

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF  
ROCK HILL SCHOOL DISTRICT THREE  
ROCK HILL, SOUTH CAROLINA

FOR THE  
FISCAL YEAR ENDED  
JUNE 30, 2011

PREPARED BY:  
Rock Hill School District Three  
Finance Department

ROCK HILL SCHOOL DISTRICT THREE  
Comprehensive Annual Financial Report  
For the fiscal year ended June 30, 2011

TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
Table of Contents		1 - 3
<u>INTRODUCTORY SECTION</u>		
Administrative Chart		4
Organization Chart		5
Letter of Transmittal		6 - 12
<u>FINANCIAL SECTION</u>		
Report of Independent Certified Public Accountants		13 - 14
Management's Discussion and Analysis		15 - 23
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	Exhibit 1	24
Statement of Activities	Exhibit 2	25
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Exhibit 3	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	Exhibit 4	27
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit 4 (cont.)	28
Statement of Net Assets - Proprietary Fund	Exhibit 5	29
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	Exhibit 6	30
Statement of Cash Flows - Proprietary Fund	Exhibit 7	31
Statement of Fiduciary Assets and Liabilities - Agency Fund	Exhibit 8	32
Notes to Basic Financial Statements		33 - 52
Required Supplementary Information		
Budgetary Comparison Schedule:		
General Fund (including Charter School)	Schedule 1	53 - 62
Component Unit - Charter School		
Budgetary Comparison Schedule:		
General Fund	Schedule 2	63

ROCK HILL SCHOOL DISTRICT THREE  
Comprehensive Annual Financial Report  
For the fiscal year ended June 30, 2011

TABLE OF CONTENTS, Continued

<u>FINANCIAL SECTION, Continued</u>	<u>Reference</u>	<u>Page No.</u>
Other Supplementary Schedules		
Combining Schedules and Individual Fund		
Financial Schedules:		
Governmental Funds		
Special Projects Fund:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Projects Fund (including Charter School)	Schedule A-1	64 - 72
Component Unit - Charter School		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Fund	Schedule A-2	73
Summary Schedule for Designated State Restricted Grants	Schedule A-3	74
Education Improvement Act Fund:		
Combined Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs	Schedule A-4	75 - 80
Summary Schedule by Program	Schedule A-5	81
Debt Service Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule B-1	82
Capital Projects Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule C-1	83
Proprietary Fund		
Enterprise Fund:		
Schedule of Revenues, Expenses and Changes in Net Assets - Food Service	Schedule D-1	84
Fiduciary Fund		
Fiduciary Fund Type:		
Agency Fund - Statement of Changes in Assets and Liabilities	Schedule E-1	85
Agency Fund - Schedule of Receipts, Disbursements and Changes in Due to Pupil Activities	Schedule E-2	86
Detailed Schedule of Due to State Department of Education/ Federal Government	Schedule F-1	87

ROCK HILL SCHOOL DISTRICT THREE  
Comprehensive Annual Financial Report  
For the fiscal year ended June 30, 2011

TABLE OF CONTENTS, Continued

<u>STATISTICAL SECTION (Unaudited)</u>	<u>Table No.</u>	<u>Page No.</u>
Net Assets by Component	1	88
Changes in Net Assets	2	89 - 90
Fund Balances of Governmental Funds	3	91
Changes in Fund Balance, Governmental Funds	4	92
Assessed Value and Estimated Actual Value of Taxable Property	5	93
Direct and Overlapping Property Tax Rates	6	94
Principal Property Taxpayers	7	95
Property Tax Levies and Collections	8	96
Ratios of Outstanding Debt by Type	9	97
Ratios of General Bonded Debt Outstanding	10	98
Direct and Overlapping Governmental Activities Debt	11	99
Legal Debt Margin	12	100
Demographic and Economic Statistics	13	101
Principal Employers	14	102
Full-Time Equivalent School District Employees by Function	15	103
Operating Statistics	16	104
Teacher Salaries	17	105
School Building Information	18	106 - 108
 <u>SINGLE AUDIT SECTION</u>		
Schedule of Expenditures of Federal Awards		109
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 Government Auditing Standards		110 - 111
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133		112 - 113
Schedule of Findings and Questioned Costs		114



# Introductory Section

ROCK HILL SCHOOL DISTRICT THREE  
ADMINISTRATIVE CHART  
FY 2010 - 2011

**Board of Trustees**

The School District is governed by a seven member Board of Trustees elected at large by the registered voters in the School District at the November general election in even-numbered years. Trustees are elected to serve staggered 4-year terms of office, which commence on December 1 of the year in which they are elected.

<b><u>Name</u></b>	<b><u>Occupation</u></b>	<b><u>Number of Years of Service</u></b>
Mr. Walter Brown, Sr.	Volunteer	10
Mrs. Mildred Douglas	Teacher	10
Mr. Bob Norwood ( <i>Chair</i> )	Insurance Executive	14
Ms. Elizabeth "Ann" Reid	College Instructor	10
Dr. Jane Sharp	Retired Educator	1
Ms. Virginia "Ginny" Moe	Church Musician	1
Mr. Jim Vining	Management Consultant	12

**District Personnel**

<b><u>Name</u></b>	<b><u>Position</u></b>
Dr. Lynn Moody	Superintendent
Mr. Anthony Cox	Associate Superintendent for Administrative Services
Dr. Harriet Jaworowski	Associate Superintendent for Accountability and Instructional Services
Dr. Luanne Kokolis	Associate Superintendent for Planning and Program Support Services
Ms. Elaine Bilton	Executive Director of Finance

## District Organization Chart

**Board of Trustees**

Chief Public Information Officer  
**Mrs. Elaine Baker**  
*ebaker@rock-hill.k12.sc.us*  
981-1005

**Superintendent**  
**Dr. Lynn P. Moody**  
*cgammons@rock-hill.k12.sc.us*  
981-1002

**Principals**

**Associate Superintendent for Instruction & Accountability**  
**Dr. Harriet Jaworowski**  
*hjaworow@rock-hill.k12.sc.us*  
981-1055

**Associate Superintendent for Planning & Program Support**  
**Dr. Luanne Kokolis**  
*lkokolis@rock-hill.k12.sc.us*  
981-1045

**Associate Superintendent for Administrative Services**  
**Mr. Anthony "Tony" Cox**  
*acox@rock-hill.k12.sc.us*  
981-1009

**Executive Director of Secondary Curriculum**  
**Mrs. Judy Mobley**  
*jmobley@rock-hill.k12.sc.us*  
981-1055

**Executive Director of Personnel**  
**Ms. Rebecca Partlow**  
*bpartlow@rock-hill.k12.sc.us*  
981-1092

**Executive Director of Financial Services**  
**Ms. Elaine Bilton**  
*ebilton@rock-hill.k12.sc.us*  
981-1013

**Executive Director of Elementary Curriculum**  
**Mr. Richard Melzer**  
*rmelzer@rock-hill.k12.sc.us*  
985-3002

**Executive Director of Technology**  
**Mr. Joel Whitesides**  
*jwhitesides@rock-hill.k12.sc.us*  
981-1030

**Executive Director of Student Services**  
**Mr. Keith Wilks**  
*kwilks@rock-hill.k12.sc.us*  
981-1041



November 30, 2011

To the Citizens of  
Rock Hill School District Three

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Rock Hill School District Three (the School District) for the fiscal year ended June 30, 2011. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, 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.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section includes this transmittal letter, the School District's organizational chart, and a list of principal officials. The Financial Section includes Management's Discussion and Analysis, the basic financial statements, notes to the basic financial statements, as well as the independent auditors' report on the financial statements. Also included in the Financial Section is a Supplemental Subsection containing additional supplemental financial schedules (with account numbers) required statutorily by the South Carolina Department of Education. The Statistical Section presents selected financial, economic, and demographic trend data, generally, over the past ten years. The Single Audit section contains schedules and auditors' reports required for the School District to comply with the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The information presented in this letter of transmittal should be read in conjunction with Management's Discussion and Analysis, which can be found immediately following the report of the independent auditors.

## **PROFILE OF THE SCHOOL DISTRICT**

The School District was created in March 1953, through the merger of four former school districts. The School District encompasses a land area of 228 square miles, or almost one third of the land area of York County (the County), which is on the border between North Carolina and South Carolina, just south of Charlotte, North Carolina. The School District includes within its boundaries the entire City of Rock Hill, the fifth largest city in the State, as well as considerable surrounding territory.

The School District currently operates 17 elementary schools (grades K-5), a four year old child development center, five middle schools (grades 6-8), and three senior high schools (grades 9-12) to serve 17,353 students. The School District also has a vocational center, an adult education center, and an alternative center. The District currently has three schools of choice; The Children's School – Montessori, Northside Elementary – Arts Integration and Sunset Park Center for Accelerated Studies. All three secondary schools offer International Baccalaureate programs as well as Rosewood Elementary School, Sullivan Middle School and Saluda Trail Middle School. All schools in the School District and the School District itself are accredited by the South Carolina Department of Education and the School District is fully accredited by the Southern Association of Colleges and Schools (SACS).

## **REPORTING ENTITY**

In August 2004, a charter school, The Children's Attention Home, was opened and is operating as an entity in York County School District Three. The School District has reviewed its operating entity definition in order to insure conformance with the Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit* and is presenting the Charter School Financial Information in the accompanying statements as a component unit. The School District is not included in any other "reporting entity" as defined by GASB Statements 14 and 39.

## ECONOMIC CONDITION AND OUTLOOK

Rock Hill School District Three is located in York County, with the entire city of Rock Hill being encompassed by the School District. Rock Hill is located in the north-central area of South Carolina approximately 20 miles south of Charlotte, NC along the I-77 corridor. Rock Hill is a growing community of 71,000+ residents. The City encompasses over 35 square miles. While not the County seat, Rock Hill is the largest city in York County, SC, the fifth largest city in South Carolina and premier “Ring City” in the Charlotte Metropolitan Statistical Area (MSA).

The diversity and strength of the business community continually supports growth even during challenging economic times. With three high-amenity business parks, Waterford, TechPark and Antrim, and three industrial parks, Southway Industrial Park, Airport Industrial Park and Rock Hill Industrial Park, Rock Hill offers sites and existing facilities to numerous businesses. The City’s close proximity to both I-77, which runs through Rock Hill, and I-85 gives businesses easy access to major transportation routes. Charlotte/Douglas International Airport is 25 minutes north of Rock Hill via I-77. The airport serves more than 34 million passengers annually and is the ninth largest major airline hub in the nation. It is a hub for US Airways, has eight major carriers, and averages 620 flights daily with direct non-stop service to more than 140 destinations. Rock Hill was selected by *Business Week* magazine as one of the “best places in America to raise a family” and is a three-time award winner of America’s Promise Alliance “100 Best Communities for Young People”.

According to the U.S Census Bureau, York County’s population grew by more than 37% between 2000 and 2010 solidifying its place among the nation’s fastest growing counties. However, the growth rate has slowed a bit, down from 4.8% in 2008 to an average annual growth rate between 1990 and 2010 of 2.7%. The County is now beginning to move away from its textile roots and is luring more financial, distribution and service companies. The School District, the largest of four school districts within the County, is located in the southeastern portion of the County about 25 miles south of Charlotte. This area contains several of the County’s major companies including Abitibi Bowater, Inc., a paper mill and Comporium Communications, a telecommunications provider. Rock Hill is also home to the global headquarters of 3D Systems Corporation, a rapid prototyping company.

In February 2001, seven partners, one of whom was the School District, joined together to oversee the creation of the Old Town Renaissance Master Plan. This plan included six strategies for redevelopment: Downtown, College Town, Hometown (neighborhoods), Trolley Town (transportation), Textile Town (former textile mills), and Technology Town. Downtown revitalization continues to be a priority for the City of Rock Hill and the Rock Hill Economic Development Corporation. The focus of this plan is the development of a Downtown area with a unique blend of residential, retail restaurants and office space that embodies the concepts of smart-growth, neotraditional design and new urbanism.

Adopted in December of 2003, the Textile Corridor Master Plan, redevelopment of the former textile manufacturing area in downtown, is well into its final implementation. The area is comprised of approximately 250 acres within the urban core and with the completion of the historic Rock Hill Cotton Factory in the summer of 2007, the Plan’s vision of a pedestrian-friendly, mixed-use urban village is beginning to transpire.

In March 2007 the city entered into a memorandum of understanding with its development partners to create Riverwalk with three miles of frontage on the Catawba River. Riverwalk will become a mixed-use pedestrian-friendly community and will include the East Coast’s only bicycle racing track, a BMX course and other sports-tourism-related attractions. Upon completion, the project is expected to produce \$600 million in private investment, increase property taxes by \$4 million annually and generate 4,000 new jobs for Rock Hill.

## MAJOR INITIATIVES

The School District is currently operating under its strategic plan for the years 2009-2014. The strategic plan includes a mission statement and motto and serves as the basis for school improvement and accountability. It also includes the School District’s beliefs, strategic directions, and system priorities. Every school uses the School District’s strategic plan to involve parents, teachers, principals and community in the development, annual review, and revision of each school’s plan and activities.

## **Motto & Mission**

*“Engaging Students for Successful Futures”*

The Rock Hill Climb represents the 2009-2014 Strategic Plan. Reaching the summit will indicate our success in providing all students with work that authentically engages them in the learning process. To get to the top of the Rock Hill Climb, the summit, our schools must travel four pathways which represent what we must provide for all students:

- Shared Vision and Beliefs
- Future Focus
- A Nurturing Environment
- Quality Work Design and Delivery

## **Primary Accomplishments for FY 2010-2011 were as follows:**

The Sullivan School Improvement Council was selected by the S.C. School Improvement Council as one of five SICs named as state finalists. SICs are chosen for their significant efforts to foster civic engagement in public education.

Ebinport Elementary School was selected as the first school in South Carolina to earn the U.S. Environmental Protection Agency’s prestigious Energy Star, the national symbol for protecting the environment through superior energy efficiency.

The following schools were recognized as Palmetto Gold or Palmetto Silver schools by the S.C. Department of Education for improvement and growth in academic achievement and closing the achievement gap in 2010.

### **Academic Achievement:**

Castle Heights Middle (Silver)  
Rawlinson Road Middle (Silver)  
Bellevue Elementary (Silver)  
Ebenezer Avenue Elementary (Silver)  
Rosewood Elementary (Gold)  
Sunset Park Center for Accelerated Studies (Silver)  
Independence Elementary (Silver)  
Mt. Gallant Elementary (Silver)  
India Hook Elementary (Gold)  
Old Pointe Elementary (Gold)  
Dutchman Creek Middle (Silver)  
Mount Holly Elementary (Silver)

### **Closing the Achievement Gap:**

Bellevue (Silver)  
Independence (Silver)  
Rosewood (Silver)  
Northwestern High (Silver)  
South Pointe High (Silver)

South Pointe defensive end Jadeveon Clowney and Northwestern quarterback Justin Worley were named to Parade magazine's All-America high school football team. Jadeveon was also on the cover of ESPN magazine.

Alan Streeter, an electricity teacher at the Applied Technology Center, was selected by the S. C. Council for Exceptional Children as the General Educator of the Year.

John Kirell, principal at Belleview, and Lori Hodge, a third-grade teacher at Ebenezer Avenue, were selected by the Palmetto Council of the International Reading Assn. for special recognition. John was chosen as the Administrator of the Year and Lori, a Distinguished Teacher of Reading.

Caitlin Gilliland, a senior at South Pointe, was invited to sing with the American High School Honors Choir at Carnegie Hall in NYC on Feb. 17.

Lynn Fulton-Archer, Spanish teacher at Richmond Drive Elementary School, received the South Carolina Foreign Language Teachers' Assn. Teacher of the Year Award at the SCFLTA's annual conference on Feb. 12.

James Blake, principal at Northwestern High School, was selected by the South Carolina Athletic Administrators Association (SCAAA), for the second time, as the Class AAAA Principal of the Year.

Sean and Weston Beck, from Rock Hill High, and Jonathan Cloud, from South Pointe, won state wrestling championships in their respective weight divisions.

Rock Hill High thespians performed at the Palmetto Dramatics Assn./SC Thespian Festival and placed first for the "The War on Tatem." Drama teacher Stephanie Daniels was named Superior Director.

The "Back the Pack" program was featured on NBC's The Today Show on April 14, 2011.

Ebenezer Avenue Elementary celebrated its 90th birthday on April 15 with a great crowd and lots of memorabilia for guests to see.

HOSA students at the Applied Technology Center won top honors, including 8 first-place awards, at the state Health Occupation Students of America Conference.

The Rock Hill High Concert Choir, directed by Jonathan Hall, and the South Pointe Stallion Corral Concert Choir, directed by Beverly Laney, performed live April 9 on WTVT's "My School Rocks" competition and won second and third place respectively.

Members of South Pointe's student newspaper staff, seniors DeNarius Allen, Megan Benson, and Jessie Fields and junior Taylor Snyder were named to the National Scholastic Press Assn. Journalism Honor Roll.

Rock Hill High's volleyball team, coached by Cindy Elder, won the Upper State Championship and was runner-up to the state champions.

Northwestern's Director of Bands, Larry Wells, has been selected by Phi Beta Mu, a national band director fraternity, as the 2011 S. C. Phi Beta Mu Outstanding Bandmaster.

Sandra Thompson (Ebinport), Nia German (Sullivan), Arcielo Letigio (Sullivan), and Daphney Wells (Ebinport) were selected to participate in the Science PLUS Institute this summer at the Roper Mountain Science Center in Greenville, S.C.

Beverly Laney, choral music teacher at South Pointe High School, and Stephanie Daniels, drama teacher at Rock Hill High, were selected as finalists for the Arts & Science Council's Cato Excellence in Teaching Awards Program.

Emily Greer, a fifth grade student at Sunset Park Center for Accelerated Studies, and Hayley Doyle, an eighth-grader at Sullivan Middle School, were district winners in the S.C. State Superintendent's Writing Award Competitions.

York Road Elementary's Destination ImagiNation Team, comprised of gifted and talented students in grades 3-5, competed in the NC/SC tournament on April 9 and placed first. They competed in the Global Finals Tournament in May at the University of Tennessee in Knoxville.

Patti Tate, District Teacher of the Year, was named as one of five finalists for the state award. On April 27, Patti was named as the S. C. Teacher of the Year 2011-12.

South Pointe in the News (SPiN) won its 4th state championship for best scholastic newspaper in Class II. Editor-in-chief, Taylor Snyder, and Jessie Fields, managing editor, accepted the Palmetto Award from the S.C. Scholastic Press Assn. Emma Hampton, staff artist (last semester), was named the first place yearly finalist in art.

Rock Hill High's Spring Stock Market Team placed first in state competition and their teacher, Jennifer Molnar, placed first in the teacher portfolio competition. Kent Murphy, a student at The Children's School at Sylvia Circle, was a winner in the Economic Poster Contest.

Scholarships for the Class of 2011 totaled \$18,852,104 at the end of May 2011.

Sandy Andrews, director of Rock Hill Adult Education, was named as the S.C. Adult Education Director of the Year for the second time in three years.

Northwestern's Jimmy Wallace and Rock Hill High's Cindy Elder were recognized at the 19th Annual State Awards Banquet of the S. C. Athletic Coaches Assn. on July 24. Coach Wallace was inducted into the 2011 Hall of Fame, and Coach Elder was honored as the 2010-11 Volleyball Coach of the Year.

## **FINANCIAL INFORMATION**

The Rock Hill School District Three management is responsible for developing and maintaining internal controls designed to insure that the assets of the School District are protected from loss, theft, or misuse and to insure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Control**

At the beginning of each fiscal year, the Board of Trustees (the Board) approves the annual budget for the General Fund. The purpose of the approval by the Board is to insure compliance with the legal provisions indicated in the Policies of the Board of Trustees, as well as State and Federal laws. The Board, through policy, has given the School District Superintendent the responsibility of managing the School District's budget.

Budget transfers between function levels may be requested by school principals and department heads and are approved by the finance department. Periodically, the Board is given interim financial reports which detail year-to-date expenditures and encumbrances versus budgetary appropriations.

All other budgets are reviewed and approved by the either the Administration, or the governing body responsible for issuing the grant. Any funds allocated to the School District which do not require a budget are used to support the School District's educational program.

Debt Service expenditures are controlled by the bond issue requirements. Revenues to pay the debt service requirements are levied by the County Auditor. Each year the Board requests what it feels will be required in millage to be assessed by the County Auditor. However, the responsibility of maintaining an adequate cash balance in the debt service fund is legally that of the County Auditor.



## **Financial Condition**

Property tax revenues increased \$861 thousand or 1.4% from the prior year. This was largely due to a 3.5 increase in millage for general operations even though the Board maintained debt service mills at 52. Due to a state and national economic downturn, the state issued two budget cuts last fiscal year (2009-2010) and lowered the base student cost again this year from 1,756 to 1,630 for 2010-2011 State aide increased by only \$368 thousand or 1.4% Actual revenues were more than expenditures by \$4.1 million for the fiscal year. The 2010-2011 budget included cost reductions as a continuation of the Board approved Financial Crisis Plan which included staff reductions, a furlough of ten days for administrative staff and five days for instructional staff and reductions in days for some instructional staff. In addition, the School District continued and intensified its energy conservation program and began restructuring of the Operations Department to include the addition of an energy manager and a reduction in operations staff.

The fund balance in the general fund at year end was \$21,549,360. The administration continues to analyze the projected a fund balance need and continues to support the need to maintain at least the 12% minimum fund balance designated by the Board. The South Carolina General Assembly passed Act 388 in June 2006, which eliminates all school operating taxes on owner-occupied homes and replaced it with a potentially less stable funding source of an additional 1 percent general sales tax. The targeted fund balance will allow the School District not only to maintain its ability to handle any major shortfalls due to an economic decline but also to handle the increase in operating costs for should the need arise for new facilities in the future.

The School District still feels a positive fund balance is sound financial management. A positive fund balance serves several purposes. The first is to ensure that the instructional process is not interrupted by unforeseen budgetary constraints such as state cuts or default of a tax payment by a major industry. Secondly, the School District is able to reduce short term borrowing by having cash available in the later months of the year.

The third purpose is to maintain a positive bond rating. The Board has committed to focus toward technology, improving capital assets, and ensuring adequate facilities for our students. All of these items require issuing debt. Showing a continued commitment to maintaining an adequate fund balance will help to maintain and improve our current bond rating.

## **Cash Management**

The School District invests all temporarily idle cash. These funds are invested in obligations collateralized by instruments issued or guaranteed by the United States Government or the State of South Carolina.

The School District uses several entities for investment of funds. Primarily is through participation in the South Carolina Local Government Investment Pool operated by the Office of the State Treasurer. Funds held by the County Treasurer's office are sent to the SGLIP. The School District has access to all funds in the State Pool within 48 hours. The School District also has an additional account at the State Pool whereby funds from the South Carolina Department of Education are deposited into the County Treasurer's account and immediately transferred into the School District's account.

Another investment tool is through treasury management services provided by Wachovia/Wells Fargo. The School District maintains several accounts with the bank and all excess funds are swept into an overnight investment account. General fund interest earned was \$170,259 compared to \$97,449 in the prior year. The School District has structured its banking contract for maximum earnings potential and the contract still provides the School District with a lower fee structure based on minimum average monthly deposits.

## **Risk Management**

Rock Hill School District Three participates in the South Carolina School Boards' Insurance Trust Fund. The School Boards' Insurance Trust provides coverage for building and property, casualty and liability, and workers' compensation. The programs are directed toward minimizing costs through the integration of system design, risk control and claims management.

## OTHER INFORMATION

### Financial Reporting and Independent Audit

The financial report for the fiscal year ended June 30, 2011 has been prepared under the financial reporting model required by GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The financial statements include government-wide financial statements as well as fund financial statements, which present information for individual major funds. As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion is included in the front of the financial section of the report and provides an assessment of the School District's finances for FY 2011 and the outlook for the future.

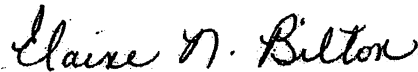
State statutes require an annual audit by an independent certified public accountant. The accounting firm of Elliott Davis, LLC was selected by the Board of Trustees to perform this audit. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act Amendments and related OMB Circular A-133. The auditors' report on the basic financial statements is included in the Financial Section of the CAFR. The auditors' reports related specifically to the single audit are included in the Single Audit Section.

### Acknowledgments

The successful completion of this CAFR would not have been possible without the commitment and hard work of many people. The entire finance staff has continued to maintain an exemplary level of performance without which this report would not be able to be completed. We would also like to thank the Instruction Department for their contributions in time and information. We would like to thank our audit firm Elliott Davis, LLC for their professional services in auditing the information contained within this document and their invaluable assistance with the compiling and printing of this financial report.

The management would also like to thank the Rock Hill School District Three Board of Trustees for their continued support and leadership. Without their help, we would not be able to maintain the exceptional staff needed to assure such a high level of competency.

Respectfully Submitted,



Elaine N. Bilton  
Executive Director of Financial Services



Lynn P. Moody, Ed.D.  
Superintendent

## Financial Section



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Chairman and  
Members of the Board of Trustees  
Rock Hill School District Three  
Rock Hill, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Rock Hill School District Three (the School District) as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011 on our consideration of the School District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 15 through 23 and the budgetary comparison information on pages 53 through 62 (Schedule 1) are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and other schedules, listed in the table of contents as other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Columbia, South Carolina  
November 30, 2011

ROCK HILL SCHOOL DISTRICT THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

As management of Rock Hill School District Three (the School District), we offer readers of the Rock Hill School District Three's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011. Please read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- General revenues accounted for \$88.7 million in revenue or 52.5% of all revenues. Program specific revenues in the form of charges for sales and services, grants and contributions accounted for \$80.4 million or 47.5% of total revenues of \$169.1 million.
- The School District had \$153.4 million in expenses related to governmental activities; \$73.1 million of these expenses were offset by program specific charges for services, grants or contributions. In addition, general revenues (primarily taxes, state funding and federal stimulus funds) of \$88.5 million allowed for an increase in net assets by \$8.1 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$35.8 million, an increase of \$7.1 million in comparison with the prior year. The increase was largely an increase in the general fund of \$4.1 due to a combination of expenditure reductions, maximization of stimulus funds and unexpected revenue from the state and delinquent tax revenue. In addition, the capital projects fund balance and debt service fund balance increased by \$2.9 million due to a refunding of general obligation bonds.
- The total assets of the Rock Hill School District Three's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$124.6 million. Of this amount, \$23.4 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Among the major funds, the general fund had \$115.6 million in revenues and other financing sources and \$111.5 million in expenditures and other financing uses. The fund balance of the general fund increased by \$4.1 million from the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$20.2 million or 18.2 % of the total general fund expenditures.
- The School District decreased its outstanding long-term debt to \$170.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** - The government-wide financial statements (Statement of Net Assets and Statement of Activities) are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business. Short-term and long-term information about the School District's overall financial status is provided in these statements. These statements include all assets and liabilities using the accrual basis of accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Assets and Statement of Activities report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader for the School District as a whole, whether the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

**Governmental Activities** - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

**Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District food service activities are reported as business activities.

