

**SCHOOL DISTRICT FIVE  
OF LEXINGTON AND RICHLAND COUNTIES  
IRMO, SOUTH CAROLINA**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2011**

**SCHOOL DISTRICT FIVE  
OF LEXINGTON AND RICHLAND COUNTIES  
IRMO, SOUTH CAROLINA**

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2011



Prepared By  
Division of Financial Services  
School District Five of Lexington and Richland Counties

Donna M. Patten, CPA  
Director of Finance

Dr. Karl E. Fulmer  
Chief Financial Services Officer

Dr. Stephen Hefner  
Superintendent

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2011**

<b>INTRODUCTORY SECTION</b>	1
Letter of Transmittal from Administration	2 - 9
Administrative Table of Organization	10
Principal Officials	11
Certificate of Achievement for Excellence in Financial Reporting	12
Certificate of Excellence in Financial Reporting	13
<b>FINANCIAL SECTION</b>	14
Independent Auditor's Report	15
Management's Discussion and Analysis	16 - 23
<b>Basic Financial Statements</b>	24
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
Statement of Net Assets	25
Statement of Activities	26
<b>FUND FINANCIAL STATEMENTS</b>	
Balance Sheet – Governmental Funds	27
Reconciliation of the Governmental Fund Balances to the Statement of Net Assets	28
Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - General Fund	31
Statement of Net Assets - Proprietary Fund	32
Statement of Revenues, Expenses, and Changes In Fund Net Assets - Proprietary Fund Types - Enterprise Funds	33
Statement of Cash Flows – Proprietary Fund Types - Enterprise Funds	34
Statement of Fiduciary Assets and Liabilities - Fiduciary Fund Type	35
Notes to the Basic Financial Statements	36 - 55
<b>OTHER SUPPLEMENTARY INFORMATION</b>	56
<b>GENERAL FUND</b>	57
Schedule of Revenues, Expenditures and Changes In Fund Balance - General Fund - Budgets and Actual	58 - 64

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2011**

***OTHER SUPPLEMENTARY INFORMATION (CONTINUED)***

<i>SPECIAL REVENUE FUNDS</i>	65
Combining Schedule of Revenues, Expenditures and Changes In Fund Balance - Special Revenue Fund - Special Projects Fund	66 - 72
Summary Schedules For Adult Education, Other Restricted State Grants, and Other Special Projects Programs - Special Revenue Fund	73
Schedule of Revenues, Expenditures and Changes In Fund Balance - All Programs - Special Revenue Fund - Education Improvement Act	74 - 78
Summary Schedule By Program - Special Revenue Fund - Education Improvement Act	79
<i>DEBT SERVICE FUND</i>	80
Schedule of Revenues, Expenditures and Changes In Fund Balance - Debt Service Fund	81
<i>CAPITAL PROJECTS FUND</i>	82
Schedule of Revenues, Expenditures and Changes In Fund Balance - School Building Fund	83
<i>ENTERPRISE FUND</i>	84
Schedule of Revenues, Expenses and Changes In Net Assets - Proprietary Fund Types - Food Service Fund and After School Program	85 - 86
<i>FIDUCIARY FUND</i>	87
Statement of Changes In Assets and Liabilities - Fiduciary Fund - Pupil Activity Funds	88
Combining Schedule of Receipts, Disbursements and Changes In Due to Pupil Activity - Fiduciary Fund - Pupil Activity Funds	89
Schedule of Receipts, Disbursements and Changes In Due to Pupil Activity - Fiduciary Fund - Pupil Activity Funds - By School	90 - 92
<i>SOUTH CAROLINA STATE DEPARTMENT OF EDUCATION SCHEDULES</i>	93
INSITE Location Reconciliation Schedule	94
Detailed Schedule of Due to State Department of Education/Federal Government	95
Detailed Schedule of Deferred Revenue - Special Revenue Fund - Education Improvement Act	96
<b><i>STATISTICAL SECTION (UNAUDITED)</i></b>	97
Net Assets by Component	98
Expenses, Program Revenues, and Net (Expense) Revenue	99
General Revenues and Total Change in Net Assets	100
Fund Balances, Governmental Funds	101
Governmental Funds Revenues	102

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2011**

***STATISTICAL SECTION (UNAUDITED) (CONTINUED)***

Governmental Funds Expenditures by Function and Debt Service Ratios	103
Governmental Funds Other Financing Sources and Uses and Net Change in Fund Balances	104
Assessed Value and Estimated Value of Taxable Property	105 - 106
Direct and Overlapping Property Tax Rates	107 - 108
Principal Property Tax Payers	109 - 110
Property Tax Levies and Collections	111 - 112
Outstanding Debt by Type	113
Ratios of General Bonded Debt Outstanding	114
Direct and Overlapping Governmental Activities Debt	115
Legal Debt Margin Information	116
Demographic and Economic Statistics	117
Principal Employers	118 - 119
Full-Time Equivalents Personnel Allocations by Type	120
Operating Statistics	121
Teacher Base Salaries	122
School Building Information	123 - 125

***SINGLE AUDIT SECTION***

<b><i>SINGLE AUDIT SECTION</i></b>	126
Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	127
Independent Auditor's Report on Compliance With Requirements That Could Have a Direct And Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	128 - 129
Schedule of Expenditures of Federal Awards	130
Schedule of Findings and Questioned Costs	131
Schedule of Summary of Prior Year Audit Findings	132
Schedule of Corrective Action Plan	133

# **INTRODUCTORY SECTION**



November 14, 2011

**To the Board of Trustees and Citizens of  
School District Five of Lexington and Richland Counties**

State law requires that all school districts publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of School District Five of Lexington and Richland Counties (the District) for the fiscal year ended June 30, 2011.

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the list of principal officials and the organizational chart. The financial section includes the basic financial statements, the combining and individual fund financial statements and schedules, as well as required supplementary information. Also included in the financial section is the independent auditors' report on these financial statements. The statistical section reflects social and economic data, financial trends and the fiscal capacity of the District. The final section is the single audit section.

School District Five of Lexington and Richland Counties' financial statements have been audited by Derrick, Stubbs & Stith, L.L.P., Certified Public Accountants, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting

the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering the unqualified opinion that School District Five of Lexington and Richland Counties' financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. School District Five of Lexington and Richland Counties' MD&A can be found immediately following the report of the independent auditors.

### **Profile of School District Five of Lexington and Richland Counties**

School District Five of Lexington and Richland Counties is widely recognized as one of the top academic school systems in South Carolina. The District was organized by action of the Lexington County Board of Education in 1951 and the Richland County Board of Education in 1952. The actions of the Boards of Education consolidated several smaller school districts in the counties. In addition to School District Five of Lexington and Richland Counties, there are four other school districts in Lexington County and two other school districts in Richland County. In 2008, the total population in the District was estimated at 85,958. The 2009 estimated populations of Richland County and Lexington County were 372,023 and 255,607, respectively.

The District encompasses a land area of approximately 196 square miles, of which approximately one-half is situated in each of Lexington and Richland Counties. The District consists of the northern portion of Lexington County lying north of Lake Murray and the Saluda River and the northwestern portion of Richland County lying south of the Broad River. The District is primarily a residential suburb located to the northwest of the City of Columbia, the State Capital. The towns of Irmo and Chapin are included in the District. The District has three attendance areas: Irmo, Dutch Fork, and Chapin.

