

RICHLAND SCHOOL DISTRICT TWO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

RICHLAND SCHOOL DISTRICT TWO

PREMIER



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*Fiscal Year Ended June 30, 2019
Columbia, South Carolina*

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



**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

*Prepared by:
Office of Financial Services*

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

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

RICHLAND SCHOOL DISTRICT TWO

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION

	<u>Reference</u>	<u>Page</u>
Letter of Transmittal from Administration		1-5
Principal Officers		6
Organizational Chart		7
GFOA Certificate of Achievement for Excellence in Financial Reporting		8
ASBO Certificate of Excellence in Financial Reporting		9

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT		10-12
Management's Discussion and Analysis		13-22

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	Exhibit 1	24
Statement of Activities	Exhibit 2	25

Fund Financial Statements

Balance Sheet - Governmental Funds	Exhibit 3	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	Exhibit 4	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Exhibit 5	28
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	Exhibit 6	29
Statement of Net Position - Proprietary Funds	Exhibit 7	30
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	Exhibit 8	31
Statement of Cash Flows - Proprietary Funds	Exhibit 9	32
Statement of Fiduciary Assets and Liabilities - Agency Fund	Exhibit 10	33

Notes to Financial Statements		34-68
-------------------------------	--	-------

Required Supplementary Information

Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund		70
Schedule of Proportionate Share of Net Pension Liability		71
Schedule of Contributions to SCRS and PORS		72
Schedule of Proportionate Share of Net OPEB Liability		73
Schedule of Contributions to SCRHITF and SCLTDITF		74

Other Supplementary Information

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Revised Budget and Actual	Schedule A-1	77-85
---	--------------	-------

Special Revenue Funds

Special Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule B-1	87-94
Summary Schedule for Designated State Restricted Grants	Schedule B-2	95

RICHLAND SCHOOL DISTRICT TWO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

	<u>Reference</u>	<u>Page</u>
<i>Education Improvement Act</i>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule B-3	96-101
Summary Schedule by Program	Schedule B-4	102
<i>Food Service Program</i>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule B-5	103
<u>Debt Service Fund</u>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule C-1	105
<u>Capital Projects Fund</u>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule D-1	107
<u>Proprietary Funds</u>		
Internal Service Fund:		
Statement of Changes in Net Position	Schedule E-1	109
Schedule of Revenues, Expenses and Changes in Net Position	Schedule E-2	110-111
<u>Fiduciary Fund - Agency Fund - Pupil Activity</u>		
Statement of Changes in Fiduciary Assets and Liabilities	Schedule F-1	113
Schedule of Receipts, Disbursements, and Changes in Due to Pupil Activities	Schedule F-2	114
<u>Component Unit - Charter High School</u>		
Statement of Financial Position	Schedule G-1	116
Schedule of Revenues, Expenses and Changes in Net Position	Schedule G-2	117
<u>Other Supplemental Schedules Required by State Department of Education</u>		
Detailed Schedule of Due to State Department of Education/Federal Government	Schedule H-1	119
Location Reconciliation Schedule	Schedule H-2	120

STATISTICAL SECTION

	<u>Reference</u>	<u>Page</u>
Net Position by Component	Table 1	122
Expenses, Program Revenues and Net (Expenses)	Table 2	123
General Revenues and Total Change in Net Position	Table 3	124
Fund Balances of Governmental Funds	Table 4	125
Governmental Fund Revenues	Table 5	126
Governmental Funds Expenditures and Debt Service Ratio	Table 6	127
Other Financing Sources and Uses and Net Changes in Fund Balances, Governmental Funds	Table 7	128
Assessed Value and Actual Value of Taxable Property	Table 8	129
Direct and Overlapping Property Tax Rates	Table 9	130
Principal Property Taxpayers	Table 10	131
Property Tax Levies and Collections	Table 11	132
Ratios of Debt Outstanding	Table 12	133
Legal Debt Margin	Table 13	134
Direct and Overlapping Debt	Table 14	135
Demographic and Economic Statistics	Table 15	136
Principal Employers	Table 16	137
Full-Time Equivalent School District Employees by Type	Table 17	138
Operating Statistics	Table 18	139
School Building Information	Table 19	140-143
Teacher Base Salaries	Table 20	144

RICHLAND SCHOOL DISTRICT TWO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS (CONTINUED)

SINGLE AUDIT SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	146-147
Independent Auditors' Report on Compliance for each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	148-149
Schedule of Expenditures of Federal Awards	150-151
Notes to the Schedule of Expenditures of Federal Awards	152
Schedule of Findings and Questioned Costs	153
Schedule of Prior Year Findings and Questioned Costs	154

November 30, 2019

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

South Carolina State law requires that all school districts publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a licensed certified public accounting firm within six months of the close of each fiscal year. The Comprehensive Annual Financial Report of Richland School District Two for the fiscal year ended June 30, 2019, is submitted. Responsibility for both the accuracy of the data and the completeness of the information, including all disclosures, rests with the school district. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the school district.

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

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

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

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

Profile of the School District

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

The District operates a district-wide early childhood development program, twenty elementary schools, seven middle schools, five high schools, four elementary magnet schools, an alternative school, one adult education center and offers numerous magnet opportunities at all grade levels. The average age of schools in the district falls somewhere between 20-30 years and close to half of our schools are less than 20 years old. Richland School District Two is governed by a seven member Board of Trustees elected at large by the voters of the District. Board members are elected to four-year terms. As of June 30, 2019, the District served approximately 28,500 students. The District continues to be one of the fastest growing districts in the state as it has over the past decade.

Component Unit

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

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

Economic Condition

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

Fort Jackson, the United States Army's largest training installation, is located adjacent to the District and is a major contributor to the economy. Fort Jackson employs approximately 5,500 civilian/contract employees and provides services to 48,000 retired military personnel and their dependents living in the Columbia MSA. The Fort instructs in excess of 40,000 soldiers in basic training and advanced individual training each year.

Richland County's per capita income is estimated to be \$47,396 for 2019. As of September 2019, the unemployment rate for Richland County was 1.8%.

Long-term Financial Planning

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

The growth in student enrollment is projected to be about 200-400 per year, which will put student enrollment between 29,000-39,000 in the 2018-2019 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 30th. 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 2018 – 2019

- The class of 2019 earned \$147.4 million in college scholarship offers in academics, athletics and fine arts.
- The district's current on-time graduation rate is 87.2%.
- Blythewood High's Honors Theatre students were the top winners at S.C. Theatre Association's High School On-Act Play Festival.
- RNE-TV Live won the Broadcast Pacemaker Award from the National Scholastic Press Association and Best Newscast Emmy.
- Kelly Mill Middle Tech Waves won first place in the Mystery Robotic Championship at Storm the Citadel.
- Blythewood High student Aria Caldwell was named a Duke TIP Grand Scholar.
- R2i2 students were state winners and national finalists in the Samsung Solve for Tomorrow Contest/Lemelson-MIT InvenTeam.
- Sandlapper Elementary student Kaleah Riley started the Great Kindness Challenge at her school.
- Richland Two won state championships: Richland Northeast NJROTC Color Guard, Richland Northeast Track Athlete, Ridge View High Boys Basketball team, Ridge View Strength Team and Ridge View Track Athlete.
- The Summit Parkway Middle Team Strawberries were eCYBERMISSION STEM State Winners.
- Ridge View High students MacKenzie Gascon and Sierra Sconzo were S.C. High School Writing Contest finalists.
- Blythewood High's Adrienne Luedicke and Richland Northeast High's Gracie Boyce had perfect ACT scores.
- Richland Northeast High's Annelisa Walter was a National Economics Essay Contest Winner.
- Superintendent Baron R. Davis won the Columbia Chamber's Cathy Novinger Trailblazer Award and Professional Industry Award in Education & Arts from Francis Marion University.
- Richland Northeast High principal Dr. Sabrina Suber was named Magnet Schools of America's National Principal of the Year.
- Teacher Kason Dalton from Dent Middle was named the Gilder Lehrman Institute's S.C. History Teacher of the Year.
- Instructional Support Services' Rach Lindman was named the SCAPES Adaptive physical Education Teacher of the Year.
- Kelly Mill Middle teacher Warren Wise was named the S.C. STEM Educator of the Year.
- Teaching and Learning's Mary Paige Boyce was named the S.C. Career and Technical Education Administrator of the Year.
- Center for Inquiry's Jennifer Barnes received the NAECTE Cengage Learning Outstanding Early Childhood Practitioner Award.
- Jackson Creek Elementary won Learning by Design Outstanding Project and A4LE Merit Award.

- Pontiac Elementary was named a Leader in Me Lighthouse School.
- Richland Two received Best Communities for Music Education Award.
- Forest Lake Elementary and Spring Valley High received School of Excellence Awards from Magnet Schools of America.
- Forest Lake Elementary, Richland Northeast High and Ridge View High received Magnet Schools of America School of Distinction Awards.
- Blythewood High, Dent Middle, E.L. Wright Middle, Kelly Mill Middle and Ridge View High won S.C. Band Directors Association Outstanding Performance Awards.
- Lake Carolina Elementary Lower was named a S.C. ASCD Whole Child Award winner.
- The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Richland School District Two for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This is the 32nd consecutive year that the District has received this prestigious award.
- The district also received a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2018 from the Association of School Business Officials International (ASBO). This was the 32nd consecutive year that the district has received this prestigious award.

Acknowledgements

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

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

Respectfully submitted,



Baron R. Davis, Ph.D.
Superintendent



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

RICHLAND SCHOOL DISTRICT TWO

Principal Officers 2018-2019

MEMBERS OF THE BOARD OF TRUSTEES

The Honorable James Manning, Chair

The Honorable Teresa Holmes, Vice Chair

The Honorable Cheryl Caution-Parker, Secretary

The Honorable Lindsay Agostini

The Honorable Monica Elkins-Johnson

The Honorable Amelia McKie

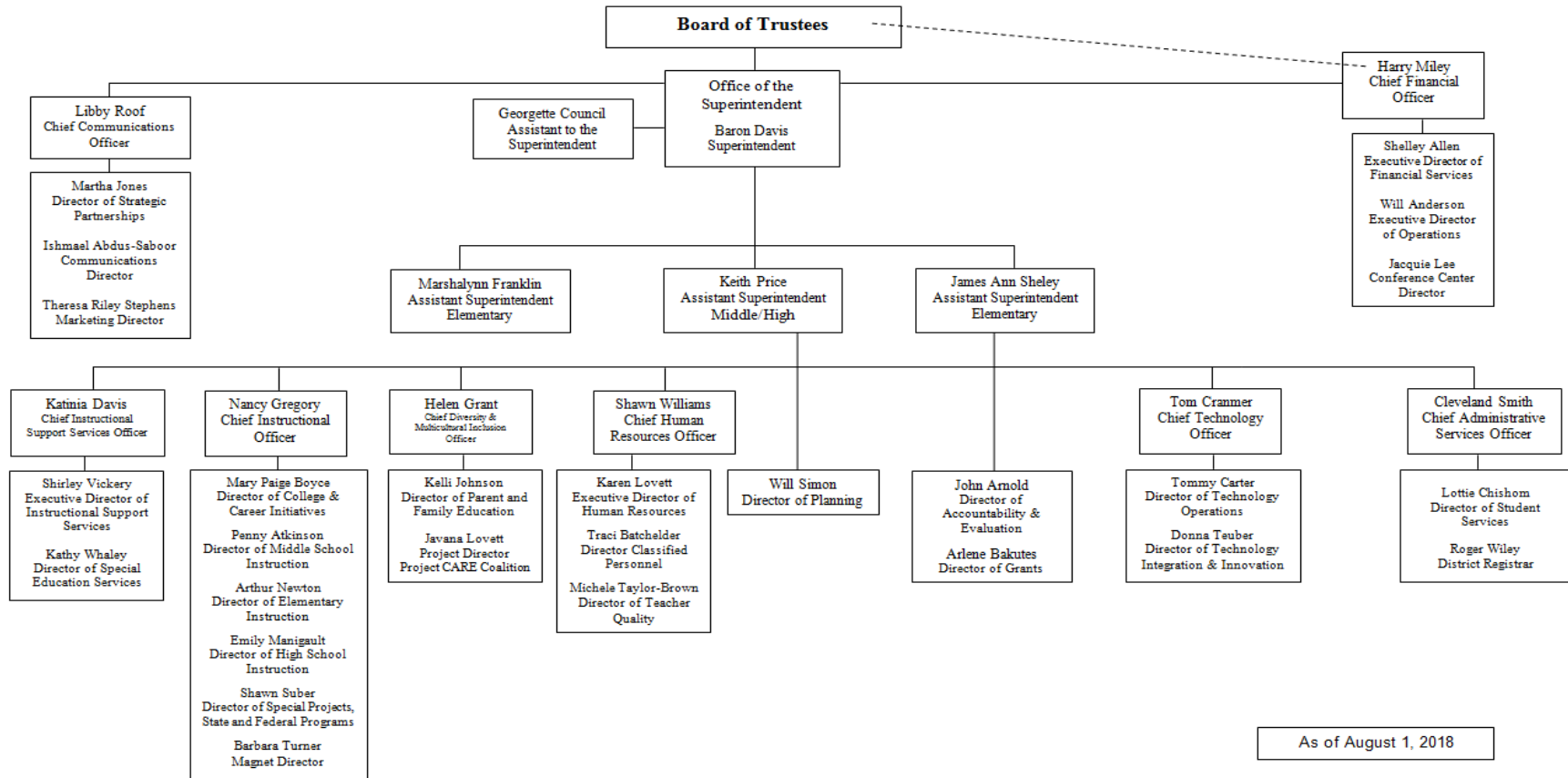
The Honorable James Shadd III

ADMINISTRATIVE STAFF

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

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

RICHLAND SCHOOL DISTRICT TWO 2018-2019 ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Richland School District Two
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Richland School District Two

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and each major fund of Richland School District Two ("the School District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit and each major fund of Richland School District Two, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, the District has elected to change its policy for accounting and reporting its food service operations from an enterprise fund to a special revenue fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the pension schedules and the OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Burkett Burkett & Burkett
Certified Public Accountants, P.A.
West Columbia, South Carolina
December 2, 2019

**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

INTRODUCTION

This narrative overview gives an analysis of the financial activities of the School District for the fiscal year ended June 30, 2019. 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 twelfth year under this legislation, Richland School District Two found that the cap allowed for an adequate level of local funding for FY 2018-2019. The School District was also fortunate to maintain its "Aa1" rating from Moody's and "AA" from Standard & Poor's for general obligation debt. Both firms cited the School District's experienced and capable management, satisfactory level of fund balance, long-term capital facilities planning, and stable financial operations in awarding their rating.

The School District's overall financial picture for Governmental Fund activities improved in FY 2018-2019 as revenues exceeded expenditures resulting in an increase the Governmental Funds year end fund Balance of over \$39.0 million. As of June 30, 2019, the School District's combined Governmental Funds ending Fund Balance was over \$147.6 million.

Other key financial aspects were as follows:

- **Overall Governmental Fund Activities** – Governmental revenues totaled over \$400.1 million, other financing sources/(uses) totaled more than \$8.7 million, and expenditures totaled over \$371.2 million for all Governmental Funds at the fund level. This resulted in an increase to the Governmental Fund ending fund balance of \$39.0 million. This increase was largely due to the issuance of \$26 million of bond anticipation notes in the Debt Service fund and the increase in the General Fund ending fund balance.
- **General Fund/Fund Balance** - Among the major funds, the General Fund had \$292.2 million in revenues and other financing sources and \$275.3 million in expenditures and other financing uses. This increase in fund balance brings the ending balance to \$69.8 million (24.5% of the total School District operating budget), exceeding the range of 7 - 16.7% as preferred in Board Policy.
- **Bond Anticipation Notes** - The School District issued \$26.0 million in bond anticipation notes that were related to the 2018 referendum which was approved for safety/security, facility and technology improvements during the 2018-2019 fiscal year. Bond Anticipation Note Proceeds were received prior to year end to begin funding projects approved under the referendum.
- **Major Capital Additions** - The School District's net capital assets for governmental activities decreased by nearly \$17.1 million or 3.1%. This is largely attributable to the normal increase in accumulated depreciation and a decrease in facility improvements and additions, as existing projects have come to a close.
- **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 \$41 thousand and total net position exceeding \$210 thousand.

**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

-
- **Cash and Investments (Governmental Activities)** - Cash and Investments in the Governmental Funds increased by over \$24.6 million from June 30, 2018 to June 30, 2019 which is largely attributable to an increase in funds received from the county prior to year end over the prior year, as well as, the reclassification of the Food Service Program to a Governmental Fund type.
 - **Debt (Governmental Activities)** - The School District retired \$45.8 million in principal during the 2018-2019 fiscal year. In addition, the School District borrowed \$26.0 million in bond anticipation notes related to the 2018 bond referendum. The Debt Service Fund Balance increased by over \$1.9 million to a total in excess of \$28.6 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Statement of Net Position - The statement of net position presents information on all of the School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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

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

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

**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 27 and 29.

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS-THE GOVERNMENT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial situation. In the case of the School District as a whole, total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by over \$341.8 million as of June 30, 2019. Overall, the School District's change in net position for the year was over a \$32.0 million increase. However, with the cumulative change in accounting principle in the amount of \$1.2 million, the overall financial position increased by more than \$30.7 million during 2018-2019.

By far the largest portion of the School District's assets, \$539.9 million (73.7% 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, 2019**

The following table presents a summary of the School District's net position at June 30, 2019 compared to June 30, 2018 (as restated for cumulative change in accounting principle).

Net Position		
	Governmental Activities	
	2018	2019
Assets		
Current and Other Assets	\$ 145,700,629	\$ 192,841,829
Capital Assets	556,393,805	539,964,553
Total Assets	702,094,434	732,806,382
Deferred Outflows of Resources		
Deferred Outflows related to Pension Liability	58,749,488	46,877,560
Deferred Outflows related to OPEB Liability	10,637,393	16,842,760
Total Deferred Outflow of Resources	69,386,881	63,720,320
Liabilities		
Other Liabilities	90,469,175	121,873,701
Long-Term Liabilities	1,023,619,317	982,421,636
Total Liabilities	1,114,088,492	1,104,295,337
Deferred Inflows of Resources		
Deferred Inflows related to Net Pension Liability	2,688,278	6,557,285
Deferred Inflows related to Net OPEB Liability	27,289,077	27,501,059
Total Deferred Inflow of Resources	29,977,355	34,058,344
Net Position		
Net Investment in Capital Assets	180,950,749	209,007,266
Restricted	23,136,508	28,770,909
Unrestricted	(576,671,789)	(579,605,154)
Total Net Position	\$ (372,584,532)	\$ (341,826,979)

**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The following table shows the changes in net position for fiscal years ended June 30, 2018 and 2019 (as restated for the cumulative change in accounting principle):

		Changes in Net Position	
		Governmental Activities	
		2018	2019
Revenues			
Program Revenues:			
Charges for Services	\$	834,986	\$ 3,457,261
Operating Grants		160,595,221	176,473,741
General Revenue:			
Property Taxes		155,432,223	164,790,528
Federal and State Aid		51,581,912	53,707,919
Investment Earnings		1,729,617	2,614,083
Other		1,082,236	1,403,327
Total Revenues		371,256,195	402,446,859
Program Expenses			
Instruction		200,253,684	207,429,969
Supporting Services		147,675,895	154,341,997
Community Services		297,796	323,550
Interest and Fiscal Charges		13,360,729	8,302,252
Total Program Expenses		361,588,104	370,397,768
Change in Net Position before Transfers		9,668,091	32,049,091
Transfers		44,590	-
Change in Net Position		9,712,681	32,049,091
Net Position, Beginning of Year		(83,691,159)	(372,584,532)
Cumulative Effect of GASB 75 Adoption		(298,606,054)	
Cumulative Change in Accounting Principle			(1,291,538)
Net Position, End of Year	\$	(372,584,532)	\$ (341,826,979)

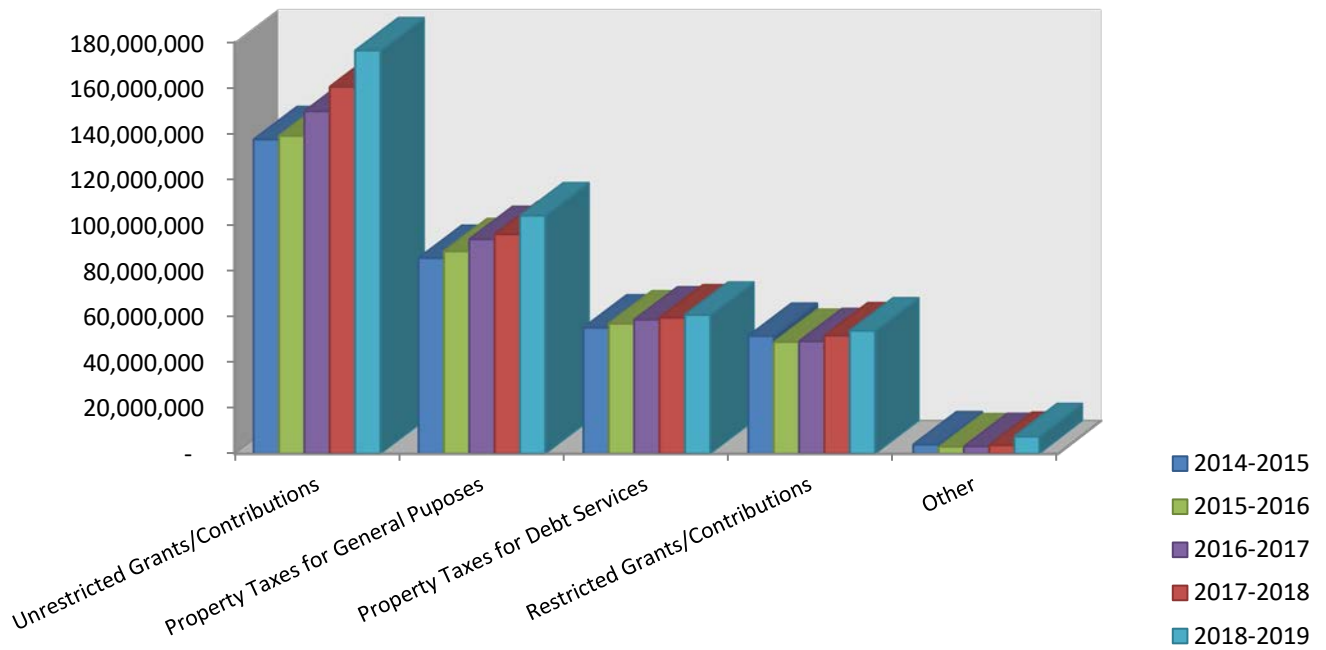
Governmental Activities (Government-Wide Statements) - The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital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

The School District's revenue for total governmental activities for FY 2019 was over \$402.4 million and exceeded expenses by \$32.0 million. In November 2008, voters approved a bond referendum to fund the construction of four new elementary schools, one new middle school, and one new high school, as well as renovations to our existing schools. With the passage of Act 388 by the South Carolina General Assembly, the classification of revenues for governmental activities reflects revenue that was formerly classified as Property Tax Revenue to now be classified as State Aid. Act 388 replaces local property taxes for owner occupied homes with funds generated from an additional one cent sales tax collected by the State of South Carolina. Act 388 did not, however, affect property taxes collected for debt service purposes. Overall, the School District's net position for governmental activities increased by approximately \$30.7 million, as a result of a cumulative change in accounting principle and an increase in governmental revenues from state sources and local property tax.