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

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 (i.e. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include the general fund, special projects fund, Education Improvement Act fund, debt service fund and capital projects fund. The business-type activities of the School District include the food service fund.

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

**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 funds, proprietary funds, and fiduciary funds.

**Governmental funds** - Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's education programs. The differences between governmental activities (in the Statement of Net Assets and the Statement of Activities) and governmental funds are reconciled in the financial statements.

**Proprietary funds** - Services for which the School District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The School District's food service fund is the only proprietary fund.

**Fiduciary funds** - The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The School District's student activities fund is the only fiduciary fund.

**Notes to the 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 33 to 52.

**Supplemental information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a comparison of the School District's budget for the year and other supplementary information schedules required either by the State Department of Education or the certificate of excellence program of the Government Finance Officers Association.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The table below provides a summary of the School District's net assets as of June 30, 2011 compared to June 30, 2010:

### Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	\$ 59,932,791	\$ 46,401,657	\$ 207,687	\$ 2,233,559	\$ 60,140,478	\$ 48,635,216
Capital assets	258,380,034	264,825,740	1,093,505	1,376,906	259,473,539	266,202,646
Total assets	<u>\$ 318,312,825</u>	<u>\$ 311,227,397</u>	<u>\$ 1,301,192</u>	<u>\$ 3,610,465</u>	<u>\$ 319,614,017</u>	<u>\$ 314,837,862</u>
Long-term debt outstanding	\$ 154,666,833	\$ 163,604,330	\$ -	\$ -	\$ 154,666,833	\$ 163,604,330
Other liabilities	39,016,638	31,169,084	(2,885,337)	-	36,131,301	31,169,084
Total liabilities	<u>193,683,471</u>	<u>194,773,414</u>	<u>(2,885,337)</u>	<u>-</u>	<u>190,798,134</u>	<u>194,773,414</u>
Net assets						
Invested in capital assets, net of related debt	88,108,817	88,224,652	1,093,505	1,376,906	89,202,322	89,601,558
Restricted	13,155,627	9,433,836	-	-	13,155,627	9,433,836
Unrestricted	<u>23,364,910</u>	<u>18,795,495</u>	<u>3,093,024</u>	<u>2,233,559</u>	<u>26,457,934</u>	<u>21,029,054</u>
Total net assets	<u>124,629,354</u>	<u>116,453,983</u>	<u>4,186,529</u>	<u>3,610,465</u>	<u>128,815,883</u>	<u>120,064,448</u>
Total liabilities and net assets	<u>\$ 318,312,825</u>	<u>\$ 311,227,397</u>	<u>\$ 1,301,192</u>	<u>\$ 3,610,465</u>	<u>\$ 319,614,017</u>	<u>\$ 314,837,862</u>



Total assets of the School District increased overall \$4.8 million. Deposits with York County Treasurer in the capital projects fund increased \$5.3 million largely due to a refunding of general obligation bonds and the completion of a large renovation and building project in 2010-2011. During the current year, general obligation bonds were issued in the amount of \$28.1 million. \$23.1 million were issued to refund a portion of the outstanding \$28.5 original principal amount of Series 2001 general obligation bonds. \$5.0 million were issued to defray the costs of capital improvements and to defray the costs related to the acquisition of technological equipment.

Total liabilities decreased by \$3.9 million. While long-term debt outstanding accounted for a decrease of \$8.9 million due to a refunding of general obligation bonds and the reduction in principal of Series 2003-2009 bonds, other liabilities (accrued salaries and benefits, accounts payable, deferred revenue and due to other funds) increased a net of \$5.0 million. This was largely due to the timing of payments for stimulus and capital project funds. The district issued \$11 million in tax anticipation notes.

Total net assets increased by \$8.8 million. Restricted net assets increased by \$3.7 million largely due to payments for capital projects and related debt service on hand with the County Treasurer. Unrestricted net assets increased by \$5.4 million.

Both governmental activities and business-type activities are reporting positive balances in all three categories of net assets. In the prior fiscal year, 2010 they also reported positive balances.

The table below shows the changes in net assets for fiscal year 2011 compared to 2010.

<b>Changes in Net Assets</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>REVENUES</b>						
Program revenues						
Charges for sales/services	\$ 1,970,442	\$ 1,505,540	\$ 1,991,665	\$ 2,297,979	\$ 3,962,107	\$ 3,803,519
Operating grants/contributions	71,165,212	78,070,395	5,234,300	4,889,165	76,399,512	82,959,560
Capital grants/contributions	-	-	-	-	-	-
General revenues						
Property taxes	61,279,651	60,418,234	-	-	61,279,651	60,418,234
Federal/state formula aid	27,078,578	26,710,106	-	-	27,078,578	26,710,106
Other	<u>100,673</u>	<u>(307,264)</u>	<u>223,404</u>	<u>459,951</u>	<u>324,077</u>	<u>152,887</u>
Total revenues	<u>161,594,556</u>	<u>166,397,011</u>	<u>7,449,369</u>	<u>7,647,095</u>	<u>169,043,925</u>	<u>174,044,306</u>
<b>EXPENSES</b>						
Instruction	80,763,678	85,236,856	-	-	80,763,678	85,236,856
Support services	52,862,923	74,759,844	-	-	52,862,923	74,759,844
Community services	271,863	155,787	-	-	271,863	155,787
Interest and other charges	19,520,721	7,374,066	-	-	19,520,721	7,374,066
Food service	<u>-</u>	<u>-</u>	<u>6,873,305</u>	<u>6,937,690</u>	<u>6,873,305</u>	<u>6,937,690</u>
Total expenses	<u>153,419,185</u>	<u>167,526,553</u>	<u>6,873,305</u>	<u>6,937,690</u>	<u>160,292,490</u>	<u>174,464,243</u>
Change in net assets	8,175,371	(1,129,542)	576,064	709,405	8,751,435	(420,137)
NET ASSETS, JULY 1, 2010	<u>116,453,983</u>	<u>117,583,525</u>	<u>3,610,465</u>	<u>2,901,060</u>	<u>120,064,448</u>	<u>120,484,585</u>
NET ASSETS, JUNE 30, 2011	<u>\$ 124,629,354</u>	<u>\$ 116,453,983</u>	<u>\$ 4,186,529</u>	<u>\$ 3,610,465</u>	<u>\$ 128,815,883</u>	<u>\$ 120,064,448</u>

Property tax revenues increased \$861 Thousand (less than 1%) from the prior year. This was largely due to an increase in delinquent tax payments. Federal/state formula aid funding increased by \$368 thousand or 1%. While funding from state formula aid decreased due to budget cuts at the state level and reduction in Average Daily Membership, state and federal legislation provided for an increase in funding in the form of State Fiscal Stabilization Funds (federal stimulus) as well as stimulus funding for federal programs.

Charges for sales/services increased slightly from the prior year. These governmental activities charges are from the School District's after school program called Challenger. It is operated in all 16 elementary schools and currently serves approximately 1,200 students. It is a curriculum based program which operates each day from the end of the regular school day until 6 pm. It is a special revenue fund which operates solely from tuition charges with a small amount of general fund assistance. The School District uses a mandatory draft program for tuition collection which has reduced uncollectible receivable balances. The School District also charges for sales and service in the Food Service program. This is a major federal program which provides meals to students as well as special sales to both students and adults. The Challenger program charges increased by \$419 thousand due to an increase in enrollment while the Food Service program charges decreased by \$306 thousand mainly because of a decrease in student population.

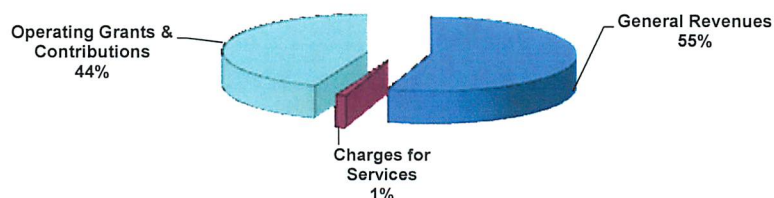
The School District's expenditures are primarily related to instruction and support services. In FY 2011, the School District's instructional services accounted for 52.6% and support services accounted for 34.4% of total governmental activities costs compared to 50.9% and 44.6% respectively, in the prior fiscal year. The instructional costs are largely from salary and fringe benefits for teachers and other educational staff. The support costs are primarily custodial, maintenance, utilities and pupil transportation.

Total revenues surpassed expenditures, increasing net assets \$8.8 million from the prior year.

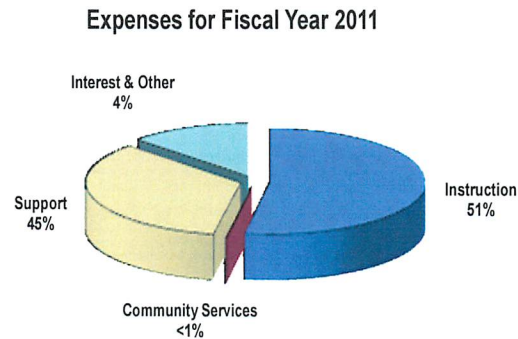
#### GOVERNMENTAL ACTIVITIES

The source of revenue for governmental activities is almost equally divided between general revenues and grants and contributions.

**Revenues by Source - Governmental Activities**



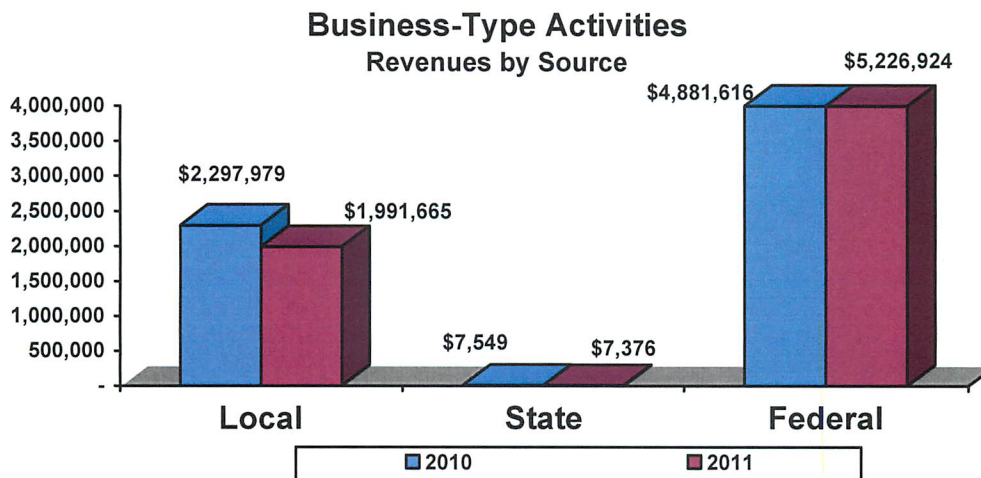
The figure below represents the cost of four major School District activities: instruction, support services, community services, and interest and other.



Overall, the School District's financial position is stable. This stability can be credited to innovative management decisions when developing programs and policies. The rate of growth slowed during 2010-2011; however, the District's management aggressively began a program of cost reductions, anticipating the slowing economy.

#### BUSINESS-TYPE ACTIVITIES

Business-type activities consist of the School District's food service operations. This operation receives no support from tax revenues. As demonstrated below, the revenue received is approximately 27.5% from local sources and slightly less than two thirds from federal sources (72.3%). The remainder of less than 1% is from state sources.



During FY 2011, revenues of the School District's business-type activities remained virtually unchanged at \$7.2 million. Although enrollment decreased, the Federal reimbursement rate the district receives for meals served increased by \$.04 for each free lunch meal and \$.04 for each reduced lunch meal and \$.01 for each paid meal. Breakfast reimbursement increased by \$.02 for reduced and \$.02 for free. The total number of lunches served decreased by 43,487 yet the total number of breakfasts served increased by 34,271. Although total meals served decreased, the free and reduced lunch percentage in the School District increased from 51.6% in 2009-2010 to 52.7% in 2010-2011.

Salary and fringe expenses decreased slightly as projected during FY 2011 largely due to 10 days furlough for food service administrative and support staff at the district office. The food and supply costs increased slightly due to food surcharges (increased fuel cost for delivery) as well as an effort by the School District to serve more whole grains and fresh fruits and vegetables. Total expenses increased only slightly.

Food Service operations in summary reflected a gain for the fiscal year of \$ 576 thousand which increased the net assets from \$3.6 million to \$4.1 million. Because of the gain in net assets and the increase in federal reimbursement rates, meal prices have not been increased for 2011-12.

#### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As the School District completed the year, its governmental funds reported combined fund balances of \$35.8 million, a net \$7 million increase from last year's ending fund balances. The capital projects fund balance increased by \$1.3 million to \$4.2 million largely due to the refunding of general obligation bonds. The debt service fund balance increased as well by \$1.6 million. The general fund's fund balance increased by \$ 4.1 million to \$ 21.5 million. This increase resulted from a combination of a decrease in spending (continuing the School District's financial crisis plan) and unexpected revenues in the form of delinquent tax revenue, unexpected state textbook funds and a transfer from the school food service fund for indirect cost.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

For the fiscal year 2010-2011 budget, the School District compiled and submitted to the Board of Trustees a balanced budget. With knowledge of a planned opening of a state public charter school in our School District, the Board anticipated that this may have an effect on enrollment and funding from the state. Local revenues were projected to remain stable with a possible decrease in local county-wide taxes due to the anticipated decrease of Average Daily Membership (ADM) as a result of the opening of the charter school. State revenues were anticipated to decrease from \$71.3 million to \$69.6 million. Act 388 funds were projected unchanged at \$16 million. As stated above the student population was projected to remain stable with the exception of the unknown factor of the opening of the state charter school in our district and the possibility of our students enrolling in the school. The Board of Trustees approved the operating budget with a net millage increase after appropriation of 3.5 mills for 2011.

Budgeted expenditures included cost reductions for the elimination of over 100 teaching positions, a reduction in administrative staff and district office positions, a mandatory furlough of five days for instructional staff (ten days for administrative staff) and for the first time, the Board approved a charge of instructional and athletic fees for students. The School District also continued cost reduction measures including reducing department allocations, continued effort to reduce staff development costs, renegotiation of retirees salaries, reduction of supplement pay, and elimination of some assistant positions.

- Local property tax revenues were \$117 thousand less than budgeted or less than a 1% difference. Although ad valorem taxes were less than anticipated, penalties and interest amount for late payment of taxes was \$1.2 million more than budgeted. A portion of the School District's local tax revenue is provided by a countywide millage allocated to the four school districts in York County based on average daily membership. Rock Hill School District's share decreased by \$125,000 from last year. Also, the School District continues to receive a fixed amount of State Local Property Tax Reimbursement dollars (\$5,991,204) based on tax year 1999 and receives no increased reimbursement for any growth in the tax base.
- State revenues were \$550 thousand more than budgeted or less than 1%. While EFA was \$787 thousand less largely due to the expected decrease in ADM. While ADM decreased from 17,250 the prior year to 16,837 in 2011, the state sent unexpected funds in the form of \$432 thousand in textbook savings and \$547 thousand in consolidated funds previously accounted for in EIA (Education Improvement Act) funds. The final state base student cost allocated and received was \$27 million.
- Overall, actual revenues were \$875 thousand higher than budgeted revenue. This was mainly due to the unexpected state funds mentioned above.

- Actual expenditures for the fiscal year were 2.5% under budget or approximately \$3 million. This difference was due to the continued cost saving measures implemented during the year in anticipation of future loss of stimulus funds and the unpredictable nature of revenue amounts from the State and the over anticipation of unemployment costs related to the large reduction in staff.
- During the budget process, the School District budgeted a slight increase (.4%) in the South Carolina Retirement System employer contribution rate. The budget for the employer portion of health and dental costs was increased by approximately 4%. The School District, including principals and department heads, has continued to take a conservative approach to spending during the year monitoring costs and filling positions only when necessary and delaying as long as possible.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - By the end of 2011, the School District had invested \$258 million in a broad range of capital assets, including school buildings, athletic facilities and various types of equipment necessary to operate the School District's 28 schools and administrative offices. This amount represents a decrease of \$6.5 million from last year (more detailed information about capital assets can be found in Note 4 to the financial statements).

	<b>Capital Assets</b> <b>(Net of accumulated depreciation)</b>			
	Governmental activities		Business-type activities	
	2011	2010	2011	2010
Land	\$ 10,377,815	\$ 10,433,629	\$ -	\$ -
Buildings and improvements	244,207,611	250,589,689	-	-
Furniture and equipment	<u>3,433,826</u>	<u>3,513,215</u>	<u>1,093,505</u>	<u>1,376,906</u>
Total	<u><b>\$ 258,019,252</b></u>	<u><b>\$ 264,536,533</b></u>	<u><b>\$ 1,093,505</b></u>	<u><b>\$ 1,376,906</b></u>

Additional information on the School District's capital assets can be found in Note 4 on pages 43 and 44 of this report.

**Long-Term Debt** - At year-end, the School District had \$154.8 million in general obligation bonds outstanding. This was a decrease of approximately 5.5% from the prior year. The District issued \$23.1 million in general obligation refunding bonds and \$5 million in general obligation bonds. Debt repayment of \$37.4 million was for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to eight (8) percent of its total assessed valuation. The current debt limitation for the School District is \$19.9 million. Of the debt outstanding, none will be considered in the computation of the 8% limitation.

The School District maintains an "Aa1" rating from Moody's Investors Service, Inc. and an "AA" rating from Standard & Poor's Credit Market Services for general obligation debt.

Additional information on the School District's long-term debt can be found in Note 6 on pages 45 and 46 of this report.



## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Rock Hill School District Three is located in York County (the County), with the entire city of Rock Hill being encompassed by the School District. York County is located in the northern piedmont portion of South Carolina and shares a common border with North Carolina. The County is an integral part of the Charlotte-Gastonia-Rock Hill Metropolitan Statistical Area and is one of the fastest growing areas of the State, which provides for some annual growth in our tax base.

Although the area in general is growing, Rock Hill School District Three had a decrease in student population of 350+ students. This was largely due to a state charter school which opened in 2010-2011. The School District will continue to monitor the enrollment of that school in determining the 2011-12 budget with the anticipation that the decrease in enrollment will level once the state charter school is fully enrolled. The School District's goal is to continue to provide the same level of educational programs and to continue to improve academic performance across the School District.

South Carolina's economic status continues to be a concern since school district operating funds are now more dependent on the collection of sales tax revenue at the state level. The State did not experience any budget reductions during 2010-2011 but is slated to complete the expenditure of Federal Stimulus dollars in 2011-2012.

In preparing the 2011-12 budgets, the School District Administration continued to closely monitor the final changes to Act 388 which was passed by the South Carolina General Assembly in June 2006. Act 388 eliminates all school operating taxes on owner-occupied homes and replaces it with a potentially less stable funding source of an additional 1 percent general sales tax. Fiscal year 2007-08 was the base year for establishing future sales tax disbursements from the newly created State Trust Fund. The School District prepared its budget based on property tax revenue which would be received under the previous mechanism as instructed by the State. The School District also prepared its budget based on the projected base student cost of \$1630 per pupil and the Board approved an increase in local property tax millage by the allowable 3.5 mills. Due to the economic downturn in 2009-2010 and continuing into 2011-2012, the Federal Government awarded Stimulus Funds to states. The revenue estimates in the 2011-2012 Budget also includes State Fiscal Stabilization Funds (Stimulus) which will be accounted for and reported as Federal Funds and are projected to end in 2011. Budgeted expenditures were sustained at the current level for 2011-2012.

With the passage of Act 388, the local School Board will be restricted in future years on its ability to raise the millage for general operating purposes to the prior year millage increased by the average twelve month Consumer Price Index plus the increase in population as determined by the Office of Research and Statistics of the State Budget and Control Board. We will continue to examine financial projections related to this significant change in funding source and also the State Budget and Control Board projections for 2011-12 as well as future years. We will plan carefully to provide the necessary resources to meet student and staff needs in the future and continue the successes of Rock Hill School District Three.

## CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Elaine N. Bilton, Executive Director of Financial Services, Rock Hill School District Three, 660 N. Anderson Road, P.O. Drawer 10072, Rock Hill, South Carolina 29731.

# Basic Financial Statements

**ROCK HILL SCHOOL DISTRICT THREE**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

Exhibit 1

	Primary government			
	Governmental activities	Business-type activities	Total	Component unit
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 28,836,628	\$ 1,923	\$ 28,838,551	\$ 30,229
Deposits with York County Treasurer	22,040,953	-	22,040,953	-
Receivables				
Accounts receivable	162,619	-	162,619	1,910
Taxes, net	3,251,160	-	3,251,160	-
Due from governmental units				
Federal	2,681,155	36,823	2,717,978	-
Other state agencies	2,571,475	-	2,571,475	-
Inventories	326,039	168,941	494,980	-
Deferred charges	62,762	-	62,762	-
Total current assets	59,932,791	207,687	60,140,478	32,139
NON-CURRENT ASSETS				
Deferred charges	360,782	-	360,782	-
Non-depreciable capital assets	10,377,815	-	10,377,815	-
Depreciable capital assets, net of accumulated depreciation	247,641,437	1,093,505	248,734,942	39,811
Total non-current assets	258,380,034	1,093,505	259,473,539	39,811
Total assets	\$ 318,312,825	\$ 1,301,192	\$ 319,614,017	\$ 71,950
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 3,843,845	\$ -	\$ 3,843,845	\$ 14,852
Accrued salaries and benefits	7,776,666	-	7,776,666	15,671
Unearned revenue	5,775,889	-	5,775,889	-
Due to fiduciary fund	1,182,166	-	1,182,166	-
Internal balances	2,885,337	(2,885,337)	-	-
Accrued interest	1,837,900	-	1,837,900	-
Compensated absences	471,233	-	471,233	-
Current portion of non-current liabilities				
Bonds payable	14,779,487	-	14,779,487	-
Capital lease	464,115	-	464,115	-
Total current liabilities	39,016,638	(2,885,337)	36,131,301	30,523
NON-CURRENT LIABILITIES				
Bonds payable	146,073,286	-	146,073,286	-
Capital lease	8,593,547	-	8,593,547	-
Total non-current liabilities	154,666,833	-	154,666,833	-
Total liabilities	193,683,471	(2,885,337)	190,798,134	30,523
NET ASSETS				
Invested in capital assets, net of related debt	88,108,817	1,093,505	89,202,322	39,811
Restricted for				
Special projects	255,853	-	255,853	-
Capital projects	4,212,319	-	4,212,319	-
Debt service	8,687,455	-	8,687,455	-
Unrestricted	23,364,910	3,093,024	26,457,934	1,616
Total net assets	124,629,354	4,186,529	128,815,883	41,427
Total liabilities and net assets	\$ 318,312,825	\$ 1,301,192	\$ 319,614,017	\$ 71,950

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



**ROCK HILL SCHOOL DISTRICT THREE**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2011

Exhibit 2

Functions/Programs	Program revenues				Net (expense) revenue and changes in net assets			
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government			Component unit
					Governmental activities	Business-type activities	Total	
Primary government								
Governmental activities								
Instruction	\$ 80,763,678	\$ 1,970,442	\$ 49,840,323	\$ -	\$ (28,952,913)	\$ -	\$ (28,952,913)	\$ (59,466)
Support services	52,862,923	-	21,280,906	-	(31,582,017)	-	(31,582,017)	(115,220)
Community services	271,863	-	43,983	-	(227,880)	-	(227,880)	-
Interest and other charges	19,520,721	-	-	-	(19,520,721)	-	(19,520,721)	-
Total governmental activities	153,419,185	1,970,442	71,165,212	-	(80,283,531)	-	(80,283,531)	(174,686)
Business-type activities								
Food service	6,873,305	1,991,665	5,234,300	-	-	352,660	352,660	-
Total business-type activities	6,873,305	1,991,665	5,234,300	-	-	352,660	352,660	-
Total primary government	\$ 160,292,490	\$ 3,962,107	\$ 76,399,512	\$ -	(80,283,531)	352,660	(79,930,871)	(174,686)
General revenues:								
Property taxes levied for:								
General purposes					41,423,095	-	41,423,095	-
Debt service					19,856,556	-	19,856,556	-
Federal and state aid not restricted for specific purpose					27,078,578	-	27,078,578	-
Unrestricted investment earnings					203,005	-	203,005	-
Transfers					(102,332)	223,404	121,072	-
Miscellaneous					-	-	-	149,802
Total general revenues					88,458,902	223,404	88,682,306	149,802
Change in net assets					8,175,371	576,064	8,751,435	(24,884)
Net assets, July 1, 2010					116,453,983	3,610,465	120,064,448	66,311
Net assets, June 30, 2011					\$ 124,629,354	\$ 4,186,529	\$ 128,815,883	\$ 41,427

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

**ROCK HILL SCHOOL DISTRICT THREE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

Exhibit 3

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	
<b>ASSETS</b>						
Cash and investments	\$ 28,836,528	\$ 100	\$ -	\$ -	\$ -	\$ 28,836,628
Deposits with York County Treasurer	2,208,179	-	-	9,037,132	10,795,642	22,040,953
Receivables						
Accounts receivable	97,280	65,339	-	-	-	162,619
Taxes, net	2,360,154	-	-	891,006	-	3,251,160
Due from other funds	8,329,189	11,035	2,303,690	597,217	-	11,241,131
Due from governmental units						
Federal	-	2,681,155	-	-	-	2,681,155
Other state agencies	242,526	175,006	2,153,943	-	-	2,571,475
Inventories	326,039	-	-	-	-	326,039
<b>Total assets</b>	<b>\$ 42,399,895</b>	<b>\$ 2,932,635</b>	<b>\$ 4,457,633</b>	<b>\$ 10,525,355</b>	<b>\$ 10,795,642</b>	<b>\$ 71,111,160</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 3,843,845	\$ -	\$ -	\$ -	\$ -	\$ 3,843,845
Accrued salaries and benefits	7,776,666	-	-	-	-	7,776,666
Deferred revenue	1,863,239	1,318,256	4,457,633	666,171	-	8,305,299
Due to other funds	7,366,785	1,358,526	-	-	6,583,323	15,308,634
<b>Total liabilities</b>	<b>20,850,535</b>	<b>2,676,782</b>	<b>4,457,633</b>	<b>666,171</b>	<b>6,583,323</b>	<b>35,234,444</b>
<b>Fund balances:</b>						
Restricted	-	-	-	9,859,184	4,212,319	14,071,503
Assigned	1,010,612	255,853	-	-	-	1,266,465
Unspendable	326,039	-	-	-	-	326,039
Unassigned	20,212,709	-	-	-	-	20,212,709
<b>Total fund balances</b>	<b>21,549,360</b>	<b>255,853</b>	<b>-</b>	<b>9,859,184</b>	<b>4,212,319</b>	<b>35,876,716</b>
<b>Total liabilities and fund balances</b>	<b>\$ 42,399,895</b>	<b>\$ 2,932,635</b>	<b>\$ 4,457,633</b>	<b>\$ 10,525,355</b>	<b>\$ 10,795,642</b>	<b>\$ 71,111,160</b>