School District Five of Lexington and Richland Counties is governed by a seven member Board of Trustees. All members of the Board of Trustees are required to be residents of the District. Four trustees represent the portion of the District located within Lexington County, and they are elected by the registered voters therein. Three trustees are required to be residents of the portion of the District located within Richland County, and they are elected by the registered

voters therein. Each trustee is elected to a four-year term. The Board conducts yearly elections in November to elect a Chair, Vice-Chair, and Secretary.

The Board of Trustees is the District's official policy-making entity. The Board formulates policies to enhance educational opportunities in the District by interpreting the needs and goals of the community. The Board also seeks to develop and maintain communication among the various constituencies served by the schools. The Board of Trustees normally holds two regular monthly meetings, on the second and fourth Mondays of each month.

Guided by the policies of the Board of Trustees, the District provides a broad spectrum of elementary and secondary programs to meet the needs of the District's diverse student population. These programs complement each other to provide a total program that is comprehensive, highly cost-effective, and that meets the mission statement of the District. The mission, stated as follows from the strategic plan, was developed by a committee of citizens and school district personnel; and was adopted by Board of Trustees of School District Five of Lexington and Richland Counties.

*The mission of School District Five of Lexington and Richland Counties, in partnership with the community, is to provide challenging curricular with high expectations for learning that develop productive citizens who can solve problems and contribute to a global society.*

In fiscal year 2010-2011, the District provided comprehensive educational services for 16,653 students, pre-kindergarten through grade twelve, and 955 students in the Adult Education Program. These educational services range from child development (3 and 4 year olds) to a full program of basic and continuing education for adults. Included in the programs are: academically gifted and talented classes for students in grades three through twelve; a school-wide math and engineering magnet program located at Leaphart Elementary School; an academically talented magnet program located at Harbison West Elementary School; accelerated honors level and Advanced Placement courses; an International Baccalaureate (IB) Programme (diploma) located at Irmo High School; A STEM Academy housed at Dutch Fork High School; three-year old preschool classes for children with developmental delays; child development classes that provide interventions for four-year-old children to better prepare them for school; a full day five-year-old kindergarten program; early intervention services for students who need more instruction or re-teaching of basic skills in the areas of Reading/English/language arts and mathematics; instructional opportunities in the visual and performing arts; instruction in foreign languages; special education programs for all students who meet the criteria for the recognized areas of disability; an alternative learning center for middle and high school students; at risk programs to reduce the potential for students dropping out of school; a variety of elective courses in order for high school students to complete their Individual Graduation Plans; career and technology courses for high school students. Also for faculty and staff, School District Five of Lexington and Richland Counties offers extensive professional development related to effective teacher collaboration, use of classroom, state and benchmark assessment data, differentiation of instruction to meet students' individual needs, and the infusion of technology into the instructional programs in all schools.

Each year School District Five of Lexington and Richland Counties uses an extensive budgeting process to develop an annual budget for the District. This annual budget for the general fund

serves as the foundation for the District's financial planning and control. All schools and departments of the District are required to submit requests for appropriations to the District's management by the last day of February each year. This process incorporates input and requests from principals, parents, students, administrators, teachers, supervisors, and community members. Once assembled, the requests are used to begin the development of a proposed budget after each school and department has had an opportunity to justify their requested appropriations with management. The District's management then presents the proposed budget to the Board of Trustees for study and review during the months of April, May and June. The Board of Trustees conducts three public readings of the proposed budget and holds at least one public hearing advertised for public input on the proposed budget before adopting the budget not later than June 30, the close of the fiscal year.

School principals and district departments may request transfers within the approved budget for their school or department. All transfers of \$10,000 or less require the approval of the Chief Financial Services Officer. Requests in excess of \$10,000 must be approved by the Board of Trustees. The Board of Trustees receives for their review a monthly financial report. Budget-to-actual comparisons are provided in this report for the general fund on page 31 as a part of the basic financial statements.

#### **Factors Affecting Financial Conditions**

Information presented in the financial statements is best understood when considered from a broader perspective of the specific environment within which School District Five of Lexington and Richland Counties operates.

**Economic conditions and outlook.** School District Five of Lexington and Richland Counties enjoys a relatively favorable economic environment. Local indicators continue to give a positive outlook for stability. The District is located within the Columbia Metropolitan Statistical Area (MSA), which consists of Richland County and Lexington County. The 2009 estimated populations of Richland County and Lexington County were 372,023 and 255,607, respectively. In 2008, the total population in School District Five of Lexington and Richland Counties was estimated at 85,958. In June of 2003, the Columbia MSA was expanded to include Calhoun, Fairfield, Kershaw, and Saluda Counties. The District is a suburban school district located near the City of Columbia, the State Capital and largest city in the state.

Residential subdivisions and commercial/business areas of the District are stable with continued evidence of growth. Many of the residential subdivisions are located on or around the shores of Lake Murray that continue to attract upscale residential housing and commercial development. The Columbiana Mall area of the District continues to be one of the fastest growing business areas as is evidenced by the location of additional businesses in and around the mall area. Growth is also evident away from the mall area out Dutch Fork Road with the opening of a new Walmart Supercenter, Tractor Supply, and Sonic in 2009. In addition to those businesses on Dutch Fork Road, a new Chick-Fil-A and McDonalds have opened near these locations as well as other retail businesses.

Located in or near the District in Lexington and Richland Counties are a number of major corporate enterprises that contribute to a stable economy for Lexington and Richland County and for School District Five of Lexington and Richland Counties. Included among the larger

corporate enterprises in Lexington County are Shaw Industries Group, Inc., Time Warner Cable, Michelin North America, Inc., CMC Steel/CMC Joist, Harsco Track Tech, Flextronics, Cooper Tools, Union Switch & Signal, Inc., Nucor Building Systems, and J.B. Martin Co. Included among the larger corporate enterprises in Richland County are Westinghouse Electric Corporation, Bose Corporation, International Paper, Schneider Electric/Square D, FN Manufacturing, The State Record Co., Inc., Continental, Intertape Polymer Group, Hanson (Richtex Bricks), and Consolidated Systems, Inc.

Based on information from the South Carolina Department of Commerce, the total announced capital investments for new and expanded industry that they were instrumental in bringing to Lexington and Richland Counties from 2005 through July 2011, totaled approximately \$1,095,801,974 for Lexington County and approximately \$867,676,265 for Richland County. Based on these recent projections and the additional job opportunities these investments create, long-term economic growth is expected to continue for the foreseeable future in Lexington and Richland Counties and in School District Five of Lexington and Richland Counties.

Median family income statistics for Lexington and Richland Counties are available only as combined figures for the Columbia Metropolitan Statistical Area made up of Lexington, Richland, Calhoun, Fairfield, and Saluda Counties. The median family income for the MSA for 2009, the last year available, was \$62,100. Per capita personal income for 2009, the last year available, was \$35,773 for Lexington County and \$36,302 for Richland County. The state per capita income for this same period was \$32,505, and in the United States was \$39,635. The unemployment rate for Lexington County for 2010 was 8.1 percent and for Richland County was 9.6 percent. The state and national unemployment rates for the same period were 11.2 percent and 9.6 percent, respectively.

**Long-term financial planning.** Over the last ten years, student enrollment in the District has increased by approximately 1,600 students, but has stabilized during the last two years, consistent with the decline in new home construction. In order to accommodate this growth with additional new facilities and to renovate some of the District's existing facilities, citizens of the District approved a \$243.6 million bond referendum in November 2008. These bonds are being financed with the addition of 3.5 mills of taxes added to the District's debt service levy, effective on property tax bills issued for calendar year 2009. The current debt service levy for the District is 52.5 mills. Richland and Lexington Counties continue to levy an additional one cent tax which gives taxpayers a credit on their property tax bills.

