ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

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ROCK HILL, SOUTH CAROLINA

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ROCK HILL SCHOOL DISTRICT THREE
ADMINISTRATIVE CHART
AS OF JUNE 30, 2025

Board of Trustees

Rock Hill School District Three ("District") is governed by a seven-member Board of Trustees elected at large by the registered voters in the District at the November general election in even-numbered years. Trustees are elected to serve staggered 4-year terms of office, which commence on the first board meeting in November following certification of election results.

Name	Occupation	Number of Years of Service
James Burns	General Manager	5
Melissa Harris	Executive Program Director	1
Dr. Montrio Belton	Attorney	1
Jennifer Hutchinson	Supply Chain Manager	1
Lacy Daniel	Teacher	1
Helena Miller (Chair)	Community Volunteer	11
Pete Nosal	Attorney	3

District Personnel

Name	Position
Dr. John Jones	Interim Superintendent
Dr. Keith Wilks	Assistant Superintendent of Support Services
Terri Smith	Assistant Superintendent of Business Services
Gina Jenkins	Assistant Superintendent of Human Resources for Certified Employees
Darren Wilson	Assistant Superintendent of Human Resources for Classified Employees
Dr. Kershena Dickey	Assistant Superintendent of Academics and Accountability
Brian Vaughan	Assistant Superintendent of Operations

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Rock Hill School District Three
Rock Hill, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, and each major fund of Rock Hill School District Three, South Carolina (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, which statements represent 100% of the assets and revenues of that unit as of June 30, 2025, and the respective changes in financial position for the year then ended. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards ("Government Auditing Standards")*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Award* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 21, 2025

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ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2025

INTRODUCTION

This discussion and analysis of Rock Hill School District Three's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025 ("2025" or "FY 2025") compared to the fiscal year ended June 30, 2024 ("2024" or "FY 2024"). The intent of this discussion and analysis is to look at the District's financial performance as a whole, with an emphasis on the Primary Government (which excludes the District's discretely presented charter school); readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately $51.9 million. Of this amount, approximately ($299.7) million was negative unrestricted net position. The deficit in unrestricted net position is a result of (a) pension accounting standards that were implemented in 2015 which resulted in the District recording a net pension liability and related deferred pension balances for its participation in the State retirement plans and (b) other postemployment benefit ("OPEB") accounting standards that were implemented in 2018 which resulted in the District recording a net OPEB liability and related deferred OPEB balances for its participation in the State OPEB plan. Without the net pension and net OPEB liabilities and related deferred balances of $395.2 million at June 30, 2025, the District would have total unrestricted net position of $95.5 million.
- The District's total net position increased by approximately $14.1 million compared to an increase of approximately $50.5 million in the prior year. This change in net position is primarily due to revenues exceeding expenditures.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately $156.3 million, an increase of approximately $2.9 million from the prior year, which is primarily due to strong operations in the Food Service Fund and Capital Projects Fund, as well as the issuance of short-term debt which was not fully spent as of June 30, 2025.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately $53.6 million, of which $52.5 million is unassigned, which is 23% of total General Fund expenditures.
- The fund balance for the General Fund increased by approximately $37,000, as revenues and net other financing sources of approximately $232.3 million exceeded expenditures of approximately $232.2 million.
- The District's total capital assets increased by approximately $5.6 million (2%) during the current fiscal year, as additions of approximately $25.2 million exceeded depreciation expense and net disposals of approximately $19.6 million.
- The District's total outstanding indebtedness decreased by approximately $10.7 million (8%) during the current fiscal year due to regularly scheduled principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. The financial statements include two kinds of statements, *the government-wide financial statements and the fund financial statements*, that present different views of the District. The government-wide statements are intended to give the reader both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements are intended to provide a more detailed look at specific financial activities.

Government-Wide Financial Statements

These statements provide a broad overview of the District's overall financial status, in a manner similar to a private-sector enterprise. These statements report information about the District as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements (Continued)

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, other non-financial factors, such as the District's property tax base and the condition and age of school buildings, as well as other physical assets, should be considered.

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

Both of the government-wide financial statements distinguish functions of the 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). All of the District's activities are reported in governmental activities in the government-wide financial statements (as the District does not have any business-type activities).

The government-wide financial statements include not only the District itself (known as the primary government), but also its discretely presented component unit, The Palmetto School ("Charter School"). Financial information for the Charter School is reported separately from the financial information presented for the primary government itself; this information is not material to the District as a whole. See Note I.A in the notes to the financial statements for details about how to obtain a copy of the Charter School's complete separately issued financial statements.

Fund Financial Statements

The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, and not the District as a whole. The fund financial statements report the District's operations in *more detail* than the government-wide statements, and focus on the District's most significant, or "major" funds. 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into one category: governmental funds.

Governmental Funds
Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the District's basic services are included within the governmental funds. The governmental funds generally focus on two things-how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund statements provide a more 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 District's programs.

However, the governmental fund statements do not encompass the additional long-term focus as that of the government-wide financial statements, and as a result additional information at the end of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the governmental fund statements and the government-wide statements. The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue – EIA Fund, Special Revenue – Food Service Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found as listed in the table of contents of this report.

Required Supplementary Information
The District adopts an annual appropriated budget only for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for this fund to demonstrate compliance with the budgets. Required pension plan schedules have been included which provide relevant information regarding the District's participation in the South Carolina Retirement System and the Police Officers Retirement System. Required OPEB plan schedules have been included which provide relevant information regarding the District's participation in the South Carolina Retiree Health Insurance Trust Fund. Required supplementary information can be found as listed in the table of contents.

Supplementary Information
In addition to the financial statements, notes, and required supplementary information, this report includes certain supplementary information. The combining and individual fund financial schedules and the location reconciliation schedule can be found as listed in the table of contents of this report.

Major Features of the District's Government-Wide and Fund Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements Governmental Funds
Scope	Entire District including the discretely presented component unit.	Entire District excluding the discretely presented component unit.
Required financial statements	▪ Statement of net position. ▪ Statement of activities.	▪ Balance sheet. ▪ Statement of revenues, expenditures, and changes in fund balances.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.
Type of balance sheet information	All balance sheet elements, both financial and capital, and short-term and long-term.	All balance sheet elements that come due during the year or shortly thereafter. No capital assets or long-term debt are included.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after year-end; expenditures when goods or services have been received and payment is due during or soon after year end.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately $51.9 million at the close of the most recent fiscal year.

The table below provides a summary of net position for the District's Primary Government as of June 30, 2025 compared to June 30, 2024:

Statements of Net Position

	Governmental Activities	
	June 30, 2025	June 30, 2024
Assets		
Current and Other Assets	$ 187,024,167	$ 188,241,068
Capital Assets, Net	314,396,484	308,837,101
Total Assets	501,420,651	497,078,169
Deferred Outflows of Resources	101,247,635	76,504,339
Liabilities		
Other Liabilities	24,242,158	23,456,721
Net Pension Liability	224,343,859	226,547,536
Net Other Postemployment Benefit Liability	190,803,946	154,076,451
Long-Term Liabilities	133,869,342	142,572,186
Total Liabilities	573,259,305	546,652,894
Deferred Inflows of Resources	81,300,037	92,909,295
Net Position		
Net Investment in Capital Assets	179,962,830	167,415,317
Restricted	67,798,668	65,322,213
Unrestricted	(299,652,554)	(298,717,211)
Total Net Position	$ (51,891,056)	$ (65,979,681)

The District's current and other assets at June 30, 2025 decreased by approximately $1.2 million from the prior year due to decreases in receivables, partially offset by an increase in cash and cash equivalents and cash and investments held by county treasurer. The District's capital assets at June 30, 2025 increased during the year by approximately $5.6 million due to additions of approximately $25.2 million exceeding depreciation expense of approximately $19.6 million. The District's total liabilities at June 30, 2025 increased by approximately $26.6 million from the prior year. This increase was primarily due to increases in other liabilities and the net OPEB liability, offset by decreases in the net pension liability and long-term liabilities (due to regularly scheduled principal payments).

The changes in the net pension liability, net OPEB liability, and deferred outflows/inflows of resources were primarily due to service costs, contributions, differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the District's share of the net pension and OPEB liabilities in the State plans.

The District's net position increased by approximately $14.1 million during the current fiscal year as revenues exceeded expenses. See the discussion following the next table regarding this increase.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The District's net investment in capital assets of approximately $180.0 million reflects its investment in capital assets (i.e., land, buildings, furniture and equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since the capital assets themselves cannot generally be used to liquidate these liabilities.

A portion of the District's net position (approximately $67.8 million) represents resources that are subject to external restrictions on how they may be used. These amounts are restricted primarily for debt service, capital projects, or by revenue source. The remaining portion of the District's net position is unrestricted net position and was a deficit of ($299.7) million.

The table below shows the changes in net position for the District's Primary Government for the current and prior fiscal year:

Statements of Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues		
Program Revenues:		
Charges for Services	$ 1,190,270	$ 954,743
Operating Grants	131,246,345	147,781,128
General Revenues:		
Taxes	110,424,768	109,575,366
State Revenue in Lieu of Taxes	45,789,243	43,842,957
Other	13,027,976	14,797,057
Total Revenues	301,678,602	316,951,251
Program Expenses		
Instruction	149,584,773	130,302,055
Supporting Services	133,469,852	131,101,629
Community Services	174,769	217,484
Interest and Other Charges	4,360,583	4,840,110
Total Program Expenses	287,589,977	266,461,278
Change in Net Position	14,088,625	50,489,973
Net Position, Beginning of Year	(65,979,681)	(116,469,654)
Net Position, End of Year	$ (51,891,056)	$ (65,979,681)

The District's governmental activities net position increased by approximately $14.1 million in 2025, compared to an increase of approximately $50.5 million in 2024. The increase in the current year was due to revenues of approximately $301.7 million exceeding expenses of approximately $287.6 million. In 2025, revenues decreased approximately $15.3 million from 2024, while expenses increased $21.1 million from 2024. Revenues decreased primarily due to a decrease in operating grants and other revenues, offset by higher tax and state revenue. The increase in expenses was largely due to an increase in instruction and support services related to salaries and fringe.

FUND ANALYSIS

Governmental Funds

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

For the year ended June 30, 2025, the District's governmental funds reported a combined fund balance of approximately $156.3 million, compared to approximately $153.4 million for the prior year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2025, the District's unassigned fund balance for all governmental funds was approximately $52.5 million, which solely represents the General Fund. The remaining fund balance is comprised of approximately $8.1 million restricted for debt service, approximately $46.7 million restricted for capital projects, approximately $5.9 million restricted for food service, approximately $2.0 million restricted for student/pupil activity programs, approximately $2.8 million assigned for special education programs, approximately $1.1 million assigned for use in the fiscal year 2026 budget, and approximately $37.2 million assigned for capital projects.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was approximately $53.6 million, of which approximately $52.5 million was unassigned.

The fund balance for the District's General Fund increased approximately $37,000, compared to an increase of approximately $10.9 million in the prior year. Revenues for the current year were approximately $215.7 million, increasing by approximately $9.2 million from the prior year. This increase is due primarily to an increase in property tax revenues (increase in assessed values) and state grants.

Expenditures for the current year were approximately $232.2 million, increasing by approximately $18.9 million from the prior year primarily due to higher wages, benefits, and operating costs. The unassigned fund balance of approximately $52.5 million at June 30, 2025 in the General Fund represents 23% of General Fund expenditures for 2025.

The District's Special Revenue Fund and Special Revenue – EIA Fund, are used to account for revenues derived from local, state, and federal sources for special education programs and student/pupil activity programs. Special Revenue funds generally do not have fund balances as revenues should be expended, unearned, or returned to the grantor. The District had net transfers out of $15.3 million primarily related to covering salaries paid out of the General Fund. The District's Special Revenue Fund has approximately $2.8 million assigned to special education programs and approximately $2.0 million restricted for student/pupil activity programs.

The Food Service Fund is utilized to account for the District's food service program. This Food Service Fund increased by approximately $1.5 million during 2025 to approximately $5.9 million at June 30, 2025, as revenues and other financing sources of approximately $11.0 million exceeded expenditures of approximately $9.5 million due to increases in both local and federal revenues.

The Debt Service Fund is used to account for the accumulation of funds for debt service. The District's debt millage rate remained at 52.0 mills. The District issued short-term debt in 2025 which provided approximately $20.5 million of proceeds – all of which was transferred to the Capital Projects Fund for capital improvements. The fund balance in the Debt Service Fund decreased approximately $0.7 million in 2025 to approximately $8.1 million, as expenditures and net other financing uses of approximately $36.8 million exceeded revenues of approximately $36.1 million. The entire fund balance is restricted for the future payment of debt service.

The Capital Projects Fund is utilized to account for the District's major capital project expenditures. The Capital Projects Fund increased by approximately $1.4 million during 2025 to approximately $84.0 million at June 30, 2025, as revenues and net other financing sources of approximately $26.8 million exceeded expenditures for various technology purchases and construction projects of approximately $25.4 million. Short-term debt proceeds of approximately $20.5 million were transferred from the Debt Service Fund to the Capital Projects Fund for future capital needs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's General Fund budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Board of Trustees adopted a budget that reflected total outflows of approximately $239.3 million. There were no budget amendments during the course of 2025; however, there were reclasses of budgeted revenues and expenditures with no net impact.

At the end of 2025, the General Fund had a positive total budget to actual variance of $7.5 million. Taxes revenue exceeded budget by approximately $4.6 million due to stronger than expected collections. Local revenue exceeded budget by approximately $2.7 million primarily due to an increase in investment earnings and conservative budgeting. State revenues were higher than budget by approximately $0.7 million primarily due to increases in various state grants and state revenue in lieu of taxes. Expenditures were less than budget by approximately $6.7 million primarily due to staffing vacancies and conservative budgeting. Net other financing sources were less than budget by approximately $7.2 million primarily due to the Capital Projects Fund only transferring $1.2 million to the General Fund compared to the $8.4 million originally budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the District had approximately $314.4 million invested in capital assets, net of depreciation. The table below shows capital asset balances (net of accumulated depreciation) as of June 30, 2025 compared to June 30, 2024:

Capital Assets, Net

	Governmental Activities	
	June 30, 2025	June 30, 2024
Land	$ 10,113,990	$ 10,121,667
Construction in Progress	19,980,170	7,190,226
Buildings and Improvements	251,995,959	256,200,024
Furniture and Equipment	32,306,365	35,325,184
Totals	$ 314,396,484	$ 308,837,101

The total increase in the District's capital assets balance for 2025 was approximately $5.6 million or 2% from the prior year's balances. Significant capital asset events during the current fiscal year included the following:

- Total capital asset additions of $25.2 million consisted primarily of:
  - Construction in progress totaling approximately $20.2 million which was primarily related to the construction of a new elementary school.
  - Purchases of furniture and equipment totaling approximately $5.1 million.
- Depreciation expense of approximately $19.6 million.
- Net disposals of approximately $0.1 million.

The District has outstanding commitments of approximately $44,074,000 at June 30, 2025 related to construction in progress and other capital asset related items.

For more information regarding the District's capital assets, see Note III.C in the notes to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

At year-end, the District had approximately $118.2 million in indebtedness (excluding bond premiums), compared to approximately $128.8 million in the prior year. The outstanding indebtedness of the District decreased approximately $10.7 million (8%) in the current year as shown in the following table. All of the District's bonded debt is backed by the full faith and credit of the District as is typical with general obligation bond indebtedness.

