



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR ENDED JUNE 30, 2025
COLUMBIA, SOUTH CAROLINA**

**DR. KIM MOORE, SUPERINTENDENT
MS. NANCY WILLIAMS, SENIOR CHIEF FINANCIAL OFFICER**

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



FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Prepared by:
Office of Financial Services

Dr. Kim D. Moore
Superintendent

Nancy W. Williams
Senior Chief Financial Officer

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

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INTRODUCTORY SECTION

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December 8, 2025

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

South Carolina State law requires that all school districts publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a licensed certified public accounting firm within six months of the close of each fiscal year. The Annual Comprehensive Financial Report of Richland School District Two for the fiscal year ended June 30, 2025, is submitted. Responsibility for both the accuracy of the data and the completeness of the information, including all disclosures, rests with the school district. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the school district.

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

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

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

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

Profile of the School District

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

The District is the 5th largest traditional school district in the State. The District operates a district-wide early childhood development program, twenty elementary schools, seven middle schools, five high schools, four elementary magnet schools, one institute of innovation, a virtual school program, an alternative school, one adult education center and offers numerous magnet opportunities at all

grade levels. The average age of schools in the district falls somewhere between 20-30 years and close to half of our schools are less than 20 years old. Richland School District Two is governed by a seven member Board of Trustees elected at large by the voters of the District. Board members are elected to four-year terms. As of June 30, 2025, the District served over 29,000 students. The District is the 1st Purple Star District in the Midlands; 13% of the District's students are from military families.

Mission

In partnership with our community, we empower students to discover their potential and prepare for a successful future.

Vision

Richland Two is a dynamic school district committed to creating an environment where students feel connected, engaged and supported so that they can experience academic and personal achievement.

Core Values

Belonging, Learning, Continuous Improvement and Joy

Economic Condition and Outlook

The headquarters of Blue Cross / Blue Shield of South Carolina is located in the School District where the company employs approximately 10,000 people. There are significant industrial enterprises within the School District including JTEKT Corporation and TRANE. Fort Jackson, one of the United States Army's largest training installations, is located adjacent to the District and is a major contributor to the economy. More than 3,500 active duty soldiers and their 12,000 family members are assigned to the installation and make this area their home. About one-third of those live in on-post housing. Fort Jackson employs almost 3,500 civilians and provides services for more than 46,000 retirees and their family members.

Richland County's per capita income is estimated to be \$61,823 for 2025. The annual unemployment rate for 2025 for Richland County was 5.1%, which was slightly above the 4.3 % state annual rate.

Long-term Financial Planning

Richland School District Two has been one of the fastest growing school districts in South Carolina over the past decade. We continue to see significant growth in housing developments in the district's attendance area. However in the next fiscal year, the district anticipates a slight decline in student enrollment due to the growth of new choice options within the district's attendance zone. The district is taking targeted strategic actions to minimize any financial impacts associated with a decline in enrollment. Also within the next couple of fiscal years, we anticipate increased property tax growth in the attendance area related to Scout Motors and the potential businesses it will draw to the area.

Financial Position

District policies are in place to assess and maintain the financial position of the District. Among these are Policy DA and Policy DB which state the District's fiscal management goals including a requirement to maintain a reserve fund of two months operating expenditures of the general fund's operating budget. Other policies address managing indebtedness and debt service, determining a budget that reflects the education priorities of the District, maintaining a level of per student expenditures needed to provide a quality education, as well as other policies regarding investments, inventories and various other aspects of financial operations designed to assist in assessing and maintaining a strong financial position.

Budgetary Control

Richland School District Two exercises budgetary controls. The objective of these budgetary controls is to ensure compliance with the provisions set forth in the annual appropriation adopted by the Board of Trustees. The Board of Trustees annually adopts and approves the General Fund budget by June 30th. The District uses the modified accrual basis of accounting for all governmental funds and uses encumbrances to accomplish budgetary control at the object level. The Superintendent has authority to approve line item transfers within a fund. The legal level of control is at the fund level. Encumbrances are utilized to assist in budgetary control and encumbrances lapse at fiscal year-end. Interim financial reports that provide budget vs. actual comparisons are presented to the Board of Trustees on a quarterly basis.

Special Revenue fund budgets are expended in conformance with the specific state and federal requirements of each fund, and budgets are not legally adopted by the Board of Trustees. Budgets are not formally adopted for the Capital Projects Fund or the Debt Service Fund. Debt Service expenditures are set in accordance with bond issue requirements, with revenues needed to pay the debt service requirement levied by the County Auditor.

Awards and Acknowledgements for 2024-2025

- The District had two students with perfect scores on the SC Ready English test and forty-four student with perfect scores on the SC Ready Math test.
- Seventeen schools were recognized by Magnet Schools of America for earning eleven National Merit Schools of Excellence awards and six Merit Schools of Distinction honors.
- Teresa Mingo, principal of Longleaf Middle School, is the 2025 Middle Level Principal of the year. Matt Sherman, principal of Blythewood High School, is the 2025 Secondary Principal of the year.
- Kirstin Bullington, Next Energy Engineering Instructor, Student Innovation Center @ R2i2 has won the Presidential Award for Excellence in Mathematics and Science Teaching in the Science category.
- Keighley George, Lead Interventionist at Forest Lake Elementary NASA Explorer School, was named a Milken Family Foundation Award Winner.
- JROTC programs at each Richland Two high school have a 100% graduation rate and the Navy ROTC at Richland Northeast ranks number one in South Carolina.
- Center for Knowledge and Center for Knowledge North were named Palmetto's Finest Finalists for the second year in a row.
- Joseph Keels Elementary School won the National Youth Advocacy and Resilience High Flying Schools Award and was named a National Beta School of Merit.
- Polo Road Elementary School was named a National Beta School of Merit, the third year in a row.
- Summit Parkway Middle School received the Schools to Watch designation by the National Forum to Accelerate Middle School Reform and is the state winner of the 15th Annual Samsung Solve for Tomorrow competition.
- Richland Northeast High School's counseling program was named a Recognized American School Counselor Association Model Program.
- The National Alliance for Black School Educators selected The Honorable Dr. Monica Elkins-Scott as its 2024-2025 School Board Member of the Year.
- Kyanna Samuel, Jackson Creek Elementary School, is the 2024 recipient of the Social Justice Award given by the Early Childhood Education Assembly of the National Council of Teachers of English.
- Ridge View High School's boys basketball team won the 2025 SCHSL Class 5A Division I State Boys Basketball Championship and Blythewood High School's girls basketball team won the 2025 SCHSL Class 5A Division I State Girls Basketball Championship.

Acknowledgements

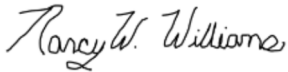
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated efforts of the entire Business Services office staff. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Dr. Kim D. Moore
Superintendent



Nancy W. Williams, CPA
Senior Chief Financial Officer



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

YEAR ENDED JUNE 30, 2025

PRINCIPAL OFFICERS

Board of Trustees

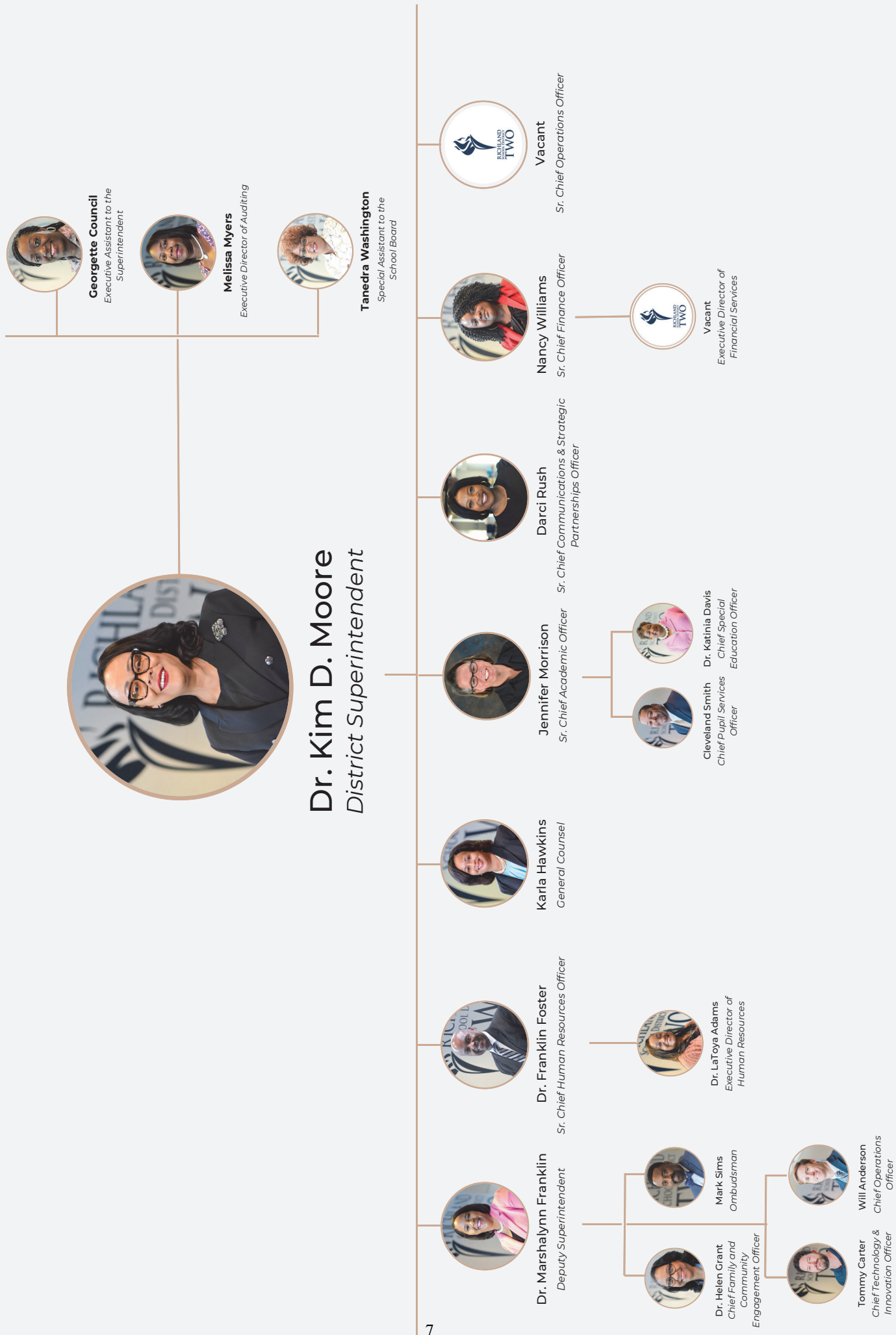
Dr. Monica E. Scott, Chair
Niki Porter, Vice Chair
Tamika Washington, Secretary
Gary Dennis
Angela Nash
Joe Trapp
Shelley Williams

Administrative Staff

Dr. Kim D. Moore, Superintendent
Nancy W. Williams, CPA, Senior Chief Financial Officer

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RICHLAND TWO ORGANIZATIONAL CHART



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Richland School District Two
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

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ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Richland School District Two

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

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FINANCIAL SECTION

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Richland School District Two
Columbia, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland School District Two, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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.

Correction of Errors

As discussed in Note IV.G in the notes to the financial statements, the District discovered that there were amounts recorded as unearned revenue in the General Fund and the Special Revenue Fund that should have been recorded as revenue and that the amounts that were previously recorded as property tax receivable and the related unavailable revenue in the General Fund and Debt Service Fund were incorrect. The District corrected these errors in its 2025 financial statements by reflecting a prior period adjustment. Our opinions are not modified with respect to this matter.

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 for the General Fund, 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 GAAS, 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 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
December 8, 2025

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

INTRODUCTION

This discussion and analysis of Richland School District Two's (the "District") financial performance provides an overview of the District's financial activities for fiscal year ended June 30, 2025 ("2025" or "FY 2025") compared to 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; readers should also review the transmittal letter, 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:

- In the Statement of Net Position, 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 \$26.50 million. Unrestricted net position was a deficit of approximately \$532.44 million. 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") plan 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, which were \$656.53 million at June 30, 2025, the District would have total unrestricted net position of \$124.09 million.
- The District's total net position for 2025 increased by approximately \$72.87 million compared to an increase of approximately \$84.74 million in the prior year, with total revenues of approximately \$540.74 million and \$467.87 million in expenses.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$297.80 million, a net decrease of approximately \$32.64 million from the combined beginning restated fund balances. This reduction is primarily due to decreases in the Special Revenue – Food Service Fund of approximately \$0.95 million and the Capital Projects Fund of approximately \$48.59 million, partially offset by increases in the General Fund of approximately \$3.13 million, the Special Revenue Fund of \$0.22 million, and the Debt Service Fund of approximately \$13.55 million. At the end of the current fiscal year, total fund balance for the General Fund was approximately \$122.85 million, of which approximately \$101.91 million was unassigned fund balance. Unassigned fund balance in the General Fund was approximately 27% of total General Fund expenditures.
- The District's total capital assets were approximately \$935.73 million, increasing approximately \$44.96 million during the current fiscal year over the prior year amount. Key factors were capital asset additions of approximately \$76.17 million, partially offset by depreciation expense and disposals of approximately \$31.21 million.
- The District's total long-term gross debt was approximately \$543.77 million, decreasing by approximately \$52.14 million during the current year due to regularly scheduled principal payments.
- During 2025, the District's governmental fund revenues were approximately \$549.94 million compared to approximately \$525.05 million in the prior year. This increase was primarily due to an increase of approximately \$6.65 million in property taxes, an increase of approximately \$17.93 million in state revenues, and an increase of approximately \$3.95 million in federal revenues, partially offset by decreases of approximately \$3.08 million in investment earnings and approximately \$0.82 million in other local revenues.
- During 2025, the District's governmental fund expenditures were approximately \$587.13 million compared to approximately \$584.36 million in the prior year. The increase was primarily due to an increase in instruction expenditures of approximately \$16.82 million (higher salaries and benefits), an increase in support services of approximately \$12.11 million (higher salaries, benefits, and operating costs), and an increase in debt service of approximately \$11.63 million (due to higher scheduled debt service), partially offset by lower capital outlay of approximately \$37.70 million (less construction in the current year).
- The District's net pension liability was approximately \$342.43 million as of June 30, 2025 compared to approximately \$368.84 million as of June 30, 2024.
- The District's net OPEB liability was approximately \$291.88 million as of June 30, 2025 compared to approximately \$251.14 million as of June 30, 2024.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

FINANCIAL HIGHLIGHTS (CONTINUED)

- The District became aware of several misstatements in its prior year balances in its governmental and government-wide financial statements. The District has restated these balances in accordance with generally accepted accounting principles. See Note IV.G in the notes to the financial statements for more details. For purposes of the discussion in the management's discussion and analysis all prior year amounts have been restated as if the correct amounts had been reported in the prior year with balances prior to 2024 being shown as the prior period adjustment.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, *Financial Section*, (which includes management's discussion and analysis, the financial statements, and the combining and individual fund financial schedules), *Statistical Section*, and the *Compliance Section*.

Government-Wide Financial Statements

The first two statements are *government-wide financial statements* that 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.

Statement of Net Position

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 items 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, the condition and age of school buildings (as well as other physical assets) should be considered.

Statement of Activities

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 accrued interest).

Government-wide financial statements distinguish functions 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 statements; the District does not report any business-type activities.

The government-wide financial statements can be found as listed in the table of contents of this report.

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 District's funds can be divided into two categories: governmental funds and proprietary funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Almost all of the District's 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 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 fund 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.

Proprietary Fund

The District maintains one type of proprietary fund. Internal service funds are used to accumulate and allocate costs internally among the District's various functions. The District's Worker's Compensation Fund is accounted for as an internal service fund. Since the District does not have any business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements. The proprietary fund financial statements can be found as listed in the table of contents.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the 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 South Carolina 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Statements (Continued)

Figure A-1 Major Features of the District's Government-Wide and Fund Financial Statements			
		Fund Financial Statements	
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds
Scope	Entire District.	The activities of the District that are not proprietary.	Activities the District operates similar to private businesses – in the District's case, it's the Workers Compensation Fund.
Required Financial Statements	▪ Statement of Net Position. ▪ Statement of Activities.	▪ Balance Sheet. ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances.	▪ Statement of Net Position. ▪ Statement of Revenues, Expenses, and Changes in Net Position. ▪ Statement of Cash Flows.
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and short-term and long-term.	Only balance sheet elements that come due during the year or shortly thereafter. No capital assets or long-term obligations are included.	All balance sheet elements, both financial and capital, and short-term and long-term.
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 the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the District's net position as of June 30, 2025 compared to June 30, 2024:

	Net Position	
	<u>June 30, 2025</u>	<u>June 30, 2024 *</u>
Assets		
Current and Other Assets	\$ 355,015,407	\$ 406,075,568
Capital Assets, Net	935,726,217	890,761,445
Total Assets	<u>1,290,741,624</u>	<u>1,296,837,013</u>
Deferred Outflows of Resources	<u>148,963,042</u>	<u>161,436,501</u>
Liabilities		
Other Liabilities	50,223,708	53,169,634
Net Pension Liability	342,426,330	368,836,738
Net Other Postemployment Benefit Liability	291,875,231	251,137,401
Long-Term Obligations	611,145,495	667,841,566
Total Liabilities	<u>1,295,670,764</u>	<u>1,340,985,339</u>
Deferred Inflows of Resources	<u>170,532,313</u>	<u>216,657,201</u>
Net Position		
Net Investment in Capital Assets	428,124,691	378,459,995
Restricted	77,821,213	66,548,819
Unrestricted	(532,444,315)	(544,377,840)
Total Net Position	<u>\$ (26,498,411)</u>	<u>\$ (99,369,026)</u>

* The District restated certain balances to correct errors in the prior year. See Financial Highlights section for more details.

Current and other assets decreased approximately \$51.06 million primarily due to a decrease in cash and cash equivalents of approximately \$36.25 million (primarily due spending down capital funds). The District's capital assets at June 30, 2025 increased by approximately \$44.96 million primarily due to capital asset additions of approximately \$76.17 million, partially offset by depreciation expense and net disposals. Liabilities decreased approximately \$45.31 million from the prior year primarily due to (a) a net decrease in the net pension of approximately \$26.41 million, (b) principal payments on outstanding indebtedness and amortization of premiums of approximately \$59.91 million, and (c) a net decrease in other liabilities of \$2.95 million due to the timing of payments, partially offset by an increase in the net OPEB liability of approximately \$40.74 million. The changes in the net pension and OPEB liabilities and deferred outflows/inflows of resources were primarily due to differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the District's share of these balances.

The District's government-wide net position increased approximately \$72.87 million during 2025 from the prior year amount as revenues exceeded expenses. See the discussion following the next table regarding this increase.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The largest positive portion of the District's net position (approximately \$428.12 million) reflects its investment in capital assets (i.e., land, construction in progress, buildings, improvements, vehicles, furniture and equipment, right-to-use assets, etc.) less any related outstanding obligations 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 obligations, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (approximately \$77.82 million) represents resources that are subject to external restrictions on how they may be used. These amounts are restricted primarily for debt service or by revenue source. The remaining portion of the District's net position (unrestricted net position) is negative and is approximately (\$532.44) million primarily due to recording the District's proportionate share of the net pension and OPEB liabilities and the related deferred balances related to the State retirement and OPEB plans.

The following table shows the changes in the District's governmental activities net position for 2025 compared to 2024:

Changes in Net Position

Revenues	2025	2024 *
Program Revenues:		
Charges for Services	\$ 1,282,428	\$ 1,707,053
Operating Grants	255,758,889	251,793,884
General Revenues:		
Taxes	202,685,511	194,739,987
State Revenue in Lieu of Taxes	64,908,821	58,804,607
Other	16,104,213	18,486,732
Total Revenues	<u>540,739,862</u>	<u>525,532,263</u>
Program Activities		
Instruction	245,878,856	227,537,461
Support Services	203,252,777	202,670,086
Community Services	826,455	659,068
Interest and Other Charges	17,911,159	9,926,719
Total Expenses	<u>467,869,247</u>	<u>440,793,334</u>
Change in Net Position	72,870,615	84,738,929
Net Position, Beginning of Year, As Previously Reported	(99,369,026)	(198,738,971)
Prior Period Adjustments *	-	14,631,016
Net Position, Beginning of Year, As Restated	<u>(99,369,026)</u>	<u>(184,107,955)</u>
Net Position, End of Year	<u>\$ (26,498,411)</u>	<u>\$ (99,369,026)</u>

* The District restated certain balances to correct errors in the prior year. See Financial Highlights section for more details.

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

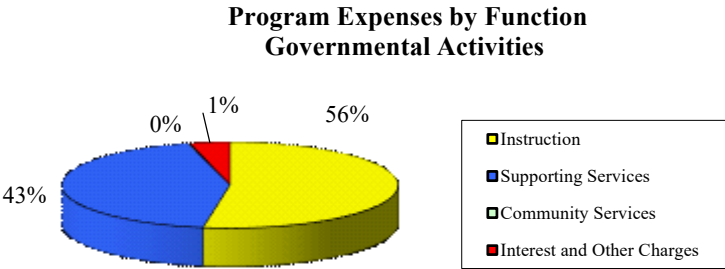
MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities: Net position increased approximately \$72.87 million in 2025, compared to a restated increase of approximately \$84.74 million in 2024. Key elements are as follows:

- Total revenues increased approximately \$15.21 million (3%), which is primarily attributed to higher operating grants of approximately \$3.97 million, higher property tax revenues of approximately \$7.95 million (assessed value increases for both operations and debt service) and increase state sources of approximately \$6.10 million.
- Total expenses increased approximately \$27.08 million (6%), which is primarily attributed to an increase in instructional expenses of approximately \$18.34 million and an increase in interest and other charges of approximately \$7.98 million. This increase in instructional expenses was primarily due to higher salaries (i.e. STEP increase, new positions, etc.) and benefits.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The analysis of governmental funds serve 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 \$297.80 million, compared to approximately \$330.45 million for the restated prior year. The decrease of approximately \$32.64 million is primarily attributable to the decrease in the Special Revenue – Food Service Fund of approximately \$0.95 million and the decrease in the Capital Projects Fund of approximately \$48.59 million, partially offset by the increase in the General Fund of approximately \$3.13 million, an increase in the Special Revenue Fund of approximately \$0.22 million and the increase in the Debt Service Fund of approximately \$13.55 million. 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 was approximately \$101.92 million. The General Fund has a total fund balance of approximately \$122.85 million. The Special Revenue Funds, which includes Food Services, had fund balances of approximately \$19.70 million. The remainder of fund balance for governmental funds is restricted primarily for Debt Service Fund of approximately \$61.93 million and Capital Projects Fund of approximately \$93.33 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was approximately \$101.92 million. The fund balance increased by approximately \$3.13 million, or approximately 3%, during the current fiscal year from the prior year restated fund balance. The current year increase is primarily due to higher than budgeted revenues (higher interest revenue due to higher interest rates and state sources) offset by higher than budgeted expenditures (primarily supporting services).

The District's Special Revenue Fund and Special Revenue – EIA Fund are used to account for revenues derived from federal, state, and local sources for student/pupil activity funds and special education programs. The District's student/pupil activities and special programs had restricted fund balance of approximately \$9.78 million. Special Revenue funds generally do not have fund balances as it relates to special education programs – as revenues should be expended, deferred, or returned to the grantor. The Special Revenue funds transferred approximately \$2.61 million to the General Fund for indirect costs related to federal programs and \$28.91 million to the General Fund for state aid to classrooms.