On June 30, 2011, the District had \$130,514,701 outstanding in general obligation bonds. Of this amount \$9,000,000 in general obligation bonds were identified as Series 2010B1 and issued on September 16, 2010, and \$68,500,000 were identified as Series 2010B2 and issued on that same date. Detailed information regarding the District's long-term obligations can be found on page 22 of the MD&A.

During the 1977 session of the S. C. General Assembly, the State Legislature adopted an amendment, Section 59-71-155, Code of Laws of South Carolina 1976, as amended, which provides for the establishment of a mechanism for the timely advance of funds from the State's General Fund to pay directly to school district paying agents amounts needed for debt service on general obligation bonds.

Moody's and Standard & Poor's have issued public statements indicating the statutory amendment as significantly strengthening to the legal structure of the State's credit enhancement for school districts in the State. This credit enhancement has been identified as a factor in the recent reports from the Rating Agencies that school districts in this State may qualify for enhanced rating of Aa1 and AA, respectively by these rating agencies.

In September 2010, the District's senior management presented information to both Moody's and Standard & Poor's for a ratings review. Following that review, the District was granted a rating of Aa1 and AA, respectively by these rating agencies. Additional information on the District's bond ratings can be found on page 22 of the MD&A.

The South Carolina General Assembly passed Act 388 in 2006 to become effective for school districts in July 2007. Act 388 limited the amount a school district can increase local millage each year for operational purposes to a rate equal to the sum of the increases in the consumer price index plus the rate of population growth in the District. The Board of Trustees can override this limitation contained in Act 388 if certain specific conditions are present. These events are a prior year deficit, a catastrophic event, a requirement to comply with a court order, an experience of significant decline in revenue due to a taxpayer closure beyond the control of the District equal to ten percent or more of the revenue payable to the District, or to comply with state or federal regulations. Act 388 did not take away the District's fiscal autonomy, but limited the District's autonomy to the above restrictions. School District Five of Lexington and Richland Counties increased operational millage by 5.65 mills after reassessment for fiscal year 2011, in compliance with Act 388.

Act 388 also relieved the District's taxpayers from paying *ad valorem* taxes on owner-occupied property for school operations. A one-cent sales tax was imposed statewide on June 1, 2007, to fund the property tax relief legislation included in Act 388. The proceeds from the one-cent tax were distributed to school districts of the state based on the amount of *ad valorem* taxes that would have been collected during fiscal year 2008 from the owner-occupied property in each school district. Each year thereafter, beginning in fiscal year 2009, the reimbursement to school districts is the aggregate amount equal to the percentage increase in the previous year of the Consumer Price Index, Southeast region, plus the percentage increase in the previous year of the state population as determined by the South Carolina State Budget and Control Board. The reimbursement to each school district of the state will increase proportionately based on each school district's weighted pupil units as a percentage of the statewide pupil units.

The District expects that the funding changes to school districts imposed by Act 388 may have an impact on the District's operations. As student growth continues in the District, that growth is likely to exceed the rate of growth in reimbursements from the state for owner-occupied property. For the past several years, the District's growth has been flat, due primarily to the recession and housing market. However, this trend is expected to change as the economy and housing market improve. As new owner-occupied housing is added to the tax base, the reimbursement from the state will not be tied to those housing values. As a result, reimbursements from the state will lag behind the amount of taxes the District could have collected over time from new and reassessed owner-occupied housing.

The financial statements of this report show that capital projects are one of the main areas of focus in the District's financial planning. Now in the third year since passage of the \$243.6

million bond referendum, the District basically has completed renovations and additions at Leaphart Elementary School, Seven Oaks Elementary School, and Chapin Elementary School. Renovations and construction are currently underway at Irmo Elementary School and should be completed for the opening of school in August 2012. The new high school that includes a career and technical education (CATE) center is progressing toward completion. The CATE center will open in August 2012 followed by the high school in August 2013. The site has been prepared for both the new high school and CATE center and the CATE center is under construction. Bid documents for construction of the new high school are expected to be released to bidders in November 2011. Plans for the renovation and additions at Chapin High School have been completed and bids are to be received in November 2011. Conceptual work is underway for the additions and renovations at Dutch Fork High School and Irmo High School. Also included in the referendum are a new middle school and new elementary school. These two schools will be addressed as the final part of the referendum.

**Relevant financial policies.** Board Policy requires that the District maintain not less than 8.5 percent of the total general fund budget as a fund balance from one fiscal year to the next. The District has maintained that balance for the 2011 fiscal year at a rate of 17 percent.

**Major Initiatives.** In January 2010, the District completed a comprehensive accreditation review by the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS). As a part of that review process, the District completed an in-depth study and review of all major programs within the District. The process included a review of the Advance ED standards, the District's Strategic Plan, and the goals of the district included in the *Standards Assessment Report*. Following a visit and report by the SACS Review Committee, the District's accreditation was affirmed and approved on January 22, 2010. The plan included major goals in the areas of student achievement, teacher/administrator quality, school climate, and District priorities. New initiatives for the district include the RtI (Response to Intervention) Program, PBIS (Positive Behavioral Interventions and Supports), and the Continuous Improvement Process. The District will continue to focus upon these goals and initiatives, reviewing the strategic plan each year. Necessary funding to carry out these goals and initiatives and for the accreditation process has been included in the District's budget. Details for each of the major goals referenced above are included in the District's Strategic Plan Update 2011.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to School District Five of Lexington and Richland Counties for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. School District Five of Lexington and Richland Counties has received a Certificate of Achievement for the eighth consecutive year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the District was also awarded The Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This was the eighth consecutive year the District has received this award.

To be awarded a Certificate of Excellence in Financial Reporting, a district's comprehensive annual financial report must receive the recommendation of the Association's Panel of review. This panel must judge that the report conforms to the principles and standards of ASBO's Certificate of Excellence Program.

A Certificate of Excellence is valid for one year only. We believe the District's current report continues to conform to the Certificate of Excellence Program requirements and we are submitting it to ASBO to determine its eligibility for the award.

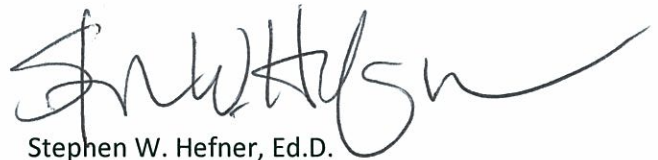
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services Department. All members of the department as well as members of other various departments have our sincere appreciation for their contributions made in the preparation of this report.

In closing, without the leadership and support of the Board of Trustees, preparation of this report would not have been possible.