Total governmental fund balances \$ 35,876,716

**Amounts reported for governmental activities in the statement of net assets are different because of the following:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$347,015,169 and the accumulated depreciation is \$88,995,917. 258,019,252

Property taxes receivable are not available to pay for current period expenditures and therefore are deferred in the funds. 2,529,410

Deferred charges are not reported in the funds because they are not current financial resources, but they are reported in the statement of net assets. Deferred charges of \$640,160 have been amortized by \$216,616. 423,544

Unearned bond premiums are deferred in the Statement of Net Assets. The premiums of \$8,504,603 have been amortized by \$2,426,830. (6,077,773)

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(154,775,000)
Capital lease obligations	(9,057,662)
Compensated absences	(471,233)
Accrued interest payable	(1,837,900)

Net assets of governmental activities \$ 124,629,354

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

ROCK HILL SCHOOL DISTRICT THREE  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the fiscal year ended June 30, 2011

Exhibit 4

	Special Revenue Funds					Total
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	Governmental Funds
REVENUES						
Local						
Property taxes	\$ 39,722,777	\$ -	\$ -	\$ 19,975,840	\$ -	\$ 59,698,617
Interest	170,259	-	-	-	32,746	203,005
Other	2,263,502	2,562,428	-	-	-	4,825,930
Total local sources	42,156,538	2,562,428	-	19,975,840	32,746	64,727,552
State sources	69,869,164	4,185,275	6,588,663	1,212,658	-	81,855,760
Federal sources	247,995	14,742,336	-	-	-	14,990,331
Intergovernmental	250,000	234,949	-	17,000	-	501,949
Total revenues	112,523,697	21,724,988	6,588,663	21,205,498	32,746	162,075,592
EXPENDITURES						
Current						
Instruction	66,453,351	15,707,414	3,213,571	-	-	85,374,336
Support services	44,211,560	5,415,537	879,187	-	-	50,506,284
Community services	157,515	114,348	-	-	-	271,863
Intergovernmental	238,826	159,021	1,400	-	-	399,247
Debt service						
Principal	-	-	-	12,405,000	-	12,405,000
Interest	-	-	-	7,235,624	-	7,235,624
Other	-	-	-	119,939	-	119,939
Capital outlay	-	-	-	-	4,014,746	4,014,746
Total expenditures	111,061,252	21,396,320	4,094,158	19,760,563	4,014,746	160,327,039
Excess (deficiency) of revenues over (under) expenditures	1,462,445	328,668	2,494,505	1,444,935	(3,982,000)	1,748,553
OTHER FINANCING SOURCES (USES)						
Premiums on bonds sold	-	-	-	3,549,365	328,138	3,877,503
Proceeds of general obligation bonds	-	-	-	-	5,000,000	5,000,000
Proceeds of refunding bonds	-	-	-	23,180,000	-	23,180,000
Payments to refunded debt escrow agent	-	-	-	(26,611,428)	-	(26,611,428)
Proceeds from the sale of capital assets	121,072	-	-	-	-	121,072
Transfers in	2,975,498	-	-	-	-	2,975,498
Transfers out	(423,404)	(280,993)	(2,494,505)	-	-	(3,198,902)
Total other financing sources (uses)	2,673,166	(280,993)	(2,494,505)	117,937	5,328,138	5,343,743
Net change in fund balances	4,135,611	47,675	-	1,562,872	1,346,138	7,092,296
FUND BALANCES - JULY 1, 2010	17,413,749	208,178	-	8,296,312	2,866,181	28,784,420
FUND BALANCES - JUNE 30, 2011	\$ 21,549,360	\$ 255,853	\$ -	\$ 9,859,184	\$ 4,212,319	\$ 35,876,716

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

ROCK HILL SCHOOL DISTRICT THREE  
RECONCILIATION OF STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the fiscal year ended June 30, 2011

Exhibit 4  
(Continued)

Total net change in fund balances - governmental funds (from Exhibit 4)	\$ 7,092,296
<b>Amounts reported for governmental activities in the statement of activities are different because of the following:</b>	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$7,653,543) exceeds capital outlays, net (\$1,138,778).	(6,514,765)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Refunded debt retirement	24,990,000
Capital lease payments	426,560
Bond principal retirement	12,405,000
Bond proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from bonds issued.	(28,180,000)
In the statement of activities, only the gain or loss on the sale/disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold/disposed.	24,474
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount that bond premiums (\$3,877,503) exceed deferred bond issuance costs (\$637,389) along with net amortization of bond premiums and deferred issuance costs, which totaled \$3,240,114 in the current period.	(3,240,114)
Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased by this amount this year.	378,704
In the statement of activities, certain operating expenses - compensated absences (vacation pay) - are measured by the amounts <i>earned</i> during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually <i>paid</i> ). This year, the amount used exceeded the vacation earned.	77,687
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	715,529
Change in net assets of governmental activities (from Exhibit 2)	<u>\$ 8,175,371</u>

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

ROCK HILL SCHOOL DISTRICT THREE  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2011

Exhibit 5

	<u>Enterprise Fund - Food Service</u>
<u>ASSETS</u>	
<b>CURRENT ASSETS</b>	
Cash	\$ 1,923
Due from other funds	2,885,337
Due from governmental units	36,823
Purchased food inventory	147,583
Supplies inventory	<u>21,358</u>
Total current assets	<u>3,093,024</u>
<b>NON-CURRENT ASSETS</b>	
Property and equipment (less accumulated depreciation of \$3,272,130)	<u>1,093,505</u>
Total non-current assets	<u>1,093,505</u>
Total assets	<u><u>\$ 4,186,529</u></u>
<b>NET ASSETS</b>	
Invested in capital assets	\$ 1,093,505
Unrestricted	<u>3,093,024</u>
Total net assets	<u><u>\$ 4,186,529</u></u>

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

ROCK HILL SCHOOL DISTRICT THREE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
For the fiscal year ended June 30, 2011

Exhibit 6

	<u>Enterprise Fund - Food Service</u>
<b>OPERATING REVENUES</b>	
Proceeds from sales of meals	\$ 1,991,665
Total operating revenues	<u>1,991,665</u>
<b>OPERATING EXPENSES</b>	
Food costs	3,336,693
Salaries and wages	2,775,219
Supplies and materials	323,976
Depreciation	283,402
Other	<u>154,015</u>
Total operating expenses	<u>6,873,305</u>
Operating loss	<u>(4,881,640)</u>
<b>NON-OPERATING REVENUES</b>	
USDA reimbursements	4,749,800
Commodities received from USDA	477,124
Other state aid	<u>7,376</u>
Total non-operating revenues	<u>5,234,300</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Indirect costs	(200,000)
Transfer from general fund	<u>423,404</u>
Total other financing sources (uses)	<u>223,404</u>
Change in net assets	576,064
<b>NET ASSETS, JULY 1, 2010</b>	<u>3,610,465</u>
<b>NET ASSETS, JUNE 30, 2011</b>	<u><u>\$ 4,186,529</u></u>

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

ROCK HILL SCHOOL DISTRICT THREE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the fiscal year ended June 30, 2011

Exhibit 7

	Enterprise Fund - Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from patrons	\$ 1,991,665
Payments to employees for services	(2,108,948)
Payments for employee benefits	(242,867)
Payments for goods and services	<u>(4,621,358)</u>
Net cash used by operating activities	<u>(4,981,508)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer from general fund	423,404
Indirect costs	(200,000)
Nonoperating grants received	<u>4,757,174</u>
Net cash provided by noncapital financing activities	<u>4,980,578</u>
Net decrease in cash and cash equivalents	(930)
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	<u>2,853</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	<u><u>\$ 1,923</u></u>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	(4,881,640)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	283,402
Commodities used	477,124
Changes in deferred and accrued amounts	
Inventory	(117,615)
Due from other funds	(1,268,077)
Due from governmental units	<u>525,298</u>
Net cash used by operating activities	<u><u>\$ (4,981,508)</u></u>
<b>NONCASH TRANSACTIONS</b>	
During the fiscal year ended June 30, 2011, the School District received food commodities from the USDA totaling \$477,124.	

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

ROCK HILL SCHOOL DISTRICT THREE  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2011

Exhibit 8

ASSETS

Cash	\$ 11,602
Due from other funds	<u>1,182,166</u>
Total assets	<u><u>\$ 1,193,768</u></u>

LIABILITIES

Due to student organizations	<u>\$ 1,193,768</u>
Total liabilities	<u><u>\$ 1,193,768</u></u>

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



ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Rock Hill School District Three (School District) is governed by a seven member elected Board of Trustees (Board). The School District provides regular and exceptional education for students in kindergarten through grade twelve.

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant policies.

**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 government sources and must comply with the requirements of these funding source entities. However, the School District is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by governmental accounting standards. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. The School District invests funds and receives property tax revenues through its relationship with York County.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. The School District has a charter school, Children's Attention Home Charter School, which is considered to be a component unit.

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

In May 2002, the Governmental Accounting Standards Board issued GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement, effective in fiscal year 2004, provides additional guidance to determine whether certain organizations (such as parent-teacher organizations, foundations and athletic booster clubs) for which the School District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. The School District has determined that there are no support entities that meet the requirements for inclusion as a discretely presented component unit under GASB No. 39.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Basis of Presentation**

The statements of the School District are presented as follows:

**Government-wide Financial Statements** - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The effect of interfund activity has been removed from these statements except for interfund services provided and used. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. There are no indirect expenses allocated to the direct expenses. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. 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. Each major fund is presented in a separate column. The School District has no nonmajor funds. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School District finances and meets cash flow needs of its proprietary activities.

**Cash Flow Statement** - 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.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. Measurement Focus and Basis of Accounting**

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

***Governmental Funds***

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 liabilities is separated as fund balance. The following are the School District's major governmental funds:

***General Fund*** - to account for all financial transactions not properly accounted for in another fund. The School District uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

***Special Revenue Funds*** - to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted, committed or assigned to expenditures for specified purposes. The School District has two special revenue funds:

- (1) Special Projects Fund, a budgeted fund used to account for financial resources provided by federal, state and local projects and grants.
- (2) The Education Improvement Act (EIA) Fund, a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

***Capital Projects (Building) Fund*** - to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

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

***Proprietary Funds***

Proprietary funds are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful to provide sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The School District has no internal service funds. Non-operating revenues consist primarily of commodities and reimbursements received from the United States Department of Agriculture.

Within proprietary funds, operating revenues and expenses are presented in the Statement of Revenues, Expenses and Changes in Fund Net Assets. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Non-operating revenues consist primarily of commodities and reimbursements received from the United States Department of Agriculture. Sales for food service represent the operating revenues of the School District's proprietary fund. Operating expenses are necessary costs incurred to provide the goods or service that are the primary activity of the fund.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. Measurement Focus and Basis of Accounting - (Continued)**

**Enterprise Funds** - to account for operations (a) where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or covered primarily through user charges or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Food Service Fund is the School District's only enterprise fund and is used to account for the United States Department of Agriculture (USDA) approved school breakfast and lunch programs.

***Fiduciary Funds***

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The School District's fiduciary funds consist of agency funds, which are custodial in nature, and do not involve measurement of results of operation. The agency funds are used to account for amounts held for student activity organizations.

**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. Proprietary 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 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. Nonexchange 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, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 2). Revenue from grants, entitlements and donations is 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 expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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 available as an advance, income taxes, interest, tuition, grants, student fees and rentals.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. Measurement Focus and Basis of Accounting - (Continued)**

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, 2011, but which have not met the revenue recognition criteria, have been recorded as unearned revenue. Grants and entitlements received before the eligibility 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.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities 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.

**D. Assets, Liabilities and Equity**

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

The York County Treasurer invests in authorized instruments on behalf of the School District. The York 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.

**Receivables and Payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as "due from other funds" or "due to other funds" on the balance sheet. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for net residual amounts due between governmental and business-type activities, which are presented as internal balances.

The School District records its property tax receivables as levied net of an allowance for uncollectible amounts. The allowance for loss is 4% of property taxes receivable at fiscal year end.

**Inventories** - Under the system of accounting for inventory, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting and are subsequently charged to expense when consumed. Inventory includes food, supplies and commodities. An amount for commodities received from the USDA, but not consumed as of June 30, 2011, has been recorded at fair market value as provided by the USDA and is included in purchased food inventory.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Assets, Liabilities and Equity - (Continued)

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

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

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

All reported capital assets other than land and construction in progress are depreciated. 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	50 years	20 years
Furniture and equipment	3 - 7 years	3 - 12 years

**Compensated Absences** - The School District reports compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The School District's policy is to pay any salary-related payments, including accumulated vacation leave, upon termination up to 10 days. However, employees may accumulate vacation leave up to 20 days to be taken as time off. The entire compensated absence liability is reported on the government-wide financial statements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. Assets, Liabilities and Equity - (Continued)**

***Accrued Liabilities and Long-Term Obligations*** - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments 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. 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.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

***Fund Balances, Equity and Net Assets*** - The School District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

For the government wide financial statements the School District applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net assets are available. For the governmental funds financial statements the School District applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of the unspent proceeds. Net assets are 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.



ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. Assets, Liabilities and Equity - (Continued)**

**Interfund 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 balances are eliminated.

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

The government-wide statement of activities excludes the effects of internal activity, if any, between the funds.

**Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, those revenues consist of sales of breakfasts and lunches to students and teachers.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the School District's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Accounting** - State statutes require a budget for operations be approved before any expenditures are made. The Board will usually approve the operating budget in June for the fiscal year beginning July 1. A budget is adopted by July 1 of each fiscal year for the General Fund, on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. The Board does not adopt a budget for the Special Revenue Fund. Special Revenue Fund budgets are controlled in conformance with the specific requirements of those funds (i.e., federal and state grant funds available are based on award amounts and the State EIA funds are based on the state appropriation). In addition, no budgets are prepared for the debt service and capital projects funds. A budget and actual comparison is presented in the accompanying fund financial statements for the general fund. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts adopted in the original appropriations. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended budget issued during the year ended June 30, 2011. This budget is prepared by function and object as dictated by the State-adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School District's policies allow funds to be transferred between functions with administrative approval. The total budget cannot be increased beyond that level approved by the Board of Trustees originally and in supplementary action. The legal level of control is at the fund level.

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

1. In the winter, the School District sets its budget calendar for the preparation of the budget for the next succeeding fiscal year.
2. The finance department develops each schools' allocation based on a membership projection. Each principal uses this allocation to develop the individual school budgets.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (Continued)**

3. The School District's Administrative Cabinet, consisting of the superintendent, associate superintendents and executive directors, reviews the requests and presents a proposed budget to the Board of Trustees.
4. After review and preliminary approval by the Board of Trustees, the proposed budget is presented at a public hearing. Following the public hearing, the Board adopts the budget.

The budget amounts in the financial statements are as amended and approved by the Board. 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 reservations of the fund balances at year end for encumbrances.

**III. DETAILED NOTES ON ALL FUNDS**

**NOTE 1 - DEPOSITS, AMOUNTS ON DEPOSIT WITH YORK COUNTY TREASURER AND INVESTMENTS**

The School District is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Bonds and savings and loan associations to the extent they are guaranteed by the Federal Savings and Loans Insurance Corporation.
4. Deposits in certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificate of deposit so secured, including interest.
5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government-guaranteed securities in accordance with South Carolina State laws).
6. Repurchase agreements.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of bank failure, the School District's cash equivalents and deposits may not be returned to the School District. At June 30, 2011, the School District had deposits with a carrying amount of \$10,131,146 and a bank balance of \$12,278,766. The bank balance was entirely covered by Federal depository insurance or by collateral held by the School District or the School District's agent in the School District's name. The School District has no custodial credit risk since there are no uncollateralized or uninsured and unregistered securities held by the counterparty, or by its trust department or agent but not in the School District's name. Information was not available regarding the custodial credit risk of deposits with the York County Treasurer of \$22,040,953.

At June 30, 2011, the School District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Local government investment pool	Various	<u><b>\$ 18,719,505</b></u>

**Credit Risk** - South Carolina statutes authorize investments in certificates of deposit, 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 investment policy that would further restrict its choices.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**III. DETAILED NOTES ON ALL FUNDS - (Continued)**

**NOTE 1 - DEPOSITS, AMOUNTS ON DEPOSIT WITH YORK COUNTY TREASURER AND INVESTMENTS**

- (Continued)

The Local Government Investment Pool (LGIP) is not rated. The fair value of the School District's position in the LGIP approximates the same value of the School District's LGIP shares. Further information may be obtained from the LGIP's complete financial statements. These financial statements may be obtained by writing to the following address:

Office of the State Treasurer, Local Government Investment Pool  
Post Office Box 11778, Columbia, South Carolina 29211

**Interest Rate Risk** - The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**NOTE 2 - PROPERTY TAXES**

The School District's property tax is levied each October on the assessed value listed as of the prior December 31 for all real and business personal property located in the School District. The assessed value on the roll at December 31, 2009, upon which the levy for the 2010-2011 fiscal years was based, was \$374,722,619 (excluding vehicles valued at \$36,974,685). Taxes are delinquent on March 15, the collection date, following the October 1 levy date. Property taxes become a lien against the property as of March 15 of the calendar year following the levy date. A tax auction is held the first Monday in October on all delinquent property. The levy date for motor vehicles 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. Total tax collections, which include delinquent tax collections and penalties, equaled approximately 95% of the current tax levy for the year ended June 30, 2011.

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.

**NOTE 3 - RECEIVABLES**

Intergovernmental receivables at June 30, 2011 consisted of taxes, intergovernmental grants, reimbursements and interest. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Due from federal government	
School Food Service	\$ 36,823
Special Projects	
Title I	1,294,185
Title I - ARRA	154,805
IDEA	12,168
IDEA - ARRA	194,926
IDEA preschool	19,872
IDEA preschool - ARRA	4,312

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

**NOTE 3 - RECEIVABLES, (Continued)**

Due from federal government, continued	
Special Projects, continued	
Occupational education	245,033
Drug free schools	3,907
Adult education	11,793
State fiscal stabilization	550,417
Other special revenue programs	<u>189,737</u>
Total due from federal government	<u>2,717,978</u>
Due from state agencies	
General fund	242,526
Education Improvement Act	2,153,943
Other special revenue programs	<u>175,006</u>
Total due from state agencies	<u>2,571,475</u>
Total intergovernmental receivables	<u><b>\$ 5,330,004</b></u>

Receivables for property taxes are reported net of the allowance for uncollectible accounts. Taxes receivable of \$2,360,154 in the general fund and \$891,006 in the debt service fund are net of an allowance for uncollectibles of \$98,340 and \$37,125, respectively. Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2011, deferred revenue related to property taxes reported in the governmental funds totaled \$1,863,239 and \$666,171 in the general and debt service funds, respectively.

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance, July 1, 2010	Additions/ Transfers	Deletions/ Transfers	Balance, June 30, 2011
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 10,433,629	\$ -	\$ 55,814	\$ 10,377,815
Total capital assets, not being depreciated	<u>10,433,629</u>	<u>-</u>	<u>55,814</u>	<u>10,377,815</u>
Capital assets, being depreciated				
Buildings and improvements	323,437,968	-	-	323,437,968
Furniture and equipment	<u>12,431,921</u>	<u>1,194,592</u>	<u>427,127</u>	<u>13,199,386</u>
Total capital assets, being depreciated	<u>335,869,889</u>	<u>1,194,592</u>	<u>427,127</u>	<u>336,637,354</u>
Totals at historical cost	<u>346,303,518</u>	<u>1,194,592</u>	<u>482,941</u>	<u>347,015,169</u>
Less accumulated depreciation				
Buildings and improvements	72,848,279	6,382,078	-	79,230,357
Furniture and equipment	<u>8,918,706</u>	<u>1,271,465</u>	<u>424,611</u>	<u>9,765,560</u>
Total accumulated depreciation	<u>81,766,985</u>	<u>7,653,543</u>	<u>424,611</u>	<u>88,995,917</u>
Total net capital assets, being depreciated	<u>254,102,904</u>	<u>(6,458,951)</u>	<u>2,516</u>	<u>247,641,437</u>
<b>Governmental activities capital assets, net</b>	<u><b>\$ 264,536,533</b></u>	<u><b>\$ (6,458,951)</b></u>	<u><b>\$ 58,330</b></u>	<u><b>\$ 258,019,252</b></u>

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 4 - CAPITAL ASSETS, (Continued)

	<u>Balance, July 1, 2010</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance, June 30, 2011</u>
<b>Business-type activities</b>				
Equipment	\$ 4,372,058	\$ -	\$ 6,423	\$ 4,365,635
Less accumulated depreciation				
Equipment	<u>2,995,152</u>	<u>283,401</u>	<u>6,423</u>	<u>3,272,130</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 1,376,906</u></b>	<b><u>\$ (283,401)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,093,505</u></b>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,809,047
Support services	<u>2,844,496</u>
Total depreciation expense	<b><u>\$ 7,653,543</u></b>

NOTE 5 - CAPITAL LEASE OBLIGATION (ENERGY MANAGEMENT EQUIPMENT)

On September 29, 2006, the School District entered into an agreement to finance the lease purchase of certain energy management equipment. The agreement requires principal payments currently totaling \$9,057,662 over the remaining term of the lease at an interest cost of 3.98%. The lease term ends on October 27, 2023. Under the agreement, the School District is required to make payments each year, as follows:

2012	\$ 816,206
2013	836,609
2014	857,526
2015	878,962
2016 - 2020	4,734,905
2021 - 2025	<u>3,494,609</u>
	11,618,817
Less interest	<u>(2,561,155)</u>
Total principal payments	<b><u>\$ 9,057,662</u></b>

The lease is accompanied by a Guaranteed Energy Savings Contract Authorized by South Carolina General Statute 48-52-620, Article 6 which was approved on August 28, 2006. The term of the contract is 15 years under which the District is guaranteed to realize energy, operations and maintenance cost savings of at least \$14,885,852.

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

**III. DETAILED NOTES ON ALL FUNDS - (Continued)**

**NOTE 6 - LONG-TERM DEBT**

Changes in long-term obligations for the year ended June 30, 2011 were as follows:

	Principal outstanding July 1, 2010	Additions	Reductions	Principal outstanding June 30, 2011	Amounts due in one year
<b>Governmental activities</b>					
General obligation bonds					
November 1, 2001	\$ 28,500,000	\$ -	\$ 25,090,000	\$ 3,410,000	\$ 3,410,000
September 1, 2003	29,000,000	-	3,500,000	25,500,000	4,500,000
November 15, 2005	20,520,000	-	710,000	19,810,000	305,000
November 15, 2005	4,435,000	-	4,435,000	-	-
March 14, 2007	59,340,000	-	1,655,000	57,685,000	1,365,000
September 23, 2009	19,000,000	-	365,000	18,635,000	860,000
September 23, 2009	3,195,000	-	1,490,000	1,705,000	1,705,000
October 7, 2010	-	5,000,000	150,000	4,850,000	1,730,000
October 7, 2010	-	<u>23,180,000</u>	-	<u>23,180,000</u>	-
Total general obligation bonds	163,990,000	28,180,000	37,395,000	154,775,000	13,875,000
Unamortized bond premiums	<u>2,837,659</u>	<u>3,240,114</u>	-	<u>6,077,773</u>	<u>904,487</u>
Total bonds and notes payable	166,827,659	31,420,114	37,395,000	160,852,773	14,779,487
Capital lease obligations	9,484,222	-	426,560	9,057,662	464,115
Compensated absences	<u>548,920</u>	<u>181,148</u>	<u>258,835</u>	<u>471,233</u>	<u>471,233</u>
Total governmental activities general long-term debt	<u>\$ 176,860,801</u>	<u>\$ 31,601,262</u>	<u>\$ 38,080,395</u>	<u>\$ 170,381,668</u>	<u>\$ 15,714,835</u>

Compensated absences will be paid from the fund where the employee's salary is paid. General obligation debt will be paid from the debt service fund.

General obligation bonds consist of the following at June 30, 2011:

<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2011</u>
November 1, 2001	3.00 - 5.00	Mar./Sept.	2017	\$ 32,500,000	\$ 3,410,000
September 1, 2003	4.25 - 5.00	Mar./Sept.	2016	42,500,000	25,500,000
November 15, 2005	4.00 - 5.00	Mar./Sept.	2025	23,000,000	19,810,000
November 15, 2005	4.00	Mar./Sept.	2011	23,015,000	-
March 14, 2007	3.25 - 5.00	Mar./Sept.	2032	63,000,000	57,685,000
September 23, 2009	2.00 - 5.00	Mar./Sept.	2029	19,000,000	18,635,000
September 23, 2009	2.00 - 3.00	Mar./Sept.	2012	4,730,000	1,705,000
October 7, 2010	3.00 - 4.00	Mar./Sept.	2015	5,000,000	4,850,000
October 7, 2010	5.00	Mar./Sept.	2017	<u>23,180,000</u>	<u>23,180,000</u>
				<u>\$ 235,925,000</u>	<u>\$ 154,775,000</u>

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**III. DETAILED NOTES ON ALL FUNDS - (Continued)**

**NOTE 6 - LONG-TERM DEBT, (Continued)**

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2011, including interest payments over the life of the debt, are as follows:

Year Ended June 30,	Principal	Interest	Total
2012	\$ 13,875,000	\$ 6,916,515	\$ 20,791,515
2013	13,050,000	6,388,265	19,438,265
2014	12,650,000	5,781,015	18,431,015
2015	12,230,000	5,177,915	17,407,915
2016	12,225,000	4,580,865	16,805,865
2017-2021	28,960,000	18,672,591	47,632,591
2022-2026	31,290,000	9,946,944	41,236,944
2027-2031	25,575,000	3,983,350	29,558,350
2032-2036	<u>4,920,000</u>	<u>123,000</u>	<u>5,043,000</u>
	<b><u>\$ 154,775,000</u></b>	<b><u>\$ 61,570,460</u></b>	<b><u>\$ 216,345,460</u></b>

The School District issued \$5,000,000 in general obligation bonds, Series 2010A on October 7, 2010. A portion of the bonds mature annually on March 1 of each year. The bond coupon rates range from 3.00% to 4.00%.

