67.12%	54.41%	88.91%	94.57%	99.63%	98.52%	69.83%	39.91%	19.44%	4.09%

## Legal Debt Margin Calculation:

Total Assessed Value	<u>\$ 636,356,923</u>
Debt Limit (8% of Total Assessed Value)	<u>50,908,554</u>
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt Outstanding	506,393,000
Less: General Bonds Outstanding Not Subject to Debt Limit	<u>(504,313,000)</u>
Total Net Debt Applicable to Debt Limit	<u>2,080,000</u>
Legal Debt Margin	<u>\$ 48,828,554</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, 2022

	Debt Outstanding	Assessed Value Related to Debt	Percentage Applicable to District	District Share of Debt
<b>Overlapping Debt</b>				
City of Columbia	\$ 135,601,172	\$ 621,843,291	9.66%	\$ 13,102,619
Richland County	115,680,000	1,820,832,806	34.95%	40,428,626
Recreation District	27,766,000	1,198,989,515	48.06%	13,345,179
Richland/Lexington Riverbank Park District	27,299,000	1,820,832,806	34.95%	9,540,639
East Richland County Public Sewer District	9,946,951	251,326,782	72.82%	7,243,097
Richland/Lexington Airport District	4,135,000	1,820,832,806	34.95%	1,445,128
<b>Total Overlapping Debt</b>	<u>320,428,123</u>			<u>85,105,288</u>
<b>Direct</b>				
Richland School District Two	<u>554,448,370</u>	636,356,923	100.00%	<u>554,448,370</u>
<b>Total Direct Debt</b>	<u>554,448,370</u>			<u>554,448,370</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 874,876,493</u></u>			<u><u>\$ 639,553,658</u></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. The County does not include unamortized bond premiums in the information reported, however the district's debt outstanding does include 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>
2013	397,015	\$ 38,359	\$ 15,229,272	6.9%
2014	400,688	\$ 40,103	\$ 16,068,690	6.0%
2015	406,455	\$ 41,764	\$ 16,975,172	5.7%
2016	409,569	\$ 42,391	\$ 17,361,967	4.8%
2017	412,492	\$ 43,951	\$ 18,129,473	3.9%
2018	415,159	\$ 45,001	\$ 18,868,559	3.3%
2019	417,027	\$ 46,806	\$ 19,519,574	1.8%
2020	419,051	\$ 49,678	\$ 20,817,446	5.3%
2021	421,085	\$ 52,980	\$ 22,730,168	3.6%
2022	422,475	\$ 56,159	\$ 23,725,689	3.4%

(a) 2012 to 2022, US Bureau of Economic Analysis; 2022 estimated

(b) US Bureau of Economic Analysis, US Department of Commerce; 2022 estimated

(c) State Agency for Workforce Innovation, Office of Workforce Information Services,  
Labor Market Statistics; October data for 2021 and 2022

## RICHLAND SCHOOL DISTRICT TWO

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND 2013

Employer	2022			2013		
	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	8.0%	9,000 - 10,000	1	2.7%
Blue Cross-Blue Shield of SC	10,000 - 11,000	2	5.2%	6,000 - 7,000	2	1.9%
University of South Carolina	6,000 - 7,000	3	3.4%	4,000 - 5,000	3	1.3%
Richland School District One	4,000 - 5,000	4	2.3%	4,000 - 5,000	4	1.3%
Richland School District Two	3,000 - 4,000	5	1.9%	3,000 - 4,000	6	1.0%
Dominion Energy <sup>2</sup>	3,000 - 4,000	6	1.3%	2,000 - 3,000	8	0.7%
City of Columbia	2,000 - 3,000	7	1.1%	2,000 - 3,000	10	0.7%
AT&T	2,000 - 3,000	8	1.0%	2,000 - 3,000	7	0.7%
Richland County	1,000 - 2,000	9	0.8%			
Dorn VA Medical Ctr	1,000 - 2,000	10	0.5%			
Department of Defense				3,000 - 4,000	5	1.3%
Humana Tricare				2,000 - 3,000	9	0.7%
<b>Total</b>	<u>46,000 - 56,000</u>			<u>30,000 - 40,000</u>		