Respectfully submitted,



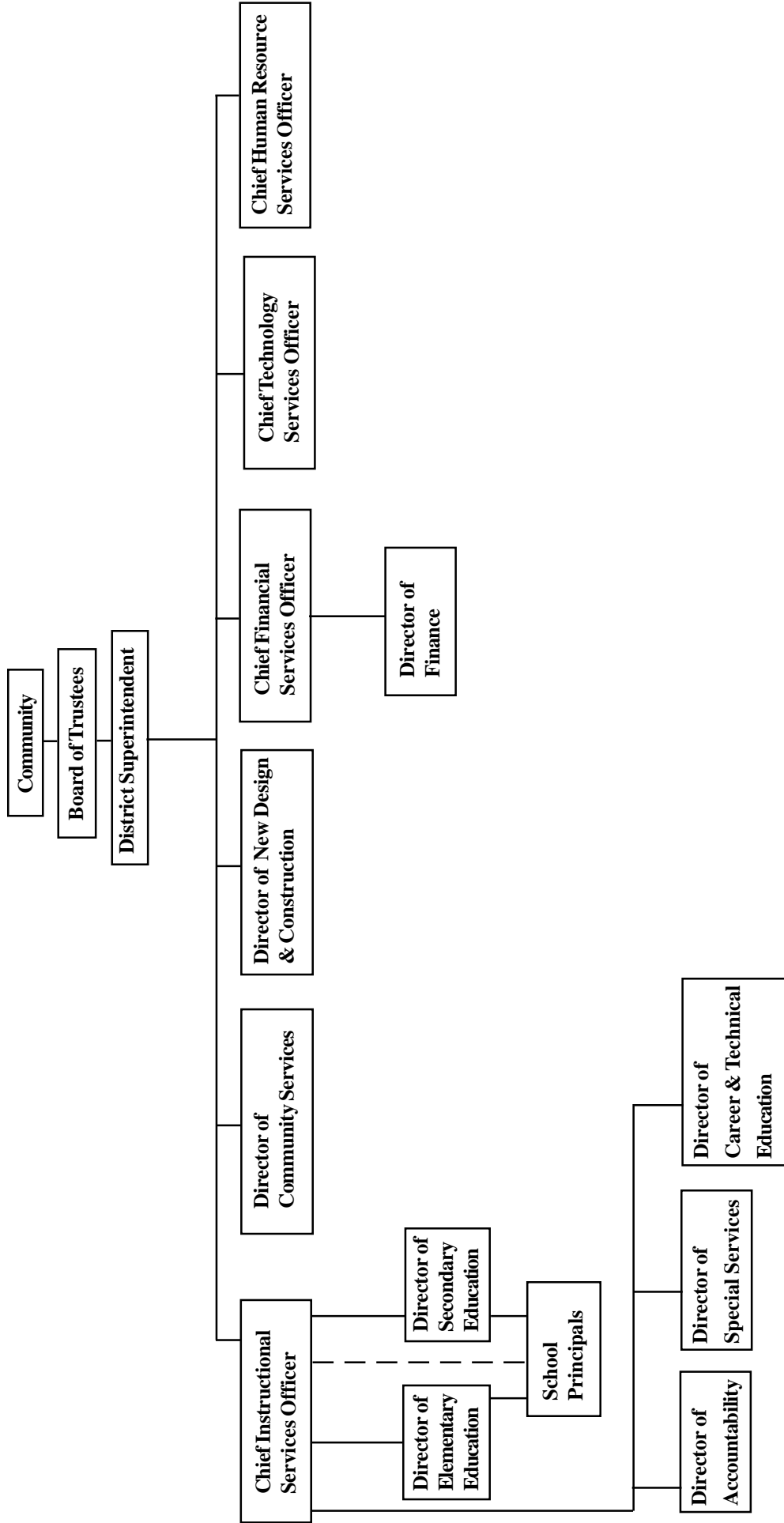
Karl E. Fulmer, Ed.D.  
Chief Financial Services Officer



Stephen W. Hefner, Ed.D.  
Superintendent

# Administrative Table of Organization

## School District Five of Lexington and Richland Counties



**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
PRINCIPAL OFFICIALS**

**Year Ended June 30, 2011**

**MEMBERS OF SCHOOL BOARD**

<b>Mr. Robert Gantt</b>	<b>Chairperson</b>
<b>Mrs. Beth Hutchinson-Watson</b>	<b>Vice Chairperson</b>
<b>Mrs. Ellen Baumgardner</b>	<b>Secretary</b>
<b>Mrs. Kim Murphy</b>	<b>Member of School Board</b>
<b>Mr. Jim Turner</b>	<b>Member of School Board</b>
<b>Mrs. Jan Hammond</b>	<b>Member of School Board</b>
<b>Mr. Ed White</b>	<b>Member of School Board</b>

**ADMINISTRATIVE OFFICIALS**

<b>Dr. Stephen Hefner</b>	<b>Superintendent</b>
<b>Ms. Helen Anderson</b>	<b>Chief Instructional Services Officer</b>
<b>Dr. Angela Bain</b>	<b>Chief Human Resources Officer</b>
<b>Mr. Gary Black</b>	<b>Chief Technology Services Officer</b>
<b>Dr. Karl Fulmer</b>	<b>Chief Financial Services Officer</b>



**The Government Finance Officers Association  
of the United States and Canada**

*presents this*

# **AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

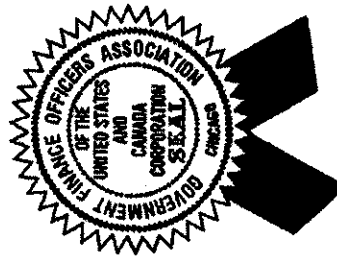
*to*

**Donna M. Patten, CPA**

Director of Finance

School District Five of Lexington and Richland Counties, South Carolina

*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*



Executive Director

Date August 22, 2011

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

# **FINANCIAL SECTION**



**DERRICK, STUBBS & STITH, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

508 Hampton Street, 1st Floor • Post Office Box 36  
Columbia, South Carolina 29202-0036  
Telephone: (803) 799-5810 • Facsimile: (803) 799-5554  
www.dsscpa.com

A. David Masters, CPA  
Charles R. Statler, Jr., CPA  
Alan F. Grimsley, CPA  
Hugh R. Penny, CPA, CISA, CBA  
H. Warren Counts, Jr., CPA  
K. Todd Dailey, CPA, CVA  
Timothy M. Monahan, CPA

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Chairman and Members of the Board of Trustees  
School District Five of Lexington and Richland Counties  
Irmo, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the School District Five of Lexington and Richland Counties (District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 16 through 23 and the budgetary comparison information on pages 58 through 64 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District Five of Lexington and Richland Counties' basic financial statements. The accompanying supplementary information listed in the table of contents as supplementary information is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the School District Five of Lexington and Richland Counties. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

*Derrick, Stubbs & Stith, LLP*

October 31, 2011

## School District Five of Lexington and Richland Counties

### Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2011

---

Our discussion and analysis of School District Five of Lexington and Richland Counties' financial performance provides an overview of the District's financial activities of the fiscal year ended June 30, 2011. Please read it in conjunction with the District's financial statements (beginning on page 24) and accompanying notes to those statements in order to better understand the District's financial performance as a whole.