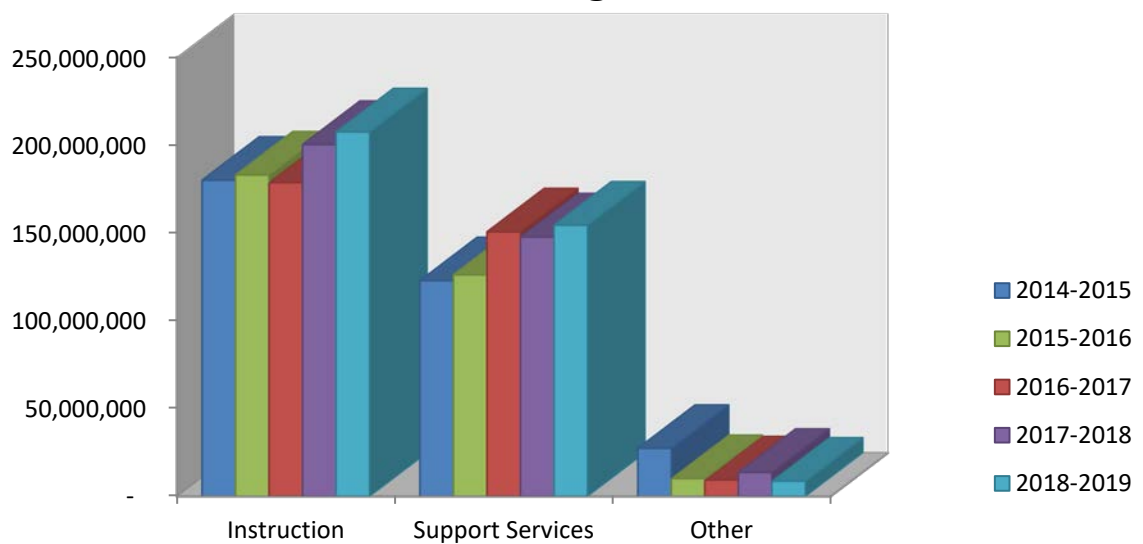
**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The following charts show the breakdown of revenues supporting governmental Activities and the net cost of services related to governmental activities for the 2015 fiscal year through 2019 fiscal year:

**Revenues Supporting Governmental Activities By Source
For FY 2015 through FY 2019**



**Governmental Activities - Expenses by Function
For FY 2015 through FY 2019**



**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 \$147.6 million, an increase of a little over \$42.8 million. This increase was due primarily to a continued cost savings in energy costs resulting from a mild climate, combined with salary related cost savings from attrition and unfilled positions. A significant portion of this increase also related to the increase in the Capital Projects Fund, which resulted from the May issue of bond anticipation notes of \$26 million. Unassigned fund balance totaling \$69.8 million, is available for spending at the School District's discretion. There was \$28.6 million restricted for debt service and \$45.7 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 \$16.9 million, due primarily to additional state revenues and cost savings, related to energy and personnel costs. An increase in the local assessed value and additional mills levied over the prior year also resulted in an additional \$8.2 million in local ad valorem tax dollars in the general fund. State revenue increases in Governmental Funds, and increases in related transfers from state funding sources, also resulted in revenues in excess of budget of approximately \$6.9 million. The Debt Service Fund balance showed an increase of \$1.2 million from the prior year due to an increase in assessed value. The Capital Projects Funds showed a slight fund balance increase of \$180 thousand.

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 \$41 thousand, bringing the ending fund balance to \$210 thousand.

BUDGETARY HIGHLIGHTS

The most significant budgeted fund is the district's General Fund. The FY 2018-2019 general fund budget was built with a state base student cost of \$2,485. The general fund budget included increases to operational costs for utilities and employee benefits. Some other significant highlights of initiatives funded in the 2018-2019 budget included:

- Funding for 6.0 positions for classroom teachers to help manage growth and maintain class size
- Continuing to maintain, recruit and support quality personnel by providing a 1% salary schedule increase, in addition to a step increase for all eligible employees, which was in-line with the increase to the teacher salary schedule mandated by the State.
- Funding for continued commitment to provide local supplement to National Board Certified teachers
- Funding for the reauthorization of IB schools
- Funding to cover annual contractual increases for School Resource Officers and funding to reorganize security staff to provide additional coverage to schools without full-time SROs.
- Some of the other items that were included in the proposed budget include:

**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

- Anticipated increase to the employer portion of State Retirement and Health insurance cost for employees.
- Anticipated increase in Utilities and annual recurring operating contracts
- Funding for Elementary Reading Curriculum
- Funding for TE 21/Case Benchmark Exams based on SC College and Career Ready Standards

The School District had no adjustments to the total general fund budget for FY 2018-2019. The following table shows the Budget to Actual variances for the General Fund as of June 30, 2019:

	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES:				
Local Property Tax	\$ 101,893,890	\$ 101,893,890	\$ 104,251,659	\$ 2,357,769
Other Local Revenue	1,853,158	1,853,158	3,061,341	1,208,183
Intergovernmental Sources	250,000	250,000	229,733	(20,267)
State Sources	171,233,552	171,233,552	175,311,513	4,077,961
Federal Sources	250,000	250,000	249,501	(499)
Total Revenues - All Sources	275,480,600	275,480,600	283,103,747	7,623,147
EXPENDITURES:				
Instruction	164,294,623	167,036,880	158,163,567	8,873,313
Support Services	119,670,768	112,707,631	111,265,125	1,442,506
Community Services	210,600	242,734	245,678	(2,944)
Other Charges	440,400	998,604	1,647,620	(649,016)
Total Expenditures	\$ 284,616,391	\$ 280,985,849	\$ 271,321,990	\$ 9,663,859
OTHER FINANCING SOURCES(USES):				
Sale of Capital Assets			5,190	(5,190)
Transfer In	9,135,791	9,135,791	9,091,236	44,555
Transfer Out		(3,630,542)	(3,972,757)	342,215
Total Other Financing Sources (Uses)	\$ 9,135,791	\$ 5,505,249	\$ 5,123,669	\$ 381,580

The District's general fund budget is prepared according to South Carolina law. The District did not amend the general fund budget for increases or decreases in total budget. The District made categorical budget amendments during the year to ensure that expenditures were charged to the proper account codes as required by the South Carolina Department of Education. Actual total revenue came in above the original budget by \$7.6 million as a result of final state revenue allocations exceeding anticipated budget by approximately \$4 million.

The final amended budgeted expenditures of the District had a positive variance from the actual expenditures of over \$9.6 million. Several factors impacted these savings, including district-wide energy cost savings in excess of \$1 million of the original budget in the general fund as a result of continued mild temperatures and energy conservation measures. The District also utilized substitutes or existing personnel to cover vacated positions which were a factor in actual expenditures being less than budget. Savings from staff attrition and unfilled vacancies also created additional cost reductions.

**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The School District's investment in capital assets for governmental activities at June 30, 2019 exceeded \$539.9 million net of accumulated depreciation. This investment in assets includes land, buildings, improvements other than buildings, construction in progress, and equipment. The total net decrease exceeded \$17.9 million. The decrease in net capital assets is due primarily to the annual increase in accumulated depreciation. 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, 2018 and 2019:

	Governmental Activities	
	2018	2019
Land	\$ 27,397,176	\$ 27,340,376
Buildings and improvements	749,252,933	749,915,587
Furniture and Equipment	27,271,006	27,576,814
Vehicles	5,462,726	5,676,844
Construction in progress	45,717	751,128
Total before accumulated depreciation	809,429,558	811,260,749
Less accumulated depreciation	(251,518,066)	(271,296,196)
Net capital assets	\$ 557,911,492	\$ 539,964,553

Long-term Debt - At June 30, 2019, the School District had total general obligation debt outstanding of over \$350.7 million. This is a decrease of over \$19.8 million from the last fiscal year. The School District had a \$26 million bond anticipation note sale during FY 2019 related to the 2018 bond referendum.

The School District maintains an "Aa1" rating from Moody's and a 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, 2019, the remaining debt margin available to the School District is just over \$13.7 million. Other long-term obligations include unamortized bond premiums and accrued compensated absences.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

Many factors were considered by the School District's administration during the process of developing the FY 2019-2020 budget. The School District's top two budget goals are to provide a quality education for all students through student engagement and to manage its growth of an estimated 300 to 400 students annually. These matters were considered when adopting the budget for FY 2019-2020. The total approved General Fund 2019-2020 budget exceeded \$301.2 million, a \$16.5 million increase over prior year. Approximately \$5.2 million (31.3% 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 \$11.3 million. State funding increases were driven largely by additional state revenues provided to fund the 5% increase approved at the state level to the minimum teacher salary schedule.

**RICHLAND SCHOOL DISTRICT TWO
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019

	PRIMARY GOVERNMENT	COMPONENT UNIT
	Governmental Activities	CHARTER HIGH SCHOOL
ASSETS		
Cash and Investments	\$ 139,707,939	\$
Deposits with Richland County Treasurer	42,574,707	
Taxes Receivable, Net of Allowances	1,923,756	
Prepaid Expenses	477,691	
Accrued Intergovernmental Revenue Receivable	795,970	
Due From:	-	
Federal Agencies	5,158,594	
State Department of Education	206,172	
Other Governmental Units	-	1,189,755
Other Receivables	495,077	
Receivable from Other Funds	1,501,923	
Inventories	-	
Capital assets:		
Land	27,340,376	
Construction in Progress	751,128	
Buildings, Additions and Improvements	749,915,587	
Furniture and Equipment	27,576,814	
Vehicles	5,676,844	
Less: Accumulated Depreciation	(271,296,196)	
TOTAL ASSETS	732,806,382	1,189,755
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows related to Pension Liability	46,877,560	220,039
Deferred Outflows related to OPEB Liability	16,842,760	100,270
TOTAL DEFERRED OUTFLOWS OF RESOURCES	63,720,320	320,309
LIABILITIES		
Accounts Payable	9,497,024	3,509
Retainage Payable	21,423	
Payable to Charter High School	1,189,756	
Due to State Department of Education	105,535	
Accrued Salaries and Related Liabilities	20,936,156	
Unearned Revenue	12,072,560	
Non-current Liabilities:		
Due within One Year	78,051,247	
Due in more than One Year	982,421,636	1,506,999
TOTAL LIABILITIES	1,104,295,337	1,510,508
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows related to Net Pension Liability	6,557,285	6,172
Deferred Inflows related to Net OPEB Liability	27,501,059	53,219
TOTAL DEFERRED INFLOWS OF RESOURCES	34,058,344	59,391
NET POSITION		
Net Investment in Capital Assets	209,007,266	
Restricted For:		
Debt Service	25,343,387	
Special Projects	17,316	
Food Service	3,410,206	
Unrestricted	(579,605,154)	(59,835)
TOTAL NET POSITION	\$ (341,826,979)	\$ (59,835)

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, 2019**

<u>FUNCTIONS/PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit</u>
PRIMARY GOVERNMENT:					
Governmental Activities:					
Instruction	\$ 207,429,969	\$ 392,984	\$ 139,253,357	\$ (67,783,628)	\$
Supporting Services	154,341,997	3,064,277	37,220,384	(114,057,336)	
Community Services	323,550			(323,550)	
Interest and Other Charges	8,302,252			(8,302,252)	
Total Governmental Activities	370,397,768	3,457,261	176,473,741	(190,466,766)	-
TOTAL - PRIMARY GOVERNMENT	370,397,768	3,457,261	176,473,741	(190,466,766)	-
Component Units:					
Charter School	\$ 1,061,650	\$	\$ 1,235,322		173,672
General Revenues:					
Property Taxes Levied for General Purposes				104,159,771	
Property Taxes Levied for Debt Service				60,630,757	
Miscellaneous				1,403,327	
Unrestricted Investment Earnings				2,614,083	
Federal and State aid not restricted for specific purpose				53,707,919	
Total General Revenues and Transfers				222,515,857	-
CHANGE IN NET POSITION				32,049,091	173,672
NET POSITION - Beginning of Year				(372,584,532)	(233,507)
Cumulative Change in Accounting Principle				(1,291,538)	-
NET POSITION - End of Year				\$ (341,826,979)	\$ (59,835)

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, 2019

	GENERAL	SPECIAL REVENUE - SPECIAL PROJECTS	SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and Investments	\$ 110,838,906	\$ 538,398	\$	\$ 2,071,874	\$ 17,649,940	\$ 6,929,071	\$ 138,028,189
Deposits with Richland County Treasurer	6,167,155				10,269,042	26,138,510	42,574,707
Taxes Receivable, Net of Allowances	1,409,646				514,110		1,923,756
Due From Federal Agencies		4,886,197		272,397			5,158,594
Due From State Department of Education			206,172				206,172
Due From:							
General Fund		417,707	6,748,455	925,444	267,413	15,574,043	23,933,062
Prepaid Expenses		51,045					51,045
Other Receivables	101,771	119,958		273,348			495,077
Receivable from Other Funds	1,501,923						1,501,923
TOTAL ASSETS	120,019,401	6,013,305	6,954,627	3,543,063	28,700,505	48,641,624	213,872,525
LIABILITIES							
Accounts Payable	2,602,209	611,972	169,036	10,338		2,909,085	6,302,640
Retainage Payable	.					21,423	21,423
Due To:							
Special Revenue - Special Projects	417,707						417,707
Special Revenue - EIA	6,748,455						6,748,455
Internal Service Fund	1,298,987						1,298,987
Enterprise - Food Service Fund	925,444						925,444
Debt Service	267,413						267,413
Capital Projects	15,574,043						15,574,043
Payable to Charter High School	1,189,756						1,189,756
Due To State	12,557	4,974	88,004				105,535
Unearned Revenue		5,379,043	6,570,998	122,519			12,072,560
Accrued Salaries and Related Liabilities	20,809,567		126,589				20,936,156
TOTAL LIABILITIES	49,846,138	5,995,989	6,954,627	132,857	-	2,930,508	65,860,119
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	294,290				95,848		390,138
DEFERRED INFLOWS OF RESOURCES	294,290	-	-	-	95,848	-	390,138
FUND BALANCES							
Fund Balances							
Restricted		17,316		3,410,206	28,604,657	45,711,116	77,743,295
Unassigned	69,878,973						69,878,973
TOTAL FUND BALANCES	69,878,973	17,316	-	3,410,206	28,604,657	45,711,116	147,622,268
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 120,019,401	\$ 6,013,305	\$ 6,954,627	\$ 3,543,063	\$ 28,700,505	\$ 48,641,624	\$ 213,872,525

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, 2019

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 147,622,268
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 \$811,260,749 and the accumulated depreciation was \$271,296,196.		539,964,553
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.		210,999
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. Unearned Property Tax at year end consists of:		
General Fund	\$ 294,290	
Debt Service Fund	95,848	390,138
Accrued interest on bonds payable in governmental funds is not due and payable in the current period and is therefore, not reported as a liability in the funds.		(4,153,088)
Unearned bond premiums are unearned in the statement of net position. The net premiums of \$68,426,454 have been amortized by \$42,560,051 with a remaining unamortized net bond discount.		(25,869,403)
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.		795,970
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.		40,320,275
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.		(10,658,299)
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	\$ 350,799,000	
Accrued Compensated Absences	3,990,603	
Net Pension Liability	374,023,208	
Net OPEB Liability	301,637,581	(1,030,450,392)
TOTAL NET POSITION - GOVERNMENTAL FUNDS		\$ (341,826,979)

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, 2019

	<u>GENERAL</u>	<u>SPECIAL REVENUE - SPECIAL PROJECTS</u>	<u>SPECIAL REVENUE - EIA</u>	<u>SPECIAL REVENUE - FOOD SERVICE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES							
Local Property Tax	\$ 104,251,659	\$	\$		\$ 60,664,757	\$	\$ 164,916,416
Other Local Revenue	1,839,645	1,803,795		2,517,865		275,643	6,436,948
Total Revenue from Local Sources	106,091,304	1,803,795	-	2,517,865	60,664,757	275,643	171,353,364
State Sources	175,311,513	5,470,767	19,229,408				200,011,688
Federal Sources	249,501	18,457,998		9,658,678			28,366,177
Intergovernmental Sources	229,733						229,733
Interest on Investments	1,221,696				854,908	389,857	2,466,461
TOTAL REVENUES ALL SOURCES	283,103,747	25,732,560	19,229,408	12,176,543	61,519,665	665,500	402,427,423
EXPENDITURES							
Current:							
Instruction	158,156,436	10,643,618	8,003,970				176,804,024
Support Services	110,327,606	11,399,736	2,886,894	11,268,307		2,387,894	138,270,437
Community Services	233,836	89,714	-				323,550
Intergovernmental	1,647,620	3,413,147	12,653				5,073,420
Capital Outlay	956,492	169,416	44,574	53,322		5,066,231	6,290,035
Debt Service:							
Principal Retirement					45,847,000		45,847,000
Interest					14,026,580		14,026,580
Fiscal Charges for Cost of Issuance					7,433	121,120	128,553
TOTAL EXPENDITURES	271,321,990	25,715,631	10,948,091	11,321,629	59,881,013	7,575,245	386,763,599
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,781,757	16,929	8,281,317	854,914	1,638,652	(6,909,745)	15,663,824
OTHER FINANCING SOURCES (USES)							
Issuance of Debt						26,000,000	26,000,000
Premium on Bonds Issued						151,580	151,580
Sale of Capital Assets	5,190					58,701	63,891
Transfers In	9,091,236	440,400		369,776	320,366		10,221,778
Transfers Out	(3,972,757)	(457,329)	(8,281,317)	(352,590)			(13,063,993)
TOTAL OTHER FINANCING SOURCES (USES)	5,123,669	(16,929)	(8,281,317)	17,186	320,366	26,210,281	23,373,256
NET CHANGE IN FUND BALANCE	16,905,426	-	-	872,100	1,959,018	19,300,536	39,037,080
FUND BALANCES, Beginning of Year, As Previously Reported	52,973,547	17,316	-	(1,291,538)	26,645,639	26,410,580	104,755,544
Cumulative Change in Accounting Principle	-	-	-	3,829,644	-	-	3,829,644
FUND BALANCES, Beginning of Year, As Restated	52,973,547	17,316	-	2,538,106	26,645,639	26,410,580	108,585,188
FUND BALANCES, End of Year	\$ 69,878,973	\$ 17,316	\$ -	\$ 3,410,206	\$ 28,604,657	\$ 45,711,116	\$ 147,622,268

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, 2019

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 39,037,080
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Property tax revenues not considered current financial resources are unearned in the governmental funds but are not in the statement of activities. Unearned taxes receivable increased by \$125,888 over the year ended June 30, 2019.	(125,888)
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.	(17,677)
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 depreciation expense and noncapital expenditures of \$24,236,974 exceeded capital outlays of \$6,290,035.	(17,946,939)
Repayment of long-term liabilities, such as Bonds and Notes Payable and Capital Leases is an expenditure in the governmental funds, but merely reduces liabilities in the statement of net position.	45,847,000
Amortization of bond premiums as income over the terms of the associated bonds. The amount recognized as income for the year ended June 30, 2019 is \$5,489,813.	5,489,813
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.	41,383
Bonds proceeds 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, proceeds were received from general obligation bonds issued.	(26,151,580)
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.	(10,426,084)
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.	(4,178,823)
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 decreased for the year ended June 30, 2019 by \$316,854.	316,854
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 decreased by \$163,952 during this fiscal year.	163,952
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 32,049,091

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, 2019**

		GOVERNMENTAL ACTIVITIES
		INTERNAL SERVICE FUND
ASSETS		
Current Assets		
Cash and Investments	\$	1,679,750
Prepaid Expense		426,646
Due from General Fund		1,298,987
Total Current Assets		<u>3,405,383</u>
TOTAL ASSETS		<u><u>3,405,383</u></u>
LIABILITIES		
Current Liabilities		
Claims Payable		<u>3,194,384</u>
Total Current Liabilities		<u>3,194,384</u>
TOTAL LIABILITIES		<u><u>3,194,384</u></u>
NET POSITION		
Unrestricted		<u>210,999</u>
TOTAL NET POSITION	\$	<u><u>210,999</u></u>

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

RICHLAND SCHOOL DISTRICT TWO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUND
OPERATING REVENUES	
Other Operating Revenue	\$ 144,484
Total Operating Revenues	144,484
OPERATING EXPENSES	
Salaries and Benefits	2,739,026
Supplies	12,216
Other	194,914
Total Operating Expenses	2,946,156
Operating Income (Loss)	(2,801,672)
NON-OPERATING REVENUE (EXPENSES)	
Interest	840
Total Non-Operating Revenues	840
Income (loss) Before Transfers	(2,800,832)
TRANSFERS IN (OUT)	
Transfer from General Fund	2,842,215
Total Transfers	2,842,215
CHANGE IN NET POSITION	41,383
TOTAL NET POSITION - Beginning of Year, as previously reported	169,616
TOTAL NET POSITION - End of Year	\$ 210,999

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, 2019**

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Participants	\$ 144,484
Cash Paid to Employees for Services	(2,557,375)
Cash Paid to Suppliers of Goods and Services	(484,297)
Net Cash Provided (Used) by Operating Activities	(2,897,188)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from General Fund	2,842,215
Net Cash Provided (Used) by Noncapital Financing Activities	2,842,215
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	840
Net Cash Provided by Investing Activities	840
Net Increase (Decrease) in Cash and Cash Equivalents	(54,133)
Cash and Cash Equivalents - Beginning of Year	1,733,883
Cash and Cash Equivalents - End of Year	\$ 1,679,750
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	(2,801,672)
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	(1,005,484)
Decrease (Increase) in Prepaid Expenses	(275,839)
Increase (Decrease) in Accounts Payable and Due to Others	1,185,807
Net Cash Provided (Used) by Operating Activities	\$ (2,897,188)

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

**RICHLAND SCHOOL DISTRICT TWO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2019**

ASSETS

Cash and Investments	\$ 5,719,244
Accounts Receivable	23,670
TOTAL ASSETS	<u>5,742,914</u>

LIABILITIES

Accounts Payable	1,621,749
Due to Pupil Activities	4,121,165
TOTAL LIABILITIES	<u>\$ 5,742,914</u>

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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

The statements of the School District are presented as follows:

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues, including taxes, which are not classified as program revenues are presented as general revenues of the School District with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. The governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type. All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

FUND ACCOUNTING

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

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

Governmental Fund Types

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

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

1. **The Special Projects Fund**, used to account for financial resources provided by federal, state, local projects and grants. Budgets are prepared on a per project basis, generally with approval of the funding source. These budgets are not a part of the formal budget process approved by the board of trustees.
2. **The Education Improvement Act (EIA) Fund**, used to account for the revenue from the South Carolina Education Improvement Act of 1984, which is legally required by the state to be accounted for as a specific revenue source. Budgets are prepared on a per project basis. These budgets are not part of the formal budget process approved by the board of trustees.
3. **The Food Service Fund**, is used to account for the United States Department of Agriculture's (USDA) approved school breakfast and lunch programs. The principal revenues of the Food Service Fund include charges to students and teachers for breakfast, lunch and special sales and federal reimbursements for meals and commodities. Primary expenditures for the fund includes cost of sales, administrative expenses and depreciation of capital assets.

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

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

Proprietary Fund Types

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

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

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Fiduciary Fund Types

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

BASIS OF ACCOUNTING

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

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

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

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2019, 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.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 292111960.

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

The School District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Pooled Investment Fund ("Pool") to be cash equivalents.

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

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

Capital Assets - General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position

RICHLAND SCHOOL DISTRICT TWO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported in both the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The district maintains a capitalization threshold of \$5,000. Management may elect to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset's life are not capitalized. For purposes of reporting state and federal funds, small equipment items that may not be capitalized are still categorized as capital outlays in the supporting schedules. The School District does not maintain any infrastructure. Improvements to existing capital assets are capitalized; however, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

All reported capital assets, except land and construction in progress, are depreciated. Construction projects begin being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type 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.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Accrued Liabilities and Long-term Obligations - All payables, accrued liabilities and long-term obligations are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, contractually required pension contributions and special termination benefits, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current expendable, available, financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Typically, the General Fund is used to liquidate any liability related to compensated absences. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

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

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

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

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

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The School District classifies fund balances as follows:

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

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

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

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

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

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

Net Position

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

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

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

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

Fair Value

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs, other than quoted market prices, that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

Budgetary Accounting

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

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

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

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

Encumbrances

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

2. CASH AND INVESTMENTS

At June 30, 2019 the carrying amount of the School District's deposits and investments was \$145,427,183 and the bank balance was \$155,492,367.