The School District issued \$23,180,000 in general obligation refunding bonds, Series 2010B on October 7, 2010 with an interest rate of 5.00%. The 2010B bonds were issued to refund \$24,990,000 of the outstanding \$28,500,000 of an original principal amount of \$32,500,000, general obligation bonds, Series 2001, including payment of interest to the date of the redemption of the refunded bonds on March 1, 2012 and to pay costs of issuance of the 2010B bonds. The economic gain resulting from the transaction totaled approximately \$1,834,795.

Article X, Section 15 of the Constitution of the State of South Carolina, as amended, empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district.

Bonded indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of the School District voting in a referendum will not be considered in the computation of the 8% limitation. As of June 30, 2011, the remaining debt margin available to the School District was \$19,929,163.

**NOTE 7 - SHORT-TERM OBLIGATIONS**

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2011</u>
Governmental activities:				
Tax anticipation notes	\$ -	\$ 11,000,000	\$ 11,000,000	\$ -
Total governmental activities	<u>\$ -</u>	<u>\$ 11,000,000</u>	<u>\$ 11,000,000</u>	<u>\$ -</u>

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**III. DETAILED NOTES ON ALL FUNDS - (Continued)**

**NOTE 7 - SHORT-TERM OBLIGATIONS, (Continued)**

The School District issued \$11,000,000 in tax anticipation notes with an annual interest rate of 2% for the purposes of funding School District operations. The tax anticipation notes matured in March 2011 at which time they were repaid with general fund property tax revenues.

**NOTE 8 - FUND BALANCES AND NET ASSETS**

The fund balances/net assets and other credits have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

***Governmental fund financial statements***

Fund balance - Nonspendable - balances that by their nature are unable to be spent.

Fund balances - Restricted - balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed - balances that can only be used for the specific purpose determined by the School District's Board of Directors.

Fund balances - Assigned - balances meant to be used for a specific purpose but do not meet the criteria as restricted or committed.

Fund balances - Unassigned - balances that are spendable amounts not contained in other classifications.

***Government-wide and proprietary fund financial statements***

Invested in capital assets, net of related debt - represents the net cost less accumulated depreciation and outstanding debt less unexpended proceeds attributable to the organization of the capital assets.

Restricted net assets - represents net assets restricted externally by creditors, grantors, contributors or laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - represents the remainder of the School District's net assets in government-wide and business-type activities.

**NOTE 9 - TRANSFERS IN/OUT AND INTERFUND RECEIVABLES/PAYABLES**

During the course of normal operations, the School District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers. Funds are transferred into the general fund from other funds to cover Education Improvement Act raises for teachers, indirect costs for federal programs and the required Medicaid match. Funds are transferred from the general fund into special projects funds for future innovative board designated projects and staff development. Funds are transferred from the general fund to the capital projects and debt service fund for capital needs for each school. Funds are transferred from the general fund to the food service fund for reimbursement of fringe-related costs. Funds are transferred into the pupil activity fund from the general fund for support of student extra-curricular activities. Total transfers during the year ended June 30, 2011 consisted of the following individual fund amounts:



ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 9 - TRANSFERS IN/OUT AND INTERFUND RECEIVABLES/PAYABLES, (Continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,975,498	\$ 423,404
Education Improvement Act Fund	-	2,494,505
Food Service Fund	423,404	200,000
Special Projects Fund	-	280,993
	<u>\$ 3,398,902</u>	<u>\$ 3,398,902</u>

Interfund balances are comprised of expenditures paid on behalf of the special projects fund, education improvement act fund, debt service fund, capital projects fund, food service fund and the agency fund by the general fund and are to be repaid. As of June 30, 2011, amounts due from (to) other funds related to the School District's pooled cash are as follows:

	<u>General fund</u>	<u>Special projects</u>	<u>Education Improvement Act</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Food service</u>	<u>Agency fund</u>	<u>Total</u>
Due from special projects	\$ 1,745,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,745,866
Due from capital projects	6,583,323	-	-	-	-	-	-	6,583,323
Due from general fund	-	11,035	2,303,690	597,217	-	2,885,337	1,182,166	6,979,445
	<u>8,329,189</u>	<u>11,035</u>	<u>2,303,690</u>	<u>597,217</u>	<u>-</u>	<u>2,885,337</u>	<u>1,182,166</u>	<u>15,308,634</u>
Due to Education Improvement Act	(2,303,690)	-	-	-	-	-	-	(2,303,690)
Due to special projects	(398,375)	-	-	-	-	-	-	(398,375)
Due to debt service	(597,217)	-	-	-	-	-	-	(597,217)
Due to food service	(2,885,337)	-	-	-	-	-	-	(2,885,337)
Due to general fund	-	(1,358,526)	-	-	(6,583,323)	-	-	(7,941,849)
Due to agency fund	(1,182,166)	-	-	-	-	-	-	(1,182,166)
	<u>(7,366,785)</u>	<u>(1,358,526)</u>	<u>-</u>	<u>-</u>	<u>(6,583,323)</u>	<u>-</u>	<u>-</u>	<u>(15,308,634)</u>
	<u>\$ 962,404</u>	<u>\$ (1,347,491)</u>	<u>\$ 2,303,690</u>	<u>\$ 597,217</u>	<u>\$ (6,583,323)</u>	<u>\$ 2,885,337</u>	<u>\$ 1,182,166</u>	<u>\$ -</u>

NOTE 10 - ARBITRAGE REBATE

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2011, there were no amounts outstanding for arbitrage rebates.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**IV. OTHER INFORMATION**

**NOTE 11 - RETIREMENT BENEFITS**

Substantially all School District employees are members of the South Carolina Retirement System (SCRS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board. The System provides retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The System issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the South Carolina Retirement System. That report may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Both employees and employers are required to contribute to the Plan under authority of Title 9 of the South Carolina Code of Laws. Employees are required to contribute 6.50% of their annual covered salary, and the School District is required to contribute at an actuarially determined rate. The current rate is 9.24% of annual covered payroll. In addition, the School District contributes .15% of payroll to a group life insurance benefit for their participants and 3.90% for retiree health coverage. The School District's contributions to the System, including group life insurance and retiree health coverage, for the years ended June 30, 2011, 2010 and 2009 were \$7,863,343, \$8,523,394 and \$8,669,114, respectively, which are equal to the required contributions.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement may participate in the Teacher and Employee Retention Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits, which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program before July 1, 2005 make no employee contributions while covered under the TERI program. No additional service credit is earned during this period and participants are ineligible for disability retirement benefits. TERI participants with retirement dates on or after July 1, 2005 make the same pre-tax contributions to the SCRS as active members. In addition, they are eligible to receive group life insurance benefits, but are ineligible to receive service credit or disability retirement benefits.

Certain School District employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts which are issued to, and become the property of, the participants. The School District assumes no liability for this plan other than for payment of contributions to designated insurance companies. Employees who enroll in ORP are eligible to change their election to SCRS if done before the fifth anniversary of enrollment in ORP.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 6.50% plus the retiree surcharge of 3.90% from the employer in fiscal year 2011.

Certain of the School District's employees have elected to be covered under optional retirement plans. Total contribution requirements (excluding the surcharge) for the years ended June 30, 2011, 2010 and 2009 to the ORP were \$803,208, \$704,971 and \$623,279, respectively, from the School District as employer. All amounts were remitted to the Retirement Division of the State Budget and Control Board for distribution to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance companies.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**IV. OTHER INFORMATION - (Continued)**

**NOTE 12 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description** - 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. The District contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). 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 May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability benefits (BLTD) are provided to active state, public school district and participating local government employees approved for disability.

**Funding Policies** - Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by state general fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.50% of annual covered payroll for 2011 and 2010. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The District paid approximately \$3,604,937, \$3,500,477, and 3,549,085 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2011, 2010 and 2009, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.23 for the fiscal years ended June 30, 2011 and 2010.

Effective May 1, 2008, the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, South Carolina 29201.

**NOTE 13 - DEFERRED COMPENSATION/SALARY DEFERRAL PLAN**

The School District employees may participate in the 457 and/or 401(k) defined contribution deferred compensation plans available to state and local governmental employees through the state public employee retirement system. These programs are administered by a state approved nongovernmental third party. Contributions by employees under these plans totaled \$776,039 for the year ended June 30, 2011.

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**IV. OTHER INFORMATION - (Continued)**

**NOTE 14 - 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 for which the School District carries commercial insurance. During the year ended June 30, 2011, the School District obtained its general liability, workers' compensation, and property insurance through the South Carolina School Boards Insurance Trust (the "Trust") which represents South Carolina school districts joined together in a public entity risk pool. The School District pays an annual premium to the Trust for its general liability, workers' compensation and property insurance. The agreement for formation of the Trust provides that the Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 for each insured event.

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

Prior to July 1, 1978, school districts in South Carolina were exempt from unemployment taxes. Effective July 1, 1978, school districts were no longer exempted from these taxes. As a result, the School District established a limited risk management program for unemployment compensation. The School District reimburses the South Carolina Employment Security Commission for actual claims paid attributable to service in the employ of the School District. Claims paid during the year ended June 30, 2011 were \$252,415 and were reported in the General Fund. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

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. Insurance coverage has remained stable since the prior fiscal year.

**NOTE 15 - COMMITMENTS**

The School District entered into a noncancellable operating lease for office equipment in March 2008. The lease requires a minimum monthly payment of \$17,960 for a term of 60 months expiring in February 2013. It is anticipated that similar leases will be continued when this lease expires. Lease expense for the year ended June 30, 2011 was \$230,606.

Annual lease commitments for the years ending June 30 are as follows:

2012	\$ 215,520
2013	125,720

**NOTE 16 - CONTINGENCIES**

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

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

ROCK HILL SCHOOL DISTRICT THREE  
NOTES TO BASIC FINANCIAL STATEMENTS

**IV. OTHER INFORMATION - (Continued)**

**NOTE 17 - SUBSEQUENT EVENTS**

In October 2011, the School District issued \$5,000,000 in general obligation bonds, Series 2011A with an annual interest rate range of 2% to 3% that mature in 2015.

In October 2011, the School District issued \$15,595,000 in general obligation refunding bonds, Series 2011B with an annual interest rate range of 2% to 5% that mature in 2016. The economic gain resulting from this transaction totaled \$740,000.

In July 2011, the School District issued \$9,300,000 in tax anticipation notes with an annual interest rate of 1.5% that mature in April 2012.

# Required Supplementary Information

# GENERAL FUND



If I had a million dollars, I would  
hire a new teacher.

To account for all financial resources except those required to be accounted for in another fund. All property taxes, intra-governmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the District collects other funds in a fiduciary capacity. Operational expenditures for general education, support services and other departments for the District are paid through the General Fund.

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

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

	Original	Final	Actual	Variance with Final Budget
REVENUES				
1000 Revenue from local sources				
1100 Taxes				
1110 Ad valorem taxes - including delinquent	\$ 30,850,000	\$ 30,850,000	\$ 29,919,562	\$ (930,438)
1140 Penalties and interest on taxes	1,000,000	1,000,000	2,006,855	1,006,855
1200 Revenue from local government units other than LEA's				
1210 Ad valorem taxes - including delinquent	7,750,000	7,750,000	7,345,236	(404,764)
1240 Penalties and interest on taxes	200,000	200,000	451,124	251,124
1280 Revenue in lieu of taxes	2,000,000	2,000,000	1,959,738	(40,262)
1300 Tuition				
1310 From patrons for regular day school	400,000	400,000	59,338	(340,662)
1500 Earnings on investments				
1510 Interest on investments	100,000	100,000	170,259	70,259
1900 Other revenue from local sources				
1910 Rentals	-	-	84,472	84,472
1920 Contributions & donations private sources	-	-	7,286	7,286
1990 Miscellaneous local revenue	24,500	24,500	30,531	6,031
1993 Receipt of insurance proceeds	-	-	3,581	3,581
1999 Revenue from other local sources	-	-	268,358	268,358
Total local sources	42,324,500	42,324,500	42,306,340	(18,160)
2000 Intergovernmental revenue				
2100 Payments from other governmental units	-	-	250,000	250,000
Total intergovernmental revenue	-	-	250,000	250,000
3000 Revenue from state sources				
3100 Restricted state grants				
3129 Consolidated revenue	-	-	547,264	547,264
3131 Handicapped transportation	-	-	15,300	15,300
3160 School bus driver's salary	600,000	600,000	678,267	78,267
3162 Worker's comp revenue	-	-	52,387	52,387
3180 Fringe benefits employer contributions	13,900,000	13,900,000	13,508,920	(391,080)
3181 Retiree insurance	2,100,000	2,100,000	2,388,201	288,201
3197 Textbook cost savings	-	-	432,300	432,300
Total restricted state grants	16,600,000	16,600,000	17,622,639	1,022,639
3300 Education Finance Act				
3310 Full-time programs				
3311 Kindergarten	2,180,000	2,180,000	1,993,921	(186,079)
3312 Primary	5,700,000	5,700,000	5,545,684	(154,316)
3313 Elementary	7,170,000	7,170,000	6,973,471	(196,529)
3314 High school	3,840,000	3,840,000	3,597,328	(242,672)
3315 Trainable mentally handicapped	87,000	87,000	93,833	6,833
3316 Speech handicapped (part-time program)	1,379,000	1,379,000	1,329,387	(49,613)
3317 Homebound	77,000	77,000	66,211	(10,789)
3320 Part-time programs				
3321 Emotionally handicapped	148,000	148,000	148,842	842
3322 Educable mentally handicapped	76,000	76,000	84,481	8,481
3323 Learning disabilities	3,347,000	3,347,000	3,266,943	(80,057)
3324 Hearing handicapped	116,000	116,000	121,283	5,283
3325 Visually handicapped	76,000	76,000	64,268	(11,732)
3326 Orthopedically handicapped	74,000	74,000	71,581	(2,419)
3327 Vocational	3,340,000	3,340,000	3,410,220	70,220
3330 Other EFA programs				
3331 Autism	190,000	190,000	245,433	55,433
Total Education Finance Act	27,800,000	27,800,000	27,012,886	(787,114)



ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

	Original	Final	Actual	Variance with Final Budget
REVENUES, Continued				
3000 Revenue from state sources				
3800 State revenue in lieu of taxes				
3810 Reimbursement for local residential property tax relief	5,991,204	5,991,204	5,991,204	-
3820 Homestead exemption	1,700,000	1,700,000	1,710,186	10,186
3825 Reimbursement for property tax relief	16,000,000	16,000,000	16,026,743	26,743
3830 Merchant's inventory tax	243,005	243,005	221,539	(21,466)
3840 Manufacturer's depreciation reimbursement	1,070,000	1,070,000	1,203,423	133,423
3890 Other state property tax revenues	-	-	77,152	77,152
Total state revenue in lieu of taxes	25,004,209	25,004,209	25,230,247	226,038
3900 Other state revenue				
3999 Revenue from other state sources	-	-	89,195	89,195
Total other state revenue	-	-	89,195	89,195
Total state sources	69,404,209	69,404,209	69,954,967	550,758
4000 Revenue from federal sources				
4200 Occupational education				
4210 Perkins Aid, Title I	-	-	220	220
Total occupational education	-	-	220	220
4900 Other federal sources				
4999 Revenue from other federal sources	155,685	155,685	247,775	92,090
Total other federal sources	155,685	155,685	247,775	92,090
Total federal sources	155,685	155,685	247,995	92,310
Total revenue all sources	111,884,394	111,884,394	112,759,302	874,908
EXPENDITURES				
100 Instruction				
110 General instruction				
111 Kindergarten programs				
100 Salaries	2,865,528	2,867,446	2,968,030	(100,584)
200 Employee benefits	896,482	896,482	902,290	(5,808)
300 Purchased services	350	84,189	84,227	(38)
400 Supplies and materials	46,389	49,396	46,003	3,393
	3,808,749	3,897,513	4,000,550	(103,037)
112 Primary programs				
100 Salaries	10,352,168	10,356,729	9,992,144	364,585
200 Employee benefits	3,169,521	3,169,521	3,098,077	71,444
300 Purchased services	14,000	188,991	181,728	7,263
400 Supplies and materials	135,297	137,057	147,310	(10,253)
500 Capital outlay	-	-	2,400	(2,400)
	13,670,986	13,852,298	13,421,659	430,639
113 Elementary programs				
100 Salaries	17,126,845	17,131,642	17,110,037	21,605
200 Employee benefits	5,327,008	5,327,008	5,381,246	(54,238)
300 Purchased services	72,805	335,622	317,652	17,970
400 Supplies and materials	275,620	276,358	258,860	17,498
500 Capital outlay	10,900	10,900	2,672	8,228
600 Other objects	4,000	5,331	5,294	37
	22,817,178	23,086,861	23,075,761	11,100

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

		Original	Final	Actual	Variance with Final Budget
EXPENDITURES, Continued					
100 Instruction, continued					
110 General instruction, continued					
114 High school programs					
100 Salaries		11,571,299	11,574,724	11,474,979	99,745
140 Terminal leave		-	-	5,841	(5,841)
200 Employee benefits		3,515,920	3,515,920	3,635,160	(119,240)
300 Purchased services		123,991	325,008	235,635	89,373
400 Supplies and materials		412,332	348,719	335,276	13,443
600 Other objects		2,241	1,643	1,637	6
		<u>15,625,783</u>	<u>15,766,014</u>	<u>15,688,528</u>	<u>77,486</u>
115 Career and technology education programs					
100 Salaries		2,077,029	2,077,029	2,087,933	(10,904)
200 Employee benefits		638,338	638,338	654,657	(16,319)
300 Purchased services		10,600	40,723	35,903	4,820
400 Supplies and materials		123,206	127,044	84,911	42,133
500 Capital outlay		5,500	1,000	-	1,000
600 Other objects		3,750	3,750	2,300	1,450
		<u>2,858,423</u>	<u>2,887,884</u>	<u>2,865,704</u>	<u>22,180</u>
Total general instruction		<u>58,781,119</u>	<u>59,490,570</u>	<u>59,052,202</u>	<u>438,368</u>
120 Exceptional programs					
121 Educable mentally handicapped					
100 Salaries		361,510	361,510	384,307	(22,797)
200 Employee benefits		106,772	106,772	114,004	(7,232)
300 Purchased services		-	6,324	6,324	-
400 Supplies and materials		1,950	1,855	1,587	268
		<u>470,232</u>	<u>476,461</u>	<u>506,222</u>	<u>(29,761)</u>
122 Trainable mentally handicapped					
100 Salaries		374,173	374,173	428,570	(54,397)
200 Employee benefits		106,998	106,998	126,705	(19,707)
300 Purchased services		100	14,369	14,269	100
400 Supplies and materials		2,487	2,023	1,774	249
		<u>483,758</u>	<u>497,563</u>	<u>571,318</u>	<u>(73,755)</u>
123 Orthopedically handicapped					
100 Salaries		43,406	43,406	49,922	(6,516)
200 Employee benefits		12,453	12,453	14,550	(2,097)
300 Purchased services		-	1,849	1,849	-
		<u>55,859</u>	<u>57,708</u>	<u>66,321</u>	<u>(8,613)</u>
124 Visually handicapped					
100 Salaries		58,105	58,105	64,457	(6,352)
200 Employee benefits		19,821	19,821	21,983	(2,162)
300 Purchased services		400	144	144	-
		<u>78,326</u>	<u>78,070</u>	<u>86,584</u>	<u>(8,514)</u>
125 Hearing handicapped					
100 Salaries		120,449	120,449	168,290	(47,841)
200 Employee benefits		38,802	38,802	49,032	(10,230)
300 Purchased services		100,000	101,080	62,910	38,170
		<u>259,251</u>	<u>260,331</u>	<u>280,232</u>	<u>(19,901)</u>
126 Speech handicapped					
100 Salaries		213,981	213,981	351,149	(137,168)
200 Employee benefits		66,793	66,793	104,975	(38,182)
400 Supplies and materials		3,564	3,564	3,563	1
		<u>284,338</u>	<u>284,338</u>	<u>459,687</u>	<u>(175,349)</u>

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

		Original	Final	Actual	Variance with Final Budget
EXPENDITURES, Continued					
100	Instruction, continued				
120	Exceptional programs, continued				
127	Learning disabilities				
100	Salaries	2,822,200	2,845,288	2,842,641	2,647
200	Employee benefits	873,082	873,082	863,335	9,747
300	Purchased services	380	30,133	29,753	380
400	Supplies and materials	14,150	12,726	11,497	1,229
		3,709,812	3,761,229	3,747,226	14,003
128	Emotionally handicapped				
100	Salaries	185,292	185,292	207,835	(22,543)
200	Employee benefits	57,986	57,986	64,811	(6,825)
300	Purchased services	-	5,486	5,486	-
400	Supplies and materials	800	800	777	23
		244,078	249,564	278,909	(29,345)
	Total exceptional programs	5,585,654	5,665,264	5,996,499	(331,235)
130	Pre-school programs				
133	Pre-school handicapped self-contained (5 yr. olds)				
100	Salaries	164,715	164,715	165,646	(931)
200	Employee benefits	47,269	47,269	49,679	(2,410)
300	Purchased services	50	3,400	3,350	50
400	Supplies and materials	2,000	1,970	1,974	(4)
		214,034	217,354	220,649	(3,295)
137	Preschool handicapped self-contained (3 and 4 yr. olds)				
100	Salaries	33,838	33,838	44,527	(10,689)
200	Employee benefits	10,534	10,534	9,668	866
300	Purchased services	-	2,667	2,667	-
		44,372	47,039	56,862	(9,823)
139	Early childhood programs				
100	Salaries	242,269	242,269	342,848	(100,579)
200	Employee benefits	68,692	68,692	87,353	(18,661)
300	Purchased services	1,500	7,529	6,836	693
400	Supplies and materials	3,000	2,650	1,170	1,480
		315,461	321,140	438,207	(117,067)
	Total pre-school programs	573,867	585,533	715,718	(130,185)
140	Special programs				
141	Gifted and talented - academic				
100	Salaries	139,891	139,891	119,632	20,259
200	Employee benefits	43,110	43,110	36,635	6,475
		183,001	183,001	156,267	26,734
143	Advanced placement				
400	Supplies and materials	800	645	645	-
		800	645	645	-
145	Homebound				
100	Salaries	274,400	274,400	210,490	63,910
200	Employee benefits	59,078	59,078	45,137	13,941
300	Purchased services	8,400	6,400	6,080	320
		341,878	339,878	261,707	78,171
	Total special programs	525,679	523,524	418,619	104,905

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

		Original	Final	Actual	Variance with Final Budget
EXPENDITURES, Continued					
100 Instruction, continued					
160 Other exceptional programs					
161 Autism					
100 Salaries		207,623	207,623	213,041	(5,418)
200 Employee benefits		66,676	66,676	66,326	350
300 Purchased services		-	7,863	7,863	-
400 Supplies and materials		1,150	1,136	1,130	6
		<u>275,449</u>	<u>283,298</u>	<u>288,360</u>	<u>(5,062)</u>
Total other exceptional programs		<u>275,449</u>	<u>283,298</u>	<u>288,360</u>	<u>(5,062)</u>
180 Adult/continuing educational programs					
181 Adult basic education programs					
100 Salaries		47,929	47,929	44,960	2,969
140 Terminal leave		-	-	919	(919)
200 Employee benefits		14,661	14,661	13,538	1,123
300 Purchased services		750	750	139	611
400 Supplies and materials		5,732	5,732	5,084	648
600 Other objects		487	487	300	187
		<u>69,559</u>	<u>69,559</u>	<u>64,940</u>	<u>4,619</u>
188 Parenting/family literacy					
100 Salaries		34,451	34,451	37,820	(3,369)
200 Employee benefits		10,241	10,241	11,833	(1,592)
300 Purchased services		8,645	8,645	5,558	3,087
400 Supplies and materials		11,956	11,956	901	11,055
		<u>65,293</u>	<u>65,293</u>	<u>56,112</u>	<u>9,181</u>
Total adult/continuing educational programs		<u>134,852</u>	<u>134,852</u>	<u>121,052</u>	<u>13,800</u>
Total instruction		<u>65,876,620</u>	<u>66,683,041</u>	<u>66,592,450</u>	<u>90,591</u>
200 Support services					
210 Pupil services					
211 Attendance and social work services					
100 Salaries		464,153	464,153	441,314	22,839
200 Employee benefits		151,083	151,083	147,288	3,795
300 Purchased services		8,413	8,413	9,213	(800)
400 Supplies and materials		6,725	5,953	3,597	2,356
600 Other objects		388	388	-	388
		<u>630,762</u>	<u>629,990</u>	<u>601,412</u>	<u>28,578</u>
212 Guidance services					
100 Salaries		2,047,366	2,047,366	2,114,014	(66,648)
200 Employee benefits		604,891	604,891	634,839	(29,948)
300 Purchased services		4,318	3,343	1,866	1,477
400 Supplies and materials		27,435	25,271	22,867	2,404
600 Other objects		1,558	1,396	705	691
		<u>2,685,568</u>	<u>2,682,267</u>	<u>2,774,291</u>	<u>(92,024)</u>
213 Health services					
100 Salaries		653,104	653,104	708,383	(55,279)
200 Employee benefits		201,333	201,333	216,043	(14,710)
300 Purchased services		6,025	63,107	61,524	1,583
400 Supplies and materials		29,671	28,344	25,944	2,400
600 Other objects		375	2,886	2,220	666.00
		<u>890,508</u>	<u>948,774</u>	<u>1,014,114</u>	<u>(65,340)</u>