#### FINANCIAL HIGHLIGHTS

Major financial highlights for 2011 include:

- In total, net assets are \$203,105,385, an increase of \$8,283,208 (4.2%) for the 2010 – 2011 fiscal year. Net assets of governmental activities grew by \$7,682,171 (3.9%), while net assets of business-type activities increased by \$601,037 (29.0%). Total revenues and other financing sources were \$190,212,725 while total expenses and other financing uses were \$181,929,517. The change in net assets is due to the increase in property taxes from a 5.65 millage increase and growth in property value. Increased property tax revenue in debt service is due to reassessment in Lexington County in 2010 and reassessment in Richland County in 2009. Payments in lieu of taxes increased due to the negotiated fee for industrial taxpayers.
- Governmental funds reported an increase of \$49,816,479 in the total fund balance, which included a \$1,569,308 increase to the general fund, \$48,307,894 increase to the school building fund, and a \$60,723 decrease to the debt service fund. The increase in the general fund balance was due to mainly to conservative management of expenditures and interfund transfers in excess of those budgeted. The increase for the school building fund was due to the issuance of bonds in September 2010.
- Total revenue for our principal operating fund, the general fund, was \$131,619,776, with an additional \$3,560,397, consisting of transfers from the special revenue and proprietary funds for indirect costs, teacher salary supplement increases, and sales of fixed assets. Total expenditures in the general fund were \$133,054,558 including \$84,091,792 for instruction, \$48,703,003 for support, \$30,715 for community service, \$32,512 for capital outlay, and \$196,536 for intergovernmental expenditures. In addition, the general fund transferred out \$556,307 to other funds for school food service fringe benefits and the local portion of special revenue funds.
- Budgeted general fund revenue and expenditures for the 2010 – 2011 fiscal year both increased by 1% due to a 5.65 mill increase in local levies approved by the Board of Trustees and the budgeted use of \$3,376,366 of fund balance to compensate the continued reduction of state revenue due to the recession. Employees were not given a cost of living increase or a step increase in the salary schedules. Also, teachers and support staff were furloughed for one day and administrators for two days. In addition, significant reductions were made to the District's teaching, support, and administrative staffs as well as to other operational costs. The District does not revise revenue budgets except for insurance reimbursements from property losses, miscellaneous donations, and transfers from fiduciary funds for the purchase of supplies and materials. The operating millage was set at 213.8 mills for the District, an increase of 5.65 mills over the previous fiscal year. Debt service millage remained the same at 52.5 mills.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and the notes to those statements that show information, first, for School District as a whole. The subsequent statements show more details of specific financial activities. The Statement of Net Assets and the Statement of Activities (pages 25 and 26) provide financial information of both a cumulative and a longer-term nature. Fund financial statements (beginning on page 27) show the next level of detail. For governmental activities, these statements show how well the District financed the fund in the short-term and how much remains for future activities. The fund financial statements also show the most important funds (e.g. the District's general fund, special revenue, Education Improvement Act funds, and capital projects) and other non-major funds totaled in one column. The proprietary fund statement shows the activity in the District's school food service fund and after school Program. The remaining statement presents financial information about activities for which the District acts as an agent for the benefit of the students and employees.

## School District Five of Lexington and Richland Counties

### Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2011

---

#### **Reporting the School District as a Whole**

##### *Statement of Net Assets and the Statement of Activities*

While the District's financial statements contain a large number of funds used to provide programs and activities for our students, the Statement of Net Assets and the Statement of Activities help provide the answer to the question, "How well did we do financially in the 2010 – 2011 school year?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is paid or received.

These two statements report the District's net assets, the difference between assets and liabilities, and the changes in them. Over time, increases or decreases in net assets, reported in the Statement of Activities, are one indicator of whether the District's financial health is improving or deteriorating. Causes of these changes can be non-financial as well as financial. Some of the non-financial factors include the District's property tax base, variances of estimates in State growth, facility conditions, required educational programs and the quality of those programs, and other factors. These factors must be considered when assessing the overall health of the District.

The Statement of Net Assets and the Statement of Activities are divided into two distinct kinds of activities:

- **Governmental Activities** – The majority of the District's activities, such as instruction, support services, operations, plant maintenance, pupil transportation, extracurricular activities, debt service, and construction projects, are reported here.
- **Business-Type Activities** – These goods or services are provided on a fee basis in order to recover the cost of the goods or services provided. The District's school food service program is reported as a business-type activity.

#### **Reporting the School District's Most Significant Funds**

##### *Fund Financial Statements*

The District's fund financial statements beginning on page 27 provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it manage and direct money for particular purposes (such as school food service) or to show that it is meeting legal requirements for using grants, certain taxes, and other money. The District's governmental funds use the following approaches:

- **Governmental Funds** – All of the District's services are reported in governmental funds. Governmental fund reporting focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements (pages 28 and 30).
- **Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities, therefore, these statements are essentially the same.

**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011

**The School District as a Trustee**

***Reporting the School District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for all pupil activity funds. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE SCHOOL DISTRICT AS A WHOLE**

The Statement of Net Assets provides the perspective of the District as a whole and can be an indicator of a government's financial health if compared over a period of time. The following table provides a summary of the District's net assets for 2011 compared to 2010.

**Table 1**  
**Net Assets**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 154,290,876	\$ 101,698,601	\$2,481,384	\$1,690,405	\$ 156,772,260	\$ 103,389,006
Net Capital Assets	<u>211,324,225</u>	<u>182,443,596</u>	<u>590,670</u>	<u>768,077</u>	<u>211,914,895</u>	<u>183,211,673</u>
<b>Total Assets</b>	<u>365,615,101</u>	<u>284,142,197</u>	<u>3,072,054</u>	<u>2,458,482</u>	<u>368,687,155</u>	<u>286,600,679</u>
Current and Other Liabilities	32,734,414	34,306,109	177,991	152,657	32,912,405	34,458,766
Long-Term Liabilities	<u>132,446,433</u>	<u>57,084,005</u>	<u>222,932</u>	<u>235,731</u>	<u>132,669,365</u>	<u>57,319,736</u>
<b>Total Liabilities</b>	<u>165,180,847</u>	<u>91,390,114</u>	<u>400,923</u>	<u>388,388</u>	<u>165,581,770</u>	<u>91,778,502</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net	173,068,374	167,131,935	590,670	768,077	173,659,044	167,900,012
Restricted	5,596,435	4,787,501	0	0	5,596,435	4,787,501
Unrestricted	<u>21,769,445</u>	<u>20,832,647</u>	<u>2,080,461</u>	<u>1,302,017</u>	<u>23,849,906</u>	<u>22,134,664</u>
<b>Total Net Assets</b>	<u>\$ 200,434,254</u>	<u>\$ 192,752,083</u>	<u>\$2,671,131</u>	<u>\$2,070,094</u>	<u>\$ 203,105,385</u>	<u>\$ 194,822,177</u>

The District's net assets increased by \$ 8,283,208 (4.2%) during 2010-2011.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; 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 must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**School District Five of Lexington and Richland Counties**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**

