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

FOR THE
FISCAL YEAR ENDED
JUNE 30, 2009

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, 2009

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Introductory Section

ROCK HILL SCHOOL DISTRICT THREE ADMINISTRATIVE CHART FY 2008 - 2009

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.

Name	Occupation	Number of Years of Service
Mr. Walter Brown, Sr.	Volunteer	8
Mrs. Mildred Douglas	Teacher	8
Mr. Bob Norwood (Chair)	Insurance Executive	12
Ms. Elizabeth "Ann" Reid	College Instructor	8
Mrs. Mikki Rentschler	Sales	5
Dr. Jason Silverman	University Professor	6
Mr. Jim Vining	Executive, Bowater, Inc.	10

District Personnel

<u>Name</u>	<u>Position</u>
Dr. Lynn Moody	Superintendent
Mr. Bill Mabry	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



Board of Trustees



ebaker@rock-hill.k12.sc.us Director of Information Mrs. Elaine Baker Services 981-1005



Imoody@rock-hill.k12.sc.us Dr. Lynn P. Moody Superintendent

981-1002

Principals



hjaworow@rock-hill.k12.sc.us

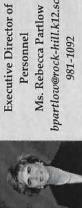
981-1055

Dr. Harriet Jaworowski

Associate Superintendent for

Instruction & Accountability

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



shuckabee@rock-hill.k12.sc.us

981-1055

Secondary Curriculum Mrs. Sheila Huckabee

Executive Director of

bpartlow@rock-hill.k12.sc.us Ms. Rebecca Partlow Personnel 981-1092



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



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



981-1009

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

981-1083



981-1055



Engaging Students for Successful Futures

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F: (803) 981-1094 www.rock-hill.k12.sc.us

Lynn P. Moody, Ed.D., Superintendent

November 17, 2009

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, 2009. 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 Revised Single Audit Act of 1996 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 sixth 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 17,704 students. The School District also has a vocational center, an adult education center, an alternative center, and a special instructional TV center. 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 is 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 67,300+ residents. The City encompasses over 31.8 square miles. While not the County seat, Rock Hill is the largest city in York County, SC, the fourth 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 34.7 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.

According to the 2005 South Carolina Statistical Abstract, the County had the seventh largest labor force, eighth largest number of business establishments and seventh largest number of manufacturing companies in the State. In the past several years, York County has averaged \$200 million in industry and business development and 1,700 new jobs annually. York County's population grew by more than 4 % between 2007 and 2008 solidifying its place among the nation's fastest growing counties. However, the growth rate has slowed a bit, down from 5.2% last year and 4.8% the year before that. 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.

In May of 1998, the Mayor announced the Rock Hill/I-77 Strategic Plan. This plan calls for planning and coordinating development along Interstate 77 through Rock Hill from the Catawba River on the northern end, to Porter Road on the southern end. In support of this plan, the City of Rock Hill sold a strategic land holding of 125 acres at the intersection of I-77 and Dave Lyle Boulevard to a local developer to facilitate the creation of "Manchester Village." Manchester Village is complete and features office, restaurant, retail, entertainment and hotel establishments as well as a full range of residential options.

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.

MAJOR INITIATIVES

The School District is currently operating under its strategic plan for the years 2005 to 2010. 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.

The current strategic plan was approved by the Board of Trustees in April 2005. Highlights of the plan are as follows:

Motto & Mission

"Engaging Students for Successful Futures"

Rock Hill School District Three will provide all students with challenging work that authentically engages them in the learning process and prepares them for successful futures.

School District Beliefs

- All students can learn more and at higher levels.
- Teachers directly affect student learning through the design of work that has those qualities that are most engaging to students.
- Diversity, creativity, and innovation enrich learning.
- Active participation from families, the community, and staff are important when making decisions that positively affect student learning.
- High standards exist for everyone in the School District.

In 2008-2009 the School District began work on a new strategic plan entitled "The Rock Hill Climb" to be implemented in 2009-2010.

Primary Accomplishments for FY 2008 - 2009 were as follows:

- Two new schools were opened Mount Holly Elementary and Dutchman Creek Middle School. Dutchman Creek is named Best in New Middle School Design in a regional architecture competition.
- Bryan Coburn, a computer technology teacher at Northwestern High School was selected as the Teacher of the Year. In February he was chosen as one of five state Honor Roll Teachers and in May was named South Carolina Teacher of the Year.
- Richmond Drive Elementary School was awarded one of only seven Healthy School Awards in the State by the South Carolina Department of Education.
- Sandy Andrews, Director of Adult Education, was named as the State Adult Education Director of the Year.
- Finley Road Elementary was selected as one of 10 elementary schools in the State to receive a grant award on formative assessments from the Education Testing System.
- Back the Pack, a program which provides nutritious snacks for needy children during the weekends, got underway in October under the sponsorship of the Rock Hill School District Foundation.
- Judy Mobley, principal at Rock Hill High, was selected by the S.C. School Counselors Association as the Administrator of the Year.
- Superintendent Lynn Moody began monthly Community Chats in October. She also initiated the Superintendent's Student Advisory Council comprised of two student leaders from each middle and high school.
- Thirty teachers achieved National Board Certification in December.
- The Children's School at Sylvia Circle was one of five finalists for the top State School Improvement Council Award.
- Rock Hill Schools was the first district in York County to achieve district-wide accreditation from the Southern Association of Colleges and Schools.

- Rebecca Partlow, Executive Director of Personnel, was selected by the York County Chapter of the Society for Human Resource Management and the York County Regional Chamber as the Human Resource Professional of the Year.
- Seven schools Applied Technology Center, Belleview Elementary, Finley Road Elementary, Independence Elementary, Northwestern High, Rock Hill High, Rosewood Elementary were recipients of Palmetto Gold and Palmetto Silver awards for student academic performance and /or closing the achievement gap.
- The School District issued more than 600 engraved medallions to students who have received region, state or national recognition in academics, the arts and athletics.
- One hundred and six high school students were AP scholar candidates.
- Sixty-eight students were International Baccalaureate diploma candidates and all 68 received an IB diploma.
- The Applied Technology Center had six students to place first in State competition in carpentry, forensic medicine and early childhood education service organization. One student placed first in the State and seventh in the nation in culinary arts, and the Early Childhood Education Service Organization, FCCLA, placed second in national competition.
- Scholarships for Rock Hill School District Three's students totaled more than \$15,767,368, \$3.6 million higher than 2007-2008.
- Two students at South Pointe High School received military appointments, one to the U.S. Air Force Academy and one to the U.S. Naval Academy.
- Hannah Robinson from Rock Hill High School won the South Carolina Girls' Cross-County Championship and the school's 4 x 100 Girls' Relay Team placed first in the State.
- Rock Hill High School's Band of Distinction won the 5A Upper State Marching Band Championship and was runner-up in state 5A marching competition.
- The South Pointe High School Stallion football team won the State 4A Championship playing the Northwestern High School Trojan football team on December 6, 2008.
- Northwestern High School's Purple Regiment won the 4A South Carolina Marching Band Championship.
- The Rock Hill High School wrestling team became the Class 4A State Duels wrestling champions.
- The School District formed a District Honors Orchestra and a Middle School Honors Choir.
- For the second consecutive year, the Northwestern High School boys' soccer team won the South Carolina 4A Soccer championship.

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 \$3,925,561 or 6.9% over the prior year. This was largely due to an increase in millage for debt service operations and growth in assessed value of property. Due to a State and National economic downturn the State issued a series of budget cuts and reduced the increased base student cost at the beginning of the year of \$2,578 to \$2,190. Federal/State formula aid increased by only \$811,522 or 3.3%. The Board of Trustees approved additional millage for operations of 3.0 mills. Actual revenues were less than expenditures by \$3.8 million for the fiscal year. The 2008-2009 Budget allowed for an increase in teaching positions to handle projected student growth as well as the opening of Mount Holly Elementary School and Dutchman Creek Middle school. Additional positions for those previously funded in special revenue funds were budgeted and included a Mentor Coordinator, a Director for the Renaissance Program, two Renaissance teachers, two teachers for the Phoenix Academy, and an Accelerated Studies Coordinator for Sunset Park Elementary School. Also added to the budget were six Special Education positions.

The unreserved, undesignated fund balance in the general fund at year end was \$19,505,507. During the FY 2008-2009 budget process, the School District did a five-year projection, and has continued to evaluate its position on the size of the fund balance.

With the opening of Mount Holly Elementary and Dutchman Creek Middle schools in FY 2008-09, the administration continues to analyze the projected a fund balance need and continues to support the need for more than the 8-10 percent minimum designated by the Board. Also 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. Understanding that economic conditions may not immediately improve, the Board will re-examine its Fund Balance Policy in 2009-2010. The targeted fund balance will allow the School District not only to maintain its ability to handle any major shortfalls due to the economic decline but also to handle the increase in operating costs for opening new facilities in the near 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. Maintaining a positive fund balance, the School District has been able to meet its cash flow needs this year without short-term borrowing.

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 average interest earnings rate with the SGLIP 2008-2009 was 0.72% compared to 4.08% in the previous year. 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. 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 \$318,383 compared to \$1,301,042 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, 2009 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 2009 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 of 1996 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.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rock Hill School District Three for its CAFR for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting Award for excellence in the preparation and issuance of the fiscal year end 2008 school system CAFR to Rock Hill School District Three. The Certificate of Excellence in Financial Reporting Program was designed by ASBO International to enable school business officials to achieve a high standard of financial reporting. The award is only conferred to school systems that have met or exceeded the standards of the program. This award is also valid for a period of one year. We believe that our current CAFR continues to meet the program requirements, and we are submitting it to ASBO International to determine its eligibility for another certificate.

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

dyn P. Moody

William E. Mabry

n Bilton William

Associate Superintendent for Administrative Services

Lynn P. Moody, Ed.D. Superintendent

-12-

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rock Hill School District Three of York County
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

THE OFFICE OF THE SECOND STATES OF THE SECOND STATE

President

Executive Director



This Certificate of Excellence in Financial Reporting is presented to

ROCK HILL SCHOOL DISTRICT THREE OF YORK COUNTY

For its Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2008

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

augh Peternan

Executive Director

John 10. Masso

Financial Section



1901 Main Street, Suite 1650 P.O. Box 2227 Columbia. SC 29202-2227

Phone 803.256.0002 Fax 803.254.4724

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, 2009, 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, 2009, 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 17, 2009 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 17 through 25 and the budgetary comparison information on pages 55 through 63 (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.

Columbia, South Carolina

Elliate Davis, LLC

Basic Financial Statements

ROCK HILL SCHOOL DISTRICT THREE MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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, 2009. 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 \$87.2 million in revenue or 48.7 percent of all revenues. Program specific revenues in the form of charges for sales and services, grants and contributions accounted for \$88.3 million or 50.3 percent of total revenues of \$175.5 million.
- The School District had \$174.8 million in expenses related to governmental activities; only \$80.5 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state funding) of \$86.8 million were not sufficient to provide for the remaining expenses and net assets decreased by \$7.5 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$29.8 million, a decrease of \$8 million in comparison with the prior year. The decrease was largely a decrease of fund balance in the capital projects fund due to construction expenses related to a bond issue for a building program consisting of construction of two new elementary schools, a new middle school, an increase in expenditures related to the opening of the new elementary school and middle school and a series of budget reductions in state funding of approximately \$6 million.
- 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 \$117,583,525. Of this amount, \$20.7 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 \$124.6 million in revenues and other financing sources and \$128.3 in expenditures and other financing uses. Transfers in from other funds helped supplement the short-fall in revenues. The fund balance of the general fund decreased \$3.7 million from the prior fiscal year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$19.5 million or 15.2 percent of the total general fund expenditures.
- The School District reduced its outstanding long-term debt to \$183,135,440.

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 26 and 27 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 35 to 54.

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, 2009 compared to June 30, 2008:

Condensed Statement of Net Assets

	Governmen		Business-ty	pe /	Activities	Total		
	2009		2009		2008	2009	2008	
Current assets Capital assets	\$ 47,186,638 	\$ 58,941,266 272,163,776	\$	135,045 1,593,752	\$	507,034 1,466,828	\$ 47,321,683 272,123,688	\$ 59,448,300 273,630,604
Total assets	<u>\$ 317,716,574</u>	<u>\$ 331,105,042</u>	\$	1,728,797	\$	1,973,862	<u>\$ 319,445,371</u>	<u>\$_333,078,904</u>
Long-term debt outstanding Other liabilities	\$ 157,228,602 42,904,447	\$ 169,845,467 36,068,804	\$		\$	(501,25 <u>3</u>)	\$ 157,228,602 41,732,184	\$ 169,845,467 <u>35,567,551</u>
Total liabilities	200,133,049	205,914,271		(1,172,263)		(501,253)	198,960,786	205,413,018
Net assets Invested in capital assets,	0==00.404	0.5 (0.5 (0.0						
net of related debt	87,780,196	85,685,189		1,593,752		1,466,828	89,373,948	87,152,017
Restricted	9,082,727	12,952,545					9,082,727	12,952,545
Unrestricted	20,720,602	26,553,037		1,307,308		1,008,287	22,027,910	27,561,324
Total net assets	117,583,525	125,190,771		2,901,060	_	2,475,115	120,484,585	127,665,886
Total liabilities and net assets	<u>\$ 317,716,574</u>	<u>\$ 331,105,042</u>	<u>\$</u>	1,728,797	<u>\$</u>	1,973,862	<u>\$ 319,445,371</u>	<u>\$_333,078,904</u>

Total assets of the School District decreased overall \$13.6 million. Deposits with York County Treasurer in the Capital Projects fund decreased \$8.8 million due to expenditures relating to the opening of two new schools as well as a series of revenue reductions from state funding. During the current year no general obligation bonds were issued. The deposits remaining at year end are net of expenditures from construction costs paid on Mount Holly Elementary and Dutchman Creek Middle schools which opened during the fall of this year.

Total liabilities decreased by \$6.5 million. Long-term debt outstanding accounted for a decrease of \$12.6 million due to bond repayments. The district issued \$12.5 million in Bond Anticipation Notes in 2008-2009. Accrued salaries and benefits increased due to the hiring of additional staff for the opening of a new elementary school as well as an increase in staff for the opening of a new middle school. Teachers receive their last check for the fiscal year contract in July each year which is accrued at year end.

Total net assets decreased 7.2 million or 5.6%, largely due to the net assets of the capital projects fund discussed above to be utilized in completion of the current building commitments. The unrestricted net assets decreased \$5.8 million in the governmental activities. This decrease was mainly caused by expenditures greater than revenue received due to state revenue reductions from the economic downturn and expenditures incurred by the opening of two new schools.

Both Governmental Activities and Business-type Activities are reporting positive balances in all three categories of net assets. In the prior fiscal year, 2008, they also reported positive balances.

The table below shows the changes in net assets for fiscal year 2009 compared to 2008.

Changes in Net Assets

	Governmen	tal Activities	Business-ty	pe Activities	Total			
	2009	2008	2009	2008	2009	2008		
REVENUES								
Program revenues								
Charges for sales/services	\$ 2,031,407	\$ 2,187,263	\$ 2,617,644	\$ 2,389,487	\$ 4,649,051	\$ 4,576,750		
Operating grants/contributions	78,078,355	81,227,036	4,736,659	4,092,600	82,815,014	85,319,636		
Capital grants/contributions	366,835	517,685	415,754	138,845	782,589	656,530		
General revenues	,	,	,	,	,	000,000		
Property taxes	61,057,347	57,131,786	-	-	61,057,347	57,131,786		
Federal/state formula aid	25,727,814	24,916,292	-	₹	25,727,814	24,916,292		
Other	43,084	2,326,658	423,404	430,649	466,488	2,757,307		
Total revenues	167,304,842	168,306,720	8,193,461	7,051,581	175,498,303	175,358,301		
EXPENSES								
Instruction	99,874,477	92,375,363	-	-	99,874,477	92,375,363		
Support services	67,652,653	63,864,933	-	-	67,652,653	64,864,933		
Community services	227,383	228,669	-	-	227,383	228,669		
Interest and other charges	7,017,571	7,484,011	-	-	7,017,571	7,484,011		
Food service			7,767,516	7,634,765	7,767,516	7,634,765		
Total expenses	174,772,084	163,952,976	7,767,516	7,634,765	182,539,600	<u>171,587,741</u>		
Change in net assets	(7,467,242)	4,353,744	425,945	(583,184)	(7,041,297)	3,770,560		
NET ASSETS, JULY 1, 2008 as restated	125,050,767	120,837,027	2,475,115	3,058,299	127,525,882	123,895,326		
NET ASSETS, JUNE 30, 2009	<u>\$ 117,583,525</u>	<u>\$ 125,190,771</u>	<u>\$ 2,901,060</u>	<u>\$ 2,475,115</u>	<u>\$ 120,484,585</u>	\$ 127,665,886		

Property tax revenues increased \$3,925,441 or 6.8% over the prior year. This was due to an increase in millage for debt service operations. Federal/state formula aid funding increased by \$811,522 or 3.2%. While funding from formula aid decreased due to budget cuts, state legislation provided for an increase in Act 388 funding.

Charges for sales/services decreased slightly from the prior year. These governmental activities charges are largely from the School District's after school program called Challenger. It is operated in all 16 elementary schools and currently serves over 1,000 students. It is a curriculum based program which operates each day from the end of the regular school day until six P.M. It is a special revenue fund which operates solely from tuition charges with a small amount of general fund assistance. During this year, tuition charges were not increased but the program was discontinued for the summer months which affected the collections for the month of June. The School District uses a mandatory draft program for tuition collection which has reduced uncollectible receivable balances.

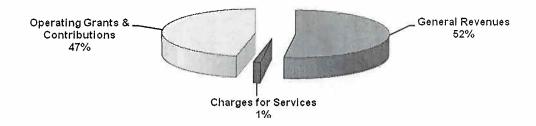
The School District's expenditures are primarily related to instruction and support services. In FY 2009, the School District's instructional services accounted for 57.1 percent and support services accounted for 38.7 percent of total governmental activities costs compared to 56.3 percent and 39.0 percent, 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 expenses surpassed revenues, decreasing net assets \$7.2 million from the prior year.

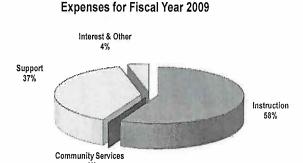
GOVERNMENTAL ACTIVITIES:

The source of revenue for governmental activities is almost equally divided between general revenues and grants and contributions. General revenues consist primarily of local property tax revenues.

Revenues by Source - Governmental Activities



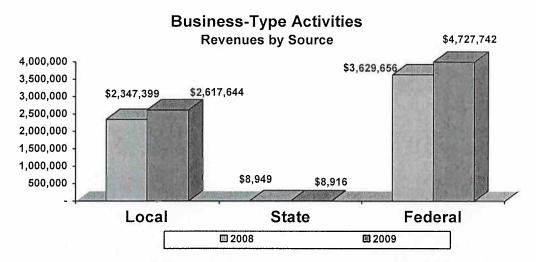
The figure below represents the cost of four major School District activities: instruction, support services, community services, and intergovernmental and other.



Overall, the School District's financial position is stable. This stability can be credited to the local economy, specifically a steady growth in our tax base, as well as innovative management decisions when developing new programs and policies. However, this rate of growth is expected to slow during the current fiscal year, 2009-2010.

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 36% from local sources and slightly more than half from federal sources (64%). The remainder of less than 1 percent is from state sources.



During FY 2009, revenues of the School District's business-type activities increased 13.4 percent to \$7,354,303. The increase in revenue is due to several factors. First, the Federal reimbursement rate the School District received increased by \$.10 for each free/reduced lunch meal and \$.07 for each free/reduced breakfast meal. Also, the number of lunch meals served increased by 30,000. The increase in meals served may be attributed to staff training in order to identify reimbursable meals and student menu preferences.

Salary and fringe expenses increased as projected during FY 2009 due to a 2 percent cost of living adjustment in wages. Food and supply costs increased slightly due to increases in fuel and inflationary cost increases. Total expenses increased by \$132,751.

