
Monthly Business Meeting of the Board of Trustees

Monday, January 28, 2019

6:00 p.m. – Central Office @ 386 E. Black Street

A G E N D A

I. Call to Order - *Ethan McWhorter – Ebinport Elementary School*

A. Approval of Agenda (Policy BEDB)

(Under consent agenda, all action items will be voted on after one motion and second to approve them without

discussion. If a board member wants any action item discussed or voted on separately, the board member, before the agenda is approved, must ask that the action item be moved to the discussion item section.)

II. Recognitions

- A. Recognition of Dr. Christi Beard, PESH Distinguished Alumni Award
- B. Recognition of McKenzie McCrorey, Nat'l Academy of Future Physicians & Medical Scientists
- C. Recognition of Susan Fields, Samsung Solve for Tomorrow State Finalist
- D. Recognition of Hayden Joyner and Ms. Michelle Soto, ATC Digital Art & Design
- E. Recognition of ATC Culinary Arts Program Students
- F. Recognition of Middle School Battle of the Books Winner – Rawlinson Road
- G. Recognition of Dutchman Creek Middle School - Schools to Watch
- H. Recognition of Sullivan Middle School IB Reauthorization
- I. Recognition of Moe's Southwest Grill
- J. Recognition of Board of Trustees by York County Education Association
- K. Recognition of School Board Recognition Month & Signing of SCSBA Ethical Principles Poster

III. Citizen Participation

IV. Consent Action Agenda

- A. Approval of Minutes (Policy BEDG)
 - 1. November 12, 2018 Work Session (incl. Data Session)
 - 2. November 26, 2018 Business Meeting
 - 3. December 17, 2018 Work Session (no Data Session)
 - 4. December 17, 2018 Business Meeting
- B. Approval of Personnel Recommendations (Policy BDD)
- C. Approval of FY17-18 Audit Report

V. Action Agenda

1st Read Policies (Policy BG/BGD)

- A. Approval of Policy **EB, EB-R** – Environmental Sustainability
- B. Approval of Policy **EC** – Building/Grounds/Property Management
- C. Approval of Policy **ECB** – Building & Grounds Maintenance
- D. Approval of Policy **ECF, ECF-R** – Energy Conservation Management
- E. Approval of Policy **EEA/EEAC** – Student Transportation, Bus Scheduling & Routing
- F. Approval of Policy **EF, EF-R** – Student Meal Accounts & Food Services
- G. Approval of Policy **EI** – Insurance Program/Risk Management

VI. Communications

One Team. One Mission. One Rock Hill.

- VII. Report of the Superintendent
 - A. Announcements
- VIII. Review of School Board Work Session – Dec 17 & Jan 14; and Jan 17 Board Retreat
- IX. Other and Future Business
- X. Executive Session(s) *(Policy BEC)*
 - ~**Student Matter** – *Appeal*
 - ~**Personnel Matter** - *Hiring*
 - ~**Contractual Matter** - *Agreement*
- XI. Action as Required from Executive Session(s) *(Policy BEC)*
- XII. Adjournment

One Team. One Mission. One Rock Hill.



Communications Department
Telephone: 981-1008 - Fax: 981-1094

Memorandum

TO: Dr. Bill Cook
FROM: Mychal Frost
DATE: January 23, 2019
SUBJECT: Call to Order at January 28th School Board Meeting

Ethan McWhorter (“mc-were-ter”), a 5th grader at Independence Elementary School, will provide the “Call to Order” at the January 28th school board meeting.

Ethan:

- Is the 2017 Southeast Region Karate champion in sparring and kata
- He also earned honorable mention in 2018 for the same two karate disciplines
- He loves animals

Parents: Michael and Brandy McWhorter

Siblings in Rock Hill Schools: none

Principal: Rhonda Kelsey

Mailing Address:

1764 Baylor Drive
Rock Hill, SC 29732

Memorandum

TO: Dr. Bill Cook
FROM: Mychal Frost
DATE: January 23, 2019
SUBJECT: Recognitions for January 28th School Board Meeting

A. Recognition of Dr. Christi Beard, PESH Distinguished Alumni Award

Dr. Christi Beard was presented the PESH Distinguished Alumni Award from Winthrop University on November 14, 2018. This award recognizes graduates who have brought honor to the University, the Richard W. Riley College of Education, and the Department of Physical Education, Sport and Human Performance. Dr. Beard was chosen because of her tireless efforts to get children of all ages active. Dr. Beard infuses physical education and a healthy lifestyle in all she does. In addition to receiving this award, Dr. Beard gave the Julia H. Post lecture.

B. Recognition of McKenzie McCrorey, National Academy of Future Physicians and Medical Scientists

The Medical Advisory Board of the National Academy of Future Physicians and Medical Scientists confers honor and distinction upon McKenzie McCrorey for outstanding academic performance, leadership potential and dedication to serving humanity through the profession of medicine. The Congress of Future Medical Leaders 2018 presented McKenzie with this recognition in Boston, Massachusetts. With this recognition comes all rights, honors, and privileges thereunto pertaining to the National Academy of Future Physicians and Medical Scientists.

C. Recognition of Susan Fields, Samsung Solve for Tomorrow State Finalist

South Pointe High School and environmental science teacher Susan Fields are among the nation's 250 state finalists in the Samsung Solve for Tomorrow Contest, a nationwide competition that challenges students in grades 6-12 to apply STEM (science, technology, engineering and math) skills to find creative solutions to real-world issues impacting their local communities.

Out of thousands of schools that entered the contest, the 250 state finalist classrooms – five from each state – were chosen based on their creative and strategic proposals to solve complicated issues that affect their communities by using STEM learning. All 250 teachers selected as state finalists will receive one Samsung tablet for their classrooms and have the opportunity to advance through future phases of the contest to win additional prizes and educational opportunities.

In the months ahead, Mrs. Fields and her students will work on a project to address homelessness and affordable housing by researching, designing, and constructing models of Tiny Houses that incorporate environmental-friendly, energy saving features.

D. Recognition of Hayden Joyner and Michelle Soto, ATC Digital Art & Design

Hayden Joyner is a senior at Northwestern High School. He is an ATC Digital Art and Design Completer as well as a Media Technology Completer. He designed the graphic #OneTeamOneMissionOneRockHill, which was recently published on Rock Hill Schools mugs. He also designed the SAT/ACT flyer for the district and is the social media design manager for the Northwestern High School Athletic Department working with Lauren West. You can see more of Hayden's work on Instagram @northwesterntrojans. His mom teaches first grade at York Road Elementary.

Michelle Soto, Hayden's talented teacher, is also here with us. Ms. Soto is one of two Digital Art and Design Instructors at the Applied Technology Center.

E. Recognition of ATC Culinary Arts Program Students

ATC Culinary Arts Management Program is the 2018 Keystone 1st people's choice winners at the annual Chocolate Extravaganza held November 8. Congratulations to Chef Jenkins and Culinary Arts Students on winning first place for the People's Choice Award at the Manchester Village Chocolate Extravaganza! The event is a fundraiser held by Keystone to support individuals in need of rehabilitation and drug abuse counseling. Students have prepared chocolate treats for each board member as a gift tonight.

Tonight, we recognize:

Chef Tyrone Jenkins

- Jasmine Lopez, former SPHS student
- Amaya Johnson, RHHS student
- Saddiya Simril, RHHS student
- Serenity Bowser, RHHS student
- Ha'Kim Godley, NWHS student

F. Recognition of Middle School Battle of the Books Winner

Rock Hill Schools hosted its second annual Middle Grades Battle of the Books on Thursday, November 29 at Sullivan Middle School. Five teams competed for the trophy, which our district passes from winning school to winning school. In the final round, Rawlinson Road Middle School battled Saluda Trail Middle School and took home the trophy for the year. Rawlinson Road's librarian is Randy Polk.

District librarians/schools competing also included: Renee Inman, Saluda Trail Middle School; Jenny Holle, Castle Heights Middle School; Amy McMichael, Dutchman Creek Middle School; and Samantha McManus, Sullivan Middle School. We are extremely proud of all our students who competed in the Battle and look forward to another round next year!

Tonight, we recognize the winning team from Rawlinson Road Middle School:

- Ms. Randy Polk – Media Specialist
- Alexa Foy
- Kaleis Gibson
- Mariah Grant
- Dmitir Putman

G. Recognition of Dutchman Creek Middle School Schools to Watch

Dutchman Creek has been designated a “School to Watch” by the National Forum to Accelerate Middle Grades Reform. This is the third designation for Dutchman Creek and by design, the toughest to achieve. Each designation carries with it the expectation of continuous systematic growth in all domains measured and monitored by the Schools to Watch teams of quality assessors. In other words, it is not simply enough to maintain a level of success; schools must demonstrate continuous progression towards the excellence for which the award represents!

Schools to Watch® is an initiative launched by the National Forum to Accelerate Middle-Grades Reform in 1999. Through the Schools to Watch® initiative, the National Forum identifies schools across the United States that are well on their way to meeting the Forum’s criteria for high performance. Forum members believe that three things are true of high-performing middle-grades schools:

- They are academically excellent.
- They are developmentally responsive
- They are socially equitable

To achieve this level of performance, high-performing schools establish norms, structures, and organizational support to sustain their trajectory toward excellence. They have a sense of purpose that drives every facet of practice and decision-making.

Again, congratulations to Dutchman Creek Middle School, principal Clayton Moton, and all faculty and staff, students, and parents who share in this achievement.

H. Recognition of Sullivan Middle School Schools IB Reauthorization

As part of its participation in the International Baccalaureate Middle Years Programme, Sullivan Middle School recently completed all requirements to be “reauthorized” by the International Baccalaureate Organization. The reauthorization grueling two-year process challenges administration, faculty and staff, and students ensure all criteria are met. In the Middle Years Programme, students engage in an internationally-focused, SC standards-based education, while developing a sense of self-identity and culture. Throughout the program, students have opportunities for unique off-campus field studies. Students are encouraged to become well-rounded world citizens, while progressing through a rigorous program of study, which includes second language instruction throughout the entire three years of middle school. Tonight, we recognize and congratulate Sullivan Middle School.

- Kristy Marler-Weiner, Teacher
- Jeremy Sowell, Teacher
- Samantha McManus, Media Specialist
- Rebecca Shackleford, Instructional Coach/IB Coordinator
- Gwendolyn Lindsey, AP
- Shana Hannibal, AP
- Graham Thomas, AP
- Juan Roldan, Principal

I. Recognition of Moe's Southwest Grill

For the fourth consecutive year, Rock Hill Schools partnered with Moe's Southwest Grill to offer "\$3 Burrito Day". In October, the one day event was once again very successful with \$1 from each burrito sold directly benefitting the Rock Hill Schools Education Foundation. Tonight, K.C. Campbell, area catering manager with Bullard Restaurant Group, will present a check for this year's total. In four years (actually four days), the Rock Hill community has purchased more than 6,750 burritos as part of the benefit promotion. This year, K.C. is presenting a check for \$1,422 to the Rock Hill Schools Education Foundation.

J. Recognition of Board of Trustees by York County Education Association

Andra Mack, representing the South Carolina Education Association and the York County Education Association, will recognize Rock Hill Schools' Board of Trustees tonight as part of School Board Recognition Month.

K. Recognition of School Board Month

As part of School Board Recognition Month, Madame Chairman Helena Miller will recite the Board Member Ethical Principles as provided by the South Carolina School Boards Association. Following her reading, board members will each sign and be photographed with the SCSBA Ethical Principles poster.

ROCK HILL SCHOOL DISTRICT THREE BOARD OF TRUSTEES

School Board Work Session

Monday, November 12, 2018

Central Office

Call to Order

The Rock Hill School District Three Board of Trustees met this date at 5:30 p.m. with members present as follows: Windy Cole, Mildred Douglas, Terry Hutchinson, Helena Miller, Ann Reid, and newly elected members Brent Faulkenberry and Robin Owens.

Riley Woods, an eighth grader at Castle Heights Middle School, led in a moment of silence and the Pledge of Allegiance. Superintendent Dr. Bill Cook stated the local news was notified of the agenda, in writing, on Friday, November 9, 2019.

A motion was made by Terry Hutchinson, seconded by Windy Cole, to approve the agenda. The agenda was unanimously approved as presented, 5-0.

Swearing in of Board Members

Judge David Guyton presided over the swearing in of newly elected board members Brent Faulkenberry and Robin Owens, and re-elected board member Helena Miller.

Election of Officers

By a show of hands, the Board unanimously chose to elect officers via secret ballot.

Mrs. Cole nominated Mrs. Miller for Board Chair. Mrs. Douglas nominated herself for Board Chair. Mrs. Reid made a motion to close the nominations. Mr. Hutchinson seconded the motion, which was approved, 7-0.

After a count of the secret ballots by Judge Guyton and Mrs. Gammons, Mrs. Miller was named Chairman of the Board of Trustees, by a count of 5-2. At which time, Dr. Cook turned over the meeting to Chairman Miller.

Mrs. Cole then nominated Mr. Hutchinson for vice chair. Mrs. Reid nominated herself for vice chair and Mrs. Owens nominated herself for vice chair. Mrs. Cole made a motion to close the nominations. Mr. Faulkenberry seconded the motion, which was approved, 7-0.

After a count of the secret ballots by Judge Guyton and Mrs. Gammons, Mr. Hutchinson was named Vice Chairman of the Board of Trustees by a count of 4-2-1.

Ebinport Elementary School Improvement Council

Mrs. Rhonda Kelsey, principal of Ebinport Elementary School, and the Ebinport School Improvement (SIC) Council members presented their goals and work of the SIC for the 2018-19 school year.

Data Session

The Board received their monthly data update from the administration. This session took place from 4:00-5:00 p.m. and focused on 2017-18 EOC, ACT, and WIN secondary assessments.

School Board Work Session – Page 2
Monday, November 12, 2018
Central Office

Second Set Section “E” Policies – 1st read

The following policies were presented to the Board for review and discussion:

- *Policy EBAB – Hazardous Materials**
- *Policy EBBA, EBBA-R – Prevention of Disease/Infection Transmissions**
- *Policy EBC – Emergencies**
- *Policy ECA, ECA-R, ECA-E(1), ECA-E(2) – Security**
- *Policy ECAF, ECAF-R – Video Cameras on District Property** *(new SCSBA codification replacing ECAA, same subject)*
- *Policy EEAE, EEAE-R, EEAE-E – Bus Safety Program**
- *Policy EEAE, EEAE-R – Student Conduct on Buses**
- *Policy EGAD, EGAD-R – Copyright Compliance** *(new policy from SCSBA)*

These policies will be on the Action Agenda at the November meeting for 1st reading.

Out of Country Field Study Request

An out of country field study request for Northwestern High School’s Art and Orchestra classes to travel to Scotland was presented to the Board for their consideration. This request will be on the Consent Agenda at the November business meeting for approval.

Combined Work Session / Business Meeting – December 10

The Board of Trustees will hold a combined work session/business meeting on December 10. This meeting will begin at 6pm and there will be no Data Session at this meeting. This date will be on the Consent Agenda at the November business meeting for approval.

Possible Board Retreat Dates – January 14-17 or January 22

The Board discussed the following dates for a possible retreat: January 14, 15, 16 or 17; January 22.

Strategic Planning Process

Dr. Luanne Kokolis, Chief of Strategic Planning, Engagement, and Program Support, shared with the Board the strategic planning process and accreditation standards and criteria. The district’s new plan will be submitted to the state office in April of 2019 and will run through 2023-2024.

Additional Delegate Certification *(if needed)*

Mrs. Mildred Douglas and Mrs. Ann Reid were approved at a prior board member as voting delegates for the upcoming SCSBA 2018 Delegate Assembly Meeting. No new delegates were certified at this work session.

Other and Future Business

The Board discussed other and future business, and several upcoming events.

Adjournment

A motion was made by Terry Hutchinson, seconded by Robin Owens, to adjourn the meeting. This motion was unanimously approved, 7-0.



Meeting of the Board of Trustees

Monday, November 26, 2018

6:00 p.m. - Central Office

I. Call to Order and Approval of Agenda

The Board of Trustees met on this date at 6:00 p.m. with members present as follows: Windy Cole, Mildred Douglas, Brent Faulkenberry, Terry Hutchinson, Helena Miller, Robin Owens, and Ann Reid. Chairman Helena Miller opened the meeting. Christian Woods-Fair, an eighth grader at Rawlinson Road Middle School led in a moment of silence and the Pledge of Allegiance. Mrs. Miller stated that the local news media had been notified of the agenda for this meeting, in writing, on Sunday, November 25, 2018.

A motion was made by Windy Cole, seconded by Ann Reid, to approve the agenda. The agenda was unanimously approved as presented, 7-0.

II. Recognitions

A. Recognition of Platinum Scoring Students on the WIN Assessment

Thirty students from across all three high schools were recognized for earning Platinum scores on the WIN Assessment.

B. Recognition of Piedmont Medical Center EMS Ambulance Donation

Thanks to the generosity of community partner Piedmont Medical Center, students enrolled in the health sciences program at the Applied Technology Center are now able to practice and hone their skills in an ambulance donated to the school. Student's in this class will be able to use this resource to enhance their learning and preparation for health science fields, including the work required to earn an Emergency Medical Responder certification.

C. Recognition of Dr. Luanne Kokolis' Service to SC School Improvement Council

Dr. Luanne Kokolis, Chief of Strategic Planning, Engagement, and Program Support for Rock Hill Schools, recently stepped down after serving six years as a member of the SC School Improvement Council's Board of Trustees. Mr. Tom Hudson, Executive Director of SC-SIC shared a message of thanks and appreciation to Dr. Kokolis for her service.

III. Citizen Participation - None

IV. Consent Action Agenda

On a motion by Terry Hutchinson, seconded by Mildred Douglas, the following topics on the consent action agenda were unanimously approved, 7-0: the minutes of the October 8 work session (incl. data session); the minutes of the October 22 business meeting; the personnel recommendations as submitted by the administration; and, an out of the country field study request (NHS).

V. Action Agenda

A-H. Approval of Section “E” Policies – 1st read

A motion was made by Robin Owens, seconded by Mildred Douglas, to approve the following policies for 1st read:

EBAB – *Hazardous Materials*

EBBA, EBBA-R – *Prevention of Disease/Infection Transmission*

EBC – *Emergencies*

ECA, ECA-R, ECA-E(1), ECA-E(2) – *Video Cameras on District Property*

ECAF, ECAF-R – *Video Cameras on District Property*

EEAE, EEAE-R, EEAE-E – *Bus Safety Program*

EEAEC, EEAEC-R – *Student Conduct on Buses*

EGAD, EGAD-R – *Copyright Compliance*

This motion was unanimously approved, 7-0.

I. Approval of Policy IC – School Year – 1st read

In an effort for the school calendar development and to allow for more than one future calendar to be approved in a given year, Mr. Mychal Frost, Director of Marketing & Communications, presented revised **Policy IC – School Calendar** for review and discussion.

A motion was made by Windy Cole, seconded by Ann Reid, to approve revised **Policy IC – School Calendar** for 1st read. This motion was unanimously approved, 7-0.

J. Approval of December Combined Board Meeting

A motion was made by Mildred Douglas, seconded by Ann Reid, to approve December 10 as a combined work session/business meeting. This will be the only board meeting in December. This motion was unanimously approved, 7-0.

K. Approval of Board Retreat Date

As the administration continues to work on securing a facilitator a board retreat, a motion was made by Robin Owens, seconded by Brent Faulkenberry, to postpone a vote on a retreat date. The target date will be January 17. This will be brought back to the Board in December for a vote. The motion to postpone a vote on a retreat date was unanimously approved, 7-0.

L. Approval of National School Board Conference Attendees

A motion was made by Terry Hutchinson, seconded by Windy Cole, to approve Ann Reid and Helena Miller to attend the 2019 NSBA Annual Conference in Philadelphia March 30 - April 1. This motion was passed with a 5-0 vote, with Mrs. Reid and Mrs. Miller abstaining.

VI. Communications – A. Amanda Haskin, RHS’ Education Foundation – *Giving Tuesday*
B. Kym Givens – Bus Drivers Group – Pay Schedule

VII. Report of the Superintendent

A. Student Support Services

The Student Services team members presented a general overview of a report (included in the Board’s packet) that provided a comprehensive summary of services provided by staff members during the 2017-18 academic year and during Fall 2018.

B. Announcements

Superintendent Dr. Bill Cook made the following announcements:

- Safety and Security is the number one priority for our students, staff, and families. On November 27 at 6pm at Sullivan Middle School, there will be a School Safety Summit in partnership with our law enforcement partners the Rock Hill Police Department and the York County Sheriff’s Office. We look forward to further discussion that can lead to action with respect to how we, as a community, can continue to keep our schools safe.
- On Thursday, December 6 at 6pm, the first School Choice Fair will be held at the Rock Hill Schools Central Office, 386 E. Black Street. Parents are invited to visit and learn more about the Choice Programs available to students in Rock Hill Schools. Representatives from each Choice Program will be available to provide information and answer questions. Additionally, computers will be available at the event, so you can complete the Choice Application. There will be a second opportunity for parents to learn about Choice Programs as well as all Traditional Programs on Saturday, January 12 at 10am at the Choice Fair and District College and Career Expo held at South Pointe High School.
- On Tuesday, December 4 at 6pm, we invite parents and members of the Rock Hill community to attend our second Community Listen & Learn Session at Northwestern High School. A third and final session is scheduled for Thursday, December 13 at 6pm at South Pointe High School. At each session, the superintendent is interested in learning from our parents and community stakeholders. All are invited to join and provide feedback during one of our upcoming 90-minute sessions.
- District leaders recently hosted the third Teacher Listen and Learn informational session for teachers from across the district. This series of meetings is providing a rich opportunity to engage in dialogue with teachers about celebrations, issues and concerns for our school district. An emphasis for this session focused on exceptional student education teachers and brainstorming strategies to address their concerns.
- The district calendar committee has been working to develop draft calendars for the next two school years. The committee, which is comprised of students, teachers, parents and administrators representing all schools in our district, has reviewed survey feedback and has made a recommendation to district staff that will be presented at the December board meeting.
- On Friday, December 7, school-level teachers of the year will come together for the second Teacher Forum meeting of the school year. Co-chairs Susan Snyder of Northwestern High School and Melissa Tucker of Rock Hill High, along with district leadership look forward to working together with this group of teacher leaders.
- Also on Friday, December 7, student leaders from each high school, the Applied Technology Center and Phoenix Academy will come together for the second

Superintendent Student Advisory Council of the school year. It is a joy to work directly with our students to address areas of concern and importance to them.

- On Thursday, December 6, representatives on the District Athletic Advisory Council will travel to T.L. Hanna High School in Anderson to learn more about how the school and community have raised capital funds to improve and grow athletic facilities and opportunities for students.
- After an action-packet summer, the Build on the Rock website has been updated with photos. You are encouraged to visit the district's capital building program, "Build on the Rock," website – www.rock-hill.k12.sc.us/BuildOnTheRock - for more information. This website provides status updates on active and planned construction projects in the district. On the page, viewers can see project descriptions, before and after photographs, and construction timelines.
- The School Board will next meet on Monday, December 10 for a combined work session and business meeting. The meeting will begin at 6pm. Following the winter holiday break, the next work session will be Monday, January 14. Meetings are streamed on our website and are available for viewing on-demand immediately following each broadcast. We invite our community to watch meetings live on our Facebook broadcasts at Facebook.com/RockHillSchools. Coming soon, you will be able to watch our meetings and other video stories on our Roku and Apple TV channels.

VIII. Review of School Board Work Session

Chairman Vining reviewed, for the viewing audience, the topics discussed at the November 12 work session.

IX. Other and Future Business

The board discussed other and future business.

X. Executive Session

A motion was made by Terry Hutchinson, seconded by Ann Reid, to adjourn open session and enter executive session to discuss the following: **Contractual Matter – Procurement Regulations**. This motion was unanimously approved, 7-0.

A motion was made by Terry Hutchinson, seconded by Robin Owens, to adjourn executive session and reconvene open session. This motion was unanimously approved, 7-0.

XI. Action as Required from Executive Session - None

There was no action taken from Executive Session.

XII. Adjournment

A motion was made by Windy Cole, seconded by Terry Hutchinson, to adjourn the meeting. This motion was unanimously approved, 7-0.

Secretary

APPROVED: _____
Chairman

Meeting of the Board of Trustees
Monday, November 26, 2018

PERSONNEL MATTERS – November 2018

The board affirmed contracts for the following certified employee(s):

Adrienne Waymer..... Independence
Zaqwonda McKnight..... Rosewood
Kimberly Farrier South Pointe
Darlene Del Vecchio..... Sullivan

AS INFORMATION TO THE BOARD

Resignations – Certified

Kyle E. Merck Northwestern
Amanda Cavin Rosewood
Bernard Whall South Pointe
Melonie Grantham..... Sunset Park

Transfers – Certified

Angela Creagh..... Saluda Trail

New Employees – Non-Certified

Robert Lynn..... Facilities
Valildra Brown..... Mt. Gallant
Shombee Marshall Mt. Gallant
Giacinta De Angelis Rosewood
Marvin Fleming..... Saluda Trail

Resignations – Non-Certified

B. Joyce Newman..... Central Child Development Center
Sheryl Tewes South Pointe

Transfers – Non-Certified

Kim Bailey Central Office / Finance
Pamela Rector..... York Road

ROCK HILL SCHOOL DISTRICT THREE BOARD OF TRUSTEES

School Board Work Session
Monday, December 17, 2018
Central Office

Student Call to Order

The Rock Hill School District Three Board of Trustees met this date at 6:00 p.m. for a combined work session / business meeting. *(The following are the minutes for the work session.)* Members present were as follows: *Windy Cole, Mildred Douglas, Brent Faulkenberry, Terry Hutchinson, Helena Miller, Robin Owens, and Ann Reid.*

A motion was made by Windy Cole, seconded by Ann Reid, to approve the agenda. The agenda was unanimously approved as presented, 7-0.

Tamarion Watkins, a fifth grader at Mt. Gallant Elementary School, led in a moment of silence and the Pledge of Allegiance. Chairman Miller stated the local news was notified of the agenda, in writing, on Thursday, December 6 and again on Sunday, December 16. *(This meeting was originally to take place on December 10 but was rescheduled to December 17 due to inclement weather.)*

Section “E” Policies – 2nd read

The following policies were presented to the Board for review and discussion:

- *Policy EBAB – Hazardous Materials**
- *Policy EBBA, EBBA-R – Prevention of disease/Infection Transmission**
- *Policy EBC – Emergencies**
- *Policy ECA, ECA-R, ECA-E(1), ECA-E(2) – Security**
- *Policy ECAF, ECAF-R – Video Cameras on District Property**
- *Policy EEAE, EEAE-R, EEAE-E – Bus Safety Program**
- *Policy EEAE, EEAE-R – Student Conduct on Buses**
- *Policy EGAD, EGAD-R – Copyright Compliance**

These policies will be on the Action Agenda at the December business meeting (immediately following this work session) for 2nd and final read.

Policy IC – School Calendar – 2nd read

In an effort for the school calendar development and to allow for more than one future calendar to be approved in a given year, Mr. Mychal Frost, Director of Marketing & Communications, presented revised **Policy IC – School Calendar** for review and discussion.

This policy will be on the Action Agenda at the December business meeting later tonight for 2nd and final read.

2019-2020 and 2020-2021 Proposed School Calendars

Mr. Frost presented proposed school calendars for 2019-20 and 2020-21 school years. Mr. Frost noted that the proposed calendars reflect the work of the 40-member district calendar committee representing every school in the district and feedback from nearly 1,000 respondents of a calendar survey

School Board Work Session – Page 2
Monday, December 17, 2018
Central Office

administered in early November. Both calendars will be on the Action Agenda at the December business meeting.

Procurement Code Revision – Policy DJ

Mr. Tony Cox, Chief of Operations, reminded the Board that on October 23, 2017 they approved a revision to our Consolidated Procurement Code, along with the attendant policy “DJ” – *Purchasing*. The state’s Material Management Office (MMO) must approve any changes to this code. The district’s submission and request for approval was denied by MMO on October 18, 2018.

Under MMO guidance, the administration has developed a new plan for a “substantially similar” revision, and intends to bring the state-approved code, regulations and attendant policy “DJ” back to the Board by the end of this fiscal year.

The Board’s attorney recommends that the Board simply rescind the approvals on October 23, 2017 and August 28, 2017 of amendments to the District’s Procurement Code, and thereby recognize that the District’s Procurement Code approved July 1, 2008 is currently in effect.

This item will be on the Action Agenda at the December business meeting for approval.

Selection of Attorneys / Legal Services Firms

Mr. Tony Cox, Chief of Operations, and Mrs. LaWana Robinson-Lee, Purchasing Director, presented to the Board the procedure used to select legal services firms with expertise in one or more areas – **business and corporate law, student affairs, personnel and employment, real estate**. Selected firms would serve the district in addition to those firms currently “grandfathered”, which are *Halligan, Mahoney, & Williams* (business/corporate law, student affairs, personnel/employment, real estate); *Morton & Gettys* (business/corporate law, student affairs, real estate); and, *McNair Law* (business and corporate law).

The following firms, as well as the “grandfathered” firms mentioned above, are recommended to be appointed to advise and represent the district in the areas shown: *Anderson, Reynolds and Stevens* – business and corporate law; *Haynsworth, Sinkler and Boyd* – personnel/employment and real estate.

This will be on Action Agenda at the December business meeting for approval.

Board Retreat Date

Superintendent Cook informed the Board that Mrs. Gwen Hampton with the SC School Boards Association (SCSBA) has confirmed she will facilitate a retreat for the Board of Trustees on January 17, 2019 at the Central Office.

This date will be on the Action Agenda at the December business meeting for approval.

Adjournment

A motion was made by Brent Faulkenberry, seconded by Terry Hutchinson, to adjourn the work session and enter the December business meeting. This motion was unanimously approved, 7-0.



Meeting of the Board of Trustees

Monday, December 17, 2018

6:30 p.m. - Central Office

I. Call to Order and Approval of Agenda

The Rock Hill School District Three Board of Trustees met this date at 6:30 p.m. for the business meeting portion of a combined work session / business meeting. *(The following are the minutes for the business meeting.)* Members present were as follows: *Windy Cole, Mildred Douglas, Brent Faulkenberry, Terry Hutchinson, Helena Miller, Robin Owens, and Ann Reid.*

Chairman Miller opened the meeting and stated the local news was notified of the agenda, in writing, on Thursday, December 6 and again on Sunday, December 16. *(This meeting was originally to take place on December 10 but was rescheduled to December 17 due to inclement weather.)*

A motion was made by Mildred Douglas, seconded by Ann Reid, to approve the business meeting agenda. The agenda was unanimously approved as presented, 7-0.

II. Recognitions

A. Recognition of Coach Strait Herron's 100th Win

On October 19, South Pointe High School defeated Ridge View in a nail-biter, 38-35. The victory earned head coach Strait Herron his 100th career victory at the school. The following week the Stallions downed York to claim the region championship and set the stage for a run at history – a fifth consecutive state championship. The story would end with a last-second overtime loss to Daniel High School. Through the years, the Stallions, under Coach Herron's leadership, soared to national prominence while representing Football City USA. While we will miss Coach Herron as he retires to pursue other opportunities, tonight we say thank you for your commitment to student-athletes at South Pointe and congratulations on being the fastest coach in South Carolina High School League history to reach the 100-win plateau.

B. Recognition of Holiday Card Contest Winners

For the first time, Rock Hill Schools held a contest for students to design the district's official holiday card. More than 75 entries were received in the inaugural contest from students from all grades. Tonight, we announce the winners for each level and reveal the grand prize winner whose design has been printed on 350 holiday cards that will be delivered this month to individuals and organizations who partner with Rock Hill Schools throughout the year. Our elementary winner was Jordan Madden, Kindergarten @ Mt. Gallant; our middle school winner was Nanya Grennlee, 7th grade, @ Saluda Trail; our high school winner and grand prize winner was Cameron Walker, 10th grade at Rock Hill High. Each winner received a gift card.

III. Citizen Participation - None

IV. Consent Action Agenda

On a motion by Terry Hutchinson, seconded by Mildred Douglas, the following topics on the consent action agenda were unanimously approved, 7-0: the personnel recommendations as submitted by the administration; and the Board Retreat date of January 17, 2019.

V. Action Agenda

A-H. Approval of Section “E” Policies – 2nd and final read

A motion was made by Windy Cole, seconded by Terry Hutchinson, to approve the following policies for 2nd and final read:

***Policy EBAB – Hazardous Materials**

***Policy EBBA, EBBA-R – Prevention of disease/Infection Transmission**

***Policy EBC – Emergencies**

***Policy ECA, ECA-R, ECA-E(1), ECA-E(2) – Security**

***Policy ECAF, ECAF-R – Video Cameras on District Property**

***Policy EEAE, EEAE-R, EEAE-E – Bus Safety Program**

***Policy EEAEC, EEAEC-R – Student Conduct on Buses**

***Policy EGAD, EGAD-R – Copyright Compliance**

This motion was unanimously approved, 7-0.

I. Approval of Policy IC – School Calendar – 2nd and final read

A motion was made by Mildred Douglas, seconded by Terry Hutchinson, to approve Policy IC – *School Year* for 2nd and final read. This motion was passed, 6-1, with Mrs. Owens voting against.

J. Approval of 2019-2020 and 2020-2021 School Calendars

A motion was made by Terry Hutchinson, seconded by Mildred Douglas, to approve the 2019-2020 and the 2020-2021 district calendars as presented, and, in the event state law is changed to allow an adjustment to the start date, we acknowledge that administration has the right to bring forward an adjustment for approval.

Mrs. Owens acknowledged that while both calendars are good calendars, she will not support the motion as she is not in favor of locking in two years at one time.

This motion was passed, 6-1, with Mrs. Owens voting against

K. Approval of Procurement Code Revision (Policy DJ)

A motion was made by Robin Owens, seconded by Ann Reid, to rescind the approvals on October 23, 2017 and August 28, 2017 of amendments to the District’s Procurement Code, which clarifies that the District’s Procurement Code approved July 1, 2008 is currently in effect.

This motion was unanimously approved, 7-0.

L. Approval of Selection of Attorneys / Legal Services Firms

A motion was made by Mildred Douglas, seconded by Terry Hutchinson, to accept the administration's recommendation to appoint the following firms to represent the District in the areas shown:

Halligan, Mahoney, & Williams (business/corporate law, student affairs, personnel/employment, real estate); *Morton & Gettys* (business/corporate law, student affairs, real estate); *McNair Law* (business and corporate law); *Anderson, Reynolds and Stevens* (business and corporate law); and, *Haynsworth, Sinkler and Boyd* (personnel/employment and real estate). This motion passed, 6-0, with Mrs. Owens abstaining due to her employment as Chief Operating Officer of Morton & Gettys.