Outstanding Indebtedness

	Governmental Activities	
	June 30, 2025	June 30, 2024
Series 2014A GORB	$ -	$ 1,975,000
Series 2015A GORB	30,380,000	33,775,000
Series 2016C GORB	5,135,000	6,365,000
Series 2017B GOB	82,635,000	86,705,000
Total Outstanding Indebtedness	$ 118,150,000	$ 128,820,000

Key highlights related to the District's total indebtedness for 2025 are as follows:

- Principal payments of approximately $10.7 million were made on the outstanding debt.

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed 8% of the assessed value of all taxable property in the District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2025, the District's assessed property valuation was approximately $686.6 million. The District had no bonded debt subject to the 8% limit of approximately $54.9 million.

Other long-term obligations consist of bond premiums and accrued compensated absences. More detailed information about the District's debt and other long-term obligations is presented in III.D in the notes to the financial statements.

ECONOMIC FACTORS

Rock Hill School District Three is located in York County and serves the city of Rock Hill and surrounding communities. York County is in the northern Piedmont region of South Carolina and shares a common border with North Carolina. Rock Hill is the largest city in York County and is located less than 30 miles from Charlotte-Douglas International Airport, the 6th busiest airport in the world for aircraft movements and 23rd in the world for total passengers. Rock Hill was awarded the 2019 All-America City designation by the National Civic League.

Rock Hill is home to three higher education institutions: Winthrop University, York Technical College, and Clinton College. Winthrop University is ranked #5 in Top Public Schools, #8 in Best Colleges for Veterans, and #20 in Regional Universities South in the 2025 U.S. News & World Report edition of Best Colleges. York Technical College offers associate degrees, diplomas, and certificates in more than 100 areas of study, including business, engineering technology, health sciences, industrial technology, information technology, and public service, as well as university transfer and professional development programs. Clinton College offers bachelor's and associate degree programs in disciplines such as business administration, biology, religious studies, liberal arts, early childhood development, and natural sciences.

Rock Hill includes many global and national companies such as Atlas Copco, 3D Systems, and Coroplast. There are several major business and industrial parks in Rock Hill, including Knowledge Park, TechPark, SouthCross Corporate Center, Waterford Business Park, and Riverwalk Business Park.

2026 BUDGET

In June 2025, the Board of Trustees approved a General Fund budget of approximately $232.8 million in expenditures for the year ended June 30, 2026 ("2026"). This budget represents a 3% decrease from the final 2025 General Fund budget of $239.3 million and includes a planned use of fund balance of approximately $1.1 million. The 2026 General Fund budget includes a reduction of approximately $5.0 million in personnel expenditures, a 15% decrease in departmental budgets, and an employer health insurance premium increase of 4.6%.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Robert Barnes, Interim Chief Financial Officer, at Rock Hill School District Three, P.O. Drawer 10072, Rock Hill, South Carolina, 29731.

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Basic Financial Statements

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2025

	PRIMARY GOVERNMENT	COMPONENT UNIT
	Governmental Activities	Charter School
ASSETS		
Cash and Cash Equivalents	$ 98,777,030	$ 390,993
Cash and Investments Held by County Treasurer	76,129,342	-
Property Taxes Receivable, Net	8,232,527	-
Accounts Receivable	334,723	5,240
Due from State	588,083	-
Due from Federal	2,962,462	-
Capital Assets:		
Non-Depreciable	30,094,160	-
Depreciable, Net	284,302,324	-
TOTAL ASSETS	**501,420,651**	**396,233**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges	39,745,829	197,455
Deferred Other Postemployment Benefit Charges	61,501,806	229,806
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**101,247,635**	**427,261**
LIABILITIES		
Accounts Payable	6,346,244	833
Accrued Salaries, Fringe, and Benefits	14,547,632	31,321
Retainage Payable	621,098	-
Accrued Interest Payable	1,607,608	-
Due to Other Governments	83,267	-
Unearned Revenue	1,036,309	27,856
Non-Current Liabilities:		
Long-Term Obligations - Due Within One Year	10,399,133	-
Long-Term Obligations - Due in More than One Year	123,470,209	56,595
Net Pension Liability - Due in More than One Year	224,343,859	584,144
Net Other Postemployment Benefit Liability - Due in More than One Year	190,803,946	478,173
TOTAL LIABILITIES	**573,259,305**	**1,178,922**
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits	10,707,509	123,497
Deferred Other Postemployment Benefit Credits	70,592,528	309,604
TOTAL DEFERRED INFLOWS OF RESOURCES	**81,300,037**	**433,101**
NET POSITION		
Net Investment in Capital Assets	179,962,830	-
Restricted For:		
Debt Service	8,338,027	-
Capital Projects	51,545,224	-
Student/Pupil Activity Programs	1,999,188	-
Food Service	5,916,229	-
Unrestricted	(299,652,554)	(788,529)
TOTAL NET POSITION	**$ (51,891,056)**	**$ (788,529)**

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT:	Expenses	PROGRAM REVENUES Charges for Services	 Operating Grants and Contributions	 Capital Grants and Contributions	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION Primary Government Governmental Activities	 Component Unit Charter School
Governmental Activities:						
Instruction	$ 149,584,773	495,421	91,892,427	-	(57,196,925)	
Support Services	133,469,852	694,849	39,197,868	-	(93,577,135)	
Community Services	174,769	-	156,050	-	(18,719)	
Interest and Other Charges	4,360,583	-	-	-	(4,360,583)	
Total Governmental Activities	287,589,977	1,190,270	131,246,345	-	(155,153,362)	
TOTAL PRIMARY GOVERNMENT	**$ 287,589,977**	**1,190,270**	**131,246,345**	**-**	**(155,153,362)**	
COMPONENT UNIT						
Charter School	$ 821,322	-	951,549	-		$ 130,227
GENERAL REVENUES						
Property Taxes Levied for General Purposes					82,088,333	-
Property Taxes Levied for Debt Service					28,336,435	-
State Revenue in Lieu of Taxes					45,789,243	-
Investment Earnings					8,169,662	147
Insurance Proceeds					3,740,228	-
Miscellaneous Revenues - Not Restricted to Specific Programs					784,135	26,549
Gain on Disposal of Capital Assets					333,951	-
Total General Revenues					169,241,987	26,696
CHANGE IN NET POSITION					**14,088,625**	**156,923**
NET POSITION, Beginning of Year					(65,979,681)	(945,452)
NET POSITION, End of Year					**$ (51,891,056)**	**$ (788,529)**

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

		GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
ASSETS				
Cash and Cash Equivalents	$	98,777,030	-	-
Cash and Investments Held by County Treasurer		6,928,794	-	-
Receivables, Net:				
Taxes		6,353,668	-	-
Accounts		272,068	27,318	-
Due From:				
State		578,141	-	9,942
Federal		-	2,917,240	-
Other Funds		-	2,088,192	848,271
TOTAL ASSETS	**$**	**112,909,701**	**5,032,750**	**858,213**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	$	6,218,623	-	-
Accrued Salaries, Fringe, and Benefits		14,547,632	-	-
Retainage Payable		-	-	-
Due To:				
State Agencies		-	68,197	15,070
Other Funds		32,352,114	-	-
Unearned Revenue		-	193,166	843,143
TOTAL LIABILITIES		53,118,369	261,363	858,213
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes		6,230,889	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES		6,230,889	-	-
FUND BALANCES:				
Fund Balances				
Restricted For:				
Debt Service		-	-	-
Capital Projects		-	-	-
Student/Pupil Activity Programs		-	1,999,188	-
Food Service		-	-	-
Committed For:				
Assigned For:				
Appropriated for Use in FY 2026 Budget		1,064,303	-	-
Special Educational Programs		-	2,772,199	-
Capital Projects		-	-	-
Unassigned		52,496,140	-	-
TOTAL FUND BALANCES		53,560,443	4,771,387	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$**	**112,909,701**	**5,032,750**	**858,213**

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

SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS		TOTAL GOVERNMENTAL FUNDS
-	-	-	$	98,777,030
-	7,418,559	61,781,989		76,129,342
-	1,878,859	-		8,232,527
35,337	-	-		334,723
-	-	-		588,083
45,222	-	-		2,962,462
5,835,670	648,217	22,931,764		32,352,114
5,916,229	**9,945,635**	**84,713,753**	**$**	**219,376,281**
-	-	127,621	$	6,346,244
-	-	-		14,547,632
-	-	621,098		621,098
-	-	-		83,267
-	-	-		32,352,114
-	-	-		1,036,309
-	-	748,719		54,986,664
-	1,820,755	-		8,051,644
-	1,820,755	-		8,051,644
-	8,124,880	-		8,124,880
-	-	46,733,803		46,733,803
-	-	-		1,999,188
5,916,229	-	-		5,916,229
-	-	-		1,064,303
-	-	-		2,772,199
-	-	37,231,231		37,231,231
-	-	-		52,496,140
5,916,229	8,124,880	83,965,034		156,337,973
5,916,229	**9,945,635**	**84,713,753**	**$**	**219,376,281**

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		**$ 156,337,973**
Amounts reported for the governmental activities in the Statement of Net Position are different because:		
Outstanding property taxes and other inflows of resources which will be collected in the future, but are not available soon enough to pay for the current period's expenditures, are therefore unavailable in the funds.		8,051,644
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $550,345,228, and the accumulated depreciation is $235,948,744.		314,396,484
The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(195,305,539)
The District's proportionate shares of the net other postemployment benefit ("OPEB") liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(199,894,668)
Interest is recorded as an expenditure when due and payable in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end.		(1,607,608)
Long-term liabilities, including debt premiums, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:		
Long-Term Debt	(118,150,000)	
Debt Premiums, Net	(11,472,233)	
Compensated Absences	(4,247,109)	(133,869,342)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		**$ (51,891,056)**

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

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ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	$ 91,254,665	-	-
Investment Earnings	4,384,465	-	-
Other Local Sources	544,158	5,028,441	-
State Sources	119,548,104	1,596,770	19,233,334
Federal Sources	-	11,513,472	-
Intergovernmental Revenue	-	56,200	-
TOTAL REVENUES	**215,731,392**	**18,194,883**	**19,233,334**
EXPENDITURES			
Current:			
Instruction	124,827,109	9,205,682	3,198,086
Support Services	105,922,376	7,999,687	694,257
Community Services	134,137	40,632	-
Intergovernmental	957,605	180,219	102,000
Capital Outlay	373,187	71,082	26,325
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Other Charges	-	-	-
TOTAL EXPENDITURES	232,214,414	17,497,302	4,020,668
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(16,483,022)**	**697,581**	**15,212,666**
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	8,309	-	-
Premium on Issuance of Bonds	-	-	-
Insurance Proceeds	-	-	-
Transfers In	16,720,077	207,873	-
Transfers Out	(207,873)	(307,411)	(15,212,666)
TOTAL OTHER FINANCING SOURCES (USES)	16,520,513	(99,538)	(15,212,666)
NET CHANGES IN FUND BALANCES	**37,491**	**598,043**	**-**
FUND BALANCES, Beginning of Year	53,522,952	4,173,344	-
FUND BALANCES, End of Year	**$ 53,560,443**	**4,771,387**	**-**

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

SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	32,328,350	-	$ 123,583,015
-	394,462	3,390,735	8,169,662
1,143,373	2,087,179	648	8,803,799
-	1,349,308	-	141,727,516
9,838,738	-	-	21,352,210
-	-	-	56,200
10,982,111	**36,159,299**	**3,391,383**	**303,692,402**
-	-	-	137,230,877
8,822,204	-	4,087,890	127,526,414
-	-	-	174,769
-	-	-	1,239,824
691,610	-	21,303,973	22,466,177
-	10,670,000	-	10,670,000
-	5,743,713	-	5,743,713
-	60,853	-	60,853
9,513,814	16,474,566	25,391,863	305,112,627
1,468,297	**19,684,733**	**(22,000,480)**	**(1,420,225)**
5,645	-	406,365	420,319
-	149,765	-	149,765
-	-	3,740,228	3,740,228
-	-	20,495,375	37,423,325
-	(20,495,375)	(1,200,000)	(37,423,325)
5,645	(20,345,610)	23,441,968	4,310,312
1,473,942	**(660,877)**	**1,441,488**	**2,890,087**
4,442,287	8,785,757	82,523,546	153,447,886
5,916,229	**8,124,880**	**83,965,034**	**$ 156,337,973**

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**2,890,087**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenues and other inflows of resources in the Statement of Activities that do not provide current financial resources are not reported in the funds. They are reported in the Statement of Activities.		(5,057,092)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		10,670,000
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. This is the change in accrued interest in the current year.		164,667
Debt premiums are recorded in the year they are received in governmental funds, but are amortized over the lives of the debt in the Statement of Activities. This amount is the amortization of the premiums in the current year.		1,129,551
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(3,096,707)
Changes in the District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the State retirement plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		3,753,805
Changes in the District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for its participation in the State OPEB Plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(1,925,069)
In the Statement of Activities the gain (loss) on the disposal of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.		(86,368)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over there estimated useful lives as depreciation expense. This is the amount by which capital asset additions of $25,244,083 exceeded depreciation expense of $19,598,332 in the current year.		5,645,751
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**14,088,625**

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

Rock Hill School District Three, South Carolina (the "District"), established in 1953, is governed by a seven member Board of Trustees ("Board") which has oversight responsibility over public school education in the District. The District provides regular and exceptional education for students from kindergarten through grade twelve. The District receives funding from local, state, and federal government sources and must comply with the related requirements of these funding sources.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

As required by GAAP, the financial statements must present the District's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the District both appoints a voting majority of the entity's governing body, and either 1) the District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the District.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the District having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the District; and (c) issue bonded debt without approval by the District. An entity has a financial benefit or burden relationship with the District if, for example, any one of the following conditions exists: (a) the District is legally entitled to or can otherwise access the entity's resources, (b) the District is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the District is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the District's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the District. Based on the criteria above, the District does not have any blended component units; it has one discretely presented component unit, as described below.

Discretely presented component unit – The Palmetto School ("Charter School") is a public charter school, based on the guidelines of South Carolina Charter Schools Act of 1996. The Charter School exclusively serves the District and the Charter School leadership terms remain under the jurisdiction of the District's Board and the District's Superintendent. Complete separately issued financial statements may be obtained from the administrative offices of the Palmetto School, 1234 Flint Street Ext., Rock Hill, South Carolina 29730.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Governmental activities are supported by program revenues, taxes, and intergovernmental revenues, and are reported separately from the legally separate *component units* (Charter School) for which the District is financially accountable. The District does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. 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 District.

The ***government-wide financial statements*** are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). 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.

Governmental ***fund financial statements*** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District does not have any non-major funds.

The District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following fund types and funds are used by the District.

Governmental Fund Types are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the District's governmental funds:

The ***General Fund, a major fund*** and a budgeted fund, is the general operating fund of the District and accounts for all revenues and expenditures of the District except those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District has the following major Special Revenue Funds:

i) ***The Special Revenue Fund, a major fund*** and an unbudgeted fund, is used to account for financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for special educational programs or student/pupil activity programs.

ii) ***The Special Revenue - Education Improvement Act ("EIA") Fund, a major fund*** and an unbudgeted fund, is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by the EIA.

iii) ***The Special Revenue - Food Service Fund, a major fund*** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received (a) from breakfast, lunch, and other food sales and (b) from the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

The ***Debt Service Fund, a major fund*** and an unbudgeted fund, is used to account for the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest and related costs for the District.

The ***Capital Projects Fund, a major fund*** and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the South Carolina Local Government Investment Pool are reported as investments.

Investments

The District's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the District to invest in the following:

(a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

(b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(d) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Savings and Loan Insurance Corporation.

(e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(f) Repurchase agreements when collateralized by securities as set forth in this section.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments

Investments (Continued)

(g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net position value of one dollar a share and to that end, value its assets by the amortized cost method.