**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 SC Electric & Gas/SCANA

Table 17

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

	<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>2021</b>	<b>2022</b>
<b>Instruction</b>										
Teaching Faculty	1,892	1,942	1,993	2,015	2,037	2,059	2,019	2,114	2,119	2,009
Other	506	520	593	572	556	565	626	614	619	640
<b>Total Instruction</b>	2,398	2,462	2,586	2,587	2,593	2,624	2,645	2,728	2,738	2,649
<b>Support Services</b>										
Principals	36	36	37	36	36	37	36	36	36	35
Assistant Principals	80	83	83	82	83	85	84	80	80	80
Other Administration & Support	910	920	922	984	993	995	997	965	964	1,004
<b>Total Support Services</b>	1,026	1,039	1,042	1,102	1,112	1,117	1,117	1,081	1,080	1,119
<b>Total</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>	<b>3,818</b>	<b>3,768</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		
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%
2021	27,873	\$ 348,549,100	\$ 12,505	-0.80%	\$ 415,224,363	\$ 14,897	9.13%	2,119	49%
2022	28,406	\$ 373,742,038	\$ 13,157	5.22%	\$ 419,619,709	\$ 14,772	-0.84%	2,009	56%

**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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Anna Boyd School										
Square Feet	13,500	13,500	13,500	13,500	-	-	-	-	-	-
Capacity (Students)	200	200	200	200	-	-	-	-	-	-
Enrollment	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	137,322
Capacity (Students)	634	634	634	634	634	634	634	634	634	800
Enrollment	648	668	674	720	720	705	722	804	799	755
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	565	517	509	494	477	461	424	420	487	513
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	92	95	95	95	95	95	95	95	95	59
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	597	612	607	593	583	554	593	570	605	563
Catawba Trail 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	481	504	527	589	609	603	611	672	525	613
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	766	802	800	848	864	566	546	552	519	460
Forest Lake Elementary School										
Square Feet	76,245	76,245	76,245	76,245	76,245	76,245	76,245	76,245	76,245	162,279
Capacity (Students)	623	623	623	623	623	623	623	623	623	800
Enrollment	649	617	597	577	580	599	606	605	594	611
Jackson Creek Elementary School										
Square Feet	N/A	N/A	N/A	N/A	N/A	125,000	125,000	125,000	125,000	126,338
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	747	747	747	747	747
Enrollment	N/A	N/A	N/A	N/A	N/A	645	704	650	531	552

Table 19

## RICHLAND SCHOOL DISTRICT TWO

## SCHOOL BUILDING INFORMATION

## LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Joseph Keels Elementary School										
Square Feet	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558	81,724
Capacity (Students)	688	688	688	688	688	688	688	688	688	688
Enrollment	692	691	670	699	674	551	518	505	432	448
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	737	769	759	759	790	730	687	697	669	749
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	828	801	460	473	480	472	466	450	419	490
Lake Carolina Elementary School - Upper Campus										
Square Feet	N/A	N/A	128,656	128,656	128,656	128,656	128,656	128,656	128,656	128,656
Capacity (Students)	N/A	N/A	747	747	747	747	747	747	747	747
Enrollment	N/A	N/A	491	478	494	480	512	501	457	545
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	534	525	489	501	473	453	475	478	489	616
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	590	563	580	588	592	587	617	618	559	578
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	719	745	761	758	734	763	710	736	664	707
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	619	616	646	677	691	686	686	648	602	612
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	689	696	735	700	691	722	693	696	714	741
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	777	729	733	753	723	742	758	752	720	746

Table 19

## RICHLAND SCHOOL DISTRICT TWO

## SCHOOL BUILDING INFORMATION

## LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	625	657	575	579	570	560	615	610	628	671
Sandlapper 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	712	711	674	684	659	653	696	655	628	668
Windsor Elementary School										
Square Feet	98,973	98,973	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	660	688	744	764	745	608	574	535	530	536
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	646	699	785	764	830	833	805	838	846	794
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	1,317	1,257	1,200	1,217	1,234	1,246	1,272	1,274	1,187	994
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	925	917	922	921	912	880	897	984	1,014	983
CFA Enrollment	93	93	112	103	100	87	87	73	58	69
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	683	665	675	720	785	772	841	865	921	795
Muller Road Middle										
Square Feet	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532
Capacity (Students)	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	698	725	696	717	793	810	872	911	902	987
CFK North Enrollment	N/A	96	141	193	235	260	260	257	250	256
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	860	877	934	976	958	987	933	902	895	901
CFI Enrollment	261	260	252	275	250	250	250	252	246	235