Food Service operations in summary reflected a gain for the fiscal year of \$425,945 which increased the net assets from \$2.5 to \$3.0 million. Because of the gain in net assets and the increase in federal reimbursement rates, meal prices have not been increased for 2009-2010.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As the School District completed the year, its government funds reported combined fund balances of \$29.8 million, a net \$8.0 million decrease from last year's ending fund balances. The capital fund balance decreased by \$5.5 million to \$2.6 million because construction of two new schools was completed in the summer of 2008. The debt service fund balance increased \$1.5 million due to growth in the value of a mill on tax collections. The general fund's fund balance decreased by \$3.7 million to \$19.5 million. This decrease came from a combination of an increase in spending due to the opening of two new schools and a series of state budget reductions during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the fiscal year 2008-2009 budget, the School District compiled and submitted to the Board of Trustees a budget with expenditures exceeding revenues by \$1.7 million. Local revenues were projected to increase 4 percent over the preceding year and additional state revenues were anticipated due to a projected base student cost increase from \$2,476 to \$2,578. The average daily membership of the School District was projected to increase by approximately 155 students for a total of 17,250. The Board of Trustees approved the operating budget with a net millage increase after appropriation of 3 mills for 2009. The total local revenue was estimated to increase only \$1.7 million based upon the addition of 3 mills because Act 388 removed residential property from the operating tax base, reducing the mill value from \$378,000 to \$260,000.

Budgeted expenditures included additional teaching positions to handle projected student growth as well as the opening of Mount Holly Elementary School and Dutchman Creek Middle School. The Budget also included the addition of positions to maintain innovations previously funded in special revenue funds. Included in the innovations are a Mentor Coordinator, a Director for the Renaissance Program, 2 Renaissance teachers, 2 teachers for the Phoenix Academy, an Accelerated Studies Coordinator for Sunset Park Elementary School, and 6 Special Education positions. The budget also contained a state mandated teacher salary increase, funds for partial implementation of a salary compensation study and a 2% increase for all support staff.

- Local property tax revenues were \$1,870,310 lower than budgeted, or 4.7% difference. The School District's total assessed value increased due to an expected growth in the tax base. 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 percentage decreased to 45.40% compared to 46.16% last year. Also, the School District continues to receive a fixed amount of State Local Property Tax Reimbursement dollars (\$5,991,224) based on tax year 1999 and receives no increased reimbursement for any growth in the tax base.
- State revenues were \$3,913,285 lower than budgeted, or 4.7% due to a series of reductions in State funds. The final state base student cost allocated and received was \$2,190 as a result of four budget reductions issued from the state.
- Overall, actual revenues were \$5.5 million lower than budgeted revenue. This was mainly due to the lower than projected property tax collections and state budget reductions.
- Actual expenditures for the fiscal year were less than 1% under budget or approximately \$600,000. There were no unusual items to report.

During the budget process, the School District budgeted an increase in the South Carolina Retirement System employer contribution rate from 12.63% to 12.89% which was increased as projected. The School District including principals and department heads, has continued to take a conservative approach to spending during the year. Any additional state/federal funding received during the year is utilized prior to general fund monies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - By the end of 2009, the School District had invested \$345.2 million in a broad range of capital assets, including school buildings, athletic facilities, media center books and various types of equipment necessary to operate the School District's 28 schools and administrative offices. This amount represents an increase of \$6.1 million from last year (more detailed information about capital assets can be found in Note 4 to the financial statements). Due to the completion of a \$92 million construction program, construction in progress decreased by \$58.2 million and buildings and equipment increased by \$56.8 million as the District opened Dutchman Creek Middle School and Mount Holly Elementary School in August 2008.

Capital Assets (Net of accumulated depreciation)

					novant	
		ntal activities	Business-ty	percent <u>change</u>		
	2009	2008	2009	2008	2008-2009	
Land	\$ 10,433,629	\$ 10,384,172	\$ ~	\$ -	0%	
Buildings and improvements	255,361,939	198,993,878	51,323	51,323	28.3	
Furniture and equipment	4,573,499	4,284,560	1,542,429	1,415,505	7.3	
Library books	-	143,327	-	_	(100.0)	
Construction in progress		58,170,601		-	(100.0)	
Total	<u>\$ 270,369,067</u>	<u>\$ 271,976,538</u>	<u>\$ 1,593,752</u>	<u>\$ 1,466,828</u>	0%	

Additional information on the School District's capital assets can be found in Note 4 on pages 47 and 48 of this report.

Long-Term Debt - At year-end, the School District had \$157.5 million in general obligation bonds. This was a decrease of approximately 7.6 percent from the prior year. Bond Anticipation Notes in the amount of \$12,500,000 were issued during the fiscal year. Debt repayment of \$12,975,000 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 \$32.4 million. Of the debt outstanding, \$146.5 million issued was approved by referendum and \$11.0 million is applied to the current debt limit leaving a legal debt margin of \$21.4 million.

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 47 and 48 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.

This growth also brings an annual estimated increase in the School District's student population of about 200+ students. 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 School District has already experienced four State budget cuts in Education Finance Act and Education Improvement Act funds from the original allocations in preparing the FY 2009-10 budget. The total reductions to date for the School District are approximately \$6 million, which could be permanent reductions in funding for future years.

In preparing the 2009-10 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 full projected base student cost of \$2,034 per pupil and the Board approved an increase in local property tax millage by 6 mills. Due to the economic downturn in 2008-2009 and continuing into 2009-2010, the Federal Government awarded Stimulus Funds to all states. The revenue estimates in the 2009-2010 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 2009-2010.

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 2009-10 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, 2009

		Primary government					
	Governmental	Business-type		Component			
ASSETS	activities	activities	Total	unit			
CURRENT ASSETS							
Cash and investments	\$ 16,795,469	\$ 8,577	\$ 16,804,046	\$ 26,853			
Deposits with York County Treasurer	23,567,207	Ψ 0,5//	23,567,207	ψ 20,6 <i>33</i>			
Receivables	20,207,207		23,301,201	_			
Accounts receivable	120,123	-	120,123	_			
Taxes, net	3,024,889	_	3,024,889	_			
Due from governmental units	.,,		2,021,003				
Federal	1,551,235	75,141	1,626,376	_			
Other state agencies	1,709,156	-	1,709,156	_			
Inventories	391,305	51,327	442,632	_			
Deferred charges	27,254		27,254	_			
•		- W.					
Total current assets	47,186,638	135,045	47,321,683	26,853			
NON-CURRENT ASSETS							
Deferred charges	160,869	-	160,869	-			
Non-depreciable capital assets	10,433,629	-	10,433,629				
Depreciable capital assets, net of accumulated depreciation	259,935,438	1,593,752	261,529,190	39,313			
Total non-current assets	270,529,936	1,593,752	272,123,688	39,313			
Total assets	\$ 317,716,574	\$ 1,728,797	\$ 319,445,371	\$ 66,166			
LIABILITIES			,				
CURRENT LIABILITIES							
Accounts payable	\$ 3,781,253	\$ -	\$ 3,781,253	Φ 1040			
Accrued salaries and benefits	7,873,651	Φ -		\$ 1,848			
Unearned revenue	1,476,772	•	7,873,651	6,786			
Due to other funds	841,837	**	1,476,772	-			
Internal balances	1,172,263	(1,172,263)	841,837	-			
Accrued interest	1,851,833	(1,172,203)	1 051 022	-			
Current portion of non-current liabilities	1,851,855	-	1,851,833	-			
Bonds and notes payable	25,274,944		25,274,944				
Capital lease	390,937	-	390,937	-			
Compensated absences	240,957	-	240,957	•			
Compensated associates	240,731		240,937				
Total current liabilities	42,904,447	(1,172,263)	41,732,184	8,634			
NON-CURRENT LIABILITIES							
Bonds payable	147,438,768	_	147,438,768	_			
Capital lease	9,484,222	-	9,484,222	_			
Compensated absences	305,612	-	305,612				
Total non-current liabilities	157,228,602	77.7.44	157,228,602				
Total liabilities	200,133,049	(1,172,263)	198,960,786	8,634			
NET ASSETS							
Invested in capital assets, net of related debt	07 700 102	1 502 750	00 272 042	20.012			
Restricted for	87,780,196	1,593,752	89,373,948	39,313			
Special projects	387,465	_	387,465				
Capital projects	2,577,156	-	2,577,156				
Debt service	6,118,106		6,118,106	- 1 .			
Unrestricted	20,720,602	1,307,308	22,027,910	10.010			
				18,219			
Total net assets	117,583,525	2,901,060	120,484,585	57,532			
Total liabilities and net assets	\$ 317,716,574	\$ 1,728,797	\$ 319,445,371	\$ 66,166			

ROCK HILL SCHOOL DISTRICT THREE For the fiscal year ended June 30, 2009 STATEMENT OF ACTIVITIES

		Component unit		\$ (65,234) (72,381)	1 1	(137,615)	(44,580)	(44,580)	(182,195)		ı	r	77,329	•	1	116,722	194,051	1	194,051	11,856	45,676	1	1	\$ 57,532
s in net assets		Total		\$ (41,808,460) (45,292,987)	(7,017,571)	(94,295,487)	2,541	2,541	(94,292,946)		39,794,450	21,262,897	25,727,814	501,762		2,068	87,288,991	(37,342)	87,251,649	(7,041,297)	127,665,886	(140,004)	127,525,882	\$ 120,484,585
Net (expense) revenue and changes in net assets	Primary Government	Business-type activities					\$ 2,541	2,541	2,541		1		ı	•	423,404		423,404	Si.	423,404	425,945	2,475,115	ſ	2,475,115	\$ 2,901,060
Net (expense)	P	Governmental activities		\$ (41,808,460) (45,292,987) (176,469)	(7,017,571)	(94,295,487)			(94,295,487)		39,794,450	21,262,897	25,727,814	501,762	(423,404)	2,068	86,865,587	(37,342)	86,828,245	(7,467,242)	125,190,771	(140,004)	125,050,767	\$ 117,583,525
	Capital	grants and contributions		\$ 366,835 -	1	366,835	415,754	415,754	\$ 782,589															
Program revenues	Operating	grants and contributions		\$ 56,034,610 21,992,831 50 914	17,00	78,078,355	4,736,659	4,736,659	\$ 82,815,014				restricted for specific purpose					f assets	al items		stated	ary books		
		Charges for services		\$ 2,031,407	1	2,031,407	2,617,644	2,617,644	\$ 4,649,051		vied for.		aid not restricted fo	stment earnings			eral revenues	Special items - loss on disposal of assets	Total general revenues and special items	t assets	2008 as previously stated	Change in accounting estimate for library books	2008 as restated	, 2009
		Expenses		\$ 99,874,477 67,652,653	7,017,571	174,772,084	7,767,516	7,767,516	\$ 182,539,600	General revenues:	General purposes	Debt service	Federal and state aid not	Unrestricted investment earnings	Transfers	Miscellaneous	Subtotal general revenues	Special items	Total general	Change in net assets	Net assets, July 1, 2008 as	Change in account	Net assets, July 1, 2008 as	Net assets, June 30, 2009
			Functions/Programs Primary government Governmental activities	Instruction Instruction Support services Community services	Interest and other charges	Total governmental activities	Business-type activities Food service	Total business-type activities	Total primary government															

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

ROCK HILL SCHOOL DISTRICT THREE BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2009

		Special Rev	venue Funds									
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	Total Governmental Funds						
ASSETS												
Cash and investments Deposits with York County Treasurer Receivables	\$ 16,795,369 8,199,567	\$ 100 -	\$ - -	\$ - 6,485,084	\$ - 8,882,556	\$ 16,795,469 23,567,207						
Accounts receivable	79,845	40,278	_	-	_	120,123						
Taxes, net	2,103,252	-	-	921,637	_	3,024,889						
Due from other funds	7,577,163	379,226	-	563,218	-	8,519,607						
Due from governmental units												
Federal Other state permalar	477,862	1,551,235	990.353	-	-	1,551,235						
Other state agencies Inventories	391,305	341,942 -	889,352	-	_	1,709,156 391,305						
HVOROTES			-			391,303						
Total assets	\$ 35,624,363	\$ 2,312,781	\$ 889,352	\$ 7,969,939	\$ 8,882,556	\$ 55,678,991						
LIABILITIES AND FUND BALANCES Liabilities:												
Accounts payable	\$ 3,715,120	\$	\$ -	\$ -	\$ 66,133	\$ 3,781,253						
Accrued salaries and benefits	7,873,651		-	<u> </u>	w 00,133	7,873,651						
Deferred revenue	1,573,541	1,122,234	354,538	635,474	-	3,685,787						
Due to other funds	2,956,544	803,082	534,814	-	6,239,267	10,533,707						
Total liabilities	16,118,856	1,925,316	889,352	635,474	6,305,400	25,874,398						
Fund balances:												
Reserved for:												
Debt service	-	-	-	7,334,465	-	7,334,465						
Capital projects	-		-	-	2,577,156	2,577,156						
Unreserved: Undesignated	19,505,507	387,465				19,892,972						
Total fund balances	19,505,507	387,465		7,334,465	2,577,156	29,804,593						
Total liabilities and fund balances	\$ 35,624,363	\$ 2,312,781	\$ 889,352	\$ 7,969,939	\$ 8,882,556	\$ 55,678,991						
	different because Capital assets used	for governmental a of the following: in governmental acti	vities are not financ	ial resources and	s are	\$ 29,804,593						
		therefore are not reported in governmental funds. The cost of assets is \$345,217,216 and the accumulated depreciation is \$74,848,149 Property taxes receivable are not available to pay for current period expenditures										
	and therefore are d	eferred in the funds.	7, *			2,209,015						
	resources, but they	re not reported in the are reported in the st been amortized by \$1	tatement of net asse			188,123						
	· ·	miums are deferred i 4,088,382 have been				(2,688,712)						
		gations sences		ayable in the currer	ut	(170,025,000) (9,875,159) (546,569) (1,851,833)						
	Net assets of govern	nmental activities				\$ 117,583,525						

ROCK HILL SCHOOL DISTRICT THREE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2009

		Special Reve	nue Funds			
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Local Property taxes Interest Other	\$ 37,091,311 318,383 2,322,685	\$ - - 2,963,643	\$ - - -	\$ 21,019,542	\$ - 183,379	\$ 58,110,853 501,762 5,286,328
Total local sources	39,732,379	2,963,643	-	21,019,542	183,379	63,898,943
State sources	78,612,094	2,635,615	11,374,491	1,255,227	366,835	94,244,262
Federal sources	•	8,928,066	-		-	8,928,066
Intergovernmental	250,000	44,689		17,000		311,689
Total revenues	118,594,473	14,572,013	11,374,491	22,291,769	550,214	167,382,960
EXPENDITURES Current						
Instruction	76,959,318	10,066,339	7,940,770	-	-	94,966,427
Support services	50,013,700	4,376,993	1,156,012	,	-	55,546,705
Community services	175,452	51,931	-	-	-	227,383
Intergovernmental	457,640	160,501		*	-	618,141
Debt service				12,975,000		12.075.000
Principal Interest	-	-	-	7,798,410	-	12,975,000 7,798,410
Other	-	-	-	2,432	2	2,432
Capital outlay					15,039,230	15,039,230
Total expenditures	127,606,110	14,655,764	9,096,782	20,775,842	15,039,230	187,173,728
Excess (deficiency) of						
revenues over (under) expenditures	(9,011,637)	(83,751)	2,277,709	1,515,927	(14,489,016)	(19,790,768)
OTHER FINANCING SOURCES (USES)						
Proceeds of bond anticipation note	-				12,500,000	12,500,000
Transfers in	5,978,544	-				5,978,544
Transfers out	(730,904)	(203,149)	(2,277,709)	-	(3,497,686)	(6,709,448)
Total other financing sources (uses)	5,247,640	(203,149)	(2,277,709)		9,002,314	11,769,096
Net change in fund balances	(3,763,997)	(286,900)		1,515,927	(5,486,702)	(8,021,672)
FUND BALANCES - JULY 1, 2008	23,269,504	674,365		5,818,538	8,063,858	37,826,265
FUND BALANCES JUNE 30, 2009	\$ 19,505,507	\$ 387,465	<u>\$</u>	\$ 7,334,465	\$ 2,577,156	\$ 29,804,593

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, 2009

Exhibit 4 (Continued)

Total net change in fund balances - governmental funds (from Exhibit 4)	\$ (8,021,672)
Amounts reported for governmental activities in the statement of activities are different because of the following:	
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 (\$7,812,007) exceeds capital outlays, net (\$6,385,204).	(1,426,803)
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.	
Capital lease payments Bond principal retirement	366,307 12,975,000
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.	(37,342)
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 (\$299,718) exceed deferred bond issuance costs (\$27,254) along with net amortization of bond premiums and deferred issuance costs, which totaled \$272,464 in the current period.	272,464
Proceeds from the issuance of general obligation bond anticipation notes are revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of activities.	(12,500,000)
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.	748,470
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.	11,834
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.	 144,500
Change in net assets of governmental activities (from Exhibit 2)	\$ (7,467,242)

Exhibit 5

ROCK HILL SCHOOL DISTRICT THREE STATEMENT OF NET ASSETS PROPRIETARY FUND JUNE 30, 2009

	Enterprise Fund - Food Service
ASSETS	7 Philips of the
CURRENT ASSETS	
Cash	\$ 8,577
Due from other funds	1,172,263
Due from governmental units	75,141
Purchased food inventory	29,968
Supplies inventory	21,359
Total current assets	1,307,308
NON-CURRENT ASSETS	
Property and equipment (less accumulated	
depreciation of \$2,416,427)	1,593,752
Total non-current assets	1,593,752
Total assets	\$ 2,901,060
NET ASSETS	
Invested in capital assets	\$ 1,593,752
Unrestricted	1,307,308
Total net assets	\$ 2,901,060

Exhibit 6

ROCK HILL SCHOOL DISTRICT THREE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS PROPRIETARY FUND

For the fiscal year ended June 30, 2009

	Enterprise Fund - Food Service
OPERATING REVENUES	
Proceeds from sales of meals	\$ 2,615,765
Other operating revenues	1,880
Total operating revenues	2,617,645
OPERATING EXPENSES	
Food costs	3,615,859
Salaries and wages	3,224,298
Supplies and materials	371,980
Depreciation	288,829
Other	266,550
Total operating expenses	7,767,516
Operating loss	(5,149,871)
NON-OPERATING REVENUES	
USDA reimbursements	4,257,777
Commodities received from USDA	469,965
Other state aid	8,916
Total non-operating revenues	4,736,658
OTHER FINANCING SOURCES	
Transfer from general fund	423,404
Capital contributions	415,754
Total other financing sources	839,158
Change in net assets	425,945
NET ASSETS, JULY 1, 2008	2,475,115
NET ASSETS, JUNE 30, 2009	\$

Exhibit 7

ROCK HILL SCHOOL DISTRICT THREE STATEMENT OF CASH FLOWS PROPRIETARY FUND

For the fiscal year ended June 30, 2009

	erprise Fund - ood Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from patrons	\$ 2,617,645
Payments to employees for services	(2,471,349)
Payments for employee benefits	(329,545)
Payments for goods and services	 (4,506,048)
Net cash used by operating activities	 (4,689,297)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from general fund	423,404
Nonoperating grants received	 4,266,693
Net cash provided by noncapital financing activities	 4,690,097
Net increase in cash and cash equivalents	800
CASH AND CASH EQUIVALENTS, JUNE 30, 2008	 7,777
CASH AND CASH EQUIVALENTS, JUNE 30, 2009	\$ 8,577
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (5,149,871)
Adjustments to reconcile operating loss to net cash used by operating activities	,
Depreciation	288,829
Commodities used	469,965
Changes in deferred and accrued amounts	
Due from other funds	(671,010)
Due from governmental units	 372,790
Net cash used by operating activities	\$ (4,689,297)

NONCASH TRANSACTIONS

During the fiscal year ended June 30, 2009, the School District received food commodities from the USDA totaling \$469,965.

ROCK HILL SCHOOL DISTRICT THREE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUND JUNE 30, 2009

Exhibit 8

ASSETS

Cash Due from other funds	\$ 25,700 841,837
Total assets	<u>\$ 867,537</u>
LIABIL	<u>ITIES</u>
Due to pupil activities	\$ 867,537
Total liabilities	\$ 867,537

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. Included within the reporting entity:

Discretely presented component unit - Children's Attention Home Charter School is a nonprofit organization incorporated in the state of South Carolina and organized under the South Carolina Charter School Act. The Charter School was initially formed in January 2004. The Charter School's charter was approved on February 19, 2004 by the Rock Hill School District Board. The Charter School is a component unit of Rock Hill School District Three, Rock Hill, South Carolina. The Charter School serves a student body that varies in size depending upon community needs. Students served are in grades K - 8 in York County, South Carolina. The School District assumes responsibility for the operations of the Charter School.