The District's cash investment objectives are preservation of capital, liquidity and yield. The District reports its cash and investments at fair value which is normally determined by quoted market prices.

The District currently or in the past year has used the following investments:

- Cash and Investments held by the York County Treasurer which are property taxes collected and other funds received by the District's fiscal agent that have not been remitted to the District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.

- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", and GASB Statement No. 72 "*Fair Value Measurement and Application",* investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." These amounts are eliminated in the Statement of Net Position. All accounts and property taxes receivable are shown net of an allowance for uncollectible amounts.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

3. Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as an expense / expenditure at the time of purchase using the purchase method, rather than the consumption method (shown as an expenditure when consumed). For the government-wide statements, these prepaid items are also accounted for using the purchase method as they are not considered material.

Under the system for accounting for inventories, materials and supplies are charged to expenditures when purchased rather than when consumed, rather than the consumption method (shown as an expenditure when consumed). For the government-wide statements, these inventory items are also accounted for using the purchase method as they are not considered material.

4. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value (as estimated by the District) at the date of donation. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and gains or losses, if any, are reflected in revenue or expenditures/expenses for the year. The District maintains an individual capitalization threshold of $100,000 for assets with lives of 15 years or more and $5,000 for all other capital assets. The District maintains a group purchase threshold of $750,000. Improvements that meet these criteria are capitalized. The District does not own any significant infrastructure. 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.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Category	Governmental Activities
Buildings	40 years
Building and Site Improvements	15 - 20 years
Furniture and Vehicles	10 years
Equipment	5 - 12 years

5. Compensated Absences

The District reports compensated absences in accordance with GASB Statement No. 101 "*Compensated Absences*." The entire compensated absence liability and expense is reported on the government-wide financial statements. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements. The 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. Sick leave can be accrued up to 90 days and is to be used for valid illness.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

5. Compensated Absences (Continued)

Accumulated vacation days and sick leave are accrued based on each employees current pay rate and expected usage. The District estimates what will be paid out related to its compensated absences liability based on a last-in first-out basis. The District reflects changes to its compensated absences liability each year on a net basis on its long-term obligation rollforward.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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, compensated absences, contractually required pension contributions and special termination benefits 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. Debt 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.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Debt premiums and discounts (if any) are amortized over the life of the debt using the straight-line method, which approximates the effective interest method, if material. Debt payables are reported net of the applicable debt premiums or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the governmental fund financial statements, governmental funds recognize debt premiums, discounts, and debt issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has two types of deferred outflows of resources: (1) The District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The District reports *deferred other postemployment benefits ("OPEB") charges* in in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has three types of deferred inflows of resources: (1) The District reports *unavailable revenue* for property taxes, insurance proceeds, and other receivables only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources in the period the amounts become available. (2) The District also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) The District reports *deferred OPEB credits* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

8. Fund Balance

In accordance with GAAP, the District classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaids, inventories, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (the Board) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the District consist of amounts approved by a majority vote of the Board (a) in the annual budget or (b) in subsequent requests made throughout the year.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. At this time, the Board has not formally granted the right to make assignments of fund balance for the District to anyone other than itself.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8. Fund Balance (Continued)

The District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

9. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets 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. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

10. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A and Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The District recognizes net pension and net OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the District's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

11. Fair Value

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

11. Fair Value (Continued)

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

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

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The District believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

12. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

13. 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. Those estimates and assumptions affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

14. Comparative Data

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Accounting

State statutes require a budget for operations to be approved before expenditures are incurred. The Board will usually approve the operating budget in June for the fiscal year beginning July 1. A budget is adopted by July 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 funds. 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 state appropriation). In addition, no budgets are prepared for the Debt Service Fund and Capital Projects Fund.

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 appropriation. The amounts reported as the final budgeted amounts in the budgetary schedules reflect the amounts in the final amended budget (if any) approved for the current year. 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 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 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:

a. In the winter, the District sets it budget calendar for the preparation of the budget for the next succeeding fiscal year.

b. The Finance Department develops each school's allocation based on an enrollment projection. Each principal uses this allocation to develop the individual school budgets.

c. The District's Cabinet members consisting of the superintendent, chiefs, and executive directors, review the requests and prioritize budget request and present a proposed budget to the Board.

d. After review and preliminary approval by the Board, the proposed budget is presented at a public hearing. Following the public hearing, the Board adopts the budget.

The budget amounts in the required supplementary information are as amended (if applicable) and approved by the Board. All appropriations lapse at the end of the fiscal year.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025, none of the District's bank balances of approximately $9,881,000 (with a carrying value of approximately $1,150,000 due to outstanding checks) were exposed to custodial credit risk.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

As of June 30, 2025, the District had the following investments:

Investment Type	Fair Value Level (1)	Credit Rating	Fair Value	Weighted Average Maturity Less than One Year
State Local Government Investment Pool	N/A	Unrated	$ 97,626,906	$ 97,626,906
Cash and Investments Held by County Treasurer *	N/A	Unrated	76,129,342	76,129,342
Total			$ 173,756,248	$ 173,756,248

* The County Treasurer invests the monies it holds in trust for governmental entities primarily in separate accounts with the Pool. For weighted average maturity ("WAM") purposes, we have included the WAM of the Pool.

(1) See Note I.C.11 for details of the District's fair value hierarchy.

N/A - Not Applicable

Interest Rate Risk: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. However, the District primarily uses the South Carolina Local Government Investment Pool or the County Treasurer (York County) for its investments. The balances invested in these pools are subject to withdrawals on a daily basis.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025, none of the District's investments were exposed to custodial credit risk.

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

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

B. Property Taxes Receivable, Other Receivables, and Unavailable/Unearned Revenues

York County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet funding obligations for the District. This obligation is established each year by the Board and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Property Taxes Receivable, Other Receivables, and Unavailable/Unearned Revenues (Continued)

Real Property taxes are levied on October 1 on the assessed valuations of property listed as of the preceding December 31 for all real and business personal property located in the District, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 15 of the following year, and property taxes attach as an enforceable lien if not paid by March 16 of the following year. Penalties are added to taxes depending on the date paid as follows:

January 16-February 1	3% of tax
February 2-March 15	10% of tax
After March 15	15% of tax plus collection costs

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and are due by the end of the month.

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.

For the year ended June 30, 2025, millage for property taxes was set at 193.2 mills (no change from the prior year) to cover the District's general operations. The millage to cover the District's scheduled debt service requirements was set at 52.0 mills (no change from the prior year). In addition, the District receives a prorated share, based on pupil attendance, of the County-wide 30 mill levy for school operations that is divided between the four school districts within the County, and an additional County-wide special 1 mill levy for school operation for the school district having the lowest assessed valuation in the County, which is York School District One. The District's assessed value of real and personal property was approximately $686.6 million.

Receivables for property taxes are reported net of the allowance for uncollectible accounts. Taxes receivable of approximately $6,354,000 in the General Fund and approximately $1,879,000 in the Debt Service Fund are reported net of an allowance for uncollectible amounts of approximately $506,000 and $155,000, respectively. For the year ended June 30, 2025, the District had other accounts receivable of approximately $335,000, of which all amounts were considered collectible.

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 (unavailable revenues). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenues).

At June 30, 2025, unavailable revenue related to property taxes reported in the governmental funds totaled approximately $6,231,000 and $1,821,000 in the General Fund and Debt Service Fund, respectively. Unearned revenues in the special revenue funds totaled approximately $1,036,000 at June 30, 2025.

Intergovernmental receivables at June 30, 2025 consisted of intergovernmental grants and reimbursements. All intergovernmental receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables at June 30, 2025 was as follows:

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Property Taxes Receivable, Other Receivables, and Unavailable/Unearned Revenues (Continued)

Due from Federal Government:	
Special Revenue Fund	$ 2,917,240
Special Revenue - Food Service Fund	45,222
Total Due from Federal Government	2,962,462
Due from State Agencies:	
General Fund	578,141
Special Revenue - Education Improvement Act Fund	9,942
Total Due from State Agencies	588,083
Total Intergovernmental Receivables	$ 3,550,545

C. Capital Assets

Capital asset activity for the District for the year ended June 30, 2025, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 10,121,667	-	(7,677)	-	$ 10,113,990
Construction in Progress	7,190,226	20,175,376	-	(7,385,432)	19,980,170
Total Capital Assets, Non-Depreciable	17,311,893	20,175,376	(7,677)	(7,385,432)	30,094,160
Capital Assets, Being Depreciated:					
Buildings and Improvements	450,694,524	33,093	-	7,385,432	458,113,049
Furniture and Equipment	57,495,345	5,035,614	(392,940)	-	62,138,019
Total Capital Assets Depreciable	508,189,869	5,068,707	(392,940)	7,385,432	520,251,068
Less: Accumulated Depreciation For:					
Buildings and Improvements	194,494,500	11,622,590	-	-	206,117,090
Furniture and Equipment	22,170,161	7,975,742	(314,249)	-	29,831,654
Total Accumulated Depreciation	216,664,661	19,598,332	(314,249)	-	235,948,744
Total Capital Assets, Depreciable, Net	291,525,208	(14,529,625)	(78,691)	7,385,432	284,302,324
Governmental Activities Capital Assets, Net	$308,837,101	5,645,751	(86,368)	-	$314,396,484

Capital asset additions and depreciation expense were charged to functions/programs of the District as follows:

	Capital Asset Additions	Depreciation Expense
Instruction	$ -	$ 10,157,519
Support Services	25,244,083	9,440,813
Total	$ 25,244,083	$ 19,598,332

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

The District has outstanding commitments related to construction totaling approximately $44,074,000 at June 30, 2025.

D. Long-Term Obligations

The District issues bonds to provide funds for the acquisition and construction of major capital facilities for its governmental activities. General obligation bonds ("GOB") and general obligation refunding bonds ("GORB") are direct obligations and pledge the full faith and credit of the District and are subject to the 8% debt limit requirement if not issued under a bond referendum. The District's outstanding GOB and GORB are publicly traded debt.

A summary of changes in long-term obligations for the year ended June 30, 2025 is as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds (Publicly Traded):					
Series 2014A GOB *	$ 1,975,000	-	1,975,000	-	$ -
Series 2015A GORB *	33,775,000	-	3,395,000	30,380,000	4,015,000
Series 2016C GORB *	6,365,000	-	1,230,000	5,135,000	1,345,000
Series 2017B GOB *	86,705,000	-	4,070,000	82,635,000	3,765,000
Total Bonds	128,820,000	-	10,670,000	118,150,000	9,125,000
Unamortized Bond Premiums	12,601,784	-	1,129,551	11,472,233	-
Net Debt	141,421,784	-	11,799,551	129,622,233	9,125,000
Compensated Absences	1,150,402	3,096,707	-	4,247,109	1,274,133
Total Governmental Activities	$ 142,572,186	3,096,707	11,799,551	133,869,342	$ 10,399,133

* This debt issue is not subject to the District's 8% debt limit.

Compensated absences are paid from the fund where the employee's salary is paid. General obligation debt is paid from the Debt Service Fund.

Long-term debt consists of the following at June 30, 2025:

Date/Description of Issue	Interest Rate	Payment Dates	Maturity	Original Issue Amount	Outstanding Balance
March 12, 2015 - Series 2015A	3.00 - 5.00%	Mar./Sept.	2032	$ 53,810,000	$ 30,380,000
September 29, 2016 - Series 2016C	2.00-5.00%	Mar./Sept.	2029	11,665,000	5,135,000
July 13, 2017 - Series 2017B	5.00%	Mar./Sept.	2037	110,000,000	82,635,000
Total Long-Term Debt				$ 175,475,000	$ 118,150,000

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

The following table represents debt service requirements on all outstanding long-term indebtedness through maturity for the District as of June 30, 2025:

Year Ended June 30,	Publicly Traded Principal	Interest	Total
2026	$ 9,125,000	4,822,825	$ 13,947,825
2027	9,505,000	4,406,725	13,911,725
2028	9,890,000	4,056,475	13,946,475
2029	10,330,000	3,640,600	13,970,600
2030	10,780,000	3,177,900	13,957,900
2031-2035	49,805,000	9,866,690	59,671,690
2036-2037	18,715,000	1,130,400	19,845,400
Totals	$ 118,150,000	31,101,615	$ 149,251,615

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, 2025, there were no amounts outstanding for arbitrage rebates.

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 District voting in a referendum will not be considered in the computation of the 8% limitation. The District currently has no outstanding bonded indebtedness that is subject to the 8% debt limit of approximately $54,931,000 at June 30, 2025.

E. Short-Term Obligations

The following is a summary of the changes in the District's short-term obligations for the year ended June 30, 2025:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
Series 2024B GOB	$ -	20,404,000	20,404,000	$ -
Total Governmental Activities	$ -	20,404,000	20,404,000	$ -

The District issued a short-term Series 2024B General Obligation Bond ("Series 2024B GOB") in September 2024 for approximately $20,404,000 with an interest rate of 5.00%. The Series 2024B GOB was issued to fund capital needs. The bond plus interest of approximately $431,000 was repaid in February 2025.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Interfund Receivables/Payables

All normal cash activities are recorded in the General Fund, and as a result, receivable and payables exist at year end that are either due to or due from the General Fund in the other funds. Various differences include Special Revenue payments not received from the State Department of Education until after the fiscal year ended, fringe amounts paid by the General Fund for the Food Service Fund, taxes receivable for Debt Service Fund, and building project costs.

Interfund receivables and payables at June 30, 2025 (all of which are expected to be repaid within one year) are summarized as follows:

	Receivables	Payables
Governmental Funds:		
General Fund	$ -	$ 32,352,114
Special Revenue Fund	2,088,192	-
Special Revenue - EIA Fund	848,271	-
Special Revenue - Food Service Fund	5,835,670	-
Debt Service Fund	648,217	-
Capital Projects Fund	22,931,764	-
Totals	$ 32,352,114	$ 32,352,114

G. Transfers In/Out

Transfers are routinely made for indirect charges between the Special Revenue Fund and the General Fund. The transfer from the EIA fund to the General Fund was to cover the teacher salary supplement and teacher fringe supplement allocations paid out of the General Fund. The transfer between the General Fund and the Special Revenue - Food Service Fund was to cover additional salary fringe benefits. Funds were transferred from the Debt Service Fund to the Capital Projects Fund for the short-term bond proceeds that will be used for ongoing capital projects. The transfer from the Capital Projects Fund to the General Fund was to cover the expected increase in General Fund expenditures.

Transfers between funds for the year ended June 30, 2025, consisted of the following:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ 16,720,077	$ 207,873
Special Revenue Fund	207,873	307,411
Special Revenue - EIA Fund	-	15,212,666
Debt Service Fund	-	20,495,375
Capital Projects Fund	20,495,375	1,200,000
Totals	$ 37,423,325	$ 37,423,325

IV. OTHER INFORMATION

A. Retirement Plans

The District participates in the State of South Carolina's retirement plans. The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefits programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' ("Systems") five defined benefit pension plans. PEBA has an 11-member Board of Directors ("PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

Plan Description

The South Carolina Retirement System ("SCRS"), a cost–sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

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

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

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Membership

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

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

- State ORP – As an alternative to membership in the SCRS, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the SCRS.

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

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

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

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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

- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

  The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, the SCRS and PORS ("Plans") contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for the SCRS and 9.75 percent for the PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both the SCRS and PORS until reaching 18.56 percent for the SCRS and 21.24 percent for the PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified the statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the Plans. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the Plans are at least 85 percent funded.