VI. Communications –None

VII. Report of the Superintendent

A. Announcements

Superintendent Dr. Bill Cook made the following announcements:

- Next week is the final week of fall semester. Friday, December 21 is our last day of the semester, and students will be dismissed on a half-day schedule. Dismissal times are 11am for elementary schools, 11:30am for middle schools, and 11:45am for high schools. The district will be closed through Thursday, January 3. Teachers return on Friday, January 4 followed by students on Monday, January 7.
- Safety and Security is the number one priority for our students, staff, and families. Last month we hosted a School Safety Summit in partnership with our law enforcement partners the Rock Hill Police Department and the York County Sheriff's Office. More than 100 people were in attendance for the solutions-oriented discussions that will continue to help keep our schools safe. As was shared with those who attended, we will host another summit on Tuesday, January 29. Please follow our social media pages and websites for updates and additional details on the January summit.
- Parents are invited to learn more about Choice Programs and college and career opportunities available to students in Rock Hill Schools at the Choice Fair and District College and Career Expo to be held at South Pointe High School on Saturday, January 12 beginning at 10am. Representatives from every school will be available to provide information and answer questions about opportunities for students in our district.
- Tuesday, December 11 from 12-1:30pm, district leaders will host a listen and learn session for faith-based leaders. We look forward to beginning a conversation with this key piece of our community that has much to offer to our students and staff. Additional listen and learn sessions for key stakeholder groups are being planned for the spring.
- Thursday, December 13 at 6pm, we invite parents and members of the Rock Hill community to attend our third and final Community Listen & Learn session for the fall. The session will be held at South Pointe High School. At the session, I am interested in learning from you – our parents and community stakeholders – and invite you to join and provide feedback during one of our upcoming 90-minute sessions. We look forward to meeting parents and community members at this upcoming event.
- District leaders will be hosting the fourth Teacher Listen and Learn information session for teachers from across the district on Friday, December 14. This series of meetings is

providing a rich opportunity to engage in dialogue with teachers about celebrations, issues and concerns for our school district. To view detailed responses to questions and concerns from past Teacher Listen and Learn sessions, you are invited to visit www.rock-hill.k12.sc.us/tll.

- Last Friday, December 7, school-level teachers of the year came together for the second Teacher Forum meeting of the school year. Co-chairs Susan Snyder of Northwestern High and Melissa Tucker of Rock Hill High, along with district leadership enjoyed working together with this group of teacher leaders.
- On Thursday, December 13, representatives on the District Athletic Advisory Council, will travel to T.L. Hanna High School in Anderson to learn more about how the school and community have raised capital funds to improve and grow athletic facilities and opportunities for students.
- You are encouraged to visit the district's capital building program, "Build on the Rock," website – www.rock-hill.k12.sc.us/BuildOnTheRock - for more information. This website provides status updates on active and planned construction projects in the district. On the page, viewers can see project descriptions, before and after photographs, and construction timelines.
- The School Board will next meet on Monday, January 14 for a work session. The meeting will begin at 4pm. Meetings are streamed on our website and are available for viewing on-demand immediately following each broadcast. We invite our community to watch meetings live on our Facebook broadcasts at Facebook.com/RockHillSchools.

VIII. Review of School Board Work Session

There was no work session review.

IX. Other and Future Business

The board discussed other and future business.

Board members Douglas, Owens, Reid and Miller debriefed from the recent Legislative Advocacy Conference and Delegate Assembly.

X. Executive Session

A motion was made by Windy Cole, seconded by Ann Reid, to adjourn open session and enter executive session to discuss the following:

~Personnel Matters – Employee Grievance; Breach of Contract

~Contractual Matter – Procurement Regulations

This motion was unanimously approved, 7-0.

A motion was made by Windy Cole, seconded by Terry Hutchinson, to adjourn executive session and reconvene open session. This motion was unanimously approved, 7-0.

XI. Action as Required from Executive Session - None

A motion was made by Terry Hutchinson, seconded by Mildred Douglas, to uphold the administration's recommendation regarding an employee grievance. This motion passed, 6-1, with Mrs. Reid voting against.

A motion was made by Mildred Douglas, seconded by Ann Reid, to grant the request of a professional employee, in school "A," to be released from the employee's contract with the district and that we direct the administration to make a formal complaint to the State Board of Education regarding the employee's breach of contract. This motion was unanimously approved, 7-0.

A motion was made by Robin Owens, seconded by Mildred Douglas, to grant the request of a professional employee, in school "B", to be released from the employee's contract with the district and that we direct the administration to make a formal complaint to the State Board of Education regarding the employee's breach of contract. This motion was unanimously approved, 7-0.

XII. Adjournment

On a motion by Terry Hutchinson, seconded by Robin Owens, to Board voted unanimously, 7-0, to adjourn the meeting.

Secretary

APPROVED: _____
Chairman

Meeting of the Board of Trustees
Monday, December 17, 2018

PERSONNEL MATTERS – December 2018

The board affirmed contracts for the following certified employee(s):

Dozier Murray Dutchman Creek
Cassandra Ledbetter..... Independence

AS INFORMATION TO THE BOARD

Resignations – Certified

Samantha Hines Oakdale

New Employees – Non-Certified

Angela S. McCowie Lesslie
Tami Thomas..... Saluda Trail
Kellie Anne East..... Saluda Trail
Janet Waterman South Pointe

Termination – Non-Certified

Floyd C. Collins, Jr..... Facilities

Transfers – Non-Certified

Seresa Galette Cherry Park
Timothy Beckham Sylvia Circle

MONTHLY BOARD REPORT

JANUARY 28, 2019

PERSONNEL DEPARTMENT

SUMMARY

**ROCK HILL SCHOOL DISTRICT THREE OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA**

1. BOARD ACTION REQUIRED

CERTIFIED

New Employees(10)

2. AS INFORMATION TO THE BOARD

CERTIFIED

Resignations.....(42)

Transfers(4)

NON-CERTIFIED

New Employees(8)

Resignations.....(3)

Termination(1)

Transfers(11)

BOARD ACTION REQUIRED

NEW EMPLOYEES – CERTIFIED (10)

Megan Diamond	Bellevue	Special education resource teacher/itinerant
Donna Workman	Bellevue	Special education teacher/multi-cat I
Amanda Ramsey	Cherry Park	Grade one Spanish immersion teacher/English
Bryan Hainsel	Dutchman Creek	Grade seven science teacher
La’Porchia Graham	Ebinport	Grade five teacher
Michaela Chefren	Independence	Special education resource teacher
Darrell Brevard	Lesslie/India Hook	Special education resource teacher
Joshua Walker	Northwestern	.65 FTE music percussion specialist
Pamela Broussard	Oakdale	Grade two teacher
Sarah Kohlman	Phoenix	Guidance counselor

AS INFORMATION TO THE BOARD

RESIGNATION – CERTIFIED (42)

Brett S. Taylor	Adult Education	RAETAC V training specialist
Teresa C. Cook	Bellevue	Grade four teacher
Nancy Shapiro	Bellevue	Special education teacher/multi-cat I
Anne B. Tinsley	Bellevue	Kindergarten teacher
Holly B. Achenbreg	Cherry Park	Grade two/three French immersion teacher
Brian Ringer	Dutchman Creek	Grade seven social studies teacher
Ashlyn Lake	Ebinport	Grade five teacher
Christina N. Nassy	Ebinport	Art teacher
Hannah W. Simmons	Ebinport	Grade three teacher
Rachael Thompson	Exceptional Student Education	.8 FTE special education resource teacher
Susan T. Womack	Exceptional Student Education	School psychologist
Rachel R. Pavone	Independence	Grade two teacher
Ashley C. Trimnal	Independence	Kindergarten teacher
Diane E. English	Lesslie	Art teacher
Jacqueline G. Ard	Mt. Gallant	Kindergarten teacher
Barbara J. Whitesides	Mt. Gallant	Grade four teacher
Shaquana Huguley-Jenkins	Mt. Holly	Grade five teacher
Corinne DeAngelis	Northwestern	Math teacher
Marsha J. Gross	Northwestern	Music/orchestra
Dawn L. Pursley	Northwestern	Program coordinator for math/science/IB
Kimberly W. Ruff	Northwestern	Spanish teacher
Anquinita A. Cochran	Phoenix Academy	Guidance counselor
Lynn V. Hathcock	Phoenix Academy	Social worker
Rose Jones	Phoenix Academy	English teacher
Denise Ice	Phoenix Academy	Math teacher
Katrina Harris	Rawlinson Road	Special education resource teacher
Elaine Roberts	Rawlinson Road	Academic assistance teacher
Jennifer L. Baughman	Renaissance	English teacher
Lynn F. Morgan	Richmond Drive	Grade four teacher
Rebecca Pollack	Richmond Drive	Grade one teacher
Harry Grantham	Rock Hill High	Assistant band director
Angela N. Jackson	Rock Hill High	School nurse
Terry Phillips	Rock Hill High	Special education resource teacher

Jennifer Greene	Saluda Trail	Grade six English/LA/SS teacher
Frank S. Herron	South Pointe	Social studies teacher/head football coach
Herbert L. Johnson	South Pointe	Special education resource teacher
Darrell Newman	Sullivan	Special education resource teacher
Laila Soomar	Sullivan	Grade eight math teacher
Kristy S. Marler-Weiner	Sullivan	Grade eight science teacher
Enola F. West	Sullivan	Grade eight English/LA teacher
Chantelle Moore	Sunset Park	Grade one teacher
Alexandrea Herndon	York Road	Grade three teacher

TRANSFERS – CERTIFIED (4)

Caitlin Hayes	Castle Heights	Grade six English/LA social studies teacher
Chasity Brooks	Cherry Park	Guidance counselor
Susan Dixon	Cherry Park	ESOL teacher
Martha Miller	Cherry Park	Special education resource teacher
Cameron Y. Figueroa	Richmond Drive/Oakdale	Special education resource teacher

NEW EMPLOYEES – NON-CERTIFIED (8)

Shanta Shelton	Castle Heights	Special education assistant
Joseph Jackson	Cherry Park	Custodian
David Wade Gaston	Facilities	General services worker
Quadrena McDowell	Mt. Holly	Secretary/bookkeeper
April Ellis	Northside	Lead custodian
Dale Giles	Northside	Custodian
Patrick Matlack	Northwestern	Special education assistant
Alphonso Jones	South Pointe	Virtual classroom facilitator

RESIGNATIONS – NON-CERTIFIED (3)

Timothy Boan	Facilities Services	Electrician
Michael Helms	Northwestern	Special education assistant/intensive support
Kenney Wright	Ebenezer Avenue Montessori	Custodian

TERMINATION – NON-CERTIFIED (1)

Jacqueline Chalk	Dutchman Creek	Lead custodian
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TRANSFERS – NON-CERTIFIED (11)

Ariana Barbaran	Cherry Park	Kindergarten assistant/Spanish immersion
Wendi Bojanowski	Cherry Park	Special education assistant/resource
Giancinta DeAngelis	Cherry Park	Instructional assistant/French immersion
Rebeca Garcia	Cherry Park	Kindergarten assistant/Spanish immersion
Marie Josee Gignac	Cherry Park	Kindergarten assistant/French immersion
Shya Maheswaranathan	Cherry Park	Kindergarten assistant
Angela Malone	Cherry Park	Kindergarten assistant
Angela Neal	Cherry Park	Secretary/bookkeeper
Elizabeth Sturgis	Cherry Park	Behavior management assistant
Gail Williams	Cherry Park	Kindergarten assistant
Lennot Jordan	Dutchman Creek	Lead custodian

Memo

TO: Dr. William Cook
FROM: Terri Smith
DATE: January 23, 2019
SUBJECT: FY2017-2018 Financial Audit

The audit firm Greene Finney, LLP has audited the Rock Hill School District Three's financial statements for the fiscal year ended June 30, 2018. Mr. Andrew Coleman presented the financial audit results at the January 14, 2019 board work session. Greene Finney, LLP issued an unmodified opinion on the district's financial statements which is the best opinion the district can receive. There were no findings, significant deficiencies, or material weaknesses noted.

Administration is requesting the Board of Trustees approval of the FY 2017-2018 financial audit.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

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**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

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**ROCK HILL SCHOOL DISTRICT THREE
ADMINISTRATIVE CHART
AS OF JUNE 30, 2018**

Board of Trustees

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

<u>Name</u>	<u>Occupation</u>	<u>Number of Years of Service</u>
Mrs. Windy Cole	Development Director	2
Mrs. Mildred Douglas (Vice-Chair)	Retired Public School Teacher	17
Mr. Terry Hutchinson	Automotive Mechanic	6
Ms. Elizabeth “Ann” Reid	Retired Educator	17
Dr. Jane Sharp	Retired Educator	8
Mrs. Helena Miller	Community Volunteer	4
Mr. Jim Vining (Chair)	Management Consultant	19

District Personnel

<u>Name</u>	<u>Position</u>
Dr. Bill Cook	Superintendent
Mr. Anthony Cox	Deputy Superintendent
Dr. Harriet Jaworowski	Associate Superintendent for Accountability and Instructional Services
Dr. Luanne Kokolis	Associate Superintendent for Planning Program Support Services
Mrs. Terri Smith	Chief Financial Officer
Dr. Tanya Campbell	Chief Personnel Officer

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Financial Section

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Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Rock Hill School District Three, South Carolina (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, which statements reflected \$592,511, (\$843,388) and \$819,331, respectively, in assets, net position (deficit), and revenues. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Rock Hill School District Three, South Carolina, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Change in Accounting Principle

As discussed in Note I.B to the financial statements, for the year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.” Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other 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 and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
November 27, 2018

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

INTRODUCTION

This discussion and analysis of Rock Hill School District Three's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018 ("2018" or "FY 2018") compared to the fiscal year ended June 30, 2017 ("2017" or "FY 2017"). The intent of this discussion and analysis is to look at the District's financial performance as a whole, with an emphasis on the Primary Government (which excludes the District's discretely presented charter school); readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2018 are as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately \$161.5 million. Of this amount, approximately (\$307.0) million was negative unrestricted net position. The deficit in unrestricted net position is a result of (a) pension accounting standards that were implemented in 2015, which resulted in the District recording a net pension liability and related deferred pension balances for its participation in the State retirement plans, and (b) other postemployment benefit ("OPEB") accounting standards that were implemented in 2018, which resulted in the District recording a net OPEB liability and related deferred OPEB balances for its participation in the State OPEB plan. Without the net pension and net OPEB liabilities and related deferred balances, of \$362.8 million at June 30, 2018, the District would have total unrestricted net position of \$55.8 million.
- The District's total net position increased by approximately \$127.6 thousand compared to an approximately \$9.9 million increase in the prior year. This change in net position is primarily due to an increase in revenues.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$98.3 million, an increase of approximately \$20.1 million from the prior year, which is attributable primarily to increases in revenues and other financing sources.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately \$38.2 million, which is 25% percent of total General Fund expenditures. Approximately \$35.3 million is unassigned.
- The fund balance for the General Fund increased by approximately \$4.0 million, as revenues and other financing sources of approximately \$155.1 million exceeded expenditures and other financing uses of approximately \$151.1 million.
- The District's total capital assets increased by approximately \$53.2 million (21%) during the current fiscal year, as additions of approximately \$63.4 million exceeded depreciation expense and net disposals of approximately \$10.2 million.
- The District's total outstanding indebtedness increased by approximately \$50.2 million (37%) during the current fiscal year due to new borrowings of approximately \$110.0 million, partially offset by regularly scheduled principal payments and current refunding principal payments of approximately \$59.8 million.
- The District adopted Government Accounting Standards Board ("GASB") Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("GASB #75") for the year ended June 30, 2018. GASB #75 requires the District to recognize a net OPEB liability and any related deferred outflows/inflows of resources for any material amounts related to its participation in the South Carolina Retiree Health Insurance Trust Fund and the South Carolina Long-Term Disability Insurance Trust Fund, cost-sharing multiple-employer defined benefit OPEB plans ("OPEB Plans"), on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. The adoption has resulted in the restatement of the District's net position as of July 1, 2017 for its government-wide financial statements to reflect the reporting of a net OPEB liability and deferred outflows of resources for its OPEB Plans in accordance with the provisions of GASB #75. Net position of the District's government-wide financial statements as of July 1, 2017 was decreased by approximately \$170.4 million, reflecting the cumulative change in accounting principle related to the adoption of GASB #75. See Note IV.B in the notes to the financial statements for more information regarding the District's OPEB Plans.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of the District's activities are reported in governmental activities in the government-wide financial statements (as the District no longer has any business-type activities).

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

Fund Financial Statements. The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, and not the District as a whole. The fund financial statements report the District's operations in *more detail* than the government-wide statements, and focus on the District's most significant, or "major" funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund statements provide a more detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. However the governmental fund statements do not encompass the additional long-term focus as that of the government-wide financial statements, and as a result additional information at the end of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the governmental fund statements and the government-wide statements.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue – EIA Fund, Special Revenue – Food Service Fund, Debt Service Fund, and Capital Projects Fund all of which are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the pupil activity of the schools and accounts for this activity in an agency fund. The fiduciary fund financial statement can be found as listed in the table of contents of this report.

Notes to the Financial Statements

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

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

Major Features of the District's Government-Wide and Fund Financial Statements			
	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Fund
Scope	Entire District (except fiduciary funds) and the discretely presented component unit.	The activities of the District that are not fiduciary.	Instances in which the District is the agent for someone else's resources - the Pupil Activity Fund.
Required financial statements	<ul style="list-style-type: none"> Statement of net position. Statement of activities. 	<ul style="list-style-type: none"> Balance sheet. Statement of revenues, expenditures, and changes in fund balances. 	<ul style="list-style-type: none"> Statement of fiduciary net assets and liabilities.
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.	All balance sheet elements that come due during the year or shortly thereafter. No capital assets or long-term debt are included.	All balance sheet elements, both 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 year-end; expenditures when goods or services have been received and payment is due during or soon after year end.	All revenues and expenses during year, regardless of when cash is received or paid.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$161.5 million at the close of the most recent fiscal year.

The table below provides a summary of net position for the District's Primary Government as of June 30, 2018 compared to June 30, 2017:

Statements of Net Position

	Governmental Activities	
	June 30, 2018 *	June 30, 2017
Assets		
Current and Other Assets	\$ 135,913,910	\$ 115,408,758
Capital Assets, Net	301,964,520	248,776,589
Total Assets	437,878,430	364,185,347
Deferred Outflows of Resources		
Deferred Pension Charges	33,182,986	30,751,962
Deferred Other Postemployment Benefit Charges	5,845,401	-
Total Deferred Outflows of Resources	39,028,387	30,751,962
Liabilities		
Other Liabilities	29,281,637	29,774,344
Net Pension Liability	217,117,224	206,102,179
Net Other Postemployment Benefit Liability	164,191,994	-
Long-Term Liabilities	207,309,228	142,588,275
Total Liabilities	617,900,083	378,464,798
Deferred Inflows of Resources		
Deferred Pension Credits	4,991,870	7,707,382
Deferred Other Postemployment Benefit Credits	15,523,311	-
Total Deferred Inflows of Resources	20,515,181	7,707,382
Net Position		
Net Investment in Capital Assets	127,198,484	128,842,354
Restricted	18,287,282	13,478,447
Unrestricted	(306,994,213)	(133,555,672)
Total Net Position	\$ (161,508,447)	\$ 8,765,129

* The District adopted GASB #75 in FY 2018. See Financial Highlights section for more details.

The District's current and other assets at June 30, 2018 increased by approximately \$20.5 million from the prior year, primarily due to an increase in cash on hand due to unspent bond proceeds. The District's capital assets at June 30, 2018 increased by approximately \$53.2 million from the prior year due to additions of \$63.4 million exceeding depreciation expense and net disposals of approximately \$10.2 million. The District's total liabilities at June 30, 2018 increased by approximately \$239.4 million from the prior year. This increase was primarily due to the net OPEB liability due to the implementation of GASB #75, an increase in the net pension liability, and an increase in long-term obligations due to the issuance of the general obligation bonds in the current year, partially offset by regularly scheduled principal payments.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The changes in the net pension liability and deferred outflows/inflows of resources was primarily due to differences between expected and actual liability/investment experience and changes in the percentage of the District's share of the net pension liability in the State retirement plans.

The District's net position increased by approximately \$127.6 thousand during the current fiscal year as revenues exceeded expenses. See the discussion following the next table regarding this increase.

The District's net investment in capital assets of approximately \$127.2 million reflects its investment in capital assets (i.e., land, buildings, furniture and equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the District's net position (approximately \$18.3 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 is unrestricted net position.

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

Statements of Changes in Net Position

	Governmental Activities	
	2018 *	2017
Revenues		
Program Revenues:		
Charges for Services	\$ 4,297,492	\$ 4,342,472
Operating Grants	96,976,965	95,217,559
General Revenues:		
Taxes	72,400,073	70,068,027
State Revenue in Lieu of Taxes	35,480,429	35,707,174
Other	2,909,873	2,037,001
Total Revenues	212,064,832	207,372,233
Program Expenses		
Instruction	114,888,271	108,872,732
Supporting Services	88,753,144	85,771,352
Community Services	275,933	302,319
Interest and Other Charges	8,019,875	2,523,280
Total Program Expenses	211,937,223	197,469,683
Change in Net Position	127,609	9,902,550
Net Position, Beginning of Year, As Previously Reported	8,765,129	(1,137,421)
Cumulative Change in Accounting Principle - GASB #75 *	(170,401,185)	-
Net Position, Beginning of Year, Restated	(161,636,056)	-
Net Position, End of Year	\$ (161,508,447)	\$ 8,765,129

* The District adopted GASB #75 in FY 2018. See Financial Highlights section for more details.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities

The District's governmental activities net position increased by approximately \$127.6 thousand in 2018, compared to approximately \$9.9 million in 2017. The increase in the current year was due to an increase in revenues of approximately \$4.7 million, offset by an increase in expenses of \$14.5 million. The increase in revenues was largely due to an increase in operating grants (state and federal) and taxes. Expenses increased due to higher wages (1% cost of living adjustment and a "Step" increase), benefits, and operating costs.

FUND ANALYSIS

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, 2018, the District's governmental funds reported a combined fund balance of approximately \$98.3 million, compared to approximately \$78.2 million for the prior year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2018, the District's unassigned fund balance for all governmental funds was approximately \$35.3 million, which solely represents the General Fund. The remaining fund balance is comprised of approximately \$11.7 million restricted for debt service, approximately \$31.8 million restricted for capital projects, approximately \$1.9 million restricted for special education programs, approximately \$4.7 million restricted for food service, approximately \$2.9 million in nonspendable fund balance (representing prepaid items and inventories), and approximately \$10.0 million assigned for capital projects.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was approximately \$38.2 million, of which approximately \$35.3 million was unassigned.

The District's General Fund balance increased approximately \$4.0 million from the prior year, a change of approximately \$0.3 million from the prior year's increase of approximately \$3.7 million. Revenues for the current year were approximately \$150.1 million, increasing by approximately \$4.0 million from the prior year. This increase is due primarily to an increase in state revenue and property tax revenues. The increase in state revenue (approximately \$3.3 million) is due primarily to an increase in the base student cost and an increase in fringe benefits employer contributions. The increase in property tax revenues (approximately \$0.9 million) is due to an increase in assessed values and a higher operating millage rate of 153.4 mills (increase of 6 mills from the prior year). Expenditures for the current year were approximately \$151.0 million, increasing by approximately \$6.7 million from the prior year primarily due to higher wages ("Step" increase for teachers and a 1% cost of living increase), benefits, and operating costs. The unassigned fund balance of approximately \$35.3 million at June 30, 2018 in the General Fund represents 23% of General Fund expenditures for the year ended June 30, 2018.

The District's Special Revenue Fund and Special Revenue – EIA Fund, are used to account for revenues derived from the State of South Carolina and the Federal Government. Special Revenue funds generally do not have fund balances as revenues should be expended, unearned, or returned to the grantor.

The Food Service Fund is utilized to account for the District's food service program. This Food Service Fund increased by approximately \$0.4 million during 2018 to approximately \$4.7 million at June 30, 2018, as revenues of \$7.4 million exceeded expenditures of approximately \$6.8 million and net other financing uses of approximately \$0.2.

The Debt Service Fund is used to account for the accumulation of funds for debt service. The District's debt millage rate remained at 52.0 mills. The fund balance in the Debt Service Fund increased approximately \$3.9 million in 2018 to approximately \$11.7 million, as revenues of approximately \$25.2 million exceeded expenditures of approximately \$16.5 million and net other financing uses of approximately \$4.8 million. The entire fund balance is restricted for the future payment of debt service.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

FUND ANALYSIS (CONTINUED)

The Capital Projects Fund is utilized to account for the District's major capital project expenditures. The Capital Projects Fund increased by approximately \$11.3 million during 2018 to approximately \$41.8 million at June 30, 2018, as net other financing sources of approximately \$130.6 million and revenues of approximately \$1.3 million exceeded expenditures for various technology purchases and construction projects of approximately \$120.6 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's General Fund budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Board of Trustees adopted a balanced budget that reflected total revenue and other sources of \$151.2 million. During the course of 2018, there was no formal amendment to the General Fund budget.

At the end of 2018, the General Fund had a positive total budget to actual variance of \$4.0 million. Local revenue, primarily ad valorem taxes and revenue in lieu of taxes, exceeded budget by \$2.5 million due to an increase in assessed values and a higher operating millage of 153.4 mills (increase of 6 mills from the prior year). State revenues exceeded budget by approximately \$1.1 million primarily due to the District receiving a state funded retirement credit from PEBA. Expenditures were less than budgeted by approximately \$0.1 million. The net change in fund balance (an increase of approximately \$4.0 million) was better than the break even budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the District had approximately \$302.0 million invested in capital assets, net of depreciation. The table below shows capital asset balances as of June 30, 2018 compared to June 30, 2017:

Capital Assets, Net

	Governmental Activities	
	June 30, 2018	June 30, 2017
Land	\$ 11,118,518	\$ 9,958,518
Construction in Progress	60,857,450	23,301,307
Buildings and Improvements	222,531,124	208,674,004
Furniture and Equipment	7,457,428	6,842,760
Totals	\$ 301,964,520	\$ 248,776,589

The total increase in the District's capital assets balance for 2018 was approximately \$53.2 million or 21%. Significant capital asset events during the current fiscal year included the following:

- Total capital asset additions of \$63.4 million consisted primarily of:
 - Construction in progress totaling approximately \$60.2 million which was primarily related to a number of building renovations, restroom renovations, roofing, and athletic improvements.
 - Purchase of equipment totaling approximately \$2.1 million.
 - Purchase of land of approximately \$1.1 million.
- Depreciation expense of approximately \$9.8 million.
- Disposals of capital assets of approximately \$0.4 million.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

The District has outstanding commitments of approximately \$14,835,000 at June 30, 2018.

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

Debt Administration

At year-end, the District had approximately \$187.2 million in indebtedness, compared to approximately \$137.0 million in the prior year. The outstanding indebtedness of the District increased approximately \$50.2 million (37%) in the current year as shown in the table below. All of the District's bonded debt is backed by the full faith and credit of the District as is typical with general obligation bond indebtedness.

Outstanding Indebtedness

	Governmental Activities	
	June 30, 2018	June 30, 2017
GO Bond - September 23, 2009	\$ 1,040,000	\$ 2,040,000
GO Bond - February 19, 2014	12,235,000	13,470,000
GO Bond - October 29, 2014	-	2,500,000
GOR Bond - March 12, 2015	51,640,000	53,810,000
GOBAN - September 29, 2016	-	50,000,000
GO Bond - September 29, 2016	11,665,000	11,665,000
GO Bond - July 13, 2017	107,575,000	-
Note Payable - Equipment Acquisition and Use Agreement	3,045,000	3,525,000
Total Outstanding Indebtedness	<u>\$ 187,200,000</u>	<u>\$ 137,010,000</u>

Key highlights related to the District's total indebtedness for 2018 are as follows:

- Principal payments of approximately \$9.8 million were made on the outstanding debt.
- New borrowings of approximately \$110.0 million.
- Current refunding of approximately \$50.0 million.

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed 8% of the assessed value of all taxable property in the District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2018, the District's assessed property valuation was approximately \$493.3 million. The District had no bonded debt subject to the 8% limit of approximately \$39.5 million.

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

ECONOMIC FACTORS

Rock Hill School District Three is located in York County with the entire city of Rock Hill being encompassed by the District. York County is located in the northern Piedmont portion of South Carolina and shares a common border with North Carolina. Rock Hill is the largest city in York County. Rock Hill is located less than 30 miles from Charlotte-Douglas International Airport, the 6th busiest airport in the world.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2018

ECONOMIC FACTORS (CONTINUED)

Rock Hill is home to three higher education institutions: Winthrop University, York County Technical College, and Clinton College. Winthrop University is ranked #8 in top public schools, #17 in best colleges for veterans, and #25 in regional universities south in the 2019 U.S. News & World Report's edition of "America's Best Colleges." York County Technical College offers 90 programs for two year associate degrees, certificates, professional development programs, and university transfer students. Clinton College is sponsored by the AME Zion Church with a primary focus of liberal arts.

Rock Hill includes many global companies such as Atlas Copco, 3D Systems, and Coroplast. There are a number of business and industrial parks in Rock Hill to include Knowledge Park, TechPark, SouthCross Corporate Center, Waterford Business Park and Riverwalk Business Park.

2019 BUDGETS

In June 2018, the Board of Trustees approved a balanced General Fund budget of approximately \$160.7 million for the year ended June 30, 2019 ("2019"). This budget represent a 6% increase from the 2018 General Fund budget of \$151.2 million. The 2019 General Fund budget includes a step increase for eligible certified teachers and all other eligible employees, a cost of living adjustment of 1%, an increase in employer health premiums of 8.1%, an increase in employer retirement rate of 1% plus an estimated 0.5% retirement surcharge, an additional \$1/hour increase for bus drivers, and implementation of phase 2 of the salary study recommendations for the teacher salary schedule and maintenance salary schedule. The budget also includes an increase for utilities and substitutes. The budget includes 10 FTE's to support the opening of a new elementary school for language immersion in January 2019. The budget also includes an additional 24.5 FTE's for Behavior Management Assistants, Resource Teachers, Self-Contained Teacher, Inquiry Teacher, and to support our current teacher student ratio at the elementary and secondary levels. The budget includes a six mill increase in operating tax millage as allowed by local legislation and an increase in the base student cost of \$60 to \$2,485 per weighted pupil unit.

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 Terri Smith, Chief Financial Officer, at Rock Hill School District Three, PO Drawer 10072, Rock Hill, South Carolina, 29731.

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Basic Financial Statements

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2018

	PRIMARY GOVERNMENT	COMPONENT UNIT
	Governmental Activities	Charter School
ASSETS		
Cash and Cash Equivalents	\$ 55,702,493	\$ 276,177
Cash and Cash Equivalents, Restricted	46,122,271	-
Investments	-	204,413
Cash and Investments Held by County Treasurer	17,928,225	-
Property Taxes Receivable, Net	11,034,267	-
Accounts Receivable	385,920	14,491
Due from State	286,809	-
Due from Federal	1,512,174	6,228
Inventories and Prepaid Items	2,941,751	220
Capital Assets:		
Non-Depreciable	71,975,968	-
Depreciable, Net	229,988,552	90,982
TOTAL ASSETS	437,878,430	592,511
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges	33,182,986	659,056
Deferred Other Postemployment Benefit Charges	5,845,401	20,352
TOTAL DEFERRED OUTFLOWS OF RESOURCES	39,028,387	679,408
LIABILITIES		
Accounts Payable	10,038,327	21,298
Accrued Salaries, Fringe and Benefits	12,115,209	23,531
Retainage Payable	1,667,613	-
Accrued Interest Payable	2,666,458	-
Unearned Revenue	2,794,030	81,612
Non-Current Liabilities:		
Net Pension Liability	217,117,224	927,928
Net Other Postemployment Benefit Liability	164,191,994	592,723
Long-Term Obligations - Due Within One Year	10,495,137	-
Long-Term Obligations - Due in More than One Year	196,814,091	-
TOTAL LIABILITIES	617,900,083	1,647,092
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits	4,991,870	412,177
Deferred Other Postemployment Benefit Credits	15,523,311	56,038
TOTAL DEFERRED INFLOWS OF RESOURCES	20,515,181	468,215
NET POSITION		
Net Investment in Capital Assets	127,198,484	90,982
Restricted For:		
Debt Service	11,661,060	-
Food Service	4,742,327	-
Special Educational Programs	1,883,895	-
Unrestricted	(306,994,213)	(934,370)
TOTAL NET POSITION	\$ (161,508,447)	\$ (843,388)

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Charter School
PRIMARY GOVERNMENT:	Expenses	Charges for Services				
Governmental Activities:						
Instruction	\$ 114,888,270	2,685,580	63,768,799	-	(48,433,891)	
Support Services	88,753,145	1,611,912	33,174,356	-	(53,966,877)	
Community Services	275,933	-	33,810	-	(242,123)	
Interest and Other Charges	8,019,875	-	-	-	(8,019,875)	
Total Governmental Activities	211,937,223	4,297,492	96,976,965	-	(110,662,766)	
TOTAL PRIMARY GOVERNMENT	\$ 211,937,223	4,297,492	96,976,965	-	(110,662,766)	
COMPONENT UNIT						
Charter School	\$ 962,260	-	545,981	-		\$ (416,279)
GENERAL REVENUES						
Property Taxes Levied for General Purposes					49,863,601	-
Property Taxes Levied for Debt Service					22,536,472	-
State Revenue in Lieu of Taxes					35,480,429	-
Investment Earnings					2,054,475	14,040
Miscellaneous Revenues - Not Restricted to Specific Programs					855,398	259,310
Total General Revenues					110,790,375	273,350
CHANGE IN NET POSITION					127,609	(142,929)
NET POSITION - Beginning of Year, As Previously Reported					8,765,129	(85,322)
Cumulative Change in Accounting Principle - GASB #75					(170,401,185)	(615,137)
NET POSITION, Beginning of Year, Restated					(161,636,056)	(700,459)
NET POSITION, End of Year					(161,508,447)	\$ (843,388)

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
ASSETS			
Cash and Cash Equivalents	\$ 55,702,493	-	-
Cash and Cash Equivalents, Restricted	-	-	-
Cash and Investments Held by County Treasurer	3,682,032	-	-
Receivables, Net:			
Taxes	8,327,685	-	-
Accounts	59,541	220,921	-
Due From:			
State	124,809	29,830	132,170
Federal	-	1,489,019	-
Other Funds	5,920,552	751,181	2,054,804
Prepaid Items	2,680,810	-	-
Inventories	260,941	-	-
TOTAL ASSETS	\$ 76,758,863	2,490,951	2,186,974
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	\$ 10,038,327	-	-
Accrued Salaries, Fringe and Benefits	12,115,209	-	-
Retainage Payable	-	-	-
Due To:			
Other Funds	8,068,576	-	-
Unearned Revenue	-	607,056	2,186,974
TOTAL LIABILITIES	30,222,112	607,056	2,186,974
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	8,321,237	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	8,321,237	-	-
FUND BALANCES:			
Fund Balances			
Nonspendable For:			
Prepaid Items	2,680,810	-	-
Inventories	260,941	-	-
Restricted For:			
Debt Service	-	-	-
Capital Projects	-	-	-
Special Educational Programs	-	1,883,895	-
Food Service	-	-	-
Assigned For:			
Capital Projects	-	-	-
Unassigned	35,273,763	-	-
TOTAL FUND BALANCES	38,215,514	1,883,895	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 76,758,863	2,490,951	2,186,974

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

SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	-	\$ 55,702,493
-	-	46,122,271	46,122,271
-	10,972,719	3,273,474	17,928,225
-	2,706,582	-	11,034,267
104,798	-	660	385,920
-	-	-	286,809
23,155	-	-	1,512,174
4,614,374	648,217	-	13,989,128
-	-	-	2,680,810
-	-	-	260,941
4,742,327	14,327,518	49,396,405	\$ 149,903,038
-	-	-	\$ 10,038,327
-	-	-	12,115,209
-	-	1,667,613	1,667,613
-	-	5,920,552	13,989,128
-	-	-	2,794,030
-	-	7,588,165	40,604,307
-	2,675,913	-	10,997,150
-	2,675,913	-	10,997,150
-	-	-	2,680,810
-	-	-	260,941
-	11,651,605	-	11,651,605
-	-	31,813,055	31,813,055
-	-	-	1,883,895
4,742,327	-	-	4,742,327
-	-	9,995,185	9,995,185
-	-	-	35,273,763
4,742,327	11,651,605	41,808,240	98,301,581
4,742,327	14,327,518	49,396,405	\$ 149,903,038