The Special Revenue – Food Service Fund is utilized to account for food service operations. At the end of the current fiscal year, total fund balance of the Food Service Fund was approximately \$9.66 million, a decrease of approximately \$0.95 million, as expenditures exceeded revenues.

The Debt Service Fund is used to account for the accumulation of funds for debt retirement. The fund balance for the Debt Service Fund was approximately \$61.93 million at June 30, 2025, an increase of approximately \$13.55 million due to higher local and state revenues (higher assessed values), partially offset by debt service payments.

The fund balance for the District's Capital Projects Fund was approximately \$93.33 million at June 30, 2025, a decrease of approximately \$48.59 million from the prior year. The decrease was primarily due to capital outlay expenditures exceeding investment earnings.

General Fund Budgetary Highlights

The District's 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. During the course of 2025, there were no amendments to the District's General Fund budget. Actual revenues came in higher than budget by approximately \$2.48 million primarily due to higher state sources and interest revenue (higher interest rates). Actual expenditures came in close to budget and were slightly higher than budget by approximately \$0.22 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025 and 2024, the District had approximately \$935.73 million and \$890.76 million in capital assets, respectively. The following table shows the capital asset balances as of June 30, 2025 compared to June 30, 2024:

	June 30, 2025	June 30, 2024
Land	\$ 28,002,390	\$ 27,340,376
Construction in Progress	50,663,325	415,280,480
Buildings, Improvements, Furniture, Equipment, and Vehicles	1,249,814,021	816,231,631
Leased Buildings	728,927	728,927
Intangible right-of-use leased assets	436,734	320,534
Intangible right-of-use subscription assets	7,242,365	1,905,689
Less Accumulated Depreciation	(401,161,545)	(371,046,192)
Total	<u>\$ 935,726,217</u>	<u>\$ 890,761,445</u>

The increase in the District's capital assets was approximately \$44.96 million (5%) in the current year, as capital asset additions of approximately \$76.17 million exceeded depreciation expense of approximately \$31.21 million. Major capital asset additions during the current fiscal year included:

- Construction in progress of \$46.57 million primarily related improvements at Rice Creek Elementary, Summit Middle, Spring Valley High, Westwood High, E. L. Wright Middle, and the Performing Arts Center.
- Furniture, equipment, and vehicles of approximately \$22.42 million.
- Subscription and Right-of-Use Assets of approximately \$6.53 million.

More detailed information about the District's capital assets can be found in Note III.D in the notes to the financial statements.

Debt Administration

The following table shows the outstanding governmental activities long-term debt balances as of June 30, 2025 compared to June 30, 2024:

	June 30, 2025	June 30, 2024
2010A/QSCB	\$ 2,150,000	\$ 3,225,000
2010D/QSCB	42,620,000	42,620,000
2017B (Refunding)	24,420,000	28,265,000
2019	76,970,000	80,880,000
2020 (Refunding)	10,125,000	13,430,000
2020A	126,445,000	136,965,000
2021A	68,950,000	71,655,000
2022A (Refunding)	32,370,000	36,677,000
2023A	133,030,000	146,340,000
2024A	11,760,000	20,000,000
2020 SOB	14,930,000	15,850,000
Total	<u>\$ 543,770,000</u>	<u>\$ 595,907,000</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The District's total long-term debt decreased approximately \$52.14 million (9%) during the current fiscal year due to regularly scheduled principal payments.

The State limits the amount of general obligation debt that the District can issue to 8% of the assessed value of all taxable property within the District's corporate limits. The District is authorized by state statute to exceed the legal debt margin of 8%, if citizens of the District approve such additional debt through a District-wide referendum. At June 30, 2025, the District's assessed property valuation was approximately \$782.94 million, and the legal debt limit was approximately \$62.64 million, of which the District had \$11.76 million outstanding debt subject to this limit at June 30, 2025.

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

ECONOMIC FACTORS

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

FY 26 BUDGET

The year ended June 30, 2026 ("FY 26") General Fund budget of approximately \$415.35 million represents a 7% increase over the FY 25 budget. Many factors were considered by the District's administration during the process of developing the FY 26 budget. The District's objectives continue to be equity and maintenance of pupil to teacher ratios in elementary grades. Staffing at all schools was closely analyzed and changes made as needed. The District expects to use appropriated fund balance of approximately \$20.54 million to balance the FY 2026 budget.

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 the division of Business Services, Richland School District Two, 124 Risdon Way, Columbia, South Carolina 29223 (Telephone number 803-787-1910).

Basic Financial Statements

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

STATEMENT OF NET POSITION

JUNE 30, 2025

	PRIMARY GOVERNMENT AND TOTAL Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 59,905,290
Cash and Cash Equivalents, Restricted	58,338,060
Cash and Cash Equivalents Held by County Treasurer	4,515,302
Cash and Cash Equivalents Held by County Treasurer, Restricted	175,294,229
Investments, Restricted	34,606,653
Property Taxes Receivable, Net	12,764,317
Other Receivables, Net	471,404
Due from Other Governments	8,005,999
Inventories and Prepaid Items	1,114,153
Capital Assets:	
Non-Depreciable	78,665,715
Depreciable, Net	857,060,502
TOTAL ASSETS	1,290,741,624
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	56,509,460
Deferred Other Postemployment Benefit Charges	91,789,757
Deferred Refunding Charges	663,825
TOTAL DEFERRED OUTFLOWS OF RESOURCES	148,963,042
LIABILITIES	
Accounts Payable	13,049,676
Accrued Salaries & Fringe Benefits	27,177,074
Due to Other Governments	61,262
Unearned Revenue	3,214,740
Accrued Interest	6,720,956
Non-Current Liabilities:	
Net Pension Liability - Due in More than One Year	342,426,330
Net Other Postemployment Benefit Liability - Due in More than One Year	291,875,231
Long-Term Obligations - Due Within One Year	56,456,581
Long-Term Obligations - Due in More than One Year	554,688,914
TOTAL LIABILITIES	1,295,670,764
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	34,000,056
Deferred Other Postemployment Benefit Credits	136,532,257
TOTAL DEFERRED INFLOWS OF RESOURCES	170,532,313
NET POSITION	
Net Investment in Capital Assets	428,124,691
Restricted For:	
Debt Service	58,375,697
Special Programs	9,783,632
Food Service	9,661,884
Unrestricted	(532,444,315)
TOTAL NET POSITION	\$ (26,498,411)

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

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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government and Total Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities:					
Instruction	\$ 245,878,856	211,862	122,603,273	-	\$ (123,063,721)
Support Services	203,252,777	1,070,566	133,155,616	-	(69,026,595)
Community Services	826,455	-	-	-	(826,455)
Interest and Other Charges	17,911,159	-	-	-	(17,911,159)
Total Governmental Activities	<u>467,869,247</u>	<u>1,282,428</u>	<u>255,758,889</u>	<u>-</u>	<u>(210,827,930)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 467,869,247</u>	<u>1,282,428</u>	<u>255,758,889</u>	<u>-</u>	<u>(210,827,930)</u>
GENERAL REVENUES:					
Property Taxes Levied for General Purposes					127,102,618
Property Taxes Levied for Debt Service					75,582,893
State Revenue In Lieu of Taxes					64,908,821
Investment Earnings					14,212,046
Miscellaneous					1,566,876
Gain on Disposal of Capital Assets					325,291
Total General Revenues					<u>283,698,545</u>
CHANGE IN NET POSITION					72,870,615
NET POSITION, Beginning of Year, As Previously Reported					(118,583,240)
Prior Period Adjustments					19,214,214
NET POSITION, Beginning of Year, As Adjusted					<u>(99,369,026)</u>
NET POSITION, End of Year					<u>\$ (26,498,411)</u>

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

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

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2025

	GENERAL	SPECIAL REVENUE
ASSETS		
Cash and Cash Equivalents	\$ 56,461,739	-
Cash and Cash Equivalents, Restricted	-	19,562,421
Cash and Cash Equivalents Held by County Treasurer	4,515,302	-
Cash and Cash Equivalents Held by County Treasurer, Restricted	-	-
Investments, Restricted	-	-
Receivables, Net:		
Taxes	9,487,703	-
Other	33,550	11,028
Due From:		
State Agencies	500,004	-
Federal Agencies	-	7,388,693
Other Funds	102,650,323	-
Prepaid Items	389,527	254,372
TOTAL ASSETS	\$ 174,038,148	27,216,514
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES:		
Accounts Payable	\$ 2,945,602	317,566
Accrued Salaries & Fringe Benefits	27,175,015	2,059
Due To:		
State Department of Education	-	59,272
State Agencies	-	1,507
Other Funds	11,307,371	16,022,999
Unearned Revenue	422,660	775,107
TOTAL LIABILITIES	41,850,648	17,178,510
DEFERRED INFLOWS OF RESOURCES:		
Unavailable Revenue - Property Taxes	9,337,244	-
FUND BALANCES:		
Fund Balances		
Nonspendable:		
Prepaid Items	389,527	254,372
Restricted For:		
Debt Service	-	-
Capital Projects	-	-
Special Programs	-	9,783,632
Food Service	-	-
Assigned For:		
Appropriated for Fiscal Year 2026 Budget	20,543,045	-
Unassigned	101,917,684	-
TOTAL FUND BALANCES	122,850,256	10,038,004
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 174,038,148	27,216,514

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

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	1,756,994	-	-	\$ 58,218,733
-	-	-	38,775,639	58,338,060
-	-	-	-	4,515,302
-	-	28,028,649	147,265,580	175,294,229
-	-	33,943,433	663,220	34,606,653
-	-	3,276,614	-	12,764,317
60	426,766	-	-	471,404
-	-	-	-	500,004
-	117,302	-	-	7,505,995
1,897,159	7,460,546	-	-	112,008,028
-	-	-	-	643,899
1,897,219	9,761,608	65,248,696	186,704,439	\$ 464,866,624
10,188	99,724	-	6,771,202	\$ 10,144,282
-	-	-	-	27,177,074
483	-	-	-	59,755
-	-	-	-	1,507
-	-	21,618	86,605,706	113,957,694
1,886,548	-	130,425	-	3,214,740
1,897,219	99,724	152,043	93,376,908	154,555,052
-	-	3,170,240	-	12,507,484
-	-	-	-	643,899
-	-	61,926,413	-	61,926,413
-	-	-	93,327,531	93,327,531
-	-	-	-	9,783,632
-	9,661,884	-	-	9,661,884
-	-	-	-	20,543,045
-	-	-	-	101,917,684
-	9,661,884	61,926,413	93,327,531	297,804,088
1,897,219	9,761,608	65,248,696	186,704,439	\$ 464,866,624

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

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

JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 297,804,088**

Amounts reported for the governmental activities in the Statement of Net Position are different because:

The Internal Service Fund is used by management to charge and track the costs of workers compensation.

The Internal Service Fund balances are reported with government activities in the Statement of Net Position. 1,201,083

Property taxes that 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 governmental funds.

12,507,484

Deferred refunding losses are amortized over the lives of the bonds; however, in governmental accounting, deferred refunding losses are expenditures the year they are incurred.

663,825

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 \$1,336,887,762 and the accumulated depreciation is \$401,161,545.

935,726,217

The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to their participation in the state retirement plans is not recorded in the governmental funds but is recorded in the Statement of Net Position.

(319,916,926)

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's cost-sharing multiple-employer OPEB plans is not recorded in the governmental funds but is recorded in the Statement of Net Position.

(336,617,731)

Accrued interest on the debt in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(6,720,956)

Long-term obligations, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term obligations at year-end consisted of the following:

Long-term debt (549,664,296)

Premium on long-term debt (51,928,586)

Compensated absences (9,552,613) (611,145,495)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ (26,498,411)**

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

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	GENERAL	SPECIAL REVENUE
REVENUES		
Local Sources:		
Taxes	\$ 127,402,886	-
Investment Earnings (Loss)	2,142,130	-
Other Local Sources	1,698,834	9,819,305
State Sources	223,123,438	455,479
Federal Sources	183,246	33,994,393
TOTAL REVENUES	354,550,534	44,269,177
EXPENDITURES		
Current:		
Instruction	208,573,485	21,555,437
Support Services	168,013,771	18,861,827
Community Services	701,371	120,084
Intergovernmental	736,528	1,187,731
Capital Outlay	1,531,147	789,158
Debt Service:		
Principal Retirement	1,016,719	267,288
Interest	44,558	-
Fees	-	-
TOTAL EXPENDITURES	380,617,579	42,781,525
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,067,045)	1,487,652
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	-	-
Issuances of Leases and Subscriptions	1,263,114	668,824
Transfers In	32,137,567	696,795
Transfers Out	(4,203,664)	(2,638,220)
TOTAL OTHER FINANCING SOURCES (USES)	29,197,017	(1,272,601)
NET CHANGES IN FUND BALANCES	3,129,972	215,051
FUND BALANCES, Beginning of Year, As Previously Reported	115,494,919	6,747,192
Prior Period Adjustments	4,225,365	3,075,761
FUND BALANCE, Beginning of Year, As Adjusted	119,720,284	9,822,953
FUND BALANCES, End of Year	\$ 122,850,256	10,038,004

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

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	75,575,059	-	\$ 202,977,945
-	5,319	2,637,372	9,425,541	14,210,362
-	917,813	-	129,768	12,565,720
37,779,052	-	-	-	261,357,969
-	15,472,590	9,181,453	-	58,831,682
37,779,052	16,395,722	87,393,884	9,555,309	549,943,678
5,792,155	-	-	-	235,921,077
2,715,428	14,833,920	-	4,184,497	208,609,443
-	-	-	-	821,455
-	-	-	-	1,924,259
95,030	2,258,860	-	56,973,524	61,647,719
-	27,783	52,137,000	1,552,956	55,001,746
-	932	23,107,351	44,905	23,197,746
-	-	5,261	-	5,261
8,602,613	17,121,495	75,249,612	62,755,882	587,128,706
29,176,439	(725,773)	12,144,272	(53,200,573)	(37,185,028)
-	-	-	13,016	13,016
-	-	-	4,597,098	6,529,036
-	302,260	1,406,404	-	34,543,026
(29,176,439)	(524,703)	-	-	(36,543,026)
(29,176,439)	(222,443)	1,406,404	4,610,114	4,542,052
-	(948,216)	13,550,676	(48,590,459)	(32,642,976)
-	10,610,100	48,738,712	141,917,990	323,508,913
-	-	(362,975)	-	6,938,151
-	10,610,100	48,375,737	141,917,990	330,447,064
-	9,661,884	61,926,413	93,327,531	\$ 297,804,088

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	\$ (32,642,976)
Amounts reported for governmental activities in the Statement of Activities are different because:	
The Internal Service Fund is used by management to charge and track the costs of workers compensation. The net revenues (expenses) of the Internal Service Fund are reported with governmental activities in the Statement of Activities.	(934,965)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. This amount represents the change in unearned property tax revenues for the year.	(292,434)
Payment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.	55,001,744
Bond proceeds and leases and subscription-based information technology arrangements provide current financial resources to governmental funds, but issuing debt or entering into leases also increases the long-term liabilities in the Statement of Net Assets	(6,529,036)
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 payable 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 amount is the net change in accrued interest.	474,175
Deferred refunding losses are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities.	(85,654)
Bond premiums are revenues the year they are received in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities.	4,903,329
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. This amount represents the change in compensated absences for the year.	(3,875,097)
Changes in the School District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the state retirement plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	14,629,509
Changes in the School District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the state's cost-sharing multiple-employer OPEB plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	4,780,152
Rebatable interest receivable on Build America Bonds in governmental funds is not a current financial resource in the current year and is, therefore, not reported as an asset in the funds.	(7,522,904)
In the Statement of Activities the loss on disposal of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increases financial resources. Thus, the change in net position differs from the change in governmental funds balance by the net book value of the capital assets disposed.	312,275
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets that are considered capital asset additions is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense in the current period.	44,652,497
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 72,870,615

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

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

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
ASSETS	
Cash and Cash Equivalents	\$ 1,686,557
Due From:	
Other Funds	1,949,666
Prepaid Items	470,254
TOTAL ASSETS	\$ 4,106,477
LIABILITIES	
Accounts Payable	\$ 3,376
Claims Payable	2,902,018
TOTAL LIABILITIES	2,905,394
NET POSITION	
Unrestricted	1,201,083
TOTAL FUND BALANCES	1,201,083
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,106,477

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

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
OPERATING REVENUES	
Other Operating Revenue	\$ 61,449
TOTAL OPERATING REVENUES	61,449
OPERATING EXPENSES	
Salaries and Benefits	2,788,632
Other	209,466
TOTAL OPERATING EXPENSES	2,998,098
OPERATING INCOME (LOSS)	(2,936,649)
NON-OPERATING REVENUES (EXPENSES)	
Interest	1,684
INCOME (LOSS) BEFORE TRANSFERS	(2,934,965)
TRANSFERS IN (OUT)	
Transfers In	2,000,000
TOTAL OTHER FINANCING SOURCES (USES)	2,000,000
NET CHANGES IN FUND BALANCES	(934,965)
FUND BALANCES, Beginning of Year	2,136,048
FUND BALANCES, End of Year	\$ 1,201,083

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

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

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Participants	\$ 61,449
Payments to Employees for Services	(1,851,983)
Payments to Suppliers of Goods and Services	(209,466)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(2,000,000)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from General Fund	2,000,000
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	2,000,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	1,684
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,684
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,684
CASH AND CASH EQUIVALENTS, Beginning of Year	1,684,873
CASH AND CASH EQUIVALENTS, End of Year	\$ 1,686,557
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:	
Operating Income (Loss)	\$ (2,936,649)
Change in Accounts Representing Operating Activities:	
Due from Others	540,661
Prepaid Items	(76,485)
Accounts Payable	(720)
Claims Payable	473,193
Net Cash Provided by (Used in) Operating Activities	\$ (2,000,000)

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The District’s financial statements are prepared in accordance with generally accepted accounting principles 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 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 financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the District. The District has no blended component units and no discretely presented component units as the District has determined that there are no affiliate entities (such as parent-teacher organizations, foundations and athletic booster clubs) that meet the requirements for inclusion as a discretely presented component unit.

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 activities of the District (the “Primary Government”) and its component units. Interfund activity (except for interfund services provided and used between functions) has been removed from these statements.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not report 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*. 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 reconciliations 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 so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash 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 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 funds are used by the District:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Fund Types are those through which the governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities 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 other funds. 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 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 three 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 (including pupil/student activity funds) that are restricted, committed or assigned for special educational programs or other special 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 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 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 ***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 equipment, site acquisitions, construction, renovation of capital facilities, and other capital assets for the District.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are primarily charges for services and fees. Operating expenses for proprietary funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types include the following funds:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District has the following internal service fund:

The **Worker's Compensation Fund** is used to account for the insurance and risk management services for the District.

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) are generally reported as investments.

Investments

The District's investment policy is designed to operate within existing statutes (which are identical for all funds and fund types 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 government.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

- (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.
- (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 asset 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 investment(s):

- Cash and Investments held by the Richland 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 ("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. Restricted Assets

The District established certain accounts for assets restricted for specific purposes, typically by outside parties or legal agreements.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. *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 trade and property taxes receivables are shown net of an allowance for uncollectible amounts.

4. *Prepaid Items*

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

5. *Capital Assets*

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 recorded at cost (or estimated historical cost). The capital asset system is 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 District maintains individual and group purchase capitalization thresholds of \$5,000 and \$1,000,000, respectively, for furniture and equipment, vehicles, land improvements and buildings and improvements. The District’s infrastructure assets are immaterial and have been reported with the buildings and improvements. 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 not capitalized.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	20-39 years
Furniture and Equipment	5-12 years
Vehicles	5 years

6. *Compensated Absences*

District employees are granted annual and sick leave in varying amounts based on years of experience. Vacation days accumulate up to 24 days. Vacation days in excess of 24 days will be lost. Any unused vacation days will not be paid out upon retirement, separation, or termination from the District. Sick leave can be accumulated up to 90 days (of which an employee may use as annual leave when they have been at the District 10 or more years). Unused sick leave must be used for a valid illness and will not be paid out at retirement, separation or termination from the District. The District also has a sick leave bank and thus this has been included in the calculation at the average sick leave pay rate per day. The entire compensated absence liability and expense is reported on the government-wide financial statements. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. *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. Long-term 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 and payable.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. If material, debt premiums are deferred and amortized over the life of the debt using the effective interest method. Amortization of premiums are included in interest expense. Long-term debt premiums are included with long-term debt and other long-term obligations. Debt issuance costs are expensed when incurred.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as 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, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

8. *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 three types of deferred outflows of resources: (1) The District reports *deferred refunding charges* in its Statements of Net Position. If material, deferred refunding charges, which is the difference between the reacquisition price and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding debt, which has the same maturity as the debt that was refunded. Amortization of deferred refunding charges is included in interest expense. (2) 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. (3) The District reports *deferred other postemployment benefit ("OPEB") charges* 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. *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 only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) 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.

9. *Fund Balance*

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

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

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 a resolution made by the Board, which is the highest level of decision making authority, 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.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted nor 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. Assigned fund balance for the District consists of (a) motions approved by the Board before the report issuance date that are for a specific purposes or (b) appropriations of current fund balance (made in the annual budget process) for the succeeding budget year.

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.

The District generally uses restricted amounts first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance and/or net position (as applicable) 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Net Position

Net position represents the difference between assets and deferred outflows of resources and 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.

11. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A and 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.

12. 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.
- 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fair Value (Continued)

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.

13. Accounting Estimates

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

14. Comparative Data

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

II. STEWARDSHIP AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets and formal budgetary integration are employed as management control devices during the year for the General Fund. The General Fund is the only fund with a legally adopted budget. Special revenue programs are managed by informal budgets and capital projects are budgeted on a long-term project basis, rather than annual appropriations. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The District presents a formal General Fund budget to the Board of Trustees prior to year-end and the final budget is approved prior to July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Budgets are adopted on the modified accrual basis of accounting for the General Fund and are consistent with U.S. generally accepted accounting principles.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

II. STEWARDSHIP AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The budget is prepared by function and object as dictated by the State of South Carolina and for management control purposes. The District's policies allow funds to be transferred between functions and objects. The Superintendent and/or Senior Chief Financial Officer is authorized to transfer budgeted amounts within and among departments; however, the Board must approve any revisions that alter total expenditures. Therefore, the legal level of budgetary control is at the fund level. The Board may authorize supplemental appropriations. There were no Board approved supplemental appropriations during the fiscal year. All appropriations for the General Fund lapse at fiscal year-end.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

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 \$60,578,000 (which had a carrying value of approximately \$46,191,000 due to outstanding checks) were exposed to custodial credit risk.

Investments

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

Investment Type	Fair Value Level (1)	Credit Rating (2)	Fair Value	WAM
MISLF Government Portfolio	Level 1	AAAmmf, AAAm, Aaa-mf	\$ 663,220	< 1 year
Morgan Stanley GIC	Level 2	N/R	33,943,433	1 - 3 Years
Cash and Investments Held by County Treasurer	N/A ⁽³⁾	N/R	179,809,531	< 1 year
SCLGIP	N/A ⁽³⁾	N/R	72,052,604	< 1 year
Total			<u>\$ 286,468,788</u>	

(1) See Note I.C.12 for details of the District's fair value hierarchy.
(2) If available, credit ratings are for Standard and Poor's and Moody's Investors Service.
(3) Investments that have a net asset value are not subject to the fair value hierarchy.
WAM – Weighted Average Maturity
N/R – Unrated

Interest Rate Risk: The District's Interest Rate Risk policy states that to address interest rate risk (i.e., fair value losses arising from increasing interest rates), the District will not invest in maturities exceeding 24 months without prior authorization from the Board.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

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.