As noted earlier, both employees and the District are required to contribute to the Plans at rates established and as amended by the PEBA. The District's contributions are actuarially determined but are communicated to and paid by the District as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past year are as follows:

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

	SCRS and State ORP Rates	PORS Rates
	2025	2025
Employer Contribution Rate: ^		
Retirement*	18.41%	20.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
	18.56%	21.24%
Employee Contribution Rate ^	9.00%	9.75%

^ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.
* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The actual and required contributions to the SCRS, ORP, and PORS were approximately $23,294,000, $2,753,000, and $26,000, respectively, for the year ended June 30, 2025 and include the following nonemployer contributions.

Nonemployer Contributions

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2025. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2025 were approximately $1,002,000 and $1,000 for the SCRS, and PORS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the District's governmental fund financial statements.

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2023. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions (Continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or $500 annually	Lesser of 1% or $500 annually

* Includes inflation at 2.25%.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (“2020 PRSC”), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	**46.0%**	6.23%	2.86%
Bonds	**26.0%**	2.60%	0.68%
Private Equity	**9.0%**	9.60%	0.86%
Private Debt	**7.0%**	6.90%	0.48%
Real Assets	**12.0%**		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total Expected Real Rate of Return	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.74%

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2024 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 61,369,806,968	37,919,492,371	$ 23,450,314,597	61.8%
PORS	$ 10,177,904,231	7,178,118,865	$ 2,999,785,366	70.5%

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

At June 30, 2025, the District reported liabilities of approximately $224,062,000 and $282,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2024, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2023 that was projected forward to the measurement date. The District's proportion of the NPL were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2024 measurement date, the District's SCRS proportion was 0.955475 percent, which was an increase of 0.019334 from its proportion measured as of June 30, 2023. At the June 30, 2024 measurement date, the District's PORS proportion was 0.00940 percent, which was a decrease of 0.00241 from its proportion measured as of June 30, 2023.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2025, the District recognized pension expense of approximately $22,258,000 and $69,000 for the SCRS and PORS, respectively. At June 30, 2025, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	$ 7,363,464	$ 278,075
Change in Assumptions	3,950,171	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	8,633,164
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	3,275,099	1,770,200
Employer Contributions Subsequent to the Measurement Date	25,045,467	-
Total SCRS	39,634,201	10,681,439
PORS		
Differences Between Expected and Actual Experience	26,485	1,617
Change in Assumptions	6,140	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	15,812
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	53,539	8,641
Employer Contributions Subsequent to the Measurement Date	25,464	-
Total PORS	111,628	26,070
Total SCRS and PORS	$ 39,745,829	$ 10,707,509

Approximately $25,045,000 and $25,000 that were reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2026	$ (3,040,719)	14,144	$ (3,026,575)
2027	8,697,921	33,987	8,731,908
2028	517,242	16,145	533,387
2029	(2,267,149)	(4,182)	(2,271,331)
Total	$ 3,907,295	60,094	$ 3,967,389

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the sensitivity of the District's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability of the SCRS	$ 290,358,824	224,061,838	$ 163,007,562
District's proportionate share of the net pension liability of the PORS	408,594	282,021	178,351
Total	$ 290,767,418	224,343,859	$ 163,185,913

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS and PORS. The ACFR is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

B. Other Postemployment Benefit Plan

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other postemployment benefits trusts, and retirement systems. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of the PEBA. By law, the SFAA also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits ("OPEB"). See Note IV.A for more details on the PEBA and the SFAA.

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

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

The PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB trust funds. This information is publicly available through the PEBA – Insurance Benefits' link on the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB trust fund financial information is also included in the Annual Comprehensive Financial Report of the state.

Plan Descriptions

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

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

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

Plan Benefits

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

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability. Since the employer contribution/premium paid and the proportionate share of the NOL and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the District, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

Plan Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through nonemployer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Nonemployer contributions may consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Plan Contributions and Funding Policies (Continued)

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2024 was 6.35 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

The covered payroll surcharge rate for the year ended June 30, 2025 was 6.35% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately $9,267,000 for the year ended June 30, 2025.

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the District approximately $28,000 for the year ended June 30, 2024 (measurement period). The contributions from these nonemployer contributing entities were approximately $28,000 for the year ended June 30, 2025 and are recognized as state revenues and intergovernmental expenditures in the District's governmental fund financial statements.

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

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of the District's Proportionate Share of the Net OPEB Liability and the Schedule of the District's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the District's NOL, funded status of the OPEB Plan, and the District's contributions to the OPEB Plan.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2023 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB Plan's fiscal year ended June 30, 2024 using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used in the latest valuation for the SCRHITF:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense (including inflation)
Single Discount Rate:	3.97% as of June 30, 2024
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Participation Assumption:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The single discount rate changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024.

Long-Term Expected Rate of Return

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

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
US Domestic Fixed Income	80.0%	0.95%	0.76%
Cash equivalents	20.0%	0.35%	0.07%
Total	100.0%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Single Discount Rate

The Single Discount Rate of 3.97% was used to measure the TOL for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the SCRHITF's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

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

The NOL is calculated separately for each system and represents that particular system's TOL determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2024 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	$ 17,894,389,610	1,772,587,512	$ 16,121,802,098	9.91%

The TOL is calculated by PEBA's actuary, and the fiduciary net position is reported in the PEBA's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the PEBA's notes to the financial statements and required supplementary information. Liability calculations performed by the PEBA's actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 are not applicable for other purposes, such as determining the OPEB Plan's funding requirements.

At June 30, 2025, the District reported a liability of approximately $190,804,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2024, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2023 that was projected forward to the measurement date. The District's proportion of the NOL was based on a projection of the District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2024 measurement date, the District's proportion was 1.183515 percent, which was an increase of 0.006594 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of approximately $9,350,000 for the SCRHITF. At June 30, 2025, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 9,918,461	$ 28,240,266
Change in Assumptions	40,865,391	39,178,064
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	930,676	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	1,800,730	3,174,198
Employer Contributions Subsequent to the Measurement Date	7,986,548	-
Total	$ 61,501,806	$ 70,592,528

Approximately $7,987,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date (which includes an adjustment for an implicit subsidy) to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2026	$ (1,849,841)
2027	(2,609,655)
2028	(7,011,768)
2029	(10,279,867)
2030	606,877
Thereafter	4,066,984
Total	$ (17,077,270)

Sensitivity Analysis

The following table presents the sensitivity of the District's NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.97%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.97%) or 1% point higher (4.97%) than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Net OPEB Liability	$ 226,498,800	190,803,946	$ 162,230,650

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Sensitivity Analysis (Continued)

The following table presents the sensitivity of the District's NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.50% decreasing to 4.25%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.50% decreasing to 3.25%) or 1% point higher (7.50% decreasing to 5.25%) than the current rate:

	1% Decrease (5.50% decreasing to 3.25%)	Current Healthcare Cost Trend Rate (6.50% decreasing to 4.25%)	1% Increase (7.50% decreasing to 5.25%)
Net OPEB Liability	$ 156,900,346	190,803,946	$ 234,778,707

OPEB Plans' Fiduciary Net Position

Detailed information regarding the fiduciary net position of the OPEB Plans administered by the PEBA is available in the separately issued financial statements and required supplementary information for the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Postemployment Benefits Trust Funds. This information is publicly available through the Insurance Benefits' link on the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223.

C. Deferred Compensation/Salary Deferral Plan

The 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 approximately $583,000 for the year ended June 30, 2025.

D. Risk Management

The District is exposed to various risks of loss related to torts, theft of damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters for which the District carries commercial insurance. During the year ended June 30, 2025, the District obtained general liability, workers' compensation, and property insurance through the South Carolina Boards Insurance Trust (the "Trust") which represents South Carolina school districts joined together in a public entity risk pool. The 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 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 District pays monthly premiums based on participating employees.

The 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.

IV. OTHER INFORMATION (CONTINUED)

E. Tax Abatements

District's Tax Abatements

The District does not have any of its own tax abatement agreements.

York County Tax Abatements

The following table details which entities in the District have received tax abatements in the year ended June 30, 2025, as well as the District's portion of the County-wide taxes that have been abated:

IV. OTHER INFORMATION (CONTINUED)

E. Tax Abatements (Continued)

Entity	Taxes Abated
3D FIELDS LLC	$ 18,330
3D SYSTEMS CORPORATION	9,747
3D SYSTEMS INC.	4,701
ACP SOUTH CROSS OWNER LLC	2,529
BACCALARE ROCK HILL LLC	706,650
BRADMAN LAKE INC.	1,900
CIP REAL ESTATE LLC	7,382
COMPOSITE RESOURCES INC.	1,938
COROPLAST TAPE CORPORATION	335,885
CRYSTAL DISTRIBUTION INC.	15,831
DIRTT ENVIRONMENTAL SOLUTIONS	136,292
ES REIT I LLC	23,207
EXEL INC.	4,336
FARMERS NEW WORLD LIFE INSURANCE COMPANY	159,187
GOLDENROD INC.	286,689
INDUS REALTY TRUST INC FKA GRIFFIN INDUSTRIAL REAL	39,073
LINDE HYDRAULICS CORPORATION	(67,905)
LIT INDUSTRIAL LP	119,731
MCKESSON MEDICAL SURGICAL INC.	68,331
MS INTERNATIONAL USA INC.	80,359
NATIONAL MACHINERY & FABRICATION INC.	32,458
NEW-INDY CATAWBA LLC	5,574,822
OBRIEN ROCK HILL LLC	69,305
OERLIKON BALZERS COATING USA INC	301
PDM REAL ESTATE LLC	64,223
PDM US LLC	204,239
PFG CUSTOMIZED SOUTH CAROLINA LLC	71,125
POSSEHL CONNECTOR SERVICES SC	25,736
POWER TECHNIQUE NORTH AMERICA LLC	20,353
PULCRA CHEMICALS LLC	41,231
RETFORD INVESTMENTS LLC	34,421
RH APEX LLC	70,255
RIVERWALK GRH TKC LLC	23,132
ROCK HILL 4	836,987
ROSS DRESS FOR LESS INC.	313,175
RUDOLF USA INC.	50,330
SCHUFF STEEL COMPANY	26,920
SELECT INCOME REIT	69,744
SOUTHWOOD CORPORATION	13,911
THE HARTZ GROUP INC.	19,499
TRANSAXLE MANUFACTURING OF AMERICA CORP.	284,075
WINBRO GROUP TECHNOLOGIES LLC	31,613
WORKSPACE RESOURCES LLC	93,315
District's Portion of County-wide Abatements	1,216,896
Total Tax Abatements	$ 11,142,262

IV. OTHER INFORMATION (CONTINUED)

F. 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 District expects such amounts, if any, to be immaterial.

The District is a defendant in lawsuits arising in the normal course of business. It is the opinion of the 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 District's financial position.

G. Subsequent Events

In September 2025, the District issued its Series 2025B SCAGO General Obligation Bonds ("Series 2025B Bonds") in the amount of $26,815,000 for the purpose of funding capital needs. The District received a premium of approximately $310,000 and incurred issuance costs of approximately $58,000. The interest rate on the Series 2025B Bonds is 5.00% with a final maturity in March 2026.

In October 2025, the District issued its Series 2025A SCAGO General Obligation Bonds ("Series 2025A Bonds") in the amount of $475,000 for the purpose of funding capital needs. The District incurred issuance costs of approximately $20,000. The interest rate on the Series 2025A Bonds is 3.71% with a final maturity in March 2026.

Required Supplementary Information

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ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGETS AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2025

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY	VARIANCE WITH FINAL BUDGET- POSITIVE
	ORIGINAL	FINAL	BASIS)	(NEGATIVE)
REVENUES				
Local Sources:				
Taxes	$ 86,688,099	86,688,099	91,254,665	$ 4,566,566
Investment Earnings	1,936,800	1,936,800	4,384,465	2,447,665
Other Local Sources	330,950	330,950	544,158	213,208
State Sources	118,867,355	118,867,355	119,548,104	680,749
TOTAL REVENUES	**207,823,204**	**207,823,204**	**215,731,392**	**7,908,188**
EXPENDITURES				
Current:				
Instruction	127,800,379	129,652,157	124,827,109	4,825,048
Support Services	110,095,544	108,199,229	105,922,376	2,276,853
Community Services	174,575	174,575	134,137	40,438
Intergovernmental	804,370	804,370	957,605	(153,235)
Capital Outlay	-	119,845	373,187	(253,342)
TOTAL EXPENDITURES	238,874,868	238,950,176	232,214,414	6,735,762
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(31,051,664)**	**(31,126,972)**	**(16,483,022)**	**14,643,950**
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	8,309	8,309
Transfers In	24,010,029	24,010,029	16,720,077	(7,289,952)
Transfers Out	(389,110)	(313,802)	(207,873)	105,929
TOTAL OTHER FINANCING SOURCES (USES)	23,620,919	23,696,227	16,520,513	(7,175,714)
NET CHANGES IN FUND BALANCES	**(7,430,745)**	**(7,430,745)**	**37,491**	**7,468,236**
FUND BALANCES, Beginning of Year	53,522,952	53,522,952	53,522,952	-
FUND BALANCES, End of Year	**$ 46,092,207**	**46,092,207**	**53,560,443**	**$ 7,468,236**

Note: The District's original and final budget reflect an expected use of fund balance of approximately $7,431,000.

Note: This schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
District's Proportion of the Net Pension Liability	0.955475%	0.936141%	0.949188%	0.957022%	0.944084%	0.946067%	0.954401%	0.963850%	0.964292%	1.002653%
District's Proportionate Share of the Net Pension Liability	$ 224,061,838	226,334,840	230,103,651	207,111,697	241,230,175	216,026,393	213,850,779	216,978,136	205,971,348	$ 190,157,976
District's Covered Payroll	$ 136,385,047	123,249,591	117,780,240	112,602,275	109,486,009	103,974,755	103,456,249	105,149,109	98,215,989	$ 98,787,910
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	164.29%	183.64%	195.37%	183.93%	220.33%	207.77%	206.71%	206.35%	209.71%	192.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.79%	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually Required Contribution	$ 26,047,566	24,368,555	20,781,971	18,724,851	16,825,985	16,389,014	14,546,321	13,412,038	11,238,801	$ 10,324,978
Contributions in Relation to the Contractually Required Contribution										
Contributions from the District	25,045,467	23,366,456	19,779,871	17,722,752	15,823,886	15,386,915	13,544,222	12,409,939	11,238,801	10,324,978
Contributions from the State	1,002,099	1,002,099	1,002,100	1,002,099	1,002,099	1,002,099	1,002,099	1,002,099	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
District's Covered Payroll	$ 145,812,241	136,385,047	123,249,591	117,780,240	112,602,275	109,486,009	103,974,755	103,456,249	105,149,109	$ 98,215,989
Contributions as a Percentage of Covered Payroll	17.86%	17.87%	16.86%	15.90%	14.94%	14.97%	13.99%	12.96%	10.69%	10.51%

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
District's Proportion of the Net Pension Liability	0.00940%	0.00699%	0.00750%	0.00777%	0.00485%	0.00453%	0.00486%	0.00508%	0.00516%	0.00531%
District's Proportionate Share of the Net Pension Liability	$ 282,021	212,696	224,824	199,900	160,902	129,930	137,718	139,088	130,831	$ 115,731
District's Covered Payroll	$ 152,120	122,421	118,165	112,102	69,589	65,758	67,273	68,365	65,753	$ 65,785
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	185.39%	173.74%	190.26%	178.32%	231.22%	197.59%	204.72%	203.45%	198.97%	175.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.53%	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually Required Contribution	$ 26,140	32,310	24,778	22,735	20,448	12,693	11,337	10,925	9,735	$ 9,034
Contributions in Relation to the Contractually Required Contribution										
Contributions from the District	25,464	31,634	24,102	22,059	19,771	12,017	10,661	10,249	9,735	9,034
Contributions from the State	676	676	676	676	677	676	676	676	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
District's Covered Payroll	$ 123,070	$ 152,120	122,421	118,165	112,102	69,589	65,758	67,273	68,365	$ 65,753
Contributions as a Percentage of Covered Payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
District's Proportion of the Net OPEB Liability	1.183515%	1.176921%	1.199498%	1.195985%	1.188518%	1.189601%	1.200452%	1.212211%	1.212211%
District's Proportionate Share of the Net OPEB Liability	$190,803,946	154,076,451	182,465,731	249,042,121	214,544,691	179,885,807	170,111,070	164,191,994	$175,390,336
District's Covered Payroll	$136,537,167	123,372,012	117,898,405	112,714,377	109,555,598	104,040,513	103,523,522	105,217,474	$ 98,281,742
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	139.75%	124.89%	154.77%	220.95%	195.83%	172.90%	164.32%	156.05%	178.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.91%	11.24%	9.64%	7.48%	8.39%	8.44%	7.91%	7.60%	6.62%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).
The District adopted GASB #75 during the year ended June 30, 2018. Information prior to 2017 is not avaliable.