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 statutes of the State of South Carolina. As of June 30, 2019, none of the School District's bank balances of \$57,631,197, which had a carrying value of \$47,566,014, were exposed to custodial credit risk.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

As of June 30, 2019, 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	\$ 79,422,955
Certificates of Deposit	Level 1	Various	Unrated	788,274
US Bank – Morgan Stanley GIC	Level 1	9/1/2027	Unrated	<u>17,649,940</u>
Total Investments				<u>\$ 97,861,169</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, 2019, 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 \$23,776,747.

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. Further information may be obtained from the Investment Pool by writing to the Office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina, 29211.

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	\$ 138,028,189	Deposits:	\$ 47,566,014
Internal Service Fund	1,679,750	Fair Value of	
Agency Fund	<u>5,719,244</u>	Investments:	<u>97,861,169</u>
	<u>\$ 145,427,183</u>		<u>\$ 145,427,183</u>

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 \$569 million at tax rates of 331.6 mills for the general fund and 108.0 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 2018-2019 fiscal year totaled over \$148.4 million, for the General Fund and Debt Service Fund. Of this total amount levied, approximately \$141.1 million was collected during the fiscal year, representing 95.08% collection of the total levied for the year ending June 30, 2019. Collections for delinquent taxes for both funds totaled close to \$5.0 million. In addition, fees in lieu of taxes collected totaled \$4.2 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 \$1,923,756 net of allowances for uncollectible at June 30, 2019.

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

At June 30, 2019, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	General Fund	Special Revenue Special Projects Fund	Special Revenue- EIA Fund	Special Revenue Food Service Fund	Debt Service Fund	Total
Unavailable Revenue -						
Property Taxes	\$ 294,290	\$	\$	\$	95,848	\$ 390,138
Unearned Revenue		5,379,043	6,570,998	122,519		12,072,560
Total	\$ 294,290	\$ 5,379,043	\$ 6,570,998	\$ 122,519	\$ 95,848	\$ 12,462,698

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

4. DUE FROM STATE DEPARTMENT OF EDUCATION AND FEDERAL 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, 2019, but had not been received as of June 30, 2019. The total amount Due to the State Department as of June 30, 2019 was \$105,535.

5. CAPITAL ASSETS

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

Governmental Activities

	Balance as of July 1, 2018	Additions	Disposals/ Transfers	Balance as of June 30, 2019
Non-depreciable Assets:				
Land	\$ 27,397,176	\$	\$ (56,800)	\$ 27,340,376
Construction in Progress	45,717	1,095,849	(390,438)	751,128
Total Non-depreciable	<u>27,442,893</u>	<u>1,095,849</u>	<u>(447,238)</u>	<u>28,091,504</u>
Depreciable Assets:				
Buildings and Improvements	749,252,933	662,654		749,915,587
Vehicles	5,462,726	214,118		5,676,844
Furniture & Equipment	27,271,006	305,808		27,576,814
Total Depreciable Assets	<u>781,986,665</u>	<u>1,182,580</u>	<u>-</u>	<u>783,169,245</u>
Total All Assets	<u>809,429,558</u>	<u>2,278,429</u>	<u>(447,238)</u>	<u>811,260,749</u>
Less: Accumulated Depreciation				
Buildings and Improvements	(223,181,490)	(18,482,285)		(241,663,775)
Vehicles	(4,729,016)	(241,921)		(4,970,937)
Furniture & Equipment	(23,607,560)	(1,053,924)		(24,661,484)
Total Accumulated Depreciation	<u>(251,518,066)</u>	<u>(19,778,130)</u>	<u>-</u>	<u>(271,296,196)</u>
Governmental Activities Capital Assets, Net	<u>\$ 557,911,492</u>	<u>\$ (17,499,701)</u>	<u>\$ (447,238)</u>	<u>\$ 539,964,553</u>

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

Governmental Activities:

Instruction	\$ 13,844,691
Supporting Services	<u>5,933,439</u>
Total Depreciation Expense – governmental activities	<u>\$ 19,778,130</u>

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

6. INTER-FUND RECEIVABLES AND PAYABLES

Inter-fund balances at June 30, 2019 consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund:		
Due to Special Revenue – Special Projects	\$	\$ 417,707
Due to Special Revenue – EIA		6,748,455
Due to Special Revenue – Food Service Fund		925,444
Due to Debt Service		267,413
Due to Capital Projects Fund		15,574,043
Due to Internal Service Fund		1,298,987
Total		25,232,049
Special Revenue – Special Projects		
Due from General Fund	417,707	
Special Revenue – EIA		
Due from General Fund	6,748,455	
Special Revenue – Food Service Fund		
Due from General Fund	925,444	
Debt Service		
Due from General Fund	267,413	
Capital Projects		
Due from General Fund	15,574,043	
Internal Service Fund		
Due from General Fund	293,503	
Totals	\$ 25,232,049	\$ 25,232,049

All cash activities, excluding Food Service, are recorded in the General Fund, and 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. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

7. TRANSFERS IN AND OUT

Transfers between the various funds of the School District are as follows:

Fund	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Special Revenue – Special Projects	\$ 440,400	\$ 440,400
Special Revenue – Special Projects Indirect Cost	457,329	
Special Revenue – EIA	8,281,317	
Special Revenue – Food Service Fund		369,776
Special Revenue – Food Service Fund Indirect Cost	352,590	
Debt Service Fund		320,366
Internal Service Fund		2,842,215
Total	<u>9,091,236</u>	<u>3,972,757</u>
Special Revenue – EIA		
General Fund		8,281,317
Special Revenue – Special Projects		
General Fund	440,400	
General Fund – Indirect Cost		457,329
Special Revenue – Food Service Fund		
General Fund	369,776	
General Fund – Indirect Cost		352,590
Debt Service Fund		
General Fund	320,366	
Internal Service Fund		
General Fund	<u>2,842,215</u>	
Total All Funds	\$ <u><u>13,063,993</u></u>	\$ <u><u>13,063,993</u></u>

During the 2018-2019 fiscal year transfers were made from Special Revenue-Special Project Funds to the general fund to offset costs. Transfers from the General Fund into Special Revenue – Special Projects reflect amounts allocated as discretionary funds for student activities and athletic programs. Annual transfers are done from the Special Revenue – EIA fund into the General fund for State revenues provided for teacher salary increases and employer fringe contributions. Amounts were transferred from the Food Service fund for indirect costs paid to the General fund and a transfer was made from the General Fund into the Food Service Fund to allocate state fringe benefits reimbursement funds applicable to the Food Service Program.

In addition, funds were transferred from the General Fund to the Internal Service Fund in order to cover the cost associated with the Self-insured Workers' Compensation program and the required reserves at June 30, 2019. 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 purchase for solar panels.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

8. LONG TERM OBLIGATIONS

The following summarizes the changes in long-term debt obligations for the year ended June 30, 2018:

Governmental Activities	Principal Outstanding July 1, 2018	Additions	Reductions	Principal Outstanding June 30, 2019	Amounts Due in One Year
General Obligation Bonds:					
February 18, 2009	5,210,000		(5,210,000)	-	-
June 11, 2009	5,525,000		(1,940,000)	3,585,000	1,920,000
May 25, 2010 (A)	9,675,000		(1,075,000)	8,600,000	1,075,000
September 8, 2010	39,745,000		(11,020,000)	28,725,000	8,970,000
September 8, 2010	42,620,000			42,620,000	
November 9, 2010	43,570,000		(5,000,000)	38,570,000	5,000,000
October 5, 2011	11,550,000		(3,000,000)	8,550,000	4,275,000
December 5, 2012	13,445,000		(5,725,000)	7,720,000	5,775,000
April 25, 2013	55,115,000		(5,000)	55,110,000	5,000
May 21, 2014	9,430,000		(1,700,000)	7,730,000	1,790,000
March 10, 2015	58,745,000			58,745,000	6,370,000
March 10, 2015	6,785,000		(3,345,000)	3,440,000	3,440,000
May 31, 2016	10,000,000		(3,150,000)	6,850,000	3,335,000
July 26, 2016	1,546,000		(302,000)	1,244,000	305,000
May 30, 2017	7,660,000		(1,765,000)	5,895,000	1,870,000
November 30, 2017	40,025,000		(535,000)	39,490,000	
June 12, 2018	10,000,000		(2,075,000)	7,925,000	2,115,000
May 2, 2019		26,000,000		26,000,000	26,000,000
Total General Obligation Bonds	<u>370,646,000</u>	<u>26,000,000</u>	<u>(45,847,000)</u>	<u>350,799,000</u>	<u>72,245,000</u>
Unamortized Bond Premiums	31,207,636	151,580	(5,489,813)	25,869,403	5,473,110
Accrued Compensated Absences	<u>4,154,555</u>	<u>170,855</u>	<u>(334,807)</u>	<u>3,990,603</u>	<u>335,000</u>
Total	<u>\$ 406,008,191</u>	<u>26,322,435</u>	<u>(51,671,620)</u>	<u>380,659,006</u>	<u>\$ 78,053,110</u>

During the 2018-2019 fiscal year, the School District issued \$26,000,000 in Series 2018 bond anticipation notes for the annual capital funds program. These funds are used for projects approved in the 2018 bond referendum, which consist of safety upgrades and improvements, facility upgrades and additions and numerous improvements throughout the district. This issue was refinanced as a part of the School District's issuance of \$85,000,000 in Series 2019 General Obligation Bonds. The refinancing meets the criteria in GASB Statement No. 62, which allows the School District to classify the \$26,000,000 as long-term liabilities.

RICHLAND SCHOOL DISTRICT TWO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

General Obligations

General obligations primarily consist of obligations related to general obligation bonds as of June 30, 2019. The following table outlines the debt outstanding at June 30, 2019:

Issue	Date of Issue	Interest Rates	Payment Dates	Maturity	Original Issue	Outstanding at June 30, 2019
2009C ₁	June 11, 2009	3.00%-5.00%	Sept./Mar.	2021	18,500,000	3,585,000
2010A/QSCB ₁	May 25, 2010	.75%-5.20%	May/Nov	2027	18,235,000	8,600,000
2010C ₁	September 8, 2010	5.00%	May/Nov	2024	83,260,000	28,725,000
2010D/QSCB ₁	September 8, 2010	1.00%-5.00%	Sept./Mar.	2028	42,625,000	42,620,000
2010E/QSCB ₁	November 9, 2010	.50%-5.25%	May/Nov	2028	60,000,000	38,570,000
2011B ₁	October 5, 2011	3%-5%	May/Nov	2031	60,000,000	8,550,000
2012B (Refunding) ₃	December 5, 2012	3%-5%	Oct./Apr.	2021	28,215,000	7,720,000
2013B ₁	April 25, 2013	2.9%-5%	Nov./May	2033	55,140,000	55,110,000
2014A ₂	April 25, 2013	5.00%	Nov./May	2023	9,430,000	7,730,000
2015A (Refunding) ₃	March 10, 2015	2.000% - 5.000%	Feb./Aug.	2023	60,010,000	58,745,000
2015B ₂	March 10, 2015	1.750% - 4.000%	Feb./Aug.	2020	10,000,000	3,440,000
2016 ₂	May 31, 2015	5.00%	Sept./Mar.	2021	10,000,000	6,850,000
2016 ACQ ₄	July 26, 2016	1.118%	Dec	2022	2,100,000	1,244,000
2017A ₂	May 30, 2017	2.000% - 5.000%	Sept./Mar.	2022	10,000,000	5,895,000
2017B (Refunding) ₃	November 30, 2017	2.000% - 5.000%	Sept./Mar.	2031	40,880,000	39,490,000
2018A ₂	June 12, 2018	2.000% - 5.000%	Sept./Mar.	2023	10,000,000	7,925,000
2019 BAN ₅	May 2, 2019	1.61%	Oct	2019	26,000,000	26,000,000
					<u>\$ 544,395,000</u>	<u>\$ 350,799,000</u>

General obligations at June 30, 2019 consist of primarily general obligation bonds payable, issued under the approved 2008 referendum and several obligations issued under the legal 8% debt limit for technology equipment and recurring facility capital needs. Of these, the Series 2010A, 2010D and 2010E 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 (2012A, 2013A, 2014A, 2015A, 2016, 2017A and the 2018A issues) were issued under the legal 8% debt limit for technology equipment and facilities recurring capital needs.

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

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

3 Issues relate to Refunded debt. The 2012A Refunding relates to a partial refunding of 2006A and 2007B original issues. The 2015A Refunding relates to a partial refunding of 2008A and 2009A original issues. The 2017B Refunding relates to a partial refunding of 2011B.

4 Issues relate to an equipment acquisition to purchase solar panels for the new R2i2 facility.

5 BAN issue relates 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.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The annual requirements to amortize the General Obligation Bonds outstanding at June 30, 2018, including interest payments of \$89,533,469 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	72,245,000	12,281,946	84,526,946
2021	46,719,000	9,936,091	56,655,091
2022	46,518,000	7,913,467	54,431,467
2023	44,167,000	5,785,829	49,952,829
2024	15,040,000	3,715,825	18,755,825
2025-2029	101,230,000	10,733,478	111,963,478
2030-2034	24,880,000	1,803,650	26,683,650
Total	\$ 350,799,000	\$ 52,170,286	\$ 402,969,286

The School District has satisfied all sinking fund requirements. There is an annual tax millage, currently 108.0 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 \$322,363 for the General Fund and \$12,637 for the Food Service Fund.

9. EMPLOYEE RETIREMENT

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

The PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the System' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

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

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

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

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Plan Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.

State ORP - As an alternative to membership in the SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP, which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employers to the member's account with investment providers 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; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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. A brief summary of benefit terms for each system is presented below.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively.

An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the percentage rate in SCRS and PORS ("Plans") employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the PEBA Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the PEBA Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the PEBA Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

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 ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. 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 ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.

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		
	2017	2018	2019	2017	2018	2019
Employer Contribution Rate: ^						
Retirement*	11.41%	13.41%	14.41%	13.84%	15.84%	16.84%
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>11.56%</u>	<u>13.56%</u>	<u>14.56%</u>	<u>14.24%</u>	<u>16.24%</u>	<u>17.24%</u>
Employee Contribution Rate	<u>8.66%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.24%</u>	<u>9.75%</u>	<u>9.75%</u>

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

* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

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

Year Ended June 30,	SCRS Contributions		State PORS Contributions		State ORP Contributions	
	Required	% Contributed	Required	% Contributed	Required	% Contributed
2019	\$ 22,439,956	100%	\$ 84,273	100%	\$ 2,625,975	100%
2018	21,202,441	100%	88,736	100%	2,281,965	100%
2017	17,941,197	100%	77,814	100%	1,690,341	100%
2016	\$ 16,618,723	100%	\$ 68,544	100%	\$ 1,494,608	100%

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

Year Ended June 30,	SCRS Payroll	State ORP Payroll	PORS Payroll	Total Payroll
2019	\$ 163,444,327	\$ 12,566,184	\$ 211,907	\$ 176,222,417
2018	158,119,667	11,312,752	216,691	169,649,110
2017	154,232,391	10,511,642	271,932	165,015,965
2016	\$ 147,832,482	\$ 9,093,129	\$ 300,545	\$ 157,226,156

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time 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 as of July 1, 2015.

The June 30, 2018, total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on the July 1, 2017 actuarial valuations as adopted by the PEBA Board and the SFAA which utilized membership data as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year ended June 30, 2018, using generally accepted actuarial principles. Information included in these notes are based on the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2017, valuations for SCRS and PORS.

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

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the July 1, 2017, valuations for SCRS and PORS are as follows:

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

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns 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.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	47.0%		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

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, 2017 measurement date, for the 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	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%
PORS	\$ 7,403,972,673	\$ 4,570,430,247	\$ 2,833,542,426	61.7%

The 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.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, the School District reported liabilities of \$372,895,862 and \$1,127,346 for its proportionate share of the SCRS and PORS net pension liability, respectively. The School District's total net pension liability at June 30, 2019 was \$374,023,208. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 projected forward to June 30, 2018. The School District's proportionate share of the net pension liability was calculated on the basis of historical employer contributions to the pension plan for the fiscal year ended June 30, 2016 relative to historical contributions of all participating employers. As of the June 30, 2018 measurement date, the School District's proportionate share of the SCRS plan was 1.664207%, which was a decrease of 0.01815% from its proportion measured as of June 30, 2017. As of the June 30, 2018 measurement date, the School District's proportionate share of the PORS plan was 0.03979%, which was a decrease of 0.001394% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized pension expense of \$35,440,364 and \$135,924 for SCRS and PORS, respectively, for a total pension expense of \$35,576,288.

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

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>South Carolina Retirement System</u>		
Contributions subsequent to the measurement date	\$ 25,065,931	\$ -
Changes in assumptions	14,794,422	
Differences between expected and actual experience	673,123	2,194,389
Net difference between projected and actual earnings on pension plan investments	5,923,459	
Deferred amounts from changes in proportionate share	147,402	4,300,479
Total SCRS	\$ 46,604,337	\$ 6,494,868
<u>Police Officers Retirement System</u>		
Contributions subsequent to the measurement date	\$ 84,273	\$
Changes in assumptions	74,331	
Differences between expected and actual experience	34,735	
Net difference between projected and actual earnings on pension plan investments	22,544	
Deferred amounts from changes in proportionate share	57,340	62,417
Total PORS	\$ 273,223	\$ 62,417
Total SCRS and PORS	\$ 46,877,560	\$ 6,557,285

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The \$25,065,931 and \$84,273 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, 2020.

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 Ending June 30,	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2019	\$ 12,873,685	\$ 59,824	\$ 12,933,509
2020	7,964,204	52,458	8,016,662
2021	(5,103,922)	15,442	(5,088,480)
2022	(690,429)	(1,191)	(691,620)
Thereafter	-	-	-
Total	\$ 15,043,538	\$ 126,533	\$15,170,071

Discount Rate

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

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

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

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 476,491,665	\$ 372,895,862	\$ 298,834,787
PORS	\$ 1,519,804	\$ 1,127,346	\$ 805,891

Pension Plan Fiduciary Net Position

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

RICHLAND SCHOOL DISTRICT TWO NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

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

Plan Descriptions

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

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

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

Plan Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Plan Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The covered payroll surcharge for the years ended June 30, 2018 and 2017 were 5.50 percent and 5.33 percent, respectively.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments. Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs.

BLTD benefits are funded through a person's premium charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2018. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

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. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date: June 30, 2017

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Investment Rate of Return: 4.00%, net of OPEB Plan investment expense; including inflation

Single Discount Rate: 3.62% as of June 30, 2018

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

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

Health Care Trend Rate: Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years

Aging Factors: Based on plan specific experience

Retiree Participation: 79% for retirees who are eligible for funded premiums

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Notes: There were no benefit changes during the year. The discount rate changed from 3.59% as of June 30, 2017 to 3.62% as of June 30, 2018.

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date: June 30, 2017

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Investment Rate of Return: 4.00%, net of Plan investment expense; including inflation

Single Discount Rate: 3.91% as of June 30, 2018

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

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

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

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

Notes: There were no benefit changes during the year. The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018.

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Discount Rate

A Single Discount Rate of 3.62% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.91% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$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 District's proportionate share of the net OPEB liability of the SCRHITF calculated using a Single Discount Rate of 3.62 percent, as well as what the District's proportionate share of the net OPEB liability of the SCRHITF would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate		
1.00% Decrease (2.62%)	Current Discount Rate (3.62%)	1.00% Increase (4.62%)
\$ 355,299,832	\$ 301,588,167	\$ 258,292,312

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
\$ 248,158,369	\$ 301,588,167	\$ 370,662,999

The following table presents the District's proportionate share of the net OPEB liability of the SCLTDITF calculated using a Single Discount Rate of 3.91 percent, as well as what the District's proportionate share of the net OPEB liability of the SCLTDITF would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate		
1.00% Decrease (2.91%)	Current Discount (3.91%)	1.00% Increase (4.91%)
\$ 73,848	\$ 49,414	\$ 25,566

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

The Net OPEB Liability is calculated separately for each OPEB Trust Fund and represents that particular Trust's total OPEB liability determined in accordance with GASB No. 74 less that Trust's fiduciary net position. Net OPEB liability totals, as of June 30, 2018 measurement date, for the SCRS and PORS 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	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
SCLTDITF	\$ 39,261,091	\$ 36,199,863	\$ 3,061,228	92.20%

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

At June 30, 2019, the District reported liabilities of \$301,588,167 and \$49,414 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, 2019 was \$301,637,581. The net OPEB liabilities were measured as of June 30, 2018, 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, 2017 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, 2018 measurement date, the District's SCRHITF proportion was 2.128269 percent, which was .022230 percent less than its proportion measured as of June 30, 2017. At the June 30, 2018 measurement date, the District's SCLTDITF proportion was 1.614178 percent, which was .004236 percent less than its proportion measured as of June 30, 2017.

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, 2018, the District recognized \$2,276,156 and \$0 for the SCRHITF and SCLTDITF, respectively, for a total of \$2,276,156 of revenues from state sources and intergovernmental expenditures in the District's special revenue funds.

For the year ended June 30, 2018, the District recognized OPEB expense of \$15,189,070 and \$129,475 for the SCRHITF and SCLTDITF, respectively, for a total OPEB expense of \$15,318,545. At June 30, 2019, 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:

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRHITF		
Differences Between Expected and Actual Experience	\$ 4,517,927	\$ 105,082
Changes in Assumptions	-	24,558,375
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,156,406	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	-	2,827,781
The School District's Contributions Subsequent to the Measurement Date	11,013,791	-
Total SCRHITF	<u>16,688,124</u>	<u>27,491,238</u>
SCLTDITF		
Differences Between Expected and Actual Experience	-	3,022
Changes in Assumptions	-	3,219
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,705	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	-	3,580
The School District's Contributions Subsequent to the Measurement Date	125,931	-
Total SCLTDITF	<u>154,636</u>	<u>9,821</u>
Total SCRHITF and SCLTDITF	<u>\$ 16,842,760</u>	<u>\$ 27,501,059</u>

Approximately \$11,013,791 and \$125,931 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, 2020.

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

Year Ended June 30,	SCRHITF	SCLTDITF	Total
2019	\$ 4,056,719	\$ (6,955)	\$ 4,049,764
2020	4,056,719	(6,955)	4,049,764
2021	4,056,719	(6,955)	4,049,764
2022	4,180,551	(3,430)	4,177,121
2023	4,376,779	1,102	4,377,881
Thereafter	1,089,418	4,309	1,093,727
Total	<u>\$ 21,816,905</u>	<u>\$ (18,884)</u>	<u>\$ 21,798,021</u>

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2017-2018 fiscal year, the School District obtained its general liability and property insurance through Surry of NC.

**RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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, 2019, the School District has recognized a liability for claims payable in the Internal Service fund for \$3,194,384 related to estimated future claim payments.

The School District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in coverage during the year ended June 30, 2019.

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:

Restricted Fund Balance:	
<i>Restricted for Special Projects</i>	\$ 17,316
<i>Restricted for Food Service</i>	3,410,206
<i>Restricted for Debt Service</i>	28,604,657
<i>Restricted for Capital Projects</i>	45,711,116
Unassigned Fund Balance	<u>69,878,973</u>
Total Governmental Fund Balance	<u>\$ 147,622,268</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.

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.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

For tax year 2018, 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:	\$8,500,823
SSRC Program:	\$484,622 ¹
MCIP:	\$547,684

For tax year 2018, the gross dollar amount of property tax revenues the School District received pursuant to the tax abatement agreements entered into by the County under each of the programs described above is as follows:

FILOT Program:	\$3,305,264
SSRC Program:	\$491,935 ¹
MCIP:	\$3,754,433

¹The 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, 2019, primarily related to safety and security projects approved in the 2018 Bond Referendum. The School District has entered into contracts for these projects totaling over \$74.2 million, of which approximately \$3.4 million had not been expended as of June 30, 2019.