Table 19

## RICHLAND SCHOOL DISTRICT TWO

## SCHOOL BUILDING INFORMATION

## LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
E. L. Wright Middle School										
Square Feet	211,982	211,982	211,982	211,982	211,982	211,982	211,982	211,982	211,982	211,982
Capacity (Students)	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489
Enrollment	1,079	1,088	1,081	1,066	1,078	1,092	1,114	1,092	1,112	1,072
CFK Enrollment	258	265	261	280	267	267	267	260	258	250
Blythewood High School										
Square Feet	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000	376,673
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	2,000
Enrollment	1,588	1,664	1,820	1,924	1,987	1,987	1,920	1,886	1,855	2,061
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	1,374	1,451	1,447	1,410	1,423	1,359	1,410	1,446	1,399	1,304
Ridge View High School										
Square Feet	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755	291,084
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,591	1,524	1,473	1,357	1,343	1,442	1,507	1,593	1,654	1,683
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	1,973	1,947	2,014	1,970	2,079	2,077	2,152	2,201	2,106	2,138
Westwood High School										
Square Feet	328,874	328,874	328,874	328,874	328,874	328,874	328,874	328,874	328,874	328,874
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,169	1,303	1,346	1,345	1,354	1,472	1,464	1,466	1,504	1,651
<b>Total</b>										
<b>Square Feet</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>4,808,349</b>	<b>5,037,842</b>
<b>Capacity (Students)</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>31,443</b>	<b>32,086</b>
<b>Enrollment</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>27,873</b>	<b>28,406</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>13,500</i>	<i>13,500</i>	<i>13,500</i>	<i>13,500</i>	<i>13,500</i>	<i>N/A</i>
<i>Capacity (Students)</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>200</i>	<i>N/A</i>
<i>Enrollment</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>	<i>39</i>	<i>N/A</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>
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	\$ 48,769
2017	\$ 36,094	\$ 78,129	\$ 50,050
2018	\$ 36,094	\$ 78,130	\$ 50,182
2019	\$ 36,455	\$ 78,911	\$ 50,882
2020	\$ 37,193	\$ 82,067	\$ 53,329
2021	\$ 37,193	\$ 82,067	\$ 53,185
2022	\$ 41,000	\$ 84,708	\$ 54,814

Source: (1) District records

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

## **SINGLE AUDIT SECTION**

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

To the Board of Trustees  
Richland School District Two  
Columbia, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Richland School District Two ("the School District"), as of and for the year ended June 30, 2022, 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 March 21, 2023.

**Report on 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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-01 that we consider to be a material weakness.

(Continued next page)

## **Report on Compliance and Other Matters**

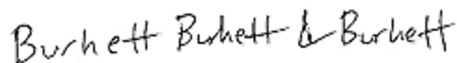
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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*.

## **The School District's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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  
March 21, 2023

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

To the Board of Trustees  
Richland School District Two  
Columbia, South Carolina

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

**Opinion on Each Major Federal Program**

We have audited Richland School District Two ("the School District")'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

(Continued next page)

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

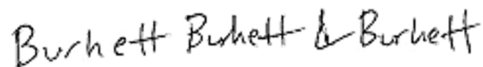
### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
March 21, 2023