The discount rates used by year were as follows:	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually Required Contribution	$ 9,266,892	8,670,110	7,710,751	7,368,650	7,044,649	6,847,225	6,294,451	5,693,794	$ 5,448,191
Contributions in Relation to the Contractually Required Contribution	9,266,892	8,670,110	7,710,751	7,368,650	7,044,649	6,847,225	6,294,451	5,693,794	5,448,191
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	$ -
District's Covered Payroll	$145,935,311	136,537,167	123,372,012	117,898,405	112,714,377	109,555,598	104,040,513	103,523,522	$105,217,474
Contributions as a Percentage of Covered Payroll	6.35%	6.35%	6.25%	6.25%	6.25%	6.25%	6.05%	5.50%	5.18%

Notes to Schedule:

The District adopted GASB #75 during the year ended June 30, 2018. Information prior to 2017 is not avaliable.
The above amounts exclude any adjustments for implicit subsidies made by the District.

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Supplementary Information

Combining and Individual Fund Financial Schedules

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GENERAL FUND

The General Fund, a major fund and a budgeted fund, is the general operating fund of the District and accounts for all revenues and expenditures of the District except those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

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
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenues from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	$ 69,450,000	72,202,618	$ 2,752,618
1140 Penalties & Interest on Taxes (Independent)	157,000	295,257	138,257
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	8,915,000	9,992,617	1,077,617
1240 Penalties & Interest on Taxes (Dependent)	25,000	23,866	(1,134)
1280 Revenue in Lieu of Taxes (Independent and Dependent)	7,890,420	8,484,804	594,384
1290 Other Taxes (Dependent)	250,679	255,503	4,824
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	25,000	9,343	(15,657)
1320 Tuition from Other LEAs for Regular Day School	-	188,029	188,029
1500 Earnings on Investments:			
1510 Interest on Investments	1,936,800	4,384,465	2,447,665
1900 Other Revenue from Local Sources:			
1910 Rentals	180,250	206,878	26,628
1950 Refund of Prior Year's Expenditures	-	43,493	43,493
1990 Miscellaneous Local Revenue:			
1994 Receipt of Legal Settlements	-	507	507
1999 Revenue from Other Local Sources	125,700	95,908	(29,792)
Total Revenue from Local Sources	88,955,849	96,183,288	7,227,439
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3103 State Aid to Classrooms	75,835,475	75,691,676	(143,799)
3130 Special Programs:			
3131 Handicapped Transportation	4,500	2,668	(1,832)
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	1,518,606	2,048,767	530,161
3161 EAA Bus Driver Salary and Fringe	-	3,565	3,565
3162 Transportation Workers' Compensation	60,250	56,830	(3,420)
3181 Retiree Insurance (No Carryover Provision)	6,595,097	6,793,759	198,662
3300 State Aid to Classrooms - Education Finance Act (EFA):			
3330 Miscellaneous EFA Programs:			
3350 Residential Treatment Facilities (RTF)	-	80,112	80,112
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	5,991,204	5,991,204	-
3820 Homestead Exemption (Tier 2)	1,710,186	1,710,186	-
3825 Reimbursement for Property Tax Relief (Tier 3)	25,262,723	25,135,338	(127,385)
3830 Merchant's Inventory Tax	221,539	221,539	-
3840 Manufacturer's Depreciation Reimbursement	375,000	457,507	82,507
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	$ 290,000	352,178	$ 62,178

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
3900 Other State Revenue:			
3993 PEBA On-Behalf	$ 1,002,775	1,002,775	$ -
Total Revenue from State Sources	118,867,355	119,548,104	680,749
TOTAL REVENUE ALL SOURCES	**207,823,204**	**215,731,392**	**7,908,188**
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	4,952,515	5,031,334	(78,819)
200 Employee Benefits	2,558,728	2,429,549	129,179
300 Purchased Services	24,555	120,345	(95,790)
400 Supplies and Materials	66,530	59,554	6,976
112 Primary Programs:			
100 Salaries	16,566,175	15,486,090	1,080,085
200 Employee Benefits	7,674,741	7,117,850	556,891
300 Purchased Services	1,122,981	1,390,275	(267,294)
400 Supplies and Materials	140,199	145,972	(5,773)
600 Other Objects	423	273	150
113 Elementary Programs:			
100 Salaries	27,776,937	26,477,382	1,299,555
200 Employee Benefits	12,215,051	11,008,085	1,206,966
300 Purchased Services	651,703	1,113,762	(462,059)
400 Supplies and Materials	256,533	217,697	38,836
600 Other Objects	1,434	1,034	400
114 High School Programs:			
100 Salaries	20,283,342	19,864,360	418,982
140 Terminal Leave	-	4,452	(4,452)
200 Employee Benefits	8,753,347	8,242,786	510,561
300 Purchased Services	598,007	653,370	(55,363)
400 Supplies and Materials	226,264	227,821	(1,557)
600 Other Objects	2,927	1,737	1,190
115 Career and Technology Education Program:			
100 Salaries	1,651,979	1,578,991	72,988
200 Employee Benefits	773,869	720,709	53,160
300 Purchased Services - Other Than Tuition	70,535	110,762	(40,227)
400 Supplies and Materials	85,758	83,955	1,803
600 Other Objects	3,559	3,559	-
118 Montessori Programs:			
100 Salaries	511,376	491,005	20,371
200 Employee Benefits	238,717	208,679	30,038
300 Purchased Services	8,939	12,084	(3,145)
400 Supplies and Materials	$ 6,422	6,299	$ 123

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	$ 1,681,046	1,474,405	$ 206,641
200 Employee Benefits	859,365	792,000	67,365
300 Purchased Services	150,275	192,128	(41,853)
400 Supplies and Materials	1,100	1,068	32
122 Trainable Mentally Handicapped:			
100 Salaries	1,462,270	1,476,043	(13,773)
200 Employee Benefits	764,032	759,620	4,412
300 Purchased Services	393,048	274,774	118,274
400 Supplies and Materials	1,916	1,365	551
124 Visually Handicapped:			
100 Salaries	78,512	78,512	-
200 Employee Benefits	41,846	41,853	(7)
125 Hearing Handicapped:			
100 Salaries	278,976	279,909	(933)
200 Employee Benefits	119,821	120,051	(230)
300 Purchased Services	22,693	22,693	-
126 Speech Handicapped:			
100 Salaries	1,706,588	1,683,294	23,294
200 Employee Benefits	688,752	691,986	(3,234)
300 Purchased Services	123	123	-
600 Other Objects	8,205	8,205	-
127 Learning Disabilities:			
100 Salaries	4,471,766	4,429,048	42,718
200 Employee Benefits	2,030,288	1,980,264	50,024
300 Purchased Services	1,339,083	1,162,608	176,475
400 Supplies and Materials	7,877	7,188	689
128 Emotionally Handicapped:			
100 Salaries	980,810	870,177	110,633
200 Employee Benefits	475,898	433,016	42,882
300 Purchased Services	128,320	160,018	(31,698)
400 Supplies and Materials	169	117	52
130 Preschool Programs:			
136 Pre-School Handicapped Itinerant (3- & 4-Yr. Olds)			
100 Salaries	115,796	117,749	(1,953)
200 Employee Benefits	56,943	44,475	12,468
137 Preschool Handicapped-Self Contained (3- & 4-Yr. Olds)			
100 Salaries	508,217	605,436	(97,219)
200 Employee Benefits	245,339	316,671	(71,332)
300 Purchased Services	37,476	75,201	(37,725)
139 Early Childhood Programs:			
100 Salaries	230,523	162,402	68,121
200 Employee Benefits	113,817	89,175	24,642
300 Purchased Services	5,691	5,862	(171)
400 Supplies and Materials	$ 1,078	1,073	$ 5

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
140 Special Programs:			
141 Gifted and Talented Academic:			
100 Salaries	$ 682,264	631,305	$ 50,959
200 Employee Benefits	292,788	266,513	26,275
300 Purchased Services	1,822	1,187	635
400 Supplies and Materials	15,485	11,227	4,258
600 Other Objects	1,414	1,089	325
145 Homebound:			
100 Salaries	105,000	99,417	5,583
200 Employee Benefits	34,083	29,320	4,763
147 CERDEP:			
100 Salaries	77,205	398,322	(321,117)
200 Employee Benefits	30,361	150,450	(120,089)
300 Purchased Services	7,287	26,013	(18,726)
400 Supplies and Materials	34,987	25,097	9,890
148 Gifted and Talented Artistic:			
300 Purchased Services	73,200	75,480	(2,280)
400 Supplies and Materials	18,665	14,527	4,138
149 Other Special Programs:			
100 Salaries	653,255	502,313	150,942
200 Employee Benefits	370,932	316,927	54,005
300 Purchased Services	72,425	55,362	17,063
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	230,937	234,152	(3,215)
200 Employee Benefits	108,282	115,257	(6,975)
300 Purchased Services	126,691	103,333	23,358
400 Supplies and Materials	700	-	700
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	-	12,940	(12,940)
200 Employee Benefits	-	4,181	(4,181)
300 Purchased Services	-	107	(107)
172 Elementary Summer School:			
100 Salaries	-	74,843	(74,843)
200 Employee Benefits	-	23,902	(23,902)
300 Purchased Services	-	107	(107)
173 High School Summer School:			
100 Salaries	-	44,081	(44,081)
200 Employee Benefits	-	15,240	(15,240)
300 Purchased Services	-	22	(22)
400 Supplies and Materials	-	36	(36)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	-	7,106	(7,106)
200 Employee Benefits	$ -	(3,251)	$ 3,251

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
180 Adult/Continuing Education Programs:			
181 Adult Basic Education Programs:			
100 Salaries	$ -	100	$ (100)
200 Employee Benefits	-	32	(32)
300 Purchased Services	1,510	1,613	(103)
400 Supplies and Materials	1,627	1,527	100
600 Other Objects	640	640	-
188 Parenting/Family Literacy:			
100 Salaries	304,912	261,489	43,423
200 Employee Benefits	150,335	130,034	20,301
300 Purchased Services	14,144	16,007	(1,863)
400 Supplies and Materials	10,001	10,782	(781)
Total Instruction	129,652,157	124,827,109	4,825,048
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	1,078,729	1,103,677	(24,948)
200 Employee Benefits	532,583	528,231	4,352
300 Purchased Services	45,993	43,968	2,025
400 Supplies and Materials	5,500	757	4,743
600 Other Objects	2,000	-	2,000
212 Guidance Services:			
100 Salaries	5,048,332	4,773,902	274,430
200 Employee Benefits	2,226,757	2,084,743	142,014
300 Purchased Services	28,696	12,690	16,006
400 Supplies and Materials	23,377	21,321	2,056
600 Other Objects	2,544	2,244	300
213 Health Services:			
100 Salaries	3,181,283	3,022,098	159,185
200 Employee Benefits	1,511,315	1,378,186	133,129
300 Purchased Services	174,904	220,367	(45,463)
400 Supplies and Materials	35,445	35,136	309
600 Other Objects	3,700	3,500	200
214 Psychological Services:			
100 Salaries	2,595,674	2,529,783	65,891
200 Employee Benefits	1,055,699	1,033,242	22,457
300 Purchased Services	42,750	38,650	4,100
400 Supplies and Materials	3,432	6,425	(2,993)
600 Other Objects	2,364	2,792	(428)
215 Exceptional Program Services:			
300 Purchased Services	$ 680	680	$ -

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
216 Career and Technical Education Placement Services:			
100 Salaries	$ -	7,722	$ (7,722)
200 Employee Benefits	-	6,400	(6,400)
300 Purchased Services	29,200	17,365	11,835
400 Supplies and Materials	5,500	4,217	1,283
600 Other Objects	1,000	415	585
217 Career Specialist Services:			
100 Salaries	-	2,020	(2,020)
200 Employee Benefits	-	653	(653)
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	4,350,139	4,095,905	254,234
140 Terminal Leave	-	15,069	(15,069)
200 Employee Benefits	2,000,650	2,190,930	(190,280)
300 Purchased Services	1,144,506	916,001	228,505
400 Supplies and Materials	211,943	66,579	145,364
600 Other Objects	85,700	72,450	13,250
222 Library and Media Services:			
100 Salaries	1,969,314	1,775,107	194,207
200 Employee Benefits	855,724	767,749	87,975
300 Purchased Services	6,002	19,189	(13,187)
400 Supplies and Materials	78,684	71,266	7,418
600 Other Objects	96	53	43
223 Supervision of Special Programs:			
100 Salaries	2,262,256	1,855,552	406,704
140 Terminal Leave	-	11,772	(11,772)
200 Employee Benefits	1,136,883	776,543	360,340
300 Purchased Services	250,110	105,353	144,757
400 Supplies and Materials	56,586	58,245	(1,659)
500 Capital Outlay	-	6,409	(6,409)
600 Other Objects	3,778	1,276	2,502
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	294,459	210,373	84,086
140 Terminal Leave	-	2,649	(2,649)
200 Employee Benefits	132,550	93,754	38,796
300 Purchased Services	502,929	363,422	139,507
400 Supplies and Materials	8,317	5,457	2,860
600 Other Objects	162	162	-
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	51,600	51,600	-
200 Employee Benefits	16,749	13,996	2,753
300 Purchased Services	334,370	335,304	(934)
318 Audit Services	60,000	49,750	10,250
400 Supplies and Materials	3,500	2,640	860
600 Other Objects	$ 125,000	266,739	$ (141,739)