Significant current year transactions, such as the addition of \$34,550,998 in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less the additional accumulated depreciation of \$6,734,645 have had an impact on the Statement of Net Assets.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. The following table takes information from that statement.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenue</b>						
Program Revenue:						
Charges for Services	\$ 598,441	\$ 1,239,956	\$5,443,817	\$5,469,608	\$6,042,258	\$6,709,564
Operating Grants	65,919,385	67,856,214	3,346,582	3,115,745	69,265,967	70,971,959
Capital Grants	0	1,003,483	0	0	0	1,003,483
General Revenue:						
Ad Valorem Taxes and Fees	72,135,648	68,596,814	0	0	72,135,648	68,596,814
Unrestricted Grants	41,501,416	41,212,780	0	0	41,501,416	41,212,780
Investment Earnings and Disposals	454,666	374,660	6,529	2,402	461,195	377,062
Other General Revenue	806,241	272,639	0	0	806,241	272,639
<b>Total Revenue</b>	<b>181,415,797</b>	<b>180,556,546</b>	<b>8,796,928</b>	<b>8,587,755</b>	<b>190,212,725</b>	<b>189,144,301</b>
<b>Functions/Program Expense</b>						
Instruction Service	101,732,197	103,102,269	0	0	101,732,197	103,102,269
Support Services	67,979,135	68,169,387	0	0	67,979,135	68,169,387
Community Services	30,715	36,397	0	0	30,715	36,397
Interest on Long-Term Debt	3,923,810	1,441,216	0	0	3,923,810	1,441,216
School Food Service & After School	0	0	8,263,660	8,293,443	8,263,660	8,293,443
<b>Total Expenses</b>	<b>173,665,857</b>	<b>172,749,269</b>	<b>8,263,660</b>	<b>8,293,443</b>	<b>181,929,517</b>	<b>181,042,712</b>
Increase (Decrease) in Net Assets Before Transfers	7,749,940	7,807,277	533,268	294,312	8,283,208	8,101,589
Transfers	(67,769)	(43,938)	67,769	43,938	0	0
<b>Increase (Decrease) in Net Assets</b>	<b>7,682,171</b>	<b>7,763,339</b>	<b>601,037</b>	<b>338,250</b>	<b>8,283,208</b>	<b>8,101,589</b>
Net Assets July 1	\$192,752,083	\$184,988,744	\$2,070,094	\$1,731,844	\$194,822,177	\$186,720,588
<b>Net Assets June 30</b>	<b>\$200,434,254</b>	<b>\$192,752,083</b>	<b>\$2,671,131</b>	<b>\$2,070,094</b>	<b>\$203,105,385</b>	<b>\$194,822,177</b>

## School District Five of Lexington and Richland Counties

### Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2011

#### *Governmental Activities*

The following table presents the cost of the District's five major functional activities: instruction service, support service, community service, intergovernmental, and interest on long-term debt. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and the District's taxpayers by each of these functions. In other words, it shows the amount supported by tax revenue and unrestricted funds.

**Table 3**  
**Governmental Activities**  
**June 30, 2011**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Instruction Service	\$101,732,197	\$103,102,269	\$ (59,037,209)	\$ (58,115,630)
Support Service	67,979,135	68,169,387	(44,156,297)	(43,056,373)
Community Service	30,715	36,397	(30,715)	(36,397)
Interest (Long-Term Debt)	3,923,810	1,441,216	(3,923,810)	(1,441,216)
Totals	<b><u>\$173,665,857</u></b>	<b><u>\$172,749,269</u></b>	<b><u>\$(107,148,031)</u></b>	<b><u>\$(102,649,616)</u></b>

#### *Business-Type Activities*

Business-type activities include the District's school food service and after school programs. These programs had revenues of \$5,443,817, non-operating revenue and transfers of \$3,420,880, and expenses of \$8,263,660. This resulted in net gain of \$601,037.

#### **THE SCHOOL DISTRICT'S FUNDS**

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

**Governmental Funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The general fund is the principal operating fund of the District. The increase in fund balance in the general fund for the fiscal year was \$1,569,308. This increase was due to the conservative management of general fund expenditures and more than expected interfund transfers into the general fund. After reservations for inventories, prepaid expenditures, and funds assigned for special purposes, the unassigned fund balance was \$15,321,244. It is the policy of the Board of Trustees to designate at least 8.5% of the ensuing year's general fund revenue as a minimum fund balance designation as advised by the District's bond counsel and financial advisors.

The debt service fund balance showed a decrease of \$60,723 from the prior year. This was a result of changes in revenue resulting from reassessment in Lexington County for the year as compared to expenditures for the debt service fund for the 2010 – 2011 fiscal year. The District maintains sufficient fund balance in the debt service fund to pay the ensuing six-month principal and interest payments on general obligation debt.

The building fund showed a fund balance increase of \$48,307,894. The ending balance is \$93,610,711. The district issued \$91,500,000 in bonds in September 2010. Most of the remaining proceeds of these issues will be spent during the 2010 - 2011 and 2011-2012 fiscal years to complete projects as outlined in the District's capital plan.

**School District Five of Lexington and Richland Counties**

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2011

**Proprietary Funds:** The District's proprietary fund (food services and after school programs) showed an increase in fund balance of \$601,037. The food services program ended the year with a \$542,992 increase in fund balance and the after school program ended the year with a \$58,045 increase in fund balance.

**General Fund Budgeting Highlights**

The District's budget is prepared according to South Carolina law. The District does not revise revenue budgets without the approval of the Board. No revisions were made for the 2010-2011 fiscal year. The operating millage for the District was 213.8 mills which was an increase 5.65 mills after reassessment for 2010 – 2011 fiscal year.

Budgeted general fund revenue and expenditures for the 2010 – 2011 fiscal year increased by 1%, reflecting the 5.65 mill increase approved by the Board of Trustees and use of fund balance in the budget. Employees were not given a cost of living increase or a step increase on the salary schedules. In addition, teachers and support staff were furloughed for one day and administrators for two days. Other significant reductions were made to the District's teaching, support, and administrative staffs as well as to other operational costs.

A schedule showing the final budget amounts compared to the District's actual financial activity for the general fund is provided in this report as required supplementary information.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2011, The District had \$209,972,364 invested in a broad range of capital assets, including land, buildings, furniture, equipment, vehicles, and library books. This represents a net increase of \$27,993,760 (15%) for the 2010 – 2011 fiscal year. For more detailed information on capital asset activity see Note 4 – Capital Assets (page 45).

**Table 4  
Capital Assets**

	Governmental Activities		Business-Type Activities		Total School District	
	2011	2010	2011	2010	2010	2010
Land	\$ 7,328,598	\$ 5,548,348	\$ 0	\$ 0	\$ 7,328,598	5,548,348
Buildings	215,027,372	210,690,540	0	0	215,027,372	210,690,540
Site Improvements	12,779,406	11,497,261	0	0	12,779,406	11,497,261
Furniture and Equipment	22,095,737	21,699,257	4,081,930	4,501,606	26,177,667	26,200,863
Construction in Progress	48,348,282	21,173,315	0	0	48,348,282	21,173,315
Total Before Accumulated Depreciation	\$305,579,395	\$270,608,721	\$4,081,930	\$4,501,606	\$309,661,325	\$275,110,327
Less: Accumulated Depreciation	95,607,031	88,630,117	3,491,260	3,733,529	99,098,291	92,363,646
Net Capital Assets	\$209,972,364	\$181,978,604	\$590,670	\$768,077	\$210,563,034	\$182,746,681

## School District Five of Lexington and Richland Counties

### Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2011

#### *Debt*

On June 30, 2011, the District had \$130,514,701 in bonds and unamortized premiums outstanding versus \$60,149,486 at the end of 2010. Those bonds consisted of:

**Table 5  
Outstanding Debt**

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
June 16, 2009 Issue	\$ 2,330,000	\$ 9,860,000
July 21, 2009 Issue	\$39,975,000	\$40,000,000
June 9, 2010 Issue	\$10,000,000	\$10,000,000
September 16, 2010 Issue	\$ 8,900,000	
September 16, 2010 Issue	\$68,500,000	
Unamortized premium on bonds	\$809,701	\$289,486
Total General Obligation Bonds	<u>\$130,514,701</u>	<u>\$60,149,486</u>

Moody's Investors Service has assigned an Aa1 enhanced rating with a stable outlook and an Aa2 underlying rating to the District's General Obligation Bonds. Standard & Poor's rates the District's bonds AA/Stable long-term and AA/Stable School Issuer. The Aa1 enhanced rating and AA/Stable rating are based on the additional security provided by the South Carolina School District Credit Enhancement Program (SCSDCEP). The program assures timely debt service payment through county and state government coordination. The SCSDCEP is a state-backed enhancement program that shadows the state's rating and consequently carries the stable outlook that is assigned to the state's Aaa general obligation rating. School districts in South Carolina may issue up to 8% of their assessed value without voter approval. On June 30, 2011, the District's debt capacity was approximately \$36,464,287.