**RICHLAND SCHOOL DISTRICT TWO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	CFDA Number	FAIN	Pass-Through Grantor's Number	Total Expenditures
<b><u>U. S. Department of Education</u></b>					
<i>Direct Programs:</i>					
100	Impact Aid	84.041		N/A	\$ 126,457
278	Magnet Schools Assistance / MedPro 21: Healthcare for a Caring Community	84.165A	U165A170064-20	N/A	2,127,284
277	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) / The Midlands GEAR UP Program	84.334A	P334A140210-20	N/A	554,931
279	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) / The Central Carolina Consortium	84.334A	P334A180036-20	N/A	2,412,604
<b>Total U.S Department of Education Direct Programs</b>					<b>5,221,276</b>
<i>Passed Through S.C. Department of Education:</i>					
243	Adult Education / 22-Adult Education	84.002A	V002A210041	H63010101022	193,100
243	Adult Education / Adult Education - Reverted	84.002A	V002A190041	H63010101020	13,833
243	Adult Education / Adult Education - Reverted	84.002A	V002A200041	H63010101021	5,291
<b>Total Adult Education</b>					<b>212,224</b>
201	Title I Part A / 19 Title I	84.010A	S010A180040	H63010100119	234
201	Title I Part A / 20 Title I	84.010A	S010A190040	H63010100120	60,651
201	Title I Part A / 21 Title I	84.010A	S010A200040	H63010100121	1,776,017
201	Title I Part A / 22 Title I	84.010A	S010A210040	H63010100122	4,332,206
237	Title I Targeted Support and Improvement / 20 Title I TSI	84.010A	S010A190040	H63010100120	48,555
237	Title I Targeted Support and Improvement / 21 Title I TSI	84.010A	S010A200040	H63010100121	139,806
<b>Total Title I Grants to LEAs</b>					<b>6,357,469</b>
203	COVID-19, Individuals with Disabilities Education Act / FY19 IDEA	84.027A	H027A180081	H63010100919	252,123
203	Individuals with Disabilities Education Act / FY20 IDEA	84.027A	H027A190081	H63010100920	1,000
203	Individuals with Disabilities Education Act / FY21 IDEA	84.027A	H027A200081	H63010100921	1,310,337
203	Individuals with Disabilities Education Act / FY22 IDEA	84.027A	H027A210081	H63010100922	3,193,300
203	Individuals with Disabilities Education Act - Private School Placements	84.027A	Unknown	H63010100920	26,018
212	Individuals with Disabilities Education Act - Extended School Year	84.027	Unknown	H63010100921	8,886
230	COVID-19, IDEA/ARP Act of 2021 / FY22 IDEA/ARP	84.027X	H027X210081	H63010ARP922	159,827
205	COVID-19, Individuals with Disabilities Education Act - Preschool / FY19	84.173A	H173A180085	H63010100819	1,869
205	Individuals with Disabilities Education Act - Preschool / FY21 IDEA Preschool	84.173A	H173A200085	H63010100821	111,577
205	Individuals with Disabilities Education Act - Preschool / FY22 IDEA Preschool	84.173A	H173A210085	H63010100822	84,423
233	COVID-19, IDEA/ARP Act of 2021 / FY22 IDEA/ARP Preschool	84.173X	H173X210085	H63010ARP822	52,247
<b>Total IDEA Cluster</b>					<b>5,201,607</b>
207	CTE (subprogram 01) / 21CTE	84.048	V048200040	H63010107121	26,773
207	CTE (subprogram 02) / 21CTE	84.048	V048200040	H63010107121	25,000
207	CTE (subprogram 03) / 21CTE	84.048	V048200040	H63010107121	22,151
207	CTE (subprogram 04) / 21CTE	84.048	V048200040	H63010107121	2,485
207	CTE (subprogram 06) / 21CTE	84.048	V048200040	H63010107121	12,877
207	CTE (subprogram 11) / 21CTE	84.048	V048200040	H63010107121	21,596
207	CTE (subprogram 15) / 21CTE	84.048	V048200040	H63010107121	5,490
207	CTE / 20PPE	84.048	V048200040	H63010107121	1,000
207	CTE (subprogram 01) / 22CTE	84.048A	V048210040	H63010107122	2,200
207	CTE (subprogram 02) / 22CTE	84.048A	V048210040	H63010107122	5,000
207	CTE (subprogram 03) / 22CTE	84.048A	V048210040	H63010107122	137,041
207	CTE (subprogram 04) / 22CTE	84.048A	V048210040	H63010107122	43,735
207	CTE (subprogram 06) / 22CTE	84.048A	V048210040	H63010107122	5,496
207	CTE (subprogram 15) / 22CTE	84.048A	V048210040	H63010107122	10,871
<b>Total CATE</b>					<b>321,715</b>
232	Education for Homeless Children and Youth / 19 McKinney-Vento Homeless	84.196A	S196A180042	H63010108919	2
232	Education for Homeless Children and Youth / 20 McKinney-Vento Homeless	84.196A	S196A190042	H63010108920	37,305
232	Education for Homeless Children and Youth / 21 McKinney-Vento Homeless	84.196A	S196A200042	H63010108921	31,040
224	21st Century Community Learning Centers / 19-20 21st CCLC	84.287C	S287C180041	H63010006920	11,007
224	21st Century Community Learning Centers / 19-20 21st CCLC	84.287C	S287C190041	H63010006920	76,076
224	21st Century Community Learning Centers / 20-21 21st CCLC	84.287C	S287C180041	H63010006919	866
224	21st Century Community Learning Centers / 20-21 21st CCLC	84.287C	S287C200041	H63010006921	56,748
224	21st Century Community Learning Centers / 21-22 21st CCLC	84.287C	S287C210041	H63010006922	1,382,883
264	Title III English Language Acquisition / 20 Title III English Language	84.365A	S365A190040	H63010006720	4,711
264	Title III English Language Acquisition / 21 Title III, Part A - EL	84.365A	S365A200040	H63010006721	92,417
264	Title III English Language Acquisition / 22 Title III, Part A-ML	84.365A	S365A210040	H63010006722	39,982
264	Title III English Language Acquisition / 19 Title III English Language Acquisition - Title III Immigrant	84.365A	S365A180040	H63010006719	3,734
264	Title III English Language Acquisition / 20 Title III English Language Acquisition - Title III Immigrant EL	84.365A	S365A190040	H63010006720	11,352
267	Title II Supporting Effective Instruction / 21 Title II Supporting Effective Instruction	84.367	S367A200038	H63010006821	502,309
267	Title II Supporting Effective Instruction / 22 Title II Supporting Effective Instruction	84.367	S367A210038	H63010006822	226,062
210	Title IV (SSAE) / 19 Title IV SSAE	84.424A	S424A180042	H63010100319	28,969
210	Title IV (SSAE) / 20 Title IV SSAE	84.424A	S424A190042	H63010100320	136,320
210	Title IV (SSAE) / 21 Title IV SSAE	84.424A	S424A200042	H63010100321	303,893