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

16. SUBSEQUENT EVENTS

On November 6, 2018, the citizens of Richland County passed a bond referendum approving an amount not to exceed \$468,406,000 for district capital needs. In September of 2019, the first issue under the 2018 referendum was issued in the amount of \$85,000,000. Of the \$468,406,000 approved, \$381,952,000 will be issued for the following purposes:

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

**RICHLAND SCHOOL DISTRICT TWO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

RICHLAND COUNTY SCHOOL DISTRICT TWO
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance to Final Budget
REVENUES:				
Local Property Tax	\$ 101,893,890	\$ 101,893,890	\$ 104,251,659	\$ 2,357,769
Other Local Revenue	1,853,158	1,853,158	3,061,341	1,208,183
Total Revenue from Local Sources	<u>103,747,048</u>	<u>103,747,048</u>	<u>107,313,000</u>	<u>3,565,952</u>
Intergovernmental Sources	250,000	250,000	229,733	(20,267)
State Sources	171,233,552	171,233,552	175,311,513	4,077,961
Federal Sources	<u>250,000</u>	<u>250,000</u>	<u>249,501</u>	<u>(499)</u>
Total Revenues - All Sources	<u>275,480,600</u>	<u>275,480,600</u>	<u>283,103,747</u>	<u>7,623,147</u>
EXPENDITURES:				
Current:				
Instruction	164,294,623	166,205,741	158,163,567	8,042,174
Support Services	119,670,768	113,191,666	111,265,125	1,926,541
Community Services	210,600	247,623	245,678	1,945
Other Charges	<u>440,400</u>	<u>998,604</u>	<u>1,647,620</u>	<u>(649,016)</u>
Total Expenditures	<u>284,616,391</u>	<u>280,643,634</u>	<u>271,321,990</u>	<u>9,321,644</u>
Excess Revenues Over (Under) Expenditures	<u>(9,135,791)</u>	<u>(5,163,034)</u>	<u>11,781,757</u>	<u>16,944,791</u>
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets			5,190	5,190
Transfers In	9,135,791	9,135,791	9,091,236	(44,555)
Transfers Out	<u>-</u>	<u>(3,972,757)</u>	<u>(3,972,757)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>9,135,791</u>	<u>5,163,034</u>	<u>5,123,669</u>	<u>(39,365)</u>
Excess / (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>16,905,426</u>	<u>\$ 16,905,426</u>
Fund Balance, Beginning of Year			<u>52,973,547</u>	
Fund Balance, End of Year			<u>\$ 69,878,973</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, 2019

	2019	2018	2017	2016	2015	2014
South Carolina Retirement System (SCRS)						
Proportionate Share of Net Liability as a Percentage	1.664207%	1.682357%	1.691729%	1.702456%	1.681826%	1.681826%
Proportionate Share of Net Liability as an Amount	372,895,862	378,725,617	361,350,817	322,878,988	289,562,351	289,562,351
Covered Employee Payroll During the Measurement Period	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 Employee Payroll	203.79%	209.48%	240.53%	220.25%	205.43%	205.43%
System Plan Fiduciary Net Position as a Percentage of the Total System Pension Liability	54.11%	53.34%	52.91%	56.99%	59.92%	56.39%
Police Officers Retirement System (PORS)						
Proportionate Share of Net Liability as a Percentage	0.039786%	0.041180%	0.036550%	0.040650%	0.042410%	0.042410%
Proportionate Share of Net Liability as an Amount	1,127,346	1,128,261	927,208	886,031	812,351	812,351
Covered Employee Payroll During the Measurement Period	553,219	554,188	506,235	510,602	477,238	477,238
Proportionate Share of the Net Liability as a Percentage of its Covered Employee Payroll	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	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, 2019, only six 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, 2019**

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

	Statutorily Required Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Payroll
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)

	Statutorily Required Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Payroll
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, 2019, only six 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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
South Carolina Retiree Health Insurance Trust Fund (SCRHITF)			
Proportionate Share of Net Liability as a Percentage	2.128269%	2.150499%	2.150499%
Proportionate Share of Net Liability as an Amount	301,588,167	291,281,567	311,147,763
Covered Employee Payroll During the Measurement Period	183,535,853	181,348,179	181,348,179
Proportionate Share of the Net Liability as a Percentage of its Covered Employee Payroll	164.32%	160.62%	171.57%
System Plan Fiduciary Net Position as a Percentage of the Total System Pension Liability	7.91%	7.60%	7.60%
South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF)			
Proportionate Share of Net Liability as a Percentage	1.614178%	0.411800%	0.036550%
Proportionate Share of Net Liability as an Amount	49,414	1,128,261	927,208
Covered Employee Payroll During the Measurement Period	N/A	N/A	N/A
Proportionate Share of the Net Liability as a Percentage of its Covered Employee Payroll	N/A	N/A	N/A
System Plan Fiduciary Net Position as a Percentage of the Total System Pension Liability	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, 2019, only three years of data were available. Additional years' information will be included as it becomes available.

RICHLAND COUNTY SCHOOL DISTRICT TWO
SCHEDULE OF CONTRIBUTIONS TO SCRHTF AND SCLTDITF
YEAR ENDED JUNE 30, 2019

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND (SCRHTF)

	Statutorily Required Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Payroll
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)

	Statutorily Required Contributions	Contributions Recognized by the Plan	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Payroll
2019	\$ 125,931	\$ 125,931	\$ -	\$ 182,046,130	0.07%
2018	\$ 126,955	\$ 126,955	\$ -	\$ 183,535,853	0.07%
2017	\$ 117,150	\$ 117,150	\$ -	\$ 181,348,179	0.06%

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, 2018, only two years of data were available. Additional years' information will be included as it becomes available.

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.

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, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
1000 Revenues from Local Sources			
1200 Revenue from Local Governmental Units Other Than LEAs:			
1210 Ad Valorem Taxes - Including Delinquents	\$ 98,043,890	\$ 100,419,941	\$ 2,376,051
1240 Penalties and Interest on Taxes	700,000	877,426	177,426
1280 Revenue in Lieu of Taxes (Independent and Dependent)	3,150,000	2,954,292	(195,708)
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	56,149	37,222	(18,927)
1320 Tuition from other LEAs for Regular Day School	-	15,929	15,929
1350 Tuition from Patrons for Summer School	-	125,113	125,113
1360 Tuition from Other LEAs for Summer School	-	125,257	125,257
1500 Earnings on Investments:			
1510 Interest on Investments	400,000	1,221,696	821,696
1700 Pupil Activities:			
1740 Student Fees	83,405	89,463	6,058
1900 Other Revenue from Local Sources:			
1910 Rentals	450,000	548,710	98,710
1950 Refund of Prior Years Expenditures	-	21,791	21,791
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds	-	4,400	4,400
1994 Receipt of Legal Settlements	-	122,815	122,815
1999 Revenue from Other Local Sources	863,604	748,945	(114,659)
Total Local Sources	<u>103,747,048</u>	<u>107,313,000</u>	<u>3,565,952</u>
2000 Intergovernmental Revenue			
2200 Payments from Public Charter School	250,000	229,733	(20,267)
Total Intergovernmental Revenues	<u>250,000</u>	<u>229,733</u>	<u>(20,267)</u>
3000 Revenue from State Sources			
3130 Special Programs:			
3131 Handicapped Transportation - Bus Driver Aides	32,500	17,576	(14,924)
3132 Home Schooling	4,000		(4,000)
3160 School Bus Driver Salary	1,189,639	1,370,395	180,756
3161 EAA Bus Driver Salary and Fringe	5,000	4,677	(323)
3162 Transportation Workers' Compensation	69,000	69,524	524
3180 Fringe Benefits Employer Contributions	33,441,695	34,869,020	1,427,325
3181 Retiree Insurance	6,581,767	7,226,048	644,281
3199 Other Restricted State Revenue	-	655	655
3300 Education Finance Act			
3310 Full-Time Programs:			
3311 Kindergarten	3,536,603	3,500,931	(35,672)
3312 Primary	11,093,024	10,974,816	(118,208)
3313 Elementary	20,139,108	20,071,444	(67,664)
3314 High School	6,562,006	6,443,904	(118,102)
3315 Trainable Mentally Handicapped	257,155	283,014	25,859
3316 Speech Handicapped (Part-time Program)	3,305,045	3,133,296	(171,749)
3317 Homebound	29,468	22,750	(6,718)
3320 Part-Time Programs:			
3321 Emotionally Handicapped	528,315	528,597	282
3322 Educable Mentally Handicapped	254,172	221,436	(32,736)
3323 Learning Disabilities	6,057,025	6,510,112	453,087
3324 Hearing Handicapped	294,176	288,853	(5,323)
3325 Visually Handicapped	139,663	164,633	24,970
3326 Orthopedically Handicapped	77,553	62,996	(14,557)
3327 Vocational	11,801,173	11,848,339	47,166

(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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
3300 Other EFA Programs:			
3331 Autism	\$ 2,993,734	\$ 3,094,427	\$ 100,693
3332 High Achieving	1,297,495	1,278,671	(18,824)
3334 Limited English Proficiency	542,461	563,359	20,898
3351 Academic Assistance	2,853,008	2,827,345	(25,663)
3352 Pupils in Poverty	5,906,936	6,272,411	365,475
3353 Dual Credit Enrollment	58,241	64,352	6,111
3392 NBC Excess EFA Formula	-	139,514	139,514
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief	8,759,333	8,759,333	-
3820 Homestead Exemption	1,894,248	1,894,248	-
3825 Reimbursement for Property Tax Relief - Tier 3	39,739,313	39,745,242	5,929
3830 Merchant's Inventory Tax		378,141	378,141
3840 Manufacturer's Depreciation Reimbursement		891,928	891,928
3900 Other State Revenue:			
3993 PEBA on-Behalf	1,790,696	1,789,526	(1,170)
Total State Sources	<u>171,233,552</u>	<u>175,311,513</u>	<u>4,077,961</u>
4000 Revenue from Federal Sources			
4100 Federally Impacted Areas			
4110 Maintenance and Operations	250,000	249,501	(499)
Total Federal Sources	<u>250,000</u>	<u>249,501</u>	<u>(499)</u>
TOTAL REVENUES ALL SOURCES	<u>275,480,600</u>	<u>283,103,747</u>	<u>7,623,147</u>
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	6,358,826	5,955,570	403,256
140 Terminal Leave	30,380	17,812	12,568
200 Employee Benefits	2,673,569	2,601,150	72,419
300 Purchased Services	15,434	685	14,749
400 Supplies and Materials	29,084	26,556	2,528
112 Primary Programs:			
100 Salaries	25,765,724	25,669,635	96,089
140 Terminal Leave	111,356	37,408	73,948
200 Employee Benefits	10,209,310	10,126,320	82,990
300 Purchased Services	148,274	126,999	21,275
400 Supplies and Materials	1,350,463	1,296,408	54,055
500 Capital Outlay	116	-	116
113 Elementary Programs:			
100 Salaries	34,982,551	32,695,060	2,287,491
140 Terminal Leave	89,817	39,669	50,148
200 Employee Benefits	12,929,632	12,795,075	134,557
300 Purchased Services	190,087	144,684	45,403
400 Supplies and Materials	292,309	283,356	8,953
500 Capital Outlay	2,000	1,980	20
600 Other Objects	1,218	1,218	-
114 High School Programs:			
100 Salaries	25,674,622	24,775,134	899,488
140 Terminal Leave	111,144	18,252	92,892
200 Employee Benefits	9,557,958	9,429,550	128,408
300 Purchased Services	321,848	312,630	9,218
400 Supplies and Materials	457,826	455,099	2,727
500 Capital Outlay	2,610	2,610	-
600 Other Objects	1,395	1,395	-

(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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
115 Vocational Programs:			
100 Salaries	\$ 2,600,227	\$ 2,391,159	\$ 209,068
140 Terminal Leave	18,714	-	18,714
200 Employee Benefits	1,029,663	929,951	99,712
300 Purchased Services	34,227	30,565	3,662
400 Supplies and Materials	193,373	187,905	5,468
500 Capital Outlay	2,541	2,541	-
116 Career and Technology Education (Vocational Programs) - Middle School			
100 Salaries	190,392	189,565	827
200 Employee Benefits	70,803	70,604	199
118 Montessori Programs			
100 Salaries	959,476	847,542	111,934
140 Terminal Leave	7,613	-	7,613
200 Employee Benefits	392,042	371,031	21,011
400 Supplies and Materials	14,650	8,083	6,567
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	1,751,433	1,511,728	239,705
140 Terminal Leave	13,878	-	13,878
200 Employee Benefits	710,273	558,462	151,811
300 Purchased Services	17,250	4,761	12,489
400 Supplies and Materials	3,500	888	2,612
122 Trainable Mentally Handicapped:			
100 Salaries	952,621	945,397	7,224
140 Terminal Leave	7,700	-	7,700
200 Employee Benefits	504,218	429,664	74,554
300 Purchased Services	50,500	2,762	47,738
400 Supplies and Materials	12,981	12,915	66
123 Orthopedically Handicapped:			
100 Salaries	20,025	19,982	43
200 Employee Benefits	15,242	13,561	1,681
300 Purchased Services	3,750	-	3,750
400 Supplies and Materials	627	627	-
124 Visually Handicapped:			
100 Salaries	28,245	28,245	-
200 Employee Benefits	16,188	16,188	-
300 Purchased Services	2,208	2,208	-
400 Supplies and Materials	232	232	-
125 Hearing Handicapped:			
100 Salaries	311,347	271,476	39,871
200 Employee Benefits	129,899	102,646	27,253
300 Purchased Services	25,000	9,438	15,562
400 Supplies and Materials	570	570	-
126 Speech Handicapped:			
100 Salaries	2,192,538	2,138,823	53,715
140 Terminal Leave	12,142	-	12,142
200 Employee Benefits	967,154	896,072	71,082
300 Purchased Services	7,035	7,035	-
400 Supplies and Materials	745	745	-
127 Learning Disabilities:			
100 Salaries	6,346,389	6,103,352	243,037
140 Terminal Leave	10,812	10,812	-
200 Employee Benefits	2,518,207	2,381,134	137,073
300 Purchased Services	7,458	7,458	-
400 Supplies and Materials	2,429	2,374	55

(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, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
128 Emotionally Handicapped:			
100 Salaries	\$ 987,703	\$ 986,792	\$ 911
200 Employee Benefits	454,992	426,187	28,805
400 Supplies and Materials	5,500	1,414	4,086
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	296,651	296,522	129
200 Employee Benefits	137,028	114,228	22,800
130 Pre-School Programs:			
133 Preschool Handicapped Self-Contained (5-Yr.-Olds):			
100 Salaries	182,490	108,359	74,131
140 Terminal Leave	2,748	2,748	-
200 Employee Benefits	80,487	42,137	38,350
400 Supplies and Materials	1,000	50	950
136 Preschool Handicapped Itinerant(3- and 4-Yr.-Olds):			
100 Salaries	9,127	9,127	-
200 Employee Benefits	2,606	2,606	-
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	708,290	708,237	53
200 Employee Benefits	336,784	323,419	13,365
300 Purchased Services	3,511	3,511	-
400 Supplies and Materials	2,122	2,122	-
139 Early Childhood Programs:			
100 Salaries	590,856	237,972	352,884
140 Terminal Leave	8,939	-	8,939
200 Employee Benefits	222,302	87,514	134,788
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	854,665	728,290	126,375
200 Employee Benefits	356,817	293,931	62,886
300 Purchased Services	3,000	2,389	611
400 Supplies and Materials	9,094	8,500	594
600 Other Objects	300	-	300
143 Advanced Placement:			
100 Salaries	17,155	16,655	500
200 Employee Benefits	4,591	4,591	-
300 Purchased Services	249	249	-
400 Supplies and Materials	9,129	9,129	-
144 International Baccalaureate:			
100 Salaries	15,000	-	15,000
200 Employee Benefits	41,472	-	41,472
300 Purchased Services	17,525	-	17,525
145 Homebound:			
100 Salaries	237,506	234,988	2,518
200 Employee Benefits	104,861	77,006	27,855
300 Purchased Services	122,500	109,486	13,014
400 Supplies and Materials	2,000	1,356	644
148 Gifted and Talented - Artistic:			
100 Salaries	179,308	59,204	120,104
200 Employee Benefits	59,435	18,894	40,541
300 Purchased Services	130,604	129,030	1,574
400 Supplies and Materials	35,800	26,068	9,732
149 Other Special Programs:			
400 Supplies and Materials	144	144	-

(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, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	\$ 2,133,846	\$ 1,979,817	\$ 154,029
140 Terminal Leave	15,540	2,251	13,289
200 Employee Benefits	940,613	864,546	76,067
300 Purchased Services	2,000	67	1,933
400 Supplies and Materials	2,182	2,103	79
162 Limited English Proficiency			
100 Salaries	1,625,124	1,467,189	157,935
140 Terminal Leave	4,375	-	4,375
200 Employee Benefits	679,620	577,187	102,433
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	9,094	9,094	-
200 Employee Benefits	3,727	2,573	1,154
300 Purchased Services	20,000	-	20,000
173 High School Summer School:			
100 Salaries	30,785	5,545	25,240
200 Employee Benefits	3,037	1,860	1,177
175 Instructional Programs Beyond Regular School Days:			
100 Salaries	456,047	436,421	19,626
200 Employee Benefits	136,541	124,863	11,678
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	5,454	-	5,454
200 Employee Benefits	3,305	-	3,305
182 Adult Secondary Education Programs:			
100 Salaries	183,348	100,606	82,742
200 Employee Benefits	71,236	37,651	33,585
183 Adult English Literacy:			
100 Salaries	15,105	-	15,105
200 Employee Benefits	4,848	-	4,848
188 Parenting/Family Literacy:			
400 Supplies and Materials	8,400	2,830	5,570
190 Instructional Pupil Activity			
100 Salaries	122,959	122,959	-
200 Employee Benefits	26,678	26,678	-
600 Other Objects	3,716	3,716	-
Total Instruction	<u>166,205,741</u>	<u>158,163,567</u>	<u>8,042,174</u>
200 Supporting Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	1,774,318	1,745,641	28,677
140 Terminal Leave	2,110	472	1,638
200 Employee Benefits	765,215	711,695	53,520
300 Purchased Services	29,000	28,657	343
400 Supplies and Materials	2,500	2,270	230
600 Other Objects	100	100	-
212 Guidance Services:			
100 Salaries	4,966,265	4,807,090	159,175
140 Terminal Leave	24,419	680	23,739
200 Employee Benefits	1,900,811	1,838,913	61,898
300 Purchased Services	21,271	17,221	4,050
400 Supplies and Materials	33,423	32,299	1,124

(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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
213 Health Services:			
100 Salaries	\$ 1,545,228	\$ 1,433,845	\$ 111,383
140 Terminal Leave	14,613	-	14,613
200 Employee Benefits	770,452	699,847	70,605
300 Purchased Services	93,106	93,106	-
400 Supplies and Materials	32,537	29,516	3,021
214 Psychological Services:			
100 Salaries	2,333,631	2,051,929	281,702
140 Terminal Leave	11,931	-	11,931
200 Employee Benefits	819,451	758,805	60,646
300 Purchased Services	18,115	18,115	-
400 Supplies and Materials	2,525	2,525	-
215 Exceptional Program Services:			
100 Salaries	98,775	85,067	13,708
140 Terminal Leave	2,604	-	2,604
200 Employee Benefits	26,478	25,292	1,186
300 Purchased Services	24,259	24,259	-
217 Career Specialist Services:			
100 Salaries	550,343	65,860	484,483
140 Terminal Leave	3,010	-	3,010
200 Employee Benefits	108,605	18,536	90,069
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	2,373,807	2,370,202	3,605
140 Terminal Leave	7,509	7,509	-
200 Employee Benefits	861,652	826,532	35,120
300 Purchased Services	416,792	397,621	19,171
400 Supplies and Materials	82,204	71,118	11,086
600 Other Objects	64,330	64,330	-
222 Library and Media Services:			
100 Salaries	2,586,100	2,559,206	26,894
140 Terminal Leave	7,280	420	6,860
200 Employee Benefits	1,133,167	1,080,406	52,761
300 Purchased Services	67,198	66,025	1,173
400 Supplies and Materials	82,135	81,231	904
223 Supervision of Special Programs:			
100 Salaries	2,306,864	2,231,103	75,761
140 Terminal Leave	48,009	8,092	39,917
200 Employee Benefits	893,451	840,457	52,994
300 Purchased Services	358,050	345,046	13,004
400 Supplies and Materials	69,217	45,599	23,618
600 Other Objects	19,100	5,894	13,206
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	166,967	132,906	34,061
200 Employee Benefits	54,121	38,882	15,239
300 Purchased Services	739,143	738,457	686
400 Supplies and Materials	77,511	61,743	15,768
230 General Administration Services:			
231 Board of Education:			
100 Salaries	114,845	114,712	133
200 Employee Benefits	32,500	32,399	101
300 Purchased Services	108,742	97,331	11,411
318 Audit services	42,000	37,250	4,750
400 Supplies and Materials	19,600	17,112	2,488
600 Other Objects	60,138	59,860	278

(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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
232 Office of the Superintendent:			
100 Salaries	\$ 927,079	\$ 914,224	\$ 12,855
200 Employee Benefits	617,123	541,411	75,712
300 Purchased Services	444,544	428,263	16,281
400 Supplies and Materials	29,031	28,413	618
600 Other Objects	57,450	48,024	9,426
233 School Administration:			
100 Salaries	18,193,604	17,472,713	720,891
140 Terminal Leave	115,548	48,552	66,996
200 Employee Benefits	6,799,708	6,704,591	95,117
300 Purchased Services	846,398	843,902	2,496
400 Supplies and Materials	483,387	477,809	5,578
500 Capital Outlay	14,640	13,644	996
600 Other Objects	9,131	7,001	2,130
250 Finance and Operations Services:			
251 Pupil Transportation-Federally Mandated:			
100 Salaries	290,335	290,335	-
200 Employee Benefits	63,602	63,602	-
300 Purchased Services	361,465	328,385	33,080
252 Fiscal Services:			
100 Salaries	1,418,577	1,412,029	6,548
140 Terminal Leave	15,016	15,016	-
180 Head of Organizational Unit Salaries	167,232	167,232	-
200 Employee Benefits	599,647	545,764	53,883
280 Head of Organizational Unit Employee Benefits	52,232	52,232	-
300 Purchased Services	36,209	32,893	3,316
380 Head of Organizational Unit Travel	4,041	4,041	-
400 Supplies and Materials	25,100	24,437	663
480 Head of Organizational Unit Supplies	100	-	100
600 Other Objects	133,493	132,858	635
254 Operation and Maintenance of Plant:			
100 Salaries	3,381,417	3,378,042	3,375
140 Terminal Leave	20,869	20,869	-
200 Employee Benefits	1,383,672	1,337,973	45,699
300 Purchased Services	11,138,500	11,138,500	-
321 Public utilities (exclude gas, oil, elec. & heating fuels)	1,705,091	1,705,091	-
400 Supplies and Materials	1,171,314	1,171,314	-
470 Energy (include gas, oil, elec. & heating fuels)	7,251,657	6,794,756	456,901
500 Capital Outlay	925,000	914,775	10,225
600 Other Objects	88,311	86,801	1,510
255 Student Transportation:			
100 Salaries	6,074,223	6,072,787	1,436
140 Terminal Leave	6,809	6,809	-
200 Employee Benefits	2,301,640	2,299,443	2,197
300 Purchased Services	184,825	184,825	-
400 Supplies and Materials	37,000	35,869	1,131
500 Capital Outlay	2,500	2,407	93
256 Food Service:			
100 Salaries	20,724	9,636	11,088
200 Employee Benefits	828	737	91
258 Security:			
100 Salaries	2,038,226	1,947,967	90,259
140 Terminal Leave	4,063	4,063	-
200 Employee Benefits	690,033	679,940	10,093
300 Purchased Services	1,315,491	1,315,422	69
400 Supplies and Materials	64,000	39,705	24,295