Other obligations include accrued obligations such as annual leave accumulated. More detailed information on these obligations is available in Note 7 -Long-Term Debt of the financial statements (page 49).

In November 2008, the citizens of the District approved a bond referendum in the amount of \$243.6 million to finance the renovation and additions to existing facilities and to build a new elementary school, middle school, and high school. These renovations, additions, and construction of new facilities are intended to maintain quality teaching and learning by reducing overcrowding at existing facilities and to accommodate the projected student population in the District for the immediate future. The Board approved a maximum 20 year payback schedule for the bonds that will require an increase of 3.5 mills for debt service in addition to the 49 mills that were levied for 2008-2009 fiscal year. Millage for debt service for the 2010-2011 fiscal year was set at the required 52.5 mills.

On June 30, 2011, the District had \$130,514,701 outstanding in general obligation bonds. Of this amount \$9,000,000 in general obligation bonds were identified as Series 2010B1 and issued on September 16, 2010, and \$68,500,000 were identified as Series 2010B2 and issued on that same date. The Series 2010B1 bonds were issued as tax-exempt bonds repayable over the next six years with the final payment being made by March 2016. The Series 2010B2 bonds were issued as Build America Bonds to be repaid over 19 years.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District lies in a suburban residential and shopping area located west of Columbia, the State Capital and most populous city in South Carolina. The District encompasses a land area of approximately 196 square miles. The District serves two counties, a portion of Richland County and a portion of Lexington County. The student population, not including pre-kindergarten students, was 16,368 students for kindergarten through 12<sup>th</sup> grade, an increase of 42 students. Major taxpayers in the District are South Carolina Electric and Gas, A T & T, Shaw Industries, Mid Carolina Electric Cooperative and Bellsouth Telecommunications. Columbiana Mall, one of the larger shopping malls in the State, contributes to a diverse and stable economy. The District operates 12 elementary schools, 4 middle schools, 3 high schools and 1 alternative academy.

## **School District Five of Lexington and Richland Counties**

### **Management's Discussion and Analysis**

**For the Fiscal Year Ended June 30, 2011**

---

The District's elected and appointed officials considered many factors when setting the District's budget and tax rates for 2010 – 2011. The most important factor affecting the budget for the near future is the implementation of the new revenue structure, created by Act 388 of 2006. Act 388 eliminated property taxes for owner-occupied houses and replaced that revenue stream with a one-cent sales tax imposed by the state. For the 2007 – 2008 fiscal year, the revenue replacement was a 100% exchange. After the 2008 fiscal year, any increase in this revenue will be based on the consumer price index increase plus growth in the state population. With nearly 50% of the district's assessed value being replaced by the one-cent sales tax, it can be a challenge during a year in which expenditures grow faster than the increase this revenue stream. The District needs to continue to provide at least the same level of service to students. Beginning in the 2007 – 2008 fiscal year, school districts with unlimited autonomy to raise millage were restricted to a percentage increase of the consumer price index and population growth in the district. While this limited autonomy does provide some flexibility, it does create a dilemma for the Board to place additional tax burden on the remaining taxpayers if the growth in the sales tax revenue does not keep up with inflation and cost of living increases.

When setting the 2011 – 2012 fiscal year budget, the District focused on maintaining quality instructional programs in the classrooms and pupil teacher ratios in all schools at the ratio set in Board Policy while facing significant reductions in revenue due to state budget cuts in previous years because of the economy. The general fund budget for the 2011 – 2012 fiscal year is \$142,323,920 with a 221.97 operating millage set for the District. Millage was increased 8.17 mills by the Board for the 2011 – 2012 fiscal year.

#### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors 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 Donna Patten, CPA, Director of Finance, at 1020 Dutch Fork Road, Irmo, SC, 29063, or e-mail at [dpatten@lexrich5.org](mailto:dpatten@lexrich5.org).

# **BASIC FINANCIAL STATEMENTS**

The basic financial statements consist of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. The basic financial statements provide a summary overview of the financial position of all funds and of the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 29,729,947	\$ 2,551,424	\$ 32,281,371
Due from County Government	108,050,646	-	108,050,646
Taxes Receivable, Net	3,683,960	-	3,683,960
Accounts Receivable	9,264,175	24,584	9,288,759
Internal Balance	260,754	(260,754)	-
Deferred Charges-Current	160,132	-	160,132
Inventory	269,657	166,130	435,787
Prepaid Items	2,871,605	-	2,871,605
<b>TOTAL CURRENT ASSETS</b>	<b>154,290,876</b>	<b>2,481,384</b>	<b>156,772,260</b>
<b>NON-CURRENT ASSETS</b>			
Deferred Charges - Noncurrent	1,351,861	-	1,351,861
Land	7,328,598	-	7,328,598
Buildings	215,027,372	-	215,027,372
Site Improvements	12,779,406	-	12,779,406
Equipment	22,095,737	4,081,930	26,177,667
Construction-in-Progress	48,348,282	-	48,348,282
Accumulated Depreciation	(95,607,031)	(3,491,260)	(99,098,291)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>211,324,225</b>	<b>590,670</b>	<b>211,914,895</b>
<b>TOTAL ASSETS</b>	<b>365,615,101</b>	<b>3,072,054</b>	<b>368,687,155</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	6,441,260	51,938	6,493,198
Retainage Payable	675,426	-	675,426
Due to State	26,064	-	26,064
Accrued Salaries	11,238,069	-	11,238,069
Other Accrued Liabilities	6,001,481	-	6,001,481
Unearned Revenue	3,858,443	100,984	3,959,427
Accrued Interest	1,288,331	-	1,288,331
Current Portion of Long-Term Obligations	2,686,069	-	2,686,069
Current Portion of Compensated Absences Payable	519,271	25,069	544,340
<b>TOTAL CURRENT LIABILITIES</b>	<b>32,734,414</b>	<b>177,991</b>	<b>32,912,405</b>
<b>NON-CURRENT LIABILITIES</b>			
Noncurrent Portion of Long-Term Obligations	127,828,632	-	127,828,632
Noncurrent Portion Compensated Absences Payable	4,617,801	222,932	4,840,733
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>132,446,433</b>	<b>222,932</b>	<b>132,669,365</b>
<b>TOTAL LIABILITIES</b>	<b>165,180,847</b>	<b>400,923</b>	<b>165,581,770</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	173,068,374	590,670	173,659,044
Restricted For:			
Debt Service	5,596,435	-	5,596,435
Unrestricted	21,769,445	2,080,461	23,849,906
<b>TOTAL NET ASSETS</b>	<b>\$ 200,434,254</b>	<b>\$ 2,671,131</b>	<b>\$ 203,105,385</b>