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.

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.

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) requiring separate accounting because of legal or regulatory provisions or administrative action. 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 the revenues and expenditures associated with building and site improvements.

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.

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.

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, 2009, 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, 2009, has been recorded at fair market value as provided by the USDA and is included in purchased food inventory.

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 fixed 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:

	Governmental Activities	Business-Type Activities
Description	Estimated Lives	Estimated Lives
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.

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 - Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Reservations of net assets, in the enterprise fund, are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Assets, Liabilities and Equity - (Continued)

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, 2009. 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.
- 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (Continued)

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. 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.

<u>Custodial Credit Risk</u> - 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, 2009, the School District had deposits with a carrying amount of \$1,850,654 and a bank balance of \$3,738,416. 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 \$23,567,207.

At June 30, 2009, the School District had the following investments:

Investment	<u>Maturity</u>	Fair Value
Local government investment pool	Various	\$ 14,462,280
Goldman Sachs Financial Square		
Treasury Obligation Fund	Various	516,812
		\$ 14,979,092

<u>Credit Risk</u> - 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.

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

<u>Interest Rate Risk</u> - 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, 2007, upon which the levy for the 2008-2009 fiscal year was based, was \$361,996,207 (excluding vehicles valued at \$43,031,135). 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, 2009.

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, 2009 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	\$ 75,141
Special Projects	
Title I	647,571
IDEA	572,865
Preschool handicapped	13,344
Occupational education	106,400
Drug free schools	17,917
Adult education	42,875
Other special revenue programs	150,263
Total due from federal government	 1,626,376

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 3 - RECEIVABLES, (Continued)

Due from state agencies	
General fund	477,862
Education Improvement Act	889,352
Other special revenue programs	341,942
Total due from state agencies	1,709,156
Total intergovernmental receivables	<u>\$ 3,335,532</u>

Receivables for property taxes are reported net of the allowance for uncollectible accounts. Taxes receivable are net of allowances of \$87,914 and \$38,402 in the General fund and Debt Service fund, respectively, at June 30, 2009. 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, 2009, deferred revenue related to property taxes reported in the governmental funds totaled \$1,573,541 and \$635,474 in the general and debt service funds, respectively.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Balance, July 1, 2008	· ·		Balance, June 30, 2009
Governmental activities Capital assets, not being depreciated Land Construction-in-progress	\$ 10,384,172 58,170,601	\$ 49,457	Transfers \$ - 58,170,601	\$ 10,433,629
Total capital assets, not being depreciated	68,554,773	49,457	58,170,601	10,433,629
Capital assets, being depreciated Buildings and improvements Furniture and equipment	259,132,296 11,383,575	62,695,368 1,810,980	238,632	321,827,664 12,955,923
Total capital assets, being depreciated	270,515,871	64,506,348	238,632	334,783,587
Totals at historical cost	339,070,644	64,555,805	58,409,233	345,217,216
Less accumulated depreciation Buildings and improvements Furniture and equipment	60,138,418 7,099,014	6,327,307 1,484,700	- 201,290	66,465,725 8,382,424
Total accumulated depreciation	67,237,432	7,812,007	201,290	74,848,149
Total net capital assets, being depreciated	203,278,439	56,694,341	37,342	259,935,438
Governmental activities capital assets, net	<u>\$ 271,833,212</u>	<u>\$ 56,743,798</u>	\$ 58,207,943	<u>\$ 270,369,067</u>

For the year ended June 30, 2009, the School District did not include library books as capital assets. See reclassification at Exhibit 2.

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 4 - CAPITAL ASSETS, (Continued)

TE 4 - CAPITAL ASSETS, (Continued	Balance, July 1, 2008	Additions/ Transfers	Deletions/ Transfers	Balance, June 30, 2009
Business-type activities Furniture and equipment	\$ 3,883,254	\$ 415,754	\$ -	\$ 4,299,008
Less accumulated depreciation Furniture and equipment	2,416,427	288,829	Whiteholder .	2,705,256
Total accumulated depreciation	2,416,427	288,829		2,705,256
Business-type activities capital assets, net	<u>\$ 1,466,827</u>	<u>\$ 126,925</u>	<u>s - </u>	<u>\$ 1,593,752</u>
Depreciation expense was charged to	governmental func	ctions as follows:		
Instruction Support services				\$ 4,919,884 2,892,123
Total depreciation expense				<u>\$ 7,812,007</u>

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 \$9,875,159 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:

2010	\$	776,877
2011		796,302
2012		816,206
2013		836,609
2014		857,526
2015 - 2019		4,620,123
2020 - 2024		4,488,353
		13,191,996
Less interest		(3,316,837)
Total principal payments	<u>\$</u>	9,875,159

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.

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 6 - LONG-TERM DEBT

Changes in long-term obligations for the year ended June 30, 2009 were as follows:

	Principal outstanding July 1, 2008	Additions	Reductions	Principal outstanding June 30, 2009	Amounts due in one year
Governmental activities				, , , , , , , , , , , , , , , , , , , ,	
General obligation bonds					
October 1, 2000	\$ 6,000,000	\$ -	\$ 1,250,000	\$ 4,750,000	\$ 1,500,000
November 1, 2001	28,700,000	-	100,000	28,600,000	100,000
September 1, 2003	36,000,000	-	3,500,000	32,500,000	3,500,000
June 15, 2004	2,750,000	-	2,750,000	-	=
November 15, 2005	21,870,000	-	670,000	21,200,000	680,000
November 15, 2005	12,180,000	-	3,765,000	8,415,000	3,980,000
March 14, 2007	63,000,000		940,000	62,060,000	2,720,000
Total general obligation bonds	170,500,000	-	12,975,000	157,525,000	12,480,000
Bond anticipation notes					
November 18, 2008	April .	12,500,000		12,500,000	12,500,000
Unamortized bond premiums	2,988,430		299,718	2,688,712	294,944
Total bonds and notes payable	173,488,430	12,500,000	13,274,718	172,713,712	25,274,944
Capital lease obligations	10,241,466	-	366,307	9,875,159	390,937
Compensated absences	558,403	41,549	53,383	546,569	240,957
Total governmental activities general long-term debt	<u>\$_184,288,299</u>	<u>\$ 12,541,549</u>	<u>\$ 13,694,408</u>	<u>\$ 183,135,440</u>	<u>\$ 25,906,838</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, 2009:

Date of Issue	Interest Rates	PaymentDates	Maturity	_0	riginal Issue		ntstanding at ne 30, 2009
October 1, 2000	5.00	Mar./Sept.	2012	\$	10,000,000	\$	4,750,000
November 1, 2001	3.00 - 5.00	Mar./Sept.	2017		32,500,000		28,600,000
September 1, 2003	4.25 - 5.00	Mar./Sept.	2016		42,500,000		32,500,000
November 15, 2005	4.00 - 5.00	Mar./Sept.	2025		23,000,000		21,200,000
November 15, 2005	4.00	Mar./Sept.	2011		23,015,000		8,415,000
March 14, 2007	3.25 - 5.00	Mar./Sept.	2023		63,000,000		62,060,000
				\$	194,015,000	<u>\$</u>	157,525,000

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, 2009, including interest payments over the life of the debt, are as follows:

Year Ended June 30,		Principal		Interest		Total
2010	\$	12,480,000	\$	7,252,035	\$	19,732,035
2011		11,900,000		6,702,835		18,602,835
2012		11,330,000		6,160,285		17,490,285
2013		10,750,000		5,596,835		16,346,835
2014		11,280,000		5,069,085		16,349,085
2015-2019		39,165,000		18,078,925		57,243,925
2020-2024		24,625,000		11,439,975		36,064,975
2025-2029		21,940,000		5,756,488		27,696,488
2030-2032		14,055,000		1,428,750		15,483,750
	<u>\$</u>	157,525,000	<u>\$</u>	67,485,213	<u>\$</u>	225,010,213

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, 2009, the remaining debt margin available to the School District was \$21,402,187.

On November 18, 2008, the School District issued \$12,500,000 in General Obligation Bond Anticipation Notes. The bond anticipation notes matured on October 1, 2009 at which time they were repaid with proceeds from the issuance of the General Obligation Bonds (see Note 16).

NOTE 7 - 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

<u>Fund balances - Reserved</u> - represents those portions of fund balances which are not available for expenditure or are legally segregated for a specific future use.

Fund balances - Designated - represents tentative management plans that are subject to change.

<u>Fund balances - Undesignated</u> - represents the remainder of the School District's equity in governmental funds.

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 7 - FUND BALANCES AND NET ASSETS, (Continued)

Government-wide and proprietary fund financial statements

<u>Invested in capital assets</u>, 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.

<u>Restricted net assets</u> - 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.

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

NOTE 8 - 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, 2009 consisted of the following individual fund amounts:

		<u>Tr</u>	ansfers Out	
General Fund	\$	5,978,544	\$	730,904
Education Improvement Act Fund		_		2,277,709
Capital Projects Fund		-		3,497,686
Pupil Activity Fund		307,500		-
Food Service Fund		423,404		
Special Projects Fund			-	203,149
	<u>\$</u>	6,709,448	\$	6,709,448

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 8 - TRANSFERS IN/OUT AND INTERFUND RECEIVABLES/PAYABLES, (Continued)

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, 2009, amounts due from (to) other funds related to the School District's pooled cash are as follows:

		eneral und		Special projects		Education provement Act		Debt service		Capital projects		Food service		Agency fund	******	Total
Due from special projects	\$	803,082	\$	-	\$	-	\$	-	\$		\$	-	\$	¥	\$	803,082
Due from capital projects	6	,239,267		-				-				-				6,239,267
Due from Education Improvement Act		534,814														534,814
Due from general fund				379,226				563,218				1,172,263		841,837		2,956,544
	7	,577,163		379,226			-	563,218	~~~			1,172,263		841,837		10,533,707
Due to special projects Due to debt		(379,226)		-		-				-		-		-		(379,226)
service Due to food		(563,218)		-		-		-		-		-		ī		(563,218)
service	(1	,172,263)		-		-		-		-		2"		-		(1,172,263)
Due to general fund Due to agency		-		(803,082)		(534,814)		-		(6,239,267)		-		(*)		(7,577,163)
fund		(841,837)								-		-		-		(841,837)
	(2	,956,544)		(803,082)		(534,814)		-		(6,239,267)		-				(10,533,707)
	\$4	,620,619	<u>\$</u>	(423,856)	<u>\$</u>	(534,814)	\$	563,218	\$	(6,239,267)	S	1,172,263	<u>s</u>	841,837	\$	_

NOTE 9 - 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, 2009, there were no amounts outstanding for arbitrage rebates.

IV. OTHER INFORMATION

NOTE 10 - 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.

IV. OTHER INFORMATION - (Continued)

NOTE 10 - RETIREMENT BENEFITS, (Continued)

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 6.5% 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 3.50% 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, 2009, 2008 and 2007 were \$8,669,114, \$7,873,760 and \$9,182,999, 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. To elect participation in the ORP, eligible employees must irrevocably waive SCRS membership within their first ninety days of employment.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24% plus the retiree surcharge of 3.50% from the employer in fiscal year 2009.

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, 2009, 2008 and 2007 to the ORP were \$286,007, \$241,770 and \$149,042, 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.

NOTE 11 - 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.

IV. OTHER INFORMATION - (Continued)

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS, (Continued)

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% and 3.42% of annual covered payroll for 2009 and 2008, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The District paid approximately \$3,549,085 and \$3,179,799 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2009 and 2008, 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, 2009 and 2008.

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 12 - 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 \$840,747 for the year ended June 30, 2009.

NOTE 13 - 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, 2009, the School District obtained its general liability, workers' compensation, and property insurance through the South Carolina School Boards Insurance Trust (the "Trust") which represents 69 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.

IV. OTHER INFORMATION - (Continued)

NOTE 13 - RISK MANAGEMENT, (Continued)

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, 2009 were \$41,227 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 14 - COMMITMENTS

The School District entered into a noncancellable operating lease for office equipment in March 2008. The lease requires a minimum monthly payment of \$17,772 for a term of 60 months expiring in February 2013. It is anticipated that similar leases will be continued when this lease expires. Rental expense for the year ended June 30, 2009 was \$212,613.

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

2010	\$ 213,264
2011	213,264
2012	213,264
2013	195,492

NOTE 15 - 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.

IV. OTHER INFORMATION - (Continued)

NOTE 16 - SUBSEQUENT EVENTS

The School District issued \$19,500,000 in General Obligation Bonds, Series 2009A on September 23, 2009. A portion of the bonds mature annually on March 1 of each year. Interest is paid annually on March 1 of each year. The bond coupon rates range from 2.00% to 5.00%. The yield and maturity of the bonds are as follows:

<u>Maturity</u>	Yield	Maturity Value
March 1, 2010	1.00%	\$ 365,000
March 1, 2011	1.30%	860,000
March 1, 2012	1.60%	875,000
March 1, 2013	1.95%	1,000,000
Thereafter	Varies	10,700,000
		\$ 13,800,000

The School District issued \$4,730,000 in General Obligation Refunding Bonds, Series 2009B on September 23, 2009. A portion of the bonds mature annually on March 1 of each year. Interest is paid annually on March 1 of each year. The bond coupon rates range from 2.00% to 3.00%. The yield and maturity of the bonds are as follows:

<u>Maturity</u>	<u>Yield</u>	Maturity Value				
March 1, 2010	0.48%	\$ 1,535,000				
March 1, 2011 March 1, 2012	0.78% 1.1 8 %	1,490,000 1,705,000				
		<u>\$ 4,730,000</u>				

NOTE 17 - NEW ACCOUNTING PRONOUNCEMENTS AND OTHER MATTERS

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, will be effective for the School District beginning with its year ended June 30, 2010. This Statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, will be effective for the School District beginning with its year ended June 30, 2011. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Required Supplementary Information

GENERAL FUND



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)

Contha	finant	****		T	20	2000
For the	HSCal	year	enaea	June	JU.	2009

			Original	Final		Actual		Variance with Final Budget	
1000	REVENUES								
1000	Revenue from local sources 1100 Taxes								
	1110 Ad valorem taxes - including delinquent	\$	31,490,000	\$	31,490,000	\$	28,523,631	\$	(2.066.260)
	1140 Penalties and interest on taxes	Ψ	31,470,000	Ф	31,490,000	Φ	1,190,639	Φ	(2,966,369) 1,190,639
	1200 Revenue from local government units other than LEA's						1,150,035		1,170,039
	1210 Ad valorem taxes - including delinquent		8,700,000		8,700,000		7,377,041		(1,322,959)
	1240 Penalties and interest on taxes		-		-		240,945		240,945
	1280 Revenue in lieu of taxes		-		-		1,929,601		1,929,601
	1300 Tuition								
	1310 From patrons for regular day school		20,000		20,000		13,456		(6,544)
	1500 Earnings on investments								
	1510 Interest on investments		1,000,000		1,000,000		318,383		(681,617)
	1900 Other revenue from local sources 1910 Rentals						07.071		0.5 554
	1930 Medicaid		-		-		96,271		96,271
	1990 Miscellaneous local revenue		-		-		10,769		10,769
	1990 Miscellaneous local revenue		425,000		425,000		1,909		(423,091)
	1993 Receipt of insurance proceeds		123,000		425,000		2,068		2,068
	1999 Revenue from other local sources		84,411		84,411		144,388		59,977
	Total local sources		41,719,411	-	41,719,411				
			41,719,411		41,719,411	******	39,849,101		(1,870,310)
2000	Intergovernmental revenue 2100 Payments from other governmental units		_				250,000		250,000
	Total intergovernmental revenue						250,000	,	250,000
	· ·						230,000	_	230,000
3000	Revenue from state sources								
	3100 Restricted state grants								
	3131 Handicapped transportation		-		-		9,869		9,869
	3160 School bus driver's salary 3162 Worker's comp revenue		688,000		688,000		787,322		99,322
	3180 Fringe benefits employer contributions		13,450,000		12 450 000		50,148		50,148
	3181 Retiree insurance		2,050,000		13,450,000 2,050,000		13,431,079 1,887,532		(18,921)
	3199 Other restricted state grants		2,030,000		2,030,000		2,050		(162,468) 2,050
	Total restricted state grants		16,188,000		16,188,000		16,168,000		(20,000)
	•		10,100,000		10,100,000		10,100,000		(20,000)
	3300 Education Finance Act								
	3310 Full-time programs 3311 Kindergarten		3,337,943		2 227 042		2.010.207		(510 (58)
	3312 Primary		9,102,267		3,337,943 9,102,267		2,819,786 7,837,512		(518,157)
	3313 Elementary		11,145,294		11,145,294		9,702,563		(1,264,755) (1,442,731)
	3314 High school		6,538,134		6,538,134		5,415,002		(1,123,132)
	3315 Trainable mentally handicapped		191,581		191,581		135,373		(56,208)
	3316 Speech handicapped (part-time program)		2,120,451		2,120,451		1,884,616		(235,835)
	3317 Homebound		138,866		138,866		109,858		(29,008)
	3319 EFA underpayment		-		-		115,710		115,710
	3320 Part-time programs						Ť		,
	3321 Emotionally handicapped		235,626		235,626		224,157		(11,469)
	3322 Educable mentally handicapped		143,716		143,716		109,096		(34,620)
	3323 Learning disabilities		5,286,586		5,286,586		4,598,032		(688,554)
	3324 Hearing handicapped		169,269		169,269		141,332		(27,937)
	3325 Visually handicapped		87,307		87,307		95,376		8,069
	3326 Orthopedically handicapped		103,654		103,654		131,478		27,824
	3327 Vocational 3330 Other EFA programs		5,097,792		5,097,792		4,533,592		(564,200)
	3331 Autism		276,514		276,514		243,144		(33,370)
	44		2,0,517		210,017		273,144		(010,570)
	Total Education Finance Act		43,975,000		43,975,000		38,096,627		(5,878,373)

Schedule 1

				Original	Final	Actual	Variance with Final Budget
	REVENU	•					
3000	Revenue						
			ue in lieu of taxes	5 001 204	5.001.204	6.001.004	
			abursement for local residential property tax relief	5,991,204	5,991,204	5,991,204	20.196
			estead exemption bursement for property tax relief	1,690,000 13,500,000	1,690,000 13,500,000	1,710,186 15,286,846	20,186 1,786,846
			chant's inventory tax	243,000	243,000	243,005	1,780,840
			ufacturer's depreciation reimbursement	1,070,000	1,070,000	1,137,069	67,069
			r state property tax revenues	-	-	110,982	110,982
			Total state revenue in lieu of taxes	22,494,204	22,494,204	24,479,292	1,985,088
			Total state sources	82,657,204	82,657,204	78,743,919	(3,913,285)
			Total revenue all sources	124,376,615	124,376,615	118,843,020	(5,533,595)
100	EXPEND		3				
100	Instructio		truction				
	111		ergarten programs				
		100	Salaries	4,327,707	4,327,707	4,270,497	57,210
		200	Employee benefits	1,363,963	1,363,963	1,363,598	365
		300	Purchased services	1,500	88,009	87,181	828
		400	Supplies and materials	66,340	64,924	61,346	3,578
				5,759,510	5,844,603	5,782,622	61,981
	112		ary programs	10 100 444	12.145.061	10.010.000	24.200
		100	Salaries Employee benefits	13,137,444	13,145,261	12,610,873	534,388
		200 300	Purchased services	3,868,064 9,650	3,868,064	3,785,872 210,846	82,192
		400	Supplies and materials	166,308	211,187 161,522	169,751	341 (8,229)
		400	Supplies and materials	17,181,466	17,386,034	16,777,342	608,692
	113	Elem	entary programs		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
		100	Salaries	19,905,470	19,905,520	20,034,816	(129,296)
		200	Employee benefits	5,884,037	5,884,042	5,909,400	(25,358)
		300	Purchased services	54,739	393,134	378,399	14,735
		400	Supplies and materials	289,045	281,180	276,462	4,718
		500	Capital outlay	10,000	16,500	7,627	8,873
		600	Other objects	500	325	239	86
				26,143,791	26,480,701	26,606,943	(126,242)
	114		school programs	12.006.742	12.012.027	10 001 014	22.122
		100 200	Salaries Employee benefits	12,906,743	12,913,926	12,881,744	32,182
		300	Purchased services	3,666,807 99,532	3,666,807 340,636	3,659,136 394,071	7,671
		400	Supplies and materials	345,834	298,171	296,848	(53,435) 1,323
		500	Capital outlay	545,054	2,775	5,774	(2,999)
		600	Other objects	2,250	4,583	4,583	(2,577)
			3	17,021,166	17,226,898	17,242,156	(15,258)
	115	Voca	tional programs		_		
		100	Salaries	2,196,006	2,196,006	2,281,222	(85,216)
		200	Employee benefits	649,847	649,847	671,781	(21,934)
		300	Purchased services	13,100	52,255	48,725	3,530
		400	Supplies and materials	139,888	171,695	159,067	12,628
		500	Capital outlay	68,000	20,881	6,685	14,196
		600	Other objects	4,600 3,071,441	2,550	3,019	(469)
			man de la companya de		3,093,234	3,170,499	(77,265)
			Total general instruction	69,177,374	70,031,470	69,579,562	451,908