(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, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
260 Central Support Services:			
262 Planning, Research, Development & Evaluation:			
100 Salaries	\$ 866,032	\$ 853,983	\$ 12,049
140 Terminal Leave	3,196	3,196	-
200 Employee Benefits	310,754	302,824	7,930
300 Purchased Services	282,425	281,225	1,200
400 Supplies and Materials	16,593	11,092	5,501
600 Other Objects	1,968	493	1,475
263 Information Services:			
100 Salaries	701,306	700,841	465
140 Terminal Leave	2,842	2,842	-
180 Head of Organizational Unit Salaries	129,720	129,709	11
200 Employee Benefits	312,480	272,732	39,748
280 Head of Organizational Unit Employee Benefits	41,206	41,206	-
300 Purchased Services	172,640	170,640	2,000
380 Head of Organizational Unit Travel	1,853	1,853	-
400 Supplies and Materials	73,525	51,878	21,647
500 Capital Outlay	7,200	6,693	507
600 Other Objects	1,200	748	452
264 Staff Services:			
100 Salaries	1,242,778	1,217,106	25,672
140 Terminal Leave	34,356	1,548	32,808
180 Head of Organizational Unit Salaries	129,224	129,224	-
200 Employee Benefits	498,332	447,569	50,763
280 Head of Organizational Unit Employee Benefits	58,949	41,063	17,886
300 Purchased Services	223,945	215,827	8,118
380 Head of Organizational Unit Travel	3,679	3,679	-
400 Supplies and Materials	83,296	61,952	21,344
600 Other Objects	2,500	2,500	-
266 Technology and Data Processing Services:			
100 Salaries	2,549,727	2,548,101	1,626
140 Terminal Leave	10,652	10,652	-
180 Head of Organizational Unit Salaries	141,833	141,833	-
200 Employee Benefits	1,062,080	1,014,919	47,161
280 Head of Organizational Unit Employee Benefits	48,708	48,708	-
300 Purchased Services	631,901	628,370	3,531
380 Head of Organizational Unit Travel	7,000	1,344	5,656
400 Supplies and Materials	1,168,685	3,889,692	(2,721,007)
600 Other Objects	1,200	-	1,200
270 Support Services - Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	1,602,091	981,804	620,287
200 Employee Benefits	292,584	292,218	366
300 Purchased Services	92,628	90,758	1,870
400 Supplies and Materials	69,200	64,900	4,300
600 Other Objects	32,966	31,118	1,848
Total Supporting Services	<u>113,191,666</u>	<u>111,265,125</u>	<u>1,926,541</u>
300 Community Service:			
360 Welfare Services:			
300 Purchased Services	648	648	-

(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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
390 Other Community Services			
100 Salaries	\$ 85,826	\$ 85,826	\$ -
200 Employee Benefits	29,300	29,002	298
300 Purchased Services	58,171	56,524	1,647
400 Supplies and Materials	61,790	61,790	-
500 Capital Outlays	11,842	11,842	-
600 Other Objects	46	46	-
Total Community Service	<u>247,623</u>	<u>245,678</u>	<u>1,945</u>
400 Other Charges:			
410 Intergovernmental Expenditures			
412-720 Payments to Other Governmental Units	109,855	109,855	-
416-720 Payments to Public Charter Schools	888,749	1,537,765	(649,016)
Total Intergovernmental Expenditures	<u>998,604</u>	<u>1,647,620</u>	<u>(649,016)</u>
TOTAL EXPENDITURES	<u>280,643,634</u>	<u>271,321,990</u>	<u>9,321,644</u>
OTHER FINANCING SOURCES			
5300 Sale of Capital Assets	-	5,190	5,190
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	8,235,791	8,281,317	45,526
5280 Transfer from Other Funds Indirect Costs	900,000	809,919	(90,081)
421-710 Transfer to Special Revenue Fund	(440,400)	(440,400)	-
423-710 Transfer to Debt Service Fund	(320,366)	(320,366)	-
425-710 Transfer to Food Service Fund	(369,776)	(369,776)	-
427-710 Transfer to Internal Service Fund	(2,842,215)	(2,842,215)	-
Total Other Financing Sources (Uses)	<u>5,163,034</u>	<u>5,123,669</u>	<u>(39,365)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	16,905,426	16,905,426
FUND BALANCE, Beginning of Year	<u>-</u>	<u>52,973,547</u>	<u>52,973,547</u>
FUND BALANCE, End of Year	<u>\$ -</u>	<u>\$ 69,878,973</u>	<u>\$ 69,878,973</u>

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

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.

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, 2019

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
REVENUES								
1000 Revenue from Local Sources								
1300 Tuition								
1350 Tuition from Patrons for Summer School	\$	\$	\$	\$	\$	\$	27,421	\$ 27,421
1700 Pupil Activities								
1710 Admissions							381,123	381,123
1790 Other							529,651	529,651
1900 Other Revenue from Local Sources:								
1920 Contributions and Donations from Private Sources							115,300	115,300
1930 Medicaid							522,069	522,069
1990 Miscellaneous Local Revenue								
1999 Revenue from Other Local Sources							228,231	228,231
Total Local Sources	-	-	-	-	-	-	1,803,795	1,803,795
3000 Revenue from State Sources								
3110 Occupational Education:								
3118 EEDA Career Specialists						1,264,624	-	1,264,624
3120 General Education:								
3127 Student Health and Fitness						236,609	-	236,609
3130 Special Programs:								
3136 Student Health and Fitness-Nurses						581,934	-	581,934
3150 Adult Education:								
3155 DSS SNAP & Employment and Training (E&T) Program						171	-	171
3156 Adult Education						41,408	-	41,408
3190 Miscellaneous Restricted State Grants:								
3193 Education License Plates						5,750	-	5,750
3199 Other Restricted State Grants							4,970	4,970
3600 Education Lottery Act Revenue:								
3670 School Safety - Facility and Infrastructure Safety Upgrades						18,375	-	18,375
3699 Other State Lottery Programs							10,000	10,000
3900 Other State Revenue:								
3994 PEBA Nonemployer Contributions						2,276,156	-	2,276,156
3999 Revenue from Other State Sources							1,030,770	1,030,770
Total State Sources	-	-	-	-	-	4,425,027	1,045,740	5,470,767
4000 Revenue from Federal Sources								
4200 Occupational Education:								
4210 Perkins Aid, Title I				275,964			-	275,964
4300 Elementary and Secondary Education Act of 1965 (ESEA):								
4310 Title I, Basic State Grant Programs	4,700,726						192,980	4,893,706
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III (Carryover Provision)							84,514	84,514
4343 McKinney-Vento							120,676	120,676
4351 Improving Teacher Quality							757,007	757,007
4400 Adult Education:								
4410 Basic Adult Education					172,157		-	172,157
4500 Programs for Children with Disabilities:								
4510 Individuals with Disabilities Education Act (IDEA) (Carry-Over Provision)		4,508,868					13,423	4,522,291
4520 Pre-School Grants (Carry-Over Provision)			193,016				-	193,016
4560-IDEA - SSIP							78,638	78,638

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, 2019

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
4900 Other Federal Sources:								
4924 21st Century Community Learning Center (Title IV, 21st Century Schools)	\$	\$	\$	\$	\$	\$	915,633	\$ 915,633
4997 Title IV SSAE							145,802	145,802
4999 Revenue from Other Federal Sources							6,298,594	6,298,594
Total Federal Sources	4,700,726	4,508,868	193,016	275,964	172,157	-	8,607,267	18,457,998
TOTAL REVENUES ALL SOURCES	4,700,726	4,508,868	193,016	275,964	172,157	4,425,027	11,456,802	25,732,560
EXPENDITURES								
100 Instruction								
110 General Instruction								
111 Kindergarten Programs:								
100 Salaries							5,938	5,938
200 Employee Benefits							1,656	1,656
300 Purchased Services							14,750	14,750
400 Supplies and Materials							18,970	18,970
112 Primary Programs:								
100 Salaries	495,846					86,879	64,646	647,371
200 Employee Benefits	247,679					31,770	17,292	296,741
300 Purchased Services	62,860						85,200	148,060
400 Supplies and Materials	174,082					5,750	845,319	1,025,151
500 Capital Outlay							26,547	26,547
113 Elementary Programs:								
100 Salaries	17,444					82,916	2,337	102,697
200 Employee Benefits	5,020					35,045	380	40,445
300 Purchased Services							82,103	82,103
400 Supplies and Materials	792						180,950	181,742
500 Capital Outlay							7,375	7,375
114 High School Programs:								
100 Salaries							303,093	303,093
200 Employee Benefits							72,461	72,461
300 Purchased Services							238,597	238,597
400 Supplies and Materials							132,024	132,024
500 Capital Outlay							19,751	19,751
115 Career & Technology Education Programs:								
100 Salaries				1,100			51,520	52,620
200 Employee Benefits				311			26,047	26,358
300 Purchased Services				125,407			40,492	165,899
400 Supplies and Materials				57,736			62,774	120,510
116 Career & Technology Education - Middle School Programs:								
400 Supplies and Materials							48,448	48,448
120 Exceptional Programs								
121 Educable Mentally Handicapped:								
100 Salaries		262,051					37,500	299,551
200 Employee Benefits		110,687					2,639	113,326
300 Purchased Services		45,326					15,522	60,848
400 Supplies and Materials							1,972	1,972

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, 2019

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
122 Trainable Mentally Handicapped:								
100 Salaries	\$	\$ 169,537	\$	\$	\$	\$	\$ 9,000	\$ 178,537
200 Employee Benefits		52,049					689	52,738
300 Purchased Services							68,000	68,000
400 Supplies and Materials							4,970	4,970
124 Visually Handicapped:								
100 Salaries		480					-	480
200 Employee Benefits		136					-	136
125 Hearing Handicapped:								
100 Salaries		67,253					1,500	68,753
200 Employee Benefits		28,068					114	28,182
300 Purchased Services		35,674					-	35,674
400 Supplies and Materials		19,089					-	19,089
126 Speech Handicapped:								
100 Salaries		86,382					-	86,382
200 Employee Benefits		36,594					-	36,594
400 Supplies and Materials		15					-	15
127 Learning Disabilities:								
100 Salaries		340,472					161,250	501,722
200 Employee Benefits		132,196					12,221	144,417
400 Supplies and Materials		170					4,156	4,326
128 Emotionally Handicapped:								
100 Salaries		132,831					25,500	158,331
200 Employee Benefits		50,071					1,951	52,022
129 Coordinated Early Intervening Services (CEIS)								
100 Salaries		57,432					-	57,432
200 Employee Benefits		29,301					-	29,301
130 Pre-School Programs								
133 Preschool Handicapped Self-Contained (5 Yr. Olds)								
100 Salaries		19,128	73,349				2,999	95,476
200 Employee Benefits		5,479	25,185				230	30,894
137 Pre-School Handicapped Self-Contained (3 & 4 Yr. Olds):								
100 Salaries		5,234	37,536				13,500	56,270
200 Employee Benefits		1,479	14,579				1,033	17,091
400 Supplies and Materials		2,893	23,666				-	26,559
139 Early Childhood Programs								
100 Salaries	1,593,426						-	1,593,426
200 Employee Benefits	704,732						-	704,732
300 Purchased Services	3,165						-	3,165
400 Supplies and Materials	80,003						-	80,003
140 Special Programs								
149 Other Special Programs								
100 Salaries		26,291					-	26,291
200 Employee Benefits		7,430					-	7,430
400 Supplies and Materials		5,000					-	5,000

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, 2019

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
160 Other Exceptional Programs								
161 Autism:								
100 Salaries	\$	\$ 121,297	\$ 8,295	\$	\$	\$	\$ 37,500	\$ 167,092
200 Employee Benefits		49,690	3,609				2,754	56,053
400 Supplies and Materials							5,139	5,139
170 Summer School Programs								
171 Primary Summer School								
100 Salaries	57,420						46,958	104,378
200 Employee Benefits	16,539						13,875	30,414
172 Elementary Summer School								
100 Salaries	480						107,091	107,571
200 Employee Benefits	529						30,678	31,207
300 Purchased Services	1,750						-	1,750
400 Supplies and Materials							7,325	7,325
173 High School Summer School								
100 Salaries							1,570	1,570
200 Employee Benefits							439	439
300 Purchased Services	60						500	560
400 Supplies and Materials							2,601	2,601
175 Instructional Programs Beyond Regular School Days								
100 Salaries							455,930	455,930
200 Employee Benefits							127,020	127,020
300 Purchased Services							298,169	298,169
400 Supplies and Materials							100,808	100,808
180 Adult/Continuing Education Programs								
182 Adult Secondary Education Programs:								
100 Salaries					127,474	7,820	7,797	143,091
200 Employee Benefits					25,807	4,588	2,204	32,599
300 Purchased Services							4,388	4,388
400 Supplies and Materials					1,044		371	1,415
183 Adult English Literacy (ESL):								
100 Salaries					13,935		-	13,935
200 Employee Benefits					3,177		-	3,177
300 Purchased Services							2,100	2,100
400 Supplies and Materials							436	436
188 Parenting/Family Literacy:								
100 Salaries	342,459						360	342,819
200 Employee Benefits	148,194						99	148,293
300 Purchased Services	12,907						48,500	61,407
400 Supplies and Materials	12,792						4,371	17,163
Total Instruction	3,978,179	1,899,735	186,219	184,554	171,437	254,768	4,022,399	10,697,291
200 Support Services								
210 Pupil Services								
211 Attendance and Social Work Services								
100 Salaries							1,152	1,152
200 Employee Benefits							339	339
300 Purchased Services	6,737						7,845	14,582
400 Supplies and Materials							39,476	39,476

(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, 2019

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
212 Guidance Services:								
100 Salaries	\$	\$	\$	\$ 2,876	\$	\$ 4,874	\$ 384,241	\$ 391,991
200 Employee Benefits				801			140,460	141,261
300 Purchased Services				4,777			9,855	14,632
400 Supplies and Materials				630			14,633	15,263
213 Health Services:								
100 Salaries						439,280	4,422	443,702
200 Employee Benefits						142,653	1,266	143,919
300 Purchased Services							98,289	98,289
400 Supplies and Materials							1,426	1,426
214 Psychological Services:								
100 Salaries		351,887					10,465	362,352
200 Employee Benefits		140,570					2,957	143,527
215 Exceptional Program Services:								
100 Salaries		609,897					-	609,897
200 Employee Benefits		215,430					-	215,430
217 Career Specialist Services:								
100 Salaries						847,680	57,667	905,347
200 Employee Benefits						412,070	30,304	442,374
400 Supplies and Materials							830	830
220 Instructional Staff Services								
221 Improvement of Instruction - Curriculum Development:								
100 Salaries	62,069						286,165	348,234
200 Employee Benefits	20,374						114,304	134,678
222 Library and Media:								
400 Supplies and Materials							19,291	19,291
223 Supervision of Special Programs:								
100 Salaries	134,760	219,426					646,854	1,001,040
200 Employee Benefits	54,211	83,144					232,611	369,966
300 Purchased Services	11,846	690		16,000		171	645,183	673,890
400 Supplies and Materials	4,004						230,704	234,708
600 Other Objects							25,073	25,073
224 Improvement of Instruction-In-service and Staff Training:								
100 Salaries							158,954	158,954
200 Employee Benefits							53,476	53,476
300 Purchased Services	134,418	5,475		53,389		16,000	1,226,543	1,435,825
400 Supplies and Materials	3,673	189		12,937		13,000	66,813	96,612
230 Support Services General Administration:								
233 School Administration								
300 Purchased Services							1,570	1,570
250 Finance and Operations Services								
251 Student Transportation (Federal/District Mandated):								
100 Salaries		495,000					-	495,000
200 Employee Benefits		280,000					-	280,000
300 Purchased Services	42,703						339,157	381,860
254 Operations and Maintenance of Plant:								
300 Purchased Services					720		-	720
400 Supplies and Materials							4,378	4,378

(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, 2019

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
255 Student Transportation (state mandated)								
300 Purchased Services	\$	\$	\$	\$	\$	\$	273,937	\$ 273,937
400 Supplies and Materials							140,791	140,791
500 Capital Outlay							115,743	115,743
258 Security:								
300 Purchased Services						18,375	61,380	79,755
260 Central Support Services								
262 Planning Services								
300 Purchased Services							4,000	4,000
264 Staff Services								
100 Salaries							16,040	16,040
200 Employee Benefits							6,932	6,932
300 Purchased Services							77,478	77,478
400 Supplies and Materials							12,524	12,524
266 Technology and Data Processing Services								
100 Salaries							7,505	7,505
200 Employee Benefits							2,852	2,852
300 Purchased Services							4,300	4,300
270 Support Services Pupil Activity								
271 Pupil Service Activities:								
100 Salaries							10,171	10,171
200 Employee Benefits							4,075	4,075
300 Purchased Services		21,235					495,535	516,770
400 Supplies and Materials							282,922	282,922
600 Other Objects	96,539						162,081	258,620
Total Support Services	571,334	2,422,943	-	91,410	720	1,894,103	6,534,969	11,515,479
300 Community Services								
350 Custody and Care of Children								
100 Salaries	1,020						-	1,020
200 Employee Benefits	294						-	294
360 Welfare Services								
300 Purchased Services							19,695	19,695
400 Supplies and Materials	22,852						13,108	35,960
370 Non-Public School Services:								
300 Purchased Services							20,390	20,390
390 Other Community Services								
300 Purchased Services							11,251	11,251
400 Supplies and Materials							1,104	1,104
Total Community Services	24,166	-	-	-	-	-	65,548	89,714

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, 2019

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (207)	Adult Education (243)	Other Restricted State Grants	Other Special Revenue Programs	Total
410 Intergovernmental Expenditures								
412 Payments to Other Governmental Units 720 Transits	\$	\$	\$	\$	\$	\$	955,193	\$ 955,193
414 Medicaid Payments to SCDE 720 Transits							150,570	150,570
416 Payments to Public Charter Schools 720 Transits		31,228					-	31,228
419 Payments from PEBA Nonemployer Contributions 720 Transits						2,276,156	-	2,276,156
Total Intergovernmental Expenditures	<u>-</u>	<u>31,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,276,156</u>	<u>1,105,763</u>	<u>3,413,147</u>
TOTAL EXPENDITURES	<u>4,573,679</u>	<u>4,353,906</u>	<u>186,219</u>	<u>275,964</u>	<u>172,157</u>	<u>4,425,027</u>	<u>11,728,679</u>	<u>25,715,631</u>
OTHER FINANCING SOURCES (USES)								
Interfund Transfer, From (To) Other funds								
5210 Transfer from General Fund (Exclude Indirect Costs)							440,400	440,400
431-791 Special Revenue Fund Indirect Costs	(127,047)	(154,962)	(6,797)				(168,523)	(457,329)
Total Other Financing Sources (Uses)	<u>(127,047)</u>	<u>(154,962)</u>	<u>(6,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,877</u>	<u>(16,929)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, Beginning of Year	-	-	-	-		15,951	1,365	17,316
FUND BALANCES, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,951</u></u>	<u><u>\$ 1,365</u></u>	<u><u>\$ 17,316</u></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, 2019

*** Other Restricted State Grants**

919 Education License Plates
 928 EEDA Career Specialist
 936 Student Health and Fitness - Nurses
 937 Student Health and Fitness - PE Teachers
 955 DSS SNAP & E&T Program
 956 School Safety - Facility & Infrastructure
 970 Safety Upgrades

*** Other Special Revenue Programs**

209 State Systemic Improvement Plan
 210 Title IV
 212 Extended School Year Handicapped Service
 224 21st Century Grant
 232 McKinney Vento Education for Homeless
 237 Title I Focus
 238 Title I Support
 240 Title I Direct Student Services
 264 Language Inst.for Ltd English Proficient, Title III
 267 Title II - Supporting Effective Instruction
 269 Clemson/Agricultural
 272 Donations
 273 Department of Defense Grant # 3
 275 Department of Defense Grant # 6
 276 Capturing Kids Hearts
 277 Gear Up (2015 Award)
 278 Magnet School Assistance (2017 Award)
 279 Gear Up 2018 (Central Carolina)
 281 Gear Up Research Program
 282 Junior League of Columbia
 285 Race to the Top
 286 Department of Defense Grant #4
 288 Transportation
 292 ROTC
 293 Workforce Innovation
 294 Department of Defense Grant #5
 296 National Institute of Health
 801 Cornell Lab of Ornithology
 802 Rebates
 804 Lowe's Charitable & Education
 805 United Way Summer Reading
 808 Ecybermission Mini Grant
 810 Richland County Conservation
 811 Columbia Chapter of Links, Inc.
 813 SONOCO
 815 Annie's Grants For Gardens
 816 ING Unsung Hero Grant
 819 Whole Kids Foundation
 820 American Forest Foundation

822 Athletic Coach Fund
 823 Southern Regional Education Board
 824 Wellness-Palmetto Health
 825 Sisters of Charity Foundation
 826 DHEC Recycling Mini Grant
 827 Sparkleberry Fair
 828 US Dept of Labor - CAT Grant
 831 International Paper Foundation
 832 Rural Recruitment Initiative
 834 PTO Grants
 835 GraceLife Church Grant
 836 Verizon Wireless Donation
 837 Society for Science
 838 James Patterson Scholastic Reading
 842 State Farm Southern Zone YAB
 843 Profoundly Mentally Handicapped
 847 Target Grant
 849 Special Olympics
 851 United Way - Parenting Teen Partnership
 852 Dannon Danimals Fuel Up to Play
 855 SC Arts Commission Grants
 860 RSD2 Foundation Drug Free
 861 Sodexo Grant
 862 Summer School
 864 Gen YOUth Foundation
 865 Technical Assistance Network
 867 Innovative Autism Services
 868 Walmart Foundation Grant
 869 Athletics Spring Valley High School
 871 Teaching Tolerance Educator Grant
 872 Dollar General Literacy Grant
 873 EOC Military Connected Children
 875 Blue Cross Blue Shield of SC
 879 Athletics Richland Northeast High School
 884 Athletics Ridge View High School
 892 Athletics Blythewood High School
 894 Athletics Westwood High School
 969 Misc - Adult Education

RICHLAND SCHOOL DISTRICT TWO
SPECIAL REVENUE FUNDS
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR THE YEAR ENDED JUNE 30, 2019

<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
919	3193	Education License Plates	5,750	5,750
928	3118	EEDA Career Specialists	1,264,624	1,264,624
936	3136	Student Health and Fitness - Nurses	581,934	581,934
937	3127	Student Health and Fitness - PE Teachers	236,609	236,609
955	3155	DSS SNAP & E&T Program	171	171
956	3156	Adult Education	41,408	41,408
970	3670	Safety Upgrades	18,375	18,375
994	3994	PEBA Nonemployer Contributions	2,276,156	2,276,156
		Totals	\$ <u>4,425,027</u>	\$ <u>4,425,027</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, 2019

REVENUES

3000 Revenue from State Sources	
3500 Education Improvement Act:	
3502 ADEPT	\$ 32,772
3507 Aid to Districts - Technology	3,552
3509 Arts in Education	44,275
3511 Professional Development	255,280
3518 Formative Assessment	120,151
3519 Grade 10 Assessment	108,492
3526 Refurbishment of K-8 Science Kits	76,603
3528 Industry Certifications	23,822
3529 Career & Technology Education	419,727
3532 National Board Certification Salary Supplement	3,531,064
3533 Teacher of the Year Awards	10,765
3535 Reading Coaches	1,060,420
3538 Students at Risk of School Failure	2,206,958
3540 Early Childhood Program (4K Programs Serving 4 yr. olds)	798,409
3550 Teacher Salary Increase	6,882,163
3555 School Employer Contributions	1,411,807
3556 Adult Education	419,443
3557 Summer Reading Program	265,855
3558 Reading	72,783
3571 State Priority Schools	43,157
3577 Teacher Supplies	558,250
3594 EEDA Supplemental Programs	253,991
3595 EEDA Supplies and Materials	65,234
3597 Aid to Districts	448,363
3599 Other EIA	116,072
Total State Sources	19,229,408
TOTAL REVENUES ALL SOURCES	19,229,408

EXPENDITURES**100 Instruction:**

110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	100,312
200 Employee Benefits	28,094
400 Supplies and Materials	25,658
112 Primary Programs:	
100 Salaries	1,077,589
200 Employee Benefits	398,059
300 Purchased Services	232,923
400 Supplies and Materials	319,208
113 Elementary Programs:	
100 Salaries	895,706
200 Employee Benefits	283,818
300 Purchased Services	35,951
400 Supplies and Materials	212,269
600 Other Objects	1,400