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.

Certain cash, cash equivalents and investments of the District are legally restricted for specified purposes. The major types of restrictions at June 30, 2025 were those imposed by the revenue source (i.e. debt proceeds, grants, etc.).

The following table reconciles deposits and investments within the footnotes to the amounts in the financial statements:

Financial Statements	
Statement of Net Position:	
Unrestricted Assets:	
Cash and Cash Equivalents	\$ 59,905,290
Cash and Investments Held by County Treasurer	4,515,302
Restricted Assets:	
Cash and Cash Equivalents, Restricted	58,338,060
Cash and Investments Held by County Treasurer, Restricted	175,294,229
Investments, Restricted	34,606,653
Total	<u>\$ 332,659,534</u>
Notes to the Financial Statements	
Deposits	\$ 46,190,746
Investments	286,468,788
Total	<u>\$ 332,659,534</u>

B. Property Taxes Receivable and Unavailable/Unearned Revenue

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 County 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Property Taxes Receivable and Unavailable/Unearned Revenue (Continued)

Property taxes are levied and billed by the County on real and personal properties on October 1 based on an assessed value of approximately \$782.9 million (\$693.6 million in the prior year) at rates of 311.1 mills (331.7 mills in the prior year) for the General Fund and rates of 96.0 mills (104.0 mills in the prior year) for the Debt Service Fund. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

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

Current year real and personal taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of August 1 of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Taxes receivable of approximately \$12,764,000 includes an allowance for uncollectible amounts of approximately \$1,418,000 at June 30, 2025. Allowances for uncollectible amounts were not necessary for the other receivable accounts.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (unavailable revenue). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At June 30, 2025, the various components of unavailable/unearned revenue reported in the governmental funds were as follows:

Unavailable Revenue - Property Taxes - General Fund	\$	9,337,244
Unavailable Revenue - Property Taxes - Debt Service Fund		3,170,240
Unearned Revenue from the General Fund		422,660
Unearned Revenue from Special Revenue Funds		2,661,655
Unearned Revenue from the Debt Service Fund		130,425
Total Unavailable/Unearned Revenue for Governmental Funds	\$	<u>15,722,224</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

C. Interfund Receivables and Payables

Interfund balances at June 30, 2025, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Funds:</u>		
General Fund	\$ 102,650,323	\$ 11,307,371
Special Revenue Fund	-	16,022,999
Special Revenue - EIA Fund	1,897,159	-
Special Revenue - Food Service Fund	7,460,546	-
Debt Service Fund	-	21,618
Capital Projects Fund	-	86,605,706
<u>Proprietary Funds:</u>		
Internal Service Fund	1,949,666	-
Totals	<u>\$ 113,957,694</u>	<u>\$ 113,957,694</u>

Most normal cash activities are pooled and 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-end, fringe amounts paid by the General Fund for the Special Revenue – Food Service Fund, and construction-related costs in the Capital Projects Fund. The payable in the Capital Projects Fund is mostly due to the expenditures for the Capital Projects Fund being paid for using cash in the General Fund and the Capital Projects Fund needs to request a reimbursement from the County from the Capital Funds that are being held by the County to reimburse the General Fund.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	\$ 27,340,376	662,014	-	-	\$ 28,002,390
Construction in Progress	415,280,480	46,568,382	-	(411,185,537)	50,663,325
Total Capital Assets, Non-Depreciable	<u>442,620,856</u>	<u>47,230,396</u>	<u>-</u>	<u>(411,185,537)</u>	<u>78,665,715</u>
Capital Assets, Depreciable:					
Buildings and Improvements	772,371,083	821,926	-	411,185,537	1,184,378,546
Vehicles	8,297,750	789,628	(21,385)	-	9,065,993
Furniture and Equipment	35,562,798	20,806,684	-	-	56,369,482
Lease Assets	1,049,461	444,662	(328,462)	-	1,165,661
Subscriptions Assets	1,905,689	6,084,374	(747,698)	-	7,242,365
Total Capital Assets Depreciable	<u>819,186,781</u>	<u>28,947,274</u>	<u>(1,097,545)</u>	<u>411,185,537</u>	<u>1,258,222,047</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	333,719,515	18,899,454	-	-	352,618,969
Vehicles	7,488,273	556,445	(321,894)	-	7,722,824
Furniture and Equipment	28,939,230	8,942,537	(11,766)	-	37,870,001
Lease Assets	218,270	533,941	(328,462)	-	423,749
Subscriptions Assets	680,904	2,592,796	(747,698)	-	2,526,002
Total Accumulated Depreciation	<u>371,046,192</u>	<u>31,525,173</u>	<u>(1,409,820)</u>	<u>-</u>	<u>401,161,545</u>
Total Capital Assets, Depreciable, Net	<u>448,140,589</u>	<u>(2,577,899)</u>	<u>312,275</u>	<u>411,185,537</u>	<u>857,060,502</u>
Governmental Activities Capital Assets, Net	<u>\$ 890,761,445</u>	<u>44,652,497</u>	<u>312,275</u>	<u>-</u>	<u>\$ 935,726,217</u>

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

	Capital Asset Additions	Depreciation Expense
Governmental Activities:		
Instruction	\$ -	\$ 16,690,291
Support Services	76,177,670	14,834,882
Total	<u>\$ 76,177,670</u>	<u>\$ 31,525,173</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations

The District issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) are direct obligations and pledge the full faith and credit of the District and are subject to the 8% debt limit if not issued under a bond referendum. Principal and interest payments on the District’s GOB are secured solely by ad valorem property taxes. Special obligation bonds (“SOB”) are special obligations of the District and do not pledge the full faith and credit of the District and are not subject to the 8% debt limit. The obligation of the District for the SOB is to make acquisition payments under the acquisition agreement and is limited to funds that are specifically budgeted and appropriated annually for that purpose. The American Recovery and Reinvestment Act (“ARRA”) of 2009 allowed governments to issue taxable bonds such as Build America Bonds (“BAB”) and Qualified School Construction Bonds (“QSCB”) to finance capital expenditures and to elect to receive a subsidy payment from the United States Treasury equal to varying amounts of each interest payment on such taxable bonds. Each of the District’s outstanding debt issues are publicly traded.

The District had the following outstanding long-term indebtedness at June 30, 2025:

Type and Year of Issue	Description	Outstanding at June 30, 2025
General and Special Obligation Bonds		
2010A/QSCB:	Original issue of \$18,235,000 principal due in annual installments of \$1,035,000 to \$1,075,000 through June, 2027; interest at 0.75% to 5.2% paid annually.	\$ 2,150,000
2010D/QSCB:	Original issue of \$42,625,000 principal due in annual installments of \$5,000 to \$42,620,000 through September 2027; interest at 1% to 4.88% paid semiannually. A premium of approximately \$99,218 was received and will be amortized over the life of the bonds.	42,620,000
2019	Original issue of \$85,000,000 principal due in annual installments of \$100,000 to \$5,665,000 through March 2039; interest at 3% to 5% paid semiannually. A premium of approximately \$12,919,565 was received and will be amortized over the life of the bonds.	76,970,000
2020 SOB	Original issue of \$18,390,000 principal due in annual installments of \$295,000 to \$1,745,000 through December 2033; interest from 2% to 5% paid semiannually. A premium of approximately \$1,931,003 was received and will be amortized over the life of the bonds.	14,930,000
2020A	Original issue of \$149,995,000 principal due in annual installments of \$500,000 to \$11,595,000 through March 2039; interest at 1.75% to 5% paid semiannually. A premium of approximately \$19,487,087 was received and will be amortized over the life of the bonds.	126,445,000
2021A	Original issue of \$74,995,000 principal due in annual installments of \$500,000 to \$6,325,000 through September 2039; interest at 1.78% paid semiannually. A premium of approximately \$7,715,430 was received and will be amortized over the life of the bonds.	68,950,000
2023A	Original issue of \$158,415,000 principal due in annual installments of \$2,545,000 to \$14,975,000 through March 2037; interest at 3.363% paid semiannually. A premium of approximately \$18,040,638 was received and will be amortized over the life of the bonds.	133,030,000
2024A	Original issue of \$20,000,000 principal due in annual installments of \$3,725,000 to \$8,240,000 through September 2028; interest at 3.109% paid semiannually. A premium of approximately \$676,441 was received and will be amortized over the life of the bonds. This issue is subject to the District's constitutional debt limit of 8%.	\$ 11,760,000

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Type and Year of Issue	Description	Outstanding at June 30, 2025
<u>General Obligation Refunding Bonds</u>		
2017B	Original issue of \$40,880,000 principal due in semiannual installments of \$535,000 to \$4,575,000 through March 2031; interest at 2% to 5% paid semiannually. A premium of approximately \$6,302,636 will be amortized over the life of the bonds.	\$ 24,420,000
2020	Original issue of \$49,235,000 principal due in annual installments of \$3,305,000 to \$11,270,000 through March 2028; interest at 5% paid semiannually. A premium of approximately \$6,322,019 was received and will be amortized over the life of the bonds.	10,125,000
2022A	Original issue of \$42,180,000 principal due in annual installments of \$431,000 to \$4,393,000 through November 2033; interest at 1.72% paid semiannually. A discount of approximately \$942,203 was received and will be amortized over the life of the bonds.	\$ 32,370,000

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

Long-Term Obligations	Type of Issuance	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Debt:						
2010A/QSCB	PT	\$ 3,225,000	-	1,075,000	2,150,000	\$ 1,075,000
2010D/QSCB	PT	42,620,000	-	-	42,620,000	-
2017B	PT	28,265,000	-	3,845,000	24,420,000	3,700,000
2019	PT	80,880,000	-	3,910,000	76,970,000	4,115,000
2020 SOB	PT	15,850,000	-	920,000	14,930,000	1,020,000
2020	PT	13,430,000	-	3,305,000	10,125,000	3,340,000
2020A	PT	136,965,000	-	10,520,000	126,445,000	9,985,000
2021A	PT	71,655,000	-	2,705,000	68,950,000	1,655,000
2022A	PT	36,677,000	-	4,307,000	32,370,000	4,243,000
2023A	PT	146,340,000	-	13,310,000	133,030,000	14,885,000
2024A	PT	20,000,000	-	8,240,000	11,760,000	3,725,000
Total Debt		595,907,000	-	52,137,000	543,770,000	47,743,000
Premiums:						
Bond Premiums		56,831,915	-	4,903,329	51,928,586	4,903,329
Total Premiums		56,831,915	-	4,903,329	51,928,586	4,903,329
Total Net Debt		652,738,915	-	57,040,329	595,698,586	52,646,329
Lease Liability		890,949	444,662	536,658	798,953	240,727
Subscription Liability		1,339,055	6,084,374	2,328,086	5,095,343	2,172,707
Compensated Absences		5,677,516	3,875,097	-	9,552,613	1,396,818
Total Governmental Activities		\$ 660,646,435	10,404,133	59,905,073	611,145,495	\$ 56,456,581

Resources from the General Fund typically have been used in prior years to liquidate the compensated absence obligation and the SOB. The Debt Service Fund has primarily been used to service all other long-term debt. Payments for the District's other long-term liabilities associated with its participation in the State retirement and OPEB plans (see Note IV.A and Note IV.B) are paid from the various funds for which the employees' salaries are charged (i.e. General Fund, Special Revenue Fund, Special Revenue – EIA Fund, and Special Revenue – Food Service Fund).

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed eight percent 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 \$782,944,000, and the legal debt limit was approximately \$62,636,000, of which the District had \$11,760,000 outstanding debt subject to this limit at June 30, 2025.

Interest paid on most of the debt issued by the District is exempt from federal income tax. The District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government on the fifth anniversary of the issuance of the tax-exempt debt and every five years, thereafter, until the debt has been repaid, in accordance with the arbitrage regulations. As of June 30, 2025, the District does not have any significant positive arbitrage on any of its outstanding indebtedness.

The annual debt service requirements to maturity for long-term indebtedness at June 30, 2025 are as follows:

Years Ended June 30	Publicly Traded		Totals
	Principal	Interest	
2026	\$ 47,743,000	20,883,833	\$ 68,626,833
2027	48,091,000	18,634,778	66,725,778
2028	78,134,000	15,326,845	93,460,845
2029	32,842,000	12,648,205	45,490,205
2030	31,167,000	11,180,623	42,347,623
2031-2035	167,893,000	38,800,772	206,693,772
2036-2039	137,900,000	11,284,725	149,184,725
Totals	<u>\$ 543,770,000</u>	<u>128,759,781</u>	<u>\$ 672,529,781</u>

Lease Liability and Subscription-Based Information Technology Arrangements Liability

The District has entered into several lease agreements for administrative office space, copiers, and printers for several of the District's locations and several subscription-based information technology arrangements ("SBITA") for various software applications. See Note D above for additions, disposals, and amortization of lease and SBITA right-to-use assets and Note E above for additions and payments of lease and SBITA liabilities. Payments for the District's leases and SBITA liabilities are paid from the various funds for which the cost relates.

The annual debt service requirements to maturity for Lease and SBITA agreements at June 30, 2025 are as follows:

Years Ended June 30	Leases		SBITAs		Totals
	Principal	Interest	Principal	Interest	
2026	\$ 240,727	50,692	2,172,707	239,981	\$ 2,704,107
2027	231,368	35,227	1,304,372	138,086	1,709,053
2028	225,775	19,687	940,611	78,326	1,264,399
2029	101,083	6,381	677,653	33,883	819,000
Totals	<u>\$ 798,953</u>	<u>111,987</u>	<u>5,095,343</u>	<u>490,276</u>	<u>\$ 6,496,559</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Transfers In and Out

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
General Fund	\$ 32,137,567	\$ 4,203,664
Special Revenue Fund	696,795	2,638,220
Special Revenue - EIA Fund	-	29,176,439
Special Revenue - Food Service Fund	302,260	524,703
Debt Service Fund	1,406,404	-
<u>Proprietary Fund</u>		
Internal Service Fund	2,000,000	-
Totals	<u>\$ 36,543,026</u>	<u>\$ 36,543,026</u>

During the course of normal operations, the District has transactions between funds. These transactions are generally reflected as transfers. Funds were transferred into the General Fund from the Special Revenue Fund, the Special Revenue – EIA Fund, and the Special Revenue – Food Service Fund to cover EIA State Aid to Classrooms and indirect costs for federal programs. The District’s General Fund had transfers to the Special Revenue Fund for student activities and to support other special programs. The District’s General Fund had a transfer to the Special Revenue – Food Service Fund to cover a portion of fringe benefits for food services. The Debt Service Fund transfers in were for debt service payments. The Internal Service Fund transfers in were for current year workers compensation activity.

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 benefit 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

The PEBA issues an Annual Comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the System’ 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Membership (Continued)

- **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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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 the 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 the 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 the 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:

	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 \$34,904,000, \$4,567,000, and \$73,000, respectively, for the year ended June 30, 2025 and include the nonemployer contributions noted below.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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 \$1,785,000 and \$5,000 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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.

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%

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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 \$341,904,000 and \$523,000 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 1.457992 percent, which was a decrease of 0.064425 from its proportion measured as of June 30, 2023. At the June 30, 2024 measurement date, the District’s PORS proportion was 0.017418 percent, which was a decrease of 0.006356 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of approximately \$23,678,000 and (\$50,000) 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:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 11,236,168	\$ 424,324
Change in Assumptions	6,027,704	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	13,173,649
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	1,395,208	20,097,806
Employer Contributions Subsequent to the Measurement Date	37,686,301	-
Total SCRS	<u>56,345,381</u>	<u>33,695,779</u>
PORS		
Differences Between Expected and Actual Experience	49,070	2,996
Change in Assumptions	11,376	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	29,294
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	35,854	271,987
Employer Contributions Subsequent to the Measurement Date	67,779	-
Total PORS	<u>164,079</u>	<u>304,277</u>
Total SCRS and PORS	<u>\$ 56,509,460</u>	<u>\$ 34,000,056</u>

Approximately \$37,686,000 and \$68,000 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	\$ (12,950,128)	(94,697)	\$ (13,044,825)
2027	4,341,848	(72,797)	4,269,051
2028	(2,968,895)	(32,737)	(3,001,632)
2029	(3,459,524)	(7,746)	(3,467,270)
Total	<u>\$ (15,036,699)</u>	<u>(207,977)</u>	<u>\$ (15,244,676)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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	\$ 443,068,720	341,903,821	\$ 248,738,960
District's proportionate share of the net pension liability of the PORS	757,015	522,509	330,436
Total	<u>\$ 443,825,735</u>	<u>342,426,330</u>	<u>\$ 249,069,396</u>

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.

Payable to Plans

The District reported a payable of approximately \$5,028,000 to the PEBA as of June 30, 2025, representing required employer and employee contributions for the month of June 2025 for the SCRS and PORS. This amount is included in Accrued Salaries and Fringe Benefits on the financial statements and was paid in July 2025.

Pension Plans – Reconciliation to the Financial Statements

The District's pension plans are reflected in the financial statements as follows:

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
SCRS	\$ 341,903,821	56,345,381	33,695,779	\$ 23,677,815
PORS	522,509	164,079	304,277	(50,264)
Total - all Plans	<u>\$ 342,426,330</u>	<u>56,509,460</u>	<u>34,000,056</u>	<u>\$ 23,627,551</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans

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.

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 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 ensure 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

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.

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 \$14,102,000 for the year ended June 30, 2025.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Plan Contributions and Funding Policies (Continued)

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 \$43,000 for the year ended June 30, 2024 (measurement period). The contributions from these nonemployer contributing entities were approximately \$43,000 for the year ended June 30, 2025 and were not recognized in the fund financial statements as they were immaterial.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Methods (Continued)

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:	Individual 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%

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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 Plans’ funding requirements.

At June 30, 2025, the District reported a liability of approximately \$291,875,000 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 1.810438 percent, which was a decrease of 0.106144 from its proportion measured as of June 30, 2023.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of approximately \$7,160,000 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:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 15,172,396	\$ 43,199,495
Change in Assumptions	62,512,310	59,931,185
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,423,667	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	537,673	33,401,577
Employer Contributions Subsequent to the Measurement Date	12,143,711	-
Total	<u>\$ 91,789,757</u>	<u>\$136,532,257</u>

Approximately \$12,144,000 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	\$ (9,902,549)
2027	(10,495,108)
2028	(16,323,355)
2029	(20,435,089)
2030	(3,509,066)
Thereafter	3,778,956
Total	<u>\$ (56,886,211)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

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	\$ 346,478,105	291,875,231	\$ 248,166,296

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	\$ 240,012,462	291,875,231	\$ 359,143,985

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 Post Employment 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.

Payable to SCRHITF

The District reported a payable of approximately \$1,255,000 to the PEBA as of June 30, 2025, representing required employer contributions for the month of June 2025 for the SCRHITF. This amount is included in Accrued Salaries & Fringe Benefits on the financial statements and was paid in July 2025.

C. Grants

The District participates in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, would not have a material adverse effect on the financial condition of the District.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. During the 2025 fiscal year, the District obtained its general liability and property insurance through Surry of NC. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage.

The District has operated a self-insured Workers Compensation program since July 1, 2008. Activity related to the Workers Compensation program is reported in an Internal Service Fund. The District has also hired a third party administrator to handle claim processing related to the program. The District has purchased excess workers compensation insurance that covers losses exceeding per occurrence, with no aggregate requirement. At June 30, 2025, the District has recognized a liability for claims payable in the Internal Service Fund for \$2,902,018 related to estimated future claim payments:

Fiscal Year	Beginning of Fiscal Year Liability	Claims & Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2023	\$ 1,980,534	1,498,194	1,382,148	\$ 2,096,580
2024	2,096,580	2,296,378	1,964,133	2,428,825
2025	\$ 2,428,825	2,703,448	2,230,255	\$ 2,902,018

E. Commitments and Contingencies

Litigation

Various claims and lawsuits are pending against the District. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Construction Commitment

As of June 30, 2025, the District had outstanding construction commitments of approximately \$25,814,000, related to the Windsor Elementary School, Westwood High School Facilities, and Summit Middle School projects.

F. Tax Abatements

The District does not have any of its own tax abatement agreements. The District's property tax revenues were reduced by approximately \$14,848,000 under agreements entered into by the County.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

G. Prior Period Adjustments

In connection with the District's review of its account balances (as they prepared for the 2025 audit), the District became aware of several misstatements in its prior year balances in both its governmental fund and government-wide financial statements. The District recorded several prior period adjustments to correct these errors. These errors primarily relate to (a) property taxes receivable and (b) unearned revenue. The total impact of the above adjustments that affected beginning fund balance/net position for the year ended June 30, 2025 was as follows:

Description	Increase (Decrease) in Fund Balance/Net Position			
	General Fund	Debt Service Fund	Other Special Revenue Programs	Total Governmental Funds
Property Taxes Receivable	\$ (1,157,628)	(362,975)	-	\$ (1,520,603)
Remove Unearned Revenue	5,382,993	-	3,075,761	8,458,754
	<u>\$ 4,225,365</u>	<u>(362,975)</u>	<u>3,075,761</u>	<u>\$ 6,938,151</u>

Government-Wide Financial Statements Increase (Decrease) in Net Position	
Description	Governmental Activities
Understated Property Taxes Receivable	\$ 10,755,460
Overstated Unearned Revenue	8,458,754
	<u>\$ 19,214,214</u>

H. Subsequent Events

In September 2025, the District issued its Series 2025 General Obligation Bonds in the amount of \$30,000,000 for the purpose of capital improvements and paying costs of issuance of the bonds. The bond, including interest at 5.00%, is due at maturity on March 1, 2029.

In September 2025, the District purchased land for approximately \$15,900,000.

Required Supplementary Information

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**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

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

YEAR ENDED JUNE 30, 2025

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 132,203,925	132,203,925	127,402,886	\$ (4,801,039)
Investment Earnings (Loss)	750,000	750,000	2,142,130	1,392,130
Other Local Sources	750,000	750,000	1,698,834	948,834
State Sources	218,116,089	218,116,089	223,123,438	5,007,349
Federal Sources	250,000	250,000	183,246	(66,754)
TOTAL REVENUES	352,070,014	352,070,014	354,550,534	2,480,520
EXPENDITURES				
Current:				
Instruction	202,139,861	202,139,861	208,573,485	(6,433,624)
Supporting Services	177,264,336	177,264,336	168,013,771	9,250,565
Community Services	438,342	438,342	701,371	(263,029)
Intergovernmental	505,000	505,000	736,528	(231,528)
Capital Outlay	47,018	47,018	1,531,147	(1,484,129)
Debt Service:				
Principal Retirement	-	-	1,016,719	(1,016,719)
Interest and Fiscal Charges	-	-	44,558	(44,558)
TOTAL EXPENDITURES	380,394,557	380,394,557	380,617,579	(223,022)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(28,324,543)	(28,324,543)	(26,067,045)	2,257,498
OTHER FINANCING SOURCES (USES)				
Issuances of Leases and Subscriptions	-	-	1,263,114	1,263,114
Transfers In	29,711,936	29,711,936	32,137,567	2,425,631
Transfers Out	(6,387,393)	(6,387,393)	(4,203,664)	2,183,729
TOTAL OTHER FINANCING SOURCES (USES)	23,324,543	23,324,543	29,197,017	5,872,474
NET CHANGE IN FUND BALANCE	(5,000,000)	(5,000,000)	3,129,972	8,129,972
FUND BALANCE, Beginning of Year, As Previously Reported	115,494,919	115,494,919	115,494,919	-
Prior Period Adjustments	-	-	4,225,365	4,225,365
FUND BALANCE, Beginning of Year, As Restated	115,494,919	115,494,919	119,720,284	4,225,365
FUND BALANCE, End of Year	\$ 110,494,919	110,494,919	122,850,256	\$ 12,355,337

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The District's original and final budget reflect an expected use of fund balance of approximately \$5,000,000.