**RICHLAND SCHOOL DISTRICT TWO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	CFDA Number	FAIN	Pass-Through Grantor's Number	Total Expenditures
210	Title IV (SSAE) / 22 Title IV SSAE	84.424A	S424A210042	H63010100322	75,135
220	COVID-19, Elementary and Secondary School Education Relief Fund / 20 SC CARES ESSER	84.425D	S425D200019	H63010497520	548,683
225	COVID-19, Elementary and Secondary School Education Relief Fund / ESSER II	84.425D	S425D210019	H63010497522	4,867,232
218	COVID-19, American Rescue Plan - Elementary and Secondary School Education Relief Fund (ARP - ESSER) / ESSER III	84.425U	S425U210019	H63010497523	3,495,393
263	COVID-19, American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund - Homeless Children and Youth (ARP-HCY) / ARP Homeless I	84.425W	S425W210042	H63010HCY721	508
<b>Total Passed Through S. C. Department of Education</b>					<b>24,025,642</b>
<b>Total U. S. Department of Education</b>					<b>29,246,918</b>
(Continued)					
<i>Non-Cash Assistance (Commodities):</i>					
600	School Breakfast Program	10.553		N/A	5,145,777
602	COVID-19, Supply Chain Assistance Funding	10.555	225SC323N8903	H63010765522	556,729
600	COVID-19, Child Nutrition Emergency Operational Relief Costs Reimbursement F	10.555	215SC100H1703	H63010426722	655,961
600	Commodities/Food Distribution	10.555		N/A	450,145
600	School Lunch Program	10.555		N/A	11,997,659
<b>Total National School Lunch Program</b>					<b>13,660,494</b>
600	Child Nutrition Programs / Fresh Fruit & Vegetable Program / 21FFVP	10.582	215SC328L1603	H63010002121	7,024
600	Child Nutrition Programs / Fresh Fruit & Vegetable Program / 22FFVP	10.582	215SC328L1603	H63010002122	55,613
<b>Total Passed Through S. C. Department of Education</b>					<b>18,868,908</b>
<b>Total U. S. Department of Agriculture</b>					<b>18,868,908</b>
<b>OTHER FEDERAL ASSISTANCE</b>					
292	Air Force, Army and Navy ROTC	12.000	Unknown	N/A	380,583
275	Support for Student Achievement at Military-Connected Schools / Military-Connected Local Educational Agencies for Academic and Support Programs (MCASP)	12.556	HE1254-18-1-0008	N/A	67,078
284	Support for Student Achievement at Military-Connected Schools / Military-Connected Local Educational Agencies for Academic and Support Programs (MCASP)	12.556	HE1254-20-1-0014	N/A	216,867
294	Support for Student Achievement at Military-Connected Schools / Military-Connected Local Educational Agencies for Academic and Support Programs (MCASP)	12.556	HE1254-17-1-0012	N/A	77,728
<b>Total 12.556</b>					<b>361,673</b>
<b>Total Department of Defense</b>					<b>742,256</b>
274	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School Based Surveillance / Youth Risk Behavior Surveys	93.079	Unknown	H63010016221	2,500
<b>Total Passed Through S. C. Department of Education</b>					<b>2,500</b>
<b>Total Department of Health and Human Services</b>					<b>2,500</b>
<b>TOTAL FEDERAL AWARDS</b>					<b>\$ 48,860,582</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, 2022. 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.