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

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

JUNE 30, 2018

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 98,301,581**

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

Outstanding property taxes and other revenues which will be collected in the future, but are not available soon enough to pay for the current period's expenditures, are therefore unavailable in the funds. 10,997,150

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 \$447,426,310, and the accumulated depreciation is \$145,461,790. 301,964,520

The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (188,926,108)

The District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position. (173,869,904)

Interest is recorded as an expenditure when due and payable in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end. (2,666,458)

Long-term liabilities, including bond premiums and capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:

Long-Term Debt (including capital leases)	(187,200,000)	
Net Bond Premiums	(19,379,091)	
Compensated Absences	(730,137)	(207,309,228)
	<hr/>	<hr/>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ (161,508,447)**

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

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ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2018

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	\$ 53,324,302	-	-
Investment Earnings	619,356	-	-
Other Local Sources	352,203	3,860,659	-
State Sources	95,847,203	4,411,054	10,339,798
Federal Sources	-	9,900,830	-
Intergovernmental Revenue	-	589,628	-
TOTAL REVENUES	150,143,064	18,762,171	10,339,798
EXPENDITURES			
Current:			
Instruction	88,939,619	10,035,491	4,170,635
Support Services	61,422,659	6,189,312	1,880,172
Community Services	133,391	142,542	-
Intergovernmental	451,371	1,446,603	154,669
Capital Outlay	8,574	-	9,179
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Other Charges	-	-	-
TOTAL EXPENDITURES	150,955,614	17,813,948	6,214,655
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(812,550)	948,223	4,125,143
OTHER FINANCING SOURCES (USES)			
Proceeds from the Sale of Capital Assets	8,643	-	-
Issuance of General Obligation Bonds	-	-	-
Premium on Issuance of Bonds	-	-	-
Transfers In	4,901,487	-	-
Transfers Out	(108,413)	(440,452)	(4,125,143)
TOTAL OTHER FINANCING SOURCES (USES)	4,801,717	(440,452)	(4,125,143)
NET CHANGES IN FUND BALANCES	3,989,167	507,771	-
FUND BALANCES, Beginning of Year	34,226,347	1,376,124	-
FUND BALANCES, End of Year	\$ 38,215,514	1,883,895	-

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

SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	23,544,209	-	\$ 76,868,511
-	140,811	1,294,308	2,054,475
1,611,913	-	-	5,824,775
590	1,505,967	-	112,104,612
5,803,579	-	-	15,704,409
-	-	-	589,628
7,416,082	25,190,987	1,294,308	213,146,410
-	-	-	103,145,745
6,723,257	-	10,700,631	86,916,031
-	-	-	275,933
-	-	-	2,052,643
33,315	-	57,720,870	57,771,938
-	9,810,000	50,000,000	59,810,000
-	6,692,518	1,500,000	8,192,518
-	6,168	749,798	755,966
6,756,572	16,508,686	120,671,299	318,920,774
659,510	8,682,301	(119,376,991)	(105,774,364)
1,358	-	149,388	159,389
-	-	110,000,000	110,000,000
-	-	15,736,748	15,736,748
108,413	-	4,759,334	9,769,234
(335,892)	(4,759,334)	-	(9,769,234)
(226,121)	(4,759,334)	130,645,470	125,896,137
433,389	3,922,967	11,268,479	20,121,773
4,308,938	7,728,638	30,539,761	78,179,808
4,742,327	11,651,605	41,808,240	\$ 98,301,581

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 20,121,773
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	1,217,641
Repayment of debt and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	59,810,000
The issuance of debt provides current financial resources to governmental funds, but issuing debt or entering into capital leases increases long-term liabilities in the Statement of Net Position. This is the proceeds and premiums received in the current year.	(125,684,808)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the change in accrued interest and bond premiums not capitalized in the current year.	(341,555)
Bond premiums are recorded in the year they are received in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount is the amortization of the premiums in the current year.	1,218,224
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.	(64,369)
Changes in the District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the State retirement plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(5,868,509)
Changes in the District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for its participation in the State OPEB Plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(3,468,719)
In the Statement of Activities the gain (loss) on the disposal of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(456,822)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$63,424,147 exceeded depreciation expense of \$9,779,394 in the current year.	53,644,753
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 127,609

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2018

	AGENCY
ASSETS	
Receivables	\$ 1,412,085
TOTAL ASSETS	<u>\$ 1,412,085</u>
LIABILITIES	
Due to Student Organizations	\$ 1,412,085
TOTAL LIABILITIES	<u>\$ 1,412,085</u>

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

Discretely presented component unit – The Palmetto School at the Children’s Attention Home (“Charter School”) is a public charter school, based on the guidelines of South Carolina Charter Schools Act of 1996. The Charter School exclusively services the District and the Charter School leadership terms remain under the jurisdiction of the District’s Board and the District’s Superintendent. Complete separately issued financial statements may be obtained from the administrative offices of Children’s Attention Home Charter School, Post Office Box 2892, Rock Hill, South Carolina 29732.

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

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental activities, are supported by program revenues, taxes, and intergovernmental revenues, are reported separately from the legally separate *component units* (Charter School) for which the District is financially accountable.

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

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Governmental Fund Types are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources (except for those accounted for in the Fiduciary Fund) 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 major governmental funds:

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

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

- i) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for and report financial resources provided by federal, state, and local projects and grants that are restricted, committed or assigned for special education programs.
- ii) **The Special Revenue - Education Improvement Act ("EIA") Fund, a major fund** and an unbudgeted fund, is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by the EIA.
- iii) **The Special Revenue - Food Service Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received (a) from breakfast, lunch, and other food sales and (b) from the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

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

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Fund Types are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include Agency Funds. Fiduciary Fund Types include the following:

Agency Fund, an unbudgeted fund, accounts for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the District. This accounting reflects the agency relationship of the District with the student activity organizations.

Change in Accounting Principle

The District adopted GASB Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” (“GASB #75”) for the year ended June 30, 2018. The primary objective of GASB #75 is to improve accounting and financial reporting by state and local governments for other postemployment benefits (“OPEB”). It also improves information provided by state and local government employers about financial support for OPEB that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple-employer plan will now be required to recognize its proportionate share of the net OPEB liability of that plan. It is GASB’s intention that GASB #75 will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the District’s financial obligations to current and former employees for past services rendered.

In particular, GASB #75 requires the District to recognize a net OPEB liability, any related deferred outflows/inflows of resources, and a more comprehensive measure of OPEB expense for any material amounts related to its participation in the South Carolina Retiree Health Insurance Trust Fund and the South Carolina Long-Term Disability Insurance Trust Fund, cost-sharing multiple-employer defined benefit OPEB plans (“OPEB Plans”), on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures.

The adoption has resulted in the restatement of the District’s net position as of July 1, 2017 for its government-wide financial statements to reflect the reporting of a net OPEB liability and deferred outflows of resources for its OPEB Plans in accordance with the provisions of GASB #75. Net position of the District’s government-wide financial statements as of July 1, 2017 was decreased by approximately \$170,401,000 reflecting the cumulative change in accounting principle related to the adoption of GASB #75. See Note IV.B for more information regarding the District’s OPEB Plans.

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 Pooled Investment Fund (“Pool”) to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the pool are reported as investments.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

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

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Savings and Loan Insurance Corporation.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net position value of one dollar a share and to that end, value its assets by the amortized cost method.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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)

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

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

- Cash and Investments held by the York County Treasurer which are property taxes collected and other funds received by the District's fiscal agent that have not been remitted to the District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.
- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", and GASB Statement No. 72 "*Fair Value Measurement and Application*", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

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

3. Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items 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 period in which the services are consumed.

Under the system for accounting for inventories, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting, and are subsequently charged to expenditures/expenses when consumed.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. *Capital Assets*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value (as estimated by the District) at the date of donation. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and gains or losses, if any, are reflected in revenue or expenditures/expenses for the year. The District maintains a capitalization threshold of \$100,000 for assets with lives of 15 years or more and \$5,000 for all other capital assets. Improvements that meet this criteria are capitalized. The District does not own any significant infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is not capitalized for governmental activities.

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

<u>Asset Category</u>	<u>Governmental Activities</u>
Buildings and Improvements	20 - 50 years
Furniture and Equipment	3 - 12 years

5. *Compensated Absences*

The District reports compensated absences in accordance with GASB Statement No. 16 "*Accounting for Compensated Absences*." The entire compensated absence liability and expense is reported on the government-wide financial statements. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements. The District's policy is to pay any salary-related payments, including accumulated vacation leave, upon termination up to 10 days. However, employees may accumulate vacation leave up to 20 days to be taken as time off. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

6. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, claims and judgments, non-current portion of capital leases, 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. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. *Accrued Liabilities and Long-Term Obligations (Continued)*

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

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

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has two types of deferred outflows of resources: (1) The District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The District reports *deferred 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.

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 position 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.

8. *Fund Balance*

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

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Fund Balance (Continued)

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

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

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

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

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

9. Net Position

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions and Other Postemployment Benefits

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

11. Fair Value

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

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District can access at the measurement date.
- Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:
 - Quoted prices for similar assets and liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted market prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:
 - Fair value is often based on developed models in which there are few, if any, observable inputs.

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Fair Value (Continued)

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

12. Encumbrances

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

13. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

14. Comparative Data

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Accounting

State statutes require a budget for operations to be approved before expenditures are incurred. The Board will usually approve the operating budget in June for the fiscal year beginning July 1. A budget is adopted by July of each fiscal year for the General Fund, on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. The Board does not adopt a budget for the Special Revenue Funds. Special Revenue Fund budgets are controlled in conformance with the specific requirements of those funds (i.e. federal and state grant funds available are based on award amounts and the State EIA funds are based on state appropriation). In addition, no budgets are prepared for the Debt Service and Capital Projects funds.

A budget and actual comparison is presented in the accompanying fund financial statements for the General Fund. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts adopted in the original appropriation. The amounts reported as the final budgeted amounts in the budgetary schedules reflect the amounts in the final amended budget approved for the current year. This budget is prepared by function and object as dictated by the State-adopted Program Oriented Budgeting and Accounting System and for management control purposes. The District's policies allow funds to be transferred between functions with administrative approval. The total budget cannot be increased beyond that level approved by the Board originally and in supplementary action. The legal level of control is at the fund level.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Accounting (Continued)

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

- a. In the winter, the District sets its budget calendar for the preparation of the budget for the next succeeding fiscal year.
- b. The Finance Department develops each school's allocation based on a membership projection. Each principal uses this allocation to develop the individual school budgets.
- c. The District's Administrative Cabinet, consisting of the Superintendent, Association Superintendents, and Executive Directors, reviews the requests and presents a proposed budget to the Board.
- d. After review and preliminary approval by the Board, the proposed budget is presented at a public hearing. Following the public hearing, the Board adopts the budget.

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2018, none of the District's bank balances of approximately \$9,733,000 (which had a carrying value of approximately \$6,913,000) were exposed to custodial credit risk.

Investments

As of June 30, 2018, the District had the following investments:

Investment Type	Fair Value Level (1)	Credit Rating	Fair Value	Weighted Average Maturity
				Less than One Year
State Local Government Investment Pool	N/A	Unrated	\$ 94,912,132	\$ 94,912,132
Cash and Investments Held by County Treasurer *	N/A	Unrated	17,928,225	17,928,225
Total			<u>\$ 112,840,357</u>	<u>\$ 112,840,357</u>

* The County Treasurer invests the monies it holds in trust for governmental entities primarily in separate accounts with the Pool.

For weighted average maturity ("WAM") purposes, we have included the WAM of the Pool.

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

N/A - Not Applicable

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Interest Rate Risk: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2018, none of the District's investments were exposed to custodial credit risk.

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

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

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

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

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

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

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

South Carolina Code Section 12-37-251(A) provides a property tax exemption for property classified pursuant to Section 12-43-220(C) (homestead exemption) from property taxes levied for other than bonded indebtedness and payments pursuant to lease purchase agreements for capital construction. The exemption applies against millage imposed for school operations and the amount of fair market value of the homestead that is exempt from such millage must be set by the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

For the year ended June 30, 2018, millage for property taxes was set at 153.4 mills (increase of 6 mills from the prior year) to cover the District's general operations. The millage to cover the District's scheduled debt service requirements was set at 52.0 mills (no change from the prior year). In addition, the District receives a prorated share, based on pupil attendance, of the County-wide 29 mill levy for school operations that is divided between the four school districts within the County, and an additional County-wide special 1 mill levy for school operation for the school district having the lowest assessed valuation in the County, which is York School District One.

Receivables for property taxes are reported net of the allowance for uncollectible accounts. Taxes receivable of approximately \$8,328,000 in the General Fund and approximately \$2,707,000 in the Debt Service Fund are reported net of an allowance for uncollectible amounts of approximately \$735,000 and \$242,000, respectively. Allowances for uncollectible amounts were not necessary for the other receivable accounts.

Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (unavailable revenues). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenues). At June 30, 2018, unavailable revenue related to property taxes reported in the governmental funds totaled approximately \$8,321,000 and \$2,676,000 in the General Fund and Debt Service Fund, respectively. Unearned revenues in the special revenue funds totaled approximately \$2,794,000 at June 30, 2018.

Intergovernmental receivables at June 30, 2018 consisted of intergovernmental grants and reimbursements. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables at June 30, 2018 were as follows:

Due from Federal Government:	
Special Revenue - Food Service Fund	\$ 23,155
Special Revenue Fund	1,489,019
Total Due from Federal Government	<u>1,512,174</u>
Due from State Agencies:	
General Fund	124,809
Special Revenue Fund	29,830
Special Revenue - Education Improvement Act Fund	132,170
Total Due from State Agencies	<u>286,809</u>
Total Intergovernmental Receivables	<u>\$ 1,798,983</u>

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the District for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 9,958,518	1,160,000	-	-	\$ 11,118,518
Construction in Progress	23,301,307	60,162,007	-	(22,605,864)	60,857,450
Total Capital Assets, Non-Depreciable	<u>33,259,825</u>	<u>61,322,007</u>	<u>-</u>	<u>(22,605,864)</u>	<u>71,975,968</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	331,817,401	-	(1,228,980)	22,605,864	353,194,285
Furniture and Equipment	20,305,172	2,102,140	(151,255)	-	22,256,057
Total Capital Assets Depreciable	<u>352,122,573</u>	<u>2,102,140</u>	<u>(1,380,235)</u>	<u>22,605,864</u>	<u>375,450,342</u>
Less: Accumulated Depreciation For:					
Buildings and Improvements	123,143,397	8,296,465	(776,701)	-	130,663,161
Furniture and Equipment	13,462,412	1,482,929	(146,712)	-	14,798,629
Total Accumulated Depreciation	<u>136,605,809</u>	<u>9,779,394</u>	<u>(923,413)</u>	<u>-</u>	<u>145,461,790</u>
Total Capital Assets, Depreciable, Net	<u>215,516,764</u>	<u>(7,677,254)</u>	<u>(456,822)</u>	<u>22,605,864</u>	<u>229,988,552</u>
Governmental Activities Capital Assets, Net	<u>\$ 248,776,589</u>	<u>53,644,753</u>	<u>(456,822)</u>	<u>-</u>	<u>\$ 301,964,520</u>

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

	Capital Asset Additions	Depreciation Expense
Instruction	\$ -	\$ 5,676,856
Support Services	63,424,147	4,102,538
Total Charged to Governmental Activities	<u>\$ 63,424,147</u>	<u>\$ 9,779,394</u>

The District has outstanding commitments related to construction activities totaling approximately \$14,835,000 at June 30, 2018.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations

A summary of changes in long-term obligations for the year ended June 30, 2018 is as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and Bond Anticipation Notes:					
Series 2009A GOB *	\$ 2,040,000	-	1,000,000	1,040,000	\$ 1,040,000
Series 2014A GOB *	13,470,000	-	1,235,000	12,235,000	1,265,000
Series 2014B GOB	2,500,000	-	2,500,000	-	-
Series 2015A GORB *	53,810,000	-	2,170,000	51,640,000	3,225,000
Series 2016 BAN *	50,000,000	-	50,000,000	-	-
Series 2016C GORB *	11,665,000	-	-	11,665,000	-
Series 2017B GOB *	-	110,000,000	2,425,000	107,575,000	3,750,000
Total Bonds and Bond Anticipation Notes	<u>133,485,000</u>	<u>110,000,000</u>	<u>59,330,000</u>	<u>184,155,000</u>	<u>9,280,000</u>
2016 Note Payable *	3,525,000	-	480,000	3,045,000	485,000
Gross Debt	<u>137,010,000</u>	<u>110,000,000</u>	<u>59,810,000</u>	<u>187,200,000</u>	<u>9,765,000</u>
Unamortized Bond Premiums	4,912,507	15,684,808	1,218,224	19,379,091	-
Net Debt	<u>141,922,507</u>	<u>125,684,808</u>	<u>61,028,224</u>	<u>206,579,091</u>	<u>9,765,000</u>
Compensated Absences	665,768	829,944	765,575	730,137	730,137
Total Governmental Activities	<u>\$ 142,588,275</u>	<u>126,514,752</u>	<u>61,793,799</u>	<u>207,309,228</u>	<u>\$ 10,495,137</u>

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

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

Long-term general obligation bonds and bond anticipation notes consist of the following at June 30, 2018:

Date/Description of Issue	Interest Rate	Payment Dates	Maturity	Original Issue Amount	Outstanding Balance
September 23, 2009 - Series 2009A	2.00 - 5.00%	Mar./Sept.	2029	\$ 19,000,000	\$ 1,040,000
February 19, 2014 - Series 2014A	2.00 - 5.00%	Mar./Sept.	2025	16,170,000	12,235,000
March 12, 2015 - Series 2015A	3.00 - 5.00%	Mar./Sept.	2032	53,810,000	51,640,000
September 29, 2016 - Series 2016C	2.00-5.00%	Mar./Sept.	2029	11,665,000	11,665,000
July 13, 2017 - Series 2017B	5.00%	Mar./Sept.	2031	110,000,000	107,575,000
Total Long-Term General Obligation Bonds and Bond Anticipation Notes				<u>\$ 210,645,000</u>	<u>\$ 184,155,000</u>

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

In December 2016, the District entered into an Equipment Acquisition and Use Agreement ("2016 Note Payable") in the amount of \$3,525,000 with a financial institution. Principal and interest (at 1.855%) are due on an annual basis beginning on December 1 2017 and continuing through December 1, 2023. The District will pay principal payments ranging from \$480,000 to \$531,000 over the term of the 2016 Note Payable. The District used the proceeds and a \$2,500,000 cash contribution from the General Fund less issuance costs of approximately \$40,000 to current refund the 2006 Capital Lease and to pay issuance costs of approximately \$40,000. The current refunding decreased total future debt service payments by approximately \$584,000 due to a lower interest rate and resulted in an economic gain of approximately \$415,000.

In September 2016, the District issued the Series 2016C General Obligation Advanced Refunding Bonds ("Series 2016C GORB") for \$11,665,000 and used these proceeds, and a bond premium of approximately \$1,876,000, to advance refund \$12,510,000 of the Series 2009 General Obligation Bonds ("Series 2009A GOB") and to pay the cost of issuance of approximately \$132,000. As a result, \$12,510,000 of the Series 2009A are considered defeased through March 2019. Accordingly, the liability for the refunded bonds was removed from the governmental activities column of the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by approximately \$624,000. The bond premium on the Series 2016C and the deferred loss on refunding of the Series 2009A were not considered significant and thus were netted and recognized immediately as a period expense in the government-wide financial statements. The advanced refunding decreased total future debt service payments by approximately \$1,057,000 due to a lower interest rate and resulted in an economic gain of approximately \$923,000.

In September 2016, the District issued \$50,000,000 in Series 2016 General Obligation Bond Anticipation Notes ("Series 2016 BAN") to pay off the Series 2015 General Obligation BAN for capital improvements. Principal and interest (at 3.00%) are due in July 2017. This short-term obligation was not recorded as a fund liability as it was expected and was ultimately refinanced in September 2017 (as stated below).

In July 2017, the District issued the Series 2017B General Obligation Bonds in the amount of \$110,000,000 to provide funds for capital improvements and to repay the Series 2016 General Obligation Bond Anticipation Notes. The District received a premium of approximately \$15,685,000 and incurred issuance costs of approximately \$671,000. The District will pay principal payments ranging from \$2,425,000 to \$10,770,000 over the term of the 2017B General Obligation Bonds. The interest rate on these bonds range from 4.0% - 5.0%, with final maturity in March 2037.

The following table represents debt service requirements on all outstanding long-term indebtedness through maturity for the District as of June 30, 2018:

Year Ended June 30,	Principal	Interest	Total
2019	\$ 9,765,000	7,957,010	\$ 17,722,010
2020	10,453,000	7,521,963	17,974,963
2021	8,903,000	7,048,218	15,951,218
2022	9,322,000	6,618,887	15,940,887
2023	9,746,000	6,205,090	15,951,090
2024-2028	49,381,000	24,414,225	73,795,225
2029-2033	49,795,000	13,912,390	63,707,390
2034-2037	39,835,000	3,903,200	43,738,200
Totals	\$ 187,200,000	77,580,983	\$ 264,780,983

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2018, there were no amounts outstanding for arbitrage rebates.

Article X, Section 15 of the Constitution of the State of South Carolina, as amended, empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of the District voting in a referendum will not be considered in the computation of the 8% limitation. The District currently has no outstanding bonded indebtedness that is subject to the 8% debt limit of approximately \$39,463,000 at June 30, 2018.

E. Short-Term Obligations

The following is a summary of the changes in the District's short-term obligations for the year ended June 30, 2018:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
Series 2017A GOB	\$ 1,600,000	-	1,600,000	\$ -
Series 2017C GOB	-	5,300,000	5,300,000	-
Total Governmental Activities	<u>\$ 1,600,000</u>	<u>5,300,000</u>	<u>6,900,000</u>	<u>\$ -</u>

The District issued a short-term Series 2017A General Obligation Bond ("Series 2017A GOB") in May 2017 for approximately \$1,600,000 with an interest rate of 3.0%. The Series 2017A GOB was issued to fund capital needs. The bond plus interest of approximately \$38,000 was repaid in March 2018.

The District issued a short-term Series 2017C General Obligation Bond ("Series 2017C GOB") in September 2017 for approximately \$5,300,000 with an interest rate of 3.0%. The Series 2017C GOB was issued to fund capital improvements. The bond plus interest of approximately \$71,000 was repaid in March 2018.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Interfund Receivables/Payables

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

Interfund receivables and payables at June 30, 2018, all of which are expected to be repaid within one year, are summarized as follows:

	Receivables	Payables
<u>Governmental Funds:</u>		
General Fund	\$ 5,920,552	\$ 8,068,576
Special Revenue Fund	751,181	-
Special Revenue - EIA Fund	2,054,804	-
Special Revenue - Food Service Fund	4,614,374	-
Debt Service Fund	648,217	-
Capital Projects Fund	-	5,920,552
Totals	<u>\$ 13,989,128</u>	<u>\$ 13,989,128</u>

G. Transfers In/Out

During the course of normal operations, the District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers. Funds are transferred into the General Fund from other funds to cover Education Improvement Act raises for teachers, indirect costs for federal programs and the required Medicaid match. Funds are transferred from the General Fund to the Capital Projects Fund and Debt Service Fund for capital needs for each school. Funds are transferred from the General Fund to the Food Service Fund for reimbursement of fringe-related costs.

Transfers between funds for the year ended June 30, 2018, consisted of the following:

	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$ 4,901,487	\$ 108,413
Special Revenue Fund	-	440,452
Special Revenue - EIA Fund	-	4,125,143
Special Revenue - Food Service Fund	108,413	335,892
Debt Service Fund	-	4,759,334
Capital Projects Fund	4,759,334	-
Totals	<u>\$ 9,769,234</u>	<u>\$ 9,769,234</u>

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION

A. Retirement Plans

The District participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors ("PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission ("RSIC") as co-trustees of the Retirement Trust Funds.

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

Plan 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 allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

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

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

Plan Membership

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

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Membership (Continued)

- State ORP – As an alternative to membership in the SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP, which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in 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. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/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.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

Plan Contributions

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

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

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

	SCRS and State ORP Rates			PORS Rates		
	2016	2017	2018	2016	2017	2018
Employer Contribution Rate: [^]						
Retirement*	10.91%	11.41%	13.41%	13.34%	13.84%	15.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>11.06%</u>	<u>11.56%</u>	<u>13.56%</u>	<u>13.74%</u>	<u>14.24%</u>	<u>16.24%</u>
Employee Contribution Rate	<u>8.16%</u>	<u>8.66%</u>	<u>9.00%</u>	<u>8.74%</u>	<u>9.24%</u>	<u>9.75%</u>

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

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

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

Year Ended June 30,	SCRS Contributions		State ORP Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed	Required	% Contributed
2018	\$ 12,356,369	100%	1,055,669	100%	\$ 10,925	100%
2017	10,491,438	100%	747,363	100%	9,735	100%
2016	\$ 9,673,274	100%	651,705	100%	\$ 9,034	100%

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

Year Ended June 30,	SCRS Payroll	State ORP Payroll	PORS Payroll	Total Payroll
2018	\$ 91,123,664	12,332,585	67,273	\$ 103,523,522
2017	93,756,383	11,392,726	68,365	105,217,474
2016	\$ 87,461,787	10,754,202	65,753	\$ 98,281,742

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing 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. An experience report on the Systems was most recently issued as of July 1, 2015.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The June 30, 2017 total pension liability, net pension liability, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS"), and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017 and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2016 valuations for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.25%	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)	3.5% to 9.5% (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 2016 Public Retirees of South Carolina Mortality table ("2016 PRSC"), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.07%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Commodities	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

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

The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2017 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	\$ 48,244,437,494	25,732,829,268	\$ 22,511,608,226	53.3%
PORS	\$ 7,013,684,001	4,274,123,178	\$ 2,739,560,823	60.9%

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

The total pension liability is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The net pension liability 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, 2018, the District reported liabilities of approximately \$216,978,000 and \$139,000 for its proportionate share of the net pension liabilities for the SCRS and PORS, respectively. The net pension liabilities were measured as of June 30, 2017, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2016 that was projected forward to the measurement date. The District's proportion of the net pension liabilities 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, 2017 measurement date, the District's SCRS proportion was 0.963850 percent, which was a decrease of 0.000442 from its proportion measured as of June 30, 2016. At the June 30, 2017 measurement date, the District's PORS proportion was 0.00508 percent, which was a decrease of 0.00008 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of approximately \$19,270,000 and \$24,000 for the SCRS and PORS, respectively. At June 30, 2018, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 967,288	\$ 120,264
Change in Assumptions	12,701,741	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,057,011	-
Changes in Proportion and Differences Between the District's		
Contributions and Proportionate Share of Contributions	-	4,868,362
District's Contributions Subsequent to the Measurement Date	13,412,038	-
Total SCRS	<u>33,138,078</u>	<u>4,988,626</u>
PORS		
Differences Between Expected and Actual Experience	1,240	-
Change in Assumptions	13,201	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,956	-
Changes in Proportion and Differences Between the District's		
Contributions and Proportionate Share of Contributions	14,586	3,244
District's Contributions Subsequent to the Measurement Date	10,925	-
Total PORS	<u>44,908</u>	<u>3,244</u>
Total SCRS and PORS	<u>\$ 33,182,986</u>	<u>\$ 4,991,870</u>

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Approximately \$13,412,000 and \$11,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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
2019	\$ 3,211,302	12,729	\$ 3,224,031
2020	7,262,315	13,293	7,275,608
2021	5,942,134	4,550	5,946,684
2022	(1,678,337)	167	(1,678,170)
Total	<u>\$ 14,737,414</u>	<u>30,739</u>	<u>\$ 14,768,153</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in 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 total pension liability.

Sensitivity Analysis

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

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability of the SCRS	\$ 279,655,011	216,978,136	\$ 178,948,000
District's proportionate share of the net pension liability of the PORS	187,795	139,088	100,722
	<u>\$ 279,842,806</u>	<u>217,117,224</u>	<u>\$ 179,048,722</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 CAFR containing financial statements and required supplementary information for the SCRS and PORS. The CAFR is publicly available through the Retirement Benefits' link on the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Payable to Plans

The District reported a payable of approximately \$1,788,000 to the PEBA as of June 30, 2018, representing required employer and employee contributions for the month of June 2018 for the SCRS and PORS. This amount is included in Accrued Salaries, Fringe and Benefits on the financial statements and was paid in July 2018.

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.

The PEBA, Insurance Benefits issues audited financial statements and required supplementary information for the OPEB 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. 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 comprehensive annual financial report of the state.

Plan Descriptions

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

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

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

Plan Benefits

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Benefits (Continued)

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 net OPEB liability 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 these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to the PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments. Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs.

The covered payroll surcharge rates for the past three years were as follows:

	Year Ended June 30,		
	2016	2017	2018
Employer Contribution Rate^	5.33%	5.33%	5.50%

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

The required payroll surcharge, percentages of amounts contributed, and eligible payroll by the District covered by the SCRHITF for the past three years were as follows:

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2018	\$ 5,693,794	100%	\$ 103,523,522
2017	5,448,191	100%	105,217,474
2016	\$ 5,238,417	100%	\$ 98,281,742

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 \$961,000 for the year ended June 30, 2017 (measurement period). The contributions from these nonemployer contributing entities were approximately \$1,296,000 for the year ended June 30, 2018 and are recognized as state revenues and intergovernmental expenditures in the District's governmental fund financial statements.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Contributions and Funding Policies (Continued)

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

For purposes of measuring the net OPEB liability, 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.

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 schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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, net OPEB liability, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2016 actuarial valuation. The total OPEB liability was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2017 using generally accepted actuarial principles.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (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, 2016
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of plan investment expense: including inflation
Single Discount Rate:	3.56% as of June 30, 2017
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement System for the five-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the based tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 15 years
Aging Factors	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums
Notes:	There were no benefit changes during the year; the discount rate changed from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017

Long-Term Expected Rate of Return

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. For actuarial purposes, the 4.00 percent assumed annual investment rate of return includes a 1.75 percent real rate of return and a 2.25 percent inflation component. This information is summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Conservative Fixed Income	100.0%		
US Domestic Fixed Income	80.0%	2.09%	1.67%
Cash	20.0%	0.84%	0.17%
Total Expected Real Return	100.0%		1.84%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			4.09%
Investment Return Assumption			4.00%

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Single Discount Rate

The Single Discount Rate of 3.56% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the 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 net OPEB liability ("NOL") is calculated separately for each system and represents that particular system's total OPEB liability determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2017 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 14,659,610,970	1,114,774,760	\$ 13,544,836,210	7.6%

The total OPEB liability is calculated by PEBA's actuary, and the fiduciary net position is reported in the PEBA's financial statements. The net OPEB liability 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 Systems' 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, 2018, the District reported a liability of approximately \$164,192,000 for its proportionate share of the net OPEB liability for the SCRHITF. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability for the SCRHITF used to calculate the net OPEB liability was determined based on the most recent actuarial valuation report of June 30, 2016 that was projected forward to the measurement date. The District's proportion of the net OPEB liability 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, 2017 measurement date, the District's proportion was 1.212211 percent; there was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of approximately \$9,993,000 for the SCRHITF. At June 30, 2018, 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:

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 71,261
Change in Assumptions	-	15,449,703
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	282,128	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	-	2,347
Employer Contributions Subsequent to the Measurement Date	5,563,273	-
Total	<u>\$ 5,845,401</u>	<u>\$ 15,523,311</u>

Approximately \$5,563,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRHITF, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. 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
2019	\$ (2,414,789)
2020	(2,414,789)
2021	(2,414,789)
2022	(2,414,789)
2023	(2,485,321)
Thereafter	(3,096,706)
Total	<u>\$ (15,241,183)</u>

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

The following table presents the sensitivity of the District's net OPEB liability for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.56%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.56%) or 1% point higher (4.56%) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB Liability	\$ 193,371,761	164,191,994	\$ 140,665,960

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the sensitivity of the District's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 7.00% decreasing to 4.15%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (6.00% decreasing to 3.15%) or 1% point higher (8.00% decreasing to 5.15%) than the current rate:

	1% Decrease (6.00% decreasing to 3.15%)	Current Healthcare Cost Trend Rate (7.00% decreasing to 4.15%)	1% Increase (8.00% decreasing to 5.15%)
Net OPEB Liability	\$ 134,644,239	164,191,994	\$ 202,449,235

OPEB Plans' Fiduciary Net Position

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

Payable to SCRHITF

The District reported a payable of approximately \$471,000 to the PEBA as of June 30, 2018, representing required employer contributions for the month of June 2018 for the SCRHITF. This amount is included in Accrued Salaries, Fringe and Benefits on the financial statements and was paid in July 2018.

C. Deferred Compensation/Salary Deferral Plan

The District employees may participate in the 457 and/or 401(k) defined contribution deferred compensation plans available to state and local governmental employees through the state public employee retirement system. These programs are administered by a state approved nongovernmental third party. Contributions by employees under these plans totaled approximately \$660,000 for the year ended June 30, 2018.

D. Risk Management

The District is exposed to various risks of loss related to torts, theft of damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters for which the District carries commercial insurance. During the year ended June 30, 2018, the District obtained general liability, workers' compensation, and property insurance through the South Carolina Boards Insurance Trust (the "Trust") which represents South Carolina school districts joined together in a public entity risk pool. The District pays an annual premium to the Trust for its general liability, workers' compensation and property insurance. The agreement for formation of the Trust provides that the Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 for each insured event.

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has remained stable since the prior fiscal year.

E. Tax Abatements

District's Tax Abatements

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

York County Tax Abatements

The following table details which entities in the District have received tax abatements in the year ended June 30, 2018, as well as the District's portion of the County-wide taxes that have been abated:

Entity	Taxes Abated
3D Systems Inc.	\$ (753)
Beacon 11 LLC	(70)
Beacon Waterford LLC	53,169
Bradman Lake Inc.	2,592
Composite Resources Inc.	21,257
Core Autosport LLC	20,178
Coroplast Tape Corporation	112,234
Hartmann USA Inc.	77,631
Lexington Realty Trust	6,342
Lexington Realty Trust % Riverwalk	105,001
McKesson Medical Surgical Inc.	146,539
Oerlikon Balzers Coating USA	99,849
PFG Customized South Carolina	49,533
Possehl Connector Services SC	27,071
Pulera Chemicals LLC	20,537
Resolute FP US Inc (Bowater)	824,077
Retford Investments LLC	29,172
Riverwalk Commerce LLC	5,223
Ross Dress For Less Inc	794,309
Southcross Owner LLC	(409)
TE Connectivity Corporation	443,002
Transaxle Manufacturing of	190,213
Winbro Group Technologies LLC	79,561
Workspace Resources LLC	70,605
District's Portion of County-wide Abatements	463,976
Total Tax Abatements	<u><u>\$ 3,640,839</u></u>

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

F. Operating Lease

The District entered into a non-cancellable operating lease for office equipment in August 2013. The lease requires a minimum monthly payment of approximately \$18,000 for a term of 60 months expiring in September 2018. This new lease replaces the existing lease that the District had in place during 2013 which was under similar terms. Lease payments for the year ended June 30, 2018 were approximately \$213,000. The new lease expires in September 2018, and the remaining commitments under this agreement are approximately \$36,000.