				Original	Final	Actual	Variance with Final Budget
EXP	PENDI'	TURES	, Continued				
		, conti					
120			l programs				
	121	100	able mentally handicapped Salaries	384,061	204.061	297 207	(2.246)
		200	Employee benefits	108,303	384,061 108,303	387,307 109,660	(3,246) (1,357)
		300	Purchased services	108,303	5,147	5,147	(1,337)
		400	Supplies and materials	2,275	2,463	2,251	212
		600	Other objects	170	2,103	-	.212
				494,809	499,974	504,365	(4,391)
	122	Trair	able mentally handicapped	151,005	133,371	301,303	(4,571)
	122	100	Salaries	385,690	385,690	412,381	(26,691)
		200	Employee benefits	106,906	106,906	115,744	(8,838)
		300	Purchased services	,	9,229	9,229	(0,000)
		400	Supplies and materials	2,753	2,435	2,402	.33
				495,349	504,260	539,756	(35,496)
	123	Ortho	ppedically handicapped			223,700	(33,130)
	123	100	Salaries	66,058	66,058	65,846	212
		200	Employee benefits	19,151	19,151	19,318	(167)
		300	Purchased services	.,,	3,243	3,243	-
				85,209	88,452	88,407	45
	124	Vien	ally handicapped			00,107	- 15
	127	100	Salaries	58,312	58,312	58,192	120
		200	Employee benefits	19,825	19,825	19,214	611
		300	Purchased services	800	828	828	-
				78,937	78,965	78,234	731
	125	Hear	ing handicapped	10,557	70,703	70,254	131
	123	100	Salaries	149,357	149,357	147,498	1,859
		200	Employee benefits	4,496	43,496	42,097	1,399
		300	Purchased services	1,120	6,276	141,847	(135,571)
				153,853	199,129	331,442	(132,313)
	126	Spee	ch handicapped				(102,015)
	. 20	100	Salaries	98,663	98,663	121,748	(23,085)
		200	Employee benefits	34,269	34,269	36,389	(2,120)
		400	Supplies and materials	4,500	4,850	4,790	60
				137,432	137,782	162,927	(25,145)
	127	Learn	ning disabilities				(=3,3,1.1.)
		100	Salaries	2,957,685	2,977,882	2,951,005	26,877
		140	Terminal leave	, ,	-,,	2,769	(2,769)
		200	Employee benefits	866,344	866,344	867,255	(911)
		300	Purchased services	3.80	27,083	27,083	- '
		400	Supplies and materials	16,322	14,725	13,467	1,258
				3,840,731	3,886,034	3,861,579	24,455
	128	Emot	ionally handicapped				
		100	Salaries	205,681	205,681	205,936	(255)
		200	Employee benefits	61,180	61,180	60,174	1,006
		300	Purchased services	-	4,651	4,651	-
		400	Supplies and materials	1,089	903	900	3
		600	Other objects	150		•	
				268,100	272,415	271,661	754
					-	·	
			Total exceptional programs	5,554,420	5,667,011	5,838,371	(171,360)
130	Pre-s	chool i	programs				
155	133		chool handicapped self-contained (5 yr. olds)				
		100	Salaries	235,390	235,390	230,707	4,683
		200	Employee benefits	71,199	71,199	70,336	863
		300	Purchased services	•	3,229	3,229	-
		400	Supplies and materials	1,500	1,625	1,625	-
				308,089	311,443	305,897	5,546
				200,000		303,02,1	3,540

Schedule 1

Part						Original	Final	Actual	Variance with Final Budget
130 Pre-school programs, continued 137 Pre-school programs, continued 138 150									
137 Preschool handicapped self-contained (3 and 4 yr. olds) 14,019 14,019 16,801 (2,782) 200 Employee benefits 14,019 14,019 16,801 (2,782) 14,019 14,019 16,801 (2,782) 14,019 14,019 16,801 (2,782) 14,019 14,019 16,801 (2,782) 14,019 14,019 16,801 (2,782) 14,019 14,019 16,801 (2,782) 14,019 14,	100								
100 Salaries 52,741 52,741 48,746 3.995 200 Employee benefits 14,019 14,019 16,801 (2,782)		130							
140 140 150			13.7			52 741	52 741	10 716	2.005
139 Purchased services C						-		•	
139 Early childhood programs									
100 Salaries 265,374 265,374 265,375 (1) 200 Employee benefits 71,860 17,1860 63,594 8,266 300 Purchased services 12,000 12,190 11,845 345 345 349,224 351,900 343,290 8,610 349,224 351,900 343,290 8,610 349,224 351,900 343,290 345,290						-			
100 Salaries 265,374 265,374 265,375 (1) 200 Employee benefits 71,860 17,1860 63,594 8,266 300 Purchased services 12,000 12,190 11,845 345 345 349,224 351,900 343,290 8,610 349,224 351,900 343,290 8,610 349,224 351,900 343,290 345,290			120	Б.1	120				
200			139			265 274	265 274	265 275	(1)
100 1,145 1,200 1,146 1,145									
10 Supplies and materials 12,000 12,190 11,845 345 349,234 351,900 343,200 8,610 Total pre-school programs 724,083 730,921 715,552 15,366 140 Special programs 145 Homebound 100 Salaries 280,000 280,000 254,518 25,482 200 Employee benefits 59,332 53,378 5,334 300 Purchased services 84,000 84,000 14,111 (5,711) 150 Salaries 40,000 40,000 - 40,000 200 Employee benefits 81,84 81,84 - 81,814 200 Employee benefits 81,84 481,84 - 481,84 201 Employee benefits 73,669 73,669 72,154 1,515 161 Autism 100 Salaries 247,334 247,334 242,271 5,063 200 Employee benefits 73,669 73,669 72,154 1,515 200 Employee benefits 1,000 1,000 5999 1 200 Employee benefits 322,033 323,745 317,166 6,579 201 Employee benefits 322,033 323,745 317,166 6,579 202 Employee benefits - 5 504 (604) 203 Employee benefits - 5 504 (604) 204 Employee benefits - 5 504 (604) 205 Employee benefits - 5 504 (604) 206 Employee benefits - 5 504 (604) 207 Employee benefits - 5 504 (604) 208 Employee benefits - 5 504 (604) 209 Employee benefits - 5 504 (604) 200 Employee benefits - 5 504 (604) 201 Employee benefits - 5 504 (604) 201 Employee benefits - 5 504 (604) 202 Employee benefits - 5 504 (604) 203 Employee benefits - 5 504 (604) 204 Employee benefits - 5 504 (604) 205 Employee benefits - 5 504 (604) 207 Employee benefits - 5 504 (604) 208 Employee benefits - 5 504 (604) 209 Employee benefits - 5 504 (604) 200 Employee benefits - 5 504 (604) 2						71,800			
Total pre-school programs						12,000			
140 Special programs 145 Homebound 100 Salaries 280,000 280,000 254,518 25,482 200 Employee benefits 59,332 59,332 53,798 5,534 300 Purchased services 8,400 8,400 14,111 (5,711) (5									
140 Special programs 145 Homebound 100 Salaries 280,000 280,000 254,518 25,482 200 Employee benefits 59,332 59,332 53,798 5,534 300 Purchased services 8,400 8,400 14,111 (5,711) (5					Total pre-school programs	724.083	730.921	715.552	15 369
145 Homebound 100 Salaries 280,000 280,000 254,518 25,482 200 Employee benefits 59,332 59,332 53,798 5,534 5,534 300 Purchased services 8,400 8,400 14,111 (5,711) (5,711) (5,711) (1,711)		140	Spec	ial nro					
100 Employee benefits 59,332 59,332 53,798 5,534 300 Purchased services 8,400 347,732 322,427 25,305 150 Districtwide general/exceptional 100 Salaries 40,000 40,000 - 40,000 200 Employee benefits 8,184 8,184 - 8,184 48,184 48,184 - 4,8184 48,184 - 4,8184 48,184 - 4,8184 48,184 - 7,348 48,184 - 7,34		. 10		•	~				
100						280,000	280.000	254.518	25 482
100				200	Employee benefits				
150				300	Purchased services	8,400			
100						347,732	347,732	322,427	25,305
Remote the content of the content			150						
Total special programs 395,916 395,916 322,427 73,489							,	•	
Total special programs 395,916 395,916 322,427 73,489				200	Employee benefits			Jail	
161 Autism						48,184	48,184	-	48,184
161 Autism					Total special programs	395,916	395,916	322,427	73,489
100 Salaries 247,334 247,334 242,271 5,063 200 Employee benefits 73,669 73,669 72,154 1,515 300 Purchased services - 1,742 1,742 1,742		160							
200 Employee benefits 73,669 73,669 72,154 1,515 300 Purchased services - 1,742 1,742 - 1,742 1,742 - 1,000 1,000 999 1 1,000 1,000 999 1 1,000			161						
170 Summer school programs 1 1 1 1 1 1 1 1 1									·
400 Supplies and materials 1,000 1,000 999 1 322,003 323,745 317,166 6,579						73,669	,		
Total other exceptional programs 322,003 323,745 317,166 6,579						1 000			
Total other exceptional programs 322,003 323,745 317,166 6,579									
170 Summer school programs					Total other exceptional programs				
172 Elementary summer school 100 Salaries		170	Sum	mer scl			-		3,575
100 Salaries									
200 Employee benefits							-	504	(504)
173 High school summer school 300 Purchased services 2,500 - - - - 175 Instructional programs beyond regular school day 300 Purchased services - 75,000 58,642 16,358 - 75,000 58,642 16,358				200	Employee benefits				
300 Purchased services 2,500 - - - -								607	(607)
300 Purchased services 2,500 - - - -			173	High	school summer school				
175 Instructional programs beyond regular school day 300 Purchased services - 75,000 58,642 16,358 - 75,000 58,642 16,358						2,500	-	_	-
300 Purchased services - 75,000 58,642 16,358 - 75,000 58,642 16,358						2,500		-	_
300 Purchased services - 75,000 58,642 16,358 - 75,000 58,642 16,358			175	Instru	ictional programs beyond regular school day				
<u>- 75,000 58,642 16,358</u>							75,000	58,642	16,358
						_			
					Total summer school programs	2,500	75,000	59,249	15,751

				Original	Final	Actual	Variance with Final Budget
	EXPENDI	TURE	S, (Continued)		•		200
100	Instruction						
			inuing educational programs				
	181		It basic education programs				
		100	Salaries	88,254	88,254	88,528	(274)
		200	Employee benefits	27,009	27,009	25,937	1,072
		300	Purchased services	1,000	1,138	689	449
		400 600	Supplies and materials Other objects	6,099	6,099	2,651	3,448
		000	Other objects	975	975	353	622
	100	ъ.	v. 10 m to	123,337	123,475	118,158	5,317
	188		nting/family literacy				
		100	Salaries	99,214	99,214	119,091	(19,877)
		200	Employee benefits	32,023	32,023	44,749	(12,726)
		300	Purchased services	14,500	14,500	12,508	1,992
		400	Supplies and materials	13,185	13,185	6,133	7,052
				158,922	158,922	182,481	(23,559)
			Total adult/continuing educational programs	282,259	282,397	300,639	(18,242)
			Total instruction	76,458,555	77,506,460	77,132,966	
200	Support se	rvices	Total instruction	70,436,333	77,300,400	77,132,900	373,494
200	210 Pupi		ces				
	211		ndance and social work services				
		100	Salaries	489,827	489,827	483,562	6,265
		200	Employee benefits	151,569	151,569	151,387	182
		300	Purchased services	11,825	11,825	12,039	(214)
		400	Supplies and materials	7,305	8,077	8,070	7
		600	Other objects	775	775	775	, -
			·	661,301	662,073	655,833	6,240
	212	Guid	ance services		002,073	033,633	0,240
	212	100	Salaries	2,643,253	2,643,253	2,619,248	24.005
		200	Employee benefits	736,522	736,522	738,018	24,005
		300	Purchased services	4,914	5,015		(1,496)
		400	Supplies and materials	32,156	31,138	3,553 25,403	1,462
		600	Other objects	1,782	1,364	999	5,735 365
				3,418,627	3,417,292	3,387,221	
	213	Llanlt	th services	3,418,027	3,417,292	3,307,221	30,071
	213	100	Salaries	491,754	401.754	615 120	(100 505)
		200	Employee benefits	,	491,754	615,139	(123,385)
		300	Purchased services	147,988	147,988	180,348	(32,360)
		400	Supplies and materials	11,215	68,692	64,521	4,171
		600	Other objects	31,036 1,150	29,821 2,886	30,072	(251)
		000	Other objects			1,998	888
	214	D1	in Indianal acceptance	683,143	741,141	892,078	(150,937)
	214		hological services	700 (00	700	#co	
		100	Salaries	739,625	739,625	739,525	100
		140	Terminal leave	100.004		3,176	(3,176)
		200	Employee benefits	198,334	198,334	194,954	3,380
		300 400	Purchased services Supplies and materials	18,023	2,008	2,007	1
		400	Supplies and materials	3,000	3,000	2,998	2
	215	_		958,982	942,967	942,660	307
	215		ptional program services				
		300	Purchased services			10,769	(10,769)
						10,769	(10,769)
	216		tional placement services				
		100	Salaries	129,993	129,993	138,183	(8,190)
		200	Employee benefits	37,562	37,562	38,898	(1,336)
		300	Purchased services	20,121	20,121	13,443	6,678
		400	Supplies and materials	3,500	3,500	3,858	(358)
		600	Other objects		200	183	17
				191,376	191,376	194,565	(3,189)
			Total pupil services	5,913,429	5,954,849	6,083,126	(128,277)
					-,,	0,000,120	(120,277)

Schedule 1

					Original	Final	Actual	Variance with Final Budget
				, Continued				
200				continued				
	220			al staff services				
		221		ovement of instruction - curriculum development				
			100	Salaries	1,655,677	1,655,677	1,616,328	39,349
			140	Terminal leave			2,698	(2,698)
			200	Employee benefits	451,075	451,075	447,362	3,713
			300 400	Purchased services Supplies and materials	216,591	226,634	314,321	(87,687)
			500	• •	164,802	176,657	153,202	23,455
			600	Capital outlay Other objects	12,000 100,580	1,425	1,425	77.420
			000	Other objects		172,063	94,633	77,430
					2,600,725	2,683,531	2,629,969	53,562
		222		ry and media services				
			1.00	Salaries	1,718,519	1,718,519	1,715,016	3,503
			200	Employee benefits	475,888	475,888	483,640	(7,752)
			300	Purchased services	2,390	13,216	12,888	328
			400	Supplies and materials	171,942	165,451	160,478	4,973
			500	Capital outlay	2,950	2,401	2,401	-
			600	Other objects	100	50	50	
					2,371,789	2,375,525	2,374,473	1,052
		223	Supe	rvision of special programs				
			100	Salaries	428,822	428,822	358,660	70,162
			140	Terminal leave	=	-	2,355	(2,355)
			200	Employee benefits	101,499	101,499	107,426	(5,927)
			300	Purchased services	14,500	12,642	10,670	1,972
			400	Supplies and materials	17,387	17,837	8,185	9,652
			600	Other objects	1,500	1,000		1,000
					563,708	561,800	487,296	74,504
		224	Impro	evement of instruction sinservice and staff training				
			100	Salaries	-	-	1,427	(1,427)
			200	Employee benefits	-	-	285	(285)
			300	Purchased services	58,500	34,265	25,038	9,227
			400	Supplies and materials	19,620	38,715	36,920	1,795
			500	Capital outlay	14,800	-	· •	· •
			600	Other Objects	224	13		13
					93,144	72,993	63,670	9,323
				Total instructional staff services	5,629,366	5,693,849	5,555,408	138,441
	230	Gene	eral adn	ninistration services				
		231	Board	of Education				
			100	Salaries	46,176	46,176	44,400	1,776
			200	Employee benefits	74,786	74,786	48,594	26,192
			300	Purchased services	148,188	178,188	129,507	48,681
			318	Audit services	58,250	43,250	58,250	(15,000)
			400	Supplies and materials	1,900	1,900	206	1,694
			600	Other objects	10,500	10,500	13,597	(3,097)
					339,800	354,800	294,554	60,246
		232		of the superintendent				
			100	Salaries	294,518	294,518	310,432	(15,914)
			200	Employee benefits	78,493	78,493	77,968	525
			3.00	Purchased services	10,675	12,522	7,822	4,700
			400	Supplies and materials	11,250	11,250	12,939	(1,689)
			600	Other objects	76,242	76,242	53,019	23,223
					471,178	473,025	462,180	10,845

	TO YOU IN TO		Original	Final	Actual	Variance with Final Budget
		S, Continued				
		continued ministration services, continued				
2		ool administration				
	100	Salaries	7,929,939	7,929,939	7,637,956	291,983
	140	Terminal leave			8,140	(8,140)
	200	Employee benefits	2,333,938	2,333,938	2,293,040	40,898
	300	Purchased services	219,789	197,043	167,584	29,459
	400	Supplies and materials	249,264	255,739	239,722	16,017
	500	Capital outlay	4,575	4,406	5,466	(1,060)
	600	Other objects	18,467	12,863	11,435	1,428
		Total general administration services	10,755,972 11,566,950	10,733,928 11,561,753	10,363,343	370,585 441,676
250 5						
		d operations services al services				
	100	Salaries	868,808	868,808	833,062	35,746
	140	Terminal leave	•	-	3,450	(3,450)
	200	Employee benefits	232,814	232,814	230,793	2,021
	300	Purchased services	124,273	107,273	88,638	18,635
	400	Supplies and materials	25,000	29,500	30,113	(613)
	500	Capital outlay	2,500	-	-	,
	600	Other objects	2,750	2,750	1,200	1,550
			1,256,145	1,241,145	1,187,256	53,889
2	54 Oper	ration and maintenance of plant				***************************************
	100	Salaries	5,481,798	5,481,798	5,302,255	179,543
	140	Terminal leave	· · · · · · · · · · · · · · · · · · ·	-	4,683	(4,683)
	200	Employee benefits	1,799,091	1,799,091	1,771,737	27,354
	321	Public utilities	4,509,588	4,509,537	4,194,073	315,464
	400	Supplies and materials	1,773,280	1,773,280	1,587,525	185,755
	470	Energy	4,730,861	4,730,861	4,235,293	495,568
	500	Capital outlay	3,000	3,000	1,161,179	(1,158,179)
	600	Other objects	6,600	6,600	5,875	725
			18,304,218	18,304,167	18,262,620	41,547
2:	55 Stud	ent transportation				
	100	Salaries	2,202,120	2,202,120	2,219,065	(16,945)
	200	Employee benefits	766,202	766,202	726,857	39,345
	300	Purchased services	57,240	57,418	62,005	(4,587)
	400	Supplies and materials	20,405	21,397	21,428	(31)
	500	Capital outlay	8,880	5,388	5,388	-
	600	Other objects	12,400	15,248	17,583	(2,335)
			3,067,247	3,067,773	3,052,326	15,447
25		services				
		Salaries	-	-	170	(170)
	200	Employee benefits			13	(13)
2	5 7 Today	9.1 C . a			183	(183)
25		nal services	0// 000	027.000	0/	
	100 200	Salaries Employee benefits	266,923	266,923	267,240	(317)
	300	5 5	81,857	81,857	79,464	2,393
	400	Purchased services Supplies and materials	253,707	257,452	209,061	48,391
	600	Other objects	2,200 579	2,200 579	1,756	444
	000	one objects	605,266	609,011	557,581	519 51,430
25	58 Secu	rity			.,,	5.,.50
	100	Salaries	173,371	173,371	176,976	(3,605)
	200	Employee benefits	42,580	42,580	41,551	1,029
	300	Purchased services	194,444	194,444	543,876	(349,432)
			410,395	410,395	762,403	(352,008)
		Total finance and operations services	23,643,271	23,632,491	23,822,369	(189,878)