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	1.457992%	1.522417%	1.608483%	1.582518%	1.610312%	1.628133%	1.664207%	1.682357%	1.691729%	1.702456%
District's Proportionate Share of the Net Pension Liability	\$ 341,903,821	368,113,026	389,930,924	342,476,936	411,463,295	371,770,218	372,895,862	378,725,617	361,350,817	\$ 322,878,988
District's Covered Payroll	\$ 208,567,627	172,230,942	169,602,389	159,609,379	159,152,632	154,101,103	156,344,741	162,135,155	150,233,153	\$ 146,596,583
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	163.93%	213.73%	229.91%	214.57%	258.53%	241.25%	238.51%	233.59%	240.53%	220.25%
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.

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	\$ 39,471,035	37,160,198	30,243,753	28,086,156	24,835,219	24,835,219	24,764,149	21,202,441	17,941,197	\$ 16,618,723
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the District	37,686,301	35,375,464	28,459,019	26,301,422	23,050,485	23,050,485	22,979,415	19,417,707	17,941,197	16,618,723
Contributions from the State	1,784,734	1,784,734	1,784,734	1,784,734	1,784,734	1,784,734	1,784,734	1,784,734	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 221,741,321	208,567,627	172,230,942	169,602,389	159,609,379	159,152,632	154,101,103	156,344,741	162,135,155	\$ 150,233,153
Contributions as a Percentage of Covered Payroll	17.80%	17.82%	17.56%	16.56%	15.56%	15.60%	16.07%	13.56%	11.07%	11.06%

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	0.017418%	0.023774%	0.033627%	0.027977%	0.032754%	0.034431%	0.039786%	0.041180%	0.036550%	0.040650%
District's Proportionate Share of the Net Pension Liability	\$ 522,509	723,711	1,008,471	719,818	1,086,190	986,769	1,127,346	1,128,261	927,208	\$ 886,031
District's Covered Payroll	\$ 343,570	416,547	528,358	416,296	491,691	494,559	553,219	554,188	506,235	\$ 510,602
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	152.08%	173.74%	190.87%	172.91%	220.91%	199.53%	203.78%	203.59%	183.16%	173.53%
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.

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	\$ 72,571	72,287	83,476	100,599	75,100	88,701	84,273	88,736	77,814	\$ 68,544
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the District	67,779	67,495	78,684	95,807	70,308	83,909	79,481	83,944	77,814	68,544
Contributions from the State	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 341,670	343,570	416,547	528,358	416,296	491,691	494,559	553,219	554,188	\$ 506,235
Contributions as a Percentage of Covered Payroll	21.24%	21.04%	20.04%	19.04%	18.04%	18.04%	17.04%	16.04%	14.04%	13.54%

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	1.810438%	1.916582%	2.019297%	2.043911%	2.081519%	2.128269%	2.150499%	2.150499%	2.150499%
District's Proportionate Share of the Net OPEB Liability	\$ 291,875,231	250,909,069	307,343,538	420,481,869	368,955,500	314,757,407	301,588,167	291,281,567	\$ 311,147,763
District's Covered Payroll	\$ 208,911,197	201,080,554	198,565,597	187,899,207	187,925,757	182,046,130	183,535,853	181,348,179	\$ 181,348,179
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	139.7%	124.8%	154.8%	223.8%	196.3%	172.9%	164.3%	160.6%	171.6%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.9%	11.2%	9.6%	7.5%	8.4%	8.4%	7.9%	7.6%	6.6%

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 before 2017 is not available.

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%
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**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	\$ 14,102,270	13,265,861	12,567,535	12,410,350	11,743,700	11,745,360	11,013,791	10,094,472	\$ 9,665,858
Contributions in Relation to the Contractually Required Contribution	14,102,270	13,265,861	12,567,535	12,410,350	11,743,700	11,745,360	11,013,791	10,094,472	9,665,858
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 222,082,991	208,911,197	201,080,554	198,565,597	187,899,207	187,925,757	182,046,130	183,535,853	\$ 181,348,179
Contributions as a Percentage of Covered Payroll	6.35%	6.35%	6.25%	6.25%	6.25%	6.25%	6.05%	5.50%	5.33%

Notes to Schedule:

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

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Supplementary Information

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Combining and Individual Fund Financial Schedules

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SCHEDULE A

General Fund

The General Fund, also referred to as the "operating fund," is the basic budgetary fund of the School District. It is used to record all operating revenues and expenditures for the educational and support programs of the School District and for limited capital outlays. The appropriations and the anticipated revenue sources originate in the School District's operating budget. Any unassigned fund balance may be appropriated to support operating expenditures in subsequent years.

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

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

Schedule A-2

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent Taxes (Dependent)	\$ 132,203,925	119,884,637	\$ (12,319,288)
1240 Penalties & Interest on Taxes (Dependent)	-	888,195	888,195
1280 Revenue in Lieu of Taxes (Independent and Dependent)	-	6,630,054	6,630,054
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	37,000	7,018	(29,982)
1350 Tuition from Patrons for Summer School	50,000	136,403	86,403
1500 Earnings on Investments:			
1510 Interest on Investments	750,000	2,142,130	1,392,130
1700 Pupil Activities:			
1740 Student Fees	76,300	84,942	8,642
1900 Other Revenue from Local Sources:			
1910 Rentals	271,700	471,606	199,906
1950 Refund of Prior Year's Expenditures	-	160,271	160,271
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	315,000	838,594	523,594
Total Revenue from Local Sources	<u>133,703,925</u>	<u>131,243,850</u>	<u>(2,460,075)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3103 State Aid to Classrooms	138,524,116	143,511,151	4,987,035
3130 Special Programs:			
3131 Handicapped Transportation	-	5,337	5,337
3132 Home Schooling	-	629	629
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	2,056,173	2,590,018	533,845
3161 EAA Bus Driver Salary and Fringe	-	5,059	5,059
3162 Transportation Workers' Compensation	-	81,437	81,437
3181 Retiree Insurance (No Carryover Provision)	14,038,359	10,244,085	(3,794,274)
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	8,759,334	8,759,333	(1)
3820 Homestead Exemption (Tier 2)	1,894,248	1,894,248	-
3825 Reimbursement for Property Tax Relief (Tier 3)	51,060,751	51,199,069	138,318
3830 Merchant's Inventory Tax	-	378,141	378,141
3840 Manufacturer's Depreciation Reimbursement	-	2,678,029	2,678,029
3900 Other State Revenue:			
3993 PEBA On-Behalf	1,783,108	1,776,902	(6,206)
Total Revenue from State Sources	<u>218,116,089</u>	<u>223,123,438</u>	<u>5,007,349</u>
4000 Revenue from Federal Sources:			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations (P.L. 874)	250,000	183,246	(66,754)
Total Revenue from Federal Sources	<u>250,000</u>	<u>183,246</u>	<u>(66,754)</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 352,070,014</u>	<u>354,550,534</u>	<u>\$ 2,480,520</u>

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
100 Instruction:			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries	\$ 8,882,656	8,970,124	\$ (87,468)
200 Employee Benefits	4,004,743	4,169,132	(164,389)
300 Purchased Services	-	73,742	(73,742)
400 Supplies and Materials	17,177	18,001	(824)
112 Primary Programs:			
100 Salaries	27,883,946	28,407,162	(523,216)
200 Employee Benefits	7,553,005	12,660,012	(5,107,007)
300 Purchased Services	1,461,478	2,467,722	(1,006,244)
400 Supplies and Materials	54,873	673,595	(618,722)
113 Elementary Programs:			
100 Salaries	39,735,671	40,582,114	(846,443)
200 Employee Benefits	18,164,636	16,543,546	1,621,090
300 Purchased Services	147,391	1,503,487	(1,356,096)
400 Supplies and Materials	299,046	281,626	17,420
600 Other Objects	252	240	12
114 High School Programs:			
100 Salaries	28,919,984	29,478,388	(558,404)
200 Employee Benefits	13,070,720	11,926,350	1,144,370
300 Purchased Services	149,143	1,771,279	(1,622,136)
400 Supplies and Materials	551,625	444,889	106,736
500 Capital Outlay	5,948	672	5,276
600 Other Objects	848	848	-
115 Career and Technical Education Programs:			
100 Salaries	3,773,094	3,689,206	83,888
200 Employee Benefits	1,709,862	1,652,232	57,630
300 Purchased Services (Other Than Tuition)	70,285	95,357	(25,072)
400 Supplies and Materials	200,465	167,120	33,345
600 Other Objects	3,420	6,521	(3,101)
116 Career and Technical Education (Vocational) Programs - Middle School:			
100 Salaries	276,177	216,766	59,411
200 Employee Benefits	125,069	89,281	35,788
118 Montessori Programs:			
100 Salaries	1,150,515	1,181,100	(30,585)
200 Employee Benefits	519,064	572,123	(53,059)
300 Purchased Services	154	868	(714)
400 Supplies and Materials	23,710	25,562	(1,852)
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	2,604,013	2,823,584	(219,571)
200 Employee Benefits	1,173,315	1,097,665	75,650
300 Purchased Services	3,172,691	93,191	3,079,500
400 Supplies and Materials	\$ 40,023	40,023	\$ -

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
122 Trainable Mentally Handicapped:			
100 Salaries	\$ 1,474,163	1,660,994	\$ (186,831)
200 Employee Benefits	660,824	690,964	(30,140)
300 Purchased Services	-	85,508	(85,508)
400 Supplies and Materials	13,000	40,988	(27,988)
123 Orthopedically Handicapped:			
100 Salaries	59,093	54,515	4,578
200 Employee Benefits	26,734	31,943	(5,209)
124 Visually Handicapped:			
300 Purchased Services	7,500	12,553	(5,053)
400 Supplies and Materials	-	2,821	(2,821)
125 Hearing Handicapped:			
100 Salaries	338,216	339,168	(952)
200 Employee Benefits	152,766	149,048	3,718
300 Purchased Services	60,426	169,992	(109,566)
400 Supplies and Materials	11,900	11,174	726
126 Speech Handicapped:			
100 Salaries	2,804,403	2,664,172	140,231
200 Employee Benefits	1,270,209	1,212,261	57,948
300 Purchased Services	528,437	497,854	30,583
400 Supplies and Materials	6,500	5,905	595
127 Learning Disabilities:			
100 Salaries	7,832,545	7,079,771	752,774
200 Employee Benefits	3,505,948	2,918,401	587,547
300 Purchased Services	8,992	2,175,270	(2,166,278)
400 Supplies and Materials	31,427	28,092	3,335
128 Emotionally Handicapped:			
100 Salaries	1,860,493	1,460,481	400,012
200 Employee Benefits	841,011	649,730	191,281
300 Purchased Services	302,436	131,106	171,330
400 Supplies and Materials	5,000	4,582	418
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	325,199	332,562	(7,363)
200 Employee Benefits	146,556	149,841	(3,285)
130 Preschool Programs:			
133 Preschool Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	130,864	133,885	(3,021)
200 Employee Benefits	58,675	54,515	4,160
136 Preschool Handicapped Itinerant (3- & 4-Yr. Olds)			
100 Salaries	127,120	2,725	124,395
200 Employee Benefits	57,916	977	56,939
137 Preschool Handicapped Self-Contained (3- & 4- Yr.- Olds):			
100 Salaries	1,497,456	1,857,617	(360,161)
200 Employee Benefits	675,805	802,439	(126,634)
300 Purchased Services	4,000	1,830	2,170
400 Supplies and Materials	36,167	43,927	(7,760)
139 Early Childhood Programs:			
100 Salaries	10,348	33,196	(22,848)
200 Employee Benefits	1,082	2,726	(1,644)
300 Purchased Services	\$ -	91,950	\$ (91,950)

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
140 Special Programs:			
141 Gifted and Talented Academic:			
100 Salaries	\$ 942,864	888,815	\$ 54,049
200 Employee Benefits	426,428	433,452	(7,024)
300 Purchased Services	24,832	21,564	3,268
400 Supplies and Materials	79,533	79,166	367
600 Other Objects	200	200	-
143 Advanced Placement:			
100 Salaries	6,688	7,223	(535)
200 Employee Benefits	3,047	2,327	720
300 Purchased Services	900	1,699	(799)
400 Supplies and Materials	14,982	8,983	5,999
145 Homebound:			
100 Salaries	2,151	101,273	(99,122)
200 Employee Benefits	791	43,958	(43,167)
300 Purchased Services	305,500	338,562	(33,062)
400 Supplies and Materials	2,000	52	1,948
147 CERDEP:			
100 Salaries	49,319	89,850	(40,531)
200 Employee Benefits	13,630	16,679	(3,049)
148 Gifted and Talented Artistic:			
100 Salaries	174,264	149,841	24,423
200 Employee Benefits	78,853	58,892	19,961
300 Purchased Services	21,000	126,953	(105,953)
400 Supplies and Materials	45,871	20,661	25,210
600 Other Objects	700	334	366
149 Other Special Programs:			
300 Purchased Services	-	1,418	(1,418)
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	3,480,635	3,037,588	443,047
200 Employee Benefits	1,586,516	1,250,367	336,149
300 Purchased Services	-	851	(851)
400 Supplies and Materials	2,000	3,345	(1,345)
162 Limited English Proficiency:			
100 Salaries	2,273,135	2,349,661	(76,526)
200 Employee Benefits	1,029,109	1,009,672	19,437
300 Purchased Services	-	21,942	(21,942)
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	4,783	2,019	2,764
200 Employee Benefits	2,179	232	1,947
600 Other Objects	-	7,566	(7,566)
173 High School Summer School:			
100 Salaries	5,960	19,961	(14,001)
200 Employee Benefits	\$ 1,940	6,337	\$ (4,397)

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	\$ 608,447	612,456	\$ (4,009)
200 Employee Benefits	235,456	187,247	48,209
300 Purchased Services	2,000	7,253	(5,253)
400 Supplies and Materials	3,921	3,919	2
180 Adult/Continuing Educational Programs:			
182 Adult Secondary Education Programs:			
100 Salaries	60,573	62,862	(2,289)
200 Employee Benefits	26,745	29,812	(3,067)
183 Adult English Literacy (ESL):			
100 Salaries	749	-	749
200 Employee Benefits	57	-	57
184 Post Secondary Education Programs:			
100 Salaries	-	4,820	(4,820)
200 Employee Benefits	-	204	(204)
188 Parenting/Family Literacy:			
100 Salaries	4,993	164,983	(159,990)
200 Employee Benefits	382	82,443	(82,061)
400 Supplies and Materials	820	2,647	(1,827)
190 Instructional Pupil Activity:			
100 Salaries	1,248	2,559	(1,311)
200 Employee Benefits	96	196	(100)
600 Other Objects	2,302	2,302	-
Total Instruction	<u>202,145,809</u>	<u>208,574,157</u>	<u>(6,428,348)</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	2,804,013	2,654,561	149,452
200 Employee Benefits	1,270,447	1,189,035	81,412
300 Purchased Services	45,221	32,806	12,415
400 Supplies and Materials	13,906	13,556	350
212 Guidance Services:			
100 Salaries	6,434,118	6,880,663	(446,545)
200 Employee Benefits	2,903,124	2,861,743	41,381
300 Purchased Services	569,556	183,821	385,735
400 Supplies and Materials	53,557	17,356	36,201
600 Other Objects	10,083	9,938	145
213 Health Services:			
100 Salaries	2,255,699	2,990,185	(734,486)
200 Employee Benefits	1,015,771	1,320,800	(305,029)
300 Purchased Services	78,555	166,851	(88,296)
400 Supplies and Materials	45,032	41,522	3,510
500 Capital Outlay	15,000	-	15,000
214 Psychological Services:			
100 Salaries	2,151,178	2,079,977	71,201
200 Employee Benefits	973,924	892,347	81,577
300 Purchased Services	916,540	519,253	397,287
400 Supplies and Materials	\$ 2,000	11,652	\$ (9,652)

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
215 Exceptional Program Services:			
100 Salaries	\$ 137,393	130,133	\$ 7,260
200 Employee Benefits	60,609	59,017	1,592
300 Purchased Services	39,000	185,244	(146,244)
400 Supplies and Materials	3,000	4,902	(1,902)
217 Career Specialist Services:			
100 Salaries	12,484	1,335,600	(1,323,116)
200 Employee Benefits	955	655,119	(654,164)
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	3,160,953	3,908,783	(747,830)
200 Employee Benefits	1,432,570	1,743,899	(311,329)
300 Purchased Services	242,144	70,296	171,848
400 Supplies and Materials	98,073	73,982	24,091
600 Other Objects	111,400	117,759	(6,359)
222 Library and Media Services:			
100 Salaries	3,480,635	3,530,221	(49,586)
200 Employee Benefits	1,569,321	1,668,035	(98,714)
300 Purchased Services	157,715	153,368	4,347
400 Supplies and Materials	90,809	85,560	5,249
223 Supervision of Special Programs:			
100 Salaries	5,670,981	3,385,006	2,285,975
200 Employee Benefits	1,401,257	1,317,155	84,102
300 Purchased Services	505,420	436,556	68,864
400 Supplies and Materials	159,539	106,441	53,098
600 Other Objects	12,212	10,025	2,187
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	520,594	476,959	43,635
200 Employee Benefits	236,899	143,031	93,868
300 Purchased Services	1,149,846	1,125,772	24,074
400 Supplies and Materials	119,539	91,213	28,326
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	65,225	133,187	(67,962)
200 Employee Benefits	29,527	44,618	(15,091)
300 Purchased Services	157,700	101,501	56,199
318 Audit Services	68,500	68,500	-
400 Supplies and Materials	72,496	47,600	24,896
600 Other Objects	60,500	50,611	9,889
232 Office of the Superintendent:			
100 Salaries	849,267	905,039	(55,772)
200 Employee Benefits	404,001	585,913	(181,912)
300 Purchased Services	434,065	241,550	192,515
400 Supplies and Materials	66,500	63,003	3,497
600 Other Objects	\$ 158,500	124,422	\$ 34,078

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
233 School Administration:			
100 Salaries	\$ 22,302,723	23,163,567	\$ (860,844)
200 Employee Benefits	10,081,596	10,185,697	(104,101)
300 Purchased Services	1,261,039	955,727	305,312
400 Supplies and Materials	576,097	574,665	1,432
500 Capital Outlay	15,070	179,355	(164,285)
600 Other Objects	14,149	11,675	2,474
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	583,273	824,428	(241,155)
200 Employee Benefits	257,221	313,693	(56,472)
300 Purchased Services	10,500	1,802	8,698
252 Fiscal Services:			
100 Salaries	14,714,450	2,532,641	12,181,809
200 Employee Benefits	6,329,575	1,077,768	5,251,807
300 Purchased Services	3,321,316	87,775	3,233,541
400 Supplies and Materials	(1,953,310)	47,758	(2,001,068)
600 Other Objects	(1,717,930)	160,919	(1,878,849)
253 Facilities Acquisition and Construction:			
100 Salaries	999	-	999
200 Employee Benefits	76	-	76
254 Operation and Maintenance of Plant:			
100 Salaries	4,862,529	4,889,910	(27,381)
200 Employee Benefits	2,202,685	2,105,141	97,544
300 Purchased Services (Excludes Energy Costs)	20,064,228	19,801,060	263,168
400 Supplies and Materials (Include Energy Costs)	8,321,954	11,468,792	(3,146,838)
500 Capital Outlay	-	253,096	(253,096)
600 Other Objects	1,958,000	1,796,357	161,643
255 Student Transportation (State Mandated):			
100 Salaries	6,897,305	10,263,327	(3,366,022)
200 Employee Benefits	3,108,775	4,170,778	(1,062,003)
300 Purchased Services	194,819	174,528	20,291
400 Supplies and Materials	74,496	50,781	23,715
600 Other Objects	785	1,883	(1,098)
256 Food Services:			
100 Salaries	12,484	39,532	(27,048)
200 Employee Benefits	955	5,154	(4,199)
258 Security:			
100 Salaries	1,820,615	2,017,445	(196,830)
200 Employee Benefits	819,308	817,875	1,433
300 Purchased Services	7,423,571	5,968,126	1,455,445
400 Supplies and Materials	65,122	61,220	3,902
500 Capital Outlay	-	270,110	(270,110)
259 Internal Auditing Services:			
100 Salaries	143,527	146,708	(3,181)
200 Employee Benefits	65,391	57,484	7,907
300 Purchased Services	9,000	263	8,737
400 Supplies and Materials	\$ 6,000	-	\$ 6,000

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
260 Central Support Services:			
262 Planning:			
100 Salaries	\$ 931,490	1,010,461	\$ (78,971)
200 Employee Benefits	422,295	408,239	14,056
300 Purchased Services	905,217	282,753	622,464
400 Supplies and Materials	27,845	14,581	13,264
500 Capital Outlay	-	336,261	(336,261)
600 Other Objects	42,700	40,800	1,900
263 Information Services:			
100 Salaries	1,233,106	1,255,087	(21,981)
200 Employee Benefits	537,652	526,165	11,487
300 Purchased Services	324,992	270,824	54,168
400 Supplies and Materials	87,283	81,050	6,233
500 Capital Outlay	6,000	-	6,000
600 Other Objects	2,110	4,025	(1,915)
264 Staff Services:			
100 Salaries	2,253,930	2,492,872	(238,942)
200 Employee Benefits	1,025,173	1,109,689	(84,516)
300 Purchased Services	4,911,383	2,455,747	2,455,636
400 Supplies and Materials	58,705	51,760	6,945
600 Other Objects	3,165	68,022	(64,857)
266 Technology and Data Processing Services:			
100 Salaries	3,356,572	3,341,549	15,023
200 Employee Benefits	1,503,400	1,475,484	27,916
300 Purchased Services	444,321	374,713	69,608
400 Supplies and Materials	700,165	651,137	49,028
500 Capital Outlay	-	486,653	(486,653)
600 Other Objects	-	150	(150)
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	49,666	2,075,145	(2,025,479)
200 Employee Benefits (Optional)	21,455	666,292	(644,837)
300 Purchased Services (Optional)	10,845	185,507	(174,662)
400 Supplies and Materials (Optional)	123,864	108,894	14,970
600 Other Objects (Optional)	121,577	167,848	(46,271)
660 Pupil Activity	49,749	74,412	(24,663)
Total Support Services	<u>177,300,406</u>	<u>169,539,246</u>	<u>7,761,160</u>
300 Community Services:			
390 Other Community Services:			
100 Salaries	203,252	269,730	(66,478)
200 Employee Benefits	87,074	102,214	(15,140)
300 Purchased Services	103,168	206,662	(103,494)
400 Supplies and Materials	44,373	121,933	(77,560)
500 Capital Outlay	5,000	5,000	-
600 Other Objects	475	832	(357)
Total Community Services	<u>\$ 443,342</u>	<u>706,371</u>	<u>\$ (263,029)</u>

(Continued)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	\$ 505,000	736,528	\$ (231,528)
Total Intergovernmental Expenditures	<u>505,000</u>	<u>736,528</u>	<u>(231,528)</u>
500 Debt Service:			
610 Redemption of Principal	-	1,016,719	(1,016,719)
620 Interest	-	44,558	(44,558)
Total Debt Service	<u>-</u>	<u>1,061,277</u>	<u>(1,061,277)</u>
TOTAL EXPENDITURES	<u>380,394,557</u>	<u>380,617,579</u>	<u>(223,022)</u>
OTHER FINANCING SOURCES (USES)			
5400 Proceeds from Long-Term Notes	-	1,263,114	1,263,114
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	28,576,936	29,001,422	424,486
5280 Transfer from Other Funds Indirect Costs	1,135,000	3,136,145	2,001,145
421-710 Transfer to Special Revenue Fund	(495,000)	(495,000)	-
423-710 Transfer to Debt Service Fund	(3,517,393)	(1,406,404)	2,110,989
425-710 Transfer to Food Service Fund	(375,000)	(302,260)	72,740
427-710 Transfer to Internal Service Fund	(2,000,000)	(2,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>23,324,543</u>	<u>29,197,017</u>	<u>5,872,474</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,000,000)	3,129,972	8,129,972
FUND BALANCE, Beginning of Year, As Previously Reported	115,494,919	115,494,919	-
Prior Period Adjustments	-	4,225,365	4,225,365
FUND BALANCE, Beginning of Year, As Restated	<u>115,494,919</u>	<u>119,720,284</u>	<u>4,225,365</u>
FUND BALANCE, End of Year	<u>\$ 110,494,919</u>	<u>122,850,256</u>	<u>\$ 12,355,337</u>

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SCHEDULE B

Special Revenue Funds

The Special Revenue funds are used to record revenues derived from the State of South Carolina and the federal government, of which certain funds are required to finance particular activities and may require matching revenues from local sources. Separate revenues, expenditures and changes in fund balances are set forth for various reporting requirements.