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

		Original	Final	Actual	Variance with Final Budget
EXPENDITURES, Continued					
200	Support services, continued				
210	Pupil services, continued				
214	Psychological services				
100	Salaries	717,050	717,050	729,689	(12,639)
200	Employee benefits	204,413	204,413	210,130	(5,717)
300	Purchased services	500	500	500	-
400	Supplies and materials	2,064	2,350	2,349	1
		<u>924,027</u>	<u>924,313</u>	<u>942,668</u>	<u>(18,355)</u>
216	Vocational placement services				
100	Salaries	121,696	121,696	132,680	(10,984)
200	Employee benefits	37,223	37,223	40,523	(3,300)
300	Purchased services	19,121	19,121	2,523	16,598
400	Supplies and materials	2,364	2,364	1,607	757
600	Other objects	100	100	247	(147)
		<u>180,504</u>	<u>180,504</u>	<u>177,580</u>	<u>2,924</u>
	Total pupil services	<u>5,311,369</u>	<u>5,365,848</u>	<u>5,510,065</u>	<u>(144,217)</u>
220	Instructional staff services				
221	Improvement of instruction - curriculum development				
100	Salaries	883,297	895,401	879,456	15,945
140	Terminal leave	-	-	4,000	(4,000)
200	Employee benefits	243,265	243,268	245,402	(2,134)
300	Purchased services	178,775	162,192	113,040	49,152
400	Supplies and materials	115,960	128,080	64,464	63,616
600	Other objects	53,450	53,450	73,833	(20,383)
		<u>1,474,747</u>	<u>1,482,391</u>	<u>1,380,195</u>	<u>102,196</u>
222	Library and media services				
100	Salaries	1,514,057	1,514,057	1,477,862	36,195
200	Employee benefits	445,139	445,139	447,275	(2,136)
300	Purchased services	2,558	12,301	12,101	200
400	Supplies and materials	155,972	156,521	151,671	4,850
600	Other objects	100	100	-	100
		<u>2,117,826</u>	<u>2,128,118</u>	<u>2,088,909</u>	<u>39,209</u>
223	Supervision of special programs				
100	Salaries	216,936	216,936	218,013	(1,077)
200	Employee benefits	69,982	69,982	71,855	(1,873)
300	Purchased services	14,750	11,602	7,311	4,291
400	Supplies and materials	11,170	11,170	11,007	163
600	Other objects	750	658	158	500
		<u>313,588</u>	<u>310,348</u>	<u>308,344</u>	<u>2,004</u>
224	Improvement of instruction - inservice and staff training				
300	Purchased services	12,798	14,952	13,136	1,816
		<u>12,798</u>	<u>14,952</u>	<u>13,136</u>	<u>1,816</u>
	Total instructional staff services	<u>3,918,959</u>	<u>3,935,809</u>	<u>3,790,584</u>	<u>145,225</u>

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

		Original	Final	Actual	Variance with Final Budget
EXPENDITURES, Continued					
200	Support services, continued				
230	General administration services				
231	Board of Education				
100	Salaries	43,512	43,512	43,846	(334)
200	Employee benefits	906,068	906,068	302,724	603,344
300	Purchased services	100,188	100,188	66,016	34,172
318	Audit services	40,008	40,008	60,425	(20,417)
400	Supplies and materials	1,900	1,900	295	1,605
600	Other objects	13,700	13,700	165,396	(151,696)
		<u>1,105,376</u>	<u>1,105,376</u>	<u>638,702</u>	<u>466,674</u>
232	Office of the superintendent				
100	Salaries	294,790	294,790	251,792	42,998
200	Employee benefits	81,165	81,165	66,122	15,043
300	Purchased services	18,367	18,367	5,671	12,696
400	Supplies and materials	7,792	7,792	5,356	2,436
600	Other objects	60,450	60,450	12,088	48,362
		<u>462,564</u>	<u>462,564</u>	<u>341,029</u>	<u>121,535</u>
233	School administration				
100	Salaries	7,386,267	7,386,894	7,225,972	160,922
140	Terminal leave	-	-	14,584	(14,584)
150	TERI - second annual leave payout	-	-	4,094	(4,094)
200	Employee benefits	2,332,585	2,332,714	2,355,074	(22,360)
300	Purchased services	174,438	170,985	130,924	40,061
400	Supplies and materials	272,873	287,102	249,587	37,515
500	Capital outlay	4,475	13,684	9,500	4,184
600	Other objects	15,375	14,803	14,671	132
		<u>10,186,013</u>	<u>10,206,182</u>	<u>10,004,406</u>	<u>201,776</u>
	Total general administration services	<u>11,753,953</u>	<u>11,774,122</u>	<u>10,984,137</u>	<u>789,985</u>
250	Finance and operations services				
252	Fiscal services				
100	Salaries	713,541	713,541	641,755	71,786
140	Terminal leave	-	-	2,749	(2,749)
200	Employee benefits	203,477	203,477	192,584	10,893
300	Purchased services	98,704	88,704	96,572	(7,868)
400	Supplies and materials	42,199	52,199	55,255	(3,056)
500	Capital outlay	2,500	2,500	-	2,500
600	Other objects	1,375	1,375	1,524	(149)
		<u>1,061,796</u>	<u>1,061,796</u>	<u>990,439</u>	<u>71,357</u>
254	Operation and maintenance of plant				
100	Salaries	4,569,602	4,643,317	4,184,467	458,850
140	Terminal leave	-	-	38,284	(38,284)
200	Employee benefits	1,632,304	1,632,304	1,536,318	95,986
321	Public utilities	3,762,000	3,768,502	3,516,128	252,374
400	Supplies and materials	1,907,000	1,907,011	1,365,310	541,701
470	Energy	4,100,000	4,093,489	3,593,763	499,726
500	Capital outlay	803,000	803,000	838,721	(35,721)
600	Other objects	17,000	17,000	8,727	8,273
		<u>16,790,906</u>	<u>16,864,623</u>	<u>15,081,718</u>	<u>1,782,905</u>

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

		Original	Final	Actual	Variance with Final Budget
EXPENDITURES, Continued					
200	Support services, continued				
250	Finance and operations services, continued				
255	Student transportation				
100	Salaries	2,047,966	2,047,966	2,036,884	11,082
140	Terminal leave	-	-	4,813	(4,813)
200	Employee benefits	736,418	736,418	739,525	(3,107)
300	Purchased services	51,240	42,891	37,855	5,036
400	Supplies and materials	15,744	30,624	30,528	96
500	Capital outlay	-	5,349	5,349	-
600	Other objects	7,700	9,700	12,735	(3,035)
		2,859,068	2,872,948	2,867,689	5,259
257	Internal services				
100	Salaries	170,813	170,813	210,489	(39,676)
200	Employee benefits	54,601	54,601	68,268	(13,667)
300	Purchased services	256,528	257,591	249,208	8,383
400	Supplies and materials	1,914	1,614	8,980	(7,366)
600	Other objects	290	290	60	230
		484,146	484,909	537,005	(52,096)
258	Security				
100	Salaries	12,054	12,054	14,402	(2,348)
200	Employee benefits	2,475	2,475	2,560	(85)
300	Purchased services	460,000	460,000	456,733	3,267
400	Supplies and materials	-	-	3,893	(3,893)
		474,529	474,529	477,588	(3,059)
	Total finance and operations services	21,670,445	21,758,805	19,954,439	1,804,366
260	Central support services				
262	Planning, research, development and evaluation				
100	Salaries	376,095	376,095	400,809	(24,714)
140	Terminal leave	-	-	2,897	(2,897)
200	Employee benefits	107,758	107,758	113,762	(6,004)
300	Purchased services	77,729	76,806	49,740	27,066
400	Supplies and materials	31,413	32,413	22,569	9,844
500	Capital outlay	15,000	15,000	-	15,000
600	Other objects	1,000	1,000	775	225
		608,995	609,072	590,552	18,520
263	Information services				
100	Salaries	98,596	101,050	99,242	1,808
200	Employee benefits	26,330	26,330	26,932	(602)
300	Purchased services	19,665	7,670	4,668	3,002
400	Supplies and materials	2,688	2,688	2,493	195
600	Other objects	4,870	15,784	12,312	3,472
		152,149	153,522	145,647	7,875
264	Staff services				
100	Salaries	416,735	405,955	382,675	23,280
200	Employee benefits	126,308	127,386	122,173	5,213
300	Purchased services	1,180,593	265,737	91,687	174,050
400	Supplies and materials	23,471	30,262	20,205	10,057
600	Other objects	742	1,217	652	565
		1,747,849	830,557	617,392	213,165

ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

		Original	Final	Actual	Variance with Final Budget
EXPENDITURES, Continued					
200	Support services, continued				
260	Central support services, continued				
266	Technology and data processing services				
100	Salaries	559,459	567,176	517,795	49,381
200	Employee benefits	151,826	151,983	149,255	2,728
300	Purchased services	337,511	346,686	371,937	(25,251)
400	Supplies and materials	70,638	79,025	77,620	1,405
500	Capital outlay	29,868	5,238	5,238	-
		<u>1,149,302</u>	<u>1,150,108</u>	<u>1,121,845</u>	<u>28,263</u>
	Total central support services	<u>3,658,295</u>	<u>2,743,259</u>	<u>2,475,436</u>	<u>267,823</u>
270	Support services pupil activity				
271	Pupil services activities				
100	Salaries	1,036,323	1,076,866	1,106,860	(29,994)
200	Employee benefits	223,037	226,429	200,637	25,792
300	Purchased services	150,000	178,543	158,619	19,924
400	Supplies and materials	5,000	26,050	23,578	2,472
600	Other objects	134,012	136,242	117,890	18,352
		<u>1,548,372</u>	<u>1,644,130</u>	<u>1,607,584</u>	<u>36,546</u>
	Total support services pupil activity	<u>1,548,372</u>	<u>1,644,130</u>	<u>1,607,584</u>	<u>36,546</u>
	Total support services	<u>47,861,393</u>	<u>47,221,973</u>	<u>44,322,245</u>	<u>2,899,728</u>
300	Community services				
390	Other community services				
100	Salaries	85,555	85,555	82,923	2,632
200	Employee benefits	23,539	23,539	23,815	(276)
300	Purchased services	20,634	20,634	32,856	(12,222)
400	Supplies and materials	17,349	17,349	17,886	(537)
600	Other objects	90	90	35	55
		<u>147,167</u>	<u>147,167</u>	<u>157,515</u>	<u>(10,348)</u>
	Total community services	<u>147,167</u>	<u>147,167</u>	<u>157,515</u>	<u>(10,348)</u>
400	Other charges				
410	Intergovernmental expenditures				
411	Payments to State Department of Education				
720	Transits	-	-	44,144	(44,144)
412	Payments to other governmental units				
720	Transits	85,000	85,000	108,879	(23,879)
416	Payments to public charter schools				
720	Transits	130,000	130,000	85,803	44,197
	Total intergovernmental expenditures	<u>215,000</u>	<u>215,000</u>	<u>238,826</u>	<u>(23,826)</u>
	Total expenditures	<u>114,100,180</u>	<u>114,267,181</u>	<u>111,311,036</u>	<u>2,956,145</u>
	Excess (deficiency) of revenues over (under) expenditures	<u>(2,215,786)</u>	<u>(2,382,787)</u>	<u>1,448,266</u>	<u>(2,081,237)</u>



ROCK HILL SCHOOL DISTRICT THREE  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule 1

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OTHER FINANCING SOURCES (USES)				
5230 Transfer from special revenue EIA fund	2,525,000	2,525,000	2,494,505	(30,495)
5280 Transfer from other funds indirect costs	200,000	200,000	480,993	280,993
5300 Sale of capital assets	-	-	121,072	121,072
425-710 Transfer to food service fund	<u>(425,000)</u>	<u>(425,000)</u>	<u>(423,404)</u>	<u>1,596</u>
Total other financing sources (uses)	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,673,166</u>	<u>373,166</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 84,214</u>	<u>\$ (82,787)</u>	<u>4,121,432</u>	<u>\$ (1,708,071)</u>
FUND BALANCE, JULY 1, 2010			<u>17,429,544</u>	
FUND BALANCE, JUNE 30, 2011			<u>\$ 21,550,976</u>	

Footnote: The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America.

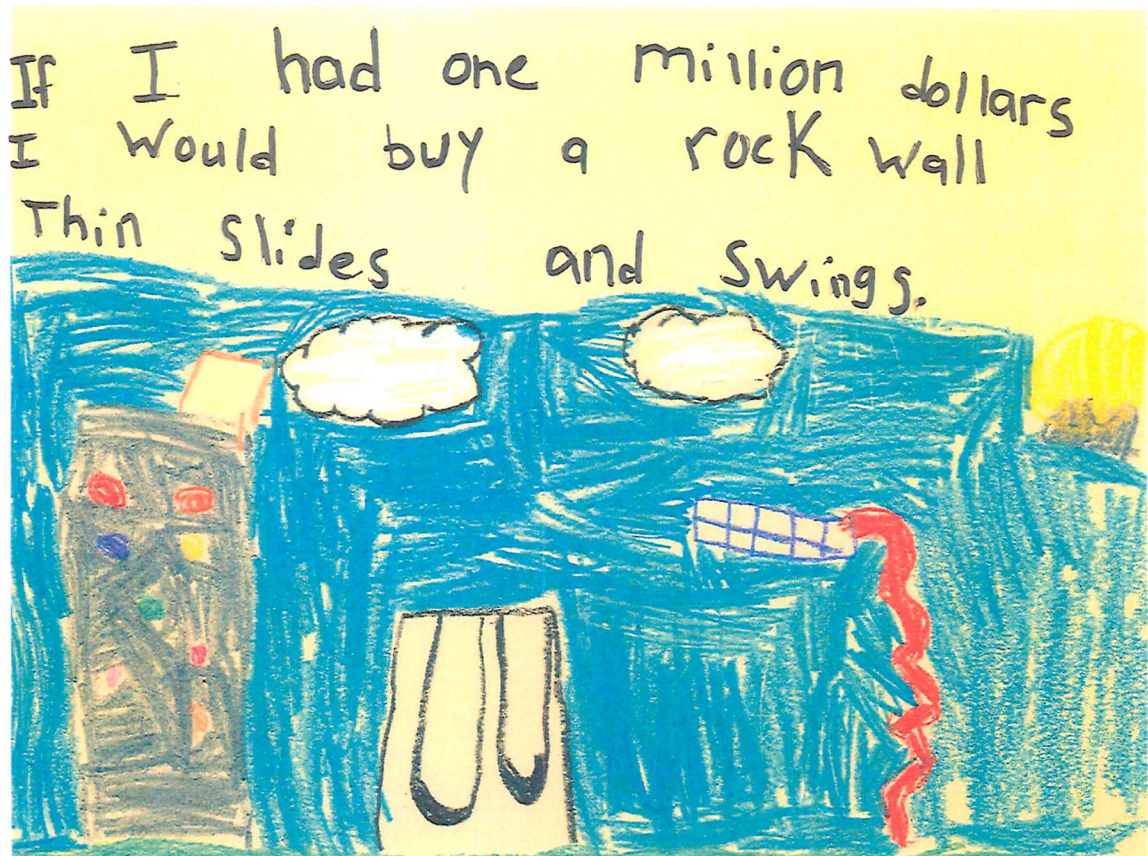
CHILDREN'S ATTENTION HOME CHARTER SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the year ended June 30, 2011

Schedule 2

	Original and final budget	Actual	Variance from final budget
<b>REVENUES</b>			
1000 Revenue from local sources			
1900 Other revenue from local sources			
1999 Revenue from other local sources	\$ 124,940	\$ 149,802	\$ 24,862
Total local sources	<u>124,940</u>	<u>149,802</u>	<u>24,862</u>
3000 Revenue from state sources			
3300 Education Finance Act (EFA)			
3312 Primary	150,924	85,803	(65,121)
Total state sources	<u>150,924</u>	<u>85,803</u>	<u>(65,121)</u>
Total revenues all sources	<u>275,864</u>	<u>235,605</u>	<u>(40,259)</u>
<b>EXPENDITURES</b>			
100 Instruction			
110 General instruction			
112 Primary programs			
100 Salaries	103,970	91,714	12,256
200 Employee benefits	31,132	29,821	1,311
400 Supplies and materials	20,220	15,164	5,056
500 Capital outlay	2,400	2,400	-
	<u>157,722</u>	<u>139,099</u>	<u>18,623</u>
Total instruction	<u>157,722</u>	<u>139,099</u>	<u>18,623</u>
200 Support services			
230 General administration services			
231 Board of education			
318 Audit services	9,000	9,000	-
600 Other objects	5,140	3,597	1,543
	<u>14,140</u>	<u>12,597</u>	<u>1,543</u>
233 School administration			
100 Salaries	72,622	60,730	11,892
200 Employee benefits	18,926	23,040	(4,114)
300 Purchased services	7,728	7,098	630
400 Supplies and materials	2,280	2,623	(343)
600 Other objects	1,740	3,397	(1,657)
	<u>103,296</u>	<u>96,888</u>	<u>6,408</u>
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	2,400	1,200	1,200
	<u>2,400</u>	<u>1,200</u>	<u>1,200</u>
Total support services	<u>119,836</u>	<u>110,685</u>	<u>9,151</u>
Total expenditures	<u>277,558</u>	<u>249,784</u>	<u>27,774</u>
Deficiency of revenues under expenditures	<u>\$ (1,694)</u>	<u>(14,179)</u>	<u>\$ (12,485)</u>
FUND BALANCE, JULY 1, 2010		15,795	
FUND BALANCE, JUNE 30, 2011		<u>\$ 1,616</u>	

# Combining and Individual Fund Schedules

# SPECIAL PROJECTS FUNDS



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

**Special Projects (excluding Education Improvement Act)** - These funds are used to account for all federal, state, and local projects except for those subject to Education Improvement Act requirements.

**Education Improvement Act** - These funds are used to account for the District's expenditures as a result of receiving funds subject to the guidelines set by the State of South Carolina.

The following schedules for the Special Revenue Funds have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the schedules are also mandated by the South Carolina Department of Education.

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

	Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	*Other Special Revenue District	Total
<b>REVENUES</b>									
1000 Revenue from local sources									
1300 Tuition									
1310 Regular day school from patrons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,807	\$ 329,807
1350 Summer school tuition	-	-	-	-	-	-	-	23,448	23,448
1900 Other revenue from local sources									
1920 Contributions and donations private sources	-	-	-	-	-	37,163	-	6,820	43,983
1930 Medicaid	-	-	-	-	-	-	-	548,003	548,003
1999 Revenue from other local sources	-	-	-	-	-	-	-	1,617,187	1,617,187
Total local sources	-	-	-	-	-	37,163	-	2,525,265	2,562,428
2000 Intergovernmental revenue									
2300 Payments from nonprofit entities	-	-	-	-	-	-	-	234,949	234,949
Total intergovernmental revenue	-	-	-	-	-	-	-	234,949	234,949
3000 Revenue from state sources									
3110 Occupational education									
3116 EEDA Miscellaneous	-	-	-	-	-	-	97,218	-	97,218
3118 EEDA Career Specialist	-	-	-	-	-	-	604,338	-	604,338
3120 General education									
3123 Formative Assessment	-	-	-	-	-	-	91,851	-	91,851
3127 Student Health & Fitness - PE Teachers	-	-	-	-	-	-	131,316	-	131,316
3128 High Schools That Work	-	-	-	-	-	-	5,155	-	5,155
3130 Special programs									
3136 Student Health & Fitness - Nurses	-	-	-	-	-	-	446,043	-	446,043
3150 Adult education									
3151 Basic	-	-	-	-	-	6,276	-	-	6,276
3180 Fringe benefits employer contributions									
3185 National Board Certifications	-	-	-	-	-	-	1,966,396	-	1,966,396
3190 Miscellaneous restricted state grants									
3193 Education License Plates	-	-	-	-	-	-	3,628	-	3,628
3199 Other restricted state grants	-	-	-	-	-	-	-	5,445	5,445
3600 Education lottery act revenue									
3607 6-8 Enhancement	-	-	-	-	-	-	136	-	136
3610 K-5 enhancement	-	-	-	-	-	-	797,721	-	797,721
3900 Other state revenue									
3991 ADEPT	-	-	-	-	-	-	20,418	-	20,418
3999 Revenue from other state sources	-	-	-	-	-	-	-	9,334	9,334
Total state sources	-	-	-	-	-	6,276	4,164,220	14,779	4,185,275

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

	Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue District	Total
REVENUES, Continued									
4000 Revenue from federal sources									
4200 Occupational education									
4210 Vocational aid, Title I	-	-	-	242,147	-	-	-	-	242,147
4300 Elementary and Secondary Education Act of 1965									
4310 Title I	3,505,150	-	-	-	-	-	-	99,814	3,604,964
4315 American Recovery and Reinvestment Act (ARRA), Title I Basic State Grant Programs	-	-	-	-	-	-	-	726,753	726,753
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	-	103,172	103,172
4344 McKinney-Vento Homeless Educational Assistance Act (ARRA)	-	-	-	-	-	-	-	13,932	13,932
4350 State Fiscal Stabilization Fund (ARRA)	-	-	-	-	-	-	-	3,659,851	3,659,851
4351 Improving teacher quality	-	-	-	-	-	-	-	641,057	641,057
4400 Adult education									
4410 Basic	-	-	-	-	-	150,732	-	-	150,732
4430 State literacy resource	-	-	-	-	-	5,000	-	-	5,000
4500 Programs for children with disabilities									
4510 Individuals with Disabilities Education Act (IDEA)	-	3,188,206	-	-	-	-	-	26,293	3,214,499
4520 Pre-school grants	-	-	98,996	-	-	-	-	-	98,996
4540 IDEA (ARRA 611)	-	-	-	-	-	-	-	1,734,861	1,734,861
4550 IDEA Preschool (ARRA 619)	-	-	-	-	-	-	-	26,225	26,225
4900 Other federal sources									
4920 Drug and violence prevention, Title IV	-	-	-	-	8,327	-	-	-	8,327
4999 Revenues from other federal sources	-	-	-	-	-	-	-	599,887	599,887
Total federal sources	3,505,150	3,188,206	98,996	242,147	8,327	155,732	-	7,631,845	14,830,403
Total revenue all sources	3,505,150	3,188,206	98,996	242,147	8,327	199,171	4,164,220	10,406,838	21,813,055

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

		Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue District	Total
EXPENDITURES										
100	Instruction									
110	General instruction									
111	Kindergarten programs									
100	Salaries	-	-	-	-	-	-	87,364	1,204,024	1,291,388
200	Employee benefits	-	-	-	-	-	-	18,643	518,669	537,312
300	Purchased services	-	-	-	-	-	-	842	1,563	2,405
400	Supplies and materials	-	-	-	-	-	-	-	18,053	18,053
112	Primary programs									
100	Salaries	1,416,234	-	-	-	-	-	654,740	2,062,002	4,132,976
200	Employee benefits	441,161	-	-	-	-	-	168,237	581,403	1,190,801
300	Purchased services	39,133	-	-	-	-	-	7,038	111,554	157,725
400	Supplies and materials	121,396	-	-	-	-	-	-	130,043	251,439
113	Elementary programs									
100	Salaries	86,650	-	-	-	-	-	863,318	445,701	1,395,669
200	Employee benefits	35,878	-	-	-	-	-	212,368	180,638	428,884
300	Purchased services	-	-	-	-	-	-	2,332	44,300	46,632
400	Supplies and materials	38,010	-	-	-	-	-	45,615	157,431	241,056
600	Other objects	-	-	-	-	-	-	-	1,574	1,574
114	High school programs									
100	Salaries	-	-	-	-	-	-	383,863	460,870	844,733
200	Employee benefits	-	-	-	-	-	-	79,141	107,317	186,458
300	Purchased services	-	-	-	-	-	-	50,000	-	50,000
400	Supplies and materials	-	-	-	-	-	-	-	20,792	20,792
115	Vocational programs									
100	Salaries	-	-	-	-	-	-	47,467	45,023	92,490
200	Employee benefits	-	-	-	-	-	-	9,806	17,885	27,691
400	Supplies and materials	-	-	-	26,864	-	-	-	-	26,864
120	Exceptional programs									
121	Educable mentally handicapped									
100	Salaries	-	173,118	-	-	-	-	21,908	41,842	236,868
200	Employee benefits	-	60,970	-	-	-	-	4,510	15,595	81,075
300	Purchased services	-	-	-	-	-	-	-	12,196	12,196
122	Trainable mentally handicapped									
100	Salaries	-	319,973	-	-	-	-	14,605	80,380	414,958
200	Employee benefits	-	137,606	-	-	-	-	3,031	30,479	171,116
300	Purchased services	-	-	-	-	-	-	-	76	76
400	Supplies and materials	-	-	-	-	-	-	-	14,234	14,234
123	Orthopedically handicapped									
100	Salaries	-	39,114	-	-	-	-	-	18,673	57,787
200	Employee benefits	-	15,449	-	-	-	-	-	11,857	27,306

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

		Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	*Other Special Revenue District	Total
EXPENDITURES, Continued										
100	Instruction, continued									
120	Exceptional programs, continued									
124	Visually handicapped									
100	Salaries	-	36,956	-	-	-	-	-	-	36,956
200	Employee benefits	-	15,629	-	-	-	-	-	-	15,629
300	Purchased services	-	-	-	-	-	-	-	1,906	1,906
400	Supplies and materials	-	-	-	-	-	-	-	2,523	2,523
500	Capital outlay	-	-	-	-	-	-	-	6,470	6,470
125	Hearing handicapped									
100	Salaries	-	66,249	-	-	-	-	7,303	46,924	120,476
200	Employee benefits	-	27,862	-	-	-	-	1,492	16,038	45,392
300	Purchased services	-	-	-	-	-	-	-	931	931
400	Supplies and materials	-	-	-	-	-	-	-	5,897	5,897
126	Speech handicapped									
100	Salaries	-	355,787	42,357	-	-	-	-	108,628	506,772
200	Employee benefits	-	117,270	12,972	-	-	-	-	30,266	160,508
300	Purchased services	-	-	-	-	-	-	-	5,716	5,716
400	Supplies and materials	-	-	-	-	-	-	-	7,908	7,908
600	Other objects	-	-	-	-	-	-	-	2,925	2,925
127	Learning disabilities									
100	Salaries	-	642,125	-	-	-	-	83,109	166,707	891,941
200	Employee benefits	-	211,434	-	-	-	-	17,130	57,234	285,798
300	Purchased services	-	-	-	-	-	-	-	3,167	3,167
400	Supplies and materials	-	-	-	-	-	-	-	213,586	213,586
128	Emotionally handicapped									
100	Salaries	-	104,610	-	-	-	-	7,303	18,943	130,856
200	Employee benefits	-	35,658	-	-	-	-	1,517	4,219	41,394
130	Preschool programs									
133	Pre-school handicapped self-contained (5 yr. olds)									
100	Salaries	-	14,862	-	-	-	-	-	35,622	50,484
200	Employee benefits	-	6,351	-	-	-	-	-	14,193	20,544
137	Pre-school handicapped self-contained (3 & 4 yr. olds)									
100	Salaries	-	20,186	29,845	-	-	-	-	21,517	71,548
200	Employee benefits	-	10,730	10,521	-	-	-	-	4,950	26,201
300	Purchased services	-	-	-	-	-	-	-	1,713	1,713
400	Supplies and materials	-	-	-	-	-	-	-	25,778	25,778
139	Pre-school handicapped self-contained (3 & 4 yr. olds)									
100	Salaries	62,360	-	-	-	-	-	-	38,163	100,523
200	Employee benefits	17,488	-	-	-	-	-	-	8,705	26,193
400	Supplies and materials	5,808	-	-	-	-	-	-	216	6,024



ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

		Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue District	Total
100	EXPENDITURES, Continued									
	Instruction, continued									
140	Special programs									
141	Gifted and talented - academic									
100	Salaries	-	-	-	-	-	-	14,605	-	14,605
200	Employee benefits	-	-	-	-	-	-	3,018	-	3,018
400	Supplies and materials	-	-	-	-	-	-	-	96	96
149	Other special programs									
100	Salaries	-	10,437	-	-	-	-	-	-	10,437
200	Employee benefits	-	3,178	-	-	-	-	-	-	3,178
160	Other exceptional programs									
161	Autism									
100	Salaries	-	40,921	-	-	-	-	-	64,089	105,010
200	Employee benefits	-	19,703	-	-	-	-	-	22,029	41,732
300	Purchased services	-	-	-	-	-	-	-	2,857	2,857
400	Supplies and materials	-	-	-	-	-	-	-	6,431	6,431
170	Summer school programs									
171	Primary summer school									
100	Salaries	-	-	-	-	-	-	-	1,972	1,972
200	Employee benefits	-	-	-	-	-	-	-	432	432
172	Elementary summer school									
100	Salaries	-	-	-	-	-	-	-	2,390	2,390
200	Employee benefits	-	-	-	-	-	-	-	507	507
300	Purchased services	-	-	-	-	-	-	-	188	188
400	Supplies and materials	-	-	-	-	-	-	-	2,286	2,286
173	High school summer school									
100	Salaries	-	-	-	-	-	-	-	15,986	15,986
200	Employee benefits	-	-	-	-	-	-	-	3,368	3,368
175	Instructional programs beyond regular school day									
100	Salaries	-	-	-	-	-	-	-	41,667	41,667
200	Employee benefits	-	-	-	-	-	-	-	8,758	8,758
400	Supplies and materials	-	-	-	-	-	-	-	317	317
180	Adult/continuing educational programs									
181	Adult basic education programs									
100	Salaries	-	-	-	-	-	113,079	-	33,265	146,344
200	Employee benefits	-	-	-	-	-	23,717	-	10,173	33,890
300	Purchased services	-	-	-	-	-	23,347	-	8	23,355
400	Supplies and materials	-	-	-	-	-	25,824	-	-	25,824
182	Adult Secondary Education Programs									
100	Salaries	-	-	-	-	-	23,703	-	-	23,703
200	Employee benefits	-	-	-	-	-	4,677	-	-	4,677
300	Purchased services	-	-	-	-	-	1,649	-	-	1,649
400	Supplies and materials	-	-	-	-	-	12,821	-	-	12,821

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

	Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	*Other Special Revenue District	Total
EXPENDITURES, Continued									
100 Instruction, continued									
180 Adult/continuing educational programs, continued									
183 Adult English Literacy (ESL)									
100 Salaries	-	-	-	-	-	16,605	-	-	16,605
200 Employee benefits	-	-	-	-	-	3,310	-	-	3,310
400 Supplies and materials	-	-	-	-	-	6,050	-	-	6,050
188 Parenting/Family literacy									
100 Salaries	103,254	-	-	-	-	-	-	166,832	270,086
200 Employee benefits	43,331	-	-	-	-	-	-	71,408	114,739
300 Purchased services	500	-	-	-	-	-	-	5,147	5,647
400 Supplies and materials	44,473	-	-	-	-	-	-	17,877	62,350
Total instruction	2,455,676	2,486,178	95,695	26,864	-	254,782	2,810,305	7,663,102	15,792,602
200 Support services									
210 Pupil services									
212 Guidance services									
100 Salaries	-	-	-	147,558	-	-	561,750	-	709,308
200 Employee benefits	-	-	-	41,247	-	-	157,161	-	198,408
300 Purchased services	-	-	-	1,390	2,000	-	-	-	3,390
400 Supplies and materials	-	-	-	-	6,327	-	-	893	7,220
213 Health services									
100 Salaries	-	303,880	-	-	-	-	335,422	75,185	714,487
200 Employee benefits	-	98,428	-	-	-	-	107,021	20,191	225,640
300 Purchased services	-	-	-	-	-	-	3,600	13,342	16,942
400 Supplies and materials	-	-	-	-	-	-	-	498	498
214 Psychological services									
100 Salaries	-	74,835	-	-	-	-	-	343	75,178
200 Employee benefits	-	20,545	-	-	-	-	-	75	20,620
300 Purchased services	-	-	-	-	-	-	-	3,685	3,685
216 Vocational placement services									
100 Salaries	-	-	-	-	-	-	-	35,540	35,540
200 Employee benefits	-	-	-	-	-	-	-	10,662	10,662
300 Purchased services	-	-	-	-	-	-	-	2,098	2,098
400 Supplies and materials	-	-	-	-	-	-	-	2,218	2,218

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

	Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	*Other Special Revenue District	Total
EXPENDITURES, Continued									
200 Support services, continued									
220 Instructional staff services									
221 Improvement of instruction - curriculum development									
100 Salaries	-	-	-	-	-	-	18,256	148,063	166,319
200 Employee benefits	-	-	-	-	-	-	3,804	47,286	51,090
222 Library and media									
100 Salaries	-	-	-	-	-	-	36,513	-	36,513
200 Employee benefits	-	-	-	-	-	-	7,598	-	7,598
223 Supervision of special programs									
100 Salaries	96,207	77,931	-	-	-	-	-	87,150	261,288
200 Employee benefits	29,194	23,803	-	-	-	-	-	19,213	72,210
300 Purchased services	407,808	-	-	-	-	2,500	-	469,615	879,923
400 Supplies and materials	76,243	-	-	-	-	4,000	-	96,861	177,104
224 Improvement of instruction - inservice and staff training									
100 Salaries	239,966	-	-	-	-	-	16,325	471,496	727,787
140 Terminal Leave	2,696	-	-	-	-	-	-	3,300	5,996
200 Employee benefits	72,670	-	-	-	-	-	3,518	135,198	211,386
300 Purchased services	20,772	-	-	1,000	-	-	3,455	87,765	112,992
400 Supplies and materials	32	-	-	-	-	-	2,276	7,493	9,801
600 Other objects	-	-	-	2,078	-	-	-	-	2,078
230 General administration services:									
233 School administration									
100 Salaries	-	-	-	-	-	-	-	75,184	75,184
200 Employee benefits	-	-	-	-	-	-	-	16,879	16,879
300 Purchased services	552	-	-	-	-	-	-	8,704	9,256
400 Supplies and materials	-	-	-	-	-	-	-	451	451
250 Finance and operations services									
251 Student transportation (federal/district mandated)									
100 Salaries	-	-	-	-	-	-	-	12,780	12,780
200 Employee benefits	-	-	-	-	-	-	-	2,846	2,846
300 Purchased services	-	-	-	-	-	-	-	9,649	9,649
252 Fiscal services									
100 Salaries	-	-	-	-	-	-	-	31	31
200 Employee benefits	-	-	-	-	-	-	-	7	7
100 Salaries	-	-	-	-	-	-	-	4,195	4,195
200 Employee benefits	-	-	-	-	-	-	-	1,492	1,492
300 Purchased services	-	-	-	-	-	-	-	397,973	397,973
255 State transportation (state mandated)									
100 Salaries	-	-	-	-	-	-	-	3,151	3,151
200 Employee benefits	-	-	-	-	-	-	-	525	525
300 Purchased services	-	-	-	-	-	-	-	16,171	16,171

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

	Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	*Other Special Revenue District	Total
EXPENDITURES, Continued									
200 Support services, continued									
260 Central support services									
264 Staff services									
100 Salaries	-	-	-	-	-	-	-	34,307	34,307
200 Employee benefits	-	-	-	-	-	-	-	12,582	12,582
300 Purchased services	470	-	-	-	-	-	-	-	470
266 Technology and data processing services									
100 Salaries	-	-	-	-	-	-	-	31,250	31,250
200 Employee benefits	-	-	-	-	-	-	-	9,651	9,651
270 Support services - pupil activity									
271 Pupil service activities									
100 Salaries	-	-	-	-	-	-	-	144	144
200 Employee benefits	-	-	-	-	-	-	-	11	11
600 Other objects	3,257	-	-	14,876	-	-	-	13,299	31,432
Total support services	949,867	599,422	-	208,149	8,327	6,500	1,256,699	2,389,452	5,418,416
300 Community services									
390 Other community services									
100 Salaries	-	-	-	-	-	-	76,977	-	76,977
200 Employee benefits	-	-	-	-	-	-	18,489	-	18,489
400 Supplies and materials	-	-	-	-	-	-	1,750	17,132	18,882
Total community services	-	-	-	-	-	-	97,216	17,132	114,348
410 Intergovernmental activities									
411 Payments to State Department of Education									
720 Transits	-	-	-	-	-	-	-	159,021	159,021
Total intergovernmental	-	-	-	-	-	-	-	159,021	159,021
Total expenditures	3,405,543	3,085,600	95,695	235,013	8,327	261,282	4,164,220	10,228,707	21,484,387
OTHER FINANCING USES									
Interfund transfers from (to) other funds									
431-791 Special revenue fund indirect costs	(99,607)	(102,606)	(3,301)	(7,134)	-	(5,041)	-	(63,304)	(280,993)
Total other financing uses	(99,607)	(102,606)	(3,301)	(7,134)	-	(5,041)	-	(63,304)	(280,993)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-	-	(67,152)	-	114,827	47,675
FUND BALANCES, JULY 1, 2010	-	-	-	-	-	67,152	-	141,026	208,178
FUND BALANCES, JUNE 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,853	\$ 255,853

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL PROJECTS FUND  
(INCLUDING CHARTER SCHOOL)  
For the fiscal year ended June 30, 2011

Schedule A-1

		Title I (201)	IDEA (203)	Preschool Handi- capped (205)	Occupational Education (207)	Drug Free Schools (209)	* Adult Education	* Other Restricted State Grants	* Other Special Revenue District	Total
<u>* Adult Education</u>										
243	Adult Ed. - Federal									
292	Adult Ed. - Contributions									
918	Adult Ed.- Basic									
921	Career Readiness Initiative									
<u>* Other Restricted State Grants</u>										
916	ADEPT									
918	Adult Education - Basic									
919	Education License Plates									
926	EEDA Misc.									
928	EEDA Career Specialists									
933	Formative assessment									
935	National Board Certifications									
936	Student Health and Fitness - Nurses									
937	Student Health and Fitness - PE Teachers									
938	Making Middle Grades Work									
960	K-5 Enhancement									
967	6-8 Middle School Enhancement									
<u>* Other Special Revenue Programs</u>										
213	Personnel Development						833	Arts in Education- Northside		
214	Group Homes						834	Career Readiness Initiative		
215	IDEA - ARRA						835	DHEC Solid Waste Grants		
216	IDEA Preschool - ARRA						837	EEDA Implementation - York		
221	Title I (Neglected and Delinquent)						838	Rock Hill Adult and Communication		
222	Title I - ARRA						839	SC Arts Commission - AIE/CM		
223	Supervision of Special Programs						840	CTEC Programs		
225	Mathematics and Science Partnership						841	SCEENS/EIC - Donnelley Grant		
227	McKinney-Vento Homeless Educational Assist. Act						842	SCEENS/EIC - VKRF Grant		
229	Title I Neglected and Delinquent - ARRA						843	EEDA - York Technical College		
230	WIA Summer Program						844	Attendance Improvement Project		
235	Foundation Grants						845	SAT Improvement		
237	Title I State Program Improvement						846	SCCTM Grant - Investigating the South Carolina Math Standards		
241	Title V						847	SDM Server		
244	Eisenhower Professional Development						848	Project Lead the Way		
250	Goals 2000 - Educate America						849	Arts Council of Rock Hill		
253	Enhancing Education Through Technology						852	Extended School Year		
264	Language Instruction Title III						853	Adult Ed - WIA Youth		
267	Improving Teacher Quality						856	Foreign Language Assessment Program		
273	CTEC						857	Designated Reserve Funds		
274	Writer's Express Summer						858	Toolbox for Education		
278	School Technology Two-Way Interactive Video						859	LATTIS - Looping Grant		
280	Medicaid						861	Great Outdoors Project - Sunset Park Elementary		
290	DHEC Solid Waste Grant						862	York County First Steps		
291	Attendance Make-Up						863	Character Development Allocation		
293	Critical Needs						868	Energy Grant - ARRA		
294	FA Recovery						870	First Steps Parent Smart Grant		
295	ROTC						871	ParentSmart Project		
298	ATC House Project						875	SC Alliance for Children		
801	After School Program						877	Success by Six Resource		
802	Sylvia Circle Tuition						878	Palmetto Youth Connection		
815	Carroll School						880	Profoundly Mentally Disabled		
822	Extended School Year						889	OASIS Grant Award		
824	TIF Funded Projects						891	Testing - PSAT		
825	Virtual High School						893	Vocational Rehab Expansion		
826	Summer School High School						894	Title VII		
827	JSCG Grant						896	Emergency Response Plan for School Safety		
829	EIC Team Grant						897	Credit Recovery		
830	SCEENS/EIC - NFWF - EPA						899	Local School Projects		
832	Professional Development									

CHILDREN'S ATTENTION HOME CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE FUND  
For the year ended June 30, 2011

Schedule A-2

	Title I BA Projects (201)	Total
<b>REVENUES</b>		
4000 Revenue from federal sources		
4300 Elementary & Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs	\$ 88,067	\$ 88,067
Total federal sources	88,067	88,067
Total revenue	88,067	88,067
<b>EXPENDITURES</b>		
100 Instruction		
110 General instruction		
112 Primary programs		
100 Salaries	68,150	68,150
200 Employee benefits	17,038	17,038
	85,188	85,188
Total instruction	85,188	85,188
200 Support services		
230 General administration services		
233 School administration		
300 Purchased services	552	552
	552	552
260 Central support services		
264 Staff services		
300 Purchased services	470	470
	470	470
270 Support services - pupil activity		
271 Pupil service activities		
660 Supporting services pupil activity	1,857	1,857
	1,857	1,857
Total support services	2,879	2,879
Total expenditures	88,067	88,067
Excess (deficiency) of revenues over (under) expenditures	-	-
FUND BALANCE, JULY 1, 2010	-	-
FUND BALANCE, JUNE 30, 2011	\$ -	\$ -

ROCK HILL SCHOOL DISTRICT THREE  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
SPECIAL PROJECTS FUND  
For the fiscal year ended June 30, 2011

Schedule A-3

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue Fund Deferred Revenue
916	3991	ADEPT	\$ 20,418	\$ 20,418	\$ -
918	3151	Adult Education - Basic	6,276	6,276	-
919	3193	Education License Plates	3,628	3,628	-
926	3116	EEDA Miscellaneous	97,218	97,218	-
928	3118	EEDA Career Specialist	604,338	604,338	-
933	3123	Formative Assessment	91,851	91,851	5,621
935	3185	National Board Certification	1,966,396	1,966,396	-
936	3136	Student Health and Fitness - Nurses	446,043	446,043	112,190
937	3127	Student Health and Fitness - PE Teachers	131,316	131,316	73,082
938	3128	High Schools That Work	5,155	5,155	6,345
960	3610	K-5 Enhancement	791,445	791,445	330,600
967	3607	6-8 Enhancement	136	136	44,808
			<u>\$ 4,164,220</u>	<u>\$ 4,164,220</u>	<u>\$ 572,646</u>

ROCK HILL SCHOOL DISTRICT THREE  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
 EDUCATION IMPROVEMENT ACT FUND  
 For the fiscal year ended June 30, 2011

Schedule A-4

		<u>Total</u>
REVENUES		
3000	Revenue from state sources	
3500	Education Improvement Act:	
3509	Arts in Education	\$ 18,750
3511	Professional Development	59,046
3525	Career and Technology Education Equipment	74,320
3526	Refurbish Science Kits	62,014
3530	Trainable and Profoundly Mentally Disabled Student Services	37,900
3533	Teacher of the Year Awards	26,913
3538	Students at Risk of School Failure	2,050,133
3540	Early Childhood Program	205,945
3542	Pre-School Programs for Children with Disabilities	45,622
3544	High Achieving Students	411,414
3550	Teacher Salary Increase	1,778,138
3555	School Employer Contributions	372,342
3556	Adult Education	363,172
3558	Reading	35,304
3562	Adult Education - Basic	39,553
3568	EAA Technical Assistance	531,466
3577	Teacher Supplies	345,400
3578	High Schools That Work/Making Middle Grades Work	8,235
3592	School-to-Work Transition	49,017
3599	Other EIA	73,979
	Total state sources	<u>6,588,663</u>
	Total revenue all sources	<u>\$ 6,588,663</u>



ROCK HILL SCHOOL DISTRICT THREE  
COMBINED SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
EDUCATION IMPROVEMENT ACT FUND  
For the fiscal year ended June 30, 2011

Schedule A-4

EXPENDITURES		<u>Total</u>
100	Instruction	
110	General instruction	
111	Kindergarten programs	
100	Salaries	18,585
200	Employee benefits	4,318
300	Employee benefits	897
		<u>23,800</u>
112	Primary programs	
100	Salaries	158,457
200	Employee benefits	45,418
300	Purchased services	11,437
400	Supplies and materials	3,349
		<u>218,661</u>
113	Elementary programs	
100	Salaries	808,421
200	Employee benefits	268,409
300	Purchased services	7,066
400	Supplies and materials	120,987
500	Capital outlay	2,661
		<u>1,207,544</u>
114	High school programs	
100	Salaries	303,138
200	Employee benefits	91,036
300	Purchased services	6,281
		<u>400,455</u>
115	Vocational programs	
300	Purchased services	247
400	Supplies and materials	103,544
500	Capital outlay	19,844
		<u>123,635</u>
120	Exceptional programs	
122	Trainable mentally handicapped	
100	Salaries	61,257
200	Employee benefits	29,021
300	Purchased services	366
400	Supplies and materials	274
		<u>90,918</u>

ROCK HILL SCHOOL DISTRICT THREE  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
 EDUCATION IMPROVEMENT ACT FUND  
 For the fiscal year ended June 30, 2011

Schedule A-4

		<u>Total</u>
EXPENDITURES, Continued		
100	Instruction, continued	
130	Preschool programs	
137	Pre-school handicapped self-contained (3 and 4 year olds)	
100	Salaries	36,629
200	Employee benefits	14,473
		<u>51,102</u>
139	Early childhood programs	
100	Salaries	139,262
200	Employee benefits	54,442
300	Purchased services	4,057
400	Supplies and materials	8,184
		<u>205,945</u>
140	Special programs	
141	Gifted and talented - academic	
100	Salaries	286,426
200	Employee benefits	80,395
300	Purchased services	442
400	Supplies and materials	6,767
		<u>374,030</u>
143	Advanced placement	
400	Supplies and materials	59,498
		<u>59,498</u>
148	Gifted and talented - artistic	
300	Purchased services	59,220
		<u>59,220</u>
149	Other special programs	
100	Salaries	112,692
200	Employee benefits	31,516
300	Purchased services	255
		<u>144,463</u>
170	Summer school program	
172	Elementary summer school	
100	Salaries	4,077
200	Employee benefits	869
		<u>4,946</u>

ROCK HILL SCHOOL DISTRICT THREE  
COMBINED SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
EDUCATION IMPROVEMENT ACT FUND  
For the fiscal year ended June 30, 2011

Schedule A-4

EXPENDITURES, Continued		<u>Total</u>
100	Instruction, continued	
180	Adult/continuing educational programs	
181	Adult basic education programs	
100	Salaries	31,787
200	Employee benefits	6,880
300	Purchased services	2,128
400	Supplies and materials	<u>4,866</u>
		<u>45,661</u>
182	Adult secondary education programs	
100	Salaries	42,811
200	Employee benefits	9,010
300	Purchased services	1,798
400	Supplies and materials	<u>24,199</u>
		<u>77,818</u>
183	Adult English literacy	
400	Supplies and materials	<u>1,000</u>
		<u>1,000</u>
187	Adult education - remedial	
100	Salaries	10,936
200	Employee benefits	<u>3,054</u>
		<u>13,990</u>
188	Parenting/family literacy	
100	Salaries	79,909
200	Employee benefits	<u>30,976</u>
		<u>110,885</u>
	Total instruction	<u>3,213,571</u>
200	Support services	
210	Pupil services	
212	Guidance services	
100	Salaries	34,562
200	Employee benefits	<u>11,299</u>
		<u>45,861</u>
220	Instructional staff services	
221	Improvement of instruction - curriculum development	
100	Salaries	260,626
200	Employee benefits	<u>81,919</u>
		<u>342,545</u>

ROCK HILL SCHOOL DISTRICT THREE  
COMBINED SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
EDUCATION IMPROVEMENT ACT FUND  
For the fiscal year ended June 30, 2011

Schedule A-4

		<u>Total</u>
EXPENDITURES, Continued		
200	Support services, continued	
220	Instructional staff services, continued	
223	Supervision of special programs	
100	Salaries	215,492
200	Employee benefits	55,971
300	Purchased services	6,766
400	Supplies and materials	11,793
500	Capital outlay	11,060
		<u>301,082</u>
224	Improvement of instruction - inservice and staff training	
200	Employee benefits	4,039
300	Purchased services	77,694
400	Supplies and materials	12,713
		<u>94,446</u>
230	General administration services	
233	School administration	
100	Salaries	71,809
200	Employee benefits	19,673
		<u>91,482</u>
250	Finance and operations services	
254	Operation and maintenance of plant	
300	Purchased services	789
		<u>789</u>
270	Support services - pupil activity	
271	Pupil services activities	
600	Other objects	2,982
		<u>2,982</u>
	Total support services	<u>879,187</u>
400	Other charges	
410	Intergovernmental expenditures	
416	Payments to public charter schools	
700	Transits	1,400
		<u>1,400</u>
	Total expenditures	<u>4,094,158</u>

ROCK HILL SCHOOL DISTRICT THREE  
 COMBINED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
 EDUCATION IMPROVEMENT ACT FUND  
 For the fiscal year ended June 30, 2011

Schedule A-4

	<u>Total</u>
OTHER FINANCING USES	
Interfund transfers to other funds	
420-710    Transfer to general fund	<u>(2,494,505)</u>
Total other financing uses	<u>(2,494,505)</u>
Excess of revenues over expenditures	
and other financing uses	-
FUND BALANCE, JULY 1, 2010	<u>-</u>
FUND BALANCE, JUNE 30, 2011	<u><u>\$ -</u></u>

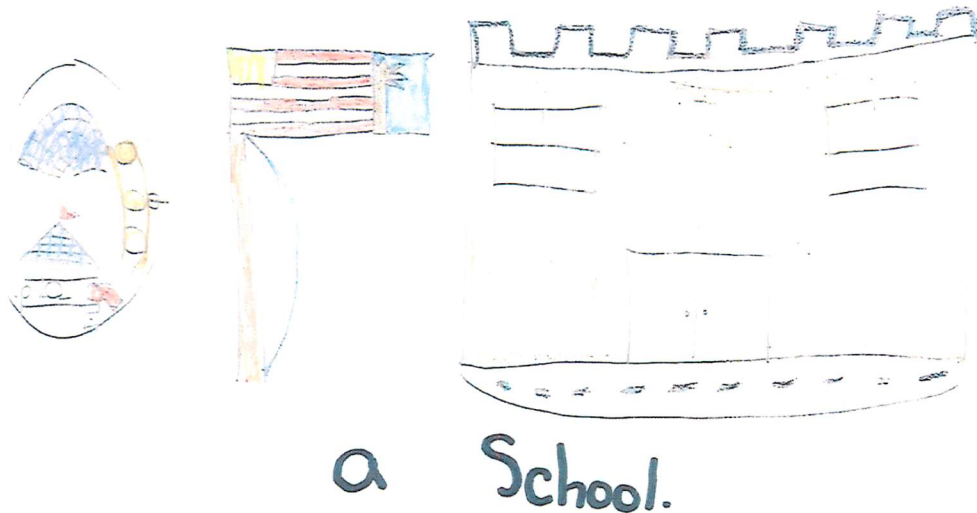
ROCK HILL SCHOOL DISTRICT THREE  
SUMMARY SCHEDULE BY PROGRAM  
EDUCATION IMPROVEMENT ACT  
For the fiscal year ended June 30, 2011

Schedule A-5

Program		Revenues	Expenditures	Fund Transfers In (Out)	EIA Fund Unearned Revenue
3500	Education Improvement Act				
3509	Arts in Education	\$ 18,750	\$ 18,750	\$ -	\$ -
3511	Professional Development	59,046	59,046	-	197,841
3525	Career and Technology Education Equipment	74,320	74,320	-	94,375
3526	Refurbish Science Kits	62,014	62,014	-	37,613
3530	Trainable and Profoundly Mentally Disabled Student Services	37,900	90,918	53,018	-
3533	Teacher of the Year Awards	26,913	26,913	-	-
3538	Students at Risk of School Failure	2,050,133	1,991,635	(58,498)	1,002,235
3540	Early Childhood Program	205,945	205,945	-	421,596
3542	Pre-School Programs for Children with Disabilities	45,622	51,102	5,480	-
3544	High Achieving Students	411,414	411,414	-	206,109
3550	Teacher Salary Increase	1,778,138	-	(1,778,138)	-
3555	School Employer Contributions	372,342	-	(372,342)	-
3556	Adult Education	363,172	363,172	-	116,715
3558	Reading	35,304	35,304	-	189,992
3562	Adult Education - Basic	39,553	39,553	-	-
3568	EAA Technical Assistance	531,466	531,466	-	21,311
3577	Teacher Supplies	345,400	1,375	(344,025)	-
3578	High Schools That Work/Making Middle Grades Work	8,235	8,235	-	-
3588	IDEA - Maintenance of Effort	-	-	-	2,105,525
3592	Work-based learning	49,017	49,017	-	21,360
3598	Flex Cost Savings	-	-	-	42,961
3599	Other EIA	73,979	73,979	-	-
Total state amounts		<u>\$ 6,588,663</u>	<u>\$ 4,094,158</u>	<u>\$ (2,494,505)</u>	<u>\$ 4,457,633</u>

# DEBT SERVICE FUND

If I had a million  
dollars I would build...