G. Contingencies

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

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

H. Subsequent Events

In September 2018, the District issued its Series 2018 General Obligation Bonds in the amount of \$9,053,000 to provide funds for capital improvements and technology. The District received a premium of approximately \$66,000 and incurred issuance costs of approximately \$49,000. The interest rate on these bonds is 3.5%, with final maturity in March 2019.

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Required Supplementary Information

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ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 51,231,000	51,231,000	53,324,302	\$ 2,093,302
Investment Earnings	300,000	300,000	619,356	319,356
Other Local Sources	310,000	310,000	352,203	42,203
State Sources	94,775,157	94,775,157	95,847,203	1,072,046
TOTAL REVENUES	146,616,157	146,616,157	150,143,064	3,526,907
EXPENDITURES				
Current:				
Instruction	89,501,978	89,501,978	88,939,619	562,359
Support Services	60,983,434	60,983,434	61,422,659	(439,225)
Community Services	132,804	132,804	133,391	(587)
Intergovernmental	446,587	446,587	451,371	(4,784)
Capital Outlay	14,074	14,074	8,574	5,500
TOTAL EXPENDITURES	151,078,877	151,078,877	150,955,614	123,263
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,462,720)	(4,462,720)	(812,550)	3,650,170
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	-	-	8,643	8,643
Transfers In	4,571,133	4,571,133	4,901,487	330,354
Transfers Out	(108,413)	(108,413)	(108,413)	-
TOTAL OTHER FINANCING SOURCES (USES)	4,462,720	4,462,720	4,801,717	338,997
NET CHANGES IN FUND BALANCES	-	-	3,989,167	3,989,167
FUND BALANCES, Beginning of Year	34,226,347	34,226,347	34,226,347	-
FUND BALANCES, End of Year	\$ 34,226,347	34,226,347	38,215,514	\$ 3,989,167

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST FIVE FISCAL YEARS

	Year Ended June 30,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.963850%	0.964292%	1.002653%	1.024708%	1.024708%
District's Proportionate Share of the Net Pension Liability	\$ 216,978,136	205,971,348	190,157,976	176,420,746	\$ 183,796,061
District's Covered Payroll	\$ 105,149,109	98,215,989	98,787,910	97,540,171	\$ 95,647,881
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	206.35%	209.71%	192.49%	180.87%	192.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.34%	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.
The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST FIVE FISCAL YEARS

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 13,412,038	11,238,801	10,324,978	10,245,571	\$ 9,860,741
Contributions in Relation to the Contractually Required Contribution	13,412,038	11,238,801	10,324,978	10,245,571	9,860,741
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
District's Covered Payroll	\$ 103,456,249	105,149,109	98,215,989	98,787,910	\$ 97,540,171
Contributions as a Percentage of Covered Payroll	12.96%	10.69%	10.51%	10.37%	10.11%

Notes to Schedule:

The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.
The contractually required contribution rate was increased from 11.56% to 13.56% of eligible payroll for the year ended June 30, 2018.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST FIVE FISCAL YEARS

	Year Ended June 30,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.00508%	0.00516%	0.00531%	0.00344%	0.00344%
District's Proportionate Share of the Net Pension Liability	\$ 139,088	130,831	115,731	65,875	\$ 71,331
District's Covered Payroll	\$ 68,365	65,753	65,785	41,065	\$ 24,781
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	203.45%	198.97%	175.92%	160.42%	287.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.94%	60.44%	64.57%	67.55%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.
The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM

LAST FIVE FISCAL YEARS

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 10,925	9,735	9,034	8,822	\$ 5,273
Contributions in Relation to the Contractually Required Contribution	10,925	9,735	9,034	8,822	5,273
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
District's Covered Payroll	\$ 67,273	68,365	65,753	65,785	\$ 41,065
Contributions as a Percentage of Covered Payroll	16.24%	14.24%	13.74%	13.41%	12.84%

Notes to Schedule:

The District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.
The contractually required contribution rate was increased from 14.24% to 16.24% of eligible payroll for the year ended June 30, 2018.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST TWO FISCAL YEARS

	Year Ended June 30,	
	2018	2017
District's Proportion of the Net OPEB Liability	1.212211%	1.212211%
District's Proportionate Share of the Net OPEB Liability	\$ 164,191,994	\$ 175,390,336
District's Covered Payroll	\$ 105,217,474	\$ 98,281,742
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	156.1%	178.5%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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 prior to 2017 is not available.

The discount rate changed from 2.92% as of the June 30, 2016 measurement date to 3.56% for the June 30, 2017 measurement date.

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST TWO FISCAL YEARS

	Year Ended June 30,	
	2018	2017
Contractually Required Contribution	\$ 5,693,794	\$ 5,448,191
Contributions in Relation to the Contractually Required Contribution	5,693,794	5,448,191
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 103,523,522	\$ 105,217,474
Contributions as a Percentage of Covered Payroll	5.50%	5.18%

Notes to Schedule:

The District adopted GASB #75 during the year ended June 30, 2018. Information prior to 2017 is not available.

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Supplementary Information

Combining and Individual Fund Financial Schedules

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GENERAL FUND

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

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenues from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 38,475,000	40,865,478	\$ 2,390,478
1140 Penalties & Interest on Taxes (Independent)	525,000	141,178	(383,822)
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	8,175,000	7,920,260	(254,740)
1240 Penalties & Interest on Taxes (Dependent)	25,000	5,307	(19,693)
1280 Revenue in Lieu of Taxes (Independent and Dependent)	4,031,000	4,392,079	361,079
1300 Tuition:			
1310 From Patrons for Regular Day School	5,000	14,505	9,505
1320 From Other LEAs for Regular Day School	-	43,818	43,818
1500 Earnings on Investments:			
1510 Interest on Investments	300,000	619,356	319,356
1900 Other Revenue from Local Sources:			
1910 Rentals	250,000	197,124	(52,876)
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	11,613	11,613
1994 Receipt of Legal Settlements	-	40	40
1999 Revenue from Other Local Sources	55,000	85,103	30,103
Total Revenue from Local Sources	<u>51,841,000</u>	<u>54,295,861</u>	<u>2,454,861</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	8,500	8,308	(192)
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	761,185	1,090,004	328,819
3162 Transportation Workers' Compensation	53,000	55,687	2,687
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	18,543,469	18,419,470	(123,999)
3181 Retiree Insurance (No Carryover Provision)	3,587,466	3,849,520	262,054
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	2,151,236	2,123,651	(27,585)
3312 Primary	6,304,705	6,181,106	(123,599)
3313 Elementary	10,189,846	10,263,277	73,431
3314 High School	4,130,349	4,062,637	(67,712)
3315 Trainable Mentally Handicapped	126,011	115,372	(10,639)
3316 Speech Handicapped (Part-Time Program)	2,383,302	2,106,201	(277,101)
3317 Homebound	\$ 31,457	40,771	\$ 9,314

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 159,487	143,676	\$ (15,811)
3322 Educable Mentally Handicapped	110,231	81,668	(28,563)
3323 Learning Disabilities	4,260,668	4,523,202	262,534
3324 Hearing Handicapped	149,735	129,923	(19,812)
3325 Visually Handicapped	127,783	116,151	(11,632)
3326 Orthopedically Handicapped	49,010	45,881	(3,129)
3327 Vocational	5,182,966	5,034,468	(148,498)
3330 Other EFA Programs:			
3331 Autism	892,709	993,466	100,757
3332 High Achieving Students	692,981	706,114	13,133
3334 Limited English Proficiency	305,465	313,337	7,872
3350 Residential Treatment Facilities (RTF)			
3351 Academic Assistance	1,541,158	1,567,628	26,470
3352 Pupils in Poverty	4,239,022	4,207,546	(31,476)
3353 Dual Credit Enrollment	60,298	51,426	(8,872)
3375 Education Foundation Supplement	-	159,771	159,771
3392 NBC Excess EFA Formula	-	165,785	165,785
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	5,991,204	5,991,204	-
3820 Homestead Exemption (Tier 2)	1,710,186	1,710,186	-
3825 Reimbursement for Property Tax Relief (Tier 3)	19,041,189	18,671,420	(369,769)
3830 Merchant's Inventory Tax	221,539	221,539	-
3840 Manufacturers Depreciation Reimbursement	1,500,000	1,563,967	63,967
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	110,000	130,066	20,066
3900 Other State Revenue:			
3993 State Funded Retirement via PEBA	-	1,002,775	1,002,775
3999 Revenue from Other State Sources	159,000	-	(159,000)
Total Revenue from State Sources	<u>94,775,157</u>	<u>95,847,203</u>	<u>1,072,046</u>
TOTAL REVENUE ALL SOURCES	<u>146,616,157</u>	<u>150,143,064</u>	<u>3,526,907</u>

EXPENDITURES

100 Instruction:

110 General Instruction:

111 Kindergarten Programs:

100 Salaries	4,236,538	4,223,087	13,451
200 Employee Benefits	1,889,814	1,886,105	3,709
300 Purchased Services	128,158	128,158	-
400 Supplies and Materials	\$ 81,109	75,790	\$ 5,319

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
112 Primary Programs:			
100 Salaries	\$ 10,941,836	10,935,688	\$ 6,148
200 Employee Benefits	4,359,297	4,356,319	2,978
300 Purchased Services	628,246	711,531	(83,285)
400 Supplies and Materials	275,734	264,237	11,497
600 Other Objects	160	160	-
113 Elementary Programs:			
100 Salaries	20,487,332	20,480,360	6,972
200 Employee Benefits	7,874,865	7,871,110	3,755
300 Purchased Services	637,656	686,830	(49,174)
400 Supplies and Materials	649,268	636,952	12,316
600 Other Objects	2,330	2,330	-
114 High School Programs:			
100 Salaries	13,591,968	13,614,063	(22,095)
200 Employee Benefits	5,262,963	5,258,438	4,525
300 Purchased Services	410,577	526,345	(115,768)
400 Supplies and Materials	555,764	496,409	59,355
600 Other Objects	4,624	4,624	-
115 Career and Technology Education Program:			
100 Salaries	2,216,774	2,158,569	58,205
200 Employee Benefits	857,711	816,126	41,585
300 Purchased Services - Other Than Tuition	121,604	121,604	-
400 Supplies and Materials	114,749	108,725	6,024
500 Capital Outlay	5,500	-	5,500
600 Other Objects	2,550	2,365	185
118 Montessori Programs:			
100 Salaries	588,050	554,730	33,320
200 Employee Benefits	233,385	212,932	20,453
300 Purchased Services	508	12,290	(11,782)
400 Supplies and Materials	6,223	6,078	145
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	927,791	925,535	2,256
200 Employee Benefits	410,388	408,901	1,487
300 Purchased Services	19,045	19,733	(688)
400 Supplies and Materials	2,123	2,123	-
122 Trainable Mentally Handicapped:			
100 Salaries	294,645	291,886	2,759
200 Employee Benefits	154,025	152,787	1,238
300 Purchased Services	25,984	25,984	-
400 Supplies and Materials	403	1,171	(768)
123 Orthopedically Handicapped:			
100 Salaries	37,031	15,440	21,591
200 Employee Benefits	23,052	6,114	16,938
300 Purchased Services	\$ 1,856	1,856	\$ -

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
124 Visually Handicapped:			
100 Salaries	\$ 160,760	160,760	\$ -
200 Employee Benefits	64,841	64,841	-
300 Purchased Services	19,691	20,032	(341)
125 Hearing Handicapped:			
100 Salaries	488,578	413,324	75,254
200 Employee Benefits	190,200	163,034	27,166
300 Purchased Services	2,844	103,287	(100,443)
126 Speech Handicapped:			
100 Salaries	868,564	868,564	-
200 Employee Benefits	339,022	338,480	542
300 Purchased Services	946	2,093	(1,147)
400 Supplies and Materials	806	806	-
127 Learning Disabilities:			
100 Salaries	3,583,859	3,498,169	85,690
200 Employee Benefits	1,466,344	1,378,071	88,273
300 Purchased Services	200,048	200,441	(393)
400 Supplies and Materials	18,600	18,896	(296)
128 Emotionally Handicapped:			
100 Salaries	357,623	316,568	41,055
200 Employee Benefits	164,474	139,036	25,438
300 Purchased Services	13,283	13,664	(381)
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	244,159	175,425	68,734
200 Employee Benefits	118,774	84,164	34,610
300 Purchased Services	1,195	3,276	(2,081)
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds)			
100 Salaries	302,376	263,629	38,747
200 Employee Benefits	130,529	108,187	22,342
300 Purchased Services	25,143	32,770	(7,627)
139 Early Childhood Programs:			
100 Salaries	152,545	149,037	3,508
200 Employee Benefits	57,256	55,759	1,497
300 Purchased Services	13,587	18,144	(4,557)
400 Supplies and Materials	21,124	21,124	-
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	453,958	453,959	(1)
200 Employee Benefits	165,884	165,884	-
300 Purchased Services	48	48	-
400 Supplies and Materials	24,431	24,210	221
143 Advanced Placement:			
400 Supplies and Materials	\$ 67,492	25,097	\$ 42,395

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
145 Homebound:			
100 Salaries	\$ 200,000	107,985	\$ 92,015
200 Employee Benefits	55,180	28,453	26,727
300 Purchased Services	75,000	108,769	(33,769)
148 Gifted and Talented - Artistic:			
300 Purchased Services	66,754	66,706	48
400 Supplies and Materials	8,580	6,816	1,764
149 Other Special Programs:			
100 Salaries	236,820	236,479	341
200 Employee Benefits	96,791	96,133	658
300 Purchased Services	1,434	20,069	(18,635)
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	245,761	245,495	266
200 Employee Benefits	96,798	96,032	766
300 Purchased Services	5,842	7,152	(1,310)
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	14,995	14,996	(1)
200 Employee Benefits	4,054	4,054	-
173 High School Summer School:			
100 Salaries	11,450	11,450	-
200 Employee Benefits	3,183	3,184	(1)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	8,669	15,594	(6,925)
200 Employee Benefits	2,387	4,124	(1,737)
400 Supplies and Materials	4,350	3,220	1,130
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	133,898	139,539	(5,641)
200 Employee Benefits	52,750	54,643	(1,893)
300 Purchased Services	780	399	381
400 Supplies and Materials	5,634	3,603	2,031
600 Other Objects	556	556	-
187 Adult Education - Remedial:			
100 Salaries	10,728	11,427	(699)
200 Employee Benefits	4,172	4,377	(205)
188 Parenting/Family Literacy:			
100 Salaries	241,637	227,379	14,258
200 Employee Benefits	113,723	109,691	4,032
300 Purchased Services	14,931	17,732	(2,801)
400 Supplies and Materials	10,001	9,298	703
Total Instruction	<u>\$ 89,507,478</u>	<u>88,939,619</u>	<u>\$ 567,859</u>

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 796,389	830,071	\$ (33,682)
140 Terminal Leave	-	1,488	(1,488)
200 Employee Benefits	347,247	363,142	(15,895)
300 Purchased Services	10,941	10,392	549
400 Supplies and Materials	3,057	2,516	541
600 Other Objects	137	-	137
212 Guidance Services:			
100 Salaries	2,766,079	2,848,914	(82,835)
200 Employee Benefits	1,120,947	1,149,448	(28,501)
300 Purchased Services	6,048	6,888	(840)
400 Supplies and Materials	21,380	20,005	1,375
600 Other Objects	1,152	1,087	65
213 Health Services:			
100 Salaries	1,674,127	1,794,272	(120,145)
200 Employee Benefits	657,961	679,672	(21,711)
300 Purchased Services	28,635	195,651	(167,016)
400 Supplies and Materials	29,980	30,046	(66)
600 Other Objects	2,339	1,856	483
214 Psychological Services:			
100 Salaries	992,696	991,396	1,300
200 Employee Benefits	371,018	370,964	54
300 Purchased Services	20,590	20,598	(8)
400 Supplies and Materials	63	63	-
216 Vocational Placement Services:			
300 Purchased Services	42,580	29,255	13,325
400 Supplies and Materials	7,600	6,927	673
600 Other Objects	706	706	-
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	1,612,765	1,612,333	432
200 Employee Benefits	573,173	573,008	165
300 Purchased Services	690,204	695,001	(4,797)
400 Supplies and Materials	88,577	85,008	3,569
600 Other Objects	47,135	47,135	-
222 Library and Media Services:			
100 Salaries	1,513,798	1,513,051	747
200 Employee Benefits	590,396	589,807	589
300 Purchased Services	12,938	14,291	(1,353)
400 Supplies and Materials	118,089	116,255	1,834
600 Other Objects	\$ 50	50	\$ -

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
223 Supervision of Special Programs:			
100 Salaries	\$ 681,051	796,964	\$ (115,913)
140 Terminal Leave	-	5,614	(5,614)
200 Employee Benefits	297,452	316,596	(19,144)
300 Purchased Services	7,326	15,781	(8,455)
400 Supplies and Materials	53,991	66,251	(12,260)
600 Other Objects	1,204	1,204	-
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	455,467	447,408	8,059
200 Employee Benefits	176,352	177,149	(797)
300 Purchased Services	96,281	121,372	(25,091)
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	51,600	50,500	1,100
200 Employee Benefits	22,229	22,230	(1)
300 Purchased Services	138,888	146,648	(7,760)
318 Audit Services	61,785	54,025	7,760
400 Supplies and Materials	900	326	574
600 Other Objects	31,722	22,865	8,857
232 Office of Superintendent:			
100 Salaries	453,268	475,992	(22,724)
140 Terminal Leave	-	7,491	(7,491)
200 Employee Benefits	134,296	124,514	9,782
300 Purchased Services	12,500	15,427	(2,927)
400 Supplies and Materials	4,000	2,801	1,199
600 Other Objects	83,109	106,773	(23,664)
233 School Administration:			
100 Salaries	7,756,046	7,707,684	48,362
140 Terminal Leave	-	44,125	(44,125)
200 Employee Benefits	3,013,245	3,010,434	2,811
300 Purchased Services	249,673	246,107	3,566
400 Supplies and Materials	290,045	280,714	9,331
600 Other Objects	19,930	21,947	(2,017)
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	45,683	45,683	-
200 Employee Benefits	16,935	16,935	-
300 Purchased Services	23,190	23,190	-
252 Fiscal Services:			
100 Salaries	527,704	535,494	(7,790)
180 Head of Organizational Unit Salaries	109,949	109,949	-
200 Employee Benefits	278,110	314,891	(36,781)
300 Purchased Services	93,302	93,302	-
400 Supplies and Materials	27,035	27,035	-
600 Other Objects	14,433	14,422	11
680 Head of Organizational Unit Other Objects	\$ 35	35	\$ -

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 4,538,630	4,483,097	\$ 55,533
140 Terminal Leave	-	10,115	(10,115)
200 Employee Benefits	1,916,262	1,889,201	27,061
300 Purchased Services	4,823,407	4,877,769	(54,362)
400 Supplies and Materials	5,576,072	5,590,580	(14,508)
600 Other Objects	5,300	2,010	3,290
255 Student Transportation (State Mandated):			
100 Salaries	3,388,700	3,377,664	11,036
140 Terminal Leave	-	1,230	(1,230)
200 Employee Benefits	1,457,643	1,419,721	37,922
300 Purchased Services	60,172	60,649	(477)
400 Supplies and Materials	26,392	32,295	(5,903)
257 Internal Services:			
100 Salaries	203,207	196,666	6,541
140 Terminal Leave	-	2,834	(2,834)
200 Employee Benefits	87,775	86,555	1,220
300 Purchased Services	497,453	478,931	18,522
400 Supplies and Materials	24,694	24,167	527
600 Other Objects	2,585	2,365	220
258 Security:			
100 Salaries	133,716	132,848	868
200 Employee Benefits	43,985	42,304	1,681
300 Purchased Services	302,000	286,626	15,374
400 Supplies and Materials	47,775	48,260	(485)
600 Other Objects	1,500	1,936	(436)
259 Internal Auditing Services:			
100 Salaries	65,510	65,510	-
200 Employee Benefits	25,574	22,529	3,045
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	46,689	43,127	3,562
180 Head of Organizational Unit Salaries	125,324	125,324	-
200 Employee Benefits	56,577	55,381	1,196
300 Purchased Services	126,642	111,206	15,436
400 Supplies and Materials	41,635	40,699	936
600 Other Objects	1,000	350	650
263 Information Services:			
100 Salaries	53,783	49,572	4,211
140 Terminal Leave	-	2,069	(2,069)
180 Head of Organizational Unit Salaries	84,492	84,492	-
200 Employee Benefits	47,269	47,602	(333)
300 Purchased Services	12,671	15,964	(3,293)
400 Supplies and Materials	4,638	4,519	119
600 Other Objects	\$ 11,414	8,882	\$ 2,532

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
264 Staff Services:			
100 Salaries	\$ 263,949	258,673	\$ 5,276
180 Head of Organizational Unit Salaries	109,949	109,949	-
200 Employee Benefits	143,718	142,281	1,437
300 Purchased Services	258,993	250,060	8,933
400 Supplies and Materials	20,427	19,920	507
600 Other Objects	965	959	6
266 Technology and Data Processing Services:			
100 Salaries	1,488,677	1,480,602	8,075
200 Employee Benefits	598,011	598,011	-
300 Purchased Services	1,384,393	1,384,272	121
400 Supplies and Materials	848,397	848,397	-
600 Other Objects	200	351	(151)
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	1,513,062	1,484,175	28,887
140 Terminal Leave	-	4,422	(4,422)
200 Employee Benefits (Optional)	470,972	427,202	43,770
300 Purchased Services (Optional)	109,016	97,802	11,214
400 Supplies and Materials (Optional)	351,396	339,599	11,797
500 Capital Outlay (Optional)	8,574	8,574	-
600 Other Objects (Optional)	203,290	179,761	23,529
Total Support Services	<u>60,992,008</u>	<u>61,431,233</u>	<u>(439,225)</u>
300 Community Services:			
390 Other Community Services:			
100 Salaries	77,322	77,322	-
200 Employee Benefits	25,893	25,694	199
300 Purchased Services	9,359	10,187	(828)
400 Supplies and Materials	19,855	19,863	(8)
600 Other Objects	375	325	50
Total Community Services	<u>132,804</u>	<u>133,391</u>	<u>(587)</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	202,796	207,580	(4,784)
416 Payments to Public Charter Schools			
720 Transits	243,791	243,791	-
Total Intergovernmental Expenditures	<u>446,587</u>	<u>451,371</u>	<u>(4,784)</u>
TOTAL EXPENDITURES	<u>\$ 151,078,877</u>	<u>150,955,614</u>	<u>\$ 123,263</u>

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

GENERAL FUND

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

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
OTHER FINANCING SOURCES (USES)			
5300 Proceeds from the Sale of Capital Assets	\$ -	8,643	\$ 8,643
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	4,071,133	4,125,144	54,011
5280 Transfer from Other Funds Indirect Costs	500,000	776,343	276,343
425-710 Transfer to Food Service Fund	(108,413)	(108,413)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,462,720</u>	<u>4,801,717</u>	<u>338,997</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	3,989,167	3,989,167
FUND BALANCES, Beginning of Year	<u>34,226,347</u>	<u>34,226,347</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 34,226,347</u>	<u>38,215,514</u>	<u>\$ 3,989,167</u>

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SPECIAL REVENUE FUNDS

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

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

Education Improvement Act (“EIA”) – These funds are used to account for the District’s expenditures as a result of receiving funds subject to the guidelines set by the State of South Carolina.

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2018

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
REVENUES		
1000 Revenue from Local Sources:		
1300 Tuition:		
1310 Tuition from Patrons for Regular Day School	\$ -	-
1350 Tuition from Patrons for Summer School	-	-
1900 Other Revenue from Local Sources:		
1920 Contributions and Donations Private Sources	-	-
1930 Special Needs Transportation	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>
2000 Intergovernmental Revenue:		
2300 Payments from Non-Profit Entities (for First Steps)	-	-
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialist	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3155 DSS SNAP & E&T Program	-	-
3156 Adult Education	-	-
3177 Summer Reading Camp	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3630 K-12 Technology Initiative	-	-
3900 Other State Revenue:		
3994 Nonemployer Contribution Revenues	-	-
Total Revenue from State Sources	<u>-</u>	<u>-</u>
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I - Career and Technical Education - Basic Grants to States	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	\$ 4,953,453	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	259,518	\$ 259,518
-	-	-	-	2,360	2,360
-	-	18,244	-	79,685	97,929
-	-	-	-	600,434	600,434
-	-	-	-	2,900,418	2,900,418
-	-	18,244	-	3,842,415	3,860,659
-	-	-	-	589,628	589,628
-	-	-	-	589,628	589,628
-	-	-	911,575	-	911,575
-	-	-	161,463	-	161,463
-	-	-	1,340,415	-	1,340,415
-	-	-	453,508	-	453,508
-	-	-	10,761	-	10,761
-	-	-	11,731	-	11,731
-	-	-	33,480	-	33,480
-	-	-	2,050	-	2,050
-	-	-	-	2,531	2,531
-	-	-	187,096	-	187,096
-	-	-	1,296,444	-	1,296,444
-	-	-	4,408,523	2,531	4,411,054
-	248,661	-	-	-	248,661
-	-	-	-	272,268	\$ 5,225,721

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2018

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
4325 Mathematics and Science Partnerships Program, Title II (Carryover Provision)	\$ -	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III (Carryover Provision)	-	-
4351 Improving Teacher Quality	-	-
4400 Adult Education:		
4410 Basic Adult Education	-	-
4430 State Literacy Resource	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA) (Carryover Provision)	-	3,139,665
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4900 Other Federal Sources:		
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>4,953,453</u>	<u>3,139,665</u>
TOTAL REVENUE ALL SOURCES	<u>4,953,453</u>	<u>3,139,665</u>
EXPENDITURES		
100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
400 Supplies and Materials	-	-
112 Primary Programs:		
100 Salaries	1,042,174	-
200 Employee Benefits	429,300	-
300 Purchased Services	54,690	-
400 Supplies and Materials	261,796	-
113 Elementary Programs:		
100 Salaries	65,434	-
200 Employee Benefits	25,114	-
300 Purchased Services	3,136	-
400 Supplies and Materials	-	-
114 High School Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services - Other Than Tuition	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	97,732	\$ 97,732
-	-	-	-	69,172	69,172
-	-	-	-	492,570	492,570
-	-	157,542	-	-	157,542
-	-	9,033	-	-	9,033
-	-	-	-	79,216	3,218,881
140,942	-	-	-	-	140,942
-	-	-	-	240,576	240,576
140,942	248,661	166,575	-	1,251,534	9,900,830
140,942	248,661	184,819	4,408,523	5,686,108	18,762,171
-	-	-	-	76	76
-	-	-	102,995	1,701,496	2,846,665
-	-	-	42,674	421,180	893,154
-	-	-	-	138,653	193,343
-	-	-	-	70,766	332,562
-	-	-	10,689	207,252	283,375
-	-	-	5,106	73,421	103,641
-	-	-	-	7,751	10,887
-	-	-	2,050	31,562	33,612
-	-	-	-	180,499	180,499
-	-	-	-	4,567	4,567
-	-	-	-	110	110
-	-	-	-	27,578	27,578
-	-	-	-	1,082	1,082
-	-	-	-	289	289
-	-	-	-	55	55
-	5,745	-	-	1,867	7,612
-	21,210	-	-	-	\$ 21,210

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2018

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
118 Montessori Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	2,956
200 Employee Benefits	-	1,190
300 Purchased Services	-	146,750
400 Supplies and Materials	-	26,875
122 Trainable Mentally Handicapped:		
100 Salaries	-	565,173
200 Employee Benefits	-	254,004
400 Supplies and Materials	-	-
123 Orthopedically Handicapped:		
100 Salaries	-	39,981
200 Employee Benefits	-	26,448
400 Supplies and Materials	-	-
124 Visually Handicapped:		
100 Salaries	-	562
200 Employee Benefits	-	164
300 Purchased Services	-	238
400 Supplies and Materials	-	-
125 Hearing Handicapped:		
100 Salaries	-	57,109
200 Employee Benefits	-	35,406
300 Purchased Services	-	25,243
400 Supplies and Materials	-	-
126 Speech Handicapped:		
100 Salaries	-	224,778
200 Employee Benefits	-	92,905
300 Purchased Services	-	1,284
400 Supplies and Materials	-	-
600 Other Objects	-	-
127 Learning Disabilities:		
100 Salaries	-	621,537
200 Employee Benefits	-	255,887
300 Purchased Services	-	1,078
400 Supplies and Materials	-	24,892
128 Emotionally Handicapped:		
100 Salaries	-	133,744
200 Employee Benefits	-	68,506
400 Supplies and Materials	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	63,328	\$ 63,328
-	-	-	-	31,240	31,240
-	-	-	-	907	907
-	-	-	-	21,906	24,862
-	-	-	-	13,116	14,306
-	-	-	-	2,801	149,551
-	-	-	-	-	26,875
-	-	-	-	15,171	580,344
-	-	-	-	4,086	258,090
-	-	-	-	4,062	4,062
-	-	-	-	-	39,981
-	-	-	-	-	26,448
-	-	-	-	94	94
-	-	-	-	-	562
-	-	-	-	-	164
-	-	-	-	-	238
-	-	-	-	76	76
-	-	-	-	-	57,109
-	-	-	-	-	35,406
-	-	-	-	80,683	105,926
-	-	-	-	15,506	15,506
-	-	-	-	15,048	239,826
-	-	-	-	4,623	97,528
-	-	-	-	-	1,284
-	-	-	-	1,015	1,015
-	-	-	-	4,275	4,275
-	-	-	-	-	621,537
-	-	-	-	-	255,887
-	-	-	-	-	1,078
-	-	-	-	442	25,334
-	-	-	-	-	133,744
-	-	-	-	-	68,506
-	-	-	-	439	\$ 439

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2018

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
130 Pre-School Programs:		
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
139 Early Childhood Programs:		
100 Salaries	546,724	-
200 Employee Benefits	211,103	-
300 Purchased Services	200	-
400 Supplies and Materials	36,198	-
140 Special Programs:		
145 Homebound:		
300 Purchased Services	-	-
149 Other Special Programs:		
100 Salaries	-	69,640
200 Employee Benefits	-	30,406
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	38,386
200 Employee Benefits	-	25,135
300 Purchased Services	-	40
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
172 Elementary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
173 High School Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	17,195	-
200 Employee Benefits	4,624	-
400 Supplies and Materials	-	-
600 Other Objects	-	-
180 Adult/Continuing Educational Programs:		
181 Adult Basic Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
77,061	-	-	-	6,303	\$ 83,364
39,260	-	-	-	1,749	41,009
6,640	-	-	-	-	6,640
10,570	-	-	-	-	10,570
-	-	-	-	58,817	605,541
-	-	-	-	31,000	242,103
-	-	-	-	1,409	1,609
-	-	-	-	2,329	38,527
-	-	-	-	43,314	43,314
-	-	-	-	-	69,640
-	-	-	-	-	30,406
-	-	-	-	-	38,386
-	-	-	-	-	25,135
-	-	-	-	-	40
-	-	-	1,309	6,376	7,685
-	-	-	361	1,734	2,095
-	-	-	1,796	-	1,796
-	-	-	30,014	-	30,014
-	-	-	-	1,850	1,850
-	-	-	-	510	510
-	-	-	-	22,872	22,872
-	-	-	-	6,347	6,347
-	-	-	-	114,417	131,612
-	-	-	-	25,452	30,076
-	-	-	-	12,022	12,022
-	-	-	-	1,499	1,499
-	-	63,860	-	-	63,860
-	-	15,931	-	-	15,931
-	-	7,006	-	-	7,006
-	-	12,646	-	-	\$ 12,646

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2018

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
182 Adult Secondary Education Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
183 Adult English Literacy (ESL):		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
188 Parenting/Family Literacy:		
100 Salaries	96,771	-
200 Employee Benefits	53,085	-
300 Purchased Services	7,461	-
400 Supplies and Materials	221,030	-
Total Instruction	<u>3,076,035</u>	<u>2,770,317</u>
200 Support Services:		
210 Pupil Services:		
212 Guidance Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
215 Exceptional Program Services:		
300 Purchased Services	-	-
216 Vocational Placement Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	-	-
200 Employee Benefits	-	-
222 Library and Media:		
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	115,212	103,533
200 Employee Benefits	48,038	28,726
300 Purchased Services	289,748	60,000
400 Supplies and Materials	\$ 4,319	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	39,648	7,618	-	\$ 47,266
-	-	10,650	2,918	-	13,568
-	-	-	225	-	225
-	-	2,259	-	4,217	6,476
-	-	11,946	-	-	11,946
-	-	1,019	-	-	1,019
-	-	11,366	-	-	11,366
-	-	-	-	103,455	200,226
-	-	-	-	46,541	99,626
-	-	-	-	-	7,461
-	-	-	-	5,332	226,362
133,531	26,955	176,331	207,755	3,644,567	10,035,491
-	133,484	-	659,695	-	793,179
-	47,827	-	251,880	-	299,707
-	500	-	-	-	500
-	2,165	-	327,170	200,436	529,771
-	185	-	126,339	80,113	206,637
-	-	-	-	56,103	56,103
-	-	-	-	14,757	14,757
-	-	-	-	523	523
-	-	-	-	39,540	39,540
-	-	-	-	11,862	11,862
-	-	-	-	2,779	2,779
-	-	-	-	1,840	1,840
-	-	-	-	121,500	121,500
-	-	-	-	49,035	49,035
-	-	-	-	7,074	7,074
-	-	-	-	154,707	373,452
-	-	-	-	64,717	141,481
-	-	1,500	-	21,740	372,988
-	-	-	4,920	510	\$ 9,749

(Continued)

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2018

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	\$ 706,346	-
200 Employee Benefits	255,911	-
300 Purchased Services	33,833	12,000
400 Supplies and Materials	191,859	-
230 General Administration Services:		
233 School Administration:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
253 Facilities Acquisition and Construction:		
400 Supplies and Materials	-	-
254 Operation and Maintenance of Plant:		
300 Purchased Services	-	-
255 Student Transportation (State Mandated):		
300 Purchased Services	-	-
258 Security:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
260 Central Support Services:		
264 Staff Services:		
300 Purchased Services	-	-
380 Head of Organizational Unit Travel	-	-
400 Supplies and Materials	-	-
266 Technology and Data Processing Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
300 Purchased Services (Optional)	-	-
400 Supplies and Materials (Optional)	-	-
600 Other Objects (Optional)	-	-
Total Support Services	<u>\$ 1,645,266</u>	<u>204,259</u>

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	942,623	49,124	\$ 1,698,093
-	-	-	397,792	13,407	667,110
-	6,000	-	5,721	151,092	208,646
-	-	-	1,089	831	193,779
-	-	-	-	10,327	10,327
-	-	-	-	2,282	2,282
-	-	-	-	5,637	5,637
-	-	-	-	1,509	1,509
-	-	-	-	-	-
-	-	-	-	71,810	71,810
-	-	-	-	790	790
-	-	-	-	5,037	5,037
-	-	-	-	14,117	14,117
-	-	-	-	14,559	14,559
-	-	-	-	8,364	8,364
-	-	-	-	1,766	1,766
-	-	-	-	573	573
-	-	-	21,828	25,273	47,101
-	-	-	165,268	-	165,268
-	329	-	-	2,539	2,868
-	100	-	-	925	1,025
-	10,000	-	-	4,083	14,083
-	-	-	-	1,000	1,000
-	9,500	-	(1)	11,592	21,091
-	210,090	1,500	2,904,324	1,223,873	\$ 6,189,312