**RICHLAND SCHOOL DISTRICT TWO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2022**

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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) Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements 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, 2022**

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

- 1 The independent auditor's report on the financial statements expressed an unmodified opinion.
- 2 There was one material weakness in internal control over financial reporting identified during the audit.  
There were no significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses reported during the audit.
- 3 The audit did not disclose any material noncompliance matters in relation to the financial statements.
- 4 There were no material weaknesses identified or significant deficiencies in internal control over compliance reported that were applicable to major programs.
- 5 The report on compliance for major programs expressed an unmodified opinion.
- 6 The audit disclosed no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
- 7 The major programs of the School District included in the audit were:
  - A. Child Nutrition Cluster - 10.555/10.555
  - B. COVID-19 Elementary and Secondary School Education Relief Fund - 84.425D
  - C. Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) - 84.334A
- 8 The dollar threshold for Type A programs for the School District was \$1,465,817
- 9 The School District did qualify as a low-risk auditee.

**RICHLAND SCHOOL DISTRICT TWO  
COLUMBIA, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**2022 - 001: Payroll-Related Prior Period Adjustment and Accrual**

Condition/Criteria:	Internal controls should be in place to ensure that expenditures that are incurred are properly reflected in the annual comprehensive financial report in the appropriate period.
Context:	During the fiscal year ended June 30, 2022, the School District discovered that there were 56 teachers who were underpaid approximately \$294,000, with some of the underpayments dating back as far as the fiscal year ended June 30, 2010. The School District made retroactive payments to these teachers during the fiscal year ended June 30, 2022 totaling approximately \$120,000, as well as additional payments of approximately \$174,000 in October 2022. These payments were made out of the School District's general fund and were classified as expenditures when paid. Of these payments, approximately \$247,000 relates to periods prior to the fiscal year ended June 30, 2022.
Effect:	The School District overstated general fund expenditures by approximately \$73,000, understated accrued salaries by approximately \$174,000, and overstated beginning fund balance by approximately \$247,000, for the year ended June 30, 2022.
Cause:	Controls in place were not adequate to ensure that the retroactive payments to teachers were properly reflected in the annual comprehensive financial report in the appropriate period.
Recommendation:	We recommend that the School District takes steps to ensure that its processes and controls include following up on regular teacher payroll audits to ensure that any required retroactive payments are properly recorded in the School District's general ledger and financial statements.
Response:	The District concurs with the finding and has implemented a review procedure to ensure that its payroll processes and controls include, at least quarterly, teacher payroll audits to ensure proper compensation as prescribed in the district teacher salary schedule.

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

No matters were reported.

**RICHLAND SCHOOL DISTRICT TWO  
COLUMBIA, SOUTH CAROLINA**

**CORRECTIVE ACTION PLAN**

**YEAR ENDED JUNE 30, 2022**

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**Section II: Financial Statement Finding**

**Finding:** 2022-001: Payroll-Related Prior Period Adjustment and Accrual

**Contact Person:** Harry W. Miley, Jr., Ph.D., Senior Chief Officer for Finance and Operations, [hmiley@richland2.org](mailto:hmiley@richland2.org)

**Corrective Action:** The District concurs with the finding and has implemented a review procedure to ensure that its payroll processes and controls include, at least quarterly, teacher payroll audits to ensure proper compensation as prescribed in the District teacher salary schedule.

**Proposed Completion Date:** Prior to June 30, 2023

**Harry W. Miley, Jr. Ph.D.**  
Senior Chief Officer for Finance and Operations

**RICHLAND SCHOOL DISTRICT TWO  
COLUMBIA, SOUTH CAROLINA  
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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