To accumulate monies for payment of interest and principal on long-term General Obligation Bonds.

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

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
DEBT SERVICE FUND  
For the fiscal year ended June 30, 2011

Schedule B-1

REVENUES		
1000	Revenue from local sources	
1100	Taxes	
1110	Ad valorem taxes - including delinquent	\$ 19,797,795
1140	Penalties and interest on taxes	<u>178,045</u>
	Total local sources	<u>19,975,840</u>
2000	Intergovernmental revenues	
2100	Payments from other governmental units	<u>17,000</u>
	Total intergovernmental revenues	<u>17,000</u>
3000	Revenue from state sources	
3800	Revenue in lieu of taxes	
3820	Homestead exemption	676,431
3830	Merchant's inventory tax	107,676
3840	Manufacturer's depreciation reimbursement	398,386
3890	Other state property tax revenues	<u>30,165</u>
	Total state sources	<u>1,212,658</u>
	Total revenue all sources	<u>21,205,498</u>
EXPENDITURES		
500	Debt Service	
610	Redemption of principal	12,405,000
620	Interest	7,235,624
690	Other objects	<u>119,939</u>
	Total expenditures	<u>19,760,563</u>
OTHER FINANCING SOURCES (USES)		
5110	Premiums on refunding debt	3,549,365
5130	Proceeds of refunding debt	23,180,000
441	Payments to refunded debt escrow agent	<u>(26,611,428)</u>
	Total other financing sources (uses)	<u>117,937</u>
	Excess of revenues over expenditures	<u>1,562,872</u>
	FUND BALANCE, JULY 1, 2010	<u>8,296,312</u>
	FUND BALANCE, JUNE 30, 2011	<u><u>\$ 9,859,184</u></u>



# CAPITAL PROJECTS FUND

If I had one million dollars I  
would buy P.E Things.



To account for financial resources to be used for the acquisition and construction of major capital facilities.

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

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
CAPITAL PROJECTS FUND  
For the fiscal year ended June 30, 2011

Schedule C-1

REVENUES		
1000	Revenue from local sources	
1500	Earnings on investments	
1510	Interest on investments	\$ 32,746
	Total local sources	<u>32,746</u>
	Total revenues all sources	<u>32,746</u>
EXPENDITURES		
250	Finance and operations	
253	Facilities acquisition and construction	
300	Purchased services	361,140
400	Supplies and materials	1,360,027
500	Capital outlay	
520	Construction services	841,763
530	Improvements other than buildings	346,152
540	Equipment	1,103,845
580	Mobile classrooms	<u>1,819</u>
	Total expenditures	<u>4,014,746</u>
	Deficiency of revenues under expenditures	<u>(3,982,000)</u>
OTHER FINANCING SOURCES		
5110	Premiums on general obligation bonds	328,138
5120	Proceeds of general obligation bonds	<u>5,000,000</u>
	Total other financing sources	<u>5,328,138</u>
	Excess of revenues and other financing sources over expenditures	1,346,138
	FUND BALANCE, JULY 1, 2010	<u>2,866,181</u>
	FUND BALANCE, JUNE 30, 2011	<u>\$ 4,212,319</u>

# PROPRIETARY FUND



If I and Clemson had one million dollars I would buy books, chairs, markers, and rugs.

To account for the activities of food services. All activities necessary to provide such services are accounted for in these funds.

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

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
ENTERPRISE FUND - FOOD SERVICE  
For the fiscal year ended June 30, 2011

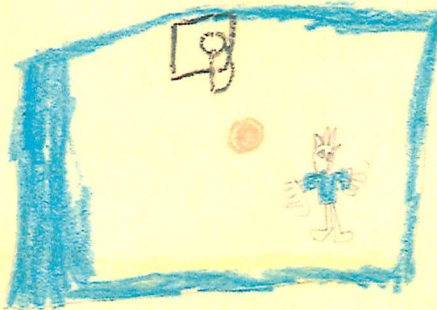
Schedule D-1

<b>REVENUES</b>		
1000	Revenue from local sources	
1600	Food service	
1610	Lunch sales to pupils	\$ 1,076,930
1620	Breakfast sales to pupils	85,376
1630	Special sales to pupils	477,306
1640	Lunch sales to adults	74,278
1650	Breakfast sales to adults	6,771
1660	Special sales to adults	<u>271,004</u>
	Total local sources	<u>1,991,665</u>
3000	Revenue from state sources	
3100	Restricted state funding	
3199	Other restricted state grants	<u>7,376</u>
	Total state sources	<u>7,376</u>
4000	Revenue from federal sources	
4800	USDA reimbursement	
4810	School lunch and after school snacks program	3,688,307
4830	School breakfast program	1,061,493
4900	Other federal sources	
4991	USDA commodities	<u>477,124</u>
	Total federal sources	<u>5,226,924</u>
	Total revenue all sources	<u>7,225,965</u>
<b>EXPENSES</b>		
256	Food service	
100	Salaries	2,108,948
200	Employee benefits	666,271
300	Purchased services	131,517
400	Supplies and materials	3,660,669
500	Capital outlay	
570	Depreciation	283,402
600	Other objects	<u>22,498</u>
	Total expenses	<u>6,873,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
432-791	Indirect costs	(200,000)
5210	Transfer from general fund	<u>423,404</u>
	Total other financing sources (uses)	<u>223,404</u>
	Net income	576,064
NET ASSETS, JULY 1, 2010		<u>3,610,465</u>
NET ASSETS, JUNE 30, 2011		<u><b>\$ 4,186,529</b></u>

Footnote: This schedule is presented in the format prescribed by the South Carolina Department of Education, which varies in presentation from Exhibit 6.

# FIDUCIARY FUND

If I had one million dollars I would buy  
basket ball,



**Agency Fund - to account for the collection and payment of pupil activity receipts and disbursements from and on the behalf of the School District's students.**

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

ROCK HILL SCHOOL DISTRICT THREE  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
For the fiscal year ended June 30, 2011

Schedule E-1

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>ASSETS</b>				
Cash	\$ 11,602	\$ -	\$ -	\$ 11,602
Due from other funds	<u>1,063,926</u>	<u>3,366,868</u>	<u>3,248,628</u>	<u>1,182,166</u>
<b>Total assets</b>	<b><u>\$ 1,075,528</u></b>	<b><u>\$ 3,366,868</u></b>	<b><u>\$ 3,248,628</u></b>	<b><u>\$ 1,193,768</u></b>
<b>LIABILITIES</b>				
Due to student organizations	<u>\$ 1,075,528</u>	<u>\$ 3,366,868</u>	<u>\$ 3,248,628</u>	<u>\$ 1,193,768</u>
<b>Total liabilities</b>	<b><u>\$ 1,075,528</u></b>	<b><u>\$ 3,366,868</u></b>	<b><u>\$ 3,248,628</u></b>	<b><u>\$ 1,193,768</u></b>

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN DUE TO STUDENT ORGANIZATIONS  
AGENCY FUND  
For the fiscal year ended June 30, 2011

Schedule E-2

<b>RECEIPTS</b>		
1000	Receipts from local sources	
1700	Pupil activities	
1710	Admissions	\$ 192,482
1730	Pupil organization membership dues and fees	9,507
1740	Student fees	289,509
1790	Other	<u>2,854,558</u>
1900	Other revenue from local sources	
1920	Contributions and donations from private sources	<u>20,812</u>
	Total receipts from local sources	<u>3,366,868</u>
<b>DISBURSEMENTS</b>		
190	Instructional pupil activity	
100	Salaries	3,142
200	Employee benefits	643
300	Purchased services	324
400	Supplies and materials	142,508
600	Other objects	1,439
270	Supporting services pupil activity	
271	Pupil service activities	
100	Salaries	155,355
200	Employee benefits	21,849
300	Purchased services	367,643
400	Supplies and materials	2,094,745
500	Capital outlay	31,624
600	Other objects	<u>429,356</u>
	Total disbursements	<u>3,248,628</u>
	Excess of receipts over disbursements	118,240
	DUE TO STUDENT ORGANIZATIONS, JULY 1, 2010	<u>1,075,528</u>
	DUE TO STUDENT ORGANIZATIONS, JUNE 30, 2011	<u><u>\$ 1,193,768</u></u>

Footnote: This schedule is presented in the format prescribed by the South Carolina Department of Education, which varies in presentation from Schedule E-1.



# SUPPLEMENTARY SOUTH CAROLINA DEPARTMENT OF EDUCATION SCHEDULES

If I had one million dollars I  
would buy more globes.



These schedules are required by the South Carolina Department of Education.



ROCK HILL SCHOOL DISTRICT THREE  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/  
FEDERAL GOVERNMENT  
JUNE 30, 2011

Schedule F-1

Subfund Number	Program	Project/Grant Number	Revenue Code	Description	Amount	Status of
					Due to State Department of Education	Amounts Due to Grantors

No funds are due to state/federal government at June 30, 2011.

# Statistical Section

## **STATISTICAL SECTION**

### **(UNAUDITED)**

This part of Rock Hill School District Three's comprehensive annual financial report presents detailed information as a context for understanding what 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 within 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 related to the services the city 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.

ROCK HILL SCHOOL DISTRICT THREE  
NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS)  
(Unaudited)

Table 1

	2002 *	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ -	\$ 43,488,481	\$ 42,577,446	\$ 66,812,958	\$ 86,285,668	\$ 86,716,022	\$ 85,685,189	\$ 87,780,196	\$ 88,224,652	\$ 88,108,817
Restricted	-	26,750,120	41,165,324	23,493,394	8,869,209	14,447,991	12,952,545	9,082,727	9,433,836	13,155,627
Unrestricted	-	14,185,112	14,527,897	17,836,604	18,170,074	19,673,014	26,553,037	20,720,602	18,795,495	23,364,910
Total governmental activities net assets	<u>\$ -</u>	<u>\$ 84,423,713</u>	<u>\$ 98,270,667</u>	<u>\$ 108,142,956</u>	<u>\$ 113,324,951</u>	<u>\$ 120,837,027</u>	<u>\$ 125,190,771</u>	<u>\$ 117,583,525</u>	<u>\$ 116,453,983</u>	<u>\$ 124,629,354</u>
<b>Business-Type Activities</b>										
Invested in capital assets, net of related debt	\$ -	\$ 1,808,807	\$ 1,701,202	\$ 1,686,119	\$ 1,749,790	\$ 1,589,337	\$ 1,466,828	\$ 1,593,752	\$ 1,376,906	\$ 1,093,505
Unrestricted	-	855,046	1,251,686	1,473,688	1,712,777	1,468,962	1,008,287	1,307,308	2,233,559	3,093,024
Total business-type activities net assets	<u>\$ -</u>	<u>\$ 2,663,853</u>	<u>\$ 2,952,888</u>	<u>\$ 3,159,807</u>	<u>\$ 3,462,567</u>	<u>\$ 3,058,299</u>	<u>\$ 2,475,115</u>	<u>\$ 2,901,060</u>	<u>\$ 3,610,465</u>	<u>\$ 4,186,529</u>
Total primary government net assets	<u>\$ -</u>	<u>\$ 87,087,566</u>	<u>\$ 101,223,555</u>	<u>\$ 111,302,763</u>	<u>\$ 116,787,518</u>	<u>\$ 123,895,326</u>	<u>\$ 127,665,886</u>	<u>\$ 120,484,585</u>	<u>\$ 120,064,448</u>	<u>\$ 128,815,883</u>

\* GASB 34 was implemented in fiscal year 2003. Net asset information is not available prior to that fiscal year.

ROCK HILL SCHOOL DISTRICT THREE  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS)  
(Unaudited)

Table 2

	2002 *	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ -	\$ 64,396,208	\$ 67,243,820	\$ 70,222,924	\$ 74,320,757	\$ 80,471,063	\$ 88,423,628	\$ 94,336,452	\$ 84,793,118	\$ 80,763,678
Support services	-	29,959,748	36,299,500	41,293,263	47,532,876	51,424,008	60,792,209	64,760,530	67,133,418	52,862,923
Community services	-	157,546	174,611	143,103	100,842	122,819	228,669	227,383	155,787	271,863
Intergovernmental	-	1,606,874	1,684,752	2,060,147	2,249,568	835,277	715,125	618,141	443,738	399,247
Interest on long-term obligations	-	15,450,292	5,546,681	5,894,985	5,881,577	6,391,797	7,484,011	7,017,571	7,374,066	11,467,931
Depreciation	-	-	3,636,190	4,297,929	5,311,817	5,876,110	6,309,334	7,812,007	7,626,426	7,653,543
<b>Total governmental activities expenses</b>	<b>-</b>	<b>111,570,668</b>	<b>114,585,554</b>	<b>123,912,351</b>	<b>135,397,437</b>	<b>145,121,074</b>	<b>163,952,976</b>	<b>174,772,084</b>	<b>167,526,553</b>	<b>153,419,185</b>
<b>Business-type activities</b>										
Food service	-	4,409,535	4,907,458	5,341,024	5,745,087	6,390,272	7,634,765	7,767,516	6,937,690	6,873,305
<b>Total business-type activities expenses</b>	<b>-</b>	<b>4,409,535</b>	<b>4,907,458</b>	<b>5,341,024</b>	<b>5,745,087</b>	<b>6,390,272</b>	<b>7,634,765</b>	<b>7,767,516</b>	<b>6,937,690</b>	<b>6,873,305</b>
<b>Total primary government expenses</b>	<b>\$ -</b>	<b>\$ 115,980,203</b>	<b>\$ 119,493,012</b>	<b>\$ 129,253,375</b>	<b>\$ 141,142,524</b>	<b>\$ 151,511,346</b>	<b>\$ 171,587,741</b>	<b>\$ 182,539,600</b>	<b>\$ 174,464,243</b>	<b>\$ 160,292,490</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services:										
Instruction	\$ -	\$ 274,227	\$ 1,278,314	\$ 1,377,246	\$ 1,520,761	\$ 1,990,488	\$ 2,187,263	\$ 2,031,407	\$ 1,505,540	\$ 1,970,442
Operating grants and contributions	-	56,791,680	57,912,163	62,895,700	70,188,964	73,960,271	81,227,036	78,078,355	78,070,395	71,165,212
Capital grants and contributions	-	7,647,847	6,161,974	2,901,214	187,900	-	517,685	366,835	-	-
<b>Total governmental activities program revenues</b>	<b>-</b>	<b>64,713,754</b>	<b>65,352,451</b>	<b>67,174,160</b>	<b>71,897,625</b>	<b>75,950,759</b>	<b>83,931,984</b>	<b>80,476,597</b>	<b>79,575,935</b>	<b>73,135,654</b>
<b>Business-type activities</b>										
Charges for services:										
Food service	-	2,304,814	2,331,159	2,321,683	2,434,865	2,347,399	2,389,487	2,617,644	2,297,979	1,991,665
Operating grants and contributions	-	2,278,596	2,788,285	3,032,923	3,345,185	3,638,605	4,092,600	4,736,659	4,889,165	5,234,300
Capital grants and contributions	-	-	77,049	193,337	267,797	-	138,845	415,754	-	-
<b>Total business-type activities program revenues</b>	<b>-</b>	<b>4,583,410</b>	<b>5,196,493</b>	<b>5,547,943</b>	<b>6,047,847</b>	<b>5,986,004</b>	<b>6,620,932</b>	<b>7,770,057</b>	<b>7,187,144</b>	<b>7,225,965</b>
<b>Total primary government program revenues</b>	<b>\$ -</b>	<b>\$ 69,297,164</b>	<b>\$ 70,548,944</b>	<b>\$ 72,722,103</b>	<b>\$ 77,945,472</b>	<b>\$ 81,936,763</b>	<b>\$ 90,552,916</b>	<b>\$ 88,246,654</b>	<b>\$ 86,763,079</b>	<b>\$ 80,361,619</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ -	\$ (46,856,914)	\$ (49,233,103)	\$ (56,738,191)	\$ (63,499,812)	\$ (69,170,315)	\$ (80,020,992)	\$ (94,295,487)	\$ (87,950,618)	\$ (80,283,531)
Business-type activities	-	173,875	289,035	206,919	302,760	(404,268)	(1,013,833)	2,541	249,454	352,660
<b>Total primary government net (expense) revenue</b>	<b>\$ -</b>	<b>\$ (46,683,039)</b>	<b>\$ (48,944,068)</b>	<b>\$ (56,531,272)</b>	<b>\$ (63,197,052)</b>	<b>\$ (69,574,583)</b>	<b>\$ (81,034,825)</b>	<b>\$ (94,292,946)</b>	<b>\$ 86,763,079</b>	<b>\$ 80,361,619</b>

ROCK HILL SCHOOL DISTRICT THREE  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS)  
(Unaudited)

Table 2

	2002 *	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities</b>										
Taxes by source:										
Property tax - general obligation	\$ -	\$ 36,398,373	\$ 39,485,538	\$ 40,780,553	\$ 41,054,206	\$ 45,707,761	\$ 38,514,743	\$ 39,794,450	\$ 40,698,245	\$ 41,423,095
Property tax - debt service	-	13,031,710	13,380,824	14,058,798	14,709,219	16,076,102	18,617,043	21,262,897	19,719,989	19,856,556
Unrestricted grants and contributions	-	9,818,196	8,987,749	10,423,802	10,468,863	10,359,416	24,916,292	25,727,814	26,710,106	27,078,578
Unrestricted investment earnings	-	786,682	1,047,317	1,128,341	2,400,664	3,715,398	2,749,129	501,762	127,474	203,005
Miscellaneous	-	16,141	178,629	218,986	48,855	823,714	8,178	2,068	25,213	-
Transfers	-	-	-	-	-	-	(430,649)	(423,404)	(459,951)	(102,332)
<b>Total governmental activities</b>	<b>-</b>	<b>60,051,102</b>	<b>63,080,057</b>	<b>66,610,480</b>	<b>68,681,807</b>	<b>76,682,391</b>	<b>84,374,736</b>	<b>86,865,587</b>	<b>86,821,076</b>	<b>88,458,902</b>
<b>Business-type activities</b>										
Transfers	-	-	-	-	-	-	430,649	423,404	459,951	223,404
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>430,649</b>	<b>423,404</b>	<b>459,951</b>	<b>223,404</b>
<b>Special items - loss on disposal of assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,342)</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>-</b>	<b>60,051,102</b>	<b>63,080,057</b>	<b>66,610,480</b>	<b>68,681,807</b>	<b>76,682,391</b>	<b>84,805,385</b>	<b>87,251,649</b>	<b>87,281,027</b>	<b>88,682,306</b>
<b>Change in Net Assets</b>										
Governmental activities	-	13,194,188	13,846,954	9,872,289	5,181,995	7,512,076	4,353,744	(7,467,242)	(1,129,542)	8,175,371
Business-type activities	-	173,875	289,035	206,919	302,760	(404,268)	(583,184)	425,945	709,405	576,064
<b>Total primary government</b>	<b>\$ -</b>	<b>\$ 13,368,063</b>	<b>\$ 14,135,989</b>	<b>\$ 10,079,208</b>	<b>\$ 5,484,755</b>	<b>\$ 7,107,808</b>	<b>\$ 3,770,560</b>	<b>\$ (7,041,297)</b>	<b>\$ (420,137)</b>	<b>\$ 8,751,435</b>

\* GASB 34 was implemented in fiscal year 2003. Change in net asset information is not available prior to that fiscal year.

ROCK HILL SCHOOL DISTRICT THREE  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS)  
(Unaudited)

Table 3

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Assigned	\$ 314,701	\$ 197,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,010,612
Unspendable	-	-	-	-	-	-	-	-	-	326,039
Unassigned	<u>14,164,398</u>	<u>14,796,600</u>	<u>15,025,796</u>	<u>17,375,313</u>	<u>17,512,981</u>	<u>19,133,030</u>	<u>23,269,504</u>	<u>19,505,507</u>	<u>17,413,749</u>	<u>20,212,709</u>
<b>Total general fund</b>	<u>\$ 14,479,099</u>	<u>\$ 14,994,197</u>	<u>\$ 15,025,796</u>	<u>\$ 17,375,313</u>	<u>\$ 17,512,981</u>	<u>\$ 19,133,030</u>	<u>\$ 23,269,504</u>	<u>\$ 19,505,507</u>	<u>\$ 17,413,749</u>	<u>\$ 21,549,360</u>
<b>All Other Governmental Funds</b>										
Restricted										
Debt service	\$ 9,002,237	\$ 7,526,162	\$ 4,217,513	\$ 3,499,617	\$ 3,696,239	\$ 5,213,386	\$ 5,818,538	\$ 7,334,465	\$ 8,296,312	\$ 9,859,184
Capital projects	26,600,401	18,394,926	36,375,175	19,923,502	28,657,842	58,982,978	8,063,858	2,577,156	2,866,181	4,212,319
Assigned										
Special projects	<u>434,657</u>	<u>539,242</u>	<u>572,636</u>	<u>1,215,331</u>	<u>1,101,281</u>	<u>1,208,591</u>	<u>674,365</u>	<u>387,465</u>	<u>212,157</u>	<u>255,853</u>
<b>Total all other governmental funds</b>	<u>\$ 36,037,295</u>	<u>\$ 26,460,330</u>	<u>\$ 41,165,324</u>	<u>\$ 24,638,450</u>	<u>\$ 33,455,362</u>	<u>\$ 65,404,955</u>	<u>\$ 14,556,761</u>	<u>\$ 10,299,086</u>	<u>\$ 11,374,650</u>	<u>\$ 14,327,356</u>

ROCK HILL SCHOOL DISTRICT THREE  
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS)  
(Unaudited)

Table 4

	2002 **	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Local										
Property taxes	\$ -	\$ 49,002,612	\$ 52,707,540	\$ 55,032,357	\$ 55,651,621	\$ 61,626,855	\$ 53,862,883	\$ 58,110,853	\$ 58,518,958	\$ 59,698,617
Interest	-	786,682	1,047,317	1,128,341	2,400,664	3,715,398	2,749,128	501,762	127,474	203,005
Other	-	1,531,058	1,726,594	1,796,341	2,355,499	3,711,546	5,973,112	5,286,328	4,620,805	4,825,930
Total local sources	-	51,320,352	55,481,451	57,957,039	60,407,784	69,053,799	62,585,123	63,898,943	63,267,237	64,727,552
State sources	-	65,820,569	64,305,093	67,025,317	71,271,100	75,439,597	97,540,514	94,244,262	85,784,015	81,855,760
Federal sources	-	7,031,507	8,061,601	7,930,062	8,111,416	7,650,094	8,179,389	8,928,066	17,352,189	14,990,331
Intergovernmental	-	160,707	246,999	880,784	677,328	332,652	309,937	311,689	511,829	501,949
Total revenues	-	124,333,135	128,095,144	133,793,202	140,467,628	152,476,142	168,614,963	167,382,960	166,915,270	162,075,592
<b>Expenditures</b>										
Current										
Instruction	-	64,375,467	66,986,194	70,187,466	74,328,960	80,381,295	88,343,708	94,966,427	92,907,957	85,374,336
Support services	-	34,899,048	34,780,135	38,580,924	43,230,315	47,175,271	52,705,725	55,546,705	53,895,636	50,506,284
Community services	-	157,546	174,611	143,103	100,842	122,819	228,669	227,383	155,787	271,863
Intergovernmental	-	1,606,874	1,684,752	2,060,147	2,249,568	676,787	373,736	618,141	443,738	399,247
Debt service										
Principal	-	10,655,000	14,635,000	10,025,000	10,290,000	12,630,000	11,345,000	12,975,000	17,265,000	12,405,000
Interest	-	4,924,481	5,372,956	5,926,332	5,509,659	5,871,438	8,012,189	7,798,410	7,550,454	7,235,624
Other	-	1,669	1,435	2,229	2,175	2,474	2,300	2,432	1,342	119,939
Capital outlay	-	19,279,167	36,220,933	26,575,593	18,884,918	48,134,159	53,543,320	15,039,230	19,175,728	4,014,746
Total expenditures	-	135,899,252	159,856,016	153,500,794	154,596,437	194,994,243	214,554,647	187,173,728	191,395,642	160,327,039
Excess (deficiency) of revenues over (under) expenditures	-	(11,566,117)	(31,760,872)	(19,707,592)	(14,128,809)	(42,518,101)	(45,939,684)	(19,790,768)	(24,480,372)	1,748,553
<b>Other Financing Sources (Uses)</b>										
Proceeds of bond anticipation note	-	-	-	-	-	-	-	12,500,000	24,221,529	-
Premium on bonds sold	-	4,250	2,114,140	30,235	313,249	1,401,390	-	-	-	3,877,503
Proceeds of refunding bonds	-	-	-	-	23,015,000	1,500,000	-	-	-	23,180,000
Payments to refunded debt escrow agent	-	-	-	-	(23,244,860)	10,344,843	-	-	-	(26,611,428)
Issuance of debt	-	2,500,000	44,625,000	5,500,000	23,000,000	63,000,000	-	-	-	5,000,000
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-	-	121,072
Transfers in	-	5,354,417	8,109,109	8,031,846	6,498,386	6,236,815	5,106,058	5,978,544	7,599,990	2,975,498
Transfers out	-	(5,354,417)	(8,350,784)	(8,031,846)	(6,498,386)	(6,236,815)	(5,878,095)	(6,709,448)	(8,357,341)	(3,198,902)
Total other financing sources (uses)	-	2,504,250	46,497,465	5,530,235	23,083,389	76,246,233	(772,037)	11,769,096	23,464,178	5,343,743
Net change in fund balances	\$ -	\$ (9,061,867)	\$ 14,736,593	\$ (14,177,357)	\$ 8,954,580	\$ 33,728,132	\$ (46,711,721)	\$ (8,021,672)	\$ (1,016,194)	\$ 7,092,296
Capital asset expenditures		\$ 16,689,461	\$ 34,091,420	\$ 23,228,447	\$ 14,569,660	\$ 43,885,422	\$ 45,456,836	\$ 6,385,204	\$ 1,086,302	\$ 1,138,778
Debt service as a percentage of noncapital expenditures*		13.1%	15.9%	12.2%	11.3%	12.2%	11.4%	11.5%	13.0%	12.4%

\* Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditure categories. This formula adds "functional" and "principal" and divides them by the "total expenditures" minus the "capital outlay."