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2018

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
300 Community Services:		
360 Welfare Services:		
400 Supplies and Materials	\$ -	-
390 Other Community Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
600 Other Objects	-	-
Total Community Services	-	-
410 Intergovernmental Expenditures:		
411 Payments to SDE		
720 Transits	-	-
419 Payments from Nonemployer Contributions		
720 Transits	-	-
Total Intergovernmental Expenditures	-	-
TOTAL EXPENDITURES	4,721,301	2,974,576
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
431-791 Special Revenue Fund Indirect Costs		
(Use Only for Transfer of Indirect Costs to General Fund)	(232,152)	(165,089)
TOTAL OTHER FINANCING SOURCES (USES)	(232,152)	(165,089)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCES, Beginning of Year	-	-
FUND BALANCES, End of Year	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (243/292)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	79,141	\$ 79,141
-	-	-	-	32,127	32,127
-	-	-	-	12,675	12,675
-	-	-	-	1,256	1,256
-	-	-	-	144	144
-	-	-	-	17,199	17,199
-	-	-	-	142,542	142,542
-	-	-	-	150,159	150,159
-	-	-	1,296,444	-	1,296,444
-	-	-	1,296,444	150,159	1,446,603
133,531	237,045	177,831	4,408,523	5,161,141	17,813,948
(7,411)	(11,616)	(6,988)	-	(17,196)	(440,452)
(7,411)	(11,616)	(6,988)	-	(17,196)	(440,452)
-	-	-	-	507,771	507,771
-	-	-	-	1,376,124	1,376,124
-	-	-	-	1,883,895	\$ 1,883,895

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2018

OTHER DESIGNATED RESTRICTED STATE GRANTS

919	Education License Plates
926	Summer Reading Camps
928	EEDA Career Specialists
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
955	DSS SNAP & E&T Program
956	SNAP - Adult Education
963	K-12 Technology Initiative
994	PEBA Nonemployer Contributions

OTHER SPECIAL REVENUE PROGRAMS

221	Title I (Neglected and Delinquent)
225	Math & Science Partnership
237	Title I Focus Schools
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
267	Improving Teacher Quality (Carryover Provision)
280	Medicaid
291	Attendance Make-Up
295	ROTC
298	ATC House Project
801	After School Program
802	Sylvia Circle Tuition
803	Olde English Consortium
822	Extended School Year
826	Summer School High School
827	JSCG Grant
832	Professional Development
833	Arts in Education - Northside
835	DHEC Solid Waste Grants
858	Toolbox for Education
861	Great Outdoors
862	York County First Steps
864	Community Services - Transportation
866	Misc State Restricted
869	Back the Pack
870	First Steps Parent Smart Grant
873	Sisters of Mercy of N.C. Foundation
874	Technology Protection Plan
875	PIRC Grant
879	Special Needs Transportation
880	Profoundly Mentally Disabled
882	E-Rate
888	SREB Southern Regional Education Board
890	Winthrop Program
891	Testing - PSAT
894	Title VII
897	Credit Recovery
899	Local School Projects

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2018

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 2,050	2,050	-	-	\$ -
926	3177	Summer Reading Camp	33,480	33,480	-	-	-
928	3118	EEDA Career Specialists	911,575	911,575	-	-	-
935	3135	Reading Coaches	1,340,415	1,340,415	-	-	84,603
936	3136	Student Health and Fitness - Nurses	453,508	453,508	-	-	8,747
937	3127	Student Health and Fitness - PE Teachers	161,463	161,463	-	-	-
955	3155	DSS SNAP & E&T Program	10,761	10,761	-	-	4,846
956	3156	Adult Education	11,731	11,731	-	-	8,102
963	3630	K-12 Technology Initiative	187,096	187,096	-	-	-
994	3994	PEBA Nonemployer Contributions	1,296,444	1,296,444	-	-	-
Totals			<u>\$ 4,408,523</u>	<u>4,408,523</u>	<u>-</u>	<u>-</u>	<u>\$ 106,298</u>

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2018

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 12,031
3507 Aid to District Technology	223,098
3509 Arts in Education	39,713
3511 Professional Development	165,037
3512 Technology Professional Development	42,977
3518 Adoption List of Formative Assessment	84,985
3519 Grade 10 Assessments	134,263
3525 Career and Technology Education Equipment	34,058
3526 Refurbishment of K-8 Science Kits	51,246
3528 Industry Certificates	86,146
3529 Career and Technology Education	349,620
3532 National Board Salary Supplement (No Carryover Provision)	1,334,814
3533 Teacher of the Year Awards (No Carryover Provision)	10,765
3538 Student at Risk of School Failure	492,280
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	712,964
3550 Teacher Salary Increase (No Carryover Provision)	3,550,203
3555 Teacher Salary Fringe (No Carryover Provision)	574,940
3556 Adult Education	510,693
3557 Summer Reading Camps	194,039
3558 Reading	95,807
3571 Technical Assistance - State Priority Schools	154,669
3577 Teacher Supplies (No Carryover Provision)	352,825
3578 High Schools That Work / Making Middle Grades Work	27,277
3581 Student Health and Fitness - Nurses	18,100
3587 IDEA MOE Tier 1	864,543
3595 EEDA - Supplies and Materials	46,270
3597 Aid to Districts	176,435
Total Revenue from State Sources	<u>10,339,798</u>
TOTAL REVENUE ALL SOURCES	<u>10,339,798</u>

EXPENDITURES

100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	34,389
200 Employee Benefits	\$ 9,066

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2018

	ACTUAL
112 Primary Programs:	
100 Salaries	\$ 162,249
200 Employee Benefits	47,214
300 Purchased Services	26,971
400 Supplies and Materials	321,896
113 Elementary Programs:	
100 Salaries	492,556
200 Employee Benefits	147,864
300 Purchased Services	31,846
400 Supplies and Materials	181,302
600 Other Objects	650
114 High School Programs:	
100 Salaries	455,279
200 Employee Benefits	138,683
300 Purchased Services	90,484
400 Supplies and Materials	160,664
115 Career and Technology Education Program:	
100 Salaries	48,168
200 Employee Benefits	12,774
300 Purchased Services - Other Than Tuition	61,415
400 Supplies and Materials	195,451
500 Capital Outlay	88,053
118 Alternative School:	
100 Salaries	7,500
200 Employee Benefits	2,055
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	33,494
200 Employee Benefits	13,612
300 Purchased Services	18,000
400 Supplies and Materials	34,051
122 Trainable Mentally Handicapped:	
100 Salaries	39,845
200 Employee Benefits	20,068
400 Supplies and Materials	2,475
124 Visually Handicapped:	
400 Supplies and Materials	825
125 Hearing Handicapped:	
100 Salaries	7,500
200 Employee Benefits	1,987
400 Supplies and Materials	1,375
126 Speech Handicapped:	
400 Supplies and Materials	\$ 5,775

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2018

	ACTUAL
127 Learning Disabilities:	
100 Salaries	\$ 35,000
200 Employee Benefits	9,273
400 Supplies and Materials	157,860
128 Emotionally Handicapped:	
400 Supplies and Materials	1,650
130 Pre-School Programs:	
133 Preschool Handicapped Self- Contained (5Yr. Olds)	
400 Supplies and Materials	825
137 Preschool Handicapped Self-Contained (3-and 4-Yr.Olds):	
400 Supplies and Materials	50,153
139 Early Childhood Programs:	
100 Salaries	463,098
200 Employee Benefits	210,618
300 Purchased Services	14,961
400 Supplies and Materials	32,491
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	27,362
200 Employee Benefits	7,186
160 Other Exceptional Programs:	
161 Autism:	
400 Supplies and Materials	825
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	151,950
200 Employee Benefits	42,089
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	24,087
200 Employee Benefits	6,434
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	12,425
200 Employee Benefits	2,141
300 Purchased Services	498
400 Supplies and Materials	\$ 8,815

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2018

	ACTUAL
182 Adult Secondary Education Programs:	
100 Salaries	\$ 4,431
200 Employee Benefits	1,217
300 Purchased Services	987
400 Supplies and Materials	17,902
Total Instruction	<u>4,179,814</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	60,000
200 Employee Benefits	15,883
300 Purchased Services	19,505
400 Supplies and Materials	26,767
213 Health Services:	
100 Salaries	10,720
200 Employee Benefits	7,379
300 Purchased Services	15,000
400 Supplies and Materials	853
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
400 Supplies and Materials	14,253
600 Other Objects	176
222 Library and Media:	
100 Salaries	19,583
200 Employee Benefits	5,207
223 Supervision of Special Programs:	
100 Salaries	372,175
200 Employee Benefits	130,936
300 Purchased Services	6,142
400 Supplies and Materials	4,064
224 Improvement of Instruction-Curriculum Development:	
100 Salaries	117,303
200 Employee Benefits	37,502
300 Purchased Services	350,959
400 Supplies and Materials	415,047
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	21,253
200 Employee Benefits	\$ 3,722

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2018

	ACTUAL
260 Central Support Services:	
266 Technology and Data Processing Services:	
400 Supplies and Materials	\$ 223,098
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries (Optional)	549
200 Employee Benefits (Optional)	200
300 Purchased Services (Optional)	1,642
600 Other Objects (Optional)	254
Total Support Services	<u>1,880,172</u>
410 Intergovernmental Expenditures:	
416 Payments to Public Charter Schools	
720 Transits	154,669
Total Intergovernmental Expenditures	<u>154,669</u>
TOTAL EXPENDITURES	<u>6,214,655</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(4,125,143)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,125,143)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2018

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 12,031	12,031	-	-	\$ -
3507 Aid to District Technology	223,098	223,098	-	-	3,846
3509 Arts in Education	39,713	39,713	-	-	1,390
3511 Professional Development	165,037	165,037	-	-	38,846
3512 Technology Professional Development	42,977	42,977	-	-	-
3518 Adoption List of Formative Assessment	84,985	84,985	-	-	-
3519 Grade 10 Assessments	134,263	134,263	-	-	-
3525 Career and Technology Education Equipment	34,058	34,058	-	-	-
3526 Refurbishment of K-8 Science Kits	51,246	51,246	-	-	49,270
3528 Industry Certificates	86,146	86,146	-	-	47,152
3529 Career and Technology Education	349,620	349,620	-	-	118,277
3532 National Board Salary Supplement (No Carryover Provision)	1,334,814	1,334,814	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	10,765	10,765	-	-	-
3538 Student at Risk of School Failure	492,280	492,280	-	-	1,486,759
3540 Early Childhood Programs (4K Programs Serving Four-Year Old Children)	712,964	712,964	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	3,550,203	-	-	(3,550,203)	-
3555 Teacher Salary Fringe (No Carryover Provision)	574,940	-	-	(574,940)	-
3556 Adult Education	510,693	510,693	-	-	49,824
3557 Summer Reading Camps	194,039	194,039	-	-	133,001
3558 Reading	95,807	95,807	-	-	11,649
3571 Technical Assistance - State Priority Schools	154,669	154,669	-	-	-
3577 Teacher Supplies (No Carryover Provision)	352,825	352,825	-	-	-
3578 High Schools That Work / Making Middle Grades Work	27,277	27,277	-	-	-
3581 Student Health and Fitness - Nurses	18,100	18,100	-	-	-
3587 IDEA MOE Tier I	864,543	864,543	-	-	-
3595 EEDA Career Awareness	46,270	46,270	-	-	5,694
3597 Aid to Districts	176,435	176,435	-	-	231,266
3599 Other EIA	-	-	-	-	10,000
Totals	\$ 10,339,798	6,214,655	-	(4,125,143)	\$ 2,186,974

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA****DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT****YEAR ENDED JUNE 30, 2018**

Program	Project/ Grant Number	Revenue & Subfund Code	Description	Amount Due to State Dept. of Education or Federal Government	Status of Amount Due to Grantors
None					

SPECIAL REVENUE - FOOD SERVICE FUND

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

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

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2018

	ACTUAL
REVENUES	
1000 Revenues from Local Sources:	
1600 Food Service:	
1610 Lunch Sales to Pupils	\$ 1,077,075
1620 Breakfast Sales to Pupils	87,387
1630 Special Sales to Pupils	354,113
1640 Lunch Sales to Adults	48,846
1650 Breakfast Sales to Adults	3,929
1660 Special Sales to Adults	40,459
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	104
Total Revenue from Local Sources	<u>1,611,913</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	590
Total Revenue from State Sources	<u>590</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	3,995,348
4830 School Breakfast Program	1,230,272
4870 School Food Service Equipment	5,881
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	572,078
Total Revenue from Federal Sources	<u>5,803,579</u>
TOTAL REVENUE ALL SOURCES	<u>7,416,082</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	718,566
140 Terminal Leave	2,506
200 Employee Benefits	300,235
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	5,030,807
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	\$ 668,104

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2018

	ACTUAL
500 Capital Outlay	\$ 33,315
600 Other Objects	3,039
Total Food Services Expenditures	<u>6,756,572</u>
TOTAL EXPENDITURES	<u>6,756,572</u>
OTHER FINANCING SOURCES (USES)	
5300 Sale of Capital Assets	1,358
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	108,413
432-791 Food Service Fund Indirect Costs	(335,892)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(226,121)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	433,389
FUND BALANCE, Beginning of Year	<u>4,308,938</u>
FUND BALANCE, End of Year	<u>\$ 4,742,327</u>

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DEBT SERVICE FUND

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

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

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**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

Schedule C-1

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2018

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes:	
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 22,173,448
1140 Penalties & Interest on Taxes (Independent)	76,760
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Dependent and Independent)	1,294,001
1500 Earnings on Investments:	
1510 Interest on Investments	140,811
Total Revenue from Local Sources	<u>23,685,020</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption	865,738
3830 Merchant's Inventory Tax	107,676
3840 Manufacturers Depreciation Reimbursement	484,597
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	47,956
Total Revenue from State Sources	<u>1,505,967</u>
TOTAL REVENUE ALL SOURCES	<u>25,190,987</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	9,810,000
620 Interest	6,692,518
690 Other Objects (Includes Fees for Servicing Bonds)	6,168
Total Debt Service	<u>16,508,686</u>
TOTAL EXPENDITURES	<u>16,508,686</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
424-710 Transfer to Capital Projects Fund	(4,759,334)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,759,334)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	3,922,967
FUND BALANCE, Beginning of Year	<u>7,728,638</u>
FUND BALANCE, End of Year	<u>\$ 11,651,605</u>

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CAPITAL PROJECTS FUND

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

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

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**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2018

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,294,308
Total Revenue from Local Sources	<u>1,294,308</u>
TOTAL REVENUE ALL SOURCES	<u>1,294,308</u>
EXPENDITURES	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
100 Salaries	6,637
200 Employee Benefits	1,756
300 Purchased Services	6,174,622
400 Supplies and Materials	4,517,616
500 Capital Outlay:	
520 Construction Services	52,495,011
530 Improvements Other Than Buildings	3,064,642
540 Equipment	261,303
545 Technology, Equipment and Software	1,599,438
550 Vehicles	300,476
Total Support Services	<u>68,421,501</u>
500 Debt Service:	
610 Redemption of Principal	50,000,000
620 Interest	1,500,000
690 Other Objects	749,798
Total Debt Service	<u>52,249,798</u>
TOTAL EXPENDITURES	<u>120,671,299</u>
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	15,736,748
5120 Issuance of General Obligation Bonds	110,000,000
5300 Sale of Capital Assets	149,388
Interfund Transfers, From (To) Other Funds:	
5240 Transfer from Debt Service Fund	4,759,334
TOTAL OTHER FINANCING SOURCES (USES)	<u>130,645,470</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	11,268,479
FUND BALANCE, Beginning of Year	<u>30,539,761</u>
FUND BALANCE, End of Year	<u>\$ 41,808,240</u>

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FIDUCIARY FUND

Agency Fund – to account for the collection and payment of pupil activity receipts and disbursements from and on the behalf of the District’s students.

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

AGENCY FUND - PUPIL ACTIVITY FUND

**SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
DUE TO STUDENT ORGANIZATIONS**

YEAR ENDED JUNE 30, 2018

	ACTUAL
RECEIPTS	
1000 Receipts from Local Sources:	
1700 Pupil Activities:	
1710 Admissions	\$ 528,718
1730 Pupil Organization Membership Dues and Fees	164,240
1740 Student Fees	188,815
1790 Other	2,431,716
1900 Other Revenue from Local Sources	
1920 Contributions & Donations Private Sources	152
Total Receipts from Local Sources	<u>3,313,641</u>
TOTAL RECEIPTS ALL SOURCES	<u>3,313,641</u>
DISBURSEMENTS	
190 Instructional Pupil Activity:	
400 Supplies and Materials (Optional)	31,751
600 Other Objects (Optional)	476
Total Instruction	<u>32,227</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
100 Salaries (Optional)	217,761
200 Employee Benefits (Optional)	60,227
300 Purchased Services (Optional)	402,527
400 Supplies and Materials (Optional)	1,922,771
660 Pupil Activity	730,849
Total Pupil Activity Expenditures	<u>3,334,135</u>
TOTAL DISBURSEMENTS	<u>3,366,362</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	83,272
TOTAL OTHER FINANCING SOURCES (USES)	<u>83,272</u>
EXCESS/DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS	30,551
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>1,381,534</u>
DUE TO STUDENT ORGANIZATIONS, End of Year	<u>\$ 1,412,085</u>

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

AGENCY FUND - PUPIL ACTIVITY FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2018

	Balance at June 30, 2017	Additions	Deductions	Balance at June 30, 2018
ASSETS				
Receivables	\$ 1,381,534	30,551	-	\$ 1,412,085
TOTAL ASSETS	\$ 1,381,534	30,551	-	\$ 1,412,085
LIABILITIES				
Due to Student Organizations	\$ 1,381,534	30,551	-	\$ 1,412,085
TOTAL LIABILITIES	\$ 1,381,534	30,551	-	\$ 1,412,085

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Location Reconciliation

As Requested by the South Carolina
Department of Education

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2018

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
00	Districtwide	Non-Schools	Central	\$ 77,679,582
02	Bellevue Elementary	Elementary Schools	School	4,350,159
04	Castle Heights Middle	Middle Schools	School	6,290,093
05	Central Child Dev. Center	Other Schools	School	2,257,479
06	Ebenezer Avenue Elementary	Elementary Schools	School	9,317,229
07	Dutchman Creek Middle	Middle Schools	School	6,427,828
08	Ebinport Elementary	Elementary Schools	School	4,386,543
14	Finley Road Elementary	Elementary Schools	School	3,769,250
16	Independence Elementary	Elementary Schools	School	3,516,064
18	India Hook Elementary	Elementary Schools	School	3,632,044
20	Leslie Elementary	Elementary Schools	School	3,078,513
22	Mt. Gallant Elementary	Elementary Schools	School	3,292,375
23	Mt. Holly Elementary	Elementary Schools	School	3,655,951
24	Northside Elementary	Elementary Schools	School	4,804,052
26	Northwestern High	High Schools	School	19,362,268
28	Oakdale Elementary	Elementary Schools	School	5,742,736
29	Old Pointe Elementary	Elementary Schools	School	3,668,947
30	Rawlinson Road Middle	Middle Schools	School	6,738,547
31	Renaissance Academy	Other Schools	School	398,938
32	Richmond Drive Elementary	Elementary Schools	School	4,850,902
33	T-3	Other Schools	School	361,162
34	ParentSmart	Other Schools	School	622,912
36	Applied Technology Center	Other Schools	School	8,680,205
38	Rock Hill High	High Schools	School	19,860,684
40	Rosewood Elementary	Elementary Schools	School	4,557,971
41	South Pointe High	High Schools	School	11,023,865
42	Sullivan Middle	Middle Schools	School	8,155,825
44	Sunset Park Elementary	Elementary Schools	School	6,166,752
46	The Children's School	Other Schools	School	1,746,446
48	York Road Elementary	Elementary Schools	School	3,516,666
49	Phoenix Academy	Other School	School	1,399,554
50	Saluda Trail Middle	Middle Schools	School	7,414,258
52	Cherry Park Elementary	Elementary Schools	School	18,306,053
60	Office of Superintendent	Non-Schools	Central	554,611
65	Health Services	Non-Schools	Central	58,555
66	Facilities Services	Non-Schools	Central	5,795,566
68	Food Service	Non-Schools	Central	5,156,617
70	Transportation	Non-Schools	Central	4,993,145
72	Purchasing	Non-Schools	Central	478,670
76	Adult Education	Other Schools	School	919,746
78	Personnel	Non-Schools	Central	1,044,461
80	Finance	Non-Schools	Central	1,391,647
81	Administrative Services	Non-Schools	Central	659,503
82	Information Services	Non-Schools	Central	213,099
83	Student Services	Non-Schools	Central	\$ 264,598

(Continued)

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2018

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
84	Planning	Non-Schools	Central	\$ 735,273
85	Community Partnerships	Non-Schools	Central	132,582
86	Exceptional Student Education	Non-Schools	Central	7,651,099
87	Technology	Non-Schools	Central	7,642,620
88	District 3 Stadium South	Non-Schools	Central	87,635
89	Stadium	Non-Schools	Central	192,257
90	Board of Trustees	Non-Schools	Central	982,089
92	Central Office	Non-Schools	Central	7,478,263
95	Flexible Learning Center	Other Schools	School	500,565
219	Raven Academy	Other Schools	School	562,713
660	Instruction/Accountability	Non-Schools	Central	5,759,969
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS				\$ 322,287,136

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

General Fund	\$ 150,955,614
Special Revenue Fund	17,813,948
Special Revenue - EIA Fund	6,214,655
Debt Service Fund	16,508,686
Capital Projects Fund	120,671,299
Special Revenue - Food Service	6,756,572
Pupil Activity Fund	3,366,362
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS	\$ 322,287,136

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Compliance Section

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2018

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
US Department of Agriculture				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 1,230,272
600	National School Lunch Program - Cash Assistance	10.555	N/A	3,995,348
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	572,078
Total 10.553 & 10.555 Cluster				5,797,698
600	Child Nutrition Equipment Grant	10.579	N/A	5,881
Total Passed Through State Department of Education				5,803,579
Total US Department of Agriculture				5,803,579
US Department of Education				
Pass-through State Department of Education:				
201	Title I	84.010	Title I - 17	1,453,697
201	Title I	84.010	Title I - 18	3,453,869
201	Title I - Mini Grant	84.010	Title I - 18	45,887
221	Title I - Neglected and Delinquent	84.010	Title I N&D - 16	29,313
221	Title I - Neglected and Delinquent Mini Grant	84.010	Title I N&D - 16	106
221	Title I - Neglected and Delinquent	84.010	Title I N&D - 17	177,849
237	Title I - School Improvement	84.010A	Title I - Focus - 16	65,000
Total 84.010 & 84.010A				5,225,721
Individuals with Disabilities Education Act:				
203	IDEA	84.027A	IDEA - 17	269,953
203	IDEA	84.027A	IDEA - 18	2,869,712
205	IDEA - Preschool Handicapped	84.173	IDEA Pre-School Grants - 17	16,723
205	IDEA - Preschool Handicapped	84.173	IDEA Pre-School Grants - 18	124,219
280	Private School Placement	84.027	15CE091	43,314
822	Extended School Year	84.027	Extended School Year - 17	35,902
Total 84.027A, 84.173, & 84.027 Cluster				3,359,823
207	Occupational Education	84.048A	Perkins Aid, Title I - 17	248,661
225	Title II - Mathematics & Science	84.366B	Title II - 17	12,000
225	Title II - Mathematics & Science	84.366B	Title II - 18	85,732
243	Adult Education	84.002	Adult Education - 17	166,575
264	Title III - English Language Acquisition	84.365A	Language Instruction Title III - 18	69,172
267	Title II - Improving Teacher Quality	84.367A	Title II - 17	15,072
267	Title II - Improving Teacher Quality	84.367A	Title II - 18	477,498
894	Title VII	84.060A	Title VII - 18	15,200
Total Passed Through State Department of Education				9,675,454
Total US Department of Education				9,675,454
US Department of Defense				
Direct Programs:				
295	JROTC	12.000	N/A	163,276
Total US Department of Defense				163,276
US Department of Labor				
Direct Programs:				
827	Jobs for America's Graduates	17.278	N/A	62,100
Total US Department of Labor				62,100
TOTAL FEDERAL ASSISTANCE EXPENDED				\$ 15,704,409

Note: The District did not have any expenditures to subrecipients.

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

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2018

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Rock Hill School District Three, Rock Hill, South Carolina (the “District”) for the year ended June 30, 2018. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

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

C – Relationship to Financial Statements

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

D – Relationship to Federal Financial Reports

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

E – Indirect Cost Rate

The District has elected not to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

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Greene Finney, 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
Rock Hill School District Three
Rock Hill, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Rock Hill School District Three, South Carolina (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 27, 2018. Our report includes a reference to another auditor who audited the financial statements of the discretely presented component unit, as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

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

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

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

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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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Greene Finney, LLP". The signature is written in a cursive, flowing style.

Greene Finney, LLP
Mauldin, South Carolina
November 27, 2018



Greene Finney, 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
Rock Hill School District Three
Rock Hill, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Rock Hill School District Three, South Carolina's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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, 2018.

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Report on Internal Control Over Compliance

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

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

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

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



Greene Finney, LLP
Mauldin, South Carolina
November 27, 2018

**ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2018

There were no audit findings in the prior year.

ROCK HILL SCHOOL DISTRICT THREE
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 & 10.555	Child Nutrition Cluster

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

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

Section II - Current Year Financial Statement Findings

No matters to report

Section III - Current Year Federal Award Findings and Questioned Costs

No matters to report

Memo

TO: Dr. Bill Cook
FROM: Anthony Cox, P.E.
DATE: January 23, 2019
SUBJECT: Revision of "E" Policies (Support Services / Business Management)
CC: E Policy Revision Team / Luanne Kokolis / John Jones

A stakeholder team has been chartered to update and revise the subject set of 21 board policies. The team's third "batch" of revised policies and administrative rules is attached.

For the convenience of the Board, a summary table of third batch revisions is also attached, along with an overall plan of Section "E" policy revisions. The team as a whole group has been advised by Dr. Tiffany Richardson, of the SCSBA Policy Services Division.

Subsequent to first read approval, our team was advised by Dr. Nancy Turner to make further changes to recently approved policy EEA/EEAC, Student Transportation, Bus Scheduling, And Routing. This policy is also attached.

The third batch of policies, including EEA/EEAC above, was shared with the Board at its work session on January 14, 2019. As shared in our Hotline memorandum dated January 18, 2019, feedback on policies and rules resulted in transfer of policy EFE and rule EFE-R, Competitive Foods/Vending Machines to Batch Four, to be brought back to the Board in February 2019.

Another question from the Board at the work session concerned our Workers' Compensation benefits discussed in Policy EI, Insurance and Risk Management. The following clarification is offered on this procedure, governed by state law and regulation:

An employee can choose to use available sick leave days in lieu of receiving workers' compensation benefits. There is a seven day grace period before workers' compensation benefits will take effect. The workers' compensation rate is 2/3rd of the employee's gross weekly wages, with a maximum of \$766.05 a week starting on day eight. Due to the grace period and the reduced workers' compensation rate, most employees will elect to use their available sick leave days instead of electing to use workers' compensation benefits.

The team presents the attached revised policies to the Board of Trustees for 1st read approval at the January 28th business meeting.

Section E (Batch Three)
SUPPORT SERVICES

Note: The purpose statement has been deleted from each policy.

Code	Heading	Notes
EB, -R	Environmental Sustainability	Our district created the current policy EZ, Environmental Sustainability, which was adopted by the state as Model policy EB, Environment and Safety Program. Minor editorial revisions have been made by the state as it was established. Proposed policy is the same as the Model. Proposed rule is revised to allow for alternative “green” commercial rating systems.
EC	Buildings/Grounds/Property Management	The proposed is the model. Our district does not currently have this policy and recommends adoption.
ECB	Building and Grounds Maintenance	The proposed is the model. Our district does not currently have this policy and recommends adoption.
ECF, -R	Energy Conservation Management	The district created this policy. The state has no model. Revisions to the policy include the frequency of reports to reflect the current procedure. Revisions to the Rule include adjustments to temperature settings and humidity control criteria, to reflect current practices.
EEA/EEAC	Student Transportation, Bus Scheduling, And Routing	The district merged these two policies and adopted in our Batch #1 in October 2018. Additional language was needed to include recommended information on federal requirements for Special Needs Transportation. We are confirming that SCSBA has included this information in its model policy also.
EF, -R	Food Services	The model reflects changes in state and federal laws and regulations and incorporates district changes made in 2017 for outsourced operations. Added language on free and reduced price meals. Responsibility for cafeteria operation clarified. Includes link for complaint procedures. Revised legal references. Rule is your information revised in June 2017, and includes notification to graduates the option to transfer surplus funds to students with negative balances. Specific nutritional and meal offerings removed; to be covered by contract specification and guidelines.
EI	Insurance Program/Risk Management	Minor editorial revisions. Added paragraph on authorization of purchase of other insurance protection, sentence on provision of workers’ compensation, and sentence on selection of property and casualty insurance.

Policy Update Plan					E	
Call Letter	Title	Adopted	Last Revised	Policy "Owner"	Priority	"Batch"
EA	Support Services Goals/Priority Objectives	02/28/00	02/28/00	Anthony Cox	A	1
EBAB	Hazardous Materials	02/28/00	02/28/00	Brian Vaughan	A	2
EBBA	Prevention of Disease/Infection Transmission	03/24/86	11/28/11	Sadie Kirell	B	2
EBBA-R	Prevention of Disease/Infection Transmission	10/22/90	01/23/07	Sadie Kirell	B	2
EBC	Emergencies	02/28/00	02/28/00	Kevin Wren	A	2
EBCB	Safety Drills	05/28/90	02/28/00	Kevin Wren	A	4
EBCE	School Closings and Cancellations	04/27/78	02/28/00	Anthony Cox	B	1
EBCE-R	School Closings and Cancellations	04/27/78	12/19/18	Anthony Cox	B	1
EC	Building / Grounds / Property Management			Brian Vaughan	C	3
ECA	Security	04/27/78	02/24/14	Kevin Wren	B	2
AR ECA-R	Security - Access Control System	02/00/14	02/24/14	Kevin Wren	B	2
APP 1	Key Assignment/Agreement	02/00/14	02/24/14	Kevin Wren	B	2
APP 2	Custodial Key Log	02/00/14	02/24/14	Kevin Wren	B	2
ECAA	Video Cameras on District Property	09/23/13	09/23/13	Kevin Wren	B	2
AR ECAA-R	Video Cameras on District Property	09/23/13	09/23/13	Kevin Wren	B	2
ECAC	Vandalism	02/28/00	02/28/00	Kevin Wren	A	1
EC	Buildings/Grounds/Property Management			Brian Vaughan	C	3
ECB	Building and Grounds Maintenance			Brian Vaughan	C	3
ECF	Energy Conservation Management	11/24/14	11/24/14	Kim Melander	B	3
AR ECF-R	Energy Conservation Management	11/24/14	11/24/14	Kim Melander	B	3
ED	Materials and Equipment Management	10/24/88	02/28/00	Brian Vaughan/John James	A	4
AR ED-R	Materials and Equipment Management	10/24/88	02/28/00	Brian Vaughan/John James	A	4
EDE	Resource Conservation/Waste Management and Recycling			Brian Vaughan	C	4
EEA	Student Transportation	04/27/78	03/28/11	Bernard Gill	B	1
EEAC	Bus Scheduling and Routing	02/28/00	03/28/11	Bernard Gill	B	1
EEAE	Bus Safety Program	02/28/00	02/28/00	Bernard Gill	B	2
AR EEAE-R	Bus Safety Program	02/28/00	02/28/00	Bernard Gill	B	2
File EEAE-R	Drug and Alcohol Testing Program	02/28/00	02/28/00	Bernard Gill	B	2
EEAEC	Student Conduct on Buses	05/28/90	02/28/00	Bernard Gill	B	2
EEAG	Student Transportation in Private Vehicles	04/27/88	05/22/00	Kevin Wren	A	4
EF	Student Meal Accounts and Food Services	07/24/06	06/26/17	Terri Smith	C	3
AR EF-R	Student Meal Accounts and Food Services	07/24/06	06/26/17	Terri Smith	C	3
EFE	Competitive Food Sales/Vending Machines	09/25/06	09/22/14	Terri Smith	C	3
AR EFE-R	Competitive Food Sales/Vending Machines	09/25/06	09/22/14	Terri Smith	C	3
EGAD	Copyright Compliance			LaWana Robinson-Lee	C	2
AR-EGAD-R	Copyright Compliance			LaWana Robinson-Lee	C	2
EHB	Data/Records Retention	02/28/00	02/28/00	LaWana Robinson-Lee	A	1
EI	Insurance Program/Risk Management	04/27/78	02/28/00	Laney Burris	A	3
EZ	Environmental Sustainability	06/25/13	06/25/13	Anthony Cox	C	3
AR EZ-R	Environmental Sustainability	06/25/13	06/25/13	Anthony Cox	C	3

	Update Action Team Leaders:	Batch 1	Batch 2	Batch 3	LATER:
Team 1	Kevin Wren	ECAC	EBC, ECA, ECAF, EBBA	EI	EBCB, EEAG
Team 2	Brian Vaughan	EEA, EEAC	EBAB, EEAE, EEAEC	EC, ECB, ECF	
Team 3	Anthony Cox	EA, EBCE, EHB	EGAD	EF, EZ (EB)	ED, EDE, EFE

E-Policy Team Members:		NOMINATED:	ACCEPTED:	TIMELINE:	
Team Leader/ ATL 3	Anthony Cox			Supt Approval of Plan	21-Aug
Team Support	Jeanie Faris			Action Team Leaders meet	29-Aug
ATL 1	Kevin Wren			AT's complete batch 1	4-Sep
ATL 2	Brian Vaughan			Submit Batch 1 for 1st Read	5-Sep
Team 1	John James			Present Batch 1 @ WS	10-Sep
Team 3	Terri Smith			Whole team meeting 1	
Team 2	Keith Wilks			(with Dr. Richardson, SCSBA)	20-Sep
Team 1	Laney Burris			Batch 1 approved 1st Read	24-Sep
Team 1	Sadie Kirell			Whole team meeting 2	
Team 2	Bernard Gill			(with Dr. Richardson, SCSBA)	15 or 18-Oct
Team 3	LaWana Robinson-Lee			Batch 1 approved 2nd Read	10/22/18
Team 2	Kim Melander			AT's Complete Batch 2	11/1/18
Team 3	Brian Stradling (SFE)			Submit Batch 2 for 1st Read	11/7/18
Team 1	Tony Lancaster (NHS)			Present Batch 2 @ WS	11/12/18
Team 3	Cynthia Robinson (CHMS)			Batch 2 approved 1st Read	11/26/18
Team 1	Pat Maness (CPESLI)			AT's Complete Batch 3	1/7/19
Team 2	Ron Roveri (Director ATC)			Submit Batch 3 for 1st Read	1/9/19
Team 3	Carla Berry (Instruction Dept)			Present Batch 3 @ WS	1/14/19
NOTE: Timeline contingent upon model policy availability, Dr. Richardson's calendar and Board changes to policy. AT's will meet as needed to complete batches.				Batch 3 approved 1st Read	1/28/19
				Batch 2 approved 2nd Read	1/28/19
				AT's Complete Batch 4	2/4/19
				Submit Batch 4 for 1st Read	2/6/19
				Present Batch 4 @ WS	2/11/19
				Batch 3 approved 2nd Read	2/25/19
				Batch 4 approved 1st Read	2/25/19
				Batch 4 approved 2nd Read	3/25/19

ENVIRONMENTAL SUSTAINABILITY

Code **EB** Issued **DRAFT/18**

General Principles

The board recognizes the importance of environmental sustainability in today's changing world and its critical role in ensuring a successful future for our children.