During 1984, the state legislature passed the Education Improvement Act (EIA) to upgrade the quality of education in South Carolina. Because of the categorical nature of the revenue, the state requires that revenues and expenditures be accounted for in separate funds. Accordingly, the EIA funds are reported as Special Revenue funds in the districts financial statements.

The Special Projects Fund is used to account for all federal, state and local projects except for those funded under the Education Improvement Act.

The Food Service Fund records the operation and maintenance of the food service fund operations. The fund's purpose is to provide balanced nutritional meals to School District students, some of which are free and reduced meals under the United States Department of Agriculture school breakfast and lunch programs.

The Student Activity Fund is used to record the receipts and disbursements of monies for student activities at schools within the district. These activities include student clubs and organizations, field studies, athletics, as well as, many other student activities.

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

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
REVENUES		
1000 Revenue from Local Sources:		
1300 Tuition:		
1350 Tuition from Patrons for Summer School	\$ -	-
1700 Pupil Activities:		
1710 Admissions	-	-
1720 Bookstore Sales	-	-
1730 Pupil Organization Membership Dues and Fees	-	-
1740 Student Fees	-	-
1790 Other Pupil Activity Income	-	-
1900 Other Revenue from Local Sources:		
1910 Rentals	-	-
1920 Contributions and Donations from Private Sources	-	-
1930 Special Needs Transportation - Medicaid	-	-
1990 Miscellaneous Local Revenue:		
1994 Receipt of Legal Settlements	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	-	-
3000 Revenue from State Sources:		
3130 Special Programs:		
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:		
3699 Other State Lottery Programs	-	-
3900 Other State Revenue:		
3999 Revenue from Other State Sources	-	-
Total Revenue from State Sources	-	-
4000 Revenue from Federal Sources:		
4100 Federally Impacted Areas:		
4140 Handicapped P.L. 81-874	-	-
4200 Occupational Education:		
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	\$ -	-

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	-	68,442	-	\$ 68,442
-	-	-	-	488,886	44,298	533,184
-	-	-	-	-	1,650	1,650
-	-	-	-	-	75,317	75,317
-	-	-	-	-	375,473	375,473
-	-	-	-	616,611	5,315,894	5,932,505
-	-	-	-	696	-	696
-	-	-	-	81,594	35,564	117,158
-	-	-	-	885,859	-	885,859
-	-	-	-	235,379	-	235,379
-	-	-	-	623,543	970,099	1,593,642
-	-	-	-	3,001,010	6,818,295	9,819,305
-	-	-	46,558	-	-	46,558
-	-	-	117,600	-	-	117,600
-	-	-	2,481	-	-	2,481
-	-	-	-	62,579	-	62,579
-	-	-	35,224	-	-	35,224
-	-	-	-	191,037	-	191,037
-	-	-	201,863	253,616	-	455,479
-	-	-	-	63,846	-	63,846
-	363,500	-	-	-	-	\$ 363,500

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	\$ 6,963,019	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-
4343 McKinney-Vento Education for Homeless Children and Youth Program	-	-
4351 Supporting Effective Instruction	-	-
4400 Adult Education:		
4410 Basic Adult Education	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	5,725,914
4520 Preschool Grants for Children With Disabilities (IDEA)	-	-
4900 Other Federal Sources:		
4924 Nita M. Lowey 21st Century Community Learning Centers, Program (Title IV, 21st Century Schools)	-	-
4937 ARP Homeless Children & Youth	-	-
4974 ESSER III	-	-
4990 Other Federal Revenue:		
4997 Title IV - SSAE	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>6,963,019</u>	<u>5,725,914</u>
TOTAL REVENUE ALL SOURCES	<u>6,963,019</u>	<u>5,725,914</u>
EXPENDITURES		
100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
400 Supplies and Materials	-	-
112 Primary Programs:		
100 Salaries	1,096,179	-
200 Employee Benefits	539,481	-
300 Purchased Services	188,131	-
400 Supplies and Materials	364,414	-
113 Elementary Programs:		
100 Salaries	99,440	-
200 Employee Benefits	53,647	-
300 Purchased Services	6,487	-
400 Supplies and Materials	10,289	-
114 High School Programs:		
100 Salaries	77,499	-
200 Employee Benefits	35,269	-
300 Purchased Services	15,506	-
400 Supplies and Materials	24,372	-
500 Capital Outlay	\$ -	-

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	-	353,469	-	\$ 7,316,488
-	-	-	-	75,559	-	75,559
-	-	-	-	123,315	-	123,315
-	-	-	-	1,120,853	-	1,120,853
-	-	80,390	-	-	-	80,390
-	-	-	-	8,631	-	5,734,545
287,770	-	-	-	-	-	287,770
-	-	-	-	1,872,003	-	1,872,003
-	-	-	-	39,359	-	39,359
-	-	-	-	12,447,127	-	12,447,127
-	-	-	-	556,364	-	556,364
-	-	-	-	3,913,274	-	3,913,274
287,770	363,500	80,390	-	20,573,800	-	33,994,393
287,770	363,500	80,390	201,863	23,828,426	6,818,295	44,269,177
-	-	-	117,600	2,591	-	120,191
-	-	-	-	114,530	-	1,210,709
-	-	-	-	-	-	539,481
-	-	-	-	10,473	-	198,604
-	-	-	2,481	9,773,172	-	10,140,067
-	-	-	-	-	-	99,440
-	-	-	-	-	-	53,647
-	-	-	-	16,435	-	22,922
-	-	-	-	71,069	-	81,358
-	-	-	-	300,378	-	377,877
-	-	-	-	80,284	-	115,553
-	-	-	-	4,399	-	19,905
-	-	-	-	150,768	-	175,140
-	-	-	-	63,719	-	\$ 63,719

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
115 Career and Technical Education Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services (Other Than Tuition)	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
116 Career and Technical Education (Vocational) Programs - Middle School:		
400 Supplies and Materials	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	326,451
200 Employee Benefits	-	134,942
300 Purchased Services	-	-
400 Supplies and Materials	-	-
122 Trainable Mentally Handicapped:		
100 Salaries	-	233,501
200 Employee Benefits	-	110,268
300 Purchased Services	-	-
400 Supplies and Materials	-	-
125 Hearing Handicapped:		
100 Salaries	-	75,697
200 Employee Benefits	-	37,302
400 Supplies and Materials	-	-
126 Speech Handicapped:		
100 Salaries	-	139,522
200 Employee Benefits	-	59,978
300 Purchased Services	-	-
127 Learning Disabilities:		
100 Salaries	46,518	615,609
200 Employee Benefits	19,677	244,970
300 Purchased Services	-	-
400 Supplies and Materials	-	-
128 Emotionally Handicapped:		
100 Salaries	-	172,653
200 Employee Benefits	-	74,468
129 Coordinated Early Intervening Services (CEIS):		
100 Salaries	-	26,379
200 Employee Benefits	\$ -	14,704

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	8,210	-	-	11,574	-	\$ 19,784
-	2,648	-	-	-	-	2,648
-	18,843	-	-	500	-	19,343
-	26,113	-	-	3,240	-	29,353
-	56,615	-	-	-	-	56,615
-	27,343	-	-	-	-	27,343
-	-	-	-	2,558	-	329,009
-	-	-	-	827	-	135,769
-	-	-	-	1,770	-	1,770
-	-	-	-	3,860	-	3,860
-	-	-	-	-	-	233,501
-	-	-	-	-	-	110,268
-	-	-	-	16,890	-	16,890
-	-	-	-	18,848	-	18,848
-	-	-	-	-	-	75,697
-	-	-	-	-	-	37,302
-	-	-	-	13,203	-	13,203
-	-	-	-	-	-	139,522
-	-	-	-	-	-	59,978
-	-	-	-	864	-	864
-	-	-	-	32,047	-	694,174
-	-	-	-	704	-	265,351
-	-	-	-	61,796	-	61,796
-	-	-	-	3,197	-	3,197
-	-	-	-	-	-	172,653
-	-	-	-	-	-	74,468
-	-	-	-	-	-	26,379
-	-	-	-	-	-	\$ 14,704

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
130 Preschool Programs:		
133 Preschool Handicapped Self-Contained (5-Yr. Olds):		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
137 Preschool Handicapped Self-Contained (3- & 4-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
139 Early Childhood Programs:		
100 Salaries	868,312	-
200 Employee Benefits	453,173	-
300 Purchased Services	81,308	-
400 Supplies and Materials	89,531	-
140 Special Programs:		
141 Gifted and Talented Academic:		
400 Supplies and Materials	-	-
147 CERDEP:		
100 Salaries	534,513	-
200 Employee Benefits	245,615	-
149 Other Special Programs:		
100 Salaries	-	48,482
200 Employee Benefits	-	22,817
400 Supplies and Materials	-	4,352
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	91,645
200 Employee Benefits	-	49,984
300 Purchased Services	-	-
400 Supplies and Materials	-	-
162 Limited English Proficiency:		
400 Supplies and Materials	-	-
170 Summer School Programs:		
172 Elementary Summer School:		
100 Salaries	30,348	-
200 Employee Benefits	9,291	-
300 Purchased Services	1,050	-
400 Supplies and Materials	\$ -	-

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
102,369	-	-	-	-	-	\$ 102,369
33,464	-	-	-	-	-	33,464
85,735	-	-	-	-	-	85,735
40,498	-	-	-	-	-	40,498
-	-	-	-	5,667	-	5,667
-	-	-	-	-	-	868,312
-	-	-	-	-	-	453,173
-	-	-	-	-	-	81,308
-	-	-	-	8,702	-	98,233
-	-	-	-	1,412	-	1,412
-	-	-	-	-	-	534,513
-	-	-	-	-	-	245,615
8,940	-	-	-	-	-	57,422
3,166	-	-	-	-	-	25,983
-	-	-	-	-	-	4,352
-	-	-	-	983	-	92,628
-	-	-	-	319	-	50,303
-	-	-	-	16,038	-	16,038
-	-	-	-	250	-	250
-	-	-	-	4,046	-	4,046
-	-	-	-	252,457	-	282,805
-	-	-	-	78,096	-	87,387
-	-	-	-	56,008	-	57,058
-	-	-	-	69,462	-	\$ 69,462

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
173 High School Summer School:		
100 Salaries	\$ 26,955	-
200 Employee Benefits	6,355	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	76,066	-
200 Employee Benefits	24,537	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
180 Adult/Continuing Educational Programs:		
182 Adult Secondary Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
183 Adult English Literacy (ESL):		
100 Salaries	-	-
200 Employee Benefits	-	-
186 Integrated Education and Training:		
400 Supplies and Materials	-	-
188 Parenting/Family Literacy:		
100 Salaries	293,250	-
200 Employee Benefits	145,178	-
300 Purchased Services	11,662	-
400 Supplies and Materials	63,143	-
190 Instructional Pupil Activity:		
100 Salaries	-	-
200 Employee Benefits	-	-
660 Pupil Activity	-	-
Total Instruction	<u>5,537,196</u>	<u>2,483,724</u>
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	\$ -	-

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	-	39,748	-	\$ 66,703
-	-	-	-	10,514	-	16,869
-	-	-	-	2,732	-	2,732
-	-	-	-	13,634	-	13,634
-	-	-	-	568,084	26,669	670,819
-	-	-	-	175,894	8,535	208,966
-	-	-	-	151,622	-	151,622
-	-	-	-	68,189	-	68,189
-	-	17,856	-	-	-	17,856
-	-	4,335	-	-	-	4,335
-	-	3,828	-	-	30,441	34,269
-	-	34,984	-	-	-	34,984
-	-	10,456	-	-	-	10,456
-	-	851	-	-	-	851
-	-	-	-	8,848	-	302,098
-	-	-	-	2,692	-	147,870
-	-	-	-	-	-	11,662
-	-	-	-	14,203	-	77,346
-	-	-	-	-	116,943	116,943
-	-	-	-	-	50,624	50,624
-	134,331	-	-	715	370,962	506,008
274,172	274,103	72,310	120,081	12,310,011	604,174	21,675,771
-	-	-	-	68,471	-	68,471
-	-	-	-	33,578	-	33,578
-	-	-	-	10,479	-	\$ 10,479

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
212 Guidance Services:		
100 Salaries	\$ 108,725	-
200 Employee Benefits	41,456	-
300 Purchased Services	25,655	-
400 Supplies and Materials	6,831	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
214 Psychological Services:		
100 Salaries	-	330,447
200 Employee Benefits	-	148,981
300 Purchased Services	-	16,808
400 Supplies and Materials	-	-
215 Exceptional Program Services:		
100 Salaries	-	569,735
200 Employee Benefits	-	240,803
400 Supplies and Materials	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development:		
100 Salaries	116,469	159,892
200 Employee Benefits	53,282	69,246
300 Purchased Services	17,095	-
400 Supplies and Materials	4,859	-
600 Other Objects	-	-
222 Library and Media Services:		
400 Supplies and Materials	32,101	-
223 Supervision of Special Programs:		
100 Salaries	370,928	273,611
200 Employee Benefits	157,287	120,592
300 Purchased Services	11,032	-
400 Supplies and Materials	14,225	-
600 Other Objects	-	-
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries	8,233	-
200 Employee Benefits	2,464	-
300 Purchased Services	276,406	-
400 Supplies and Materials	\$ 1,827	-

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	-	190,093	-	\$ 298,818
-	-	-	-	88,928	-	130,384
-	30,294	-	-	2,550	-	58,499
-	-	-	-	19,706	-	26,537
-	-	-	-	784	-	784
-	-	-	-	253	-	253
-	-	-	-	57,713	-	57,713
-	-	-	-	-	-	330,447
-	-	-	-	-	-	148,981
-	-	-	-	100,143	-	116,951
-	-	-	-	26,076	-	26,076
-	-	-	-	-	-	569,735
-	-	-	-	-	-	240,803
-	-	-	-	1,175	-	1,175
-	-	-	-	198,479	-	474,840
-	-	-	-	81,142	-	203,670
-	-	-	-	20,004	-	37,099
-	-	-	-	3,229	-	8,088
-	-	-	-	100	-	100
-	-	-	-	-	-	32,101
-	-	-	26,849	552,828	-	1,224,216
-	-	-	8,375	195,707	-	481,961
-	-	-	57,491	549,815	-	618,338
-	-	372	-	531,291	-	545,888
-	-	-	-	29,115	-	29,115
-	-	-	-	282,678	-	290,911
-	-	-	-	102,086	-	104,550
-	41,905	3,877	-	1,092,079	3,510	1,417,777
-	-	-	-	38,112	-	\$ 39,939

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
230 General Administration Services:		
233 School Administration:		
100 Salaries	\$ -	30,514
200 Employee Benefits	-	17,520
300 Purchased Services	-	-
400 Supplies and Materials	-	-
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	-	684,145
200 Employee Benefits	-	306,426
300 Purchased Services	-	-
254 Operation and Maintenance of Plant:		
300 Purchased Services	-	-
255 Student Transportation (State Mandated):		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
260 Central Support Services:		
264 Staff Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
266 Technology and Data Processing Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
270 Support Services - Pupil Activity:		
271 Pupil Service Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
300 Purchased Services (Optional)	-	-
400 Supplies and Materials (Optional)	-	-
600 Other Objects (Optional)	-	-
660 Pupil Activity	105,413	-
Total Support Services	<u>1,354,288</u>	<u>2,968,720</u>
300 Community Services:		
350 Custody and Care of Children:		
100 Salaries	-	-
200 Employee Benefits	\$ -	-

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	-	-	128	\$ 30,642
-	-	-	-	-	66	17,586
-	-	-	-	101,430	33,243	134,673
-	-	-	-	1,400	76,745	78,145
-	-	-	-	-	-	684,145
-	-	-	-	-	-	306,426
-	-	-	-	867,559	-	867,559
-	-	-	-	70,848	-	70,848
-	-	-	-	384,928	-	384,928
-	-	-	-	295,052	-	295,052
-	-	-	-	232,151	-	232,151
-	-	-	-	99,849	-	99,849
-	-	-	-	44,769	-	44,769
-	-	-	-	397,457	-	397,457
-	-	-	-	668,824	-	668,824
-	-	-	-	27,721	670,742	698,463
-	-	-	-	9,325	226,726	236,051
-	-	-	-	226,693	25,787	252,480
-	-	-	-	169,025	1,409	170,434
-	-	-	-	10,543	-	10,543
-	2,575	-	-	914,028	5,199,333	6,221,349
-	74,774	4,249	92,715	8,798,216	6,237,689	19,530,651
-	-	-	-	538	-	538
-	-	-	-	174	-	\$ 174

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
360 Welfare Services:		
100 Salaries	\$ 4,695	-
200 Employee Benefits	1,511	-
300 Purchased Services	-	-
400 Supplies and Materials	25,668	-
370 Non Public School Services:		
300 Purchased Services	3,297	-
400 Supplies and Materials	-	-
390 Other Community Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
Total Community Services	<u>35,171</u>	<u>-</u>
410 Intergovernmental Expenditures:		
412 Payments to Other Governmental Units		
720 Transits	-	-
414 Medicaid Payments to SDE		
720 Transits	-	-
417 Payments to Nonprofit Entities (other than for First Steps):		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
500 Debt Service:		
610 Redemption of Principal	-	-
Total Debt Service	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>6,926,655</u>	<u>5,452,444</u>
OTHER FINANCING SOURCES (USES)		
5999 Other Financing Sources	-	-
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)	-	-
5230 Transfer from Special Revenue EIA Fund	-	-
421-710 Transfer to Special Revenue Fund	-	-
431-791 Special Revenue Fund Indirect Costs		
(Use Only for Transfer of Indirect Costs to General Fund)	(36,364)	(273,470)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (36,364)</u>	<u>(273,470)</u>

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	-	-	-	\$ 4,695
-	-	-	-	-	-	1,511
-	-	-	-	16,724	-	16,724
-	-	-	-	28,847	-	54,515
-	-	-	-	36,684	-	39,981
-	-	-	-	1,250	-	1,250
-	-	-	-	525	-	525
-	-	-	-	171	-	171
-	-	-	-	84,913	-	120,084
-	-	-	-	1,061,477	-	1,061,477
-	-	-	-	119,549	-	119,549
-	-	-	-	-	6,705	6,705
-	-	-	-	1,181,026	6,705	1,187,731
-	-	-	-	267,288	-	267,288
-	-	-	-	267,288	-	267,288
274,172	348,877	76,559	212,796	22,641,454	6,848,568	42,781,525
-	-	-	-	668,824	-	668,824
-	-	-	-	495,000	-	495,000
-	-	-	-	26,778	-	26,778
-	-	-	-	175,017	-	175,017
-	-	-	-	(26,778)	-	(26,778)
(13,598)	(14,623)	(3,831)	-	(2,269,556)	-	(2,611,442)
(13,598)	(14,623)	(3,831)	-	(930,715)	-	\$ (1,272,601)

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (201/202)	IDEA (203/204)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	-
FUND BALANCE, Beginning of Year, As Previously Reported	-	-
Prior Period Adjustments	-	-
FUND BALANCE, Beginning of Year, As Restated	-	-
FUND BALANCE, End of Year	\$ -	-

Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	(10,933)	256,257	(30,273)	\$ 215,051
-	-	-	10,933	1,131,820	5,604,439	6,747,192
-	-	-	-	3,075,761	-	3,075,761
-	-	-	10,933	4,207,581	5,604,439	9,822,953
-	-	-	-	4,463,838	5,574,166	\$ 10,038,004

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2025

OTHER DESIGNATED RESTRICTED STATE GRANTS

917	Teacher Supply
919	Education License Plates
956	Adult Education
969	Other State Lottery Programs
970	School Safety - Facility and Infrastructure Safety Upgrades

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV - SSAE
212	Extended School Year
218	ESSER III
224	21st Century Grant
232	McKinney-Vento Education for Homeless Children and Youth Program
237	Title I - TSI
263	ARP Homeless Children & Youth
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
267	Title II - Supporting Effective Instruction
275	Department of Defense Grant #6
279	Gear Up 2018 (Central Carolina)
280	Department of Defense MCASP
283	Department of Defense MCASP
284	Department of Defense MCASP
287	Department of Defense MCASP
288	Transportation
289	Impact Aid-CWD
292	ROTC
297	Victory SC
298	DHHS School Health Profiles Admin
299	Medicaid
800	Athletics
802	Rebates
804	Lowe's Charitable & Ed
809	Intermec Foundation
810	Richland County Conversation
814	Laptop Computer Insurance
817	Computer-Based Testing
821	Palmetto Pride

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2025

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Deferred
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
917	3187	Teacher Supplies (No Carryover Provision)	\$ 117,600	117,600	-	-	\$ -
919	3193	Education License Plates	2,481	2,481	-	-	1,264
956	3156	Adult Education	46,558	46,558	-	-	107
969	3699	Other State Lottery Programs	35,224	35,224	-	-	-
970	3670	School Safety - Facility and Infrastructure Safety Upgrades	-	-	-	-	119,500
Totals			\$ 201,863	201,863	-	-	\$ 120,871