\*\* GASB 34 was implemented in fiscal year 2003. Net asset information is not available prior to that fiscal year.



ROCK HILL SCHOOL DISTRICT THREE  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Table 5

Fiscal Year Ended June 30,	Assessed Value		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value
	Real Property	Personal Property				
2002	\$ 262,615,703	\$ 54,427,789	\$ 317,043,492	151.50	\$ 6,190,405,316	5.12%
2003	272,570,935	51,519,854	324,090,789	158.50	6,377,726,507	5.08%
2004	280,241,469	49,482,501	329,723,970	164.50	6,523,993,436	5.05%
2005	281,774,107	47,473,262	329,247,369	170.50	6,537,960,149	5.04%
2006	282,297,550	46,772,151	329,069,701	172.30	6,852,831,060	4.80%
2007	324,339,756	46,430,670	370,770,426	169.60	6,635,971,754	5.59%
2008	347,078,632	43,718,911	390,797,543	179.00	6,997,510,437	5.58%
2009	361,996,207	43,031,135	405,027,342	188.40	7,225,655,968	5.61%
2010	368,221,886	37,712,545	405,934,431	189.90	7,396,553,942	5.50%
2011	379,053,653	37,123,386	416,177,039	193.40	7,493,918,559	5.00%

Source: York County Auditor's and Assessor's Offices

Note: York County tax records reflect assessed value net of tax-exempt property.

ROCK HILL SCHOOL DISTRICT THREE  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 6

Fiscal Year	Tax Year	Rock Hill School District	Overlapping Rates		Total Direct and Overlapping Rates
			City of Rock Hill (2)	York County (1)	
2002	2001	151.5	98.0	50.5	300.0
2003	2002	158.5	98.0	53.5	310.0
2004	2003	164.5	98.0	58.0	320.5
2005	2004	170.5	102.0	62.2	334.7
2006	2005	172.3	102.0	66.8	341.1
2007	2006	169.6	95.0	62.6	327.2
2008	2007	179.0	95.0	66.0	340.0
2009	2008	188.4	95.0	66.0	349.4
2010	2009	188.9	95.0	66.0	350.9
2011	2010	193.4	95.0	66.0	354.4

Source: (1) Tax schedules published by the York County Auditor's Office.  
(2) Millage is for years ended December 31 - provided by City of Rock Hill Finance Department.

Note: Overlapping rates are those of local and county governments that apply to property owners within Rock Hill School District Three. Not all overlapping rates apply to all of the Rock Hill School District Three property owners (i.e., the rates for special districts apply only to the proportion of the Rock Hill School District's property owners whose property is located within the geographic boundaries of the special district).

ROCK HILL SCHOOL DISTRICT THREE  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

Table 7

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Bowater Incorporated	\$ 23,186,889	1	5.57%	\$ 26,331,509	1	8.31%
Rock Hill Telephone	7,487,460	2	1.80%	6,218,460	3	1.96%
Amisub of SC, Inc.	3,566,671	3	0.86%	2,471,874	4	0.78%
Duke Energy Corporation	2,541,808	4	0.61%	2,201,016	5	0.69%
Tyco Electronics Corporation	1,984,801	5	0.48%	1,412,309	7	0.45%
York Electric Coop Inc.	1,847,500	6	0.44%	1,219,420	9	0.38%
Piedmont Medical Center	1,625,399	7	0.39%	-	-	-
Atotech, USA Inc.	1,574,835	8	0.38%	-	-	-
BRC Rock Hill LLC	1,199,808	9	0.29%	-	-	-
Inchem, Corp.	1,085,860	10	0.26%	1,331,532	8	0.42%
Hoechst Celanese Corporation	-		-	7,291,236	2	2.30%
Rock Hill Zamias	-		-	1,672,230	6	0.53%
Banc One Leasing Corporation	-		-	1,206,620	10	0.38%
Total	<u>\$ 46,101,031</u>		<u>11.08%</u>	<u>\$ 51,356,206</u>		<u>16.20%</u>

Source: York County Auditor

ROCK HILL SCHOOL DISTRICT THREE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 8

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 59,817,985	\$ 55,167,606	92.23%	\$ 1,084,129	\$ 56,251,735	94.04%
2003	63,280,933	57,668,931	91.13%	1,271,067	58,939,998	93.14%
2004	66,349,748	60,221,007	90.76%	1,422,918	61,643,925	92.91%
2005	66,408,876	63,652,835	95.85%	1,386,664	65,039,499	97.94%
2006	68,424,744	64,940,073	94.91%	1,134,885	66,074,958	96.57%
2007	74,113,224	70,067,798	94.54%	1,054,494	71,122,292	95.96%
2008	83,040,915	80,179,252	96.55%	-	80,179,252	96.55%
2009	87,358,630	84,378,226	96.59%	-	84,378,226	96.59%
2010	88,652,889	84,529,097	95.35%	-	84,529,097	95.35%
2011	90,229,762	85,649,832	94.92%	-	85,649,832	94.92%

Sources: Records maintained by County Treasurer

ROCK HILL SCHOOL DISTRICT THREE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 9

Fiscal Year	Governmental Activities		Percentage of Personal Income	Per Capita
	General Obligation Bonds			
2002	\$ 99,585,000		4.48%	587
2003	91,430,000		5.15%	526
2004	121,420,000		4.03%	681
2005	116,895,000		4.43%	636
2006	129,975,000		4.17%	684
2007	181,845,000		3.27%	914
2008	170,500,000		3.68%	816
2009	157,525,000		4.19%	724
2010	163,990,000		4.46%	722
2011	154,775,000		4.53%	685

Source: District records and totals for York County obtained from the South Carolina Division of Research and Statistical Services.

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

ROCK HILL SCHOOL DISTRICT THREE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 10

Fiscal Year	General Bonded Debt Outstanding	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>1</sup>
2002	\$ 99,585,000	\$ 9,002,237	\$ 90,582,763	1.46%	534
2003	91,430,000	7,526,162	83,903,838	1.32%	482
2004	121,420,000	4,217,513	117,202,487	1.80%	657
2005	116,895,000	3,499,617	113,395,383	1.73%	617
2006	129,975,000	3,696,239	126,278,761	1.84%	664
2007	181,845,000	5,213,386	176,631,614	2.66%	887
2008	170,500,000	5,818,538	164,681,462	2.35%	789
2009	157,525,000	7,334,465	150,190,535	2.08%	691
2010	163,990,000	8,296,312	155,693,688	2.10%	686
2011	154,775,000	9,859,184	144,915,816	1.93%	641

Source: District Finance Records

<sup>1</sup> See the Schedule of Demographic and Economic Statistics on Table 13 for personal income and population data.

ROCK HILL SCHOOL DISTRICT THREE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2011  
(Unaudited)

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Direct:			
Rock Hill School District Three	\$ <u>154,775,000</u>	100.00%	\$ <u>154,775,000</u>
Total Direct	<u>154,775,000</u>		<u>154,775,000</u>
Overlapping:			
City of Rock Hill	7,480,000	100.00%	7,480,000
York County	<u>63,218,424</u>	100.00%	<u>63,218,424</u>
Total Overlapping	<u>70,698,424</u>		<u>70,698,424</u>
Total Direct and Overlapping	<u><u>\$ 225,473,424</u></u>		<u><u>\$ 225,473,424</u></u>

Source: Records maintained by Finance Department and information obtained from other Governmental Entities.

ROCK HILL SCHOOL DISTRICT THREE  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 12

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 25,363,479	\$ 25,927,263	\$ 26,377,918	\$ 26,339,790	\$ 27,235,860	\$ 29,661,634	\$ 31,263,803	\$ 32,402,187	\$ 32,474,754	\$ 33,294,163
Total net debt applicable to limit	<u>7,193,030</u>	<u>5,665,946</u>	<u>2,826,575</u>	<u>6,117,350</u>	<u>7,498,765</u>	<u>14,118,450</u>	<u>12,620,000</u>	<u>11,000,000</u>	<u>11,000,000</u>	<u>13,365,000</u>
Legal debt margin	<u>\$ 18,170,449</u>	<u>\$ 20,261,317</u>	<u>\$ 23,551,343</u>	<u>\$ 20,222,440</u>	<u>\$ 19,737,095</u>	<u>\$ 15,543,184</u>	<u>\$ 18,643,803</u>	<u>\$ 21,402,187</u>	<u>\$ 21,474,754</u>	<u>\$ 19,929,163</u>
Total net debt applicable to limit as a percentage of debt limit	28%	22%	11%	23%	28%	48%	40%	34%	34%	40%
Legal debt margin calculation for fiscal year 2011										
Assessed value	\$ 416,177,039									
Debt limit (8 % of assessed value)	33,294,163									
Debt applicable to limit:										
Total bonded debt	154,775,000									
Less: Bond issuances										
approved by referendum	141,410,000									
Total net debt applicable to limit	<u>13,365,000</u>									
Legal debt margin	<u>\$ 19,929,163</u>									

Notes:

The School District's borrowing power is restricted by amended Article X, Section 15, of the State Constitution. This section provides that a local unit cannot at any time have total debt outstanding in an amount that exceeds 8 percent of the assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing prior to December 1, 1982, the effective date of amendment of Article X of the Constitution of South Carolina pertaining to bonded debt. Assessed value used above is the tax base as of June 30, 2010.



ROCK HILL SCHOOL DISTRICT THREE  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
(Unaudited)

Table 13

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2002	169,631	\$ 4,460,635	\$ 26,296	14,976	4.50%
2003	173,982	4,711,897	27,083	15,218	7.30%
2004	178,344	4,887,804	27,407	15,537	7.60%
2005	183,762	5,175,845	28,166	15,936	6.50%
2006	190,097	5,416,459	28,493	16,230	6.90%
2007	199,035	5,951,943	29,904	16,655	5.70%
2008	208,827	6,281,780	31,657	16,836	6.10%
2009	217,448	6,595,869	32,627	17,718	15.70%
2010	227,003	7,305,787	33,203	17,072	14.20%
2011	226,073	7,008,481	31,001	17,353	15.40%

Source: SC Division of Research and Statistical Services and SC Employment Security Commission.

ROCK HILL SCHOOL DISTRICT THREE  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

Table 14

Employer	2011			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Wells Fargo Home Mortgage	2,373	1	2.42%	2,419	1	2.53%
Rock Hill School District	2,339	2	2.39%	2,400	2	2.51%
Ross Distribution	1,657	3	1.69%	1,419	4	1.48%
Piedmont Medical Center	1,534	4	1.57%	1,071	7	1.12%
Ft Mill School District	1,232	5	1.26%	1,211	5	1.26%
Duke Power Catawba Nuclear Station	1,019	6	1.04%	1,200	6	1.25%
Clover School District	987	7	1.01%	1,003	8	1.05%
York County Government	948	8	0.97%	971	9	1.01%
Winthrop University	866	9	0.88%	N/A	N/A	N/A
Comporium Communications	852	10	0.87%	886	10	93.00%
Citi Financial @ Ft. Mill	N/A	N/A	N/A	1,700	3	1.78%
	<b>13,807</b>		<b>14.10%</b>	<b>14,280</b>		<b>106.99%</b>

Source: York County Economic Development

Note: These figures represent top county employers.  
Information for 2002 is not readily available. We have included 2010 for comparative purposes.

ROCK HILL SCHOOL DISTRICT THREE  
FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 15

Function	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities										
Instruction	1,211	1,222	1,280	1,320	1,387	1,492	1,664	1,660	1,607	1,453
Support services	406	400	408	497	548	568	610	614	632	644
Community services	2	2	2	2	2	2	3	3	1	1
Business-type activities										
Food services	<u>146</u>	<u>148</u>	<u>120</u>	<u>117</u>	<u>128</u>	<u>124</u>	<u>183</u>	<u>184</u>	<u>139</u>	<u>132</u>
Total	<u><u>1,765</u></u>	<u><u>1,772</u></u>	<u><u>1,810</u></u>	<u><u>1,936</u></u>	<u><u>2,065</u></u>	<u><u>2,186</u></u>	<u><u>2,460</u></u>	<u><u>2,461</u></u>	<u><u>2,379</u></u>	<u><u>2,230</u></u>

ROCK HILL SCHOOL DISTRICT THREE  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 16

Fiscal Year	Expenses	Enrollment	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage	Percentage of Students Receiving Free or Reduced Meals *
2002	\$ 94,323,755	14,976	\$ 6,298	1.2%	1,009	15	96.5%	-
2003	101,038,935	15,218	6,639	5.4%	1,009	15	96.4%	38%
2004	103,625,692	15,537	6,670	0.5%	1,059	15	96.4%	43%
2005	110,971,640	15,936	6,964	4.4%	1,063	15	96.7%	42%
2006	119,909,685	16,230	7,388	6.1%	1,084	15	96.4%	44%
2007	128,356,172	16,655	7,707	4.3%	1,183	14	96.9%	43%
2008	141,651,834	16,836	8,414	9.2%	1,351	12	96.2%	38%
2009	151,358,656	17,653	8,574	2.4%	1,387	13	92.2%	46%
2010	147,403,118	17,072	8,634	0.7%	1,329	13	96.3%	51%
2011	136,551,730	17,353	7,869	-8.9%	1,292	13	96.9%	52%

Sources: Nonfinancial information provided by the District's personnel and planning bureaus.

Note: Enrollment based on start-of-year census. Teaching staff are full-time equivalents for the year as a whole.  
Attendance is a yearly average.

\* Information provided by the office of School Food Service. Information not available prior to 2003.

ROCK HILL SCHOOL DISTRICT THREE  
TEACHER SALARIES  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 17

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>District Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>
2002	\$ 28,362	\$ 62,136	\$ 41,945	\$ 39,923
2003	28,614	62,688	42,821	40,362
2004	28,802	63,099	43,209	41,162
2005	29,397	64,403	44,186	42,189
2006	29,870	65,439	44,722	43,011
2007	30,649	67,146	45,664	44,335
2008	31,665	69,371	46,398	45,479
2009	32,885	72,045	49,492	47,304
2010	32,885	72,045	49,968	47,304
2011	32,161	72,045	49,566	47,421

Source: (1) District records  
(2) South Carolina Department of Education  
Office of Research and Statistics

ROCK HILL SCHOOL DISTRICT THREE  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Elementary Schools</b>										
<b>Bellevue (1955)</b>										
Square feet	58,797	58,797	58,797	58,797	58,797	58,797	58,797	58,797	58,797	58,797
Capacity (students)					600	600	600	600	600	600
Enrollment	534	507	511	564	557	572	587	460	465	429
<b>Ebenezer (1987)</b>										
Square feet	47,162	47,162	47,162	47,162	47,162	47,162	47,162	47,162	47,162	47,162
Capacity (students)					340	340	340	340	340	340
Enrollment	346	360	317	351	353	360	354	317	316	293
<b>Ebinport (1949)</b>										
Square feet	58,271	58,271	58,271	58,271	58,271	58,271	58,271	58,271	58,271	58,271
Capacity (students)					500	500	500	500	500	500
Enrollment	595	461	483	443	496	509	490	533	549	506
<b>Finley Road (1957)</b>										
Square feet	55,837	55,837	55,837	55,837	55,837	55,837	55,837	55,837	55,837	55,837
Capacity (students)					560	560	560	560	560	560
Enrollment	585	425	436	433	458	481	552	495	507	461
<b>Independence (1978)</b>										
Square feet	58,485	58,485	58,485	58,485	58,485	58,485	58,485	58,485	58,485	58,485
Capacity (students)					540	540	540	540	540	540
Enrollment	552	508	486	501	494	531	484	501	523	517
<b>India Hook (2007)</b>										
Square feet	-	-	-	-	-	-	74,979	74,979	74,979	74,979
Capacity (students)					-	-	600	600	600	600
Enrollment	-	-	-	-	-	-	446	506	514	538
<b>Lesslie (1954)</b>										
Square feet	44,264	44,264	44,264	44,264	48,836	48,836	48,836	48,836	48,836	48,836
Capacity (students)					520	520	520	520	520	520
Enrollment	406	484	520	527	519	511	512	490	489	446
<b>Mt. Gallant (1978)</b>										
Square feet	58,782	58,782	58,782	58,782	61,854	61,854	61,854	61,854	61,854	61,854
Capacity (students)					560	560	560	560	560	560
Enrollment	489	517	522	545	565	602	554	501	489	457
<b>Mt. Holly (2008)</b>										
Square feet	-	-	-	-	-	-	-	74,979	74,979	74,979
Capacity (students)					-	-	-	600	600	600
Enrollment	-	-	-	-	-	-	-	500	510	522

ROCK HILL SCHOOL DISTRICT THREE  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Elementary Schools, continued</b>										
Northside (1951)										
Square feet	50,951	50,951	50,951	50,951	51,719	51,719	51,719	51,719	51,719	51,719
Capacity (students)					480	480	480	480	480	480
Enrollment	306	388	406	428	445	485	484	353	376	405
Oakdale (1949)										
Square feet	59,045	59,045	59,045	59,045	60,581	60,581	60,581	60,581	60,581	60,581
Capacity (students)					540	540	540	540	540	540
Enrollment	676	559	548	591	610	615	663	476	478	396
Old Pointe (2002)										
Square feet	-	75,975	75,975	78,975	91,215	91,215	91,215	91,215	91,215	91,215
Capacity (students)					600	600	600	600	600	600
Enrollment	-	525	596	584	596	687	690	615	611	565
Richmond Drive (1949)										
Square feet	54,738	54,738	54,738	54,738	54,738	54,738	54,738	54,738	54,738	54,738
Capacity (students)					520	520	520	520	520	520
Enrollment	552	507	519	505	519	582	524	524	504	464
Rosewood (1960)										
Square feet	57,493	57,493	57,493	57,493	56,011	56,011	56,011	56,011	56,011	56,011
Capacity (students)					600	600	600	600	600	600
Enrollment	668	572	551	586	620	707	586	604	589	557
Sunset Park (1954)										
Square feet	58,203	58,203	58,203	58,203	58,203	58,203	58,203	58,203	58,203	58,203
Capacity (students)					560	560	560	560	560	560
Enrollment	362	296	294	303	323	293	264	444	444	460
Sylvia Circle (1950)										
Square feet	47,369	48,453	48,453	48,453	48,453	48,453	48,453	48,453	48,453	48,453
Capacity (students)					400	400	400	400	400	400
Enrollment	213	238	262	265	286	256	304	389	389	382
York Road (1971)										
Square feet	59,958	59,958	59,958	60,708	60,726	60,726	60,726	60,726	60,726	60,726
Capacity (students)					520	520	520	520	520	520
Enrollment	573	527	511	528	484	511	474	489	326	450

ROCK HILL SCHOOL DISTRICT THREE  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)

Table 18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Middle Schools</b>										
Castle Heights (1957)										
Square feet	106,636	106,636	160,151	160,151	160,151	160,151	160,151	160,151	160,151	160,151
Capacity (students)					1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	852	866	889	936	921	900	871	788	783	817
Dutchman Creek (2008)										
Square feet	-	-	-	-	-	-	-	160,151	160,151	160,151
Capacity (students)					-	-	-	1,100	1,100	1,100
Enrollment	-	-	-	-	-	-	-	875	876	893
Rawlinson Road (1972)										
Square feet	99,101	99,101	99,101	99,101	129,471	139,401	139,401	139,401	139,401	139,401
Capacity (students)					975	1,150	1,150	1,150	1,150	1,150
Enrollment	912	957	1,003	1,050	1,070	1,077	1,075	704	708	724
Saluda Trail (1999)										
Square feet	161,419	161,419	161,419	161,419	161,419	161,419	161,419	161,419	161,419	161,419
Capacity (students)					1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	867	872	899	873	846	868	907	866	864	799
Sullivan (1959)										
Square feet	147,070	150,790	150,790	150,790	150,790	150,790	150,790	150,790	150,790	150,790
Capacity (students)					1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,045	1,097	1,071	1,111	1,063	1,060	975	751	723	765
<b>High Schools</b>										
Northwestern (1971)										
Square feet	282,575	282,575	282,575	282,575	282,575	282,575	282,575	282,575	282,575	282,575
Capacity (students)					1,900	1,900	1,900	1,900	1,900	1,900
Enrollment	2,305	2,340	2,404	2,443	2,089	1,844	1,701	1,791	1,721	1,734
Rock Hill (1977)										
Square feet	288,260	288,260	288,260	288,260	288,260	288,260	288,260	288,260	288,260	288,260
Capacity (students)					2,075	2,075	2,075	2,075	2,075	2,075
Enrollment	2,138	2,211	2,310	2,370	2,172	2,121	2,050	1,998	1,932	1,952
South Pointe (2005)										
Square feet	-	-	-	-	364,448	364,448	364,448	364,448	364,448	364,448
Capacity (students)					1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	-	-	-	-	744	1,060	1,289	1,415	1,386	1,467

Source: District Facilities Office

Note: Year of original constructions is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions, except in the case of Castle Heights Middle School. An entirely new facility was built in 2004. Information on capacity only available beginning in 2006.



# Single Audit Section

**ROCK HILL SCHOOL DISTRICT THREE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the fiscal year ended June 30, 2011

LEA Subfund Fund Code	Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Total Expenditures
	Title I, Part A Cluster			
	US Department of Education			
	Passed through S.C. Department of Education			
201	Title I	84.010	11BA091	\$ 3,420,809
221	Title I N&D	84.010	11ND091	56,727
222	Title I - ARRA	84.389A	09SA091	687,286
223	Title I School Improvement - ARRA	84.389A	10SJ091	39,000
229	Title I N&D - ARRA	84.010A	09SN091	467
237	Title I School Improvement	84.010A	11BJ091	43,087
	Total Title I, Part A Cluster			<u>4,247,376</u>
	Special Education Cluster (IDEA)			
	US Department of Education			
	Passed through S.C. Department of Education			
203	IDEA	84.027	11CA091	3,188,206
205	IDEA Pre-school Grants Current Year-Handicapped Capacity	84.173	11CG091	98,996
213	OEC Competitive Grant	84.027A	11CO091	8,299
215	IDEA - ARRA	84.391A	11SC091	3,758,531
216	IDEA Preschool Handicapped - ARRA	84.392A	11SG091	35,961
822	Extended School Year	84.027	11CE091	17,994
	Total Special Education Cluster (IDEA)			<u>7,107,987</u>
	State Fiscal Stabilization Cluster			
	US Department of Education			
	Passed through S.C. Department of Education			
250	State Fiscal Stabilization - ARRA	84.394A	10SF091	3,659,851
	Total State Fiscal Stabilization Cluster			<u>3,659,851</u>
	Child Nutrition Cluster			
	US Department of Agriculture			
	Passed through S.C. Department of Education			
600	School Breakfast Program - cash assistance	10.553	N/A	1,061,493
600	School Lunch Program:			
600	Cash assistance	10.555	N/A	3,688,307
600	Non-cash assistance (commodities)	10.555	N/A	477,124
	Total Child Nutrition Cluster			<u>5,226,924</u>
	<b>OTHER PROGRAMS</b>			
	US Department of Education			
	Passed through S.C. Department of Education			
207	Occupational Education	84.048	11VA091	242,147
209	Drug Free Schools	84.186	10FQ091	8,327
227	McKinney-Vento Homeless Assistance Act	84.387	10SM091	13,932
243	Adult Education	84.002	11EA091	155,732
264	Language Instruction Title III	84.365A	11BP091	103,172
267	Improving Teacher Quality	84.367A	11TQ091	641,057
875	Parent Information Resource Centers	84.310A	N/A	16,779
894	Title VII	84.060A	S060A092454	16,416
	Total of U.S. Department of Education			<u>1,197,562</u>
	US Department of Energy			
868	State Energy Program - ARRA	81.041	S09-0087	377,547
	Total of U.S. Department of Energy			<u>377,547</u>
	Total other federal awards			<u>1,575,109</u>
	Total federal awards			<u>\$ 21,817,247</u>

Footnotes: The accounting policies of the School District conform to generally accepted accounting principles 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, 2011. 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, and 10.555, which are reported under the full accrual basis of accounting as applicable to enterprise funds.

The accounting system used by South Carolina LEA's does not allow for the segregation of expenditures by fund sources in the Food Service Fund. Total expenses of the Food Service Fund were \$6,867,884. The detailed schedule of food service may be found on "Schedule D-1" of this report.

As of June 30, 2011, the School District had a loan balance of \$117,500 related to the State Energy Program (CFDA 81.041).



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*

The Honorable Chairman and  
Members of the Board of Trustees  
Rock Hill School District Three  
Rock Hill, South Carolina

We have audited the financial statements of Rock Hill School District Three as of and for the year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of 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*.

This communication is intended solely for the information and use of the Board of Trustees, management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Columbia, South Carolina  
November 30, 2011



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Chairman and  
Members of the Board of Trustees  
Rock Hill School District Three  
Rock Hill, South Carolina

Compliance

We have audited the compliance of Rock Hill School District Three with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

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

*A deficiency in internal control over compliance* 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 noncompliance with a type of compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

This communication is intended solely for the information and use of the Board of Trustees, management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Elliott Davis, LLC*

Columbia, South Carolina  
November 30, 2011

ROCK HILL SCHOOL DISTRICT THREE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2011

**I. Summary of Auditors' Results**

**Financial Statements**

- |   |             |
|---|-------------|
| (a.) Type of auditors' report:  | Unqualified |
| (b.) Internal control over financial reporting:   |             |
| 1) Material weaknesses identified:  | None noted  |
| 2) Significant deficiencies identified that are not considered to be material weaknesses: | None noted  |
| (c.) Noncompliance material to financial statements noted:                                | None noted  |

**Federal Awards**

- |   |             |
|---|-------------|
| (a.) Internal control over major programs:  |             |
| 1) Material weaknesses identified:  | None noted  |
| 2) Significant deficiencies identified that are not considered to be material weaknesses:                 | None noted  |
| (b.) Type of auditors' report issued on compliance for major programs:                                    | Unqualified |
| (c.) Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133: | None noted  |
| (d.) Identification of major program:   |             |

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
84.367A	Title II - Improving Teacher Quality
84.027, 84.027A, 84.173, 84.391A, 84.392A	IDEA Cluster
84.394A	State Fiscal Stabilization Fund
81.041	State Energy Program - ARRA

- |   |           |
|---|-----------|
| (e.) Dollar threshold used to distinguish between type A and type B Programs: | \$654,517 |
| (f.) Auditee qualified as low risk auditee?                                   | Yes       |

**II. Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

None noted

**III. Findings and Questioned Costs Relating to Federal Awards**

None noted

**Summary Schedule of Prior Audit Findings**

None reported