Schedule 1

ROCK HILL SCHOOL DISTRICT THREE BUDGETARY COMPARISON SCHEDULE GENERAL FUND

(INCLUDING CHARTER SCHOOL) For the fiscal year ended June 30, 2009

					Original	Final	Actual	Variance with Final Budget
200				S, Continued				
200				continued port services				
	200	262		ning, research, development and evaluation				
			100	Salaries	449,629	454,508	452,942	1,566
			200	Employee benefits	125,715	125,715	129,128	(3,413)
			300	Purchased services	82,228	82,525	37,571	44,954
			400	Supplies and materials	38,000	39,000	31,808	7,192
			500 600	Capital outlay Other objects	15,000 2,000	9,000	1,070	7,930
			000	Other objects		2,000	739	1,261
		263	Infor	mation services	712,572	712,748	653,258	59,490
		203	100	Salaries	114,653	114,653	116,948	(2.205)
			200	Employee benefits	28,970	28,970	29,263	(2,295) (293)
			300	Purchased services	25,250	21,263	19,914	1,349
			400	Supplies and materials	4,200	3,200	3,126	74
			600	Other objects	9,740	14,728	12,916	1,812
					182,813	182,814	182,167	647
		264		services				
			100	Salaries	1,260,487	1,247,487	1,206,712	40,775
			140 200	Terminal leave	200.841	200.046	2,238	(2,238)
			300	Employee benefits Purchased services	299,841 1,356,284	300,046 338,955	414,290	(114,244)
			400	Supplies and materials	23,524	25,024	47,964 20,830	290,991 4,194
			500	Capital outlay	4,000	23,024	20,830	4,134
			600	Other objects	1,200	1,200	733	467
					2,945,336	1,912,712	1,692,767	219,945
		266	Tech	nology and data processing services				
			100	Salaries	459,554	459,554	520,287	(60,733)
			200	Employee benefits	128,515	128,515	144,586	(16,071)
			300	Purchased services	27,800	66,771	67,829	(1,058)
			400 500	Supplies and materials Capital outlay	65,577	26,606	3,744	22,862
			500	Capital outlay	15,068	15,068		15,068
					696,514	696,514	736,446	(39,932)
				Total central support services	4,537,235	3,504,788	3,264,638	240,150
	270			vices pupil activity				
		271	300	services activities Purchased services	40,000	41.540	121 712	(00.124)
			400	Supplies and materials	3,000	41,549 2,388	131,713 1,088	(90,164) 1,300
			600	Other objects	117,750	126,500	102,724	23,776
					160,750	170,437	235,525	(65,088)
				Total support services pupil activity	160,750	170,437	235,525	(65,088)
				Total support services	51,451,001	50,518,167	50,081,143	437,024
300	Comr	nunity	servic	es				,5,3041
				unity services				
		100	Salari		87,301	87,301	107,277	(19,976)
		200	-	byee benefits	23,174	23,174	28,496	(5,322)
		300		ased services	25,374	21,884	18,718	3,166
		400 600		ies and materials objects	19,353	22,843	20,901	1,942
		000	Omer	onlects	180	180	60	120
					155,382	155,382	175,452	(20,070)
				Total community services	155,382	155,382	175,452	(20,070)

ROCK HILL SCHOOL DISTRICT THREE BUDGETARY COMPARISON SCHEDULE GENERAL FUND (INCLUDING CHARTER SCHOOL)

(INCLUDING CHARTER SCHOOL) For the fiscal year ended June 30, 2009

		Original	Final	Actual	Variance with Final Budget
EXI	PENDITURES, Continued				
400 Oth	er charges				
410	O				
	411 Payments to State Department of Education				
	720 Transits	•	-	82,881	(82,881)
	412 Payments to other governmental units				
	720 Transits	135,000	135,000	242,934	(107,934)
	416 Payments to public charter schools				
	720 Transits	121,700	121,700	131,825	(10,125)
	Total intergovernmental expenditures	256,700	256,700	457,640	(200,940)
	Total expenditures	128,321,638	128,436,709	127,847,201	589,508
	Excess (deficiency) of revenues over (under) expenditures	(3,945,023)	(4,060,094)	(9,004,181)	(4,944,087)
OTHER F	INANCING SOURCES (USES)				
5230	Transfer from special revenue EIA fund	2,147,000	2,147,000	2,277,709	130,709
5250	Transfer from capital fund	±,117,000	2,117,000	3,497,686	3,497,686
5280	Transfer from other funds indirect costs	-	_	203,149	203,149
421-710	Transfer to special revenue fund	(942,362)	(942,362)	200,119	942,362
424-710	Transfer to school building fund	(356,675)	(356,675)	3: - 1	356,675
425-710	Transfer to food service fund	•	*	(423,404)	(423,404)
426-710	Transfer to pupil activity fund	(307,500)	(307,500)	(307,500)	
	Total other financing sources (uses)	540,463	540,463	5,247,640	4,707,177
	Deficiency of revenues and other financing sources				
	under expenditures and other financing uses	\$ (3,404,560)	\$ (3,519,631)	\$ (3,756,541)	\$ (236,910)
FUND BA	LANCE, JULY 1, 2008			23,280,267	
FUND BA	LANCE, JUNE 30, 2009			\$ 19,523,726	

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

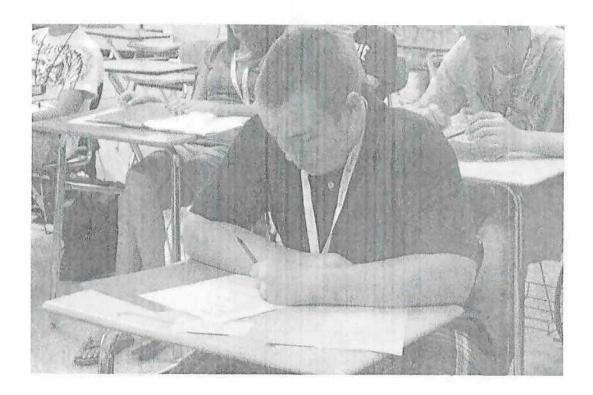
CHILDREN'S ATTENTION HOME CHARTER SCHOOL BUDGETARY COMPARISON SCHEDULE GENERAL FUND

For the year ended June 30, 2009

			Original and final budget	Actual	Variance from final budget
REVENUES	3			Tiotaai	buaget
1000 Reven	ue from loc	al sources			
		nue from local sources			
	1999 Reve	enue from other local sources	\$ 84,411	\$ 116,722	\$ 32,311
		Total local sources	84,411	116,722	32,311
3000 Reven	ue from sta	te sources			
3300	Education 1	Finance Act (EFA)			
	3312 Prim	,	125,000	131,825	6,825
		Total state sources	125,000	131,825	6,825
		Total revenues all sources	209,411	248,547	39,136
EXPENDIT	JRES				
100 Instruc					
	General ins				
	112 Prim 100	ary programs Salaries	106.710	115 400	
	200	Employee benefits	126,718	117,433	•
	400	Supplies and materials	14,170 1,500	44,002 12,213	
			142,388	173,648	
		Total instruction			
		Total histriction	142,388	173,648	(31,260)
	rt services	and the same of th			
		ninistration services			
		d of education			
	300	Purchased services	10,000	14,250	(4,250)
	600	Other objects	1,000	2,091	(1,091)
,	าวา ตัวโร	at value to the left	11,000	16,341	(5,341)
•	233 Scho- 100	ol administration Salaries	45,000	44.072	
	200	Employee benefits	45,000 7,473	44,953 1,130	47 6 242
	600	Other objects	7,473	723	6,343 (723)
		,	52,473	46,806	5,667
250 1	Finance and	operations services		,,,,,,,,,	
		services			
	300	Purchased services		3,187	(3,187)
			-	3,187	(3,187)
2	254 Opera	ntion and maintenance of plant			
	300	Purchased services	1,600	1,109	491
			1,600	1,109	491
		Total support services	65,073	67,443	(2,370)
		Total expenditures	207,461	241,091	(33,630)
		Excess of revenues over expenditures	\$ 1,950	7,456	\$ 5,506
FUND BALA	NCE, JUL	•		10,763	2,200
FUND BALA				\$ 18,219	
				10,217	

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.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ROCK HILL SCHOOL DISTRICT THREE

Schedule A-1

For the fiscal year ended June 30, 2009 SPECIAL PROJECTS FUND (INCLUDING CHARTER SCHOOL)

Total	\$ 281,931	404,344	541,348	2,963,643	44,689	44,689	373	18,643	473,810	35,993	181,056	27,659	565,092	20,416	59,101	263,062	4,006	10,131	62,766	866,500	7,554	37,410	2,043	2,635,615
*Other Special Revenue Programs	\$ 281,931 77,397	384,653	541,348 1,658,623	2,943,952	44,689	44,689	1	•		•	1	1	•	1	4	*:	1	10,131		×	1	(*)	2,043	12,174
* Other Restricted State Grants	· ·	•	1 1		i	4	373	18,643	473,810	35,993	181,056	27,659	565,092	20,416	59,101	263,062	4,006		62,766	866,500	7,554	37,410		2,623,441
* Adult Education	69	169'61		19,691	1		•	1	r	•	,		•	٠	1	•	1	1	٠	1	1	•		b Commence of the Commence of
Drug Free Schools (209)	· ·		1 1	·		-	,				*	,	٠			*,	ж.	•	٠	1	٠	1	,	
Occupational Education (207)	· ·	,	1 f	•	1	•	,	ï	•	1		,			*	٠		•						,
Preschool Handi- capped (205)	() (A)	•	, ,			95		,			*,	×			٠	,	,		,					
IDEA (203)	(A	•	1.1	•			r	*	•	1	į	•	,	r	•	ı	ı	•	1	1	•	1	-	
Title I (201)	69		1 1			٠		1	1	•	1	•	•	•	•	,		1	•	•	ı	1		

Total intergovernmental revenue

2300 Payments from nonprofit entities

Intergovernmental revenue

2000

3123 Fornative Assessment
3127 Student Health & Fitness - PE Teachers
3128 High Schools That Work

3136 Student Health & Fitness - Nurses

Special programs Adult education

3130 3150 Fringe benefits employer contributions 3185 National Board Certifications Miscellaneous restricted state grants

3180 3190

3154 Young Adult Education

Basic

3151

EEDA 8th Grade Career Awareness

3117

3110 Occupational education 3116 EEDA - Misc.

Revenue from state sources

3000

3118 EEDA Career Specialist

General education

3120

1920 Contributions and donations private sources
1930 Medicaid
1999 Revenue from other local sources

Revenue from other local sources

Total local sources

1310 Regular day school from patrons 1350 Summer school tuition Other revenue from local sources

1900

Revenue from local sources

1000

REVENUES

1300 Tuition

3606 K-5 mathematics and science coaching unit

Other restricted state grants

Education lottery act revenue K-5 enhancement

3600

Education License Plates

3193 3199 Other state lottery programs

3610 3699 Other state revenue

3900

ADEPT

3991 ADEPT 3999 Revenue from other state sources

Total state sources

-99-

(Continued)

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, 2009

Schedule A-1

Total		254,/35	24.731	85.464	709,169	102,842	3,774,610 89.675	62,498 189,062	8,960,815	14,604,762
*Other Special Revenue Programs		9000	24.731	85.464	709,169	1	20,232	189,062	1,058,916	4,059,731
* Other Restricted State Grants		ı		4	•	1	1 1	4 1	1	2,623,441
* Adult Education		*	*			102,842		r	102,842	122,533
Drug Free Schools (209)		r I	, ,	,	1	•	1 1	62,498	62,498	62,498
Occupational Education (207)	2 CF & 2 C	557,457		1	ī			t t	254,735	254,735
Preschool Handi- capped (205)		i 1		ı		1	89,675		89,675	89,675
IDEA (203)				ı	•	1	3,754,378	1 1	3,754,378	3,754,378
Title I (201)		3 637 771				ı	*	, ,	3,637,771	3,637,771
	REVENUES, Continued No Revenue from federal sources 4200 Occupational education	4300 Elementary and Secondary Education Act of 1965 4310 Title I	4340 Innovative Education Program Strategies, Title VI	4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	4351 Improving teacher quality 4400 Adult education	4410 Basic 4500 Programs for children with disabilities		4900 Other federal sources 4920 Drug and violence prevention, Title IV 4999 Revenues from other federal sources	Total federal sources	Total revenue all sources

4000

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, 2009

Total				121,580	49,670	2.568	3,746		2015 055	0,010,000	713,362	79,442	230,039	45,015		200.007	700,003	151,677	47,326	30,546		370 582	49 588	16.113	33 522	12.981			77,125	18,342	7,570	20,920	28,819	5,000			211.205	69 907	6,062			416,767	149,356	9,525	2,490
*Other Special Revenue Programs				61,658	33,822	1.940	3,746		1 241 705	766.964	500,007	26,930	106,638	6,500		202 575	20,777	09,121	158,25	26,450		326 957	40.583	16.113	33.522	12,981	,		75,500	17,996	380	1	25,000	, '			,	ı			;	28,223	11,730	r	2,490
* Other Restricted State Grants				59,922	15,848	628	٠		547 443	149,691	142,021	6,251				361 536	065,100	45.243	45,545	4,096		43.625	9.005		,	1			1,625	346		•	*				250	53	١.		i	7,500	1,541		1
* Adult Education				•	,	r	i i		,		,	•		1		i		ı	•			•	ī	1	1	1					•	1		•			,	1	i			•	*	-	•
Drug Free Schools (209)				į	,	٠	ī		ı		i	ı	,	ı		,		,		,			ı	,	•	1				į	ı	•		1			t	,	1			ı	1	i	×
Occupational Education (207)				1	•		*		•	,				•		,	<u> </u>	'		•		1	•		i	1			•	1	7,190	20,920	3,819	5,000			,	ı	·			1	1	•	•
Preschool Handi- capped (205)				e.	•	,	1		5.9	,			ı				9	Ç.	1	r			,	1	,	1				1		1	•	1			,	ı	ı				1		٠
IDEA (203)					1		,		٠			,	ı	ı		,						1	ı			,					ı	•	1	1			210,955	69.846	6,062		. 101	581,044	136,085	9,525	
Tide I (201)				r	•		,		1 206 617	496.827	46.961	40,201	125,401	38,515		140 841	58.796	1 152	1,104	1		,	1		•	1					r	•	•				ı	1				•		90	
	10	struction) Purchased services) Supplies and materials	Primary programs	Salaries					Capital outlay	Elementary programs	Salaries				Supplies and materials	High school programs	Salaries	Employee benefits	Purchased services	Supplies and materials		Vocational programs	caucinat programs		Employee benefits				Other objects	Exceptional programs	Educable mentally handicapped	Salaries	Employee benefits		bennesitativity hands and a features	Colonias				Supplies and materials
	EXPENDITURES Instruction	Sra	111 Kin	100	200	300	400	112 Prin	100	200	002	200	201	200	113 Eler		200	300		400	114 Hig	100	200	300	400	500	115 Voc		100	200	300	400	200	009	120 Exceptional	121 Edu	100	200	300	122 Trai		100	700	300	400

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, 2009

Total		57,158	15,681	1,326		44,558	16,874	593		926,79	27,639	304		657,376	189,008	2,100	762,826	220,645	9,094	325		127,553	35,028	2,456	27,376	8,854	69		46,961	18,453	1,001		375	80
*Other Special Revenue Programs		,		٠			٠				1			132,988	32,472	2,100	3,068	630		325		3,790	778	•			ı		2,348	483	1		•	1
* Other Restricted State Grants							,					×		200	106		000'6	1,860	í	•		250	53	1	ı	r	1			1	1		375	80
* Adult Education		×	Э			ı	ī				•	1		ı	1	1	•		1	•		•	,	1	×	×	179		¥	•	r		S 6 25	í:
Drug Free Schools (209)		A	,	r		٠	•			•		1		r	ſ	•	ı	,		ı		,	1	ı	•	ı	1		ı		1		1	ι
Occupational Education (207)		,		1				r				£):		ı	r	r	ı,	ı	ŧ	•		1		1	ı	1	•			•	•		Ē.	1
Preschool Handi- capped (205)		1	1	•		1	ı	ı						58,102	17,322	•		6	1			,	1	•	æ	*	9.	6	9,048	2,879	£.		•	
IDEA (203)	ı	57,158	15,681	1,326		44,558	16,874	593		9/6/19	27,639	304		465,786	139,108	l	750,758	218,155	9,094	r		123,513	34,197	2,456	27,376	8,854	69	1	55,565	15,091	1,001			e.
Title I (201)		•	1	•		,	ī	i.		•		•			•		•	•	,	4			,	•	r		1		,	i e	D#		1	ı
				300 Purchased services	124 Visually handicapped			300 Purchased services	125 Hearing handicapped			300 Purchased services	126 Speech handicapped			600 Other objects				400 Supplies and materials	128 Emotionally handicapped	100 Salaries		300 Purchased services			300 Purchased services	137 Pre-school handicapped self-contained (5 & 4 yr. olds)			300 Purchased services	i40 Special programs 141 Gifted and talented academic		200 Employee benefits

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, 2009

Toral	76,669 22,880 2,736	17,880 3,673 382	35,319 6,666 781 782	34,803 6,977 360	82,994 20,328 3,800 12,610	25,259 5,299 25,851 10,834	6,512 546 2,500	158,516 57,827 8,097 29,714 1,229	10,089,751
*Other Special Revenue	22,763 8,027 1,739	17,880 3,673 382	35,319 6,666 781 782	11,720 2,240	8,672 3,099 3,091 439	360 30 23,722 571	t t f	43,490 17,056 1,665 560	3,141,165
* Other Restricted State Grants	composition of the control of the co	1 ()	()) ;	1 1 1	17,211 3,204	11,902 2,577 2,129 1,448	1 1 1	1 1 1	1,427,118
* Adult Education	TOTAL STATE OF THE	1 1 (9)	к к к •		57,111 14,025 709 12,171	12,997	6,512 546 2,500		118,078
Drug Free Schools (209)		1 (1 1 1 1	1 1 1		1 1 1 1		h 9 3 1	-
Occupational Education (207)		1 1 1	1 1 1 1	1 1 1	1 1 1 1	1 1 1 1	1 1 1	1 1 1 1	36,929
Preschool Handi- capped	1	* * 9		1 1 1	1 6 1 1		f 1 f	, , , ,	87,351
IDEA (203)	53,906	f i 1	F 1 1 F	1 1 1	1 (1 1		1 1 1		2,946,408
Tide I (201)		, , ,	1 1 1 1	23,083 4,737 360		* * (WE *	* 9 9	115,026 40,771 6,432 29,154 1,229	2,332,702
	EXPENDITURES, Continued Instruction, continued 160 Other exceptional programs 161 Autism 100 Salaries 200 Employee benefits 300 Purchased services	170 Summer school programs 172 Elementary summer school 100 Salaries 200 Employee benefits 400 Supplies and materials	173 High school summer school 100 Salaries 200 Employee benefits 400 Supplies and materials 600 Other objects	175 Instructional programs beyond regular school day 100 Salaries 200 Employee benefits 400 Supplies and materials	180 Adult/continuing educational programs 181 Adult basic education programs 100 Salaries 200 Employee benefits 300 Purchased services 400 Supplies and materials	182 Adult Secondary Education Programs 100 Salaries 200 Employee benefits 300 Purchased services 400 Supplies and materials	183 Adult English Literacy (ESL) 100 Salaries 200 Employee benefits 400 Supplies and materials:	188 Parenting/Family literacy 100 Salaries 200 Employee benefits 300 Purchased services 400 Supplies and materials 500 Capital outlay	Total instruction