(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, 2019

114 High School Programs:		
100 Salaries	\$	1,083,934
200 Employee Benefits		354,185
300 Purchased Services		8,695
400 Supplies and Materials		238,095
115 Career and Technology Education Programs:		
100 Salaries		47,660
200 Employee Benefits		13,376
300 Purchased Services		14,859
400 Supplies and Materials		394,273
500 Capital Outlay		36,064
600 Other Objects		1,000
116 Career and Technology Education Programs - Middle School		
100 Salaries		7,500
200 Employee Benefits		2,114
400 Supplies and Materials		1,100
118 Montessori Programs		
100 Salaries		7,500
200 Employee Benefits		2,094
400 Supplies and Materials		3,300
120 Exceptional Programs:		
121 Educable Mentally Handicapped		
100 Salaries		12,500
200 Employee Benefits		3,491
300 Purchased Services		32,700
400 Supplies and Materials		10,423
122 Trainable Mentally Handicapped		
100 Salaries		37,500
200 Employee Benefits		10,569
400 Supplies and Materials		23,010
123 Orthopedically Handicapped		
400 Supplies and Materials		4,728
124 Visually Handicapped		
300 Purchased Services		702
400 Supplies and Materials		123
125 Hearing Handicapped		
300 Purchased Services		25,812
400 Supplies and Materials		8,791
126 Speech Handicapped:		
100 Salaries		7,500
200 Employee Benefits		2,108
300 Purchased Services		1,525
400 Supplies and Materials		21,433
127 Learning Disabilities:		
100 Salaries		100,000
200 Employee Benefits		28,073
300 Purchased Services		8,998
400 Supplies and Materials		81,487

(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, 2019

128 Emotionally Handicapped:		
300 Purchased Services	\$	1,160
400 Supplies and Materials		14,885
129 Coordinated Early Intervening Services (CEIS)		
100 Salaries		15,000
200 Employee Benefits		4,207
400 Supplies and Materials		275
130 Pre-School Programs:		
133 Pre-School Handicapped Self-Contained (5 Yr. olds):		
400 Supplies and Materials		1,206
137 Preschool Handicapped Self-Contained (3 and 4 Year Old)		
400 Supplies and Materials		2,545
139 Early Childhood Programs:		
100 Salaries		508,967
200 Employee Benefits		229,303
400 Supplies and Materials		8,250
140 Special Programs:		
141 Gifted and Talented Academic:		
100 Salaries		30,000
200 Employee Benefits		8,358
400 Supplies and Materials		3,025
160 Other Exceptional Programs		
161 Autism		
100 Salaries		17,500
200 Employee Benefits		4,892
400 Supplies and Materials		6,829
162 Limited English Proficiency		
100 Salaries		85,507
200 Employee Benefits		38,160
300 Purchased Services		2,094
400 Supplies and Materials		9,518
170 Summer School Program:		
171 Primary Summer School:		
100 Salaries		146,206
200 Employee Benefits		42,878
400 Supplies and Materials		53,032
172 Elementary Summer School:		
100 Salaries		6,369
200 Employee Benefits		1,472
300 Purchased Services		16,064
173 High School Summer School:		
100 Salaries		41,498
200 Employee Benefits		11,869
300 Purchased Services		6,171
400 Supplies and Materials		1,000

(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, 2019

175 Instructional Programs Beyond Regular School Day:		
100 Salaries	\$	13,143
200 Employee Benefits		3,700
400 Supplies and Materials		530
180 Adult/Continuing Educational Programs:		
182 Adult Secondary Education Programs:		
100 Salaries		82,991
200 Employee Benefits		42,479
300 Purchased Services		6,338
400 Supplies and Materials		83,695
183 Adult English Literacy (ESL):		
100 Salaries		21,437
200 Employee Benefits		6,010
400 Supplies and Materials		7,646
188 Parenting		
100 Salaries		143,279
200 Employee Benefits		62,337
Total Instruction		8,040,034

200 Supporting Services:		
210 Pupil Services:		
211 Attendance and Social Work Services		
100 Salaries		103,010
200 Employee Benefits		41,160
300 Purchased Services		19,131
400 Supplies and Materials		11,050
212 Guidance Services		
100 Salaries		143,011
200 Employee Benefits		40,182
300 Purchased Services		65,522
400 Supplies and Materials		23,887
213 Health Services		
100 Salaries		2,277
200 Employee Benefits		667
300 Purchased Services		13,209
214 Psychological Services		
300 Purchased Services		3,040
400 Supplies and Materials		16,484
215 Exceptional Program Services		
400 Supplies and Materials		14,089
217 Career Specialist Service		
400 Supplies and Materials		7,150
220 Instructional Staff Services		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries		830,891
200 Employee Benefits		343,651
300 Purchased Services		1,300
400 Supplies and Materials		2,239

(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, 2019

222 Library and Media Services:	
100 Salaries	\$ 69,223
200 Employee Benefits	19,425
400 Supplies and Materials	9,625
223 Supervision of Special Programs:	
100 Salaries	260,590
200 Employee Benefits	86,869
300 Purchased Services	43,419
400 Supplies and Materials	5,024
600 Other Objects	1,666
224 Improvement of Instruction - In-service and Staff Training:	
100 Salaries	5,044
200 Employee Benefits	1,123
300 Purchased Services	330,726
400 Supplies and Materials	27,897
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated)	
300 Purchased Services	13,217
255 Student Transportation (State Mandated)	
100 Salaries	16,213
200 Employee Benefits	4,582
260 Support Service - Central:	
262 Planning Services	
300 Purchased Services	120,151
266 Technology & Data Processing Services	
100 Salaries	3,118
200 Employee Benefits	1,072
300 Purchased Services	64,095
400 Supplies and Materials	92,042
500 Capital Outlays	8,510
270 Support Services - Pupil Activity:	
271 Pupil Service Activity	
300 Purchased Services	4,323
400 Supplies and Materials	12,283
660 Pupil Activity	13,217
Total Support Services	2,895,404
400 Other Charges:	
410 Intergovernmental Expenditures	
416-720 Payments to Public Charter Schools	12,653
Total Community Services	12,653
TOTAL EXPENDITURES	10,948,091

(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, 2019

OTHER FINANCING SOURCES (USES)

420 Interfund Transfers, From (To) Other Funds:

420-710 Transfer to General Fund (Exclude Indirect Costs)

\$ (8,281,317)

TOTAL OTHER FINANCING SOURCES (USES)
(8,281,317)
**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING
SOURCES OVER EXPENDITURES AND OTHER FINANCING USES**

-

FUND BALANCES, Beginning of Year

-

FUND BALANCES, End of Year
\$ -

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, 2019**

PROGRAM	REVENUES	EXPENDITURES	TRANSFERS IN/(OUT)	UNEARNED REVENUE
3500 Education Improvement Act:				
3502 ADEPT	\$ 32,772	\$ 32,772	\$	9,946
3507 Aid to Districts - Technology	3,552	3,552		392,189
3509 Arts in Education	44,275	44,275		22,659
3511 Professional Development	255,280	255,280		
3518 Formative Assessment	120,151	120,151		122,250
3519 Grade 10 Assessment	108,492	108,492		79,297
3526 Refurbishment of K-8 Science Kits	76,603	76,603		16,413
3528 Industry Certifications	23,822	23,822		74,117
3529 Career & Technology Education	419,727	419,727		586,946
3532 National Board Certification Salary Supplement	3,531,064	3,531,064		
3533 Teacher of the Year Awards	10,765	10,765		
3535 Reading Coaches	1,060,420	1,060,420		
3538 Students at Risk of School Failure	2,206,958	2,206,958		2,591,776
3540 Early Childhood Program (4K Programs Serving 4 yr. olds)	798,409	798,409		792,889
3550 Teacher Salary Increase	6,882,163	7,050	(6,875,113)	
3555 School Employer Contributions	1,411,807	5,603	(1,406,204)	
3556 Adult Education	419,443	419,443		352,972
3557 Summer Reading Program	265,855	265,855		148,121
3558 Reading	72,783	72,783		
3571 State Priority Schools	43,157	43,157		400,593
3577 Teacher Supplies	558,250	558,250		
3594 EEDA Supplemental Programs	253,991	253,991		
3595 EEDA Supplies and Materials	65,234	65,234		2,613
3597 Aid to Districts	448,363	448,363		880,071
3599 Other EIA	116,072	116,072		98,146
Totals	\$ 19,229,408	\$ 10,948,091	\$ (8,281,317)	\$ 6,570,998

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
ENTERPRISE FUND - FOOD SERVICE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019

REVENUES:

1000 Revenues from Local Sources:		
1500 Earnings on Investments:		
1510 Interest on Investments	\$	2,298
1600 Food Services:		
1610 Lunch Sales to Pupils		2,275,355
1620 Breakfast Sales to Pupils		31,002
1630 Special Sales to Pupils		88,862
1640 Lunch Sales to Adults		84,512
1650 Breakfast Sales to Adults		4,517
1660 Special Sales to Adults		17,478
1900 Other Revenue from Local Sources:		
1990 Miscellaneous Local Revenue:		
1999 Revenue from Other Local Sources		13,841
Total Local Sources		<u>2,517,865</u>
4000 Revenue from Federal Sources:		
4800 USDA Reimbursements:		
4810 School Lunch Program		6,279,286
4830 School Breakfast Program		2,105,612
4860 Fresh Fruits and Vegetables (FFVP)		58,608
4870 School Food Service Equipment		15,831
4880 Summer Feeding Program (SFSP)		219,831
4900 Other Federal Sources:		
4991 USDA Commodities		782,135
4999 Other Federal Revenue		197,375
Total Federal Sources		<u>9,658,678</u>
Total Revenue - All Sources		<u>12,176,543</u>

EXPENSES:

250 Finance and Operation Services:		
256 Food Services:		
100 Salaries		925,626
200 Employee Benefits		498,469
300 Purchased Services		163,646
393 Direct Purchased Services		8,793,646
400 Supplies and Materials		879,156
500 Capital Outlay		53,322
600 Other Objects		7,764
Total Expenses		<u>11,321,629</u>

OTHER FINANCING SOURCES(USES):

Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund		369,776
432-791 Transfer Food Service Fund Indirect Costs		(352,590)
Total Other Financing (Uses)		<u>17,186</u>
Change in Net Position		872,100
Fund Balance - Beginning of Year, as previously reported		(1,291,538)
Conversion from Enterprise Fund to Governmental Fund		<u>3,829,644</u>
Fund Balance - Beginning of the Year, Restated		2,538,106
Fund Balance - End of Year	\$	<u>3,410,206</u>

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

SCHEDULE C

DEBT SERVICE FUND

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

RICHLAND SCHOOL DISTRICT TWO
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

REVENUES

1000 Revenue from Local Sources		
1200 Revenue from Local Governmental Units Other than LEA's:		
1210 Ad Valorem Taxes - Including Delinquent	\$	57,909,764
1240 Penalties & Interest		1,790,882
1280 Revenue in Lieu of Taxes		964,111
1500 Earnings on Investments:		
1510 Interest on Investments		854,908
Total Local Sources		<u>61,519,665</u>
TOTAL REVENUES ALL SOURCES		<u>61,519,665</u>

EXPENDITURES

500 Debt Service:		
610 Redemption of Principal		45,847,000
620 Interest		14,026,580
690 Other Objects		7,433
TOTAL EXPENDITURES		<u>59,881,013</u>
Excess of Revenues Over Expenditures		1,638,652

OTHER FINANCING SOURCES (USES)

5210 Transfer from General Fund		320,366
Total Transfers and Other Financing Sources (Uses)		<u>320,366</u>

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

		<u>1,959,018</u>
FUND BALANCE, Beginning of Year		<u>26,645,639</u>
FUND BALANCE, End of Year	\$	<u><u>28,604,657</u></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," is used to record the proceeds from the sale of long-term general obligation bonds and other revenues used for facilities acquisitions and construction. The fund balance is reserved for the completion of specific projects.

RICHLAND SCHOOL DISTRICT TWO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

REVENUES

1000 Revenue from Local Sources		
1500 Earnings on Investments:		
1510 Interest on Investments	\$	389,857
1900 Other Revenue from Local Services		
1993 Receipt of Insurance Proceeds		5,643
1994 Receipt of Legal Settlements		270,000
Total Local Sources		<u>665,500</u>
TOTAL REVENUES ALL SOURCES		<u>665,500</u>

EXPENDITURES

200 Support Services		
250 Finance and Operations:		
251 Student Transportation		
500 Capital Outlay		992,292
253 Facilities Acquisition and Construction:		
300 Purchased Services		151,386
500 Capital Outlay		
520 Construction Services		96,512
530 Improvements Other Than Buildings		2,426,410
540 Expendable Equipment		1,160,208
541 Equipment		143,950
550 Vehicles		12,233
590 Other		16,613
254 Operations and Maintenance of Plant		
500 Capital Outlay		39,039
258 Security		
500 Capital Outlay		159,297
260 Central Support Services		
266 Data Processing Services		
300 Purchased Services		1,462,520
400 Supplies and Materials		773,987
500 Capital Outlay		19,678
Total Support Services		<u>7,454,125</u>
500 Debt Services		
690 Other Objects		121,120
Total Debt Services		<u>121,120</u>
TOTAL EXPENDITURES		<u>7,575,245</u>

OTHER FINANCING SOURCES (USES)

5100 Sale of Bonds:		
5110 Premium on Bonds Sale		151,580
5120 Issuance of General Obligation Bonds		26,000,000
5300 Sale of Capital Assets		58,701
TOTAL OTHER FINANCING SOURCES (USES)		<u>26,210,281</u>

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

19,300,536

FUND BALANCE, Beginning of Year 26,410,580

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

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.

**RICHLAND SCHOOL DISTRICT TWO
STATEMENT OF CHANGES IN NET POSITION AND LIABILITIES
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

ASSETS	
Cash and Cash Equivalent	\$ 1,679,750
Prepaid Expenses	426,646
Receivable from Other Funds	<u>1,298,987</u>
TOTAL ASSETS	<u>3,405,383</u>
LIABILITIES AND NET POSITION	
Claims Payable	<u>3,194,384</u>
TOTAL LIABILITIES	<u>3,194,384</u>
NET POSITION - UNRESTRICTED	<u>210,999</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u>3,405,383</u>

The accompanying notes are an integral part of these basic financial statements.

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, 2019

REVENUES

1000 Receipts from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 840
1900 Other Revenue From Local Sources	
1950 Refund of Prior Year Expenditures	26,430
1993 Receipt of Insurance Proceeds	118,054
Total Local Sources	<u>145,324</u>
TOTAL REVENUES ALL SOURCES	<u>145,324</u>

EXPENSES

111 Kindergarten Programs	
200 Employee Benefits	108,287
112 Primary Programs	
200 Employee Benefits	323,823
113 Elementary Programs	
200 Employee Benefits	183,524
114 High School Programs	
200 Employee Benefits	542,000
115 Career and Technology Education Programs	
200 Employee Benefits	614
121 Educable Mentally Handicapped	
200 Employee Benefits	44,719
122 Trainable Mentally Handicapped	
200 Employee Benefits	21,572
126 Speech Handicapped	
200 Employee Benefits	1,323
127 Learning Disabilities	
200 Employee Benefits	340,001
128 Emotionally Handicapped	
200 Employee Benefits	14,237
133 Preschool Handicapped Self-Contained (5 Year Old)	
200 Employee Benefits	471
137 Preschool Handicapped Self-Contained (3&4 Year Olds)	
200 Employee Benefits	3,410
139 Early Childhood Programs	
200 Employee Benefits	2,849
161 Autism	
200 Employee Benefits	23,527
162 Limited English Proficiency	
200 Employee Benefits	598
181 Adult Basic	
200 Employee Benefits	709
188 Parenting/Family Literacy	
200 Employee Benefits	263
212 Guidance	
200 Employee Benefits	23,954
213 Health Services	
200 Employee Benefits	1,102
214 Psychological Services	
200 Employee Benefits	23,330
217 Career Specialist Services	
200 Employee Benefits	18,851
222 Library and Media	
200 Employee Benefits	198
233 School Administration	
200 Employee Benefits	36,453
400 Supplies and Materials	11,812
251 Student Transportation (Federal/District Mandated)	
200 Employee Benefits	115,367
252 Fiscal Services	
200 Employee Benefits	26,919
254 Operations and Maintenance of Plant	
200 Employee Benefits	844,788
600 Other Objects	194,914

(Continued)

**RICHLAND SCHOOL DISTRICT TWO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

255 Student Transportation	
200 Employee Benefits	\$ 13,214
400 Supplies and Materials	404
256 Food Service	
200 Employee Benefits	5,731
258 Security	
200 Employee Benefits	16,166
264 Staff Services	
200 Employee Benefits	203
266 Technology and Data Processing Services	
200 Employee Benefits	411
350 Custody and Care of Children Services	
200 Employee Benefits	412
TOTAL EXPENSES	<u>2,946,156</u>
EXCESS RECEIPTS OVER DISBURSEMENTS	(2,800,832)
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund	2,842,215
Total Other Financing Sources (Uses)	<u>2,842,215</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	41,383
Net Position, Beginning of Year	<u>169,616</u>
Net Position, End of Year	<u>\$ 210,999</u>

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

SCHEDULE F

FIDUCIARY FUND TYPE

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

RICHLAND SCHOOL DISTRICT TWO
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND - PUPIL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 6,152,029	\$ 8,831,741	\$ 9,264,526	\$ 5,719,244
Accounts Receivable	6,278	17,392		23,670
TOTAL ASSETS	<u>6,158,307</u>	<u>8,849,133</u>	<u>9,264,526</u>	<u>5,742,914</u>
LIABILITIES				
Accounts Payable	2,412,500		790,751	1,621,749
Due to Pupil Activities	<u>3,745,807</u>	<u>375,358</u>		<u>4,121,165</u>
TOTAL LIABILITIES	<u>\$ 6,158,307</u>	<u>\$ 375,358</u>	<u>\$ 790,751</u>	<u>\$ 5,742,914</u>

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

RICHLAND SCHOOL DISTRICT TWO
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITIES
AGENCY FUND - PUPIL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

RECEIPTS

1000 Receipts from Local Sources		
1700 Pupil Activities		
1710 Admissions	\$	22,229
1720 Bookstore Sales		4,878
1730 Pupil Organization Membership Dues and Fees		9,644
1740 Student Fees		669,048
1790 Other		7,451,732
1900 Other Revenue from Local Sources		
1999 Revenue from Other Local Sources		691,602
Total Local Sources		<u>8,849,133</u>
TOTAL RECEIPTS ALL SOURCES		<u>8,849,133</u>

DISBURSEMENTS

190 Instructional Pupil Activity		
100 Salaries		614,706
200 Employee Benefits		199,976
660 Pupil Activity		532,979
270 Support Services Pupil Activity		
271 Pupil Services Activities		
100 Salaries		1,059,766
200 Employee Benefits		311,643
660 Pupil Activity		5,754,705
TOTAL DISBURSEMENTS		<u>8,473,775</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS		375,358
DUE TO PUPIL ACTIVITIES, Beginning of Year		<u>3,745,807</u>
DUE TO PUPIL ACTIVITIES, End of Year	\$	<u>4,121,165</u>

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

SCHEDULE G

COMPONENT UNIT

CHARTER SCHOOL

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

**RICHLAND SCHOOL DISTRICT TWO
COMPONENT UNIT - RICHLAND TWO CHARTER HIGH SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS

Due from District	\$ 1,189,755
TOTAL ASSETS	1,189,755

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows related to Net Pension Liability	220,039
Deferred Outflows related to Net OPEB Liability	100,270
TOTAL DEFERRED OUTFLOWS OF RESOURCES	320,309
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,510,064

LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Accounts Payable	3,509
Net Pension Liability	856,286
Net OPEB Liability	650,713
TOTAL LIABILITIES	1,510,508

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows related to Net Pension Liability	6,172
Deferred Inflows related to Net OPEB Liability	53,219
TOTAL DEFERRED INFLOWS OF RESOURCES	59,391

NET POSITION - UNRESTRICTED

TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ (59,835)
	\$ 1,510,064

The accompanying notes are an integral part of these basic financial statements.

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

RICHLAND SCHOOL DISTRICT TWO
COMPONENT UNIT - RICHLAND TWO CHARTER HIGH SCHOOL
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

REVENUES

1000 Revenue from Local Sources	
1990 Miscellaneous Local Revenue	
1999 Revenue from Other Sources	\$ 40
Total Local Sources	<u>40</u>
2000 Intergovernmental Units	
2100 Payments from Other Governmental Units	1,235,282
Total Intergovernmental Units	<u>1,235,282</u>
TOTAL REVENUES ALL SOURCES	<u>1,235,322</u>

EXPENDITURES**100 INSTRUCTION**

115 Career and Technology Education Programs	
100 Salaries	123,740
200 Employee Benefits	49,951
300 Purchased Services	1,484
127 Learning Disabilities:	
100 Salaries	2,329
200 Employee Benefits	3,954
175 Instructional Programs Beyond Regular School Days	
100 Salaries	1,915
200 Employee Benefits	532
Total Instruction	<u>183,905</u>

200 SUPPORT SERVICES

212 Guidance Services	
100 Salaries	70,084
200 Employee Benefits	28,365
223 Supervision of Special Programs	
300 Purchased Services	1,925
400 Supplies and Materials	2,275
231 Board of Education	
400 Supplies and Materials	1,533
233 School Administration	
100 Salaries	246,596
200 Employee Benefits	176,496
300 Purchased Services	7,853
400 Supplies and Materials	924
500 Capital Outlay	659
600 Other Objects	1,039
254 Operations and Maintenance of Plant	
300 Purchased Services	68,916
258 Security	
100 Salaries	26,904
200 Employee Benefits	14,443
Total Support Services	<u>648,012</u>
410 Intergovernmental Expenditures	
412-720 Payments to Other Governmental Units	229,733
TOTAL EXPENDITURES	<u>1,061,650</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

	173,672
Net Position, Beginning of Year	(233,507)
Net Position, End of Year	\$ <u>(59,835)</u>

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

SCHEDULE H
OTHER SUPPLEMENTAL SCHEDULE

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

RICHLAND SCHOOL DISTRICT TWO
 DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 FOR THE YEAR ENDED JUNE 30, 2019

PROGRAM	PROJECT/ GRANT NUMBER	REVENUE & SUBFUND CODES	DESCRIPTION	AMOUNT DUE TO STATE DEPARTMENT OF EDUCATION OR FEDERAL GOVERNMENT	STATUS OF AMOUNT DUE TO GRANTORS
Use of State Buses	N/A	100/1999	Payment due for bus usage	\$ 12,557	Check Issued
21st Century Learning Grant	84.287	224	Over payment	\$ 5,458	Check Issued
Industry Certificates	N/A	328/3528	Unspent Funds	\$ 24,903	In Process
National Board Certification Salary Supplement	N/A	332/3532	Over payment	63,102	In Process
				<u>\$ 106,020</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, 2019**