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
232 Office of the Superintendent:			
100 Salaries	$ 722,990	689,389	$ 33,601
140 Terminal Leave	-	56,471	(56,471)
200 Employee Benefits	257,681	235,061	22,620
300 Purchased Services	137,700	528,862	(391,162)
400 Supplies and Materials	32,029	16,407	15,622
600 Other Objects	67,900	71,300	(3,400)
233 School Administration:			
100 Salaries	12,553,911	12,471,576	82,335
140 Terminal Leave	-	18,862	(18,862)
200 Employee Benefits	5,620,073	5,619,132	941
300 Purchased Services	246,293	283,410	(37,117)
400 Supplies and Materials	465,576	486,831	(21,255)
500 Capital Outlay	5,345	5,345	-
600 Other Objects	26,458	25,606	852
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	4,280	41,049	(36,769)
200 Employee Benefits	937	18,876	(17,939)
300 Purchased Services	18,961	12,035	6,926
600 Other Objects	7,500	-	7,500
252 Fiscal Services:			
100 Salaries	1,065,653	965,842	99,811
140 Terminal Leave	-	12,475	(12,475)
180 Head of Organizational Unit Salaries	190,500	213,900	(23,400)
200 Employee Benefits	578,856	554,091	24,765
300 Purchased Services	342,494	331,925	10,569
400 Supplies and Materials	28,100	38,083	(9,983)
600 Other Objects	4,945	1,209	3,736
680 Head of Organizational Unit Other Objects	300	335	(35)
253 Facilities Acquisition and Construction:			
400 Supplies and Materials	-	8,650	(8,650)
254 Operation and Maintenance of Plant:			
100 Salaries	11,557,322	11,121,565	435,757
140 Terminal Leave	-	14,492	(14,492)
200 Employee Benefits	5,445,942	5,172,602	273,340
300 Purchased Services (Exclude Energy Costs)	2,591,461	2,976,964	(385,503)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	450,000	654,276	(204,276)
400 Supplies and Materials (Include Energy Costs)	1,590,313	1,728,459	(138,146)
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	3,500,000	3,506,982	(6,982)
500 Capital Outlay	-	99,804	(99,804)
600 Other Objects	$ 5,600	6,484	$ (884)

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
255 Student Transportation (State Mandated):			
100 Salaries	$ 6,361,835	7,178,903	$ (817,068)
140 Terminal Leave	-	420	(420)
200 Employee Benefits	3,047,584	2,811,852	235,732
300 Purchased Services	70,530	117,013	(46,483)
400 Supplies and Materials	56,667	60,626	(3,959)
600 Other Objects	5,243	-	5,243
256 Food Services:			
200 Employee Benefits	75,306	74,950	356
257 Internal Services:			
100 Salaries	304,291	200,582	103,709
200 Employee Benefits	122,873	79,141	43,732
300 Purchased Services	428,834	560,121	(131,287)
400 Supplies and Materials	13,300	177	13,123
600 Other Objects	3,000	4,259	(1,259)
258 Security:			
100 Salaries	452,063	394,989	57,074
200 Employee Benefits	228,213	189,612	38,601
300 Purchased Services	1,623,986	1,529,056	94,930
400 Supplies and Materials	159,100	80,212	78,888
500 Capital Outlay	103,000	250,129	(147,129)
600 Other Objects	3,500	1,920	1,580
259 Internal Auditing Services:			
100 Salaries	96,069	96,069	-
200 Employee Benefits	41,487	41,471	16
260 Central Support Services:			
262 Planning:			
100 Salaries	130,530	125,530	5,000
180 Head of Organizational Unit Salaries	186,967	186,967	-
200 Employee Benefits	131,954	130,645	1,309
300 Purchased Services	138,900	42,643	96,257
400 Supplies and Materials	30,638	10,262	20,376
600 Other Objects	2,100	1,475	625
263 Information Services:			
100 Salaries	213,233	146,966	66,267
140 Terminal Leave	-	8,029	(8,029)
180 Head of Organizational Unit Salaries	132,475	120,122	12,353
200 Employee Benefits	137,869	103,606	34,263
300 Purchased Services	91,094	111,286	(20,192)
400 Supplies and Materials	15,000	3,591	11,409
600 Other Objects	$ 11,200	660	$ 10,540

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
264 Staff Services:			
100 Salaries	$ 755,624	747,657	$ 7,967
140 Terminal Leave	-	17,913	(17,913)
180 Head of Organizational Unit Salaries	350,511	373,033	(22,522)
200 Employee Benefits	1,308,379	1,566,881	(258,502)
300 Purchased Services	743,950	721,846	22,104
400 Supplies and Materials	68,608	59,630	8,978
600 Other Objects	3,510	3,510	-
266 Technology and Data Processing Services:			
100 Salaries	2,796,932	2,653,637	143,295
140 Terminal Leave	-	3,188	(3,188)
200 Employee Benefits	1,319,688	1,241,861	77,827
300 Purchased Services	1,196,670	1,027,676	168,994
400 Supplies and Materials	138,000	43,543	94,457
600 Other Objects	2,000	600	1,400
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	2,485,999	2,410,490	75,509
200 Employee Benefits (Optional)	910,110	796,462	113,648
300 Purchased Services (Optional)	175,912	179,328	(3,416)
400 Supplies and Materials (Optional)	378,794	372,719	6,075
500 Capital Outlay (Optional)	11,500	11,500	-
600 Other Objects (Optional)	155,462	329,977	(174,515)
Total Support Services	108,319,074	106,295,563	2,023,511
300 Community Services:			
390 Other Community Services:			
100 Salaries	105,521	91,402	14,119
200 Employee Benefits	40,519	35,784	4,735
300 Purchased Services	3,035	1,786	1,249
400 Supplies and Materials	24,500	4,675	19,825
600 Other Objects	1,000	490	510
Total Community Services	174,575	134,137	40,438
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units:			
720 Transits	205,000	221,518	(16,518)
416 LEA Payments to Public Charter Schools:			
720 Transits	599,370	736,087	(136,717)
Total Intergovernmental Expenditures	804,370	957,605	(153,235)
TOTAL EXPENDITURES	**$ 238,950,176**	**232,214,414**	**$ 6,735,762**

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
OTHER FINANCING SOURCES (USES)			
5300 Proceeds from the Sale of Capital Assets	$ -	8,309	$ 8,309
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	15,240,291	15,212,666	(27,625)
5250 Transfer from Capital Projects Fund	8,388,828	1,200,000	(7,188,828)
5280 Transfer from Other Funds Indirect Costs	380,910	307,411	(73,499)
421-710 Transfer to Special Revenue Fund	(80,000)	(207,873)	(127,873)
425-710 Transfer to Food Service Fund	(233,802)	-	233,802
TOTAL OTHER FINANCING SOURCES (USES)	23,696,227	16,520,513	(7,175,714)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	**(7,430,745)**	**37,491**	**7,468,236**
FUND BALANCES, Beginning of Year	53,522,952	53,522,952	-
FUND BALANCES, End of Year	**$ 46,092,207**	**53,560,443**	**$ 7,468,236**

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SPECIAL REVENUE FUNDS

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

i. The Special Revenue Fund, a major fund and an unbudgeted fund, is used to account for and report the financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for special educational programs or student/pupil activity programs.

ii. The Special Revenue – Education Improvement Act ("EIA") Fund, a major fund and an unbudgeted fund, is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by EIA.

iii. The Special Revenue – Food Services Fund, a major fund and an unbudgeted fund, is used to account for the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

The following schedules for the Special Revenue Fund, the Special Revenue – EIA Fund, and the Special Revenue – Food Services Fund have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedules are also mandated by the South Carolina Department of Education.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2025

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
REVENUES			
1000 Revenue from Local Sources:			
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	$ -	-	-
1350 Tuition from Patrons for Summer School	-	-	-
1700 Pupil Activities:			
1710 Admissions	-	-	-
1730 Pupil Organization Membership Dues and Fees	-	-	-
1740 Student Fees	-	-	-
1790 Other Pupil Activity Income	-	-	-
1900 Other Revenue from Local Sources:			
1920 Contributions and Donations From Private Sources	-	-	-
1930 Special Needs Transportation - Medicaid	-	-	-
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	-	-	-
Total Revenue from Local Sources	-	-	-
2000 Intergovernmental Revenue:			
2300 Payments from Nonprofit Entities (for First Steps)	-	-	-
Total Intergovernmental Revenue	-	-	-
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3134 Child Early Reading Development and Education Program (CERDEP - Full Day 4k)	-	-	-
3135 Reading Coaches	-	-	-
3155 DSS SNAP & E&T Program	-	-	-
3156 Adult Education	-	-	-
3187 Teacher Supplies (No Carryover Provision)	-	-	-
3190 Miscellaneous Restricted State Grants:			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue:			
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-	-
3699 Other State Lottery Programs	-	-	-
3900 Other State Revenue:			
3994 PEBA Nonemployer Contributions	-	-	-
Total Revenue from State Sources	-	-	-
4000 Revenue from Federal Sources:			
4200 Occupational Education:			
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	-	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):			
4310 Title I, Basic State Grant Programs (Carryover Provision)	4,476,091	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-
4351 Supporting Effective Instruction	$ -	-	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	241,415	-	$ 241,415
-	-	-	15,385	-	15,385
-	-	-	-	579,418	579,418
-	-	-	-	150,443	150,443
-	-	-	-	103,396	103,396
-	-	-	-	2,875,629	2,875,629
-	-	-	18,136	27,916	46,052
-	-	-	466,634	-	466,634
-	-	-	550,069	-	550,069
-	-	-	1,291,639	3,736,802	5,028,441
-	-	-	56,200	-	56,200
-	-	-	56,200	-	56,200
-	-	16,485	-	-	16,485
-	-	805,507	-	-	805,507
-	-	314	-	-	314
-	-	2,707	-	-	2,707
-	-	506,000	-	-	506,000
-	-	588	-	-	588
-	-	-	50	-	50
-	-	236,138	-	-	236,138
-	-	869	-	-	869
-	-	28,112	-	-	28,112
-	-	1,596,720	50	-	1,596,770
329,071	-	-	-	-	329,071
-	-	-	841,848	-	5,317,939
-	-	-	126,931	-	126,931
-	-	-	381,872	-	$ 381,872

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2025

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
4400 Adult Education:			
4410 Basic Adult Education	$ -	-	-
4430 State Literacy Resource	-	-	-
4500 Programs for Children with Disabilities:			
4510 Individuals with Disabilities Education Act (IDEA)	-	4,147,031	-
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-	123,435
4990 Other Federal Revenue:			
4932 SC Pathways Project	-	-	-
4997 Title IV - SSAE	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Revenue from Federal Sources	4,476,091	4,147,031	123,435
TOTAL REVENUE ALL SOURCES	**4,476,091**	**4,147,031**	**123,435**
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	-	-	-
300 Purchased Services	1,016	-	-
400 Supplies and Materials	7,048	-	-
112 Primary Programs:			
100 Salaries	1,425,258	-	-
200 Employee Benefits	591,978	-	-
300 Purchased Services	264,500	-	-
400 Supplies and Materials	354,486	-	-
113 Elementary Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	1,084	-	-
400 Supplies and Materials	256	-	-
114 High School Programs:			
100 Salaries	-	-	-
400 Supplies and Materials	-	-	-
115 Career and Technology Education Program:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services - Other Than Tuition	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
118 Montessori Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	-	180,909	-
200 Employee Benefits	-	84,605	-
300 Purchased Services	$ -	6,741	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	188,629	-	-	-	$ 188,629
-	37,351	-	-	-	37,351
-	-	-	144,857	-	4,291,888
-	-	-	-	-	123,435
-	-	-	71,377	-	71,377
-	-	-	251,132	-	251,132
-	-	-	393,847	-	393,847
329,071	225,980	-	2,211,864	-	11,513,472
329,071	**225,980**	**1,596,720**	**3,559,753**	**3,736,802**	**18,194,883**
-	-	-	35,000	-	35,000
-	-	-	177	-	1,193
-	-	-	8	-	7,056
-	-	-	79,914	-	1,505,172
-	-	-	16,464	-	608,442
-	-	-	529	9,995	275,024
-	-	506,000	11,509	300	872,295
-	-	-	99,447	-	99,447
-	-	-	20,873	-	20,873
-	-	-	204,982	-	206,066
-	-	-	331,350	-	331,606
-	-	-	258,620	-	258,620
-	-	588	9,938	-	10,526
3,150	-	-	35,878	-	39,028
1,019	-	-	11,522	-	12,541
8,563	-	-	-	-	8,563
57,702	-	-	4,896	-	62,598
40,207	-	-	-	-	40,207
-	-	-	29,021	-	29,021
-	-	-	15,723	-	15,723
-	-	-	43,000	-	223,909
-	-	-	-	-	84,605
-	-	-	-	-	$ 6,741

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2025

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
122 Trainable Mentally Handicapped:			
100 Salaries	$ -	438,903	-
200 Employee Benefits	-	189,130	-
300 Purchased Services	-	56,373	-
124 Visually Handicapped:			
100 Salaries	-	71,652	-
200 Employee Benefits	-	35,929	-
125 Hearing Handicapped:			
100 Salaries	-	82,487	-
200 Employee Benefits	-	32,997	-
300 Purchased Services	-	73,561	-
126 Speech Handicapped:			
100 Salaries	-	377,478	-
200 Employee Benefits	-	155,934	-
300 Purchased Services	-	240	-
600 Other Objects	-	-	-
127 Learning Disabilities:			
100 Salaries	-	671,677	-
200 Employee Benefits	-	299,898	-
300 Purchased Services	-	2,270	-
400 Supplies and Materials	-	-	-
128 Emotionally Handicapped:			
100 Salaries	-	201,428	-
200 Employee Benefits	-	93,966	-
300 Purchased Services	-	-	-
130 Preschool Programs:			
136 Preschool Handicapped Itinerant (3 & 4-Yr. Olds):			
300 Purchased Services	-	199,563	-
137 Preschool Handicapped Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	-	26,551	77,218
200 Employee Benefits	-	12,289	38,173
140 Special Programs:			
145 Homebound:			
300 Purchased Services	-	-	-
147 CERDEP:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
149 Other Special Programs:			
100 Salaries	24,916	97,186	2,626
200 Employee Benefits	13,783	42,634	-
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	-	25,697	-
200 Employee Benefits	-	8,360	-
170 Summer School Programs:			
173 High School Summer School:			
100 Salaries	-	-	-
200 Employee Benefits	$ -	-	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	-	-	$ 438,903
-	-	-	-	-	189,130
-	-	-	-	-	56,373
-	-	-	-	-	71,652
-	-	-	-	-	35,929
-	-	-	-	-	82,487
-	-	-	-	-	32,997
-	-	-	13,838	-	87,399
-	-	-	-	-	377,478
-	-	-	-	-	155,934
-	-	-	4,752	-	4,992
-	-	-	5,767	-	5,767
-	-	-	24,107	-	695,784
-	-	-	7,772	-	307,670
-	-	-	8,794	-	11,064
-	-	-	1,940	-	1,940
-	-	-	-	-	201,428
-	-	-	-	-	93,966
-	-	-	76	-	76
-	-	-	-	-	199,563
-	-	-	-	-	103,769
-	-	-	-	-	50,462
-	-	-	41,621	-	41,621
-	-	6,614	-	-	6,614
-	-	2,122	-	-	2,122
-	-	-	65	-	65
-	-	7,749	-	-	7,749
-	-	-	-	-	124,728
-	-	-	-	-	56,417
-	-	-	-	-	25,697
-	-	-	-	-	8,360
-	-	-	18,419	-	18,419
-	-	-	3,847	-	$ 3,847