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, 2009

	1	9	7.	-	28	32	,835		ų	£ 2	<u>=</u>	01	52	21	Li		80 90	<u> </u>	0	S 10.	2		9	∞	0	2	0		ō	9.	∞	5	r_ 0	2
Total		541.33	161,834	16,8	19,468	854,782	247,8:	ř	77 00	19,082	47,241	35,54	10,662	3,20	1,92		26,408	4, 1	36	53	742		214,11	48,23	608,65	89,51	15,140		595,50	144,93	195,22	41,15	1,437	χ,
*Other Special Revenue Programs		79	909	100	886	39,259	8,329	ì		t I	47,241	35,540	10,662	3,207	1,927		3,565	4,709	,		742		115,227	23,842	2,204	843	,		236,778	50,459	124,148	21,496	1,437	ı
* Other Restricted State Grants		368,755	115,615	536	18,480	433,271	131,821				,						22,843	1	250	53	•		33,784	7,261	, 1	į	ı		•	ı	52,507	11,147	•	,
* Adult Education		*	3.0"	1	,	•	1 1			- 29	ı	•	•	Ti.	•		9 (2)	e e	(٠		1,150		1		•			,	•	4
Drug Free Schools (209)		21,532	4,273	16,275		,			į			,	٠	٨	,			ı	1	1	•		,		1	ı	1		1	,		1	,	ı
Occupational Education (207)		151,049	41,340	1	R:		. •		,	,	,	1		. 0	•				1	1	,		•	,	,		ı		1	•	•	•	0000	2,770
Preschool Handi- capped (205)		ı		,	ж;				,		•	×		O.S.					,	- 1	æ		.,	,	30	t	r		1	1	1	ı	1	ı
IDEA (203)		1	,	,		382,252	107,685		98 645	19,082	1		ı		1				r	,	1			ì	ı	72,471	10,423		r		11,894	8,509		1
Title I (201)			•			•			,	,	500		ĭ		1					•	ı		65,105	17,135	605,296	16,198	4,717		358,722	94,477	6,679	ı	r 5)	•
	D :5 €				400 Supplies and materials	100 Salaries	200 Employee beneaus 400 Supplies and materials	214 Psychological services		200 Employee benefits	215 Exceptional program services 300 Purchased services				400 Supplies and materials	220 Instructional staff services 221 Improvement of instruction - curriculum development		-		200 Employee benefits	400 Supplies and materials	5					500. Capital outlay	224 Improvement of instruction - inservice and staff training				400 Supplies and materials		

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, 2009

er al ue Toral	55	66,073 66,073 14,856 14,856 15,821 22,714 789 1,965	5,447 18,651 1,075 3,241 1,497 12,649	1,530 1,530	2,971	6,893 6,893 1,399 1,399 5,569 5,569	- 18,799	34,070 34,070 10,336 10,336	80,147	992.036 4.386.330
*Other d Special Revenue Programs		99 77	• • • • • • • • • • • • • • • • • • • •					3,7		
* Other Restricted State Grants				•	,		,	, ,	•	50 1.196.323
* Adult Education	b	1 1 1 1	, , ,	,	•	1 1 1	1	t f	•	1,150
Drug Free Schools (209)	-	1 1 1 1	1 1 1	٠	·	1 1 1	18,799	1 1	1	60.879
Occupational Education (207)		1 1 1 1		,) 100	1 1 1	•	() (9,329	211,708
Preschool Handi- capped (205)	,	1 1 1 1	1 1 1		•	1 1 1	ı	1 1	,	
IDEA (203)				,	,			XX		710,961
Title I (201)		- - 6,893 1,176	13,204 2,166 11,152	•	i		,		10,353	1,213,273
	EXPENDITURES, Continued Support services, continued 230 General administration services: 232 Office of superintendent 300 Purchased services	233 School administration 100 Salaries 200 Employee benefits 300 Purchased services 400 Supplies and materials	 250 Finance and operations services 251 Student transportation (federal/district mandated) 100 Salaries 200 Employee benefits 300 Purchased services 	253 Facilities acquisition and construction 400 Supplies and materials	254 Operation and maintenance of plant300 Purchased services	255 State transportation (state mandated) 100 Salaries 200 Employee benefits 300 Purchased services	258 Security 300 Purchased services	260 Central support services 264 Staff services 100 Salaries 200 Employee benefits	270 Support services - pupil activity 271 Pupil service activities 600 Other objects	Total support services

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, 2009

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, 2009

* Adult Education

	826 Summer School High School	827 JSCG Grant	829 EIC Team Grant	830 SCEENS/EIC NFWF - EPA	832 Professional Development	833 Arts in Education- Northside	834 Career Readiness Initiative	835 DHEC Solid Waste Grants	837 EEDA Implementation - York	838 Rock Hill Adult and Communication	839 SC Arts Commission - AIE/CM	840 CTEC Programs		842 SCEENS/EIC VKRF Grant	843 EEDA - York Technical College	844 Attendance Improvement Project	845 SAT Improvement	846 SCCTM Grant - Investigating the South Carolina Math Standards		852 Extended School Year	853 Adult Ed - WIA Youth	857 Designated Reserve Funds	859 LATTIS - Looping Grant	870 First Steps Parent Smart Grant	871 ParentSmart Project	875 SC Alliance for Children	877 Success by Six Resource	878 Palmetto Youth Connection	880 Profoundly Mentally Disabled	Ŭ	899 Local School Projects
* Other Special Revenue Programs	213 Personnel Development	214 Group Homes	221 Title I (Neglected and Delinquent)	222 Title I Stimulus	225 Mathematics and Science Partnership	230 WIA Summer Program	235 Foundation Grants	237 Title I State Program Improvement	241 Title V	244 Eisenhower Professional Development	250 Goals 2000 - Educate America	253 Enhancing Education Through Technology	264 Language Instruction Title III	267 Improving Teacher Quality	273 CTEC	274 Writer's Express Summer	278 School Technology Two-Way Interactive Video	280 Medicaid	290 DHEC Solid Waste Grant	291 Attendance Make-Up	293 Critical Needs	294 FA Recovery	295 ROTC	298 ATC House Project	801 After School Program	802 Sylvia Circle Tuition	815 Carroll School	822 Extended School Year	824 TIF Funded Projects	825 Virtual High School	
n * Other Restricted State Grants	Adult Ed Federal 916 ADEPT	Adult Ed Contributions 919 Education License Plates	- Basic 920 Young Adult Ed.	Career Readiness Initiative 926 EEDA Misc.	927 EEDA 8th Grade Awareness	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	969 Mathematics and Science Coaching																	
* Adult Education	243 Adult Ed	292 Adult Ed	918 Adult Ed Basic	921 Career R																											

CHILDREN'S ATTENTION HOME CHARTER SCHOOL BUDGETARY COMPARISON SCHEDULE SPECIAL REVENUE FUND For the year ended June 30, 2009

REVENUES	Original and final budget	Actual	Variance from final budget
4000 Revenue from federal sources			
4300 Elementary & Secondary Education Act of 1965 (ESEA):			
4310 Title I, Basic State Grant Programs	\$ 27,050	\$ 32,749	\$ 5,699
Total federal sources	27,050	32,749	5,699
Total revenue	27,050	32,749	5,699
EXPENDITURES			
100 Instruction			
110 General instruction			
112 Primary programs			
300 Purchased services	2,400	6,828	(4,428)
500 Capital outlay	13,800	16,584	(2,784)
	16,200	23,412	(7,212)
Total instruction	16,200	23,412	(7,212)
200 Support services 220 Instructional staff services			
224 Improvement of instruction inservice and staff training		-1-	
300 Purchased services	3,400	730	2,670
	3,400	730	2,670
230 General administration services			
233 School administration			
300 Purchased services	8,200	6,893	1,307
400 Capital outlay	1,200	1,176	24
	9,400	8,069	1,331
270 Support services - pupil activity			
271 Pupil service activities			
660 Supporting services pupil activity		538	(538)
		538	(538)
Total support services	12,800	9,337	3,463
Total expenditures	29,000	32,749	(3,749)
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,950)</u>	-	\$ 1,950
FUND BALANCE, JULY 1, 2008			
FUND BALANCE, JUNE 30, 2009		\$ -	

ROCK HILL SCHOOL DISTRICT THREE SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS SPECIAL PROJECTS FUND

Subfund	Revenue	Programs	R	evenues	Ехр	enditures	Reve	Special enue Fund ned Revenue
916	3991	ADEPT	\$	37,410	\$	37,410	\$	-
918	3151	Basic		10,350		10,350		-
919.	3193	Education License Plates		4,006		4,006		-
920	3154	Young Adult Education		59,101		59,101		55,205
921	3151	Basic		10,066		10,066		-
926	3116	EEDA - Misc		373		373		-
927	3117	EEDA 8th Grade Career Awareness		18,643		18,643		-
928	3118	EEDA Career Specialist		473,810		473,810		103,550
933	3123	Formative Assessment		35,993		35,993		112,955
935	3185	National Board Certification		263,062		263,062		-
936	3136	Student Health and Fitness - Nurses		565,092		565,092		•
937	3127	Student Health and Fitness - PE Teachers		181,056		181,056		32,285
938	3128	High Schools That Work		27,659		27,659		14,142
960	3610	K-5 Enhancement		866,500		866,500		
967	3607	K-5 Mathematics and science coaching unit		62,766		62,766		5,880
969	3699	Other State Lottery Programs		7,554		7,554		•

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, 2009

			Total
	REVENUES		
3000		m state sources	
		tion Improvement Act:	W//
	3501	Increase High School Diploma Requirements	\$ 500,587
	3505	School Technology Initiative	72,090
	3509	Arts in Education	15,542
	3513	Parenting/Family Literacy	120,600
	3515	Advanced Placement Courses	47,373
	3517	Advanced Placement - Singleton (subfund 315)	615
	3520	Gifted and Talented - Academic	522,684
	3522	Gifted and Talented - Artistic	151,194
	3523	Junior Scholars Program	999
	3525	Career and Technology Education Equipment	174,290
	3527	Critical Teaching Needs	4,694
	3530	Trainable and Profoundly Mentally Disabled Student Services	64,379
	3532	National Board Certification Salary Supplement	1,749,784
	3533	Teacher of the Year Awards	26,913
	3534	Professional Development on Standards	103,236
	3540	Early Childhood Program	446,129
	3542	Pre-School Programs for Children with Disabilities	73,195
	3546	Academic Assistance K-3	769,445
	3548	Academic Assistance 4-12	1,334,697
	3549	Academic Assistance Reading Recovery	303,593
	3550	Teacher Salary Increase	1,890,843
	3553	Adult Education - Remedial	11,534
	3555	School Employer Contributions	386,866
	3562	Adult Education - Basic	183,009
	3564	Adult Education - Young Adult Initiative	57,059
	3565	Young Adult Literacy	42,390
	3568	EAA Technical Assistance	561,070
	3575	Competitive Teacher Grants	12,497
	3577	Teacher Supplies	329,789
	3582	Principal's Salary/Fringe Increase	71,347
	3583	EAA Summer School / Comprehensive Remediation	484,942
	3588	EAA Palmetto Gold and Silver Awards	13,014
	3591	Excellence in Middle Schools	86,715
	3592	School-to-Work Transition	81,319
	3593	EAA Reduce Class Sizes Grades 1-3	486,020
	3596	EAA Alternative Schools Programs	194,038
		Total state sources	11,374,491

11,374,491

Total revenue all sources

ROCK HILL SCHOOL DISTRICT THREE COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS EDUCATION IMPROVEMENT ACT FUND

E	EXPENDITURES		Total
0 Instruction			
11	10 General	instruction	
	111 Kindergarten programs		
	100	Salaries	37,500
	200	Employee benefits	7,703
	400	Supplies and materials	3,575
			48,778
	112 Prin	nary programs	
	100	Salaries	965,304
	200	Employee benefits	295,022
	300	Purchased services	23,091
	400	Supplies and materials	142,853
			1,426,270
	113 Eler	nentary programs	
	100	Salaries	1,325,693
	200	Employee benefits	358,612
	300	Purchased services	26,242
	400	Supplies and materials	133,896
			1,844,443
	114 High	h school programs	
	100	Salaries	1,593,955
	200	Employee benefits	454,452
	300	Purchased services	84,099
	400	Supplies and materials	85,953
	500	Capital outlay	90,872
			2,309,331
	115 Voc	ational programs	
	100	Salaries	100,989
	200	Employee benefits	21,229
	300	Purchased services	105
	400	Supplies and materials	28,902
	500	Capital outlay	154,988
			306,213
12	0 Exception	nal programs	
		cable mentally handicapped	
	100	Salaries	15,000
	200	Employee benefits	3,081
			18,081

ROCK HILL SCHOOL DISTRICT THREE COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS EDUCATION IMPROVEMENT ACT FUND

	EXP	ENDITUR	RES, Continued	Total
100	Instr	uction, con		
	120	Exception	nal programs, continued	
		122 Train	nable mentally handicapped	
		100	Salaries	40,713
		200	Employee benefits	15,785
		300	Purchased services	431
		400	Supplies and materials	7,450
				64,379
		125 Hear	ring handicapped	
		100	Salaries	7,500
		200	Employee benefits	1,541
				9,041
		127 Lear	ning disabilities	
		100	Salaries	237,495
		200	Employee benefits	50,358
				287,853
	130	Pre-schoo	ol programs	
	100		school handicapped self-contained (3 and 4 year olds)	
		100	Salaries	54,902
		200	Employee benefits	18,156
		300	Purchased services	138
				73,196
		139 Early	y childhood programs	
		100	Salaries	316,375
		200	Employee benefits	97,014
		300	Purchased services	8,587
		400	Supplies and materials	24,153
				446,129
	140	Special pr	rograms	
			ed and talented - academic	
		100	Salaries	476,219
		200	Employee benefits	130,319
		300	Purchased services	963
				607,501
		143 Adva	anced placement	
			Supplies and materials	47,813
			14	47,813

ROCK HILL SCHOOL DISTRICT THREE COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS EDUCATION IMPROVEMENT ACT FUND

E	XPENDITUR	ES, Continued	Total
100 In	struction, con		
14	40 Special pr	rograms, continued	
	148 Gifte	d and talented - artistic	
	300	Purchased services	60,870
	400	Supplies and materials	5,945
	500	Capital outlay	3,700
			70,515
		r special programs	
	100	Salaries	101,865
	200	Employee benefits	27,669
	300	Purchased services	373
			129,907
16	60 Other exc	eptional programs	
	161 Auti	sm	
	100	Salaries	7,500
	200	Employee benefits	1,541
			9,041
17	70 Summer s	school program	
	171 Prim	ary summer school	
	100	Salaries	2,552
	200	Employee benefits	522
			3,074
	172 Elem	entary summer school	
	100	Salaries	2,878
	200	Employee benefits	436
	400	Supplies and materials	1,176
			4,490
	173 High	school summer school	
	100	Salaries	5,975
	200	Employee benefits	1,227
			7,202
18	30 Adult/con	tinuing educational programs	
		t basic education programs	
	100	Salaries	3,242
	200	Employee benefits	700
	400	Supplies and materials	7,096
	100		11,038
			11,038

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, 2009

	EXP	Total		
100	Instr			
	180	Adult/cor	tinuing educational programs, continued	
		182 Adul	tt secondary education programs	
		100	Salaries	54,065
		200	Employee benefits	11,574
		300	Purchased services	125
		400	Supplies and materials	18,132
				83,896
		183 Adul	t English literacy	
		300	Purchased services	127
		400	Supplies and materials	318
				445
		187 Adul	t education - remedial	
		100	Salaries	9,091
		200	Employee benefits	2,443
				11,534
		188 Pares	nting/family literacy	
		100	Salaries	89,968
		200	Employee benefits	30,579
		400	Supplies and materials	53
				120,600
			Total instruction	7,940,770
200	Supp	ort service	S	
	210	Pupil serv	rices	
		212 Guid	ance services	
		100	Salaries	222,985
		200	Employee benefits	55,150
		400	Supplies and materials	14,025
				292,160
	220	Instructio	nal staff services	
		221 Impr	rovement of instruction - curriculum development	
		100	Salaries	19,500
		200	Employee benefits	4,010
		300	Purchased services	5,705
		400	Supplies and materials	3,300
				32,515

ROCK HILL SCHOOL DISTRICT THREE COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS EDUCATION IMPROVEMENT ACT FUND

	EXP	ENDITUR	ES, Continued	Total
200	Supp	ort service	s, continued	-
	220	Instructio 222 Libra		
		100	Salaries	44,883
		200	Employee benefits	9,219
		400	Supplies and materials	10,147
				64,249
		223 Supe	ervision of special programs	
		100	Salaries	301,360
		200	Employee benefits	74,183
		300	Purchased services	7,008
		400	Supplies and materials	12,603
		600	Other objects	243
				395,397
		224 Impr	ovement of instruction - inservice and staff training	
		100	Salaries	67,657
		200	Employee benefits	14,202
		300		112,618
		400	Supplies and materials	2,911
				197,388
	230	General a	dministration services	
			ol administration	
		100	Salaries	71,347
		400	Supplies and materials	43
				71,390
	250	Finance a	nd operations services	
			ent transportation	
		100	Salaries	20,531
		200	Employee benefits	3,565
		300	Purchased services	2,588
		600	Other objects	1,558
				28,242
		254 Oper	ation and maintenance of plant	
			Purchased services	752
				752

ROCK HILL SCHOOL DISTRICT THREE COMBINED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS EDUCATION IMPROVEMENT ACT FUND

EXPENDITURES, Continued	Total
200 Support services, continued	
266 Technology and data processing services	
400 Supplies and materials	6,244
500 Capital outlay	65,846
	72,090
270 Support services - pupil activity	
271 Pupil services activities	
600 Other objects	1,829
	1,829
Total support services	1,156,012
Total expenditures	9,096,782
OTHER FINANCING USES	
Interfund transfers (to) from other funds	
420-710 Transfer to general fund	(2,277,709)
Total other financing uses	(2,277,709)
Excess of revenues over expenditures	
and other financing uses	-
FUND BALANCE, JULY 1, 2008	-
FUND BALANCE, JUNE 30, 2009	\$ -

ROCK HILL SCHOOL DISTRICT THREE SUMMARY SCHEDULE BY PROGRAM EDUCATION IMPROVEMENT ACT For the fiscal year ended June 30, 2009

		Program	R	evenues	_Ex	penditures		Fund Transfers In (Out)		EIA Fund Inearned Revenue
3500		tion Improvement Act								
	3501	Increase High School Diploma Requirements	\$	500,587	\$	1,189,922	\$	689,335	\$	
	3505	School Technology Initiative		72,090		72,090		*:		-
	3509	Arts in Education		15,542		15,542				
	3513	Parenting/Family Literacy		120,600		120,600		×		-
	3515	Advanced Placement Courses		47,988		47,988		-		-
	3520	Gifted and Talented - Academic		522,684		589,419		66,735		24,526
	3522	Gifted and Talented - Artistic		151,194		151,194		*		19,924
	3523	Junior Scholars Program		999		999				
	3525	Career and Technology Education Equipment		174,290		174,290		-		
	3527	Critical Teaching Needs		4,694		4,694		-		
	3530	Trainable and Profoundly Mentally Disabled Student Services		64,379		64,379		-		
	3532	National Board Certification Salary Supplement		1,749,784		1,749,784		-		-
	3533	Teacher of the Year Awards		26,913		26,913		-		-
	3534	Professional Development on Standards		103,236		103,236				75,629
	3540	Early Childhood Program		446,129		446,129		-		-
	3542	Pre-School Programs for Children with Disabilities		73,195		73,195		•		
	3546	Academic Assistance K-3		769,445		909,491		140,046		
	3548	Academic Assistance 4-12		1,334,697		1,406,428		71,731		
	3549	Academic Assistance Reading Recovery		303,593		303,593		-		-
	3550	Teacher Salary Increase		1,890,843				(1,890,843)		-
	3553	Adult Education - Remedial		11,534		11,534		-		-
	3555	School Employer Contributions		386,866				(386,866)		
	3562	Adult Education - Basic		183,009		183,009		. , ,		33,348
	3564	Adult Education - Young Adult Initiative		57,059		57,059		_		
	3565	Young Adult Literacy		42,390		42,390		-		_
	3568	EAA Technical Assistance		561,070		561,070		-		_
	3575	Competitive Teacher Grants		12,497		12,497		-		_
	3577	Teacher Supplies		329,789		329,789		_		_
	3582	Principal's Salary/Fringe Increase		71,347		71,347		***		
	3583	EAA Summer School / Comprehensive Remediation		484,942		3,115		(481,827)		_
	3588	EAA Palmetto Gold and Silver Awards		13,014		13,014		(,02.)		43,975
	3591	Excellence in Middle Schools		86,715		86,715		-		13,5.73
	3592	School-to-Work Transition		81,319		81,319		_		17,495
	3593	EAA Reduce Class Sizes Grades 1-3		486,020				(486,020)		- 11,773
	3596	EAA Alternative Schools Programs		194,038		194,038	******	-		139,641
		Total state amounts	\$	11,374,491	\$	9,096,782	\$	(2,277,709)	s	354,538