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
000 / 001 / 025 / 052 / 060 / 061 / 099	Districtwide	Non-School	Central	103,790,466
023	Support Service Center (District Operations)	Non-School	Central	17,208,609
024 / 026	Alternative Program - Blythewood Academy	Alternative School	School	2,889,767
031	Transportation	Non-School	Central	13,495,564
040	Richland Two Child Development	Other School	School	859,669
043	W R Rogers Adult Education Program	Other School	School	1,389,729
045	Center for Inquiry	Elementary School	School	1,832,717
048	Center for Knowledge - North	Elementary School	School	1,530,249
050	Center for Knowledge	Elementary School	School	1,928,294
055	Center for Achievement	Elementary School	School	1,611,797
060	R2i2 - Richland Two Institute for Innovation	Other High School	School	1,824,728
069	Spring Valley High	High School	School	17,229,322
070	Bethel-Hanberry Elementary	Elementary School	School	5,888,283
072	Dent Middle	Middle School	School	10,474,437
073	Conder Elementary	Elementary School	School	6,357,189
074	Forest Lake Elementary	Elementary School	School	6,061,016
075	Joseph Keels Elementary	Elementary School	School	5,938,241
076	Lonnie B Nelson Elementary	Elementary School	School	5,549,763
077	Windsor Elementary	Elementary School	School	6,232,715
078	EL Wright Middle	Middle School	School	9,097,214
079	Richland Northeast High	High School	School	14,971,585
080	North Springs Elementary	Elementary School	School	6,899,096
081	Pontiac Elementary	Elementary School	School	6,354,050
082	Summit Parkway Middle	Middle School	School	8,033,046
083	Rice Creek Elementary	Elementary School	School	6,762,974
084	Ridgeview High	High School	School	13,622,461
085	Blythewood Middle	Middle School	School	6,641,957
086	Killian Elementary	Elementary School	School	6,832,896
087	Bookman Road Elementary	Elementary School	School	4,933,742
089	Lake Carolina Lower Elementary	Elementary School	School	5,061,846
090	Round Top Elementary	Elementary School	School	5,606,069
091	Kelly Mill Middle	Middle School	School	8,146,126
092	Blythewood High	High School	School	15,900,012
093	Sandlapper Elementary	Elementary School	School	6,170,537
094	Polo Road Elementary	Elementary School	School	6,798,808
095	Longleaf Middle	Middle School	School	6,922,383
096	Bridege Creek Elementary	Elementary School	School	5,847,582
097	Langford Road Elementary	Elementary School	School	5,112,525
098	Muller Road Middle	Middle School	School	6,562,570
100	Westwood High	High School	School	13,147,555
101	Catawba Trail Elementary	Elementary School	School	5,480,087
102	Lake Carolina Upper Elementary	Elementary School	School	4,947,959
103	Jackson Creek Elementary	Elementary School	School	6,237,895
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				\$ 398,183,530

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

General Fund	\$ 271,321,990
Special Revenue Fund	25,715,631
Special Revenue - EIA Fund	10,948,091
Special Revenue - Food Service Fund	11,321,629
Debt Service Fund	59,881,013
Capital Projects Fund	7,575,245
Internal Service Fund	2,946,156
Pupil Activity Fund	8,473,775
	\$ 398,183,530

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

STATISTICAL SECTION

(UNAUDITED)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

RICHLAND SCHOOL DISTRICT TWO

NET POSITION BY COMPONENT

JUNE 2010 THROUGH 2019

(ACCRUAL BASIS)

	2010	2011	2012	2013	2014	2015*	2016	2017	2018	2019 ^
Governmental Activities										
Net Investment in Capital Assets	\$ 85,100,593	\$ 64,763,449	\$ 83,927,677	\$ 109,733,690	\$ 113,769,149	\$ 116,956,102	\$ 137,108,277	\$ 158,447,739	\$ 180,950,749	\$ 209,007,266
Restricted	62,874,145	77,413,217	52,449,754	12,180,380	14,499,495	17,118,957	22,845,297	21,330,566	23,136,508	28,770,909
Unrestricted	19,293,652	23,910,614	26,362,608	32,682,030	35,864,156	(250,572,529)	(259,241,952)	(263,469,464)	(576,671,789)	(579,605,154)
Total Governmental Activities Net Position	167,268,390	166,087,280	162,740,039	154,596,100	164,132,800	(116,497,470)	(99,288,378)	(83,691,159)	(372,584,532)	(341,826,979)
Business-Type Activities										
Net Investment in Capital Assets	1,821,507	2,714,164	2,797,051	2,528,910	2,234,238	1,905,492	1,715,155	1,862,896	1,517,687	-
Unrestricted	2,511,364	2,842,873	2,914,064	2,755,534	3,335,786	427,840	(50,770)	(334,257)	(2,809,225)	-
Total Business-Type Activities Net Position	4,332,871	5,557,037	5,711,115	5,284,444	5,570,024	2,333,332	1,664,385	1,528,639	(1,291,538)	-
Primary Government										
Net Investment in Capital Assets	86,922,100	67,477,613	86,724,728	112,262,600	116,003,387	118,861,594	138,823,432	160,310,635	182,468,436	209,007,266
Restricted	62,874,145	77,413,217	52,449,754	12,180,380	14,499,495	17,118,957	22,845,297	21,330,566	23,136,508	28,770,909
Unrestricted	21,805,016	26,753,487	29,276,672	35,437,564	39,199,942	(250,144,689)	(259,292,722)	(263,803,721)	(579,481,014)	(579,605,154)
Total Primary Government	\$ 171,601,261	\$ 171,644,317	\$ 168,451,154	\$ 159,880,544	\$ 169,702,824	\$ (114,164,138)	\$ (97,623,993)	\$ (82,162,520)	\$ (373,876,070)	\$ (341,826,979)

* 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, 2010 THROUGH 2019
(ACCRUAL BASIS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019^
Expenses										
Governmental Activities:										
Instruction	\$ 150,801,164	\$ 145,856,218	\$ 155,352,131	\$ 166,236,699	\$ 171,250,774	\$ 179,943,863	\$ 182,882,044	\$ 178,527,719	\$ 200,253,684	\$ 207,429,969
Support Services	98,710,389	101,600,103	107,127,665	114,581,107	116,519,318	122,728,455	126,081,749	150,532,971	147,675,895	154,341,997
Community Services	1,743,046	1,656,079	1,429,158	1,534,120	1,189,962	1,168,386	156,500	190,015	297,796	323,550
Intergovernmental			21,154,095	1,200,154	1,391,393	1,683,142				
Interest and Other Charges	15,533,783	25,826,729	105,400	28,822,086	14,944,692	24,422,848	9,934,821	9,148,324	13,360,729	8,302,252
Pupil Activities	80,200	190,400	105,127							
Depreciation - Unallocated										
Total Governmental Activities Expenses	266,868,582	275,129,529	285,273,576	312,374,166	305,296,139	329,946,694	319,055,114	338,399,029	361,588,104	370,397,768
Business-Type Activities:										
Food Services	9,072,930	10,073,526	10,707,175	11,392,466	10,911,686	12,196,339	12,257,836	12,181,857	11,900,159	-
Total Business-Type Activities Expenses	9,072,930	10,073,526	10,707,175	11,392,466	10,911,686	12,196,339	12,257,836	12,181,857	11,900,159	-
Total Primary Government Expenses	275,941,512	285,203,055	295,980,751	323,766,632	316,207,825	342,143,033	331,312,950	350,580,886	373,488,263	370,397,768
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	416,024	1,173,357	854,105	294,035	334,656	276,459	447,146	221,503	364,633	392,984
Support Services	684,816	414,042	633,902	160,689	162,922	144,774	157,823	212,346	470,353	3,064,277
Operating Grants and Contributions	114,860,648	110,113,364	112,961,004	121,897,536	127,304,694	137,514,617	139,135,888	149,846,237	160,595,221	176,473,741
Capital Grants and Contributions	-	477,640								
Total Governmental Activities Program Revenues	115,961,488	112,178,403	114,449,011	122,352,260	127,802,272	137,935,850	139,740,857	150,280,086	161,430,207	179,931,002
Business-Type Activities										
Charges for Services										
Food Services	3,270,710	3,437,746	3,273,672	3,408,127	3,107,800	3,093,080	3,147,985	2,752,009	2,621,519	-
Operating Grants and Contributions	5,883,408	6,607,778	7,140,736	7,398,346	7,788,741	7,878,779	8,313,365	8,632,309	9,131,491	-
Total Business-Type Activities Program Revenues	9,154,118	10,045,524	10,414,408	10,806,473	10,896,541	10,971,859	11,461,350	11,384,318	11,753,010	-
Total Primary Government Program Revenues	125,115,606	122,223,927	124,863,419	133,158,733	138,698,813	148,907,709	151,202,207	161,664,404	173,183,217	179,931,002
Net (Expense) Revenue										
Governmental Activities	(150,907,094)	(162,951,126)	(170,824,565)	(190,021,906)	(177,493,867)	(192,010,844)	(179,314,257)	(188,118,943)	(200,157,897)	(190,466,766)
Business-Type Activities	81,188	(28,002)	(292,767)	(585,993)	(15,145)	(1,224,480)	(796,486)	(797,539)	(147,149)	-
Total Primary Government Net (Expense)/Revenue	\$ (150,825,906)	\$ (162,979,128)	\$ (171,117,332)	\$ (190,607,899)	\$ (177,509,012)	\$ (193,235,324)	\$ (180,110,743)	\$ (188,916,482)	\$ (200,305,046)	\$ (190,466,766)

^ 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, 2010 THROUGH 2019
(ACCRUAL BASIS)

	2010	2010	2012	2013	2014	2015	2016	2017	2018	2019^
Net (Expense) Revenue:										
Governmental Activities	\$ (150,907,094)	\$ (162,951,126)	\$ (170,824,565)	\$ (190,021,906)	\$ (177,493,867)	\$ (192,010,844)	\$ (179,314,257)	\$ (188,118,943)	\$ (188,118,943)	\$ (190,466,766)
Business-Type Activities	81,188	(28,002)	(292,767)	(585,993)	(15,145)	(1,224,480)	(796,486)	(797,539)	(797,539)	-
Total Primary Government Net (Expense) Revenue	(150,825,906)	(162,979,128)	(171,117,332)	(190,607,899)	(177,509,012)	(193,235,324)	(180,110,743)	(188,916,482)	(188,916,482)	(190,466,766)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	69,808,614	70,625,051	73,749,462	80,052,909	83,784,521	85,522,956	88,498,475	93,776,751	95,996,569	104,159,771
Property Taxes Levied for Debt Services	46,508,954	44,457,617	42,274,586	45,620,780	50,979,099	55,045,358	56,820,028	58,515,896	59,435,654	60,630,757
Unrestricted Grants and Contributions	42,205,859	46,990,976	49,724,092	51,422,890	50,670,589	51,399,853	48,764,658	49,061,032	51,581,912	53,707,919
Investment Earnings	917,688	598,909	394,001	2,650,981	600,886	841,808	1,073,829	757,078	1,729,617	2,614,083
Miscellaneous	164,443	269,406	123,298	2,200,928	2,225,996	2,467,129	1,217,658	1,963,685	1,082,236	1,403,327
Insurance Proceeds			14,750							
Transfers	(51,533)	(1,171,943)	(403,001)	(70,521)	147,187	216,336	148,701	(358,280)	44,590	
Total Governmental Activities	159,554,025	161,770,016	165,877,188	181,877,967	188,408,278	195,493,440	196,523,349	203,716,162	209,870,578	222,515,857
Business-Type Activities										
Unrestricted Grants and Contributions		8,557								
Investment Earnings	12,432	16,386	12,854	25,371	27,871	49,740	43,047	845	1,373	
Miscellaneous	20,057	55,282	14,025	60,572	420,041	329,784	233,193	302,668	140,124	
Gain on Sale of Capital Assets			16,965	2,858						
Transfers	51,533	1,171,943	403,001	70,521	(147,187)	(216,336)	(148,701)	358,280	(44,590)	
Total Business-Type Activities	84,022	1,252,168	446,845	159,322	300,725	163,188	127,539	661,793	96,907	-
Total Primary Government	159,638,047	163,022,184	166,324,033	182,037,289	188,709,003	195,656,628	196,650,888	204,377,955	209,967,485	222,515,857
Change in Net Position										
Governmental Activities	8,646,921	(1,181,110)	(4,947,377)	(8,143,939)	10,914,411	3,482,596	17,209,092	15,597,219	21,751,635	32,049,091
Business-Type Activities	165,210	1,224,166	154,078	(426,671)	285,580	(1,061,292)	(668,947)	(135,746)	(700,632)	-
Change in Net Position - Primary Government	\$ 8,812,131	\$ 43,056	\$ (4,793,299)	\$ (8,570,610)	\$ 11,199,991	\$ 2,421,304	\$ 16,540,145	\$ 15,461,473	\$ 21,051,003	\$ 32,049,091

^ 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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Unreserved	\$ 22,694,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund	22,694,466	-	-	-	-	-	-	-	-	-
General Fund*										
Nonspendable	N/A			110,666	60,093	51,494	40,652	50,196	-	-
Restricted	N/A									
Committed	N/A	13,791,031	13,933,189							
Assigned	N/A	577,994	547,814							
Unassigned	N/A	12,639,592	15,682,165	33,673,599	38,308,823	39,616,139	40,226,954	46,152,355	52,973,547	69,878,973
Total General Fund*	-	27,008,617	30,163,168	33,784,265	38,368,916	39,667,633	40,267,606	46,202,551	52,973,547	69,878,973
All Other Governmental Funds										
Reserved for Debt Service	17,834,367									
Reserved for Capital Projects	45,039,778									
Total All Other Governmental Funds	62,874,145	-	-	-	-	-	-	-	-	-
All Other Governmental Funds*										
Restricted	N/A	77,413,217	97,923,741	134,501,224	117,090,962	106,725,208	72,286,334	51,168,835	53,073,535	77,743,295
Committed	N/A									
Assigned	N/A									
Unassigned	N/A									
Total All Other Governmental Funds*	\$ -	\$ 77,413,217	\$ 97,923,741	\$ 134,501,224	\$ 117,090,962	\$ 106,725,208	\$ 72,286,334	\$ 51,168,835	\$ 53,073,535	\$ 77,743,295

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

Table 5

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sources										
Local Sources:										
Local Property Tax	\$ 116,317,568	\$ 115,082,668	\$ 113,073,887	\$ 120,964,929	\$ 134,745,959	\$ 140,503,482	\$ 144,931,769	\$ 152,222,454	\$ 155,455,615	\$ 164,916,416
Interest Income	900,729	598,909	379,348	2,632,635	592,701	834,453	1,049,521	739,473	1,704,469	2,466,461
Other Revenues	4,626,448	7,182,282	6,874,820	8,367,295	4,324,464	4,568,823	3,729,041	4,058,968	3,051,338	6,436,948
Total Revenue from Local Sources	121,844,745	122,863,859	120,328,055	131,964,859	139,663,124	145,906,758	149,710,331	157,020,895	160,211,422	173,819,825
State Sources:										
State Education Finance Act	44,129,163	41,872,756	49,675,242	53,878,465	57,000,947	61,228,465	64,493,666	70,312,436	76,186,540	78,295,200
State Revenue in Lieu of Taxes	46,864,327	44,702,077	45,370,078	46,382,333	47,143,068	47,786,914	48,527,591	48,837,828	49,493,108	51,668,892
State Education Improvement Act	11,532,845	10,366,595	18,450,217	20,114,400	20,101,967	19,110,992	16,076,246	18,028,745	19,382,826	19,229,408
State Grants & Other State Revenue	29,766,023	33,783,860	29,451,875	36,823,577	34,645,799	36,350,570	38,685,065	40,631,865	47,183,734	50,818,188
Total Revenue from State Sources	132,292,358	130,725,288	142,947,412	157,198,775	158,891,781	164,476,941	167,782,568	177,810,874	192,246,208	200,011,688
Federal Sources:										
Federal Grants	20,985,755	21,114,771	16,969,492	13,260,225	17,468,028	22,562,606	17,982,496	19,089,346	18,615,660	28,366,177
Total Federal Sources	20,985,755	21,114,771	16,969,492	13,260,225	17,468,028	22,562,606	17,982,496	19,089,346	18,615,660	28,366,177
Intergovernmental Revenue										
Intergovernmental Revenue	427,150	457,594	454,838	612,294	92,980	194,007	238,276	352,513	181,149	229,733
Total Intergovernmental Revenues	427,150	457,594	454,838	612,294	92,980	194,007	238,276	352,513	181,149	229,733
Total Revenues from All Sources	\$ 275,550,008	\$ 275,161,512	\$ 280,699,797	\$ 303,036,153	\$ 316,115,913	\$ 333,140,312	\$ 335,713,671	\$ 354,273,628	\$ 371,254,439	\$ 402,427,423

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenditures										
Current:										
Instruction	\$ 141,643,004	\$ 151,761,285	\$ 141,282,551	\$ 150,941,022	\$ 156,617,482	\$ 162,098,330	\$ 162,705,321	\$ 167,746,259	\$ 173,500,467	\$ 176,804,024
Support Services	88,123,072	76,788,344	96,530,360	104,499,931	106,497,349	112,622,549	115,753,657	144,017,660	127,617,115	138,270,437
Community Services	1,684,666	1,640,010	1,387,105	1,534,120	1,189,961	1,168,386	156,500	190,015	297,796	323,550
Capital Additions	64,224,397	126,076,957	104,761,220	28,802,838	21,254,322	18,154,121	44,273,913	9,484,256	6,935,244	6,290,035
Debt Service:										
Principal Retirement	24,480,000	29,605,000	27,754,243	56,500,000	29,305,000	97,210,000	37,665,000	40,246,000	43,972,984	45,847,000
Interest and Fiscal Charges	15,683,546	28,110,298	23,079,215	26,128,127	22,775,177	30,874,055	17,409,696	16,740,331	15,200,286	14,155,133
Intergovernmental	425,297	1,011,140	829,891	1,200,154	1,391,393	1,683,142	1,739,055	1,855,598	3,754,927	5,073,420
Total Expenditures	\$ 340,560,596	\$ 376,643,867	\$ 333,309,753	\$ 369,606,192	\$ 339,030,684	\$ 423,810,583	\$ 379,703,142	\$ 380,280,119	\$ 371,278,819	\$ 386,763,599
Debt Service as a Percentage of Non-Capital Expenditures	14.53%	23.03%	22.24%	24.25%	16.39%	31.57%	16.42%	15.37%	16.24%	15.77%

RICHLAND SCHOOL DISTRICT TWO
OTHER FINANCING SOURCES AND USES AND
NET CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess of Revenues Over (Under) Expenditures	\$ (65,010,588)	\$ (101,482,355)	\$ (52,609,956)	\$ (66,570,039)	\$ (22,914,771)	\$ (90,670,271)	\$ (43,989,471)	\$ (26,006,491)	\$ (24,380)	\$ 15,663,824
Other Financing Sources (Uses)										
General Long-Term Debt Issued	27,795,000	111,885,000	70,000,000	106,836,546	11,396,124	10,000,000	10,000,000	12,100,000	50,880,000	26,000,000
Premium on Bonds Sold	336,488	17,203,709	6,665,916			12,864,732	1,491,294	579,826	6,846,795	151,580
Sale of Capital Assets			17,380	2,594	45,849	12,166	10,575	2,391	13,563	63,891
Proceeds from Long-Term Notes		149,212								
Proceeds of Refunding Debt		83,260,000								
Payments to Refunded Debt Escrow Agents		(89,300,000)							(46,822,585)	
Proceeds of Refunded Debt (Net)						60,010,000				
Transfers in	3,995,775	3,142,632	4,305,720	9,183,514	6,439,855	9,228,298	7,163,447	8,709,364	8,386,612	10,221,778
Transfers out	(5,627,508)	(6,004,975)	(6,314,121)	(9,254,035)	(7,792,668)	(10,511,962)	(8,514,746)	(10,567,644)	(10,604,309)	(13,063,993)
Total Other Financing Sources	26,499,755	120,335,578	74,674,895	106,768,619	10,089,160	81,603,234	10,150,570	10,823,937	8,700,076	23,373,256
Net Change in Fund Balances	\$ (38,510,833)	\$ 18,853,223	\$ 22,064,939	\$ 40,198,580	\$ (12,825,611)	\$ (9,067,037)	\$ (33,838,901)	\$ (15,182,554)	\$ 8,675,696	\$ 39,037,080

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	
2009	\$ 350,978,960	\$ 128,439,222	\$ 479,418,182	\$ 7,584,610,153	\$ 1,646,479,883	\$ 9,231,090,036	301.3
2010	\$ 394,760,080	\$ 126,619,972	\$ 521,380,052	\$ 8,567,754,735	\$ 1,609,850,471	\$ 10,177,605,206	342.3
2011	\$ 400,814,700	\$ 117,675,076	\$ 518,489,776	\$ 8,739,478,082	\$ 1,454,335,889	\$ 10,193,813,971	343.3
2012	\$ 406,302,990	\$ 118,186,867	\$ 524,489,857	\$ 8,882,531,052	\$ 1,480,507,521	\$ 10,363,038,573	349.4
2013	\$ 409,508,640	\$ 128,883,188	\$ 538,391,828	\$ 8,967,744,550	\$ 1,644,392,695	\$ 10,612,137,245	367.5
2014	\$ 414,201,660	\$ 135,129,099	\$ 549,330,759	\$ 9,069,862,050	\$ 1,736,060,994	\$ 10,805,923,044	385.5
2015	\$ 380,188,860	\$ 137,722,914	\$ 517,911,774	\$ 8,250,836,720	\$ 1,785,430,842	\$ 10,036,267,562	406.0
2016	\$ 389,892,460	\$ 143,192,835	\$ 533,085,295	\$ 8,466,308,860	\$ 1,867,523,548	\$ 10,333,832,408	412.0
2017	\$ 398,138,830	\$ 147,487,771	\$ 545,626,601	\$ 8,653,428,450	\$ 1,910,910,660	\$ 10,564,339,110	427.0
2018	\$ 411,907,320	\$ 144,756,816	\$ 556,664,136	\$ 8,947,211,680	\$ 1,874,515,236	\$ 10,821,726,916	429.2
2019	\$ 423,322,970	\$ 146,610,390	\$ 569,933,360	\$ 9,192,444,464	\$ 1,893,019,320	\$ 11,085,463,784	439.6

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 ^a				
	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
2010	250.3	92.0	342.3	342.3	78.7	13.2	4.0	2.00
2011	258.3	85.0	343.3	343.3	79.7	13.4	4.0	2.00
2012	269.4	80.0	349.4	349.4	81.6	13.7	4.0	2.00
2013	282.5	85.0	367.5	367.5	84.2	14.1	4.0	2.00
2014	291.5	94.0	385.5	385.5	86.5	14.4	4.0	2.10
2015	298.0	108.0	406.0	406.0	93.9	15.6	4.0	2.70
2016	304.0	108.0	412.0	412.0	95.6	15.8	4.0	2.40
2017	319.0	108.0	427.0	427.0	96.8	15.8	6.0	2.40
2018	321.2	108.0	429.2	429.2	97.1	16.1	6.0	2.40
2019	331.6	108.0	439.6	439.6	99.3	16.5	6.0	2.40

Source: County Auditor's Office

Note: ^a Includes levies for operating and debt service costs.