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

Schedule B-4

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	\$ 51,973
3503 State Aid to Classrooms	28,911,422
3509 Arts in Education	20,284
3513 Child Nutrition	18,982
3518 Adoption List of Formative Assessment	197,968
3519 Grade 10 Assessments	45,538
3526 Refurbishment of Science Kits	171,740
3528 Industry Certifications/Credentials	17,246
3529 Career and Technical Education	831,352
3532 National Board Salary Supplement	1,918,806
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3535 Reading Coaches	1,323,333
3541 Child Early Reading Development and Education Program (CDEP) - Full Day 4K	2,012,539
3556 Adult Education	547,781
3557 Summer Reading Program	325,004
3577 Teacher Supplies (No Carryover Provision)	731,600
3594 EEDA Supplemental Programs	148,683
3595 EEDA - Supplies and Materials	89,390
3597 Aid to Districts	10,000
3599 Other EIA	404,334
Total Revenue from State Sources	<u>37,779,052</u>
TOTAL REVENUE ALL SOURCES	<u>37,779,052</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	32,197
200 Employee Benefits	10,336
400 Supplies and Materials	38,400
112 Primary Programs:	
100 Salaries	352,057
200 Employee Benefits	113,461
300 Purchased Services	130,235
400 Supplies and Materials	\$ 255,025

(Continued)

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

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2025

	ACTUAL
113 Elementary Programs:	
100 Salaries	\$ 409,896
200 Employee Benefits	131,981
300 Purchased Services	114,566
400 Supplies and Materials	276,707
114 High School Programs:	
100 Salaries	353,407
200 Employee Benefits	114,361
300 Purchased Services	31,259
400 Supplies and Materials	178,510
115 Career and Technical Education Programs:	
100 Salaries	25,000
200 Employee Benefits	8,082
300 Purchased Services (Other Than Tuition)	81,768
400 Supplies and Materials	435,613
500 Capital Outlay	95,030
116 Career and Technical Education (Vocational) Programs - Middle School:	
400 Supplies and Materials	1,600
118 Montessori Programs:	
400 Supplies and Materials	4,800
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	15,200
122 Trainable Mentally Handicapped:	
100 Salaries	20,000
200 Employee Benefits	6,450
400 Supplies and Materials	4,400
125 Hearing Handicapped:	
400 Supplies and Materials	1,200
126 Speech Handicapped:	
400 Supplies and Materials	17,600
127 Learning Disabilities:	
100 Salaries	72,500
200 Employee Benefits	23,378
300 Purchased Services	494
400 Supplies and Materials	39,600
128 Emotionally Handicapped:	
100 Salaries	5,000
200 Employee Benefits	1,621
129 Coordinated Early Intervening Services (CEIS):	
100 Salaries	7,500
200 Employee Benefits	\$ 2,431

(Continued)

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

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2025

	ACTUAL
140 Special Programs:	
141 Gifted and Talented Academic:	
100 Salaries	\$ 7,500
200 Employee Benefits	2,390
147 CDEPP:	
100 Salaries	1,373,551
200 Employee Benefits	638,988
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	127,815
200 Employee Benefits	38,002
400 Supplies and Materials	69,635
180 Adult/Continuing Educational Programs:	
182 Adult Secondary Education Programs:	
100 Salaries	36,115
200 Employee Benefits	11,753
300 Purchased Services	8,100
183 Adult Education Literacy (ESL):	
100 Salaries	33,811
200 Employee Benefits	9,669
400 Supplies and Materials	2,389
184 Post Secondary Education Programs:	
100 Salaries	76,684
200 Employee Benefits	39,118
Total Instruction	<u>5,887,185</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	80,426
200 Employee Benefits	32,357
300 Purchased Services	14,835
400 Supplies and Materials	21,065
212 Guidance Services:	
100 Salaries	81,441
200 Employee Benefits	26,298
300 Purchased Services	65,808
400 Supplies and Materials	1,769
213 Health Services:	
100 Salaries	3,887
200 Employee Benefits	\$ 1,251

(Continued)

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

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2025

	ACTUAL
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development:	
100 Salaries	\$ 1,001,482
200 Employee Benefits	398,047
222 Library and Media Services:	
100 Salaries	27,500
200 Employee Benefits	8,900
223 Supervision of Special Programs:	
100 Salaries	282,391
200 Employee Benefits	117,502
300 Purchased Services	77,973
400 Supplies and Materials	26,738
224 Improvement of Instruction Inservice and Staff Training:	
100 Salaries	8,000
200 Employee Benefits	2,569
300 Purchased Services	120,676
400 Supplies and Materials	16,504
250 Finance and Operations Services:	
255 Student Transportation (State Mandated):	
100 Salaries	45,294
200 Employee Benefits	13,286
300 Purchased Services	230
260 Central Support Services:	
266 Technology and Data Processing Services:	
300 Purchased Services	214,800
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
660 Pupil Activity	24,399
Total Support Services	2,715,428
TOTAL EXPENDITURES	8,602,613
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(29,001,422)
421-710 Transfer to Special Revenue Fund	(175,017)
TOTAL OTHER FINANCING SOURCES (USES)	(29,176,439)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	-
FUND BALANCE, End of Year	\$ -

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

Schedule B-5

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 Deferred Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 51,973	35,893	-	(16,080)	\$ 28,765
3503 State Aid to Classrooms	28,911,422	-	-	(28,911,422)	-
3509 Arts in Education	20,284	20,284	-	-	-
3513 Child Nutrition	18,982	18,982	-	-	-
3518 Adoption List of Formative Assessment	197,968	197,968	-	-	-
3519 Grade 10 Assessments	45,538	-	-	(45,538)	-
3526 Refurbishment of Science Kits	171,740	171,740	-	-	8,637
3528 Industry Certifications/Credentials	17,246	17,246	-	-	31,431
3529 Career and Technology Education	831,352	831,352	-	-	270,019
3532 National Board Salary Supplement	1,918,806	1,918,806	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3535 Reading Coaches	1,323,333	1,323,333	-	-	-
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4k	2,012,539	2,012,539	-	-	1,197,051
3556 Adult Education	547,781	539,399	-	(8,382)	96,469
3557 Summer Reading Program	325,004	305,004	-	(20,000)	165,609
3577 Teacher Supplies (No Carryover Provision)	731,600	731,600	-	-	-
3594 EEDA Supplemental Programs	148,683	148,683	-	-	1,317
3595 EEDA - Supplies and Materials	89,390	89,390	-	-	52,268
3597 Aid to Districts	10,000	10,000	-	-	10,000
3599 Other EIA	404,334	229,317	-	(175,017)	24,982
Totals	\$ 37,779,052	8,602,613	-	(29,176,439)	\$ 1,886,548

SPECIAL REVENUE FUND - FOOD SERVICE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 5,319
1600 Food Service:	
1610 Lunch Sales to Pupils	887,413
1620 Breakfast Sales to Pupils	958
1640 Lunch Sales to Adults	23,106
1650 Breakfast Sales to Adults	1,396
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	4,940
Total Revenue from Local Sources	<u>923,132</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	11,245,162
4830 School Breakfast Program (Carryover Provision)	3,131,358
4860 Fresh Fruit and Vegetable (FFVP) (Carryover Provision)	84,865
4899 Miscellaneous Food Service	59,811
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	951,394
Total Revenue from Federal Sources	<u>15,472,590</u>
TOTAL REVENUE ALL SOURCES	<u>16,395,722</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	692,832
200 Employee Benefits	377,680
300 Purchased Services (Exclude Energy Costs)	12,003,124
400 Supplies and Materials (Include Energy Costs)	1,758,634
500 Capital Outlay	2,258,860
600 Other Objects	1,650
Total Food Services Expenditures	<u>17,092,780</u>
400 Debt Services:	
610 Redemption of Principal	27,783
620 Interest	932
Total Debt Service	<u>28,715</u>
TOTAL EXPENDITURES	<u>\$ 17,121,495</u>

(Continued)

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

Schedule B-6

SPECIAL REVENUE FUND - FOOD SERVICE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	\$ 302,260
432-791 Food Service Fund Indirect Costs	(524,703)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(222,443)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(948,216)
FUND BALANCE, Beginning of Year	<u>10,610,100</u>
FUND BALANCE, End of Year	<u>\$ 9,661,884</u>

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 Department of Education or Federal Government	Status of Amount Due to Grantors
					Paid \$1,000.63, Check #578401 dated 9/10/2025 and \$664.55, Check #579319 dated 10/24/2025
Title I	23/24 Title I	4310/201	Overclaimed Cost	\$ 1,665.18	Paid \$4,338.90, Check #578847 dated 10/10/2025
Title II	22/23 Title II	4351/267	Overclaimed Cost	4,338.90	Paid \$482.97, Check #580016 dated 11/25/2025
Other EIA	EIA	3599/399	Unexpended Funds	482.97	Recouped through deductions in FY2026
Medicaid	N/A	0720 / 299	Medicaid Deductions	53,267.62	
Total				\$ 59,754.67	

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SCHEDULE C

Debt Service Fund

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

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

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

Schedule C-1

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1200 Revenue from Local Governmental Units Other than LEAs:	
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	\$ 73,527,310
1280 Revenue In Lieu of Taxes (Independent and Dependent)	2,047,749
1500 Earnings on Investments:	
1510 Interest on Investments	2,637,372
Total Revenue from Local Sources	<u>78,212,431</u>
4000 Revenue from Federal Sources:	
4990 Other Federal Revenue:	
4999 Revenue from Other Federal Sources	9,181,453
Total Revenue from Federal Sources	<u>9,181,453</u>
TOTAL REVENUE ALL SOURCES	<u>87,393,884</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	52,137,000
620 Interest	23,107,351
690 Other Objects (Includes Fees for Servicing Bonds)	5,261
Total Debt Service	<u>75,249,612</u>
TOTAL EXPENDITURES	<u>75,249,612</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund	1,406,404
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,406,404</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,550,676
FUND BALANCE, Beginning of Year, As Previously Reported	48,738,712
Prior Period Adjustment	(362,975)
FUND BALANCE, Beginning of Year, As Restated	<u>48,375,737</u>
FUND BALANCE, End of Year	<u>\$ 61,926,413</u>

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SCHEDULE D

Capital Projects Fund

The Capital Projects fund, also referred to as the "Building Fund", accounts for financial resources to be used for the acquisition and construction of major capital facilities and equipment. The fund balance is reserved for the completion of specific projects.

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

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

Schedule D-1

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	\$ 9,425,541
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1993 Receipt of Insurance Proceeds	129,768
Total Revenue from Local Sources	<u>9,555,309</u>
TOTAL REVENUE ALL SOURCES	<u>9,555,309</u>
EXPENDITURES	
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
300 Purchased Services	9,631
500 Capital Outlay:	349,960
253 Facilities Acquisition & Construction:	
300 Purchased Services	60,910
500 Capital Outlay:	
510 Land	662,014
520 Construction Services	43,110,338
530 Improvements Other Than Buildings	2,570,535
540 Equipment	4,116,222
550 Vehicles	212,591
580 Mobile Classrooms	73,000
590 Other Capital Outlay	472,240
258 Security:	
300 Purchased Services	6,820
500 Capital Outlay	633,542
260 Central Support Services:	
266 Technology and Data Processing Services:	
300 Purchased Services	2,365,650
400 Supplies and Materials	1,741,486
500 Capital Outlay:	4,773,082
Total Support Services	<u>61,158,021</u>
500 Debt Service:	
610 Redemption of Principal	1,552,956
620 Interest	44,905
Total Debt Service	<u>1,597,861</u>
TOTAL EXPENDITURES	<u>\$ 62,755,882</u>

(Continued)

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

Schedule D-1

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)	
5300 Sale of Capital Assets	\$ 13,016
5400 Proceeds from Long-Term Notes	4,597,098
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,610,114</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(48,590,459)
FUND BALANCE, Beginning of Year	<u>141,917,990</u>
FUND BALANCE, End of Year	<u>\$ 93,327,531</u>

SCHEDULE E

Internal Service Fund

The Internal Service Fund is used to account for the financing of goods and services provided by one department to other departments of the School District, on a cost-reimbursement basis.

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

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

Schedule E-1

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

	INTERNAL SERVICE FUND
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,684
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Local Revenue:	
1993 Receipt of Insurance Proceeds	61,449
Total Revenue from Local Sources	<u>63,133</u>
TOTAL REVENUE ALL SOURCES	<u>63,133</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Program:	
200 Employee Benefits	27,503
112 Primary Programs:	
200 Employee Benefits	347,639
113 Elementary Programs:	
200 Employee Benefits	416,773
114 High School Programs:	
200 Employee Benefits	104,952
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
200 Employee Benefits	33,807
122 Trainable Mentally Handicapped:	
200 Employee Benefits	11,832
125 Hearing Handicapped:	
200 Employee Benefits	386
126 Speech Handicapped:	
200 Employee Benefits	28,010
127 Learning Disabilities:	
200 Employee Benefits	148,656
128 Emotionally Handicapped:	
200 Employee Benefits	\$ 12,483

(Continued)

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

Schedule E-1

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

	INTERNAL SERVICE FUND
130 Preschool Programs:	
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)	
200 Employee Benefits	\$ 1,322
137 Preschool Handicapped Self-Contained (3- & 4-Yr. Olds):	
200 Employee Benefits	22,281
139 Early Childhood Programs:	
200 Employee Benefits	16,299
140 Special Programs:	
141 Gifted and Talented Academic:	
200 Employee Benefits	791
147 CERDEP:	
200 Employee Benefits	17,680
160 Other Exceptional Programs:	
161 Autism:	
200 Employee Benefits	5,586
162 Limited English Proficiency:	
200 Employee Benefits	215
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
200 Employee Benefits	514
Total Instruction	<u>1,196,729</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
200 Employee Benefits	232
212 Guidance Services:	
200 Employee Benefits	12,964
213 Health Services:	
200 Employee Benefits	59,722
214 Psychological Services:	
200 Employee Benefits	19,860
215 Exceptional Program Services:	
200 Employee Benefits	227
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development:	
200 Employee Benefits	254
222 Library and Media Services:	
200 Employee Benefits	\$ 10,496

(Continued)

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

Schedule E-1

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

	INTERNAL SERVICE FUND
230 General Administration Services:	
233 School Administration:	
200 Employee Benefits	\$ 202,800
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
200 Employee Benefits	52,116
252 Fiscal Services:	
100 Salaries	217
200 Employee Benefits	17
254 Operation and Maintenance of Plant:	
200 Employee Benefits	957,437
600 Other Objects	209,466
255 Pupil Transportation (State Mandated):	
200 Employee Benefits	187,619
256 Food Service:	
200 Employee Benefits	16,263
258 Security:	
200 Employee Benefits	71,625
260 Central Support Services:	
263 Information Services:	
200 Employee Benefits	54
Total Support Services	<u>1,801,369</u>
TOTAL EXPENDITURES	<u>2,998,098</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	2,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,000,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(934,965)
FUND BALANCE, Beginning of Year	<u>2,136,048</u>
FUND BALANCE, End of Year	<u>\$ 1,201,083</u>

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SCHEDULE F

Other Supplemental Schedule

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

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

Schedule F-1

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2025

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
000 / 001 / 002/ 025 / 027/ 028/ 052 / 061 / 099	Districtwide/Shared Cost	Non-School	Central	\$ 153,634,171
023	Support Service Center (District Operations)	Non-School	Central	24,367,437
024 / 026	Alternative Program - Blythewood Academy	Alternative School	School	3,657,007
031	Transportation	Non-School	Central	21,075,807
040	Richland Two Child Development	Other School	School	725,591
043	W R Rogers Adult Education Program	Other School	School	1,323,508
045	Center for Inquiry	Elementary School	School	5,729,593
048	Center for Knowledge - North	Elementary School	School	2,565,198
050	Center for Knowledge	Elementary School	School	2,535,796
055	Center for Achievement	Elementary School	School	1,937,630
060	R2i2 - Richland Two Institute for Innovation	Other High School	School	2,847,947
062	R2eSchool	Other School	School	1,765,210
069	Spring Valley High	High School	School	28,288,294
070	Bethel-Hanberry Elementary	Elementary School	School	7,712,367
072	Dent Middle	Middle School	School	12,822,177
073	Conder Elementary	Elementary School	School	6,970,233
074	Forest Lake Elementary	Elementary School	School	8,001,383
075	Joseph Keels Elementary	Elementary School	School	6,905,202
076	Lonnie B Nelson Elementary	Elementary School	School	7,946,181
077	Windsor Elementary	Elementary School	School	9,117,120
078	EL Wright Middle	Middle School	School	13,939,673
079	Richland Northeast High	High School	School	18,167,190
080	North Springs Elementary	Elementary School	School	9,366,904
081	Pontiac Elementary	Elementary School	School	11,732,415
082	Summit Parkway Middle	Middle School	School	19,508,995
083	Rice Creek Elementary	Elementary School	School	19,493,339
084	Ridgeview High	High School	School	19,173,338
085	Blythewood Middle	Middle School	School	12,662,055
086	Killian Elementary	Elementary School	School	10,139,399
087	Bookman Road Elementary	Elementary School	School	7,587,666
089	Lake Carolina Lower Elementary	Elementary School	School	6,775,913
090	Round Top Elementary	Elementary School	School	7,147,497
091	Kelly Mill Middle	Middle School	School	9,909,202
092	Blythewood High	High School	School	21,335,872
093	Sandlapper Elementary	Elementary School	School	8,386,354
094	Polo Road Elementary	Elementary School	School	8,874,959
095	Longleaf Middle	Middle School	School	9,108,579
096	Bridge Creek Elementary	Elementary School	School	7,777,639
097	Langford Road Elementary	Elementary School	School	6,925,754
098	Muller Road Middle	Middle School	School	9,435,267
100	Westwood High	High School	School	21,534,002
101	Catawba Trail Elementary	Elementary School	School	7,265,762
102	Lake Carolina Upper Elementary	Elementary School	School	6,316,605
103	Jackson Creek Elementary	Elementary School	School	7,634,573
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 590,126,804

(Continued)

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2025

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
The above expenditures are reconciled to the District's financial statements as follows:				
	General Fund			\$ 380,617,579
	Special Revenue Fund			42,781,525
	Special Revenue Fund - Education Improvement Act			8,602,613
	Special Revenue Fund - Food Service			17,121,495
	Debt Service Fund			75,249,612
	Capital Projects Fund			62,755,882
	Internal Service Fund			2,998,098
	TOTAL EXPENDITURES FOR ALL FUNDS			\$ 590,126,804

STATISTICAL SECTION

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STATISTICAL SECTION

This part of Richland School District Two's ("District") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, supplementary information, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	157
Revenue Capacity Information <i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	163
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	167
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.</i>	171
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report related to the services the District provides and the activities it performs.</i>	173

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

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RICHLAND SCHOOL DISTRICT TWO

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	FISCAL YEAR									
	2016	2017	2018 *	2019 ^	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 137,108,277	158,447,739	180,950,749	209,007,266	238,905,419	265,535,892	303,718,257	333,075,816	378,459,995	\$ 428,124,691
Restricted	22,845,297	21,330,566	23,136,508	28,770,909	33,105,014	37,008,631	41,434,849	53,032,462	66,548,819	77,821,213
Unrestricted	(259,241,952)	(263,469,464)	(576,671,789)	(579,605,154)	(582,769,349)	(596,718,784)	(604,349,002)	(584,847,249)	(563,592,054)	(532,444,315)
Total Governmental Activities and Primary Government Net Position	\$ (99,288,378)	(83,691,159)	(372,584,532)	(341,826,979)	(310,758,916)	(294,174,261)	(259,195,896)	(198,738,971)	(118,583,240)	\$ (26,498,411)
Business-Type Activities										
Net Investment in Capital Assets	\$ 1,715,155	1,862,896	1,517,687	-	-	-	-	-	-	\$ -
Unrestricted	(50,770)	(334,257)	(2,809,225)	-	-	-	-	-	-	-
Total Business-Type Activities Net Position	\$ 1,664,385	1,528,639	(1,291,538)	-	-	-	-	-	-	\$ -
Primary Government										
Net Investment in Capital Assets	\$ 138,823,432	160,310,635	182,468,436	209,007,266	238,905,419	265,535,892	303,718,257	333,075,816	378,459,995	\$ 428,124,691
Restricted	22,845,297	21,330,566	23,136,508	28,770,909	33,105,014	37,008,631	41,434,849	53,032,462	66,548,819	77,821,213
Unrestricted	(259,292,722)	(263,803,721)	(579,481,014)	(579,605,154)	(582,769,349)	(596,718,784)	(604,349,002)	(584,847,249)	(563,592,054)	(532,444,315)
Total Primary Government	\$ (97,623,993)	(82,162,520)	(373,876,070)	(341,826,979)	(310,758,916)	(294,174,261)	(259,195,896)	(198,738,971)	(118,583,240)	\$ (26,498,411)

* The District implemented GASB 75 for the year ending June 30, 2018. This implementation required recognition of a significant OPEB liability which resulted in a significant increase to the deficit.

^ The District had a change in accounting principle in 2019, which reclassified the food service fund from a Business-Type Activity to a Governmental Activity.

RICHLAND SCHOOL DISTRICT TWO

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	FISCAL YEAR									
	2016	2017	2018	2019 [^]	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Instruction	\$ 182,882,044	178,527,719	200,253,684	207,429,969	206,378,461	231,171,951	225,192,106	220,315,695	227,537,461	\$ 245,878,856
Support Services	126,081,749	150,532,971	147,675,895	154,341,997	176,570,046	164,831,852	179,710,992	190,391,790	202,670,086	203,252,777
Community Services	156,500	190,015	297,796	323,550	360,780	272,943	1,740,912	691,937	659,068	826,455
Interest and Other Charges	9,934,821	9,148,324	13,360,729	8,302,252	6,393,711	18,947,617	12,975,699	13,575,478	9,926,719	17,911,159
Total Governmental Activities Expenses	319,055,114	338,399,029	361,588,104	370,397,768	389,702,998	415,224,363	419,619,709	424,974,900	440,793,334	467,869,247
Business-Type Activities:										
Food Services	12,257,836	12,181,857	11,900,159	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	12,257,836	12,181,857	11,900,159	-	-	-	-	-	-	-
Total Primary Government Expenses	331,312,950	350,580,886	373,488,263	370,397,768	389,702,998	415,224,363	419,619,709	424,974,900	440,793,334	467,869,247
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	447,146	221,503	364,633	392,984	376,715	160,326	157,158	270,739	283,661	211,862
Support Services	157,823	212,346	470,353	3,064,277	2,571,379	299,997	493,198	2,321,567	1,423,392	1,070,566
Operating Grants and Contributions	139,135,888	149,846,237	160,595,221	176,473,741	188,607,078	198,981,630	216,967,501	230,616,805	251,524,658	255,758,889
Total Governmental Activities Program Revenues	139,740,857	150,280,086	161,430,207	179,931,002	191,555,172	199,441,953	217,617,857	233,209,111	253,231,711	257,041,317
Business-Type Activities										
Charges for Services										
Food Services	3,147,985	2,752,009	2,621,519	-	-	-	-	-	-	-
Operating Grants and Contributions	8,313,365	8,632,309	9,131,491	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	11,461,350	11,384,318	11,753,010	-	-	-	-	-	-	-
Total Primary Government Program Revenues	151,202,207	161,664,404	173,183,217	179,931,002	191,555,172	199,441,953	217,617,857	233,209,111	253,231,711	257,041,317
Net (Expense) Revenue										
Governmental Activities	(179,314,257)	(188,118,943)	(200,157,897)	(190,466,766)	(198,147,826)	(215,782,410)	(202,001,852)	(191,765,789)	(187,561,623)	(210,827,930)
Business-Type Activities	(796,486)	(797,539)	(147,149)	-	-	-	-	-	-	-
Total Primary Government Net (Expense)/Revenue	(180,110,743)	(188,916,482)	(200,305,046)	(190,466,766)	(198,147,826)	(215,782,410)	(202,001,852)	(191,765,789)	(187,561,623)	(210,827,930)
Net (Expense) Revenue:										
Governmental Activities	(179,314,257)	(188,118,943)	(200,157,897)	(190,466,766)	(198,147,826)	(215,782,410)	(202,001,852)	(191,765,789)	(187,561,623)	(210,827,930)
Business-Type Activities	(796,486)	(797,539)	(147,149)	-	-	-	-	-	-	-
Total Primary Government Net (Expense) Revenue	\$ (180,110,743)	(188,916,482)	(200,305,046)	(190,466,766)	(198,147,826)	(215,782,410)	(202,001,852)	(191,765,789)	(187,561,623)	\$ (210,827,930)

[^] The District had a change in accounting principle in 2019, which reclassified the food service fund from a Business-Type Activity to a Governmental Activity.