The board is committed to fostering the complementary and synergistic principles of environmental, economic, and social stewardship through the incorporation of sustainable practices throughout the school district.

Regarding this stewardship, the board views proper sustainable practices as conserving financial and managerial resources as well. Benefits to district funds and other resources should outweigh costs in the long term for a potential practice to be implemented.

The board authorizes the superintendent to prescribe and publish separate administrative procedures required for the implementation of this policy.

Sustainable Practices

The board supports and encourages the development and implementation of sustainable practices throughout the district including, but not limited to:

- energy and water conservation and management
- solid waste minimization through reduction, re-use, and recycling
- efficient and healthy design and construction of school buildings and grounds
- conservation of natural resources through low-impact grounds maintenance and land use
- operation and maintenance of the transportation fleet and promotion of alternative transportation to and from school in a manner which helps prevent air pollution
- environmentally responsible purchasing of products and services
- continuous efforts to educate faculty, staff, students, and parents on sustainability awareness

Adopted 6/25/2013; Revised ^

ENVIRONMENTAL SUSTAINABILITY

Code **EB** *Issued* **DRAFT/18**

General Principles

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- operation and maintenance of the transportation fleet and promotion of alternative transportation to and from school in a manner which helps prevent air pollution
- environmentally responsible purchasing of products and services
- continuous efforts to educate faculty, staff, students, and parents on sustainability awareness

Adopted 6/25/2013; Revised ^

Issued 6/13

Purpose: to provide a safe and healthy learning environment and workplace through environmentally sustainable practices.

A. General Principles.

The Board of Trustees of Rock Hill School District Three recognizes the importance of environmental sustainability in today's changing world and its critical role in ensuring a successful future for our children.

The Board is committed to fostering the complementary and synergistic principles of environmental, economic, and social stewardship through the incorporation of sustainable practices throughout the school district.

Regarding this stewardship, the Board views proper sustainable practices as conserving financial and managerial resources as well. Benefits to district funds and other resources should outweigh costs in the long term for a potential practice to be implemented.

The Board authorizes the Superintendent to prescribe and publish separate administrative procedures required for the implementation of this policy.

B. Sustainable Practices.

The Board of Trustees of Rock Hill School District Three supports and encourages the development and implementation of sustainable practices throughout the district including, but not limited to:

1. Energy and water conservation and management.
2. Solid waste minimization through reduction, re-use and recycling.
3. Efficient and healthy design and construction of school buildings and grounds.
4. Conservation of natural resources through low-impact grounds maintenance and land use.
5. Operation and maintenance of the transportation fleet and promotion of alternative transportation to and from school in a manner which helps prevent air pollution.
6. Environmentally responsible purchasing of products and services.
7. Continuous efforts to educate faculty, staff, students and parents on sustainability awareness.

Adopted 6/25/2013

York 3/Rock Hill School District

ENVIRONMENTAL SUSTAINABILITY

Code **EB-R** Issued **DRAFT/18**

General Rule

Under Policy EZB, the board authorizes the superintendent to prescribe and publish these separate administrative procedures required for the development and implementation of environmentally sustainable practices.

Rock Hill School District Three recognizes the importance of environmental sustainability in today's changing world and its critical role in ensuring a successful future for our children.

Environmental sustainability is defined as the capacity of an endeavor to endure through perpetual maintenance of environmental responsibility and stewardship of economic, social and natural resources.

Holding stewardship of taxpayer resources paramount, the district will demonstrate that the financial, educational, and operational benefits of any sustainable practices outweigh costs in the long term prior to the implementation or adoption of the practice.

Areas of Practice in Sustainability

The district will develop, implement, and manage environmentally sustainable practices throughout the district in the following areas, in order of implementation:

- energy and water conservation and management
- solid waste minimization through reduction, re-use and recycling
- efficient and healthy design and construction of school buildings and grounds
- conservation of natural resources through low-impact grounds maintenance and land use
- operation and maintenance of the transportation fleet and promotion of alternative transportation to and from school in a manner which helps prevent air pollution
- environmentally responsible purchasing of products and services

A foundational effort will be made prior to and throughout the implementation of these practices to continuously educate faculty, staff, students, and parents on sustainability awareness.

Specific Practices in Environmental Sustainability

Energy management

- Maintain a team-based and properly managed energy conservation management program to eliminate utility waste, increase efficiency, enhance the quality of the learning environment and allow utility costs to be avoided which can be re-directed for improving student achievement.
- Pursue certification as an Energy Star labeled school at as many district campuses as possible.

Solid waste minimization

- Minimize the amount of solid waste sent to the landfill by maintaining a team-based and properly managed solid waste minimization and recycling program, including but not limited to all school building, administration, and support facilities.

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- Operate an effective surplus property disposal process, including school-based fixed and consumable assets inventory accountability and online resources for sale for re-use by others.

School building design and construction

- Require that all new construction projects and major modernization or renovation projects be designed and constructed to a minimum LEED (Leadership in Energy and Environmental Design) Certified level (or equivalent level of recognized alternate rating systems).
- Adopt building operations and maintenance practices that proactively address and continuously improve indoor environmental quality in our schools.

Low impact grounds and land use

- Adopt multi-level standards of grounds maintenance, including designated areas of reduced service frequency and fertilization, secession areas and “managed meadow” areas.
- Encourage self-help programs for Parent-Teacher Organizations and schools which focus on sustainable landscaping techniques with ongoing maintenance of grounds improvements.
- Expand the function of storm water retention systems toward the “teaching rain garden” concept.
- Engage in proactive, environmentally based best management practices for land use, promoting Clean Air and Clean Water Acts.

Transportation

- Increase the number of alternative fuel vehicles in the district transportation fleet, to include fuel-efficient and hybrid vehicles, compressed natural gas and bio-diesel powered vehicles, and support facilities.
- Expand efforts to incorporate alternate transportation methods in all schools and offices, including establishment of School Travel Plans at all schools under the South Carolina “Safe Routes To Schools” Program.
- Continue the no-idle policy for school buses and “Breathe Better” campaign for all vehicles on campuses.

Sustainable purchasing practices

- Incorporate “Green Seal” (or equivalent program) certified cleaning products in conjunction with environmentally sustainable cleaning practices throughout the district.
- Procure Energy Star rated appliances and electronics when possible.
- As a minimum, purchase 30% recycled content paper in lieu of standard office paper for all purchases as long as this is cost neutral.
- Adopt methods to reduce paper consumption and save energy by: electronic filing, two-sided copying, web-based conferencing, and the transfer of data via online portals.

Issued 6/25/13; Revised ^

ENVIRONMENTAL SUSTAINABILITY

Code **EB-R** Issued **DRAFT/18**

General Rule

Under Policy EZ, the board authorizes the superintendent to prescribe and publish these separate administrative procedures required for the development and implementation of environmentally sustainable practices.

Rock Hill School District Three recognizes the importance of environmental sustainability in today's changing world and its critical role in ensuring a successful future for our children.

Environmental sustainability is defined as the capacity of an endeavor to endure through perpetual maintenance of environmental responsibility and stewardship of economic, social and natural resources.

Holding stewardship of taxpayer resources paramount, the district will demonstrate that the financial, educational, and operational benefits of any sustainable practices outweigh costs in the long term prior to the implementation or adoption of the practice.

Areas of Practice in Sustainability

The district will develop, implement, and manage environmentally sustainable practices throughout the district in the following areas, in order of implementation:

- energy and water conservation and management
- solid waste minimization through reduction, re-use and recycling
- efficient and healthy design and construction of school buildings and grounds
- conservation of natural resources through low-impact grounds maintenance and land use
- operation and maintenance of the transportation fleet and promotion of alternative transportation to and from school in a manner which helps prevent air pollution
- environmentally responsible purchasing of products and services

A foundational effort will be made prior to and throughout the implementation of these practices to continuously educate faculty, staff, students, and parents on sustainability awareness.

Specific Practices in Environmental Sustainability

Energy management

- Maintain a team-based and properly managed energy conservation management program to eliminate utility waste, increase efficiency, enhance the quality of the learning environment and allow utility costs to be avoided which can be re-directed for improving student achievement.
- Pursue certification as an Energy Star labeled school at as many district campuses as possible.

Solid waste minimization

- Minimize the amount of solid waste sent to the landfill by maintaining a team-based and properly managed solid waste minimization and recycling program, including but not limited to all school building, administration, and support facilities.

PAGE 2 - EZ-R - ENVIRONMENTAL SUSTAINABILITY

- Operate an effective surplus property disposal process, including school-based fixed and consumable assets inventory accountability and online resources for sale for re-use by others.

School building design and construction

- Require that all new construction projects and major modernization or renovation projects be designed and constructed to a minimum LEED (Leadership in Energy and Environmental Design) Certified level.
- Adopt building operations and maintenance practices that proactively address and continuously improve indoor environmental quality in our schools.

Low impact grounds and land use

- Adopt multi-level standards of grounds maintenance, including designated areas of reduced service frequency and fertilization, secession areas and “managed meadow” areas.
- Encourage self-help programs for Parent-Teacher Organizations and schools which focus on sustainable landscaping techniques with ongoing maintenance of grounds improvements.
- Expand the function of storm water retention systems toward the “teaching rain garden” concept.
- Engage in proactive, environmentally based best management practices for land use, promoting Clean Air and Clean Water Acts.

Transportation

- Increase the number of alternative fuel vehicles in the district transportation fleet, to include fuel-efficient and hybrid vehicles, compressed natural gas and bio-diesel powered vehicles, and support facilities.
- Expand efforts to incorporate alternate transportation methods in all schools and offices, including establishment of School Travel Plans at all schools under the South Carolina “Safe Routes To Schools” Program.
- Continue the no-idle policy for school buses and “Breathe Better” campaign for all vehicles on campuses.

Sustainable purchasing practices

- Incorporate “Green Seal” certified cleaning products in conjunction with environmentally sustainable cleaning practices throughout the district.
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- Adopt methods to reduce paper consumption and save energy by: electronic filing, two-sided copying, web-based conferencing, and the transfer of data via online portals.

Issued 6/25/13; Revised ^

Issued 6/13

I. General Rule.

Under Policy EZ, the Board authorizes the Superintendent to prescribe and publish these separate administrative procedures required for the development and implementation of environmentally sustainable practices.

Rock Hill School District Three recognizes the importance of environmental sustainability in today's changing world and its critical role in ensuring a successful future for our children.

Environmental sustainability is defined as the capacity of an endeavor to endure through perpetual maintenance of environmental responsibility and stewardship of economic, social and natural resources.

Holding stewardship of taxpayer resources paramount, the District will demonstrate that the financial, educational and operational benefits of any sustainable practices outweigh costs in the long term prior to the implementation or adoption of the practice.

II. Areas of Practice in Sustainability.

Rock Hill School District Three will develop, implement and manage environmentally sustainable practices throughout the district in the following areas, in order of implementation:

- A. Energy and water conservation and management.
- B. Solid waste minimization through reduction, re-use and recycling.
- C. Efficient and healthy design and construction of school buildings and grounds.
- D. Conservation of natural resources through low-impact grounds maintenance and land use.
- E. Operation and maintenance of the transportation fleet and promotion of alternative transportation to and from school in a manner which helps prevent air pollution.
- F. Environmentally responsible purchasing of products and services.

A foundational effort shall be made prior to and throughout the implementation of these practices to continuously educate faculty, staff, students and parents on sustainability awareness.

III. Specific Practices in Environmental Sustainability.

A. Energy Management.

- 1. Maintain a team-based and properly managed energy conservation management program to eliminate utility waste, increase efficiency, enhance the quality of the learning environment and allow utility costs to be avoided which can be re-directed for improving student achievement.
- 2. Pursue certification as an Energy Star labeled school at as many district campuses as possible.

B. Solid Waste Minimization.

- 1. Minimize the amount of solid waste sent to the landfill by maintaining a team-based and properly managed solid waste minimization and recycling program, including but not limited to all school building, administration, and support facilities.
- 2. Operate an effective surplus property disposal process, including school-based fixed and consumable assets inventory accountability and online resources for sale for re-use by others.

C. School Building Design and Construction.

- 1. Require that all School District new construction projects and major modernization or renovation projects be designed and constructed to a minimum LEED (Leadership in Energy and Environmental Design) Certified level.
- 2. Adopt building operations and maintenance practices that proactively address and continuously improve indoor environmental quality in our schools.

D. Low impact Grounds and Land Use.

1. Adopt multi-level standards of grounds maintenance, including designated areas of reduced service frequency and fertilization, secession areas and "managed meadow" areas.
2. Encourage self-help programs for Parent-Teacher Organizations and schools which focus on sustainable landscaping techniques with ongoing maintenance of grounds improvements.
3. Expand the function of storm water retention systems toward the "teaching rain garden" concept.
4. Engage in proactive, environmentally based best management practices for land use, promoting Clean Air and Clean Water Acts.

E. Transportation.

1. Increase the number of alternative fuel vehicles in the district transportation fleet, to include fuel-efficient and hybrid vehicles, compressed natural gas and bio-diesel powered vehicles and support facilities.
2. Expand efforts to incorporate alternate transportation methods in all schools and offices, including establishment of School Travel Plans at all schools under the South Carolina "Safe Routes To Schools" Program.
3. Continue the no-idle policy for school buses and "Breathe Better" campaign for all vehicles on campuses.

F. Sustainable Purchasing Practices.

1. Incorporate "Green Seal" certified cleaning products in conjunction with environmentally sustainable cleaning practices throughout the district.
2. Procure Energy Star rated appliances and electronics when possible.
3. As a minimum, purchase 30% recycled content paper in lieu of standard office paper for all purchases as long as this is cost neutral.
4. Adopt methods to reduce paper consumption and save energy by: electronic filing, two-sided copying, web-based conferencing, and the transfer of data via online portals.

Adopted 6/25/13

York 3/Rock Hill School District

BUILDINGS/GROUNDS/PROPERTY MANAGEMENT

Code **EC** Issued **DRAFT/18**

The care, custody, and safekeeping of school property are the general responsibility of the superintendent. Within separate schools, the principal will be responsible for the proper care and maintenance of the buildings, equipment, and grounds.

The principal will establish procedures to accomplish the following:

- Provide accurate information in regard to the nature, condition, location, and value of school property.
- Safeguard schools against loss, damage, or undue depreciation.
- Recover and restore to usefulness any school property which may be lost, stolen, or damaged.
- Ensure the proper maintenance and safekeeping of school property.
- Immediately report any physical deficiency or repair needs related to any school property.

Adopted ^

Legal References:

A. S. C. Code, 1976, as amended:

1. Section 59-23-210 - Construction, improvement, and renovation of public schools; compliance with the South Carolina School Facilities Planning and Construction Guide; committee members; submission of plans.

BUILDINGS/GROUNDS/PROPERTY MANAGEMENT

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Adopted ^

Legal References:

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BUILDINGS AND GROUNDS MAINTENANCE

Code **ECB** Issued **DRAFT/18 PROPOSED**

The board is aware of the tremendous investment in school facilities. Therefore the district must establish a continuing program for the maintenance of all district property.

The superintendent is responsible for the overall maintenance of buildings and grounds. The school district will maintain schools and equipment in first class condition and in compliance with state safety regulations by a continuous program of repair, reconditioning, and remodeling.

Each building principal is responsible for the operation and maintenance of his/her school and will supervise custodial staff members as they carry out regular operational and normal maintenance duties. Except in emergencies, the district will provide additional maintenance services only upon approval of the superintendent.

The board, acting on recommendations from the superintendent, must approve the remodeling, reconditioning, and improvement of school buildings.

All construction, ~~improvement~~, and renovation of district property will comply with standards and specifications set forth in the South Carolina Department of Education's *South Carolina School Facilities Planning and Construction Guide*.

Adopted ^

Legal References:

A. S. C. Code, 1976, as amended:

1. Section 59-23-210 - Construction, improvement, and renovation of public schools; compliance with the *South Carolina School Facilities Planning and Construction Guide*; committee members; submission of plans.

BUILDINGS AND GROUNDS MAINTENANCE

Code **ECB** Issued **DRAFT/18**

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Legal References:

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ENERGY CONSERVATION MANAGEMENT

Code **ECF** Issued **DRAFT/18**

The Board of Trustees of Rock Hill Schools believes that a properly managed energy conservation program will achieve financial savings through the elimination of utility waste and the increase of school building efficiency, which will allow costs avoided to be re-directed toward improving student achievement and sustain or improve the quality of the learning environment.

A strong commitment by the board, the district administration, and all school faculty and staff is the foundation of an effective energy conservation management program. The program will establish or promote, at a minimum, the following:

- *Ethical energy use.* A staff development curriculum on energy management basic principles and district administrative procedures will be implemented to train all district employees (including new hires and substitutes), contractors and outside groups using district facilities. It will be the responsibility of each district employee to actively practice energy conservation and to follow guidelines and rules to manage energy consumption and reduce energy waste.
- *Efficiency of energy systems.* Operation and maintenance of electrical, mechanical, plumbing and technology systems and the building envelope will be consistent with this policy and the goals of the energy conservation management program. The district will operate an effective preventive maintenance program for all systems in support of this program.
- *Equity of energy conservation in procurement.* Contracts and billing for utilities services by commercial or governmental sources will be routinely reviewed to ensure accuracy of charges and best terms for rates. Energy efficiency will be a prime consideration in the acquisition of buildings, equipment and other goods and services by the district. An accurate energy management accounting system will measure and verify energy use and cost according to recognized industry protocol. ~~A monthly~~ **Annual** reports from this system will be submitted to each principal or site director showing energy costs avoided and the performance of each school campus compared to an established baseline.

The energy manager will be in charge and facilitate implementation of the energy conservation management program for Rock Hill Schools and will direct, monitor, evaluate and report the energy conservation efforts of the district to the board through the superintendent.

Each principal will be accountable for energy conservation management on his/her campus, ensuring an efficient operating condition is maintained daily. ~~Energy management in the school will be part of the principal's annual evaluation.~~

The superintendent will establish detailed administrative procedures for district and school/site roles and responsibilities and for guidelines to be followed in each major area of energy management.

Adopted 11/24/14; Revised ^

ENERGY CONSERVATION MANAGEMENT

Code **ECF** Issued **DRAFT/18**

The Board of Trustees of Rock Hill Schools believes that a properly managed energy conservation program will achieve financial savings through the elimination of utility waste and the increase of school building efficiency, which will allow costs avoided to be re-directed toward improving student achievement and sustain or improve the quality of the learning environment.

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The energy manager will be in charge and facilitate implementation of the energy conservation management program for Rock Hill Schools and will direct, monitor, evaluate and report the energy conservation efforts of the district to the board through the superintendent.

Each principal will be accountable for energy conservation management on his/her campus, ensuring an efficient operating condition is maintained daily. Energy management in the school will be part of the principal's annual evaluation.

The superintendent will establish detailed administrative procedures for district and school/site roles and responsibilities and for guidelines to be followed in each major area of energy management.

Adopted 11/24/14; Revised ^

Policy ECF Energy Conservation Management

CURRENT

Issued 11/14

Purpose: To establish a program for energy conservation and management.

The Board of Trustees of Rock Hill Schools believes that a properly managed energy conservation program will achieve financial savings through the elimination of utility waste and the increase of school building efficiency, which will allow costs avoided to be re-directed toward improving student achievement and sustain or improve the quality of the learning environment.

A strong commitment by the board, the district administration and all school faculty and staff is the foundation of an effective energy conservation management program. The program will establish or promote, at a minimum, the following.

- *Ethical energy use.* A staff development curriculum on energy management basic principles and district administrative procedures will be implemented to train all district employees (including new hires and substitutes), contractors and outside groups using district facilities. It will be the responsibility of each district employee to actively practice energy conservation and to follow guidelines and rules to manage energy consumption and reduce energy waste.
- *Efficiency of energy systems.* Operation and maintenance of electrical, mechanical, plumbing and technology systems and the building envelope will be consistent with this policy and the goals of the energy conservation management program. The district will operate an effective preventive maintenance program for all systems in support of this program.
- *Equity of energy conservation in procurement.* Contracts and billing for utilities services by commercial or governmental sources will be routinely reviewed to ensure accuracy of charges and best terms for rates. Energy efficiency will be a prime consideration in the acquisition of buildings, equipment and other goods and services by the district. An accurate energy management accounting system will measure and verify energy use and cost according to recognized industry protocol. A monthly report from this system will be submitted to each principal or site director showing energy costs avoided and the performance of each school campus compared to an established baseline.

The energy manager will be in charge and facilitate implementation of the energy conservation management program for Rock Hill Schools and will direct, monitor, evaluate and report the energy conservation efforts of the district to the board through the superintendent.

Each principal will be accountable for energy conservation management on his/her campus, ensuring an efficient operating condition is maintained daily. Energy management in the school will be part of the principal's annual evaluation.

The superintendent will establish detailed administrative procedures for district and school/site roles and responsibilities and for guidelines to be followed in each major area of energy management.

Adopted 11/24/14

York 3/Rock Hill School District

ENERGY CONSERVATION MANAGEMENT

Code **ECF-R** Issued **DRAFT/18** **PROPOSED**

Energy manager

The full time professional position of energy manager will be in charge and will facilitate implementation of an energy conservation management program for Rock Hill Schools. Primary responsibilities of the energy manager will be as follows:

- Direct, monitor, evaluate, and report the energy conservation efforts of the district to the superintendent, who will communicate these efforts to the board.
- Educate faculty and staff on conservation standards and practices.
- Make periodic visits during school hours, nights, and unoccupied hours to ensure practices are being followed and report results of visits to principals or designated site directors.
- Foster commitment to the program by providing information on benefits and measureable progress in energy conservation to all district employees and the Rock Hill community on a frequent, recurring basis.

Campus energy team

The principal is responsible for the total energy usage for his/her school campus. He/she serves as the leader of the campus energy team (CET) which will implement the energy management program on campus.

The energy manager and the principal will jointly appoint an on-site building energy manager (BEM) for each school campus. The principal and the BEM will be jointly responsible for the judicious use of the energy systems at their campus, ensuring an efficient operating condition is maintained daily.

The BEM will serve as the primary point of contact for campus energy issues, monitor the operation of the campus buildings and their systems, recommend energy saving changes to building systems operating procedures, and identify and implement energy conservation opportunities where possible. Within the CET, the BEM will serve as the central coordinator for the execution of the team's energy objectives. BEMs will receive specific training and support to implement their duties within the energy management program.

The membership of the CET is established by the principal and the BEM and additionally should include the following:

- the cafeteria manager
- the media center coordinator
- the P.E. teacher or athletic director
- the secretary or a school office representative
- a faculty representative.

Each teacher is responsible for implementing procedures prescribed in this rule for energy conservation during the time that he/she is present in the classroom.

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Each custodian is responsible during his/her operating shift for control of common areas, such as hallways, lobby, auditorium, etc., as assigned. Since the evening custodians are typically the last persons to leave a building for the night, their designated evening crew leader is responsible to verify proper nighttime shutdown of energy consuming systems.

Other positions included on the CET will be responsible for energy usage within their specific area of the school building. The media center coordinator's responsibilities may also include computer labs or other similar energy intensive areas at the discretion of the principal.

In central office buildings, directors are responsible for total energy usage for buildings or spaces within buildings or spaces assigned.

Staff development

A staff development curriculum on energy management basic principles and district administrative procedures will be implemented to train all district employees (including new hires and substitutes), contractors and outside groups using district facilities.

Energy shutdown procedures

Through staff development, the CET will implement a checklist (~~Appendix 4~~) for daily and weekend shutdown of each campus. Additionally, each CET will implement special checklists for shutdowns prior to Thanksgiving, winter, spring and summer breaks. Modifications and updates to these checklists may be made by the energy manager without amendment or re-issuance of this administrative rule. The energy manager may issue additional specific checklists for shutdown of specific systems or areas, such as cafeterias, athletic facilities, etc.

Energy management and verification system

An accurate energy management accounting system will measure and verify energy use and cost according to recognized industry protocol. A monthly report from this system will be submitted to each principal or designated site director showing energy costs avoided and the performance of each school campus compared to an established baseline.

Rules and Procedures

General building energy use

Classroom doors and windows will remain closed when HVAC equipment is operating. Ensure doors between conditioned space and non-conditioned space remain closed at all times, such as between hallways and gym or courtyard area.

Window blinds should be adjusted to allow the sun to warm the room during the heating season or to block out the sun during the cooling season. After school hours, blinds should be closed completely to preserve conditioned temperatures overnight.

Exterior doors should not be "chocked" or propped open using objects which allow the door to remain open while unattended.

Exhaust fans should be turned off during unoccupied hours except in wiring closets housing IT equipment. Thermostatically controlled exhaust fans will be set to operate when temperatures exceed 90 degrees in mechanical rooms.

Scheduling and utilization of building rooms and spaces should closely match the size of the room to the size of the occupants. Close off and preserve vacant classrooms and other spaces

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instead of using them “because they are there”. Schedule after-hours and weekend/holiday activities in as few rooms as possible.

Technology equipment and classroom/office appliances and machine use

All office machines, such as copy machines, laminating equipment, label makers, shredders, etc., will be switched off each night and during unoccupied times. FAX machines and copy machines which serve as network printers are excluded.

Personal appliances

Limitation of personal appliances in school facilities provides a safe learning environment while resulting in reduced energy consumption and demand. “Personal appliances” are defined as any electrical device used for employee convenience, preparation of food, decoration or amusement in offices and instructional spaces. Although primarily purchased and brought from home by employees, some devices may have been provided by the district.

Prohibited appliances

The following personal appliances are generally not allowed in school buildings due to fire, health, safety, and insurance regulations:

- portable space heaters
- hot plates
- popcorn poppers
- toaster ovens
- candle warmers
- plug-in gel air fresheners

Restricted appliances - break room

The following personal appliances are used for food preparation and storage

- refrigerators
- coffee makers
- microwave ovens

In general, use of these appliances should be discouraged in order to control electrical demand. Also subject to state and local regulations, these appliances are allowed in break rooms and other specially designed areas. **They are not allowed in individual classrooms or offices unless specifically authorized by the Superintendent or his/her designee.** Where approved, these appliances must be connected to approved outlets in a manner that will not present a safety hazard or circuit overload and cleaned out and unplugged during extended shutdowns.

Restricted appliances - individual

These personal appliances may be used in offices and instructional spaces where necessary for instructional purposes or for medical needs. Examples of restricted appliances include the following:

- *table lamps*
- *standing lamps*
- *decorative lighted or mechanical devices*
- *small fans*
- *radios*

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In general, use of these appliances should be discouraged in order to control electrical demand. **Use of these devices require prior approval by the principal** and should be controlled by doing the following.

- verifying educational or medical need
- connection of the devices in a manner that will not present a safety hazard or circuit overload
- switching off devices each night and when not in use during the school day

All approved items must be UL listed and should be Energy Star rated. **No incandescent light bulbs will be used in any approved lamps.**

All personal computers (PCs) should be turned off completely each night and during extended unoccupied periods. This includes the monitor, local (stand-alone, inkjet type) printer and speakers. Laptop and tablet computers may be left docked to their chargers but will be shut down completely during unoccupied hours while charging. Exceptions to this rule must be jointly approved by the energy manager and the executive director of technology.

All major technology server infrastructure, network equipment, and network-connected printers must remain on.

During the school or work day, the monitor of a PC desktop workstation should be manually switched off when it is known that the PC will be inactive for more than 30 minutes.

The executive director for technology will ensure all capable PCs have been programmed for the “energy saver” mode using the power management feature such that the monitor sleeps after 10 minutes of non-use. Network-directed energy management features should be set and operated as prescribed by the executive director for technology and as advised by the energy manager.

LCD projectors and other peripheral equipment will be turned off at the end of the school day. Equipment should be programmed to “standby” when no use is detected after 30 minutes during the day.

HVAC and refrigeration equipment operation and temperature settings

To control electrical demand and redundant system operation a uniform date for the transition of heating and cooling seasons will be set each year. Actual dates may vary according to weather patterns. The energy manager will monitor weather daily and will advise principals and directors when conditions for transition are met and coordinate with the facilities services department for actual equipment changeover.

Temperature settings

Thermostats for HVAC systems will be set within optimum temperature ranges for the duration of the heating and cooling seasons, as follows.

- cooling season
 - 73° to 77°F during occupied times
 - 78° – 80°F during low occupied / summer times
 - 82° - 85°F during unoccupied times
- heating season
 - 68° to 71°F during occupied times
 - 65°F ~~55°F~~ during unoccupied times

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Occupied times means authorized persons are in the space using it more than once during the normal school or work day or for more than one hour continuously at any time of day. Rooms containing equipment designated critical by the executive director for technology are considered occupied, subject to special procedures.

Rooms normally occupied during the school or work day should be considered unoccupied when the students or staff leave that area at the end of the school or work day. The building schedules will be set to allow set points to be satisfied 15 minutes prior to students arriving and 15 minutes after students leave. It is anticipated that the temperature of the room will be maintained long enough to afford comfort for the period that the teacher remains in the classroom when the students have left.

~~In complement to the temperature set points in the paragraph above, relative humidity levels in conditioned rooms will not average more than 60% for any 24 hour period.~~

Thermostats that control multiple rooms in a single zone may be adjusted by facilities services or the energy manager in order to obtain acceptable room temperatures and meet room temperature guidelines across the zone.

During unoccupied times, which include nights, weekends, inclement weather days and holidays, thermostats on HVAC equipment will be “set back” to the unoccupied heating and cooling set points described above.

When HVAC equipment is set back the outside air dampers will be fully closed. This will occur automatically in systems so equipped. In manually damped systems, this will occur during the summer shutdown.

Heating and air conditioning start times will be adjusted by trained personnel, dependent on weather, to ensure room/classroom comfort when the school day or work day begins. During extreme winter conditions unoccupied temperature settings may be adjusted to prevent building or property damage.

Thermostat adjustments are to be made only by trained personnel (BEMs, facilities services staff and the energy manager). When room temperatures fall outside the established guidelines, faculty and staff will report the condition first to the BEM, who will survey rooms and document room conditions to facilities services so that appropriate action can be taken.

Any groups using facilities under the district facilities use policy should not be allowed to make adjustments to any HVAC equipment, over-ride controls or thermostat settings, or enter associated mechanical rooms. All exceptions must be approved by the administration of the school.

Circulating fans may be used in lieu of or in complement to operating HVAC systems, where they can be installed and operated in accordance with fire, safety and insurance regulations and facilities services department procedures.

For heat pumps, ensure a 4°F dead-band between heating and cooling modes.

Refrigeration equipment including vending machines should be kept in good working order by the responsible party controlling the equipment. Thermostat settings for refrigerators will be set between 38 and 42°F and thermostats for freezer equipment will be set at 0 to 10°F unless otherwise directed by the facilities services department.

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Refrigeration equipment and icemakers in kitchens, lounges, concession stands, offices, classrooms, prep areas, and other authorized locations should be switched off during extended unoccupied times, such as Christmas and summer break, where not required by school operations or health regulations. Products normally stored in these units should be removed and/or consolidated wherever possible to empty the unit for shut down. Manufacturer preservation procedures will be followed by the school, vendor or facilities services department in shutting down and re-starting refrigeration equipment. Condition of refrigeration equipment will be considered in shutting units down to minimize problems with re-start.

Vending machines will be operated in an energy efficient manner. Lighting inside machines used only for advertising purposes will be disconnected and bulbs and ballasts removed. Machines will be equipped where feasible with sensors and controls which power down compressors and fans when no use is detected. All other machines will be equipped with timers to switch off units during selected unoccupied hours. Vending machines should be de-stocked and unplugged or disconnected during extended unoccupied times.

Electric water coolers will be adjusted to highest practical temperature settings and will be equipped with timers to switch off units during selected unoccupied hours. Electric water coolers should be unplugged or disconnected during extended unoccupied times.

Lighting control

Interior lighting

Lighting levels will be set and maintained according to the Illumination Engineering Society of North America (IESNA) and Energy Star standards.

AREA	FOOT-CANDLES
Classrooms and labs	50 - 75
Offices	60 - 75
Teacher workrooms/Conference rooms	30 - 50
Auditorium seating	10 - 15
Auditorium stage	50 - 60
Gymnasiums	30 - 45
Kitchens	50 - 75
Dining rooms	15 - 25
Corridors	20 - 30

All switch-controlled lighting in unoccupied areas will be turned off. For purposes of lighting control, an unoccupied area is any area where students or staff are absent for more than five minutes. For gymnasiums and similar rooms with high intensity discharge (HID) metal halide or similar type lighting, an unoccupied area is any area where students or staff are absent for more than 12 minutes.

Even if a room is equipped with infrared occupancy sensors, occupants should switch lights off manually when leaving a room if possible. This will prevent accidental “passive” activation of lights and save many hours of “burn time” each year.

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When a classroom or other room designed for group occupancy is only occupied by the teacher, half of the full lighting level should be used (one of two wall switches).

In circulation areas such as hallways, lobbies, etc., lighting should be reduced wherever safe and practicable during the normal school or work day and will be turned off completely during unoccupied times except the minimum lighting required for security purposes.

All lights will be turned off when students and teachers leave school. Custodians will turn on lights upon entering the specific rooms in which they are working and will shut off lighting upon leaving each room, each time. "Lights out" method of cleaning is strictly prohibited.

Refrain from turning on lights unless definitely needed. Lights not only consume electricity but also give off heat that places an additional load on the air conditioning equipment, increasing the amount of electricity needed to cool the room.

Lights for advertising purposes such as lighted signs, scrolling menu boards, vending machines, glass front concession/drink coolers and snack machines will be used only as required for school communications and not for third party vendor or product advertisement.

Exterior safety and security lighting

Outside lighting should be used to the minimum extent practicable, primarily for safe passage during occupied hours and as required to support on-campus surveillance systems. During normal after-hours (unoccupied) times, outside lighting will not be left on. Research shows that unattended constant outside lighting is not a security requirement or a deterrent to crime. Run times for outside lighting should be adjusted where timers are available and local law enforcement practices allow.

Outside lighting is controlled by energy management systems, photocells and building security alarm systems. At 6:00 am each school-day morning, outside lighting will come on automatically. At times when the building is to be entered at night, as soon as the alarm is turned off, outside lighting will come on automatically. Outside lighting will be automatically switched off by photo-cell in daytime, and switched on again after sunset. When the security system is set at night, all lights including inside and outside lights remain on for 15 minutes and then turn off automatically.

Athletic field lighting

To control consumption, athletic field lighting will not be turned on more than 30 minutes before sunset, and will not be left on unless the area is being utilized. To control demand, athletic field lighting should be turned on in at least two stages, with at least 35 minutes separation between each group of lights activated.

Athletic field lighting standards adopted by Rock Hill Schools are based upon IESNA standards and the NCAA's Best Lighting Practices.