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2025

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	$ -	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
180 Adult/Continuing Education 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	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
188 Parenting/Family Literacy:			
100 Salaries	194,204	-	-
200 Employee Benefits	83,255	-	-
300 Purchased Services	7,689	-	-
400 Supplies and Materials	126,345	-	-
600 Other Objects	2,200	-	-
190 Instructional Pupil Activity:			
400 Supplies and Materials (Optional)	-	-	-
600 Other Objects (Optional)	-	-	-
Total Instruction	3,098,018	3,468,458	118,017
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
300 Purchased Services	600	-	-
400 Supplies and Materials	13,634	-	-
212 Guidance Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
213 Health Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
214 Psychological Services:			
300 Purchased Services	-	1,500	-
400 Supplies and Materials	-	-	-
216 Career and Technical Education Placement Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	$ -	-	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	153,153	-	$ 153,153
-	-	-	49,381	-	49,381
-	-	-	1,065	-	1,065
-	82,512	-	14,078	-	96,590
-	26,836	-	4,565	-	31,401
-	-	-	413	-	413
-	-	73	2,818	-	2,891
-	28,369	-	-	-	28,369
-	13,942	-	-	-	13,942
-	-	3,376	-	-	3,376
-	-	434	-	-	434
-	18,213	-	-	-	18,213
-	1,393	-	-	-	1,393
-	7,018	-	-	-	7,018
-	9,095	-	-	-	9,095
-	21,644	-	34,539	-	250,387
-	7,048	-	22,456	-	112,759
-	-	-	7,281	-	14,970
-	-	-	24,366	-	150,711
-	-	-	-	-	2,200
-	-	-	-	42,170	42,170
-	-	-	-	1,300	1,300
110,641	216,070	526,956	1,653,964	53,765	9,245,889
-	-	-	-	-	600
-	-	-	-	-	13,634
90,071	-	-	-	-	90,071
45,577	-	-	-	-	45,577
5,000	-	-	-	-	5,000
-	-	-	49,144	-	49,144
-	-	-	28,535	-	28,535
-	-	-	68,321	-	68,321
-	-	-	3,687	-	3,687
-	-	-	-	-	1,500
-	-	-	127	-	127
-	-	-	45,000	-	45,000
-	-	-	15,750	-	15,750
-	-	-	1,421	-	1,421
-	-	-	991	-	$ 991

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2025

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	$ 645,071	-	-
200 Employee Benefits	262,297	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
223 Supervision of Special Programs:			
100 Salaries	150,885	131,650	-
200 Employee Benefits	71,526	48,830	-
300 Purchased Services	7,421	116,402	-
400 Supplies and Materials	89	82,358	-
600 Other Objects	-	2,100	-
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	-	1,380	-
200 Employee Benefits	-	448	-
300 Purchased Services	117,335	77,199	-
400 Supplies and Materials	7,406	44,000	-
600 Other Objects	-	-	-
230 General Administration Services:			
233 School Administration:			
400 Supplies and Materials	-	-	-
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	404	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
253 Facilities Acquisition and Construction:			
400 Supplies and Materials	-	-	-
255 Student Transportation (State Mandated):			
300 Purchased Services	-	-	-
258 Security:			
400 Supplies and Materials	-	-	-
260 Central Support Services:			
264 Staff Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
266 Technology and Data Processing Services:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	-	-	-
200 Employee Benefits (Optional)	-	-	-
300 Purchased Services (Optional)	-	-	-
400 Supplies and Materials (Optional)	-	-	-
500 Capital Outlay (Optional)	-	-	-
600 Other Objects (Optional)	-	-	-
Total Support Services	$ 1,276,264	506,271	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	805,507	146,340	-	$ 1,596,918
-	-	-	49,218	-	311,515
-	-	-	46,158	-	46,158
-	-	-	1,579	-	1,579
-	-	-	98,968	-	381,503
1,372	-	-	33,429	-	155,157
4,509	-	-	23,918	-	152,250
-	-	7	-	-	82,454
-	-	-	3,121	-	5,221
-	-	-	168,007	-	169,387
-	-	-	53,970	-	54,418
20,444	-	-	188,535	5,000	408,513
-	-	-	-	-	51,406
-	-	-	5,908	-	5,908
-	-	-	3,111	-	3,111
-	-	-	69,353	-	69,353
-	-	-	16,325	-	16,325
-	-	-	99,055	-	99,459
-	-	-	2,903	-	2,903
-	-	-	5,468	-	5,468
-	-	-	30,289	-	30,289
-	-	-	5,143	-	5,143
-	-	236,138	24,141	-	260,279
-	-	-	56,400	-	56,400
-	-	-	4,166	-	4,166
-	-	-	6,475	-	6,475
-	-	-	2,677	-	2,677
-	-	-	96,380	-	96,380
3,642	-	-	24,768	199,745	228,155
1,720	-	-	6,096	77,564	85,380
-	-	-	500	687,928	688,428
-	-	-	-	1,882,423	1,882,423
-	-	-	-	30,875	30,875
33,530	-	-	3,369	628,229	665,128
205,865	-	1,041,652	1,488,746	3,511,764	$ 8,030,562

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2025

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)	Preschool Handicapped (CG Projects) (205)
300 Community Services:			
360 Welfare Services:			
400 Supplies and Materials	$ -	-	-
370 Non Public School Services:			
300 Purchased Services	594	-	-
400 Supplies and Materials	-	-	-
390 Other Community Services:			
400 Supplies and Materials	-	-	-
Total Community Services	594	-	-
410 Intergovernmental Expenditures:			
411 Payments to SDE			
720 Transits	-	-	-
416 LEA Payments to Public Charter Schools			
720 Transits	47,163	-	-
419 Payments to PEBA from Nonemployer Contributions			
720 Transits	-	-	-
Total Intergovernmental Expenditures	47,163	-	-
TOTAL EXPENDITURES	**4,422,039**	**3,974,729**	**118,017**
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(54,052)	(172,302)	(5,418)
TOTAL OTHER FINANCING SOURCES (USES)	(54,052)	(172,302)	(5,418)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	**$ -**	-	-

CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	2,863	-	$ 2,863
-	-	-	13,532	-	14,126
-	-	-	13,717	-	13,717
-	-	-	9,926	-	9,926
-	-	-	40,038	-	40,632
-	-	-	104,944	-	104,944
-	-	-	-	-	47,163
-	-	28,112	-	-	28,112
-	-	28,112	104,944	-	180,219
316,506	**216,070**	**1,596,720**	**3,287,692**	**3,565,529**	**17,497,302**
-	-	-	125,514	82,359	207,873
(12,565)	(9,910)	-	(53,164)	-	(307,411)
(12,565)	(9,910)	-	72,350	82,359	(99,538)
-	**-**	**-**	**344,411**	**253,632**	**598,043**
-	**-**	**-**	2,427,788	1,745,556	4,173,344
-	**-**	**-**	**2,772,199**	**1,999,188**	**$ 4,771,387**

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2025

OTHER DESIGNATED RESTRICTED STATE GRANTS

917	Teacher Supplies (No Carryover Provision)
919	Education License Plates
924	CERDEP Full Day 4k / GEER CERDEP Summer
935	Reading Coaches
955	SNAP - Adult Education
956	Adult Education
969	Lottery - Adult Education
970	School Safety - Facility and Infrastructure Safety Upgrades
994	PEBA Nonemployer Contributions

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV - SSAE
221	Title I (Neglected and Delinquent)
237	Title I - Targeted School Improvement
264	Title III - English Language Acquisition
267	Title II - Improving Teacher Quality
280	Medicaid
295	ROTC
800	SCSBIT Risk Control Grant
802	Tuition
805	East Carolina - IES
813	Attendance Make-Up: Saturday School
814	Adult Education Contributions
822	Extended School Year
826	Summer School - Middle School
827	JSCG Grant
833	Arts in Education - Northside, Saluda Trail, & Palmetto School
863	Character Development Allocation
866	Misc State Restricted
869	Back the Pack
870	First Steps Parent Smart Grant
874	Technology Protection Plan
879	Special Needs Transportation
891	Testing - PSAT
897	Summer School/Credit Recovery - High School
899	Local School Projects

Schedule B-3

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2025

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue Interfund Transfers In (Out)	Special Revenue Other Fund Transfers In (Out)	Special Revenue Fund Unearned
917	3187	Teacher Supplies	$ 506,000	506,000	-	-	$ -
919	3193	Education License Plates	588	588	-	-	-
924	3134	Child Early Reading Development and Education Program (CERDEP - Full Day 4k)	16,485	16,485	-	-	12,986
935	3135	Reading Coaches	805,507	805,507	-	-	-
955	3155	DSS SNAP & E&T Program	314	314	-	-	209
956	3156	Adult Education	2,707	2,707	-	-	3,157
969	3699	Other State Lottery Programs	869	869	-	-	819
970	3670	School Safety - Facility and Infrastructure Safety Upgrades	236,138	236,138	-	-	98,000
994	3994	PEBA Nonemployer Contributions	28,112	28,112	-	-	-
		Totals	**$ 1,596,720**	**1,596,720**	**-**	**-**	**$ 115,171**

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

YEAR ENDED JUNE 30, 2025

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	$ 23,294
3503 State Aid to Classrooms	15,212,666
3518 Adoption List of Formative Assessment	82,100
3526 Refurbishment of Science Kits	10,453
3528 Industry Certifications / Credentials	65,928
3529 Career and Technical Education	278,520
3532 National Board Salary Supplement	631,160
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	2,105,045
3556 Adult Education	413,128
3557 Summer Reading Program	141,193
3571 CSI and State Priority Schools	226,621
3595 EEDA - Supplies and Materials	39,747
3599 Other EIA	2,402
Total Revenue from State Sources	19,233,334
TOTAL REVENUE ALL SOURCES	**19,233,334**
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	4,921
200 Employee Benefits	1,575
112 Primary Programs:	
100 Salaries	32,500
200 Employee Benefits	10,482
113 Elementary Programs:	
100 Salaries	119,392
200 Employee Benefits	38,444
300 Purchased Services	54,526
400 Supplies and Materials	100,957
114 High School Programs:	
100 Salaries	182,244
200 Employee Benefits	58,865
300 Purchased Services	$ 82,100

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

YEAR ENDED JUNE 30, 2025

	ACTUAL
115 Career and Technology Education Programs:	
100 Salaries	$ 7,500
200 Employee Benefits	2,406
300 Purchased Services (Other Than Tuition)	103,854
400 Supplies and Materials	84,203
500 Capital Outlay	26,325
120 Exceptional Programs:	
127 Learning Disabilities:	
100 Salaries	20,000
200 Employee Benefits	6,486
128 Emotionally Handicapped:	
100 Salaries	1,000
200 Employee Benefits	77
140 Special Programs:	
141 Gifted and Talented Academic:	
100 Salaries	12,500
200 Employee Benefits	4,024
147 CERDEP:	
100 Salaries	1,292,723
200 Employee Benefits	730,144
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	80,616
200 Employee Benefits	25,995
300 Purchased Services	18
400 Supplies and Materials	12,804
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	12,189
200 Employee Benefits	2,544
180 Adult/Continuing Education Programs:	
182 Adult Secondary Education Programs:	
100 Salaries	39,974
200 Employee Benefits	24,617
300 Purchased Services	3,428
400 Supplies and Materials	8,245
184 Post Secondary Education Programs:	
100 Salaries	24,008
200 Employee Benefits	12,725
Total Instruction	$ 3,224,411

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

YEAR ENDED JUNE 30, 2025

	ACTUAL
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	$ 47,500
200 Employee Benefits	15,307
300 Purchased Services	21,212
400 Supplies and Materials	17,675
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development:	
100 Salaries	30,869
200 Employee Benefits	9,575
400 Supplies and Materials	2,402
222 Library and Media Services:	
100 Salaries	12,316
200 Employee Benefits	3,995
223 Supervision of Special Programs:	
100 Salaries	280,967
200 Employee Benefits	131,629
300 Purchased Services	929
224 Improvement of Instruction Inservice and Staff Training:	
100 Salaries	18,403
200 Employee Benefits	4,892
300 Purchased Services	52,883
400 Supplies and Materials	9,783
230 General Administration Services:	
233 School Administration:	
100 Salaries	5,000
200 Employee Benefits	1,600
250 Finance and Operations Services:	
255 Student Transportation (State Mandated):	
100 Salaries	17,655
200 Employee Benefits	4,103
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
600 Other Objects (Optional)	4,702
660 Pupil Activity (Optional)	860
Total Support Services	$ 694,257

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

YEAR ENDED JUNE 30, 2025

	ACTUAL
400 Other Charges:	
410 Intergovernmental Expenditures:	
416 LEA Payments to Public Charter Schools	
720 Transits	$ 102,000
Total Intergovernmental Expenditures	102,000
TOTAL EXPENDITURES	**4,020,668**
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(15,212,666)
TOTAL OTHER FINANCING SOURCES (USES)	(15,212,666)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	-
FUND BALANCE, End of Year	**$ -**

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2025

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	$ 23,294	23,294	-	-	$ -
3503 State Aid to Classrooms	15,212,666	-	-	(15,212,666)	-
3518 Adoption List of Formative Assessment	82,100	82,100	-	-	30,297
3526 Refurbishment of Science Kits	10,453	10,453	-	-	56,559
3528 Industry Certifications / Credentials	65,928	65,928	-	-	58,718
3529 Career and Technical Education	278,520	278,520	-	-	460,250
3532 National Board Salary Supplement	631,160	631,160	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3541 Child Early Reading Development and Education Program (CERDEP - Full Day 4k)	2,105,045	2,105,045	-	-	-
3556 Adult Education	413,128	413,128	-	-	37,378
3557 Summer Reading Program	141,193	141,193	-	-	50,594
3571 CSI and State Priority Schools	226,621	226,621	-	-	100,000
3595 EEDA - Supplies and Materials	39,747	39,747	-	-	49,249
3599 Other EIA	2,402	2,402	-	-	98
Totals	**$ 19,233,334**	**4,020,668**	**-**	**(15,212,666)**	**$ 843,143**

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

YEAR ENDED JUNE 30, 2025

Program	Project/ Grant Number	Revenue & Subfund Code	Description	Amount Due to State Dept. of Education or Federal Government	Status of Amount Due to Grantors
Medicaid	N/A	1930 / 280	Medicaid Deductions	$ 64,196.53	Recouped through withholdings in July and August 2025
National Board Salary Supplement	N/A	3532 / 332	Unexpended Funds	15,070.08	Will be repaid in FY 2026
Teacher Supplies	N/A	3187 / 917	Unexpended Funds	4,000.00	Will be repaid in FY 2026
Total				$ 83,266.61	

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	ACTUAL
REVENUES	
1000 Revenues from Local Sources:	
1600 Food Service:	
1610 Lunch Sales to Pupils	$ 256,807
1620 Breakfast Sales to Pupils	535
1630 Special Sales to Pupils	20,004
1640 Lunch Sales to Adults	4,697
1650 Breakfast Sales to Adults	8,409
1660 Special Sales to Adults	5,797
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	847,124
Total Revenue from Local Sources	1,143,373
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	7,183,825
4830 School Breakfast Program (Carryover Provision)	2,058,168
4899 Miscellaneous Food Service	23,012
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	573,733
Total Revenue from Federal Sources	9,838,738
TOTAL REVENUE ALL SOURCES	**10,982,111**
EXPENDITURES	
250 Finance and Operations Services:	
256 Food Service:	
100 Salaries	161,210
300 Purchased Services (Exclude Energy Costs)	7,867,760
400 Supplies and Materials (Include Energy Costs)	792,271
500 Capital Outlay	691,610
600 Other Objects	963
Total Food Services Expenditures	9,513,814
TOTAL EXPENDITURES	**$ 9,513,814**

(Continued)

Schedule B-7

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	ACTUAL
OTHER FINANCING SOURCES (USES)	
5300 Sale of Capital Assets	$ 5,645
TOTAL OTHER FINANCING SOURCES (USES)	**5,645**
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	**1,473,942**
FUND BALANCE, Beginning of Year	4,442,287
FUND BALANCE, End of Year	**$ 5,916,229**

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DEBT SERVICE FUND

The Debt Service Fund, a major fund and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs for the District.

The following 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.