DEBT SERVICE FUND



Mount Holly Elementary School

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

	REVENUES	
1000	Revenue from local sources	
	1100 Taxes	
	1110 Ad valorem taxes - including delinquent	\$ 20,874,928
	1140 Penalties and interest on taxes	144,614
	The could be a first of the country	
	Total local sources	21,019,542
2000	Intergovernmental revenues	
	2100 Payments from other governmental units	17,000
	Total intergovernmental revenues	17,000
3000	Revenue from state sources	
	3800 Revenue in lieu of taxes	
	3820 Homestead exemption	671,733
	3830 Merchant's inventory tax	107,676
	3840 Manufacturer's depreciation reimbursement	433,300
	3890 Other state property tax revenues	42,518
	Total state sources	1,255,227
	Total revenue all sources	22,291,769
	EXPENDITURES	
500	Debt Service	
	610 Redemption of principal	12,975,000
	620 Interest	7,798,410
	690 Other objects (includes fees for servicing bonds)	2,432
	Total expenditures	20,775,842
	Excess of revenues over expenditures	1,515,927
FUND	BALANCE, JULY 1, 2008	5,818,538
FUND	BALANCE, JUNE 30, 2009	\$ 7,334,465

CAPITAL PROJECTS FUND



Dutchman Creek Middle School

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

	REVEN	UES	
1000	Revenue	from local sources	
	1500 E	arnings on investments	
	1:	10 Interest on investments	\$ 183,379
		Total local sources	183,379
3000	Revenue	from state sources	
	3100 R	estricted state funding	
	3	72 Children's education endowment	366,835
		Total state sources	366,835
		Total revenues all sources	550,214
	EXPEN	DITURES	
250	Finance	and operations	
	253 F	ncilities acquisition and construction	
	30	00 Purchased services	1,915,196
	40	O Supplies and materials	2,276,078
	50	O Capital outlay	
		510 Land	54,117
		520 Construction services	5,705,945
		530 Improvements other than buildings	2,320,088
		540 Equipment	747,794
		545 Technology, equipment and software	1,358,503
		550 Vehicles 580 Mobile classrooms	569,303
	60		65,818
400			1,388
400	Other ch	arges ernmental expenditures	
		lyments to other governmental units	
	72		25,000
		Total expenditures	15,039,230
		Deficiency of revenues under expenditures	(14,489,016)
OTHER	R FINANC	ING SOURCES (USES)	
5400	Proceeds	of bond anticipation note	12,500,000
Interfu	nd transfer	s from other funds	
5210	Transfer	to general fund	(3,497,686)
		Total other financing sources (uses)	9,002,314
		Deficiency of revenues and other financing sources under expenditures	(5,486,702)
FUND	BALANC	E, JULY 1, 2008	8,063,858
FUND	BALANC	E, JUNE 30, 2009	<u>\$ 2,577,156</u>

PROPRIETARY FUND



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

nded June 30, 2009

ror	tne	nscai	year	ended	June	30,	2009

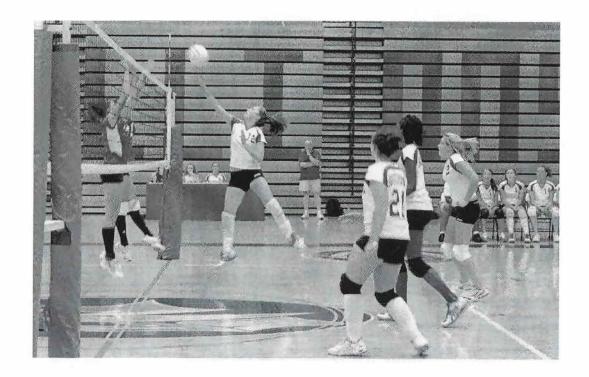
	REVE	NUES	
1000		ne from local sources	
	1600	Food service	
		1610 Lunch sales to pupils	\$ 1,509,608
		1620 Breakfast sales to pupils	302,549
		1630 Special sales to pupils	419,655
		1640 Lunch sales to adults	104,395
		1650 Breakfast sales to adults	11,721
	1000	1660 Special sales to adults	267,837
	1900	Other revenue from local sources 1999 Revenue from other local sources	1 000
			1,880
	_	Total local sources	2,617,645
3000		e from state sources	
	3140	School lunch	
	2000	3142 Program aid	8,288
	3999	Other state revenue	
		3999 Revenue from other state sources	628
		Total state sources	8,916
4000	Revent	ne from federal sources	
	4800	USDA reimbursement	
		4810 School lunch and after school snacks program	3,332,179
		4830 School breakfast program	925,598
		Other federal sources	
		4991 USDA commodities	469,965
		Total federal sources	4,727,742
		Total revenue all sources	7,354,303
	EXPEN		
	256	Food service	
		100 Salaries	2,469,794
		140 Terminal leave	1,555
		200 Employee benefits	752,949
		300 Purchased services 400 Supplies and materials	140,993
		400 Supplies and materials 500 Capital outlay	3,987,839
		544 Equipment \$1,000 to \$4,999	16 076
		545 Technology equipment	15,875
		570 Depreciation	87,571 288,829
		600 Other objects	22,111
		Total expenses	
	OTHE	-	7,767,516
5210		R FINANCING SOURCES r from general fund	4 00 404
5999		contributions	423,404 415,754
0,,,,	Cup.tu.	Total other financing sources	839,158
		Net income	
NET .	V 66E46	ΠΠ V 1 2008	425,945
			2,475,115
NET A	ASSETS	JUNE 30, 2009	<u>\$ 2,901,060</u>

This schedule is presented in the format prescribed by the South Carolina

Department of Education, which varies in presentation from Exhibit 6.

Footnote:

FIDUCIARY FUND



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

]	Balance					F	Balance
	Jul	y 1, 2008	Ad	ditions	Ded	uctions	June	e 30, 2009
ASSETS		•						
Cash	\$	25,700	\$	-	\$	-	\$	25,700
Due from other funds		713,201	<u></u>	3,810,271	3	,681,635		841,837
Total assets	\$	738,901	\$	3,810,271	<u>\$ 3</u>	,681,635	\$	867,537
LIABILITIES								
Due to pupil activities	\$	738,901	\$	3,810,271	\$ 3	,681,635	\$	867,537
Total liabilities	\$	738,901	\$.	3,810,271	<u>\$</u> 3	,681,635	\$	867,537

ROCK HILL SCHOOL DISTRICT THREE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITIES AGENCY FUND

For the fiscal year ended June 30, 2009

1000	RECEIPTS Receipts from local sources 1700 Pupil activities	
	1710 Admissions	\$ 194,547
	1720 Bookstore sales	134
	1730 Pupil organization membership dues and fees	9,296
	1740 Student fees 1790 Other	7,269
	1900 Other revenue from local sources	3,052,242
	1920 Contributions and donations from private sources	227
	1920 Contributions and donations from private sources	337
	Total receipts from local sources	3,263,825
	DISBURSEMENTS	
190	Instructional pupil activity	
	100 Salaries	4,694
	200 Employee benefits	963
	300 Purchased services	234
	400 Supplies and materials	49,724
270	Supporting services pupil activity	
	Pupil service activities	
	100 Salaries	98,982
	200 Employee benefits	19,122
	300 Purchased services	411,413
	400 Supplies and materials	2,175,303
	500 Capital outlay 600 Other objects	76,183
	Other objects	606,071
	Total disbursements	3,442,689
	OTHER FINANCING SOURCES	
5210	Transfer from general fund	307,500
	Total other financing sources	307,500
	Evenes of receipts and other financia	
	Excess of receipts and other financing sources over disbursements	128,636
DUE TO	PUPIL ACTIVITIES, JULY 1, 2008	
		738,901
DUE TO	PUPIL ACTIVITIES, JUNE 30, 2009	\$ 867,537

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



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

ROCK HILL SCHOOL DISTRICT THREE

Schedule F-1

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/ FEDERAL GOVERNMENT JUNE 30, 2009

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

No funds are due to state/federal government at June 30, 2009

ROCK HILL SCHOOL DISTRICT THREE CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULES BY SOURCE JUNE 30, 2009

Governmental funds capital assets:		
Land	\$	10,433,629
Buildings and improvements		321,827,664
Furniture and equipment		12,955,923
T (1)		
Total governmental fund capital assets	<u>\$</u>	345,217,216
Investments in governmental fund assets by source:		
General fund	\$	9,866,813
Special revenue fund		4,909,943
Capital projects fund		330,440,460
Total governmental fund capital assets	ę	345,217,216
2000 Bo	<u> </u>	343,417,410

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)

	20	* 2000	* 2001	* [0	* 2002	2 *		2003		2004		2005		2006		2007		2008	1	2009
Governmental Activities Invested in capital assets,	69	,	s	,	₩	,	s	43,488,481	69	42,577,446	€9	66,812,958	69	86,285,668	6 9	86,716,022	69	85,685,189	₩	87,780,196
net of related debt Restricted Unrestricted		1 1		1 33		4 1		26,750,120 14,185,112		41,165,324		23,493,394		8,869,209		14,447,991		12,952,545		9,082,727
Total governmental activities net assets	s		s		69	,	85	84,423,713	S	98,270,667	s	108,142,956	sa	13,324,951	89	120,837,027	so	125,190,771	s	117,583,525
Business-Type Activities Invested in capital assets,	69	ÿ	<>	•	69	,	↔	1,808,807	64	1,701,202	S	1,686,119	€4	1,749,790	€9	1,589,337	€2	1,466,828	64	1,593,752
net of related debt Unrestricted		1		i		1		855,046		1,251,686		1,473,688		1,712,777		1,468,962		1,008,287	The state of the s	1,307,308
Total business-type activities net assets	s	-	s		89		S	2,663,853	69	2,952,888	S	3,159,807	S	3,462,567	95	3,058,299	S	2,475,115	89	2,901,060
Total primary government net assets	isa	1	60	,	જ	\cdot	8	87,087,566	S	101,223,555	so.	111,302,763	69	116,787,518	S	123,895,326	S	127,665,886	69	120,484,585

* 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)

	2000 *	2001 *	* 2002		2003		2004		2005	2	2006		2007	2008		5005	
Expenses Governmental activities																	
Instruction	•	69	69	59	64,396,208	69	67,243,820	59	70,222,924	69	74,320,757	6 9 .	80,471,063	\$ 88,423,628	\$ 829,		452
Support services	1	•			29,959,748		36,299,500		41,293,263		47,532,876		51,424,008	60,792,209	,209	64,760,530	530
Community services Intergovernmental	• •				157,546		174,611		143,103		100,842 2.249.568		122,819	228	228,669 715 125	227,383	383
Interest on long-term obligations	i	•		,	15,450,292		5,546,681		5,894,985		5,881,577		6,391,797	7,484,011	,011	7,017,571	571
Depreciation	t			.	1		3,636,190		4,297,929		5,311,817		5,876,110	6,309,334	,334	7,812,007	000
Total governmental activities expenses	•	1			111,570,668		114,585,554		123,912,351		135,397,437		145,121,074	163,952,976	976,	174,772,084	084
Business-type activities Food service	1	,		١	4,409,535		4,907,458		5,341,024		5,745,087		6,390,272	7,634,765	,765	7,767,516	516
Total business-type activities expenses	1	***************************************	ļ	ı,	4,409,535		4,907,458		5,341,024		5,745,087		6,390,272	7,634,765	,765	7,767,516	516
Total primary government expenses	· s	60	89	اب	115,980,203	s	119,493,012	8	129,253,375	8	141,142,524	s)	151,511,346	S 171,587,741	,741 \$	182,539,600	009
Program Revenues Governmental activities Charges for services:																	
Instruction	· 65	,	⇔	€9	274,227	₩	1,278,314	69	1,377,246	is	1,520,761	69	1,990,488	\$ 2,187,263	,263 \$		407
Operating grants and contributions Capital grants and contributions	6 5 - 1				56,791,680 7,647,847		57,912,163 6,161,974		2,901,214		70,188,964 187,900		73,960,271	81,227,036	,227,036 517,685	78,078,355 366,835	355
Total governmental activities																	
program reyenues	•	•			64,713,754		65,352,451		67,174,160		71,897,625		75,950,759	83,931,984	984	80,476,597	265
Business-type activities Charges for services:											2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		6	6	i c	Ţ	
Operation program and posteriors		•		,	2,304,614		2,351,139		2,321,083		2,434,803		2,547,599	7,389,487	,487	2,017,044	4 6
Operating grants and contributions Capital grants and contributions	1 1	. 1			065,612,2		77,049		193,337		267,797		2,628,002	4,092,600	138,845	4,756,639	754
Total business-type activities					017 203 7		5 106 403		270 273 5		100		700 300 3	750 ÓC3 3	253	130 OFF P	750
Total arimon (concernment)				.]	011,000,1		2,170,473		0,041,740		0,047,047		4,260,000	0,020	702	1,17,1	
rotal printary government program revenues	ا ج		S	ا. ا	69,297,164	69	70,548,944	s	72,722,103	és	77,945,472	8	81,936,763	\$ 90,552,916	916	88,246,654	,654
Net (Expense)/Revenue Governmental activities Business-type activities	· · ·	· · ·	iss	ا م ا	(46,856,914) 173,87 <u>5</u>	€-	(49,233,103) 289,035	٠,	(56,738,191) 206,919	8	(63,499,812)	69	(69,170,315)	\$ (80,020,992) (1,013,833)	\$ (265) \$	(94,29	2,541
Total primary government net (expense) revenue	s,	80	S	ا.	(46,683,039)	S	(48,944,068)	s	(56,531,272)	8	(63,197,052)	∞	(69,574,583)	\$ (81,034,825)	\$ (528)	(94,292,946)	,946)

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

	2000 *	22	2001 *	200	2002 *		2003		2004		2005	×	2006		2007	2008		2009
General Revenues and Other Changes in Net Assets					•													
Governmental activities Taxes by source:																		
Property tax - general obligation	69	69	,	69		64	36,398,373	69	39,485,538	ŝ	40,780,553	s	41,054,206	€9	45,707,761 \$	38,514,743	43 \$	39,794,450
Property tax - debt service	Ī				,		13,031,710		13,380,824		14,058,798		14,709,219		16,076,102	18,617,043	43.	21,262,897
Unrestricted grants and contributions	×		•				9,818,196		8,987,749		10,423,802		10,468,863		10,359,416	24,916,292	92	25,727,814
Unrestricted investment earnings	•		•		1		786,682		1,047,317		1,128,341		2,400,664		3,715,398	2,749,129	59	501,762
Miscellaneous	4.0		,		,		16,141		178,629		218,986		48,855		823,714	8,178	78	2,068
Transfers	t		1		,				,		-				r	(430,649)	(g)	(423,404)
Total governmental activities			,		,		60,051,102		63,080,057		66,610,480		68,681,807		76,682,391	84,374,736	98	86,865,587
Special items - loss on disposal of assets	-					l							*		¥	.81	1	(37,342)
Total primary government	1		•		,		60,051,102		63,080,057		66,610,480		68,681,807		76,682,391	84,374,736	36	86,828,245
Change in Net Assets Governmental activities Business-type activities	1 1						13,194,188		13,846,954		9,872,289 206,919		5,181,995		7,512,076	4,353,744 (583,184)	44	(7,467,242)
Total primary government	s	₆₉	i	89		S	13,368,063	S	14,135,989	s	10,079,208	S	5,484,755	s	7,107,808	3,770,560	S 09	(7,041,297)

* 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)

		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009
General Fund Reserved Unreserved	69	199,269	<u>ه</u> ا	262,157 12,739,430	60	314,701	69	197,597	€	15,025,796	€5	17,375,313	· .	17,512,981	₩	19,133,030	55	23,269,504	s	19,505,507
Total general fund	69	12,131,673	69	13,001,587	S	14,479,099	s	14,994,197	69	15,025,796	s	17,375,313	€9.	17,512,981	S	19,133,030	69	23,269,504	s	19,505,507
All Other Governmental Funds Reserved																				
Debt service Capital projects	s s	8,334,717 4,818,330	69	9,802,239	69	9,002,237 26,600,401	69	7,526,162 18,394,926	€9:	4,217,513 36,375,175	€9:	3,499,617 19,923,502	⇔ °	3,696,239 28,657,842	69	5,213,386 58,982,978	69	5,818,538 8,063,858	69	7,334,465 2,577,156
Special revenue		294,815		315,754		434,657		539,242		572,636		1,215,331		1,101,281		1,208,591		674,365		387,465
Total all other governmental funds	69	\$ 13,447,862	s	\$ 18,624,198	is	36,037,295	8	26,460,330	8	41,165,324	s	24,638,450	s	33,455,362	s	65,404,955	S	\$ 14,556,761	æ	10,299,086

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

	** 0002	2001 **	** 2002	2003	2004	2005	2006	2007	2008	2009
Revenues									2004	1007
Local										
Property taxes	· ·	(66	· •	\$ 49,002,612	\$ 52,707,540	\$ 55,032,357	\$ 55,651,621	\$ 61,626,855	\$ 53,862,883	\$ 58,110,853
Interest	•		,	786,682	1,047,317	1,128,341	2,400,664	3,715,398	2,749,128	501,762
	•		•	1,531,058	1,726,594	1,796,341	7,355,499	3,711,546	5,973,112	5,286,328
Total local sources	•	*		51,320,352	55,481,451	57,957,039	60,407,784	69,053,799	62,585,123	63,898,943
State sources	•	•	٠	65,820,569	64,305,093	67,025,317	71,271,100	75,439,597	97,540,514	94,244,262
Federal sources		,	•	7,031,507	8,061,601	7,930,062	8,111,416	7,650,094	8,179,389	8,928,066
Intergovernmental	,	•	f	160,707	246,999	880,784	677,328	332,652	309,937	311,689
Total revenues	•	•		124,333,135	128,095,144	133,793,202	140,467,628	152,476,142	168,614,963	167,382,960
Expenditures										
Ситеп										
Instruction	•	,	•	64,375,467	66,986,194	70,187,466	74,328,960	80,381,295	88,343,708	94,966,427
Support services		•		34,899,048	34,780,135	38,580,924	43,230,315	47,175,271	52,705,725	55,546,705
Community services	•	•	•	157,546	174,611	143,103	100,842	122,819	228,669	227,383
Intergovernmental	,		,	1,606,874	1,684,752	2,060,147	2,249,568	676,787	373,736	618,141
Debt service										
Principal	•	•	•	10,655,000	14,635,000	10,025,000	10,290,000	12,630,000	11,345,000	12,975,000
Interest	:#	ı	•	4,924,481	5,372,956	5,926,332	5,509,659	5,871,438	8,012,189	7,798,410
Other	٠	11	•	1,669	1,435	2,229	2,175	2,474	2,300	2,432
Capital outlay		•	•	19,279,167	36,220,933	26,575,593	18,884,918	48,134,159	53,543,320	15,039,230
Total expenditures	1	,		135,899,252	159,856,016	153,500,794	154,596,437	194,994,243	214,554,647	187,173,728
Excess (deficiency) of revenues										
over (under) expenditures	•	•	i	(11,566,117)	(31,760,872)	(19,707,592)	(14,128,809)	(42,518,101)	(45,939,684)	(19,790,768)
Other Financing Sources (Uses)										
riocecus of bond anucipation note	•			•	•		•	•	•	12,500,000
Premium on bonds sold	*	ì	•	4,250	2,114,140	30,235	313,249	1,401,390	•	,
Proceeds of refunding bond		•	ľ	•		3	23,015,000	1,500,000		•
Payment to refunded debt escrow agent			ļ	•	ı	1	(23,244,860)	10,344,843	•	•
Issuance of debt	•		•	2,500,000	44,625,000	5,500,000	23,000,000	63,000,000	•	•
Transfers in	•	,	1	5,354,417	8,109,109	8,031,846	6,498,386	6,236,815	5,106,058	5,978,544
Transfers out	1		•	(5,354,417)	(8,350,784)	(8,031,846)	(6,498,386)	(6,236,815)	(5,878,095)	(6,709,448)
Total other financing sources (uses)	1		,	2,504,250	46,497,465	5,530,235	23,083,389	76,246,233	(772,037)	11,769,096
Net change in fund balances	s	8	· ·	\$ (9,061,867)	\$ 14,736,593	\$ (14,177,357)	\$ 8,954,580	\$ 33,728,132	\$ (46,711,721)	\$ (8,021,672)
Capital asset expenditures	- -			\$ 16,689,461	\$ 34,091,420	\$ 23,228,447	\$ 14,569,660	\$ 43,885,422	\$ 45,456,836	\$ 6,385,204
Debt service as a percentage				01 21	/00/21	700 61	90) o c -	707	702 11
of noncapital expenditures.				13.1%	15.9%	12.2%	11.3%	12.2%	11.4%	11.5%

^{*} 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.