FACILITY	Foot-Candles			Max:Min	Basis of Standard
	Horizontal	Vertical 1	Vertical 2	Uniformity	
District Three Stadium	75	75	45	1.7:1	IESNA Class I; NCAA Regional
District Three Stadium South	50	NA	NA	2.5:1	IESNA Class II

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Baseball Field	50 / 30*	NA	NA	2:1 / 2.5:1*	IESNA Class III
Softball Field	50 / 30*	NA	NA	2:1 / 2.5:1*	IESNA Class III
Soccer Field	50	NA	NA	2:1	NCAA Basic Standard
Practice Field	20	NA	NA	4:1	IESNA Class IV
Tennis Courts	75	NA	NA	1.7:1	NCAA Basic Standard
Tennis Courts	75	NA	NA	1.7:1	NCAA Basic Standard
Football/Soccer/ Track Field	30	NA	NA	3:1	IESNA Class III (Field); NCAA Basic Standard (Track)

Water systems and water use

Ensure that plumbing or intrusion (i.e. roof) leaks are reported and repaired immediately.

Ensure all domestic hot water systems are set no higher than 110°F (no higher than 160°F for cafeteria service).

Tank-type hot water systems and/or associated re-circulating pumps should be switched off when there will be no demand due to the lack of occupancy for more than 30 hours and where other means are available. Automatic controllers should be programmed to switch off tank water heaters and/or re-circulating pumps on a daily basis where feasible. Adequate insulation for hot and cold water lines will be provided.

Tank-less and other instant hot water heating devices, such as dishwasher heating boosters, should remain switched off until the approximate time such devices will be used. These devices typically take less than five minutes to reach operating temperatures.

To incorporate rain events into irrigation intensity, all automatically controlled systems will be equipped with rain sensors. Sensors will be kept in active mode at the controller and will be set to activate (disable irrigation) after not more than a one-fourth inch event.

When spray irrigating, keep all heads adjusted so as to ensure that water does not directly hit adjacent buildings. Monitor irrigation to insure excessive runoff does not occur; curtail as necessary.

Irrigation of playing fields, grounds and landscaping will be limited to the hours of 7:00 p.m. to 9:00 a.m. nightly. For systems with concurrent zone automatic controllers, irrigation will be limited to the hours of 1:00 a.m. to 7:00 a.m. nightly.

Intensity of irrigation of playing fields

Off-season irrigation: For fields not expected to receive play for at least six weeks, irrigation should be no more frequent than once every two weeks, including rain events. Such fields should be irrigated lightly, at no more than one-fourth inch of water per application (approximately 30 to 35 minutes per application).

In-season irrigation: For fields expected to receive play within six weeks, irrigation should be not more than one inch per week total, including rain accumulation throughout the week. Such fields

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should be irrigated longer (approximately 45 minutes), but not more than three to four times per week, including rainfall events. During each application, soil should be moistened to a depth of six inches to stimulate deep root growth without over-watering, which reduces grass vitality.

Issued 11/24/14; Revised ^

ENERGY CONSERVATION MANAGEMENT

Code **ECF-R** Issued **DRAFT/18**

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Restricted appliances - break room

The following personal appliances are used for food preparation and storage

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- *standing lamps*
- *decorative lighted or mechanical devices*
- *small fans*
- *radios*

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In general, use of these appliances should be discouraged in order to control electrical demand. **Use of these devices require prior approval by the principal** and should be controlled by doing the following.

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 - 85°F during unoccupied times
- heating season
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Rooms normally occupied during the school or work day should be considered unoccupied when the students or staff leave that area at the end of the school or work day. The building schedules will be set to allow set points to be satisfied 15 minutes prior to students arriving and 15 minutes after students leave. It is anticipated that the temperature of the room will be maintained long enough to afford comfort for the period that the teacher remains in the classroom when the students have left.

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When HVAC equipment is set back the outside air dampers will be fully closed. This will occur automatically in systems so equipped. In manually damped systems, this will occur during the summer shutdown.

Heating and air conditioning start times will be adjusted by trained personnel, dependent on weather, to ensure room/classroom comfort when the school day or work day begins. During extreme winter conditions unoccupied temperature settings may be adjusted to prevent building or property damage.

Thermostat adjustments are to be made only by trained personnel (BEMs, facilities services staff and the energy manager). When room temperatures fall outside the established guidelines, faculty and staff will report the condition first to the BEM, who will survey rooms and document room conditions to facilities services so that appropriate action can be taken.

Any groups using facilities under the district facilities use policy should not be allowed to make adjustments to any HVAC equipment, over-ride controls or thermostat settings, or enter associated mechanical rooms. All exceptions must be approved by the administration of the school.

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Refrigeration equipment and icemakers in kitchens, lounges, concession stands, offices, classrooms, prep areas, and other authorized locations should be switched off during extended

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unoccupied times, such as Christmas and summer break, where not required by school operations or health regulations. Products normally stored in these units should be removed and/or consolidated wherever possible to empty the unit for shut down. Manufacturer preservation procedures will be followed by the school, vendor or facilities services department in shutting down and re-starting refrigeration equipment. Condition of refrigeration equipment will be considered in shutting units down to minimize problems with re-start.

Vending machines will be operated in an energy efficient manner. Lighting inside machines used only for advertising purposes will be disconnected and bulbs and ballasts removed. Machines will be equipped where feasible with sensors and controls which power down compressors and fans when no use is detected. All other machines will be equipped with timers to switch off units during selected unoccupied hours. Vending machines should be de-stocked and unplugged or disconnected during extended unoccupied times.

Electric water coolers will be adjusted to highest practical temperature settings and will be equipped with timers to switch off units during selected unoccupied hours. Electric water coolers should be unplugged or disconnected during extended unoccupied times.

Lighting control

Interior lighting

Lighting levels will be set and maintained according to the Illumination Engineering Society of North America (IESNA) and Energy Star standards.

AREA	FOOT-CANDLES
Classrooms and labs	50 - 75
Offices	60 - 75
Teacher workrooms/Conference rooms	30 - 50
Auditorium seating	10 - 15
Auditorium stage	50 - 60
Gymnasiums	30 - 45
Kitchens	50 - 75
Dining rooms	15 - 25
Corridors	20 - 30

All switch-controlled lighting in unoccupied areas will be turned off. For purposes of lighting control, an unoccupied area is any area where students or staff are absent for more than five minutes. For gymnasiums and similar rooms with high intensity discharge (HID) metal halide or similar type lighting, an unoccupied area is any area where students or staff are absent for more than 12 minutes.

Even if a room is equipped with infrared occupancy sensors, occupants should switch lights off manually when leaving a room if possible. This will prevent accidental “passive” activation of lights and save many hours of “burn time” each year.

When a classroom or other room designed for group occupancy is only occupied by the teacher, half of the full lighting level should be used (one of two wall switches).

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In circulation areas such as hallways, lobbies, etc., lighting should be reduced wherever safe and practicable during the normal school or work day and will be turned off completely during unoccupied times except the minimum lighting required for security purposes.

All lights will be turned off when students and teachers leave school. Custodians will turn on lights upon entering the specific rooms in which they are working and will shut off lighting upon leaving each room, each time. "Lights out" method of cleaning is strictly prohibited.

Refrain from turning on lights unless definitely needed. Lights not only consume electricity but also give off heat that places an additional load on the air conditioning equipment, increasing the amount of electricity needed to cool the room.

Lights for advertising purposes such as lighted signs, scrolling menu boards, vending machines, glass front concession/drink coolers and snack machines will be used only as required for school communications and not for third party vendor or product advertisement.

Exterior safety and security lighting

Outside lighting should be used to the minimum extent practicable, primarily for safe passage during occupied hours and as required to support on-campus surveillance systems. During normal after-hours (unoccupied) times, outside lighting will not be left on. Research shows that unattended constant outside lighting is not a security requirement or a deterrent to crime. Run times for outside lighting should be adjusted where timers are available and local law enforcement practices allow.

Outside lighting is controlled by energy management systems, photocells and building security alarm systems. At 6:00 am each school-day morning, outside lighting will come on automatically. At times when the building is to be entered at night, as soon as the alarm is turned off, outside lighting will come on automatically. Outside lighting will be automatically switched off by photo-cell in daytime, and switched on again after sunset. When the security system is set at night, all lights including inside and outside lights remain on for 15 minutes and then turn off automatically.

Athletic field lighting

To control consumption, athletic field lighting will not be turned on more than 30 minutes before sunset, and will not be left on unless the area is being utilized. To control demand, athletic field lighting should be turned on in at least two stages, with at least 35 minutes separation between each group of lights activated.

Athletic field lighting standards adopted by Rock Hill Schools are based upon IESNA standards and the NCAA's Best Lighting Practices.

FACILITY	Foot-Candles			Max:Min	Basis of Standard
	Horizontal	Vertical 1	Vertical 2	Uniformity	
District Three Stadium	75	75	45	1.7:1	IESNA Class I; NCAA Regional
District Three Stadium South	50	NA	NA	2.5:1	IESNA Class II
Baseball Field	50 / 30*	NA	NA	2:1 / 2.5:1*	IESNA Class III
Softball Field	50 / 30*	NA	NA	2:1 / 2.5:1*	IESNA Class III

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Soccer Field	50	NA	NA	2:1	NCAA Basic Standard
Practice Field	20	NA	NA	4:1	IESNA Class IV
Tennis Courts	75	NA	NA	1.7:1	NCAA Basic Standard
Tennis Courts	75	NA	NA	1.7:1	NCAA Basic Standard
Football/Soccer/ Track Field	30	NA	NA	3:1	IESNA Class III (Field); NCAA Basic Standard (Track)

Water systems and water use

Ensure that plumbing or intrusion (i.e. roof) leaks are reported and repaired immediately.

Ensure all domestic hot water systems are set no higher than 110°F (no higher than 160°F for cafeteria service).

Tank-type hot water systems and/or associated re-circulating pumps should be switched off when there will be no demand due to the lack of occupancy for more than 30 hours and where other means are available. Automatic controllers should be programmed to switch off tank water heaters and/or re-circulating pumps on a daily basis where feasible. Adequate insulation for hot and cold water lines will be provided.

Tank-less and other instant hot water heating devices, such as dishwasher heating boosters, should remain switched off until the approximate time such devices will be used. These devices typically take less than five minutes to reach operating temperatures.

To incorporate rain events into irrigation intensity, all automatically controlled systems will be equipped with rain sensors. Sensors will be kept in active mode at the controller and will be set to activate (disable irrigation) after not more than a one-fourth inch event.

When spray irrigating, keep all heads adjusted so as to ensure that water does not directly hit adjacent buildings. Monitor irrigation to insure excessive runoff does not occur; curtail as necessary.

Irrigation of playing fields, grounds and landscaping will be limited to the hours of 7:00 p.m. to 9:00 a.m. nightly. For systems with concurrent zone automatic controllers, irrigation will be limited to the hours of 1:00 a.m. to 7:00 a.m. nightly.

Intensity of irrigation of playing fields

Off-season irrigation: For fields not expected to receive play for at least six weeks, irrigation should be no more frequent than once every two weeks, including rain events. Such fields should be irrigated lightly, at no more than one-fourth inch of water per application (approximately 30 to 35 minutes per application).

In-season irrigation: For fields expected to receive play within six weeks, irrigation should be not more than one inch per week total, including rain accumulation throughout the week. Such fields should be irrigated longer (approximately 45 minutes), but not more than three to four times per week, including rainfall events. During each application, soil should be moistened to a depth of six inches to stimulate deep root growth without over-watering, which reduces grass vitality.

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Issued 11/24/14; Revised ^

MODEL

Issued 11/14

General

Purpose

Rock Hill Schools believes that a properly managed energy conservation management program will allow utility costs to be avoided which can be re-directed for improving student achievement. A formal energy conservation management program will also set standards for building systems operation which will eliminate utility waste, increase efficiency and enhance the quality of the learning environment.

A strong commitment by the board of trustees, the district administration and all school faculty and staff is the foundation of an effective energy conservation management program.

The program will establish or promote the following objectives, at a minimum.

Ethical energy use. It will be the responsibility of each district employee to actively participate in energy conservation efforts and to follow guidelines and rules to manage energy consumption and reduce energy waste.

Efficient energy systems. Operation and maintenance of electrical, mechanical, plumbing and technology systems and the building envelope will be consistent with policy ECF and the goals of the energy conservation management program. The district will implement and sustain an effective preventive maintenance program for all building systems.

Equity of energy conservation in procurement. Contracts and billing for provision of utilities by commercial or governmental sources will be routinely reviewed to ensure accuracy of charges and best terms for rates. Energy efficiency will be a prime consideration in the acquisition of buildings, equipment and other goods and services by the district.

Energy manager

The full time professional position of energy manager will be in charge and will facilitate implementation of an energy conservation management program for Rock Hill Schools. Primary responsibilities of the energy manager will be as follows.

- Direct, monitor, evaluate and report the energy conservation efforts of the district to the superintendent, who will communicate these efforts to the board.
- Educate faculty and staff on conservation standards and practices.
- Make periodic visits during school hours, nights and unoccupied hours to ensure practices are being followed and report results of visits to principals or designated site directors.
- Foster commitment to the program by providing information on benefits and measureable progress in energy conservation to all district employees and the Rock Hill community on a frequent, recurring basis.

Campus energy team

The principal is responsible for the total energy usage for his/her school campus. He/she serves as the leader of the campus energy team (CET) which will implement the energy management program on campus.

The energy manager and the principal will jointly appoint an on-site building energy manager (BEM) for each school campus. The principal and the BEM will be jointly responsible for the judicious use of the energy systems at their campus, ensuring an efficient operating condition is maintained daily.

The BEM will serve as the primary point of contact for campus energy issues, monitor the operation of the campus buildings and their systems, recommend energy saving changes to building systems operating procedures and identify and implement energy conservation opportunities where possible. Within the CET, the BEM will serve as the central coordinator for the execution of the team's energy objectives. BEMs will receive specific training and support to implement their duties within the energy management program.

The membership of the CET is established by the principal and the BEM and additionally should include the following.

- the cafeteria manager
- the media center coordinator
- the P.E. teacher or athletic director
- the secretary or a school office representative

- a faculty representative.

Each teacher is responsible for implementing procedures prescribed in this rule for energy conservation during the time that he/she is present in the classroom.

Each custodian is responsible during his/her operating shift for control of common areas, such as hallways, lobby, auditorium, etc., as assigned. Since the evening custodians are typically the last persons to leave a building for the night, their designated evening crew leader is responsible to verify proper nighttime shutdown of energy consuming systems.

Other positions included on the CET will be responsible for energy usage within their specific area of the school building. The media center coordinator's responsibilities may also include computer labs or other similar energy intensive areas at the discretion of the principal.

In central office buildings, directors are responsible for total energy usage for buildings or spaces within buildings or spaces assigned.

Staff development

A staff development curriculum on energy management basic principles and district administrative procedures will be implemented to train all district employees (including new hires and substitutes), contractors and outside groups using district facilities.

Energy shutdown procedures

Through staff development, the CET will implement a checklist (Appendix 1) for daily and weekend shutdown of each campus. Additionally, each CET will implement special checklists for shutdowns prior to Thanksgiving, winter, spring and summer breaks. Modifications and updates to these checklists may be made by the energy manager without amendment or re-issuance of this administrative rule. The energy manager may issue additional specific checklists for shutdown of specific systems or areas, such as cafeterias, athletic facilities, etc.

Energy management and verification system

An accurate energy management accounting system will measure and verify energy use and cost according to recognized industry protocol. A monthly report from this system will be submitted to each principal or designated site director showing energy costs avoided and the performance of each school campus compared to an established baseline.

Rules and procedures

General building energy use

Classroom doors and windows will remain closed when HVAC equipment is operating. Ensure doors between conditioned space and non-conditioned space remain closed at all times, such as between hallways and gym or courtyard area.

Window blinds should be adjusted to allow the sun to warm the room during the heating season or to block out the sun during the cooling season. After school hours, blinds should be closed completely to preserve conditioned temperatures overnight.

Exterior doors should not be "chocked" or propped open using objects which allow the door to remain open while unattended.

Exhaust fans should be turned off during unoccupied hours except in wiring closets housing IT equipment. Thermostatically controlled exhaust fans will be set to operate when temperatures exceed 90 degrees in mechanical rooms.

Scheduling and utilization of building rooms and spaces should closely match the size of the room to the size of the occupants. Close off and preserve vacant classrooms and other spaces instead of using them "because they are there". Schedule after-hours and weekend/holiday activities in as few rooms as possible.

Technology equipment and classroom/office appliances and machine use

All office machines, such as copy machines, laminating equipment, label makers, shredders, etc., will be switched off each night and during unoccupied times. FAX machines and copy machines which serve as network printers are excluded.

Personal appliances

Limitation of personal appliances in school facilities provides a safe learning environment while resulting in reduced energy consumption and demand. "Personal appliances" are defined as any electrical device used for employee convenience, preparation of food, decoration or amusement in offices and instructional spaces. Although primarily purchased and brought from home by employees, some devices may have been provided by the district.

Prohibited appliances

The following personal appliances are generally not allowed in school buildings due to fire, health, safety and insurance regulations

- portable space heaters
- hot plates
- popcorn poppers
- toaster ovens
- candle warmers
- plug-in gel air fresheners

Restricted appliances - break room

The following personal appliances are used for food preparation and storage

- refrigerators
- coffee makers
- microwave ovens

In general, use of these appliances should be discouraged in order to control electrical demand. Also subject to state and local regulations, these appliances are allowed in break rooms and other specially designed areas. **They are not allowed in individual classrooms or offices unless specifically authorized by the Superintendent or hi/s/her designee.** Where approved, these appliances must be connected to approved outlets in a manner that will not present a safety hazard or circuit overload and cleaned out and unplugged during extended shutdowns.

Restricted appliances - individual

These personal appliances may be used in offices and instructional spaces where necessary for instructional purposes or for medical needs. Examples of restricted appliances include the following.

- *table lamps*
- *standing lamps*
- *decorative lighted or mechanical devices*
- *small fans*
- *radios*

In general, use of these appliances should be discouraged in order to control electrical demand. **Use of these devices require prior approval by the principal** and should be controlled by doing the following.

- verifying educational or medical need
- connection of the devices in a manner that will not present a safety hazard or circuit overload
- switching off devices each night and when not in use during the school day

All approved items must be UL listed and should be Energy Star rated. **No incandescent light bulbs will be used in any approved lamps.**

All personal computers (PCs) should be turned off completely each night and during extended unoccupied periods. This includes the monitor, local (stand-alone, inkjet type) printer and speakers. Laptop and tablet computers may be left docked to their chargers but will be shut down completely during unoccupied hours while charging. Exceptions to this rule must be jointly approved by the energy manager and the executive director of technology.

All major technology server infrastructure, network equipment and network-connected printers must remain on.

During the school or work day, the monitor of a PC desktop workstation should be manually switched off when it is known that the PC will be inactive for more than 30 minutes.

The executive director for technology will ensure all capable PCs have been programmed for the "energy saver" mode using the

power management feature such that the monitor sleeps after 10 minutes of non-use. Network-directed energy management features should be set and operated as prescribed by the executive director for technology and as advised by the energy manager.

LCD projectors and other peripheral equipment will be turned off at the end of the school day. Equipment should be programmed to "standby" when no use is detected after 30 minutes during the day.

HVAC and refrigeration equipment operation and temperature settings

To control electrical demand and redundant system operation a uniform date for the transition of heating and cooling seasons will be set each year. Actual dates may vary according to weather patterns. The energy manager will monitor weather daily and will advise principals and directors when conditions for transition are met and coordinate with the facilities services department for actual equipment changeover.

Temperature settings

Thermostats for HVAC systems will be set within optimum temperature ranges for the duration of the heating and cooling seasons, as follows.

- cooling season
 - 73° to 77°F during occupied times
 - 85°F during unoccupied times
- heating season
 - 68° to 71°F during occupied times
 - 55°F during unoccupied times

Occupied times means authorized persons are in the space using it more than once during the normal school or work day or for more than one hour continuously at any time of day. Rooms containing equipment designated critical by the executive director for technology are considered occupied, subject to special procedures.

Rooms normally occupied during the school or work day should be considered unoccupied when the students or staff leave that area at the end of the school or work day. The building schedules will be set to allow set points to be satisfied 15 minutes prior to students arriving and 15 minutes after students leave. It is anticipated that the temperature of the room will be maintained long enough to afford comfort for the period that the teacher remains in the classroom when the students have left.

In complement to the temperature set points in the paragraph above, relative humidity levels in conditioned rooms will not average more than 60% for any 24 hour period.

Thermostats that control multiple rooms in a single zone may be adjusted by facilities services or the energy manager in order to obtain acceptable room temperatures and meet room temperature guidelines across the zone.

During unoccupied times, which include nights, weekends, inclement weather days and holidays, thermostats on HVAC equipment will be "set back" to the unoccupied heating and cooling set points described above.

When HVAC equipment is set back the outside air dampers will be fully closed. This will occur automatically in systems so equipped. In manually damped systems, this will occur during the summer shutdown.

Heating and air conditioning start times will be adjusted by trained personnel, dependent on weather, to ensure room/classroom comfort when the school day or work day begins. During extreme winter conditions unoccupied temperature settings may be adjusted to prevent building or property damage.

Thermostat adjustments are to be made only by trained personnel (BEMs, facilities services staff and the energy manager). When room temperatures fall outside the established guidelines, faculty and staff will report the condition first to the BEM, who will survey rooms and document room conditions to facilities services so that appropriate action can be taken.

Any groups using facilities under the district facilities use policy should not be allowed to make adjustments to any HVAC equipment, over-ride controls or thermostat settings or enter associated mechanical rooms. All exceptions must be approved by the administration of the school.

Circulating fans may be used in lieu of or in complement to operating HVAC systems, where they can be installed and operated in accordance with fire, safety and insurance regulations and facilities services department procedures.

For heat pumps, ensure a 4°F dead-band between heating and cooling modes.

Refrigeration equipment including vending machines should be kept in good working order by the responsible party controlling the equipment. Thermostat settings for refrigerators will be set between 38 and 42°F and thermostats for freezer equipment will be set at 0 to 10°F unless otherwise directed by the facilities services department.

Refrigeration equipment and icemakers in kitchens, lounges, concession stands, offices, classrooms, prep areas and other authorized locations should be switched off during extended unoccupied times, such as Christmas and summer break, where not required by school operations or health regulations. Products normally stored in these units should be removed and/or consolidated wherever possible to empty the unit for shut down. Manufacturer preservation procedures will be followed by the school, vendor or facilities services department in shutting down and re-starting refrigeration equipment. Condition of refrigeration equipment will be considered in shutting units down to minimize problems with re-start.

Vending machines will be operated in an energy efficient manner. Lighting inside machines used only for advertising purposes will be disconnected and bulbs and ballasts removed. Machines will be equipped where feasible with sensors and controls which power down compressors and fans when no use is detected. All other machines will be equipped with timers to switch off units during selected unoccupied hours. Vending machines should be de-stocked and unplugged or disconnected during extended unoccupied times.

Electric water coolers will be adjusted to highest practical temperature settings and will be equipped with timers to switch off units during selected unoccupied hours. Electric water coolers should be unplugged or disconnected during extended unoccupied times.

Lighting control

Interior lighting

Lighting levels will be set and maintained according to the Illumination Engineering Society of North America (IESNA) and Energy Star standards.

AREA	FOOT-CANDLES
Classrooms and labs	50 - 75
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Teacher workrooms/Conference rooms	30 - 50
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Gymnasiums	30 - 45
Kitchens	50 - 75
Dining rooms	15 - 25
Corridors	20 - 30

All switch-controlled lighting in unoccupied areas will be turned off. For purposes of lighting control, an unoccupied area is any area where students or staff are absent for more than five minutes. For gymnasiums and similar rooms with high intensity discharge (HID) metal halide or similar type lighting, an unoccupied area is any area where students or staff are absent for more than 12 minutes.

Even if a room is equipped with infrared occupancy sensors, occupants should switch lights off manually when leaving a room if possible. This will prevent accidental "passive" activation of lights and save many hours of "burn time" each year.

When a classroom or other room designed for group occupancy is only occupied by the teacher, half of the full lighting level should be used (one of two wall switches).

In circulation areas such as hallways, lobbies, etc., lighting should be reduced wherever safe and practicable during the normal school or work day and will be turned off completely during unoccupied times except the minimum lighting required for security purposes.

All lights will be turned off when students and teachers leave school. Custodians will turn on lights upon entering the specific rooms in which they are working and will shut off lighting upon leaving each room, each time. "Lights out" method of cleaning is strictly prohibited.

Refrain from turning on lights unless definitely needed. Lights not only consume electricity but also give off heat that places an additional load on the air conditioning equipment, increasing the amount of electricity needed to cool the room.

Lights for advertising purposes such as lighted signs, scrolling menu boards, vending machines, glass front concession/drink coolers and snack machines will be used only as required for school communications and not for third party vendor or product advertisement.

Exterior safety and security lighting

Outside lighting should be used to the minimum extent practicable, primarily for safe passage during occupied hours and as required to support on-campus surveillance systems. During normal after-hours (unoccupied) times, outside lighting will not be left on. Research shows that unattended constant outside lighting is not a security requirement or a deterrent to crime. Run times for outside lighting should be adjusted where timers are available and local law enforcement practices allow.

Outside lighting is controlled by energy management systems, photocells and building security alarm systems. At 6:00 am each school-day morning, outside lighting will come on automatically. At times when the building is to be entered at night, as soon as the alarm is turned off, outside lighting will come on automatically. Outside lighting will be automatically switched off by photo-cell in daytime, and switched on again after sunset. When the security system is set at night, all lights including inside and outside lights remain on for 15 minutes and then turn off automatically.

Athletic field lighting

To control consumption, athletic field lighting will not be turned on more than 30 minutes before sunset, and will not be left on unless the area is being utilized. To control demand, athletic field lighting should be turned on in at least two stages, with at least 35 minutes separation between each group of lights activated.

Athletic field lighting standards adopted by Rock Hill Schools are based upon IESNA standards and the NCAA's Best Lighting Practices.

FACILITY	Foot-Candles		Max:Min		Basis of Standard
	Horizontal	Vertical 1	Vertical 2	Uniformity	
District Three Stadium	75	75	45	1.7:1	IESNA Class I; NCAA Regional
District Three Stadium South	50	NA	NA	2.5:1	IESNA Class II
Baseball Field	50 / 30*	NA	NA	2:1 / 2.5:1*	IESNA Class III
Softball Field	50 / 30*	NA	NA	2:1 / 2.5:1*	IESNA Class III
Soccer Field	50	NA	NA	2:1	NCAA Basic Standard
Practice Field	20	NA	NA	4:1	IESNA Class IV
Tennis Courts	75	NA	NA	1.7:1	NCAA Basic Standard
Tennis Courts	75	NA	NA	1.7:1	NCAA Basic Standard
Football/Soccer/ Track Field	30	NA	NA	3:1	IESNA Class III (Field); NCAA Basic Standard (Track)

Water systems and water use

Ensure that plumbing or intrusion (i.e. roof) leaks are reported and repaired immediately.

Ensure all domestic hot water systems are set no higher than 110°F (no higher than 160°F for cafeteria service).

Tank-type hot water systems and/or associated re-circulating pumps should be switched off when there will be no demand due to the lack of occupancy for more than 30 hours and where other means are available. Automatic controllers should be programmed to switch off tank water heaters and/or re-circulating pumps on a daily basis where feasible. Adequate insulation for hot and cold water lines will be provided.

Tank-less and other instant hot water heating devices, such as dishwasher heating boosters, should remain switched off until the approximate time such devices will be used. These devices typically take less than five minutes to reach operating

temperatures.

To incorporate rain events into irrigation intensity, all automatically controlled systems will be equipped with rain sensors. Sensors will be kept in active mode at the controller and will be set to activate (disable irrigation) after not more than a one-fourth inch event.

When spray irrigating, keep all heads adjusted so as to ensure that water does not directly hit adjacent buildings. Monitor irrigation to insure excessive runoff does not occur; curtail as necessary.

Irrigation of playing fields, grounds and landscaping will be limited to the hours of 7:00 p.m. to 9:00 a.m. nightly. For systems with concurrent zone automatic controllers, irrigation will be limited to the hours of 1:00 a.m. to 7:00 a.m. nightly.

Intensity of irrigation of playing fields

Off-season irrigation: For fields not expected to receive play for at least six weeks, irrigation should be no more frequent than once every two weeks, including rain events. Such fields should be irrigated lightly, at no more than one-fourth inch of water per application (approximately 30 to 35 minutes per application).

In-season irrigation: For fields expected to receive play within six weeks, irrigation should be not more than one inch per week total, including rain accumulation throughout the week. Such fields should be irrigated longer (approximately 45 minutes), but not more than three to four times per week, including rainfall events. During each application, soil should be moistened to a depth of six inches to stimulate deep root growth without over-watering, which reduces grass vitality.

Issued 11/24/14

York 3/Rock Hill School District

Policy

STUDENT TRANSPORTATION, BUS SCHEDULING, AND ROUTING

Code **EEA/EEAC** Issued _____ **DRAFT/19**

The superintendent is responsible for the overall bus transportation in the school district.

The district will provide transportation to all eligible students within the boundaries provided for by federal and state funds and State Board of Education regulations. The district will adhere to all applicable rules and regulations relative to the routing and operation of the transportation system.

The state provides funds to transport all pupils who live more than one and one-half miles from the school. Also, the state provides funds to ensure that there is a bus stop within two-tenths of a mile of each eligible child's residence.

In accordance with federal law, the district will also provide transportation to homeless students to and from their school of origin, students transferring from a Title I school identified for school improvement, a student who is a victim of a violent criminal offense occurring in or on the grounds of the school the student attends, or a student transferring from a school identified as persistently dangerous for three consecutive years.

Consistent with the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and state and federal categorical funding requirements for students with disabilities, transportation on designated special education or special needs buses is reserved for students with qualifying disabilities, who are placed on such buses by the students' Section 504 or Individualized Education Program teams.

Students who travel to and from school on school buses or who make trips in connection with school sponsored activities are under school supervision.

Adults on School Buses

Parents/Legal guardians and other adult school volunteers or employees may ride school buses under the following condition(s):

- Adult school volunteers must be approved under policy IJOB/IJOC
- The volunteers or employees are part of an organized school program

Adopted 10/22/18/; Revised ___/19

Legal references:

Federal Law:

PAGE 2 – EEA/EEAC– STUDENT TRANSPORTATION, BUS SCHEDULING, AND ROUTING

McKinney-Vento Homeless Education Assistance Improvements Act of 2001, 42 U.S.C.A. Section 11431, *et seq.*

Individuals with Disabilities Education Act of 2004, 20 U.S.C Section 1400, et seq.
Section 504, Rehabilitation Act of 1973, 29 U.S.C. Section 701, et seq.

S.C. Code, 1976, as amended:

Section 59-67-410, *et seq.* - Notification of employment for ensuing year; notification of assignment.

Section 59-67-545 – Authorizes certain adults to ride school buses.

State Board of Education Regulations:

R43-80 – Operation of public school transportation services.

Policy EEA/EEAC Student Transportation, Bus Scheduling, And Routing

CURRENT

Issued 10/18

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Adopted 10/22/18

Legal References:

Federal Law:

McKinney-Vento Homeless Education Assistance Improvements Act of 2001, [42 U.S.C.A. Section 11431](#), *et seq.*

S.C. Code, 1976, as amended:

[Section 59-67](#)-410, *et seq.* - School bus transportation.

[Section 59-67](#)-545 - Authorizes certain adults to ride school buses.

State Board of Education Regulations:

[R43-80](#) - Operation of public school transportation services.

York 3/Rock Hill School District

STUDENT MEAL ACCOUNTS AND FOOD SERVICES

Code **EF** Issued **DRAFT/18-PROPOSED**

The district food service program operates under the current guidelines and standards established by state and federal laws and the South Carolina State Board of Education. The district participates in the national school lunch program and provides nutritional, well-balanced breakfasts and lunches in all schools.

The purpose of the district food program is as follows:

- to maintain and improve the health and physical fitness of students by providing with an adequate meal
- to provide a satisfactory learning experience in the food program which will contribute to the overall development of students
- to provide free or reduced-price meals for students from economically deprived families

The ~~principals are~~ Food Service program is responsible for the cafeterias in their schools the district. Individual school lunchroom managers work under the supervision of the food service contract administrator and food service management company. The principals, food service contract administrator, and food service management company will work collaboratively to ensure compliance with all local, state, and federal regulations and requirements, as well as on the overall operation of the food service program. Decisions regarding Food Service program operations must include the food service contract administrator and the general manager of the food service management company.

The food service program will operate in compliance with state and federal regulations and requirements.

The administration will establish rules and procedures which conform to state and federal requirements regarding participation in programs for free and reduced price meals and supplementary food.

Eligibility for students to receive free or reduced price meals will be determined by current federal and state laws. Schools will make every effort to eliminate any social stigma attached to the program and prevent the overt identification of students who are eligible for free or reduced price meals.

The district will not deny any child who a principal or teacher believes is improperly nourished a free lunch, milk, or other food simply because the district has not received proper application from the child's parent/legal guardian.

The board, with the recommendation of the chief financial officer and food service contract administrator sets meal prices for students, based upon South Carolina Department of Education guidelines, and adults annually.

Rock Hill School District Three

(see next page)

PAGE 2 - EF - STUDENT MEAL ACCOUNTS AND FOOD SERVICES

Students/parents/legal guardians wishing to initiate a complaint concerning discrimination in the delivery of benefits or services in the district's school nutrition program should go to the link below or mail a written complaint to the U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.S., Washington D.C. 20250-9410, or email, program.intake@usda.gov.

http://www.ascr.usda.gov/complaint_filing_cust.html

Cf. ADF, EFE, IHAE

Adopted 7/24/06; Revised 6/26/17, ^

Legal References:

A. Federal Law:

1. Child Nutrition Act of 1966 (CNA), 42 U.S.C.A. Section 1771, *et seq.*
2. Healthy, Hunger-Free Kids Act of 2010, Pub. L. No. 111-296, 124 Stat. 3183.

B. S. C. Code, 1976 as amended:

1. Sections 59-10-310, *et seq.* - Nutrition standards.

C. Federal Regulations:

1. National School Lunch Program, 7 C.F.R. Section 210.10.
2. School Breakfast Program, 7 C.F.R. Section 220.8.

D. State Board of Education Regulations:

1. R43-168 - Nutrition standards for elementary (K-5) school food service meals and competitive foods.

STUDENT MEAL ACCOUNTS AND FOOD SERVICES

Code **EF** Issued **DRAFT/18**

The district food service program operates under the current guidelines and standards established by state and federal laws and the South Carolina State Board of Education. The district participates in the national school lunch program and provides nutritional, well-balanced breakfasts and lunches in all schools.

The purpose of the district food program is as follows:

- to maintain and improve the health and physical fitness of students by providing with an adequate meal
- to provide a satisfactory learning experience in the food program which will contribute to the overall development of students
- to provide free or reduced-price meals for students from economically deprived families

The principals are responsible for the cafeteria in their schools. Individual school lunchroom managers work under the supervision of the food service contract administrator and food service management company. The principals, food service contract administrator, and food service management company will work collaboratively on the overall operation of the food service program.

The food service program will operate in compliance with state and federal regulations and requirements.

The administration will establish rules and procedures which conform to state and federal requirements regarding participation in programs for free and reduced price meals and supplementary food. The administration will report such regulations to the board from time to time for its approval.

Eligibility for students to receive free or reduced price meals will be determined by current federal and state laws. Schools will make every effort to eliminate any social stigma attached to the program and prevent the overt identification of students who are eligible for free or reduced price meals.