(Continued)

RICHLAND SCHOOL DISTRICT TWO

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	FISCAL YEAR									
	2016	2017	2018	2019 [^]	2020	2021	2022	2023	2024	2025
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	\$ 88,498,475	93,776,751	95,996,569	104,159,771	111,642,361	107,989,495	114,621,663	118,971,149	120,282,308	\$ 127,102,618
Property Taxes Levied for Debt Services	56,820,028	58,515,896	59,435,654	60,630,757	61,837,422	62,903,570	64,072,277	67,138,937	70,143,707	75,582,893
State Revenue In Lieu of Taxes	48,764,658	49,061,032	51,581,912	53,707,919	51,878,218	54,667,139	56,101,351	56,212,804	58,804,607	64,908,821
Investment Earnings	1,073,829	757,078	1,729,617	2,614,083	3,206,031	1,018,938	1,487,350	7,799,804	17,292,855	14,212,046
Miscellaneous	1,217,658	1,963,685	1,082,236	1,403,327	651,857	2,339,418	944,806	2,100,020	1,193,877	1,566,876
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	325,291
Transfers	148,701	(358,280)	44,590	-	-	-	-	-	-	-
Total Governmental Activities	196,523,349	203,716,162	209,870,578	222,515,857	229,215,889	228,918,560	237,227,447	252,222,714	267,717,354	283,698,545
Business-Type Activities										
Unrestricted Grants and Contributions										
Investment Earnings	43,047	845	1,373	-	-	-	-	-	-	-
Miscellaneous	233,193	302,668	140,124	-	-	-	-	-	-	-
Transfers	(148,701)	358,280	(44,590)	-	-	-	-	-	-	-
Total Business-Type Activities	127,539	661,793	96,907	-	-	-	-	-	-	-
Total Primary Government	196,650,888	204,377,955	209,967,485	222,515,857	229,215,889	228,918,560	237,227,447	252,222,714	267,717,354	283,698,545
Change in Net Position										
Governmental Activities	17,209,092	15,597,219	9,712,681	32,049,091	31,068,063	13,136,150	35,225,595	60,456,925	80,155,731	72,870,615
Business-Type Activities	(668,947)	(135,746)	(50,242)	-	-	-	-	-	-	-
Change in Net Position - Primary Government	\$ 16,540,145	15,461,473	9,662,439	32,049,091	31,068,063	13,136,150	35,225,595	60,456,925	80,155,731	\$ 72,870,615

[^] The District had a change in accounting principle in 2019, which reclassified the food service fund from a Business-Type Activity to a Governmental Activity.

RICHLAND SCHOOL DISTRICT TWO
FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 40,652	50,196	-	-	-	-	-	-	276,320	\$ 389,527
Assigned	-	-	-	-	-	-	-	-	20,000,000	20,543,045
Unassigned	40,226,954	46,152,355	52,973,547	69,878,973	81,237,752	94,606,189	94,631,244	111,821,813	95,218,599	101,917,684
Total General Fund	<u>\$ 40,267,606</u>	<u>46,202,551</u>	<u>52,973,547</u>	<u>69,878,973</u>	<u>81,237,752</u>	<u>94,606,189</u>	<u>94,631,244</u>	<u>111,821,813</u>	<u>115,494,919</u>	<u>\$ 122,850,256</u>
All Other Governmental Funds										
Nonspendable	\$ -	-	-	-	80,041	140,376	48,167	56,099	706,743	\$ 254,372
Restricted	72,286,334	51,168,835	53,073,535	77,743,295	119,515,274	169,760,174	149,498,920	253,424,927	207,307,251	174,699,460
Total All Other Governmental Funds	<u>\$ 72,286,334</u>	<u>51,168,835</u>	<u>53,073,535</u>	<u>77,743,295</u>	<u>119,595,315</u>	<u>169,900,550</u>	<u>149,547,087</u>	<u>253,481,026</u>	<u>208,013,994</u>	<u>\$ 174,953,832</u>

RICHLAND SCHOOL DISTRICT TWO

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sources:										
Local Sources:										
Local Property Tax	\$ 144,931,769	152,222,454	155,455,615	164,916,416	173,403,303	172,285,774	180,125,592	187,735,431	192,198,558	\$ 202,977,945
Interest Income	1,049,521	739,473	1,704,469	2,466,461	3,085,617	1,018,434	1,486,843	7,798,122	17,291,169	14,210,362
Other Revenues	3,729,041	4,058,968	3,051,338	6,436,948	5,461,103	4,934,924	9,486,037	13,911,989	13,114,387	12,565,720
Total Revenue from Local Sources	149,710,331	157,020,895	160,211,422	173,819,825	181,950,023	178,239,132	191,098,472	209,445,542	222,604,114	229,754,027
State Sources:										
State Base Funding Formula	64,493,666	70,312,436	76,186,540	78,295,200	78,387,618	77,920,214	78,996,103	124,431,940	135,136,987	143,511,151
State Revenue in Lieu of Taxes	48,527,591	48,837,828	49,493,108	51,668,892	48,656,892	50,078,440	52,926,771	54,393,719	56,690,759	64,908,820
State Education Improvement Act	16,076,246	18,028,745	19,382,826	19,229,408	22,827,870	22,222,014	20,926,003	31,924,997	36,106,419	37,779,052
State Grants & Other State Revenue	38,685,065	40,631,865	47,183,734	50,818,188	58,058,454	65,465,901	61,949,444	16,235,806	15,497,732	15,158,946
Total Revenue from State Sources	167,782,568	177,810,874	192,246,208	200,011,688	207,930,834	215,686,569	214,798,321	226,986,462	243,431,897	261,357,969
Federal Sources:										
Federal Grants	17,982,496	19,089,346	18,615,660	28,366,177	30,622,627	33,372,966	48,860,582	48,897,281	54,878,392	58,831,682
Total Federal Sources	17,982,496	19,089,346	18,615,660	28,366,177	30,622,627	33,372,966	48,860,582	48,897,281	54,878,392	58,831,682
Intergovernmental Revenue										
Intergovernmental Revenue	238,276	352,513	181,149	229,733	213,581	972,255	-	-	-	-
Total Intergovernmental Revenues	238,276	352,513	181,149	229,733	213,581	972,255	-	-	-	-
Total Revenues from All Sources	\$ 335,713,671	354,273,628	371,254,439	402,427,423	420,717,065	428,270,922	454,757,375	485,329,285	520,914,403	\$ 549,943,678
Expenditures										
Current:										
Instruction	\$ 162,705,321	167,746,259	173,500,467	176,804,024	187,061,064	194,706,976	202,193,217	205,495,072	219,101,260	\$ 235,921,077
Support Services	115,753,657	144,017,660	127,617,115	138,270,437	166,955,061	148,640,842	167,859,552	182,039,557	196,497,989	208,609,443
Community Services	156,500	190,015	297,796	323,550	360,780	272,943	1,740,912	691,937	659,068	821,455
Capital Outlay	44,273,913	9,484,256	6,935,244	6,290,035	33,542,151	121,741,503	112,394,266	84,512,905	99,350,054	61,647,719
Debt Service:										
Principal Retirement	37,665,000	40,246,000	43,972,984	45,847,000	127,335,000	47,314,000	49,552,000	45,088,000	44,512,298	55,001,746
Interest and Fiscal Charges	17,409,696	16,740,331	15,200,286	14,155,133	18,077,428	18,440,053	19,995,385	19,163,582	22,057,818	23,197,746
Fees	-	-	-	-	-	-	-	-	-	5,261
Intergovernmental	1,739,055	1,855,598	3,754,927	5,073,420	5,487,843	4,928,339	1,948,357	1,715,352	2,184,757	1,924,259
Total Expenditures	379,703,142	380,280,119	371,278,819	386,763,599	538,819,327	536,044,656	555,683,689	538,706,405	584,363,244	587,128,706
Debt Service as a Percentage of Non-Capital Expenditures	16.38%	15.33%	15.96%	15.74%	28.53%	15.62%	15.47%	13.98%	13.56%	15.29%
Excess of Revenues Over (Under) Expenditures	\$ (43,989,471)	(26,006,491)	(24,380)	15,663,824	(118,102,262)	(107,773,734)	(100,926,314)	(53,377,120)	(63,448,841)	\$ (37,185,028)

(Continued)

RICHLAND SCHOOL DISTRICT TWO

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	2016	2017	2018	2019	2020	FISCAL YEAR					2024	2025
						2021	2022	2023	2024	2025		
Other Financing Sources (Uses)												
General & Special Long-Term Debt Issued	\$ 10,000,000	12,100,000	50,880,000	26,000,000	67,625,000	149,995,000	117,175,000	158,415,000	20,000,000	\$ -		-
Premium on Bonds Issued	1,491,294	579,826	6,846,795	151,580	21,172,587	19,487,078	7,715,430	18,040,638	676,441	-		-
Sale of Capital Assets	10,575	2,391	13,563	63,891	15,474	16,823	706	45,991	23,324	13,016		
Issuance of Leases and Subscriptions	-	-	-	-	-	-	-	-	2,955,150	6,529,036		
Payments to Refunded Debt Escrow Agents	-	-	(46,822,585)	-	-	-	(42,046,000)	-	-	-		-
Issuance of Refunded Debt (Net)	-	-	-	-	85,000,000	-	-	-	-	-		-
Transfers in	7,163,447	8,709,364	8,386,612	10,221,778	15,261,965	16,100,229	24,013,516	27,648,138	42,303,584	34,543,026		
Transfers out	(8,514,746)	(10,567,644)	(10,604,309)	(13,063,993)	(17,761,965)	(17,600,229)	(26,013,516)	(29,648,139)	(44,303,584)	(36,543,026)		
Total Other Financing Sources (Uses)	10,150,570	10,823,937	8,700,076	23,373,256	171,313,061	167,998,901	80,845,136	174,501,628	21,654,915	4,542,052		
Net Change in Fund Balances	\$ (33,838,901)	(15,182,554)	8,675,696	39,037,080	53,210,799	60,225,167	(20,081,178)	121,124,508	(41,793,926)	\$ (32,642,976)		

RICHLAND SCHOOL DISTRICT TWO

TABLE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Assessed Real Property	Assessed Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
2016	\$ 389,892,460	143,192,835	533,085,295	412.0	\$ 10,333,832,408	5.2%
2017	398,138,830	147,487,771	545,626,601	427.0	10,564,339,110	5.2%
2018	411,907,320	144,756,816	556,664,136	429.2	10,821,726,916	5.1%
2019	423,322,970	146,610,390	569,933,360	439.6	11,085,463,784	5.1%
2020	456,716,580	147,443,009	604,159,589	435.7	11,795,896,316	5.1%
2021	471,310,810	154,596,412	625,907,222	435.7	12,218,538,944	5.1%
2022	482,957,190	153,399,733	636,356,923	435.7	12,523,256,852	5.1%
2023	505,938,350	155,619,549	661,557,899	435.7	13,057,157,367	5.1%
2024	535,872,830	157,772,121	693,644,951	435.7	13,748,822,433	5.0%
2025	\$ 609,953,670	172,990,480	782,944,150	407.1	\$ 15,578,945,720	5.0%

Source: Richland County Assessor's Office and Richland County Auditor's Office

RICHLAND SCHOOL DISTRICT TWO

TABLE 6

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

UNAUDITED

Fiscal Year	District Direct Rates			Overlapping Rates *			
	General Purposes	Capital Purposes	Total	Recreation		East Richland Public Service District	Richland- Lexington Riverbanks Park
				Richland School District 2	Richland County		
2016	304.0	108.0	412.0	412.0	95.6	15.8	2.40
2017	319.0	108.0	427.0	427.0	96.8	15.8	2.40
2018	321.2	108.0	429.2	429.2	97.1	16.1	2.40
2019	331.6	108.0	439.6	439.6	99.3	16.5	2.40
2020	331.7	104.0	435.7	435.7	97.7	16.0	2.40
2021	331.7	104.0	435.7	435.7	96.5	15.0	2.40
2022	331.7	104.0	435.7	435.7	96.5	15.0	2.20
2023	331.7	104.0	435.7	435.7	96.7	15.0	2.20
2024	331.7	104.0	435.7	435.7	97.8	15.0	2.20
2025	311.1	96.0	407.1	407.1	96.8	14.1	1.80

Source: County Auditor's Office

Note: * includes levies for operating and debt service.

RICHLAND SCHOOL DISTRICT TWO

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND 2016

UNAUDITED

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion Energy SC formally SCEG	\$ 22,611,190	1	2.88%	\$ 16,969,110	1	3.10%
Blue Cross - Blue Shield**	6,999,620	2	0.89%	8,216,320	2	1.50%
JTEKT North America Corporation	6,371,150	3	0.81%	3,368,950	3	0.62%
TRANE	5,945,590	4	0.76%			0.00%
Fairfield Electric Co-op Inc	2,822,830	5	0.36%	1,970,500	6	0.36%
Q ASHCROFT HOLDINGS LLC	2,774,860	6	0.35%			0.00%
VFS LEASING CO	2,566,740	7	0.33%			0.00%
Edward Rose Development Co LLC	2,232,260	8	0.28%			0.00%
Triangle Palisades of Blythewood	2,063,100	9	0.26%			0.00%
Liberty at Sandhill Owner LLC	2,049,040	10	0.26%			0.00%
FN Manufacturing LLC	-		0.00%	1,719,440	8	0.31%
Bellsouth Telecom, Inc	-		0.00%	1,663,350	9	0.30%
Century Realty, LLC	-		0.00%	2,124,840	5	0.39%
Kroger Co The	-		0.00%	1,894,320	7	0.35%
Shakespeare Company LLC			0.00%	1,459,720	10	0.27%
Bose Corporation			-	2,794,400	4	0.51%
Totals	<u>\$ 56,436,380</u>		<u>7.19%</u>	<u>\$ 42,180,950</u>		<u>7.72%</u>

** Fee agreement reduced taxes owed

Source: County Treasurer's Office

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy			Total Collections to Date			
		Amount	Percentage of Levy	Collections in Subsequent Year	Amount	Percentage of Levy		
2016	\$	139,053,118	130,985,169	94.20%	1,806,197	\$	132,791,366	95.50%
2017		146,075,919	140,150,070	95.94%	1,788,970		141,939,040	97.17%
2018		148,453,984	141,152,003	95.08%	2,848,411		144,000,414	97.00%
2019		154,805,872	146,904,884	94.90%	5,029,362		151,934,246	98.15%
2020		166,078,425	150,779,404	90.79%	2,699,424		153,478,828	92.41%
2021		169,811,094	158,275,948	93.21%	2,321,798		160,597,746	94.57%
2022		168,751,722	158,972,317	94.20%	2,233,539		161,205,856	95.53%
2023		175,199,287	168,336,747	96.08%	1,997,005		170,333,752	97.22%
2024		183,772,316	176,197,786	95.88%	2,075,993		178,273,779	97.01%
2025	\$	191,561,023	184,665,796	96.40%	-	\$	184,665,796	96.40%

Source : County Treasurer

RATIOS OF DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Ratios of Total Debt Outstanding								
Year		General & Special Obligation Bonds	Unamortized Bond Premiums	Leases & SBITAs	Total Debt Primary Government	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2016	\$	434,695,000	40,935,532	-	\$ 475,630,532	89%	4%	\$ 1,161
2017		406,549,000	34,163,324	-	440,712,324	81%	4%	1,068
2018		370,646,000	31,207,636	-	401,853,636	72%	5%	968
2019		350,799,000	25,869,403	-	376,668,403	66%	5%	903
2020		376,089,000	34,639,510	-	410,728,510	68%	5%	975
2021		478,770,000	48,593,670	-	527,363,670	84%	4%	1,252
2022		506,393,000	48,055,370	-	554,448,370	87%	4%	1,312
2023		619,720,000	60,874,320	-	680,594,320	103%	4%	1,601
2024		595,907,000	56,831,915	2,230,004	654,968,919	94%	4%	1,522
2025	\$	543,770,000	51,928,586	5,894,296	\$ 601,592,882	76%	4%	\$ 1,378

Source: District Records

Notes:

See Table 5 for property value data

See Table 13 for Personal Income and Per Capita Income Data

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

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Ratios of General Bonded Debt Outstanding						
Year	Total Debt Primary Government	Less: Net Position Restricted for Debt Service Payments	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Per Capita
2016	\$ 475,630,532	22,828,791	452,801,741	85%	4%	\$ 1,106
2017	440,712,324	21,313,250	419,399,074	77%	4%	1,017
2018	401,853,636	23,119,192	375,207,997	67%	5%	904
2019	376,668,403	25,343,387	351,325,016	62%	6%	842
2020	410,728,510	26,726,508	384,002,002	64%	5%	912
2021	527,363,670	27,914,975	499,448,695	80%	5%	1,186
2022	554,448,370	26,552,027	527,896,343	83%	4%	1,250
2023	680,594,320	34,847,047	645,747,273	98%	4%	1,519
2024	654,968,919	49,191,527	605,777,392	87%	4%	1,408
2025	\$ 601,592,882	58,375,697	543,217,185	69%	5%	\$ 1,243

Source: District Records

Notes:

See Table 5 for property value data

See Table 13 for Personal Income and Per Capita Income Data

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

RICHLAND SCHOOL DISTRICT TWO

TABLE 11

DIRECT AND OVERLAPPING DEBT

AS OF JUNE 30, 2025

UNAUDITED

	Debt Outstanding	Assessed Value Related to Debt	Percentage Applicable to District	District Share of Debt
Overlapping Debt				
City of Columbia	\$ 182,336,729	765,154,355	11.83%	\$ 21,570,435
Richland County	136,825,000	2,197,849,275	35.62%	48,737,065
Recreation District	20,132,000	1,432,694,920	48.33%	9,729,796
Richland/Lexington Riverbank Park District	56,967,000	2,197,849,275	35.62%	20,291,645
East Richland County Public Sewer District	6,115,419	295,187,000	71.66%	4,382,309
Richland/Lexington Airport District	2,080,000	2,197,849,275	35.62%	740,896
Total Overlapping Debt	<u>404,456,148</u>			<u>105,452,146</u>
Direct				
Richland School District Two	<u>601,592,882</u>	693,644,951	100.00%	<u>601,592,882</u>
Total Direct Debt	<u>601,592,882</u>			<u>601,592,882</u>
Total Direct and Overlapping Debt	<u><u>\$1,006,049,030</u></u>			<u><u>\$ 707,045,028</u></u>

Source: Richland County Treasurer's Office & Richland County Auditor

Note: The percentage of overlapping debt applicable to the School District is estimated using the taxable assessed property values. The County Auditor calculates the applicable percentages based on the assessed values of each overlapping entity. Debt and % information reflects the most recent information provided by Richland County. The County does not include unamortized bond premiums in the information reported, therefore, for comparative and analytical purposes the district's

RICHLAND SCHOOL DISTRICT TWO

TABLE 12

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 42,646,824	43,650,128	44,533,131	45,594,669	48,332,767	50,072,578	50,908,554	52,924,632	55,491,596	\$ 62,635,532
Total Net Debt Applicable to Limit	40,330,000	43,490,000	43,875,000	31,840,000	19,290,000	9,735,000	2,080,000	-	20,000,000	11,760,000
Legal Debt Margin	\$ 2,316,824	160,128	658,131	13,754,669	29,042,767	40,337,578	48,828,554	52,924,632	35,491,596	\$ 50,875,532
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	94.57%	99.63%	98.52%	69.83%	39.91%	19.44%	4.09%	0.00%	36.04%	18.78%
Legal Debt Margin Calculation:										
Total Assessed Value	\$ 782,944,150									
Debt Limit (8% of Total Assessed Value)	62,635,532									
Amount of Debt Applicable to Debt Limit:										
Total Bonded Debt Outstanding	543,770,000									
Less: General Bonds Outstanding Not Subject to Debt Limit	(532,010,000)									
Total Net Debt Applicable to Debt Limit	11,760,000									
Legal Debt Margin	\$ 50,875,532									

Notes:

The Constitution of the State of South Carolina allows for school districts to issue up to 8% of the assessed value of all properties in the School District.

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Population (a)		County Per Capita Income (b)		County Personal Income (b)	Unemployment Rate (c)
2016	409,569	\$	42,391	\$	17,361,967	4.8%
2017	412,492		43,951		18,129,473	3.9%
2018	415,159		45,001		18,868,559	3.3%
2019	417,027		46,806		19,519,574	1.8%
2020	419,051		49,678		20,817,446	5.3%
2021	421,085		52,980		22,730,168	3.6%
2022	422,475		53,850		23,725,689	3.4%
2023	425,183		57,160		24,303,460	2.7%
2024	428,750		59,446		25,487,473	5.5%
2025	432,347	\$	61,823	\$	26,729,169	5.1%

(a) 2016 to 2024, US Bureau of Economic Analysis; 2025 Estimated

(b) US Bureau of Economic Analysis, US Department of Commerce; 2024 and 2025 estimated estimated

(c) 2016-2024 State Agency for Workforce Innovation, Office of Workforce Information Services,
Labor Market Statistics; August 2025 data

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Prisma Health Midlands ¹	14,000 - 15,000	1	7.3%	9,000 - 10,000	1	2.7%
Blue Cross-Blue Shield of SC	10,000 - 11,000	2	5.3%	6,000 - 7,000	2	1.9%
University of South Carolina	6,000 - 7,000	3	3.3%	5,000 - 6,000	3	1.3%
Richland School District One	4,000 - 5,000	4	2.2%	4,000 - 5,000	4	1.3%
Richland School District Two	3,000 - 4,000	5	1.8%	3,000 - 4,000	5	1.0%
Dominion Energy ²	3,000 - 4,000	6	1.8%			
City of Columbia	2,000 - 3,000	7	1.3%	2,000 - 3,000	6	0.7%
AT&T	2,000 - 3,000	8	1.3%	2,000 - 3,000	7	0.7%
Richland County	1,000 - 2,000	9	0.8%			
Dorn VA Medical Ctr	1,000 - 2,000	10	0.8%			
Department of Defense				1,000 - 2,000	10	0.4%
Humana Tricare						
Total	<u>46,000 - 56,000</u>			<u>30,000 - 40,000</u>		

Source: Central South Carolina Alliance, SC Employment Security Commission, Central Midlands Council of Governments
Richland County Economic Development Office

Information on Principal Employers for Richland County was only available in the form of range of employees.