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

Taxpayer	Rank	2019		Rank	2010	
		Taxable Assessed Value	Percentage of Total Taxable Value		Taxable Assessed Value	Percentage of Total Taxable Value
South Carolina Electric & Gas	1	\$ 21,195,710	3.71%	1	\$ 12,768,390	2.44%
Blue Cross - Blue Shield**	2	8,974,940	1.57%	2	7,235,339	1.38%
JTEKT North America Corp**	3	7,537,650	1.32%			
The Kroger Co**	4	2,500,180	0.44%			
Fairfield Electric Co-op Inc	5	2,072,860	0.36%			
Bellsouth Telecommunications	6	1,975,900	0.35%	4	3,239,840	0.62%
Edward Rose Development Co. LLC	7	1,941,100	0.34%			
Time Warner Cable SE LLC	8	1,917,580	0.34%			
F N Manufacturing, Inc.	9	1,913,930	0.34%	8	2,266,520	0.43%
Palmetto Utilities, Inc.	10	1,436,890	0.25%			
Koyo Corporation of USA**				3	6,243,518	1.19%
Bose Corporation**				5	2,864,920	0.55%
Continental Diesel Systems US				6	4,462,753	0.85%
CBL/Columbia Place, LLC				7	2,316,820	0.44%
Century Realty, LLC				9	2,184,880	0.42%
Shakespeare Company LLC				10	1,579,890	0.30%
Total		\$ 51,466,740	9.02%		\$ 45,162,870	8.62%

Source: County Treasurer's Office

** Fee agreement reduced taxes owed

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 115,207,588	\$ 109,155,231	94.75%	\$ 4,784,932	\$ 113,940,163	98.90%
2011	\$ 117,100,628	\$ 110,202,275	94.11%	\$ 4,457,405	\$ 114,659,680	97.92%
2012	\$ 119,840,092	\$ 113,972,278	95.10%	\$ 3,155,554	\$ 117,127,832	97.74%
2013	\$ 126,061,667	\$ 119,395,021	94.71%	\$ 2,605,716	\$ 122,000,737	96.78%
2014	\$ 131,695,063	\$ 126,674,179	96.19%	\$ 2,442,261	\$ 129,116,440	98.04%
2015	\$ 133,882,532	\$ 128,756,319	96.17%	\$ 3,841,376	\$ 132,597,695	99.04%
2016	\$ 139,053,118	\$ 130,985,169	94.20%	\$ 1,692,911	\$ 132,678,080	95.42%
2017	\$ 146,075,919	\$ 140,150,070	95.94%	\$ 1,570,500	\$ 141,720,570	97.02%
2018	\$ 148,453,984	\$ 141,152,003	95.08%	\$ 2,362,607	\$ 143,514,610	96.67%
2019	\$ 154,805,872	\$ 146,904,884	94.90%	\$ -	\$ 146,904,884	94.90%

Source : County Treasurer

Table 12

RICHLAND SCHOOL DISTRICT TWO

RATIOS OF DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Ratios of Total Debt Outstanding						
Year	General Obligation Bonds	Unamortized Bond Premiums	Total Debt Primary Government	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2010	\$ 351,190,000	\$ 16,090,866	\$ 367,280,866	70%	N/A	\$ 955
2011	\$ 427,430,000	\$ 30,621,933	\$ 458,051,933	88%	3%	\$ 1,176
2012	\$ 471,630,000	\$ 34,413,572	\$ 506,043,572	96%	3%	\$ 1,286
2013	\$ 509,435,000	\$ 46,289,512	\$ 555,724,512	103%	3%	\$ 1,412
2014	\$ 489,560,000	\$ 40,695,255	\$ 530,255,255	97%	3%	\$ 1,325
2015	\$ 462,360,000	\$ 47,066,450	\$ 509,426,450	98%	3%	\$ 1,252
2016	\$ 434,695,000	\$ 40,935,532	\$ 475,630,532	89%	4%	\$ 1,153
2017	\$ 406,549,000	\$ 34,163,324	\$ 440,712,324	81%	4%	\$ 1,064
2018	\$ 370,646,000	\$ 31,207,636	\$ 401,853,636	71%	4%	\$ 929
2019	\$ 350,799,000	\$ 25,869,403	\$ 376,668,403	66%	5%	\$ 871

Ratios of General Bonded Debt Outstanding						
Year	Total Debt Primary Government	Less: Amounts Available in Debt Service Fund	Total General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2010	\$ 367,280,866	\$ 17,834,367	\$ 349,446,499	64%	4%	\$ 867
2011	\$ 458,051,933	\$ 17,748,647	\$ 440,303,286	79%	3%	\$ 1,051
2012	\$ 506,043,572	\$ 13,316,088	\$ 492,727,484	87%	3%	\$ 1,164
2013	\$ 555,724,512	\$ 15,816,637	\$ 539,907,875	92%	3%	\$ 1,241
2014	\$ 530,255,255	\$ 18,104,485	\$ 512,150,770	86%	3%	\$ 1,174
2015	\$ 509,426,450	\$ 20,753,211	\$ 488,673,239	85%	4%	\$ 1,085
2016	\$ 475,630,532	\$ 22,828,791	\$ 452,801,741	77%	4%	\$ 998
2017	\$ 440,712,324	\$ 24,921,560	\$ 415,790,764	70%	5%	\$ 922
2018	\$ 401,853,636	\$ 26,645,639	\$ 375,207,997	66%	5%	\$ 867
2019	\$ 382,006,636	\$ 28,604,657	\$ 353,401,979	62%	5%	\$ 817

Source: District Records

Notes:

See Table 8 for property value data

See Table 14 for Personal Income and Per Capita Income Data

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

RICHLAND SCHOOL DISTRICT TWO

LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Debt Limit	\$ 41,710,404	\$ 41,479,182	\$ 41,959,189	\$ 43,071,346	\$ 43,946,461	\$ 41,432,942	\$ 42,646,824	\$ 43,650,128	\$ 44,533,131	\$ 45,594,669
Total Net Debt Applicable to Limit	19,560,000	17,320,000	21,260,000	28,910,000	23,910,000	36,840,000	40,330,000	43,490,000	43,875,000	31,840,000
Legal Debt Margin	\$ 22,150,404	\$ 24,159,182	\$ 20,699,189	\$ 14,161,346	\$ 20,036,461	\$ 4,592,942	\$ 2,316,824	\$ 160,128	\$ 658,131	\$ 13,754,669
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	46.89%	41.76%	50.67%	67.12%	54.41%	88.91%	94.57%	99.63%	98.52%	69.83%

Legal Debt Margin Calculation:

Total Assessed Value	<u>\$ 569,933,360</u>
Debt Limit (8% of Total Assessed Value)	<u>45,594,669</u>
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	376,668,403
Less: General Bonds Outstanding Not Subject to Debt Limit	<u>(344,828,403)</u>
Total Net Debt Applicable to Debt Limit	<u>31,840,000</u>
Legal Debt Margin	<u>\$ 13,754,669</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, 2019

	Debt Outstanding	Assessed Value Related to Debt	Percentage Applicable to District	District Share of Debt
Overlapping Debt				
City of Columbia	\$ 88,057,538	\$ 554,552,650	8.73%	\$ 7,687,423
Richland County	87,160,000	1,647,496,230	34.59%	30,148,644
Recreation District	32,735,000	1,092,943,580	47.72%	15,621,142
Richland/Lexington Riverbank Park District	29,275,000	1,647,496,230	34.59%	10,126,223
East Richland County Public Sewer District	13,641,441	236,153,430	74.67%	10,186,064
Richland/Lexington Airport District	5,960,000	1,647,496,230	34.59%	2,061,564
Total Overlapping Debt	<u>256,828,979</u>			<u>75,831,060</u>
Direct				
Richland School District Two	<u>382,006,636</u>	569,933,360	100.00%	<u>382,006,636</u>
Total Direct Debt	<u>382,006,636</u>			<u>382,006,636</u>
Total Direct and Overlapping Debt	<u>\$ 638,835,615</u>			<u>\$ 457,837,696</u>

Source: Richland County Treasurer's Office & 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.

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

Calendar Year	Population (a)	County Per Capita Income (b)	County Personal Income (b)	Unemployment Rate (c)
2010	384,504	\$ 35,559	\$ 13,716,601	9.4%
2011	389,621	\$ 36,490	\$ 14,217,426	9.2%
2012	393,589	\$ 37,467	\$ 14,746,444	8.2%
2013	397,645	\$ 37,860	\$ 15,054,812	6.9%
2014	401,591	\$ 39,415	\$ 15,828,677	6.0%
2015	407,051	\$ 41,025	\$ 16,699,290	5.7%
2016	409,549	\$ 42,245	\$ 17,301,307	4.8%
2017	414,054	\$ 43,090	\$ 17,647,333	3.9%
2018	432,583	\$ 44,458	\$ 18,000,280	3.3%
2019	417,582	\$ 47,396	\$ 20,189,587	1.8%

(a) 2008 to 2016, US Bureau of Economic Analysis; 2018 estimated

(b) US Bureau of Economic Analysis, US Department of Commerce; 2018 estimated

(c) State Agency for Workforce Innovation, Office of Workforce Information Services,
Labor Market Statistics; September 2018 for 2018 data

RICHLAND SCHOOL DISTRICT TWO

PRINCIPAL EMPLOYERS

CURRENT YEAR AND 2009

Employer	2019			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Prisma Health Midlands ₁	14,000 - 15,000	1	7.7%	9,000 - 10,000	1	5.5%
Blue Cross-Blue Shield of SC	10,000 - 11,000	2	5.0%	6,000 - 7,000	2	4.1%
University of South Carolina	6,000 - 7,000	3	3.3%	4,000 - 5,000	3	2.8%
Richland School District One	4,000 - 5,000	4	2.2%			
Richland School District Two	4,000 - 5,000	5	1.9%			
City of Columbia	2,000 - 3,000	6	1.3%			
AT&T	2,000 - 3,000	7	1.1%	2,000 - 3,000	5	1.7%
Richland County	2,000 - 3,000	8	1.0%			
Dorn VA Medical Ctr	1,000 - 2,000	9	70.0%			
Verizon Wireless	1,000 - 2,000	10	50.0%			
Department of Defense				3,000 - 4,000	4	2.3%
South Carolina Electric and Gas				2,000 - 3,000	6	1.3%
Humana/Tricare				2,000 - 3,000	7	1.2%
Providence Hospitals				1,000 - 2,000	8	1.1%
DXC Technology ₂				1,000 - 2,000	9	0.6%
Columbia Life				1,000 - 2,000	10	0.6%
Total	46,000 - 56,000			31,000 - 41,000		

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.

₁ Formerly Palmetto Health

₂ Formerly CSC Corporation

Table 17

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Teaching Faculty	1,924	1,809	1,851	1,892	1,942	1,993	2,015	2,037	2,059	2,123
Other	516	505	506	506	520	593	572	556	565	522
Total Instruction	2,440	2,314	2,357	2,398	2,462	2,586	2,587	2,593	2,624	2,645
Support Services										
Principals	31	30	33	36	36	37	36	36	37	36
Assistant Principals	69	70	75	80	83	83	82	83	85	84
Other Administration & Support	802	850	872	910	920	922	984	993	995	997
Total Support Services	902	950	980	1,026	1,039	1,042	1,102	1,112	1,117	1,117
Total	3,342	3,264	3,337	3,424	3,501	3,628	3,689	3,705	3,741	3,762

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		
2009	23,901	\$ 216,955,256	\$ 9,077	5.20%	\$ 245,113,944	\$ 10,255	9.20%	1,703	43%
2010	24,245	\$ 224,323,404	\$ 9,252	1.93%	\$ 266,868,582	\$ 11,007	8.02%	1,704	43%
2011	24,965	\$ 222,477,459	\$ 8,912	-3.68%	\$ 275,129,529	\$ 11,021	0.12%	1,800	45%
2012	25,988	\$ 240,029,909	\$ 9,236	3.64%	\$ 285,273,576	\$ 10,977	-0.39%	1,851	48%
2013	26,533	\$ 256,975,073	\$ 9,685	4.86%	\$ 312,307,926	\$ 11,771	7.23%	1,892	47%
2014	26,877	\$ 264,304,792	\$ 9,834	1.54%	\$ 305,296,139	\$ 11,359	-3.50%	1,942	49%
2015	27,325	\$ 275,889,265	\$ 10,097	2.67%	\$ 329,946,694	\$ 12,075	6.30%	1,993	49%
2016	27,607	\$ 278,615,478	\$ 10,092	-0.04%	\$ 319,055,114	\$ 11,557	-4.29%	2,015	49%
2017	27,872	\$ 299,755,204	\$ 10,755	6.56%	\$ 338,399,029	\$ 12,141	5.05%	2,037	49%
2018	28,359	\$ 315,398,011	\$ 11,122	3.41%	\$ 370,397,768	\$ 13,061	7.58%	2,123	50%

Source: All information from School District records.

Note: Operating expenditures are total expenditures less debt service and capital outlays.

Table 19

RICHLAND SCHOOL DISTRICT TWO

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Anna Boyd School										
Square Feet	13,500	13,500	13,500	13,500	13,500	13,500	13,500	-	-	-
Capacity (Students)	200	200	200	200	200	200	200	-	-	-
Enrollment	35	38	24	38	40	40	40	-	-	-
Bethel-Hanberry Elementary School										
Square Feet	128,369	128,369	128,369	128,369	128,369	128,369	128,369	128,369	128,369	128,369
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	735	633	628	648	668	674	720	720	705	722
Bookman Road Elementary School										
Square Feet	75,000	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670
Capacity (Students)	660	740	740	740	740	740	740	740	740	740
Enrollment	562	571	565	565	517	509	494	477	461	424
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	82	85	71	92	95	95	95	95	95	95
Bridge Creek Elementary School										
Square Feet	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105
Capacity (Students)	705	705	705	705	705	705	705	705	705	705
Enrollment	491	602	591	597	612	607	593	583	554	593
Catawba Trail Elementary										
Square Feet	N/A	N/A	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771
Capacity (Students)	N/A	N/A	747	747	747	747	747	747	747	747
Enrollment	N/A	N/A	416	481	504	527	589	609	603	611
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	669	699	709	766	802	800	848	864	566	546
Forest Lake Elementary School										
Square Feet	76,246	76,245	76,245	76,245	76,245	76,245	76,245	76,245	76,245	76,245
Capacity (Students)	623	623	623	623	623	623	623	623	623	623
Enrollment	552	600	600	649	617	597	577	580	599	606
Jackson Creek Elementary School										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	125,000	125,000
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	747	747
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	645	704
Joseph Keels Elementary School										
Square Feet	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558	78,558
Capacity (Students)	688	688	688	688	688	688	688	688	688	688
Enrollment	598	648	637	692	691	670	699	674	551	518

Table 19

RICHLAND SCHOOL DISTRICT TWO

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Killian Elementary School										
Square Feet	75,000	81,429	81,429	81,429	81,429	81,429	81,429	81,429	81,429	81,429
Capacity (Students)	660	740	740	740	740	740	740	740	740	740
Enrollment	537	697	710	737	769	759	759	790	730	687
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	943	788	792	828	801	460	473	480	472	466
Lake Carolina Elementary School - Upper Campus										
Square Feet	N/A	N/A	N/A	N/A	N/A	128,656	128,656	128,656	128,656	128,656
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	491	478	494	480	512
Langford Elementary										
Square Feet	N/A	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771
Capacity (Students)	N/A	747	747	747	747	747	747	747	747	747
Enrollment	N/A	439	504	534	525	489	501	473	453	475
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)	664	608	608	608	608	608	608	608	608	608
Enrollment	538	523	573	590	563	580	588	592	587	617
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	720	749	717	719	745	761	758	734	763	710
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	722	771	587	619	616	646	677	691	686	686
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	883	940	705	689	696	735	700	691	722	693
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	808	782	771	777	729	733	753	723	742	758
Round Top Elementary School										
Square Feet	91,635	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	776	657	630	625	657	575	579	570	560	615

Table 19

RICHLAND SCHOOL DISTRICT TWO

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sandlapper Elementary School										
Square Feet	94,500	94,500	94,500	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	749	746	709	712	711	674	684	659	653	696
Windsor Elementary School										
Square Feet	95,563	95,563	95,563	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	647	648	636	660	688	744	764	745	608	574
Blythewood Middle School										
Square Feet	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	1,068	1,091	590	646	699	785	764	830	833	805
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	1,248	1,282	1,282	1,317	1,257	1,200	1,217	1,234	1,246	1,272
Kelly Mill Middle School										
Square Feet	150,646	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,546
Capacity (Students)	1,000	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Enrollment	1,003	1,339	921	925	917	922	921	912	880	897
CFA Enrollment	89	127	93	93	93	112	103	100	87	87
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	565	588	645	683	665	675	720	785	772	841
Muller Road Middle										
Square Feet	N/A	N/A	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532
Capacity (Students)	N/A	N/A	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	N/A	N/A	666	698	725	696	717	793	810	872
CFK North Enrollment	N/A	N/A	N/A	N/A	96	141	193	235	260	260
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	818	889	878	860	877	934	976	958	987	933
CFI Enrollment	217	240	263	261	260	252	275	250	250	250

Table 19

RICHLAND SCHOOL DISTRICT TWO

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
E. L. Wright Middle School										
Square Feet	195,472	195,472	211,982	211,982	211,982	211,982	211,982	211,982	211,982	211,982
Capacity (Students)	1,225	1,225	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489
Enrollment	1,025	996	1,035	1,079	1,088	1,081	1,066	1,078	1,092	1,114
CFK Enrollment	240	264	264	258	265	261	280	267	267	267
Blythewood High School										
Square Feet	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000	299,000
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	2,052	2,073	2,146	1,588	1,664	1,820	1,924	1,987	1,987	1,920
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	1,485	1,498	1,449	1,374	1,451	1,447	1,410	1,423	1,359	1,410
Ridge View High School										
Square Feet	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755	238,755
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	2,002	1,995	2,047	1,591	1,524	1,473	1,357	1,343	1,442	1,507
Spring Valley High School										
Square Feet	396,607	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	1,985	2,051	2,134	1,973	1,947	2,014	1,970	2,079	2,077	2,152
Westwood High School										
Square Feet	N/A	N/A	N/A	328,874	328,874	328,874	328,874	328,874	328,874	328,874
Capacity (Students)	N/A	N/A	N/A	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	N/A	N/A	N/A	1,169	1,303	1,346	1,345	1,354	1,472	1,464
Total										
Square Feet	3,720,067	3,931,766	4,235,579	4,568,193	4,568,193	4,696,849	4,696,849	4,683,349	4,808,349	4,808,349
Capacity (Students)	25,417	26,388	28,449	30,149	30,149	30,896	30,896	30,696	31,443	31,443
Enrollment	24,844	26,049	25,988	26,533	26,877	27,325	27,607	27,872	28,056	28,359
Component Unit - Charter High School:										
<i>Charter High School</i>										
<i>Square Feet</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>13,500</i>	<i>13,500</i>	<i>13,500</i>
<i>Capacity (Students)</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>200</i>	<i>200</i>	<i>200</i>
<i>Enrollment</i>	<i>N/A</i>	<i>51</i>	<i>68</i>	<i>69</i>	<i>78</i>	<i>98</i>	<i>102</i>	<i>108</i>	<i>114</i>	<i>114</i>

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>
2010	\$ 33,180	\$ 72,180	\$ 47,508
2011	\$ 33,813	\$ 73,264	\$ 47,050
2012	\$ 33,843	\$ 73,624	\$ 47,428
2013	\$ 35,210	\$ 76,598	\$ 48,375
2014	\$ 35,210	\$ 76,598	\$ 48,430
2015	\$ 35,210	\$ 76,598	\$ 48,561
2016	\$ 35,210	\$ 76,598	\$ 48,769
2017	\$ 36,094	\$ 78,129	\$ 49,950
2018	\$ 36,094	\$ 78,130	\$ 50,182
2019	\$ 36,455	\$ 78,911	\$ 50,882

Source: (1) District records

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

SINGLE AUDIT SECTION



Certified Public Accountants, P.A.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, and each major fund of Richland School District Two ("the School District"), as of and for the year ended June 30, 2019, 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 December 2, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Compliance and Other Matters

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

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.



Burkett Burkett & Burkett
Certified Public Accountants, P.A.
West Columbia, South Carolina
December 2, 2019



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

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

Report on Compliance for Each Major Federal Program

We have audited Richland School District Two ("the School District")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2019. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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



Burkett Burkett & Burkett
Certified Public Accountants, P.A.
West Columbia, South Carolina
December 2, 2019

RICHLAND SCHOOL DISTRICT TWO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Total Expenditures
<u>U. S. Department of Education</u>				
<i>Direct Programs:</i>				
100	Impact Aid	84.041	S041B-2010-4618	\$ 249,501
278	Federal Magnet Grant/Project MedPro	84.165A	U165A170064-17	1,990,145
277	Gear Up (2014 Award)	84.334A	P334A140210-17	1,464,022
279	Gear Up (2018 Award)	84.334A	P334A180036	887,336
285	Race to the Top	84.416A	B416A140225	264,319
Total U.S Department of Education Direct Programs				4,855,323
<i>Passed Through S. C. Department of Education:</i>				
243	Adult Education	84.002	H63010101018	172,157
201	Title I	84.010	H63010100118	4,700,726
238	Title I School Improvement Mini Grant	84.010	H63010100118	51,611
240	Title I Direct Student Services	84.010A	H63010100118	141,369
<i>Total 84.010</i>				4,893,706
203	Individuals with Disabilities Education Act	84.027	H63010100918	4,508,868
205	Individuals with Disabilities Education Act - Preschool	84.173	H63010100818	193,016
209	State Systemic Improvement Plan	84.027	n/a	78,638
212	Individuals with Disabilities Education Act - Extended School Year	84.027	H63010100918	13,423
<i>Total 84.027/84.173 (IDEA Cluster)</i>				4,793,945
207	Perkins Aid - Title I - Occupational Education	84.048	H63010107118	275,964
232	McKinney Vento Homeless	84.196	H63010108918	120,676
224	21st Century Learning Grant	84.287	H63010006918	915,633
264	Title III - Language Instruction for Limited English Proficient and Immigrant Students	84.365	H63010006718	84,514
267	Title II Improving Teacher Quality	84.367	H63010006818	757,007
210	Title IV (SSAE)	84.424A	H63010100318	145,802
Total Passed Through S. C. Department of Education				12,159,404
Total U. S. Department of Education				17,014,727
<u>U. S. Department of Agriculture</u>				
<i>Passed Through S. C. Department of Education</i>				
<i>Non-Cash Assistance (Commodities):</i>				
600	School Breakfast Program	10.553	N/A	2,105,612
600	Commodities/Food Distribution	10.555	N/A	782,135
600	School Lunch Program	10.555	N/A	6,279,286
<i>Total 10.555</i>				7,061,421
600	CNP School Meals Equipment	10.579	H63010013517	15,831
600	Fresh Fruit & Vegetable Program	10.582	H6301002118	58,608
Total Passed Through S. C. Department of Education				9,241,472
<i>Passed Through S. C. Department of Social Services</i>				
600	Summer Food Service Program (Dinner Program)	10.559	N/A	417,206
Total Passed Through S. C. Department of Social Services				417,206
Total U. S. Department of Agriculture				9,658,678
OTHER FEDERAL ASSISTANCE				
<u>U. S. Department of Defense Direct Programs</u>				
292	Air Force, Army and Navy ROTC	12.000	N/A	314,508
297	Department of Defense	12.556	HE1254	216,639
273	Department of Defense	12.556	HE1254	236,727
286	Department of Defense	12.556	HE1254	393,444
294	Department of Defense	12.556	HE1254	32,848
<i>Total 12.556</i>				879,658
Total Department of Defense				1,194,166

(Continued)

RICHLAND SCHOOL DISTRICT TWO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Total Expenditures
<u>U. S. Department of Justice</u>				
<i>Passed Through S. C. Department of Education</i>				
276	Capturing Kids Hearts	16.560	H6304999	\$ 628
	Total Passed Through S. C. Department of Education			628
<u>U. S. Department of Labor</u>				
828	U. S. Department of Labor - CAT Grant	17.274	SGA-DFA-PY-13-01	449,027
293	U. S. Department of Labor - Workforce Innovation Grant	17.259	ETA-TEGL-PY-YOUTH-2018	4,772
	Total Department of Labor			453,799
<u>Department of Health and Human Service</u>				
296	Child Health and Human Development Extramural Research	93.865	1R21HD090647-01A1	44,179
	Total Department of Health and Human Services			44,179
	TOTAL FEDERAL AWARDS			\$ 28,366,177

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, 2019. 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, except for the expenditures of programs under CFDA Numbers 10.553, 10.555, 10.559 and 10.579 which are reported under the full accrual basis of accounting as applicable to enterprise funds.

RICHLAND SCHOOL DISTRICT TWO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

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 the National School Breakfast and Lunch Program, which are reported in the Enterprise Fund - Food Service Fund Statements.

Indirect Costs

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

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

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION I - SUMMARY OF AUDITORS' RESULTS

- 1 The independent auditors' report on the financial statements expressed an unmodified opinion.
- 2 There were no significant deficiencies in internal control over financial reporting disclosed in the audit of the financial statements.
- 3 The audit did not disclose any material noncompliance matters in relation to the financial statements.
- 4 There were no significant deficiencies in internal control over compliance applicable to major programs.
- 5 The report on compliance for major programs expressed an unmodified opinion.
- 6 The audit disclosed no audit findings.
- 7 The major programs of the School District included in the audit were:
 - A. Child Nutrition Cluster - 10.553/10.555
 - B. Department of Defense Grants - 12.556
 - C. GEAR UP (2014 and 2018 Awards) - 84.334A
- 8 The dollar threshold for Type A programs for the School District was \$850,985.
- 9 The School District did qualify as a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, SOUTH CAROLINA
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

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