The district will not deny any child who a principal or teacher believes is improperly nourished a free lunch, milk, or other food simply because the district has not received proper application from the child's parent/legal guardian.

The board, with the recommendation of the chief financial officer and food service contract administrator sets meal prices for students annually based upon South Carolina Department of Education guidelines.

Students/parents/legal guardians wishing to initiate a complaint concerning discrimination in the delivery of benefits or services in the district's school nutrition program should go to the link below or mail a written complaint to the U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.S., Washington D.C. 20250-9410, or email, program.intake@usda.gov.

http://www.ascr.usda.gov/complaint_filing_cust.html

PAGE 2 - EF - STUDENT MEAL ACCOUNTS AND FOOD SERVICES

Cf. ADF, EFE, IHAE

Adopted 7/24/06; Revised 6/26/17, ^

Legal References:

A. Federal Law:

1. Child Nutrition Act of 1966 (CNA), 42 U.S.C.A. Section 1771, *et seq.*
2. Healthy, Hunger-Free Kids Act of 2010, Pub. L. No. 111-296, 124 Stat. 3183.

B. S. C. Code, 1976 as amended:

1. Sections 59-10-310, *et seq.* - Nutrition standards.

C. Federal Regulations:

1. National School Lunch Program, 7 C.F.R. Section 210.10.
2. School Breakfast Program, 7 C.F.R. Section 220.8.

D. State Board of Education Regulations:

1. R43-168 - Nutrition standards for elementary (K-5) school food service meals and competitive foods.

Policy EF Student Meal Accounts and Food Services

CURRENT

Issued 6/17

Purpose: To establish the board's vision and the basic structure for district food services.

The district participates in the national school lunch program and provides nutritional, well-balanced breakfasts and lunches in all schools.

The purpose of the district food program is as follows:

- to maintain and improve the health and physical fitness of the school child by providing him/her with an adequate meal
- to provide a satisfactory learning experience in the food program which will contribute to the overall development of the child
- to provide free or reduced-price meals for students from economically deprived families

The board, with the recommendation of the chief financial officer and food service contract administrator, sets meal prices for students and adults.

The principals are responsible for the cafeteria in their schools. Individual school lunchroom managers work under the supervision of the food service contract administrator and food service management company. The principals, food service contract administrator, and food service management company will work collaboratively on the overall operation of the food service program.

The food service program will operate in compliance with state and federal regulations and requirements.

The administration will establish rules and procedures which conform to state and federal regulations and requirements regarding participation in programs for free and reduced price meals and supplementary food.

Adopted 7/24/06; Revised 6/26/17

Legal references:

Federal Law:

Child Nutrition Act of 1996 (CNA), [42 U.S.C.A. Section 1771](#), *et seq.*

Healthy, Hunger-Free Kids Act of 2010, [Pub. L. No. 111-296](#), 124 Stat. 3183.

S. C. Code, 1976 as amended:

[Sections 59-10-310](#), *et seq.* - Nutrition standards.

Federal Regulations:

National School Lunch Program, [7 C.F.R. Section 210.10](#).

School Breakfast Program, [7 C.F.R. Section 220.8](#).

State Board of Education Regulations:

[R43-168](#) - Nutrition standards for elementary (K-5) school food service meals and competitive foods.

York 3/Rock Hill School District

STUDENT MEAL ACCOUNTS AND FOOD SERVICES

Code **EF-R** Issued **DRAFT/18PROPOSED**

Student Meal Accounts

All cafeteria purchases should be prepaid before meal service. The district offers a variety of methods for parents/legal guardians to fund their students' meal accounts including cash, check, money order, or online payments. ~~using MYPAYMENTSPLUS.COM.~~

Charge accounts

A student may charge up to \$10.00 maximum. A student who charges a meal may not charge any á la carte items or additional items that would result in a cost above and beyond the base meal cost. Parents/Legal guardians will receive at least two ~~written~~ notifications prior to their student being denied the ability to charge meals.

Food service employees and each building principal will work together to prevent meal charges from accumulating. Parents/Legal guardians are expected to pay all meal charges in full by the last day of the school year. Negative balances that remain will be carried forward to the following school year.

Alternate meals

Once a student has received the maximum number of charged meals, he/she will be provided with an alternate meal consisting of ~~a turkey or cheese sandwich, fresh or cup fruit, and milk~~ **all five components of a meal as required by USDA**. Students will not be charged for alternate meals. In order to safeguard the dignity and confidentiality of students, reasonable efforts will be used to avoid calling attention to a student's unpaid balances and/or inability to pay.

No student will be denied an alternate meal. If a student comes to school with no lunch and no money on an ongoing basis, food service employees or other mandated reporters will report this information to the building principal as this may be a sign of abuse or neglect, and the proper authorities will be contacted.

Modifications will be made to alternate meals to ensure that any students with medically documented special dietary needs are provided appropriate accommodations.

Unpaid balances

Students with unpaid balances will not be denied a meal if they have money in hand for a meal on a given day.

The food service manager and other school personnel will coordinate communications to parents/legal guardians to resolve unpaid balances in meal accounts. Parents/Legal guardians will be contacted via written notices (twice per week), automated call systems, and/or phone calls to

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parents/legal guardians. These communications will include providing families with information about the free and reduced lunch programs and the programs' application process.

Parents/Legal guardians are encouraged to discuss payment arrangements with the food service manager and building principal. In establishing the terms of repayment plans, the district will assess each household's particular circumstances and will consider factors including, but not limited to, employment status, family member medical circumstances, etc. Negative balances of more than \$25.00 not paid in full within five school days of the last instructional day of the school year will be turned over to the chief financial officer, or his/her designee, to initiate formal collection efforts, up to and including legal action if appropriate, to recover the costs for unpaid meal charges.

Surplus balances

At the end of the school year, surplus balances in student meal accounts for those students who pay full ~~or reduced~~ prices for meals will remain in the account and the balance will roll to the next school year or can be reimbursed at the request of the parent/legal guardian. **Students with a surplus balance who pay reduced meal prices or receive free meals will be reimbursed at the end of the school year.**

Students who graduate or withdraw will be notified by mail **to the address on file to** ~~and given the option to receive a refund for balances of \$5.00 or more. or to transfer the surplus meal account funds to students with negative balances.~~ If no response is received within ~~30~~ **60** days of the mailing of this notification, the student's meal account will close and the funds will be transferred to the food service program account.

Dissemination of procedures

At the beginning of each school year, the information contained in this administrative rule and any associated procedures will be shared with administrators, principals, school food service professionals, and other district stakeholders charged with duties related to the school food services program. Parents/Legal guardians and students will be notified in writing of this administrative rule and any associated procedures at the beginning of the year, upon transferring into the district, or upon transferring into a new school within the district.

Food Service

During each full school day the school food service program will offer breakfast and lunch, as well as snacks for students in organized after-school education or enrichment programs. Each school will encourage all students to participate in these meal opportunities. Schools will make efforts to ensure that families are aware of need-based programs for free or reduced-price meals and eligible families are encouraged to apply. The program will maintain the confidentiality of students and families applying for or receiving free or reduced-priced meals.

Schools will offer varied and nutritious food choices that are consistent with the federal government's Dietary Guidelines for Americans.

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Upon a physician's request, modified meals will be prepared for students with food allergies or other special food needs. Information on the ingredients used in preparation of school meals will be provided to parents upon request. A diet order form must be completed by a physician to accommodate modified meals. These accommodations will remain in place until the physician discontinues or changes the order. Changes from a physician must be received in writing.

All food service equipment and facilities must meet applicable local and state standards concerning health; safe food preparation, handling, and storage; drinking water; sanitation; and workplace safety.

Each school cafeteria will be staffed by a food service manager who is qualified, certified, and/or credentialed according to current professional standards to administer the school food service program and satisfy reporting requirements.

All food service personnel will have adequate pre-service training in food service operations and regularly participate in professional development activities that address strategies for promoting healthy eating behavior, food safety, and other topics directly relevant to the employee's job duties.

Elementary school students will have 20 minutes to eat lunch once served.

School food service (SFS) guidelines based on South Carolina School Food Service Regulations, South Carolina Student Nutrition and Physical Activity Task Force Recommendations, and the National School Lunch Act and The Dietary Guidelines for Americans will be implemented as follows:

- School food service will offer a minimum of two entrée choices at lunch (one choice may be an entrée salad).
- School food service will encourage input regarding the selection of food items in schools to be offered in the school meal programs by promoting and encouraging administration, staff, student, and parent participation in taste-testing events.
- Require that school cafeteria managers meet with student advisory committees in grades four and up twice each year.
- Allow students to purchase at à la carte prices additional servings of any food item that is part of a reimbursable school meal (serving sizes should be comparable to those of the meal components).
- ~~Offer one percent fat and nonfat milk for all grade levels at breakfast and lunch.~~
- ~~Offer a low-fat meal choice (30 percent or less of calories from fat) at every meal.~~
- ~~Provide low fat and nonfat salad dressing.~~
- ~~Provide information on calories, percentages of fat, and serving sizes of school meal items to help students select appropriate portions of foods.~~

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- ~~Offer a minimum of four choices of fruits and vegetables daily, including fresh fruits and vegetables in season. Students can take two to four servings based on school district discretion.~~
- ~~Offer whole grain foods in all programs whenever possible to meet bread and cereal requirements.~~
- ~~Encourage students to try a variety of foods by serving the full reimbursable meal.~~
- ~~Follow state elementary guidelines for snacks, sweets, and side dishes which have no more than 30 percent of calories from fat, less than 10 percent calories from saturated fat, 10 percent or less of calories from trans fatty acids, and no more than 35 percent of added sugar by weight.~~
- ~~Limit single serving food items sold to elementary students to 1/25 ounces for snacks; two ounces for cookies or cereal bars; three ounces for other bakery items.~~
- ~~No beverages will be sold or served to elementary students until after the last regularly scheduled class, including soda, soft drinks, sports drinks, punches, iced teas and coffees, and fruit based drinks that contain less than 100 percent real fruit juice or that contain added sweeteners.~~
- ~~All à la carte items at the secondary level will follow these guidelines:~~
 - ~~— Food and/or beverage items served will contain no more than 10 grams of fat (excluding nuts and dairy).~~
 - ~~— Food and/or beverage items served will contain no more than 225 calories.~~
 - ~~— Fruits and vegetables will be offered at any location on the school site where foods are sold whenever possible.~~

Issued 7/24/06; Revised 9/25/06, 6/13/16, 6/26/17, ^

STUDENT MEAL ACCOUNTS AND FOOD SERVICES

Code **EF-R** Issued **DRAFT/18**

Student Meal Accounts

All cafeteria purchases should be prepaid before meal service. The district offers a variety of methods for parents/legal guardians to fund their students' meal accounts including cash, check, money order, or online payments using MYPAYMENTSPLUS.COM.

Charge accounts

(Option: The district may implement varying charging policies for students in different grade levels. Varying charging policies may also be established for breakfast and lunch.)

A student may charge up to \$10.00 maximum. A student who charges a meal may not charge any à la carte items or additional items that would result in a cost above and beyond the base meal cost. Parents/Legal guardians will receive at least two written notifications prior to their student being denied the ability to charge meals.

Building principals and food service employees will work together to prevent meal charges from accumulating. Parents/Legal guardians are expected to pay all meal charges in full by the last day of the school year. Negative balances that remain will be carried forward to the following school year.

Alternate meals

Once a student has received the maximum number of charged meals, he/she will be provided with an alternate meal consisting of a turkey or cheese sandwich, fresh or cup fruit, and milk. Students will not be charged for alternate meals. In order to safeguard the dignity and confidentiality of students, reasonable efforts will be used to avoid calling attention to a student's unpaid balances and/or inability to pay.

No student will be denied an alternate meal. If a student comes to school with no lunch and no money on an ongoing basis, food service employees or other mandated reporters will report this information to the building principal as this may be a sign of abuse or neglect, and the proper authorities will be contacted.

Modifications will be made to alternate meals to ensure that any students with medically documented special dietary needs are provided appropriate accommodations.

Unpaid balances

Students with unpaid balances will not be denied a meal if they have money in hand for a meal on a given day.

The food service manager and other school personnel will coordinate communications to parents/legal guardians to resolve unpaid balances in meal accounts. Parents/Legal guardians will be contacted via written notices (twice per week), automated call systems, and/or phone calls to parents/legal guardians. These communications will include providing families with information about the free and reduced lunch programs and the programs' application process.

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Parents/Legal guardians are encouraged to discuss payment arrangements with the food service manager and building principal. In establishing the terms of repayment plans, the district will assess each household's particular circumstances and will consider factors including, but not limited to, employment status, family member medical circumstances, etc. Negative balances of more than \$25.00 not paid in full within five school days of the last instructional day of the school year (*Note: The district can require payment of these unpaid balances whenever it desires. It does not have to wait until the end of the school year, or may wait through the beginning of the next school year.*) will be turned over to the chief financial officer, or his/her designee, to initiate formal collection efforts, up to and including legal action if appropriate, to recover the costs for unpaid meal charges.

Surplus balances

At the end of the school year, surplus balances in student meal accounts for those students who pay full prices for meals will remain in the account and the balance will roll to the next school year or can be reimbursed at the request of the parent/legal guardian. **At the end of the school year, surplus balances in student meal accounts for those students who pay reduced prices for meals will be reimbursed to the parent/legal guardian .**

Students who graduate or withdraw will be notified by mail and given the option to receive a refund for balances of \$5.00 or more or to transfer the surplus meal account funds to students with negative balances. If no response is received within 30 days of the mailing of this notification, the student's meal account will close and the funds will be transferred to the food service program account.

Dissemination of procedures

At the beginning of each school year, the information contained in this administrative rule and any associated procedures will be shared with administrators, principals, school food service professionals, and other district stakeholders charged with duties related to the school food services program. Parents/Legal guardians and students will be notified in writing of this administrative rule and any associated procedures at the beginning of the year, upon transferring into the district, or upon transferring into a new school within the district.

Food Service

During each full school day the school food service program will offer breakfast and lunch, as well as snacks for students in organized after-school education or enrichment programs. Each school will encourage all students to participate in these meal opportunities. Schools will make efforts to ensure that families are aware of need-based programs for free or reduced-price meals and eligible families are encouraged to apply. The program will maintain the confidentiality of students and families applying for or receiving free or reduced-priced meals.

Schools will offer varied and nutritious food choices that are consistent with the federal government's Dietary Guidelines for Americans.

Upon a physician's request, modified meals will be prepared for students with food allergies or other special food needs. Information on the ingredients used in preparation of school meals will be provided to parents upon request. A diet order form must be completed by a physician to accommodate modified meals. These accommodations will remain in place until the physician discontinues or changes the order. Changes from a physician must be received in writing.

All food service equipment and facilities must meet applicable local and state standards concerning health; safe food preparation, handling, and storage; drinking water; sanitation; and workplace safety.

PAGE 3 - EF-R - FOOD SERVICES

Each school cafeteria will be staffed by a food service manager who is qualified, certified, and/or credentialed according to current professional standards to administer the school food service program and satisfy reporting requirements.

All food service personnel will have adequate pre-service training in food service operations and regularly participate in professional development activities that address strategies for promoting healthy eating behavior, food safety, and other topics directly relevant to the employee's job duties.

Elementary school students will have 20 minutes to eat lunch once served.

School food service (SFS) guidelines based on South Carolina School Food Service Regulations, South Carolina Student Nutrition and Physical Activity Task Force Recommendations, and the National School Lunch Act and The Dietary Guidelines for Americans will be implemented as follows:

- School food service will offer a minimum of two entrée choices at lunch (one choice may be an entrée salad).
- School food service will encourage input regarding the selection of food items in schools to be offered in the school meal programs by promoting and encouraging administration, staff, student, and parent participation in taste-testing events.
- Require that school cafeteria managers meet with student advisory committees in grades four and up twice each year.
- Allow students to purchase at á la carte prices additional servings of any food item that is part of a reimbursable school meal (serving sizes should be comparable to those of the meal components).
- Offer one percent fat and nonfat milk for all grade levels at breakfast and lunch.
- Offer a low-fat meal choice (30 percent or less of calories from fat) at every meal.
- Provide low-fat and nonfat salad dressing.
- Provide information on calories, percentages of fat, and serving sizes of school meal items to help students select appropriate portions of foods.
- Offer a minimum of four choices of fruits and vegetables daily, including fresh fruits and vegetables in season. Students can take two to four servings based on school district discretion.
- Offer whole-grain foods in all programs whenever possible to meet bread and cereal requirements.
- Encourage students to try a variety of foods by serving the full reimbursable meal.
- Follow state elementary guidelines for snacks, sweets, and side dishes which have no more than 30 percent of calories from fat, less than 10 percent calories from saturated fat, 10 percent or less of calories from trans fatty acids, and no more than 35 percent of added sugar by weight.

PAGE 4 - EF-R - FOOD SERVICES

- Limit single-serving food items sold to elementary students to 1/25 ounces for snacks; two ounces for cookies or cereal bars; three ounces for other bakery items.
- No beverages will be sold or served to elementary students until after the last regularly scheduled class, including soda, soft drinks, sports drinks, punches, iced teas and coffees, and fruit-based drinks that contain less than 100 percent real fruit juice or that contain added sweeteners.
- All á la carte items at the secondary level will follow these guidelines:
 - Food and/or beverage items served will contain no more than 10 grams of fat (excluding nuts and dairy).
 - Food and/or beverage items served will contain no more than 225 calories.
 - Fruits and vegetables will be offered at any location on the school site where foods are sold whenever possible.

Issued 7/24/06; Revised 9/25/06, 6/13/16, 6/26/17, ^

Issued 6/17

Student Meal Accounts

All cafeteria purchases should be prepaid before meal service. The district offers a variety of methods for parents/legal guardians to fund their students' meal accounts including cash, check, money order, or online payments using MYPAYMENTSPLUS.COM.

Charge accounts

A student may charge up to \$10.00 maximum. A student who charges a meal may not charge any à la carte items or additional items that would result in a cost above and beyond the base meal cost. Parents/Legal guardians will receive at least two written notifications prior to a student being denied the ability to charge meals.

Food service employees and each building principal will work together to prevent meal charges from accumulating. Parents/Legal guardians are expected to pay all meal charges in full by the last day of the school year. Negative balances that remain will be carried forward to the following school year.

Alternate meals

Once a student has received the maximum number of charged meals, he/she will be provided with an alternate meal consisting of a turkey or cheese sandwich, fresh or cup fruit, and milk. Students will not be charged for alternate meals. In order to safeguard the dignity and confidentiality of students, reasonable efforts must be used to avoid calling attention to a student's unpaid balances and/or inability to pay.

No student will be denied an alternate meal. If a student comes to school with no lunch and no money on an ongoing basis, food service employees or other mandated reporters will report this information to the building principal as this may be a sign of abuse or neglect, and the proper authorities will be contacted.

Modifications will be made to alternate meals to ensure that any students with medically documented special dietary needs are provided with appropriate accommodations.

Unpaid balances

Students with unpaid balances will not be denied a meal if they have money in hand for a meal on a given day.

The food service manager and other school personnel will coordinate communications to parents/legal guardians to resolve unpaid balances in meal accounts. Parents/Legal guardians will be contacted via written notices (twice per week), automated call systems, and/or phone calls to parents/legal guardians. These communications will include providing families with information about the free and reduced lunch programs and the programs' application process.

Parents/Legal guardians are encouraged to discuss payment arrangements with the food service manager and building principal. In establishing the terms of repayment plans, the district will assess each household's particular circumstances and will consider factors including, but not limited to, employment status, family member medical circumstances, etc. Negative balances of more than \$25.00 not paid in full within five school days of the last instructional day of the school year will be turned over to the chief financial officer, or his/her designee, to initiate formal collection efforts, up to and including legal action if appropriate, to recover the costs for unpaid meal charges.

Surplus balances

At the end of the school year, surplus balances in student meal accounts for those students who pay full or reduced prices for meals will remain in the account and the balance will roll to the next school year or can be reimbursed at the request of the parent/legal guardian.

Students who graduate or withdraw will be notified by mail and given the option to receive a refund for balances of \$5.00 or more. If no response is received within 30 days of the mailing of this notification, the student's meal account will close and the funds will be transferred to the food service program account.

Dissemination of procedures

At the beginning of each school year, the information contained in this administrative rule and any associated procedures will be shared with administrators, principals, school food service professionals, and other district stakeholders charged with the duties related to the food service program. Parents/Legal guardians and students will be notified in writing of this rule and any associated procedures at the beginning of the year, upon transferring into the district, or upon transferring into a new school within the district.

Food Service

During each full school day the school food service program will offer breakfast and lunch, as well as snacks for students in organized after-school education or enrichment programs. Each school will encourage all students to participate in these meal opportunities. Schools will make efforts to ensure that families are aware of need-based programs for free or reduced-price meals and eligible families are encouraged to apply. The program will maintain the confidentiality of students and families applying for or receiving free or reduced-priced meals.

Schools will offer varied and nutritious food choices that are consistent with the federal government's Dietary Guidelines for Americans.

Upon a physician's request, modified meals will be prepared for students with food allergies or other special food needs. Information on the ingredients used in preparation of school meals will be provided to parents upon request. A diet order form must be completed by a physician to accommodate modified meals. These accommodations will remain in place until the physician discontinues or changes the order. Changes from a physician must be received in writing.

All food service equipment and facilities must meet applicable local and state standards concerning health; safe food preparation, handling, and storage; drinking water; sanitation; and workplace safety.

Each school cafeteria will be staffed by a food service manager who is qualified, certified, and/or credentialed according to current professional standards to administer the school food service program and satisfy reporting requirements.

All food service personnel will have adequate pre-service training in food service operations and regularly participate in professional development activities that address strategies for promoting healthy eating behavior, food safety, and other topics directly relevant to the employee's job duties.

Elementary school students will have 20 minutes to eat lunch once served.

School food service (SFS) guidelines based on South Carolina School Food Service Regulations, South Carolina Student Nutrition and Physical Activity Task Force Recommendations, and the National School Lunch Act and The Dietary Guidelines for Americans will be implemented as follows:

- School food service will offer a minimum of two entrée choices at lunch (one choice may be an entrée salad).
- School food service will encourage input regarding the selection of food items in schools to be offered in the school meal programs by promoting and encouraging administration, staff, student, and parent participation in taste-testing events.
- Require that school cafeteria managers meet with student advisory committees in grades four and up twice each year.
- Allow students to purchase at à la carte prices additional servings of any food item that is part of a reimbursable school meal (serving sizes should be comparable to those of the meal components).
- Offer one percent fat and nonfat milk for all grade levels at breakfast and lunch.
- Offer a low-fat meal choice (30 percent or less of calories from fat) at every meal.
- Provide low-fat and nonfat salad dressing.
- Provide information on calories, percentages of fat, and serving sizes of school meal items to help students select appropriate portions of foods.
- Offer a minimum of four choices of fruits and vegetables daily, including fresh fruits and vegetables in season. Students can take two to four servings based on school district discretion.
- Offer whole-grain foods in all programs whenever possible to meet bread and cereal requirements.
- Encourage students to try a variety of foods by serving the full reimbursable meal.
- Follow state elementary guidelines for snacks, sweets, and side dishes which have no more than 30 percent of calories from fat, less than 10 percent calories from saturated fat, 10 percent or less of calories from trans fatty acids, and no more than 35 percent of added sugar by weight.
- Limit single-serving food items sold to elementary students to 1/25 ounces for snacks; two ounces for cookies or cereal bars; three ounces for other bakery items.
- No beverages will be sold or served to elementary students until after the last regularly scheduled class, including soda, soft drinks, sports drinks, punches, iced teas and coffees, and fruit-based drinks that contain less than 100 percent real fruit juice or that contain added sweeteners.

- All á la carte items at the secondary level will follow these guidelines:
 - Food and/or beverage items served will contain no more than 10 grams of fat (excluding nuts and dairy).
 - Food and/or beverage items served will contain no more than 225 calories.
 - Fruits and vegetables will be offered at any location on the school site where foods are sold whenever possible.

Issued 7/24/06; Revised 9/25/06, 6/13/16, 6/26/17

York 3/Rock Hill School District

INSURANCE PROGRAM/RISK MANAGEMENT

Code **EI** Issued **DRAFT/18-PROPOSED**

The superintendent will ~~recommend to the board the~~ purchase of adequate insurance to protect certain physical assets of the school system. The insurance also protects personnel from civil liability and for medical expenses to the extent of coverage.

The district will provide the health insurance program specified by the State of South Carolina to all full-time permanent employees of the district. (A full-time permanent employee is classified as an employee working a minimum of 30 hours per week in a permanent capacity such as teacher, aide, etc. Substitute teachers are not classified as permanent.)

~~Upon recommendation of the superintendent, the board will also authorize the individual purchase of other insurance protection including annuities by staff members, their spouses and families as well as for students. Staff members may use payroll deduction for certain approved insurance programs. The superintendent will develop and maintain procedures for provision of insurance and for payroll deduction.~~

Workers' Compensation

The board provides workers' compensation insurance coverage for all district employees. Volunteers who are not employees are exceptions to this policy.

The South Carolina Workers' Compensation Law is designed to provide medical and monetary benefits for an employee who sustains an accidental injury arising out of and in the course of his/her employment. The law provides medical care to bring about the earliest possible recovery from the injury, a percentage of wages and salary lost during the injured employee's disability, and, in case of death, compensation for the deceased employee's dependents.

Under the Workers' Compensation Law it is the responsibility of the school district to provide medical treatment for employees injured on the job. School employees must use those providers specified by the employer. Designation of medical treatment providers will be made by the school district in consultation with and upon the recommendation of the worker's compensation insurance carrier. The refusal of an employee to accept any medical, hospital, surgical, or other treatment when provided by the employer will bar such employee from further compensation until such refusal ceases unless, in the opinion of the South Carolina Workers' Compensation Commission, the circumstances justified the refusal.

When an employee is absent from work as a result of accidental injury arising out of and in the course of his/her employment, available sick leave and annual leave and workers' compensation benefits can be coordinated, **at the option of the employee**, to the extent such leave and benefits are available.

Every injured employee or his/her representative will immediately, on the occurrence of an accident or as soon thereafter as practicable, give or cause to be given to his/her principal or immediate supervisor and to the district office a notice of the accident.

Property and Casualty Insurance

The superintendent will see that all buildings, equipment, and vehicles are properly insured.

PAGE 2 - EI - INSURANCE PROGRAM/RISK MANAGEMENT

~~The board~~ In accordance with the Consolidated Procurement Code, the district will select a property and casualty insurance provider for the district. ~~The board,~~ and will cooperate with the provider in areas of risk management.

Cf. GBGD

Adopted 4/27/78; Revised 10/24/88, 2/28/00, ^

Legal References:

A. S. C. Code, 1976, as amended:

1. Section 42-1-10 *et seq.* - The South Carolina Workers Compensation Law.

INSURANCE PROGRAM/RISK MANAGEMENT

Code **EI** Issued **DRAFT/18**

The superintendent will recommend to the board the purchase of adequate insurance to protect certain physical assets of the school system. The insurance also protects personnel from civil liability and for medical expenses to the extent of coverage.

The district will provide the health insurance program specified by the State of South Carolina to all full-time permanent employees of the district. (A full-time permanent employee is classified as an employee working a minimum of 30 hours per week in a permanent capacity such as teacher, aide, etc. Substitute teachers are not classified as permanent.)

Upon recommendation of the superintendent, the board will also authorize the individual purchase of other insurance protection including annuities by staff members, their spouses and families as well as for students. Staff members may use payroll deduction for certain approved insurance programs. The superintendent will develop and maintain procedures for provision of insurance and for payroll deduction.

Workers' Compensation

The board provides workers' compensation insurance coverage for all district employees. Volunteers who are not employees are exceptions to this policy.

The South Carolina Workers' Compensation Law is designed to provide medical and monetary benefits for an employee who sustains an accidental injury arising out of and in the course of his/her employment. The law provides medical care to bring about the earliest possible recovery from the injury, a percentage of wages and salary lost during the injured employee's disability, and, in case of death, compensation for the deceased employee's dependents.

Under the Workers' Compensation Law it is the responsibility of the school district to provide medical treatment for employees injured on the job. School employees must use those providers specified by the employer. Designation of medical treatment providers will be made by the school district in consultation with and upon the recommendation of the worker's compensation insurance carrier. The refusal of an employee to accept any medical, hospital, surgical, or other treatment when provided by the employer will bar such employee from further compensation until such refusal ceases unless, in the opinion of the South Carolina Workers' Compensation Commission, the circumstances justified the refusal.

When an employee is absent from work as a result of accidental injury arising out of and in the course of his/her employment, available sick leave and annual leave and workers' compensation benefits can be coordinated to the extent such leave and benefits are available.

Every injured employee or his/her representative will immediately, on the occurrence of an accident or as soon thereafter as practicable, give or cause to be given to his/her principal or immediate supervisor and to the district office a notice of the accident.

Property and Casualty Insurance

The superintendent will see that all buildings, equipment, and vehicles are properly insured.

The board will select a property and casualty insurance provider for the district. The board will cooperate with the provider in areas of risk management.

PAGE 2 - EI - INSURANCE PROGRAM/RISK MANAGEMENT

Cf. GBGD

Adopted 4/27/78; Revised 10/24/88, 2/28/00, ^

Legal References:

A. S. C. Code, 1976, as amended:

1. Section 42-1-10 *et seq.* - The South Carolina Workers Compensation Law.

Policy EI Insurance Program/Risk Management

CURRENT

Issued 2/00

Purpose: To establish the basic structure for maintaining adequate insurance.

The superintendent will purchase adequate insurance to protect certain physical assets of the school system. The insurance will also protect personnel for civil liability and medical expenses to the extent of coverage.

The district will provide the health insurance program specified by the State of South Carolina to all full-time permanent employees of the district. (A full-time permanent employee is classified as an employee working a minimum of 30 hours per week in a permanent capacity such as teacher, aide, etc.; substitute teachers are not classified as permanent.)

Workers' compensation

The South Carolina Workers' Compensation Law is designed to provide medical and monetary benefits for an employee who sustains an accidental injury arising out of and in the course of his/her employment. The law provides medical care to bring about the earliest possible recovery from the injury, a percentage of wages and salary lost during the injured employee's disability, and, in case of death, compensation for the deceased employee's dependents.

Under the Workers' Compensation Law it is the responsibility of the school district to provide medical treatment for employees injured on the job. School employees must use those providers specified by the employer. Designation of medical treatment providers will be made by the school district in consultation with and upon the recommendation of the worker's compensation insurance carrier. The refusal of an employee to accept any medical, hospital, surgical or other treatment when provided by the employer will bar such employee from further compensation until such refusal ceases unless, in the opinion of the South Carolina Workers' Compensation Commission, the circumstances justified the refusal.

When an employee is absent from work as a result of accidental injury arising out of and in the course of his/her employment, available sick leave and annual leave and workers' compensation benefits can be coordinated to the extent such leave and benefits are available.

Every injured employee or his/her representative will immediately, on the occurrence of an accident or as soon thereafter as practicable, give or cause to be given to his/her principal or immediate supervisor and to the district office a notice of the accident.

Property and casualty insurance

The superintendent will see that all buildings, equipment and vehicles are properly insured.

Adopted 4/27/78; Revised 10/24/88, 2/28/00

Legal references:

S. C. Code, 1976, as amended:

[Section 11-9](#)-610 - 680 - State sinking fund.

[Section 42-1](#)-10 *et seq.* - The South Carolina Workers Compensation Law.

York 3/Rock Hill School District



Communications Department
Telephone: 981-1008 - Fax: 981-1094

Memorandum

TO: Dr. Bill Cook
FROM: Mychal Frost
DATE: January 23, 2019
SUBJECT: Announcements for January 28th School Board Meeting

Safety & Security

As you know, safety and security is the number one priority for our students, staff, and families. As a follow up and continuation of our School Safety Summit held in November, we look forward to hosting our second summit tomorrow, Tuesday, January 29 from 6:30-8:00 p.m. at the Central Office. in partnership with our law enforcement partners Rock Hill Police Department and York County Sheriff's Office. We look forward to sharing feedback from our first summit and continuing the dialogue to seek solutions to help keep our schools safe.

District Recruitment Fair

On Saturday, February 9 from 9 a.m. – 12 p.m. at South Pointe High School, we will be hosting our annual teacher recruitment fair. We look forward to meeting with teacher candidates at this event, and we invite board members to attend and offer encouragement and support to our prospective employees.

Teacher Listen & Learn

District leaders hosted the fifth Teacher Listen and Learn informational session for teachers from across the district on Friday, January 18. This series of meetings is providing a rich opportunity to engage in dialogue with teachers about celebrations, issues and concerns for our school district. To view detailed responses to questions and concerns from past Teacher Listen and Learn sessions, you are invited to visit www.rock-hill.k12.sc.us/tll.

District Teacher Forum

Next Friday, on February 1st, school-level teachers of the year will come together for the third Teacher Forum meeting of the school year. Co-chairs Susan Snyder of Northwestern High and Melissa Tucker of Rock Hill High, along with district leadership enjoy working together with this group of teacher leaders to address areas of concern while building capacity in teacher leaders to celebrate each other and be advocates for the profession.

Superintendent's Student Advisory Council

Next Friday, on February 1st, student leaders from each high school, the Applied Technology Center and Phoenix Academy will come together for the third Superintendent Student Advisory Council meeting of the school year. It is always a joy to work directly with our students to address areas of concern and importance to them.

Follow Capital Program Updates

You are encouraged to visit the district's capital building program, "Build on the Rock," website – www.rock-hill.k12.sc.us/BuildOnTheRock -- for more information on capital projects. The website provides status updates on active and planned construction projects in the district. On the page, viewers can see project descriptions, before and after photographs, and construction timelines.

Upcoming Board Meetings

The School Board will next meet on Monday, February 11th for a work session. The meeting will begin at 4 p.m. Our next business meeting will be Monday, February 25th at 6 p.m. in the Central Office. Meetings are streamed on our website and available for viewing on-demand immediately following each broadcast. We invite our community to watch meetings live on our Facebook broadcasts at Facebook.com/RockHillSchools.

At its work session on December 17, 2018, held at the Central Office, the board:

- reviewed 2nd set of section “E” policies for 2nd and final read;
- reviewed Policy **IC** – *School Year* for 2nd and final read;
- discussed proposed school calendars for 2019-20 and 2020-21;
- discussed procurement code revision – Policy DJ;
- discussed selection of attorneys/legal services firms; and,
- discussed board retreat dates.

At its work session on January 14, 2019, held at the Central Office, the board:

- held its monthly data session which consisted of Focus Five Area Presentations;
- heard from the Northwestern High School Improvement Council;
- reviewed the 3rd Section of “E” Policies for 1st read;
- received the annual Financial Audit & Report;
- discussed a community visit schedule;
- received a construction update;
- discussed other and future business; and,
- held an executive session for personnel matters.

Review of January 17, 2019 Board Retreat:

On January 17, 2019 the RHSD Board of Trustees and Superintendent Dr. Bill Cook participated in a Board Workshop on Roles & Responsibilities. This workshop/retreat was held at the Central Office and was facilitated by Mrs. Gwen Hampton with the SC School Boards Association (SCSBA).

District Staff provided board members with an overview and orientation for each of their respective divisions.

Other and Future Business

Helena Miller

Executive Session

- Student Matter
 - *Appeal*

- Personnel Matter
 - *Hiring*

- Contractual Matter
 - *Agreement*

Action as Required from Executive Session

Adjournment