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ROCK HILL SCHOOL DISTRICT THREE **Schedule C-1**
ROCK HILL, SOUTH CAROLINA

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes Levied / Assessed by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	$ 32,133,316
1140 Penalties & Interest on Taxes (Independent)	130,158
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	2,087,179
1290 Other Taxes (Dependent)	64,876
1500 Earnings on Investments:	
1510 Interest on Investments	394,462
Total Revenue from Local Sources	34,809,991
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	1,016,074
3830 Merchant's Inventory Tax	107,676
3840 Manufacturer's Depreciation Reimbursement	110,742
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	114,816
Total Revenue from State Sources	1,349,308
TOTAL REVENUE ALL SOURCES	**36,159,299**
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	10,670,000
620 Interest	5,743,713
690 Other Objects (Includes Fees for Servicing Bonds)	60,853
Total Debt Service	16,474,566
TOTAL EXPENDITURES	**16,474,566**
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	149,765
Interfund Transfers, From (To) Other Funds:	
424-710 Transfer to Capital Projects Fund	(20,495,375)
TOTAL OTHER FINANCING SOURCES (USES)	(20,345,610)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	**(660,877)**
FUND BALANCE, Beginning of Year	8,785,757
FUND BALANCE, End of Year	**$ 8,124,880**

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CAPITAL PROJECTS FUND

The Capital Projects Fund, a major fund and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities of the District.

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.

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ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	$ 3,390,735
1900 Other Revenue from Local Sources:	
1950 Refund of Prior Year's Expenditures	648
Total Revenue from Local Sources	3,391,383
TOTAL REVENUE ALL SOURCES	**3,391,383**
EXPENDITURES	
200 Support Services:	
250 Finance and Operations Services:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	3,171,117
400 Supplies and Materials	65,212
500 Capital Outlay:	
520 Construction Services	16,788,329
530 Improvements Other Than Buildings	393,535
540 Equipment	481,326
545 Technology Equipment and Software	3,050,098
550 Vehicles	314,868
254 Operations and Maintenance of Plant:	
300 Purchased Services (Exclude Energy Costs)	364,157
400 Supplies and Materials (Include Energy Costs)	6,330
500 Capital Outlay	125,479
260 Central Support Services:	
266 Technology and Data Processing Services:	
300 Purchased Services	40,660
400 Supplies and Materials	304,048
270 Support Services - Pupil Activity	
271 Pupil Services Activity:	
300 Purchased Services	100,024
400 Supplies and Materials (Optional)	36,342
500 Capital Outlay	150,338
Total Support Services	25,391,863
TOTAL EXPENDITURES	**25,391,863**
OTHER FINANCING SOURCES (USES)	
5300 Sale of Capital Assets	406,365
5900 Miscellaneous Sources	
5999 Other Financing Sources	$ 3,740,228

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

		ACTUAL
Interfund Transfers, From (To) Other Funds:		
5240 Transfer from Debt Service Fund	$	20,495,375
420-710 Transfer to General Fund (Exclude Indirect Cost)		(1,200,000)
TOTAL OTHER FINANCING SOURCES (USES)		23,441,968
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES		**1,441,488**
FUND BALANCE, Beginning of Year		82,523,546
FUND BALANCE, End of Year	**$**	**83,965,034**

Location Reconciliation

As Requested by the South Carolina
Department of Education

Schedule E-1

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2025

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
00	Districtwide	Non-Schools	Central	$ 19,331,742
02	Belleview Elementary	Non-Schools	Central	293,143
04	Castle Heights Middle	Middle Schools	School	8,451,873
05	Central Child Dev. Center	Other Schools	School	3,136,961
06	Ebenezer Avenue Elementary	Elementary Schools	School	5,899,588
07	Dutchman Creek Middle	Middle Schools	School	8,962,859
08	Ebinport Elementary	Elementary Schools	School	6,116,218
16	Independence Elementary	Elementary Schools	School	6,074,078
18	India Hook Elementary	Elementary Schools	School	5,693,332
20	Leslie Elementary	Elementary Schools	School	5,346,148
22	Mt. Gallant Elementary	Elementary Schools	School	5,716,658
23	Mt. Holly Elementary	Elementary Schools	School	6,048,128
24	Northside Elementary	Elementary Schools	School	6,045,597
26	Northwestern High	High Schools	School	17,488,195
28	Oakdale Elementary	Elementary Schools	School	5,504,518
29	Old Pointe Elementary	Elementary Schools	School	6,687,777
30	Rawlinson Road Middle	Middle Schools	School	8,275,385
32	Richmond Drive Elementary	Elementary Schools	School	6,125,657
33	T-3	Other Schools	School	738,042
34	ParentSmart	Other Schools	School	664,065
36	Applied Technology Center	Other Schools	School	4,820,554
38	Rock Hill High	High Schools	School	19,811,086
41	South Pointe High	High Schools	School	14,765,259
42	Sullivan Middle	Middle Schools	School	9,497,693
44	Sunset Park Elementary	Elementary Schools	School	23,918,879
46	Sylvia Circle Family Learning Center	Non-Schools	Central	248,261
48	York Road Elementary	Elementary Schools	School	5,720,839
50	Saluda Trail Middle	Middle Schools	School	8,525,282
52	Cherry Park Elementary	Elementary Schools	School	7,432,831
60	Office of Superintendent	Non-Schools	Central	1,379,983
65	Health Services	Non-Schools	Central	39,728
66	Facilities Services	Non-Schools	Central	8,425,861
68	Food Service	Non-Schools	Central	8,855,725
70	Transportation	Non-Schools	Central	10,271,802
72	Procurement Services	Non-Schools	Central	762,561
76	Adult Education	Other Schools	School	827,653
77	Virtual Academy	Other Schools	School	2,160,322
78	Human Resources	Non-Schools	Central	3,379,137
79	Mental Health	Non-Schools	Central	2,350,001
80	Business Services	Non-Schools	Central	2,612,395
81	Administrative Services	Non-Schools	Central	2,559,670
82	Information Services	Non-Schools	Central	561,103
83	Student Services	Non-Schools	Central	$ 354,419

(Continued)

Schedule E-1

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2025

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
84	Support Services	Non-Schools	Central	$ 1,605,603
86	Exceptional Student Education	Non-Schools	Central	11,021,363
87	Technology	Non-Schools	Central	8,425,434
88	District 3 Stadium South	Non-Schools	Central	10,343
89	District 3 Stadium	Non-Schools	Central	214,274
90	Board of Trustees	Non-Schools	Central	2,087,766
95	Flexible Learning Center	Other Schools	School	2,896,822
660	Instruction/Accountability	Non-Schools	Central	6,970,014
	TOTAL EXPENDITURES FOR ALL FUNDS			$ 305,112,627

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

General Fund	$ 232,214,414
Special Revenue Fund	17,497,302
Special Revenue - EIA Fund	4,020,668
Special Revenue - Food Service	9,513,814
Debt Service Fund	16,474,566
Capital Projects Fund	25,391,863
TOTAL EXPENDITURES FOR ALL FUNDS	$ 305,112,627

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Compliance Section

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
	US Department of Agriculture				
	Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	$ 2,058,168	$ -
600	National School Lunch Program - Cash Assistance	10.555	N/A	7,183,825	-
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	573,733	-
600	USDA Good Transportation Rebate	10.555	N/A	23,012	-
	Total 10.553 & 10.555 - Child Nutrition Cluster			9,838,738	-
	Total US Department of Agriculture			**9,838,738**	**-**
	US Department of Education				
	Pass-through State Department of Education:				
201	Title I, Part A - Basic Grants to LEAs	84.010A	Title I - 23 - H63010100123	2,029	-
201	Title I, Part A - Basic Grants to LEAs	84.010A	Title I - 24 - H63010100124	931,191	3,963
201	Title I, Part A - Basic Grants to LEAs	84.010A	Title I - 25 - H63010100125	3,542,871	43,200
221	Title I, Part A - Basic Grants to LEAs	84.010A	Title I N&D - 23 - H63010100123	92,237	-
221	Title I, Part A - Basic Grants to LEAs	84.010A	Title I N&D - 24 - H63010100124	163,517	-
221	Title I, Part A - Basic Grants to LEAs	84.010A	Title I N&D - 25 - H63010100125	1,847	-
237	Title I, Part A - Basic Grants to LEAs	84.010A	Title I - TSI - 23 - H63010100123	245,461	-
237	Title I, Part A - Basic Grants to LEAs	84.010A	Title 1 - TSI - 24 - H63010100124	338,785	-
		Total 84.010A		5,317,938	47,163
	Individuals with Disabilities Education Act:				
203	Special Education - Grants to States	84.027A	IDEA - 23 - H63010100923	196,250	-
203	Special Education - Grants to States	84.027A	IDEA - 24 - H63010100924	1,615,984	-
203	Special Education - Grants to States	84.027A	IDEA - 25 - H63010100925	2,334,797	-
205	Special Education - Preschool Grants	84.173A	IDEA Pre-School Grants - 24 - H63010100824	18,211	-
205	Special Education - Preschool Grants	84.173A	IDEA Pre-School Grants - 25 - H63010100825	105,224	-
280	Special Education - Grants to States	84.027	Private Placement - 25	41,621	-
822	Special Education - Grants to States	84.027	Extended School Year - 25	103,237	-
	Total 84.027, 84.027A, & 84.173A - Special Education Cluster (IDEA)			4,415,324	-
207	Career and Technical Education - Basic Grants to State	84.048A	Perkins Aid, Title I - 24 - H63010107124	55,424	-
207	Career and Technical Education - Basic Grants to State	84.048A	Perkins Aid, Title I - 25 - H63010107125	273,647	-
		Total 84.048A		329,071	-
210	Student Support and Academic Enrichment Program	84.424A	Title IV SSAE - 23 - H63010100323	6,863	-
210	Student Support and Academic Enrichment Program	84.424A	Title IV SSAE - 24 - H63010100324	140,753	-
210	Student Support and Academic Enrichment Program	84.424A	Title IV SSAE - 25 - H63010100325	103,516	-
		Total 84.424A		251,132	-
243	Adult Education - Basic Grants to States	84.002A	AE Reverted - 25 - H63010101025	28,549	-
243	Adult Education - Basic Grants to States	84.002A	AE Basic - 25 - H63010101025	131,347	-
243	Adult Education - Basic Grants to States	84.002A	AE Civics - 25 - H63010101025	36,084	-
243	Adult Education - Basic Grants to States	84.002A	AE Family Lit - 25 - H63010101025	30,000	-
		Total 84.002A		225,980	-
264	English Language Acquisition - State Formula Grant	84.365A	Title III Immigrant - 23 - H63010006723	21,869	-
264	English Language Acquisition - State Formula Grant	84.365A	Title III Immigrant - 24 - H63010006724	19,836	
264	English Language Acquisition - State Formula Grant	84.365A	Title III Immigrant - 25 - H63010006725	3,154	
264	English Language Acquisition - State Formula Grant	84.365A	Title III ML - 23 - H63010006723	2,638	-
264	English Language Acquisition - State Formula Grant	84.365A	Title III ML - 24 - H63010006724	68,755	-
264	English Language Acquisition - State Formula Grant	84.365A	Title III ML - 25 - H63010006725	10,679	-
		Total 84.365A		126,931	-
267	Supporting Effective Instruction State Grants	84.367A	Title II - 23 - H63010006823	76,073	-
267	Supporting Effective Instruction State Grants	84.367A	Title II - 24 - H63010006824	141,994	-
267	Supporting Effective Instruction State Grants	84.367A	Title II - 25 - H63010006825	163,805	-
		Total 84.367A		$ 381,872	$ -

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
293	Disability Innovation Fund (DIF)	84.421E	SC Pathways Project - 24 - H63010SCPP24	$ 30,000	$ -
293	Disability Innovation Fund (DIF)	84.421E	SC Pathways Project - 25 - H63010SCPP25	41,377	-
			Total 84.421E	71,377	-
	Total Passed Through State Department of Education			11,119,625	47,163
	Pass-through East Carolina University:				
805	Institute of Education Sciences	84.324A	N/A	67,002	-
	Total US Department of Education			**11,186,627**	**47,163**
	US Department of Defense				
	Direct Programs:				
295	JROTC	12.000	N/A	258,620	-
	Total US Department of Defense			**258,620**	**-**
	US Department of Labor				
	Direct Programs:				
827	Jobs for America's Graduates	17.278	N/A	68,225	-
	Total US Department of Labor			**68,225**	**-**
	TOTAL FEDERAL ASSISTANCE EXPENDED			**$ 21,352,210**	**$ 47,163**

See accompanying notes to the schedule of expenditures of federal awards.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

A – General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of Rock Hill School District Three, Rock Hill, South Carolina (the "District") for the year ended June 30, 2025. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the District's financial statements.

C – Relationship to Financial Statements

Federal award expenditures are reported in the District's financial statements as expenditures in the Special Revenue Funds.

D – Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

E – Indirect Cost Rate

The District has elected not to use the de minimis cost rate allowed under the Uniform Guidance.

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*

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Rock Hill School District Three
Rock Hill, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the discretely presented component unit, and each major fund of Rock Hill School District Three, South Carolina (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2025. Our report includes a reference to another auditor who audited the financial statements of the discretely presented component unit, as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Greene Finney Cauley, LLP
Mauldin, South Carolina
November 21, 2025

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Rock Hill School District Three
Rock Hill, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rock Hill School District Three, South Carolina's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 21, 2025

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

Federal Agency: US Department of Education
Pass-Through Agency: South Carolina Department of Education
COVID-19 Elementary & Secondary Relief Fund;
Assistance Listing Number 84.425U
FAIN: S425U210019
Pass-Through Grantor's Award Number and Year: 2021 H63010497523
Repeat Comment from Prior Year? No

2024-001: PROCUREMENT AND SUSPENSION AND DEBARMENT

Questioned Costs
Not Determinable

Condition: The District used local exemptions in procuring some of the costs related to its ESSER program.

Criteria: The South Carolina Department of Education ("SDE") had issued a memorandum ("Memorandum") in August 2023 notifying school districts that local exemptions could not be used in procurement activities related to federal programs. If a school district wanted to use noncompetitive procurements, they would need to (a) meet the exceptions noted in this Memorandum and as more fully detailed in Office of Management and Budget ("OMB") 2 CFR 200.320 or (b) request and receive an approved waiver from the SDE on the "Request for Noncompetitive Procurement Approval" form.

Context, Cause, and Effect: The OMB's 2024 compliance supplement did not list in the compliance matrix a requirement to test the "Procurement and Suspension and Debarment" compliance requirement for this program. However, the SDE required that this compliance requirement be tested.

The District followed its approved procurement code which allowed the use of local exemptions for certain federal procurement activities. The District had received other communications from SDE staff that made them believe that following their procurement code was sufficient in procuring activities for this federal program. The District's auditors tested approximately $14,150,000 in key items related to the ESSER program and noted one procurement of approximately $522,000 where the District used a local exemption. The District's auditors tested a random sample of other ESSER expenditures and noted sixteen procurements totaling approximately $810,000 where the District used local exemptions. The amount of known procurements extrapolated to the remaining random population resulted in potential noncompetitive procurements of approximately $1,830,000. The actual known or likely questioned costs is not determinable – as it would be less than the total potential noncompetitive procurements.

The District was not fully aware that using its local exemptions as provided for in its procurement code was not allowable for federal purchases in this program.

Status: The District has corrected this issue in the year ended June 30, 2025.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(s) identified that are not considered to be material weaknesses?	____ Yes	X None Reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(s) identified that are not considered to be material weaknesses?	____ Yes	X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?	____ Yes	X No

Identification of major programs:

Assistance Listing Number(s)	*Name of Federal Program or Cluster*
10.553, 10.555	Child Nutrition Cluster
84.010A	Title I

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____ Yes X No

Section II - Current Year Financial Statement Findings

No matters to report

Section III - Current Year Federal Award Findings and Questioned Costs

No matters to report