¹ Formerly Palmetto Health

² Formerly SC Electric & Gas/SCANA

RICHLAND SCHOOL DISTRICT TWO

TABLE 15

FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Teaching Faculty	2,015	2,037	2,059	2,019	2,114	2,119	2,009	1,972	1,901	1,954
Other	572	556	565	626	614	619	640	604	661	699
Total Instruction	2,587	2,593	2,624	2,645	2,728	2,738	2,649	2,576	2,562	2,653
Support Services										
Principals	36	36	37	36	36	36	35	35	36	36
Assistant Principals	82	83	85	84	80	80	80	80	82	91
Other Administration & Support	984	993	995	997	965	964	1,004	1,041	1,160	1,149
Total Support Services	1,102	1,112	1,117	1,117	1,081	1,080	1,119	1,156	1,278	1,276
Total	3,689	3,705	3,741	3,762	3,809	3,818	3,768	3,732	3,840	3,929

Source: District Records

Note: Full-time instructional employees of the District are employed for all 180 scheduled school days, at seven hours per day or 1,260 per year. Total work hours by instructional employees are divided by 1,260 to obtain full-time employment. Full-time equivalent employment for all other positions is determined based on 1,820 hours per year (52 weeks times five days times seven hours).

TABLE 16

RICHLAND SCHOOL DISTRICT TWO

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended	Modified Accrual Basis of Accounting				Accrual Basis of Accounting				Percentage of Students Receiving Free or Reduced-Price Meals	Teacher Base Salaries			
	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff		Minimum Salary	Maximum Salary	Average Salary (1)	Statewide Average Salary (1)
2016	27,607	\$ 280,354,533	10,155	0%	319,055,114	11,557	-4%	2,015	49%	35,210	76,598	\$ 48,769	
2017	27,872	313,809,532	11,259	11%	338,399,029	12,141	5%	2,037	49%	36,094	78,129	50,050	
2018	28,056	305,170,305	10,877	-3%	361,588,104	12,888	6%	2,059	50%	36,094	78,130	50,182	
2019	28,359	320,471,431	11,301	4%	370,397,768	13,061	1%	2,019	50%	36,455	78,911	50,882	
2020	28,549	359,864,748	12,605	12%	389,702,998	13,650	5%	2,114	49%	37,193	82,067	53,329	
2021	27,873	348,549,100	12,505	-1%	415,224,363	14,897	9%	2,119	49%	37,193	82,067	53,185	
2022	28,406	373,742,038	13,157	5%	419,619,709	14,772	-1%	2,009	56%	41,000	84,708	54,814	
2023	28,669	389,941,918	13,602	3%	424,974,900	14,823	0%	1,972	59%	41,821	86,403	57,520	
2024	28,847	418,443,074	14,506	7%	440,793,334	15,280	3%	1,901	62%	44,321	88,903	60,763	
2025	29,067	\$ 447,276,234	15,388	6%	467,869,247	16,096	5%	1,954	63%	50,000	91,482	\$ 64,050	

Source: All information from District records unless otherwise noted.

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

Note: Operating expenditures are total expenditures in the governmental funds less debt service and capital outlay expenditures.

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Anna Boyd School										
Square Feet	13,500	-	-	-	-	-	-	-	-	-
Capacity (Students)	200	-	-	-	-	-	-	-	-	-
Enrollment	40	-	-	-	-	-	-	-	-	-
Bethel-Hanberry Elementary School										
Square Feet	128,369	128,369	128,369	128,369	128,369	128,369	137,322	137,322	137,322	137,322
Capacity (Students)	634	634	634	634	634	634	800	800	800	747
Enrollment	720	720	705	722	804	799	755	759	723	715
Bookman Road Elementary School										
Square Feet	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670	81,670
Capacity (Students)	740	740	740	740	740	740	740	740	740	659
Enrollment	494	477	461	424	420	487	513	512	522	555
Blythewood Academy										
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (Students)	150	150	150	150	150	150	150	150	150	150
Enrollment	95	95	95	95	95	95	59	75	75	50
Bridge Creek Elementary School										
Square Feet	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105	95,105	107,314
Capacity (Students)	705	705	705	705	705	705	705	705	705	699
Enrollment	593	583	554	593	570	605	563	565	563	601
Catawba Trail Elementary										
Square Feet	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	118,358
Capacity (Students)	747	747	747	747	747	747	747	747	747	708
Enrollment	589	609	603	611	672	525	613	614	662	645
Conder Elementary School										
Square Feet	80,047	80,047	80,047	80,047	80,047	80,047	80,047	80,047	80,047	91,172
Capacity (Students)	648	648	648	648	648	648	648	648	648	633
Enrollment	848	864	566	546	552	519	460	463	471	501
Forest Lake Elementary School										
Square Feet	76,245	76,245	76,245	76,245	76,245	76,245	162,279	162,279	162,279	165,000
Capacity (Students)	623	623	623	623	623	623	800	800	800	747
Enrollment	577	580	599	606	605	594	611	611	649	659
Jackson Creek Elementary School										
Square Feet	N/A	N/A	125,000	125,000	125,000	125,000	126,338	126,338	126,338	132,369
Capacity (Students)	N/A	N/A	747	747	747	747	747	747	747	747
Enrollment	N/A	N/A	645	704	650	531	552	553	582	562
Joseph Keels Elementary School										
Square Feet	78,558	78,558	78,558	78,558	78,558	78,558	81,724	81,724	81,724	81,724
Capacity (Students)	688	688	688	688	688	688	688	688	688	611
Enrollment	699	674	551	518	505	432	448	451	470	480
Killian Elementary School										
Square Feet	81,429	81,429	81,429	81,429	81,429	81,429	81,429	81,429	81,429	96,824
Capacity (Students)	740	740	740	740	740	740	740	740	740	822
Enrollment	759	790	730	687	697	669	749	752	740	706
Lake Carolina Elementary School - Lower Campus										
Square Feet	91,635	91,635	91,635	91,635	91,635	91,635	91,635	91,635	91,635	96,114
Capacity (Students)	637	637	637	637	637	637	637	637	637	594
Enrollment	473	480	472	466	450	419	490	489	508	563
Lake Carolina Elementary School - Upper Campus										
Square Feet	128,656	128,656	128,656	128,656	128,656	128,656	128,656	128,656	128,656	137,215
Capacity (Students)	747	747	747	747	747	747	747	747	747	747
Enrollment	478	494	480	512	501	457	545	544	555	528
Langford Elementary										
Square Feet	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	110,771	114,368
Capacity (Students)	747	747	747	747	747	747	747	747	747	747
Enrollment	501	473	453	475	478	489	616	617	644	643
Lonnie B. Nelson Elementary School										
Square Feet	100,495	100,495	100,495	100,495	100,495	100,495	100,495	100,495	100,495	100,495
Capacity (Students)	608	608	608	608	608	608	608	608	608	569
Enrollment	588	592	587	617	618	559	578	579	560	557

(Continued)

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
North Springs Elementary School										
Square Feet	101,448	101,448	101,448	101,448	101,448	101,448	101,448	101,448	101,448	101,448
Capacity (Students)	834	834	834	834	834	834	834	834	834	795
Enrollment	758	734	763	710	736	664	707	710	674	671
Polo Road Elementary School										
Square Feet	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830	104,155
Capacity (Students)	705	705	705	705	705	705	705	705	705	667
Enrollment	677	691	686	686	648	602	612	614	658	670
Pontiac Elementary School										
Square Feet	89,296	89,296	89,296	89,296	89,296	89,296	89,296	89,296	89,296	97,490
Capacity (Students)	796	796	796	796	796	796	796	796	796	780
Enrollment	700	691	722	693	696	714	741	736	795	883
Rice Creek Elementary School										
Square Feet	90,016	90,016	90,016	90,016	90,016	90,016	90,016	90,016	90,016	98,961
Capacity (Students)	796	796	796	796	796	796	796	796	796	797
Enrollment	753	723	742	758	752	720	746	744	761	717
Round Top Elementary School										
Square Feet	97,360	97,360	97,360	97,360	97,360	97,360	97,360	97,360	97,360	109,039
Capacity (Students)	637	637	637	637	637	637	637	637	662	662
Enrollment	579	570	580	615	610	628	671	670	612	580
Sandlapper Elementary School										
Square Feet	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830	94,830	108,891
Capacity (Students)	705	705	705	705	705	705	705	705	705	667
Enrollment	684	659	653	696	655	628	668	665	685	691
Windsor Elementary School										
Square Feet	98,973	98,973	98,973	98,973	98,973	98,973	98,973	98,973	98,973	101,860
Capacity (Students)	800	800	800	800	800	800	800	800	800	762
Enrollment	764	745	608	574	535	530	536	534	531	606
Blythewood Middle School										
Square Feet	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300	127,300	138,955
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	986
Enrollment	764	830	833	805	838	846	794	800	848	870
Dent Middle School										
Square Feet	198,853	198,853	198,853	198,853	198,853	198,853	198,853	198,853	198,853	209,502
Capacity (Students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,264
Enrollment	1,217	1,234	1,246	1,272	1,274	1,187	994	1,006	1,029	1,047
Kelly Mill Middle School										
Square Feet	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,546	170,456
Capacity (Students)	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	963
Enrollment	921	912	880	897	984	1,014	983	977	956	888
CFA Enrollment	103	100	87	87	73	58	69	83	63	91
Long Leaf Middle School										
Square Feet	150,646	150,646	150,646	150,646	150,646	150,646	150,646	150,646	150,646	168,120
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	964
Enrollment	720	785	772	841	865	921	795	806	803	786
Muller Road Middle										
Square Feet	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532	176,532	203,391
Capacity (Students)	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,013
Enrollment	717	793	810	872	911	902	987	995	1,028	979
CFK North Enrollment	193	235	260	260	257	250	256	257	258	258
Summit Parkway Middle School										
Square Feet	149,132	149,132	149,132	149,132	149,132	149,132	149,132	149,132	149,132	164,188
Capacity (Students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,124
Enrollment	976	958	987	933	902	895	901	916	925	1,036
CFI Enrollment	275	250	250	250	252	246	235	235	251	243
E. L. Wright Middle School										
Square Feet	211,982	211,982	211,982	211,982	211,982	211,982	211,982	215,000	215,000	247,000
Capacity (Students)	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,489	1,225
Enrollment	1,066	1,078	1,092	1,114	1,092	1,112	1,072	1,090	1,035	1,016
CFK Enrollment	280	267	267	267	260	258	250	250	250	252

(Continued)

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Blythewood High School										
Square Feet	299,000	299,000	299,000	299,000	299,000	299,000	376,673	376,673	376,673	376,673
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	2,000	2,000	2,000	2,000
Enrollment	1,924	1,987	1,987	1,920	1,886	1,855	2,061	2,085	2,093	2,156
Richland Northeast High School										
Square Feet	302,413	302,413	302,413	302,413	302,413	302,413	302,413	302,413	302,413	426,209
Capacity (Students)	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,714
Enrollment	1,410	1,423	1,359	1,410	1,446	1,399	1,304	1,342	1,298	1,330
Ridge View High School										
Square Feet	238,755	238,755	238,755	238,755	238,755	238,755	291,084	291,084	291,084	302,563
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,663
Enrollment	1,357	1,343	1,442	1,507	1,593	1,654	1,683	1,712	1,688	1,616
Spring Valley High School										
Square Feet	458,812	458,812	458,812	458,812	458,812	458,812	458,812	458,812	458,812	458,812
Capacity (Students)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,250
Enrollment	1,970	2,079	2,077	2,152	2,201	2,106	2,138	2,175	2,217	2,191
Westwood High School										
Square Feet	328,874	328,874	328,874	328,874	328,874	328,874	328,874	328,874	328,874	337,028
Capacity (Students)	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,717
Enrollment	1,345	1,354	1,472	1,464	1,466	1,504	1,651	1,683	1,665	1,725
Total										
Square Feet	4,696,849	4,683,349	4,683,349	4,808,349	4,808,349	4,808,349	5,037,842	5,040,860	5,040,860	5,424,686
Capacity (Students)	30,896	30,696	30,696	31,443	31,443	31,443	32,086	32,086	32,111	31,193
Enrollment	27,607	27,872	27,411	28,359	28,549	27,873	28,406	28,669	28,847	29,067
Component Unit - Charter High School:										
Charter High School										
Square Feet	N/A	13,500	13,500	13,500	13,500	13,500	N/A	N/A	N/A	N/A
Capacity (Students)	N/A	200	200	200	200	200	N/A	N/A	N/A	N/A
Enrollment	102	108	114	114	81	39	N/A	N/A	N/A	N/A

Source: District Records

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COMPLIANCE SECTION

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**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	Total Federal Expenditures
US DEPARTMENT OF AGRICULTURE				
Pass-through State Department of Education:				
600	Commodities/Food Distribution - Non-Cash Assistance	10.555	N/A	\$ 951,394
600	National School Lunch Program	10.555	N/A	11,245,162
600	National School Breakfast Program	10.553	N/A	3,131,358
600	Fresh Fruit and Vegetables Program	10.582	H63010002125	84,865
Total 10.553, 10.555, & 10.582 - Child Nutrition Cluster				15,412,779
600	State Administrative Expenses for Child Nutrition	10.560	H6304899	59,811
TOTAL US DEPARTMENT OF AGRICULTURE				15,472,590
US DEPARTMENT OF EDUCATION				
Pass-through State Department of Education:				
201	Title I Part A / 24 Title I	84.010A	H63010100124	796,741
201	Title I Part A / 25 Title I	84.010A	H63010100125	6,166,278
237	Title I - Targeted Support and Improvement / 23 Title I TSI	84.010A	H63010100123	88,244
237	Title I - Targeted Support and Improvement / 24 Title I TSI	84.010A	H63010100124	265,225
Total 84.010A				7,316,488
203	Special Education - Grants to States / 23 IDEA	84.027A	H63010100923	16,717
203	Special Education - Grants to States / 24 IDEA	84.027A	H63010100924	3,469,236
203	Special Education - Grants to States / 25 IDEA	84.027A	H63010100925	2,164,310
203	Special Education - Grants to States / Private School Placements	84.027A	H63010100923	4,840
203	Special Education - Grants to States / Private School Placements	84.027A	H63010100924	22,948
203	Special Education - Grants to States / Private School Placements	84.027A	H63010100925	47,863
212	Special Education - Grants to States / Extended School Year	84.027	H63010100924	8,631
205	Special Education - Preschool Grants/ 23 IDEA Preschool	84.173A	H63010100823	161
205	Special Education - Preschool Grants/ 24 IDEA Preschool	84.173A	H63010100824	71,197
205	Special Education - Preschool Grants/ 25 IDEA Preschool	84.173A	H63010100825	204,305
205	Special Education - Preschool Grants/ Private School Placements	84.173A	H63010100823	3,208
205	Special Education - Preschool Grants/ Private School Placements	84.173A	H63010100824	1,052
205	Special Education - Preschool Grants/ Private School Placements	84.173A	H63010100825	7,847
Total 84.027, 84.027A, & 84.173 - Special Education Cluster (IDEA)				6,022,315
Career and Technical Education:				
207	CTE (subprogram 01) / 24CTE	84.048A	H63010107124	2,400
207	CTE (subprogram 02) / 24CTE	84.048A	H63010107124	5,049
207	CTE (subprogram 03) / 24CTE	84.048A	H63010107124	10,037
207	CTE (subprogram 04) / 24CTE	84.048A	H63010107124	1,348
207	CTE (subprogram 05) / 24CTE	84.048A	H63010107124	520
207	CTE (subprogram 11) / 24CTE	84.048A	H63010107124	88,166
207	CTE (subprogram 15) / 24CTE	84.048A	H63010107124	2,555
207	CTE (subprogram 01) / 25CTE	84.048A	H63010107125	3,000
207	CTE (subprogram 02) / 25CTE	84.048A	H63010107125	25,245
207	CTE (subprogram 03) / 25CTE	84.048A	H63010107125	147,726
207	CTE (subprogram 04) / 25CTE	84.048A	H63010107125	40,557
207	CTE (subprogram 05) / 25CTE	84.048A	H63010107125	640
207	CTE (subprogram 06) / 25CTE	84.048A	H63010107125	2,283
207	CTE (subprogram 11) / 25CTE	84.048A	H63010107125	21,906
207	CTE (subprogram 15) / 25CTE	84.048A	H63010107125	12,068
Total 84.048A				363,500
218	COVID-19 ARP - ESSER / ESSER III	84.425U	H63010497523	12,447,127
263	COVID-19 ARP Homeless Children and Youth I	84.425W	H63010HCY721	18,714
263	COVID-19 ARP Homeless Children and Youth II	84.425W	H63010HCY721	20,645
Total 84.425U & 84.425W				\$ 12,486,486

(Continued)

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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	Total Federal Expenditures
210	Title IV SSAE / 23	84.424A	H63010100323	\$ 11,438
210	Title IV SSAE / 24	84.424A	H63010100324	355,033
210	Title IV SSAE / 25	84.424A	H63010100325	189,893
	Total 84.424A			<u>556,364</u>
224	21st Century Community Learning Centers / 23-24 21st CCLC	84.287C	H63010006923	980
224	21st Century Community Learning Centers / 24-25 21st CCLC	84.287C	H63010006925	1,812,083
224	21st Century Community Learning Centers / 25 Summer	84.287C	H63010006922	58,940
	Total 84.287C			<u>1,872,003</u>
243	Adult Education / 25-Adult Education	84.002A	H63010101025	75,098
243	Adult Education / 23-24 Adult Education - Reverted	84.002A	H63010101023	5,292
	Total 84.002A			<u>80,390</u>
	Education for Homeless Children and Youth:			
232	McKinney-Vento Homeless / 24	84.196A	H63010108923	17,281
232	McKinney-Vento Homeless / 25	84.196A	H63010108924	81,286
232	McKinney-Vento Homeless 25 (Year 1)	84.196A	H63010108925	24,748
	Total 84.196A			<u>123,315</u>
264	Title III English Language Acquisition / 23 Title III, Part A-ML	84.365A	H63010006723	3,042
264	Title III English Language Acquisition / 24 Title III, Part A-ML	84.365A	H63010006724	70,123
264	Title III English Language Acquisition / 25 Title III, Part A-ML	84.365A	H63010006725	2,394
	Total 84.365A			<u>75,559</u>
267	Title II Supporting Effective Instruction / 24 Title II	84.367A	H63010006824	563,352
267	Title II Supporting Effective Instruction / 25 Title II	84.367A	H63010006825	557,501
	Total 84.367A			<u>1,120,853</u>
297	Pass-through South Carolina Vocational Rehabilitation Department: Rehabilitation Services Vocational Rehabilitation - Grants to States - Victory SC	84.126A	N/A	14,523
	Direct Programs:			
100	Impact Aid	84.041	N/A	183,246
289	Impact Aid - Children With Disabilities	84.041	N/A	63,846
	Total 84.041			<u>247,092</u>
279	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) / The Central Carolina Consortium	84.334A	N/A	2,600,509
	TOTAL US DEPARTMENT OF EDUCATION			<u>32,879,397</u>
	US DEPARTMENT OF DEFENSE			
	Direct Program:			
292	Air Force, Army and Navy ROTC	12.000	N/A	398,234
	Support for Student Achievement at Military-Connected Schools / Military-Connected Local Education Agency for Academic and Support Programs (MCASP)			
280	MCASP - HE1254-23-1-5014	12.556	N/A	147,310
283	MCASP - HE1254-24-1-5033	12.556	N/A	171,930
284	MCASP - HE1254-20-1-0014	12.556	N/A	113,027
287	MCASP - HE1254-22-1-2008	12.556	N/A	467,741
	Total 12.556			<u>900,008</u>
	TOTAL US DEPARTMENT OF DEFENSE			<u>1,298,242</u>
	TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 49,650,229</u>

There were no expenditures to subrecipients for the year ended June 30, 2025.

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

**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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 the Richland County School District Two, 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 generally reported in the District’s financial statements as expenditures in the Special Revenue Funds, with the exception of the revenues for Impact Aid, which are reported in the General Fund.

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* indirect cost rate allowed under the Uniform Guidance.

F – Federal Interest Subsidy

The District recognized revenues in the Debt Service Fund for federal interest subsidies of approximately \$9,181,000, which is excluded from reporting on the Schedule.

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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
Richland School District Two
Columbia, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland School District Two, 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 December 8, 2025.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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*.

District's Responses to Findings

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

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

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 8, 2025



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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
Richland School District Two
Columbia, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Richland School District Two, 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Standard*, 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
December 8, 2025

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

There were no audit findings in the prior year.

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**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, 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?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> 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)?	<u> </u> Yes	<u> X </u> No
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555 & 10.582	Child Nutrition Cluster
84.334A	GEAR UP

Dollar threshold used to distinguish between type A and type B programs:	<u> \$ 1,489,507 </u>
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Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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**RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section II – Current Year Financial Statement Findings

2025-001: PRIOR PERIOD ADJUSTMENT – UNEARNED REVENUE AND PROPERTY TAX RECEIVABLE BALANCES

Condition:	During the 2025 audit, it was discovered that there were unearned revenue balances in the General Fund and Special Revenue Funds that should have been recognized as revenue in the prior year. It was also noted that the amounts that were recorded as property tax receivable and the related unavailable revenue recorded in prior years were incorrect.
Criteria:	The District should have appropriate internal controls in place to ensure that all balance sheet balances are accurate.
Context, Cause and Effect:	It was discovered that approximately \$5,383,000 that was recorded as unearned revenue should have been recorded as revenue in the General Fund and \$3,076,000 that was recorded as unearned revenue in the Special Revenue Fund should have been recorded as revenue in the prior year. The error in the General Fund unearned revenue was caused by the District not tying out the amounts that are recorded by the County in the Due From County asset account. It was also discovered that the amounts that were recorded as property tax receivable and the related unavailable revenue were overstated by approximately \$1,158,000 in the General Fund, approximately \$363,000 in the Debt Service Fund and understated by approximately \$10,755,000 in the statement of activities. This was caused primarily by the District not using the outstanding property taxes from the County confirmation report to record the property tax receivable balance.
Recommendation:	We recommend that the District develop and implement appropriate internal controls to ensure that all balance sheet balances are accurate.
Response:	The District agrees with this finding and will adhere to the corrective action plan on page 193 in this audit report.

2025-002: CAPITAL ASSET ADDITIONS

Condition:	During the 2025 audit, it was noted that the District had group capital assets that were purchased in prior years but were not added as capital assets.
Criteria:	The District should have appropriate internal controls in place to ensure that all capital asset balances are accurate.
Context, Cause and Effect:	The District had never recorded their group capital asset purchases in their capital asset listing. There were amounts that were added in the current year but should have been added to the capital asset listing in prior years. These amounts were not significant to restate prior year balances. This was caused by the District not reviewing their group purchases to see if there were any that needed to be capitalized.
Recommendation:	We recommend that the District develop and implement appropriate internal controls to ensure that all group capital asset purchases are recorded in the capital asset schedules.
Response:	The District agrees with this finding and will adhere to the corrective action plan on page 193 in this audit report.

Section III – Current Year Federal Award Findings and Questioned Costs

None Noted

CORRECTIVE ACTION PLAN**YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings**Finding:** 2025-001**Contact Person:** Nancy Williams, Senior Chief Financial Officer
nawilliams@richland2.org**Corrective Action:** The District will ensure that internal controls are put into place to ensure that all unearned revenue and property tax receivable balances are recorded correctly.**Proposed Completion Date:** Prior to June 30, 2026

Finding: 2025-002**Contact Person:** Nancy Williams, Senior Chief Financial Officer
nawilliams@richland2.org**Corrective Action:** The District will ensure that all group capital assets are recorded in the capital asset listing.**Proposed Completion Date:** Prior to June 30, 2026