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

Ratio of Total Assessed Value to	Total Estimated Actual Value	5.32%	5.21%	5.12%	5.08%	5.05%	5.04%	4.80%	5.59%	5.58%	5.61%
	Estimated Actual Value	\$ 5,034,835,017	5,311,533,702	6,190,405,316	6,377,726,507	6,523,993,436	6,537,960,149	6,852,831,060	6,635,971,754	6,997,510,437	7,225,655,968
Total	Direct Tax Rate	152.70	156.50	151.50	158.50	164.50	170.50	172.30	169.60	179.00	188.40
Total Taxable	Assessed Value	\$ 267,996,812	276,520,572	317,043,492	324,090,789	329,723,970	329,247,369	329,069,701	370,770,426	390,797,543	405,027,342
Value	Personal Property	\$ 53,494,642	54,729,795	54,427,789	51,519,854	49,482,501	47,473,262	46,772,151	46,430,670	43,718,911	43,031,135
Assessed Value	Real Property	\$ 214,502,170	221,790,777	262,615,703	272,570,935	280,241,469	281,774,107	282,297,550	324,339,756	347,078,632	361,996,207
Fiscal Year	Ended June 30,	2000	2001	2002	2003	2004	2002	2006	2007	2008	2009

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

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

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

	Total Direct and Overlapping Rates	310.3	316.1	300.0	310.0	320.5	334.7	341.1	327.2	340.0	349.4
Overlapping Rates	York County (1	53.6	53.6	50.5	53.5	58.0	62.2	66.8	62.6	0.99	66.0
Over	City of Rock Hill (2)	104.0	106.0	98.0	0.86	0.86	1,02.0	102.0	95.0	95.0	95.0
	Rock Hill School District	152.7	156.5	151.5	158.5	164.5	170.5	172.3	169.6	179.0	188.4
	Tax Year	1999	2000	2001	2002	2,003	2004	2005	2006	2007	2008
	Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009

Source:

Note:

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 Overlapping rates are those of local and county governments that apply to property owners within Rock Hill School District Three. Not all of the Rock Hill School District's property owners whose property is located within the geographic boundaries of the special district).

⁽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.

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

			2009				2000	
Taxpayer		Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Bowater Incorporated	⇔	26,210,209	-	7.10%	€9	26,782,119	1	7.85%
Rock Hill Telephone		6,963,280	7	1.60%		4,988,530	Ω.	1.90%
Amisub of SC, Inc.		3,747,931	m	1.00%		ı		
Duke Energy Corporation		2,542,008	4	0.60%		1,793,740	5	0.68%
Tyco Electronics Corporation		1,853,600		0.50%		1		
Atotech USA, Inc.		1,822,515	9	%05.0		1		
York Electric Cooperative		1,744,890	7	0.40%		1,132,870	6	0.45%
Piedmont Medical Center		1,569,921	∞	0.40%		1,434,141	7	0.54%
JTL rock Hill, LLC		1,140,000	6	0.40%		i		
Transaxle Manufacturing		1,058,580	10	0.30%		į		
Hoechst Celanese Corporation		l.				7,654,480	2	2.04%
Inchem Corporation		1				1,506,250	9	0.57%
AMISUB Inc.		ı				1,826,502	4	0.69%
Rock Hill Zamias		,				1,340,449	∞	0.51%
Springs Industries		t		%00:0		1,097,990	10	0.41%
Total	S	48,652,934		12.80%	8	49,557,071		15.64%

Source: York County Auditor

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

to C	ns to Date Percentage	of Levy	93.09%	92.10%	94.04%	93.14%	92.91%	97.94%	96.57%	95.96%	96.55%	%6:36%
Total Collection	Percer	Amount	48,010,610	49,993,756	56,251,735	58,939,998	61,643,925	65,039,499	66,074,958	71,122,292	80,179,252	84,378,226
			€									
ollootions.	Conections in Subsequent	Years	1,201,759	881,751	1,084,129	1,271,067	1,422,918	1,386,664	1,134,885	1,054,494	ì	1
	⊒. ⊆		↔									
vithin the	Percentage	of Levy	%91.06	90.47%	92.23%	91.13%	%91.06	95.85%	94.91%	94.54%	96.55%	%65.96
Collected within the Fiscal Vear of the Levy	I ISCAL I CALO	Amount	46,808,851	49,112,005	55,167,606	57,668,931	60,221,007	63,652,835	64,940,073	70,067,798	80,179,252	84,378,226
			€9									
Taxes Levied	for the	Fiscal Year	51,572,905	54,283,284	59,817,985	63,280,933	66,349,748	66,408,876	68,424,744	74,113,224	83,040,915	87,358,630
Ę	ಶ -	田	↔									
Fiscal	Year Ended	June 30,	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009

Sources: Records maintained by Finance Department

Table 9

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

Fiscal Year	Govern	nmental Activities General Obligation Bonds	Percentage of Personal Income	Per apita
2000	\$	72,645,000	5.44%	\$ 441
2001		77,700,000	5.53%	469
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

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.

Table 10

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

Fiscal Year	General Bonded Debt Outstanding	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita ¹
2000	\$ 72,645,000	\$ 8,334,717	\$ 64,310,283	1.28%	391
2001	77,700,000	9,802,239	67,897,761	1.28%	410
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

Source: District Finance Records

See the Schedule of Demographic and Economic Statistics on Table 13 for personal income and population data.

Table 11

ROCK HILL SCHOOL DISTRICT THREE DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2009 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Direct:			
Rock Hill School District Three	\$ 157,525,000	100.00%	\$ 157,525,000
Total Direct	157,525,000		157,525,000
Overlapping:			
City of Rock Hill	9,385,000	100.00%	9,385,000
York County	63,233,665	100.00%	63,233,665
Total Overlapping	72,618,665		72,618,665
Total Direct and Overlapping	\$ 230,143,665		\$ 230,143,665

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 21,439,745	\$ 22,121,646	\$ 25,363,479	\$ 25,927,263	\$ 26,377,918	\$ 26,339,790	\$ 27,235,860	\$ 29,661,634	\$ 31,263,803	\$ 32,402,187
Total net debt applicable to limit	11,136,410	10,435,255	7,193,030	5,665,946	2,826,575	6,117,350	7,498,765	14,118,450	12,620,000	11,000,000
Legal debt margin	\$ 10,303,335	\$ 11,686,391	\$ 18,170,449	\$ 20,261,317	\$ 23,551,343	\$ 20,222,440	\$ 19,737,095	\$ 15,543,184	\$ 18,643,803	s 21,402,187
Total net debt applicable to limit as a percentage of debt limit	52%	47%	28%	22%	11%	23%	28%	48%	40%	34%
Legal debt margin calculation for fiscal year 2009										
Assessed value	\$ 405,027,342									
Debt limit (8 % of assessed value) Debt applicable to limit:	32,402,187									
Total bonded debt	157,525,000									
Less; Bond issuances										
approved by referendum Total net debt applicable to limit	146,525,000									
Legal debt margin	\$ 21,402,187									

Notes

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, 2009. 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:

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

-	Population		Personal Income	Per Persona	Per Capita Personal Income	School Enrollment	Unemployment Rate
	164,623	⇔	3,949,591	€	24,449	14,346	4.10%
	165,719		4,299,052		25,942	14,515	3.60%
	169,631		4,460,635		26,296	14,976	4.50%
	173,982		4,711,897		27,083	15,218	7.30%
	178,344		4,887,804		27,407	15,537	7.60%
	183,762		5,175,845		28,166	15,936	6.50%
	190,097		5,416,459		28,493	16,230	%06.9
	199,035		5,951,943		29,904	16,655	5.70%
	208,827		6,281,780		31,657	16,836	6.10%
	217,448		6,595,869		32,627	17,718	15.70%

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

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

	ge unty											
	Percentage of Total County Employment	1.18%	0.86%	0.82%	0.54%	0.77%	0.59%	0.57%	0.50%	0.49%	0.57%	5.71%
2008	Rank	-	2	33	&	4	\$	9	6	10	7	
	Employees	2,460	1,787	1,707	1,135	1,600	1,241	1,200	1,038	1,027	1,194	14,389
	Percentage of Total County Employment	1.14%	%66.0	0.85%	0.83%	0.68%	0.56%	0.55%	0.48%	0.42%	0.39%	6.89%
2009	Rank	1	2	m	4	S	9	7	∞.	6	10	
	Employees	2,475	2,154	1,850	1,800	1,480	1,226	1,200	1,035	912	853	14,985
	Employer	Rock Hill School District Three	Wells Fargo Home Mortgage	Citi Financial	Ross Distribution	Piedmont Medical Center	Fort Mill School District	Duke Power Catawba Nuclear Station	Comporium Communications	Abitibi Bowater, Inc.	Winthrop University	

Source: York County Economic Development

Note: These figures represent top county employers. Information for 2000 is not readily available. We have included 2008 for comparative purposes.

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

	2000 2001	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function										
Governmental activities										
Instruction	1,138	1,153	1,211	1,222	1,280	1,320	1,387	1,492	1,664	1,660
Support services	450	471	406	400	408	497	548	268	610	614
Community services	2	2	2	2	2	2	2	2	m	ς,
Business-type activities										
Food services	104	116	146	148	120	117	128	124	183	184
Total	1,694	1,742	1,765	1,772	1,810	1,936	2,065	2,186	2,460	2,461

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

Fiscal	Expenses	Enrollment	Cost per Pupil	t per pil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Percentage	Percentage of Students Receiving Free or Reduced Meals *
2000	\$ 82,762,678	14,346	⇔	5,769	11.1%	616	15	%9.96	1
2001	90,310,189	14,515		6,222	7.8%	972	15	96.4%	•
2002	94,323,755	14,976		86798	1.2%	1,009	15	%5'96	
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	%1.96	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	%6.96	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%

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)

Fiscal Year	Iinimum alary (1)	Iaximum alary (1)	A	District Average alary (2)	1	tatewide Average alary (2)
2000	\$ 25,704	\$ 56,344	\$	38,135	\$	36,081
2001	27,315	59,922		39,927		37,938
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

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

0007	7007	7007	5007	1007	2007		2	0007	7007
58.797	58.797	58.797	58.797	58.797	58.797	58.797	58.797	58.797	58.797
			100	,		009	009	009	009
514	227	534	/06	110	264	/66	7/5	787	004
47,162	47,162	47,162	47,162	47,162	47,162	47,162	47,162	47,162	47,162
349	314	346	360	317	351	353	360	354 354	317
58,271	58,271	58,271	58,271	58,271	58,271	58,271	58,271	58,271	58,271
585	591	595	461	483	443	500 496	500 509	500 490	500 533
55,837	55,837	55,837	55,837	55,837	55,837	55,837	55,837	55,837	55,837
531	554	585	425	436	433	560 458	560 481	260 552	560 495
58,485	58,485	58,485	58,485	58,485	58,485	58,485	58,485	58,485	58,485
524	520	552	508	486	501	540 494	540 531	540 484	540 501
,	1	•	•		1	1		74,979	74,979
						,	1	009	909
i	ı	Ē	1	ı	1	1	1	446	909
44,264	44,264	44,264	44,264	44,264	44,264	48,836	48,836	48,836	48,836
434	397	406	484	520	527	519	520 511	520 512	520 490
58,782	58,782	58,782	58,782	58,782	58,782	61,854	61,854	61,854	61,854
504	498	489	517	522	545	560 565	560 602	560 554	560 501
,	1	,	1	,	i	1		,	74,979
						r	t	1	009
									000

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

Table 18

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Elementary Schools, continued Northside (1951)		,								
Square feet Canacity (students)	50,951	50,951	50,951	50,951	50,951	50,951	51,719	51,719	51,719 480	51,719
Enrollment	342	332	306	388	406	428	445	485	484	353
Oakdale (1949) Square feet	59,045	59,045	59,045	59,045	59,045	59,045	60,581	60,581	60,581	60,581
Capacity (students) Enrollment	591	638	929	559	548	591	540 610	540 615	540	540 476
Old Pointe (2002) Square feet	,	,	ı	75.975	75,975	78.975	91.215	91.215	91.215	91.215
Capacity (students) Enrollment	,	ř	ı	, 525	965	584	, 600 596	, 600 687	009 690	600
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) Enrollment	519	510	552	. 207	519	505	520 519	520	520 524	520 524
Rosewood (1960) Square feet	57,493	57,493	57,493	57,493	57,493	57,493	56,011	56,011	56,011	56,011
Capacity (students) Enrollment	611	633	899	572	551	586	600 620	600 707	989 286	600 604
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) Enrollment	443	401	362	296	294	303	560 323	560 293	560 264	560 444
Sylvia Circle (1950) Square feet	47,369	47,369	47,369	48,453	48,453	48,453	48,453	48,453	48,453	48,453
Capacity (students) Enrollment	241	212	213	238	262	265	400 286	400 256	400 304	389
York Road (1971) Square feet	856,65	59,958	856,65	856,65	856,65	60,708	60,726	60,726	60,726	60,726
Capacity (students) Enrollment	544	571	573	527	511	528	520 484	520 511	520 474	520 489

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Middle Schools Castle Heights (1957)										
Square feet Capacity (students)	106,636	106,636	106,636	106,636	160,151	160,151	160,151	160,151	160,151	160,151
Enrollment	902	884	852	998	688	936	921	900	871	788
Dutchman Creek (2008)	,	ı	1							120 161
Capacity (students)					•	1	H). •	. ,	, ,	1,100
Enrollment	1	1	ı	1	1	ı	ı	1	•	875
Rawlinson Road (1972)	00 101	00 101	00 101	00 101	101	9	120 421	100,001	100 001	.07
Square foct Capacity (students)	22,101	22,101	22,101	101,27	101,88	99,101	179,471 975	1,150	139,401 1,150	1,150
Enrollment	953	905	912	957	1,003	1,050	1,070	1,077	1,075	704
Saluda Trail (1999)		;			;		;			
Square feet Canacity (students)	161,419	161,419	161,419	161,419	161,419	161,419	161,419	161,419	161,419	161,419
Enrollment	743	882	867	872	899	873	846	868	907	1,000 866
Sullivan (1959) Sangre feet	147 070	147 070	147 070	150 790	150 790	150 700	150 700	150 700	150 700	002.031
Capacity (students)			,		,		1,300	1,300	1,300	1,300
Enrollment	1,017	1,036	1,045	1,097	1,071	1,111	1,063	1,060	975	751
High Schools Northwestern (1971)										
Square feet Capacity (students)	280,955	280,955	282,575	282,575	282,575	282,575	282,575	282,575	282,575	282,575
Enrollment	2,080	2,104	2,305	2,340	2,404	2,443	2,089	1,844	1,701	1,791
Rock Hill (1977) Square feet	286,640	286,640	288,260	288,260	288,260	288,260	288.260	288.260	288.260	288.260
Capacity (students) Enrollment	1,920	1.978	2,138	2.211	2.310	2.370	2,075	2,075	2,075	2,075
South Pointe (2005)									Î	
Square feet	•	•				1	364,448	364,448	364,448	364,448
Capacity (students) Enrollment	1	•	1	ı	•	ş	1,800 744	1,800	1,800	1,800

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, 2009

LEA Subfund	Ed. I.C. a. De Theodo Controlleron Title	Federal CFDA Number	Pass -Thru Grantor's Number	Total Expenditures
Code	Federal Grantor/Pass-Through Grantor/Program Title	Number	Number	Expenditures
	U.S. DEPARTMENT OF EDUCATION			
201	Passed through S.C. Department of Education: Title I	84,010	09BA091	\$ 3,575,532
		84.027	09CA091	
203	Handicapped - P.L. 94-142			3,754,378
205	Preschool Handicapped	84.173	09CG091	89,675
207	Occupational Education - subprogram 03	84.048	09VA091	5,000
207	Occupational Education - subprogram 04	84.048	09VA091	9,990
207	Occupational Education - subprogram 06	84.048	09VA091	31,929
207	Occupational Education - subprogram 09	84.048	09VA091	192,390
207	Occupational Education - subprogram 10	84.048	09VA091	9,329
207	Occupational Education - subprogram 15	84.048	09VA091	6,098
	Total 207	84.048	09VA091	254,736
209	Drug Free Schools	84.186	09FQ091	62,498
221	Title I N & D - subprogram 00	84.010A	09ND091	29,490
230	WIA Summer Program-Rock Hill High-subprogram 01	17.259	09SW091	10,382
237	Title I School Improvement - subprogram 00	84.010A	08BJ091	4,044
237	Title I School Improvement subprogram 03	84.010A	08BJ091	920
237	Title I School Improvement - subprogram 00	84.010A	09BJ091	25,294
	Total 237			30,258
241	Title V - Part A - subprogram 00	84.298	08BB091	24,731
243	Adult Education - subprogram 00	84.002	09EA091	102,842
264	Language Instruction Title III	84.365A	09BP091	85,464
267	Improving Teacher Quality	84.367A	09TQ091	709,169
822	Extended School Year	84.027	09CE091	20,232
	Total U.S. Department of Education			8,749,387
	U.S. DEPARTMENT OF AGRICULTURE			
600	Passed through S.C. Department of Education:	10.553	N/A	925,598
600	School Breakfast Program - cash assistance School Lunch Program:	10.555	N/A	923,396
600	Cash assistance	10,555	N/A	3,332,179
600	Non-cash assistance (commodities)	10.555	N/A	469,965
	Total Child Nutrition Cluster			4,727,742
	Total U.S. Department of Agriculture			4,727,742
	U.S. DEPARTMENT OF DEFENSE			
295	ROTC	***	N/A	228,791
	Total U.S. Department of Defense			228,791
	Total Federal Awards			\$ 13,705,920

Footnotes:

The accounting policies of the School District conform to accounting principles generally accepted in the United States of America applicable to governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the more significant policies can be found in the notes to the financial statements of the School District's basic financial statements for the year ended June 30, 2009. 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 10.550, 10.553 and 10.555, which are reported under the full accrual basis of accounting as applicable to enterprise funds.



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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, 2009, and have issued our report thereon dated November 17, 2009. 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.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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 report 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 those specified parties.

Columbia, South Carolina

Ellioth Pairs, LLC

November 17, 2009



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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, 2009. 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, 2009.

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.

A control deficiency in an entity's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

This report 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 those specified parties.

Columbia, South Carolina

Elliate Jairs, LLC

ROCK HILL SCHOOL DISTRICT THREE SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

- A) An unqualified opinion has been issued on the basic financial statements of Rock Hill School District Three for the year ended June 30, 2009.
- B) No deficiencies in internal control were disclosed by the audit of the financial statements.
- C) The audit disclosed no instances of noncompliance which are material to the basic financial statements.
- D) No deficiencies in internal control over major programs were identified.
- E) The report on compliance for major programs expressed an unqualified opinion.
- F) All findings for which the auditor is required to report are noted herein.
- G) For the year ended June 30, 2009, the following program was considered to be a major program: Individuals with Disabilities Education Act (IDEA), CFDA 84.173.
- H) For purposes of determining major programs, a \$411,178 threshold of expenditures was used.
- I) The School District was determined to be a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reported in the current fiscal year, and there were no matters reported in the prior year.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reported in the current fiscal year, and there were no matters reported in the prior year.