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2011

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction Service	\$ 101,732,197	\$ 419,662	\$ 42,275,326	\$ (59,037,209)	\$ -	\$ (59,037,209)
Support Service	67,979,135	178,779	23,644,059	(44,156,297)	-	(44,156,297)
Community Services	30,715	-	-	(30,715)	-	(30,715)
Interest & Other Charges	3,923,810	-	-	(3,923,810)	-	(3,923,810)
Total Governmental Activities	173,665,857	598,441	65,919,385	(107,148,031)	-	(107,148,031)
Business-Type Activities:						
Food Services	7,273,648	4,367,638	3,346,469	-	440,459	440,459
After School	990,012	1,076,179	113	-	86,280	86,280
Total Business-Type Activities	8,263,660	5,443,817	3,346,582	-	526,739	526,739
<b>Total</b>	<b>\$ 181,929,517</b>	<b>\$ 6,042,258</b>	<b>\$ 69,265,967</b>	<b>(107,148,031)</b>	<b>526,739</b>	<b>(106,621,292)</b>
General Revenues:						
Property Taxes Levied For:						
General Purposes				48,181,527	-	48,181,527
Debt Service				23,391,210	-	23,391,210
Payment in Lieu of Taxes				562,911	-	562,911
Unrestricted State Revenue in Lieu of Taxes				41,501,416	-	41,501,416
Unrestricted Investment Earnings				454,666	6,529	461,195
Miscellaneous				806,241	-	806,241
Total General Revenues				114,897,971	6,529	114,904,500
Change in Net Assets Before Transfers				7,749,940	533,268	8,283,208
Transfers				(67,769)	67,769	-
Change in Net Assets				7,682,171	601,037	8,283,208
Net Assets, Beginning of the Year				192,752,083	2,070,094	194,822,177
Net Assets, End of the Year				\$ 200,434,254	\$ 2,671,131	\$ 203,105,385

The notes to the basic financial statements are an integral part of this statement.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	General	Special Projects	Education Improvement Act	Debt Service	Building Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 29,729,947	\$ -	\$ -	\$ -	\$ -	\$ 29,729,947
Due from County Government	103,524,251	-	-	4,526,395	-	108,050,646
Taxes Receivable, Net	2,837,814	-	-	846,146	-	3,683,960
Accounts Receivable	3,065,824	4,239,610	1,958,741	-	-	9,264,175
Due from Other Funds	-	-	534,021	232	94,747,869	95,282,122
Inventory	269,657	-	-	-	-	269,657
Prepaid Items	2,871,605	-	-	-	-	2,871,605
<b>TOTAL ASSETS</b>	<u>142,299,098</u>	<u>4,239,610</u>	<u>2,492,762</u>	<u>5,372,773</u>	<u>94,747,869</u>	<u>249,152,112</u>
<b>LIABILITIES</b>						
Accounts Payable	5,973,643	4,738	1,147	-	461,732	6,441,260
Retainage Payable	-	-	-	-	675,426	675,426
Due to Other Funds	92,179,388	2,841,980	-	-	-	95,021,368
Due to State	-	-	26,064	-	-	26,064
Accrued Salaries	11,238,069	-	-	-	-	11,238,069
Other Accrued Liabilities	6,001,481	-	-	-	-	6,001,481
Deferred Revenue	2,260,432	1,392,892	2,465,551	645,995	-	6,764,870
<b>TOTAL LIABILITIES</b>	<u>117,653,013</u>	<u>4,239,610</u>	<u>2,492,762</u>	<u>645,995</u>	<u>1,137,158</u>	<u>126,168,538</u>
<b>FUND BALANCES</b>						
Nonspendable for Inventory	269,657	-	-	-	-	269,657
Nonspendable for Prepaid Items	2,871,605	-	-	-	-	2,871,605
Restricted	-	-	-	4,726,778	66,486,908	71,213,686
Committed	-	-	-	-	27,123,803	27,123,803
Assigned for Special Purposes	6,183,579	-	-	-	-	6,183,579
Unassigned	15,321,244	-	-	-	-	15,321,244
<b>TOTAL FUND BALANCES</b>	<u>24,646,085</u>	<u>-</u>	<u>-</u>	<u>4,726,778</u>	<u>93,610,711</u>	<u>122,983,574</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 142,299,098</u>	<u>\$ 4,239,610</u>	<u>\$ 2,492,762</u>	<u>\$ 5,372,773</u>	<u>\$ 94,747,869</u>	<u>\$ 249,152,112</u>

The notes to the basic financial statements are an integral part of this statement.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2011**

Reconciliation of governmental fund balances to  
Statement of Net Assets:

Total Fund Balances - Governmental Funds		\$ 122,983,574
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Capital Assets	\$ 305,579,395	
Accumulated Depreciation	<u>(95,607,031)</u>	209,972,364
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.		2,906,427
Bond issuance costs are amortized over the lives of the bonds: however, in governmental accounting, bond issuance costs are expenditures the year they are incurred. Bond issuance costs have been shown net of accumulated amortization expense.		1,511,993
Accrued interest on outstanding bonds in governmental accounting is not due and payable in the current period and, therefore, has not been reported as a liability in the funds.		(1,288,331)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Bonds Payable	(129,705,000)	
Bond Premium, net of accumulated amortization	(809,701)	
Compensated Absences	<u>(5,137,072)</u>	<u>(135,651,773)</u>
Total Net Assets - Governmental Activities		<u>\$ 200,434,254</u>

The notes to the basic financial statements are an integral part of this statement.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2011**

	General Fund	Special Projects	Education Improvement Act	Debt Service	Building Fund	Total Governmental Funds
<b>Revenues</b>						
Local	\$ 49,011,010	\$ 611,137	\$ -	\$ 24,014,566	\$ 337,205	\$ 73,973,918
State	82,608,766	2,023,280	9,709,539	821,280	-	95,162,865
Federal	-	12,201,783	-	-	-	12,201,783
<b>Total Revenues</b>	<u>131,619,776</u>	<u>14,836,200</u>	<u>9,709,539</u>	<u>24,835,846</u>	<u>337,205</u>	<u>181,338,566</u>
<b>Expenditures</b>						
Current						
Instruction	84,091,792	5,964,569	6,285,600	-	-	96,341,961
Support Services	48,703,003	8,274,288	705,653	-	8,706,166	66,389,110
Community Service	30,715	-	-	-	-	30,715
Capital Outlay	32,512	241,688	-	-	35,663,960	35,938,160
Debt Service						
Principal	-	-	-	21,655,000	-	21,655,000
Interest and Other Fees	-	-	-	3,241,569	-	3,241,569
Intergovernmental	196,536	8,971	-	-	-	205,507
<b>Total Expenditures</b>	<u>133,054,558</u>	<u>14,489,516</u>	<u>6,991,253</u>	<u>24,896,569</u>	<u>44,370,126</u>	<u>223,802,022</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,434,782)</u>	<u>346,684</u>	<u>2,718,286</u>	<u>(60,723)</u>	<u>(44,032,921)</u>	<u>(42,463,456)</u>
<b>Other Financing Sources (Uses)</b>						
Sale of Capital Assets	6,889	-	-	-	-	6,889
Issuance of debt	-	-	-	-	91,500,000	91,500,000
Premiums on bonds sold	-	-	-	-	840,815	840,815
Transfers In	3,553,508	-	-	-	-	3,553,508
Transfers Out	(556,307)	(346,684)	(2,718,286)	-	-	(3,621,277)
<b>Total Other Financing Sources (Uses)</b>	<u>3,004,090</u>	<u>(346,684)</u>	<u>(2,718,286)</u>	<u>-</u>	<u>92,340,815</u>	<u>92,279,935</u>
<b>Net Change in Fund Balance</b>	<u>1,569,308</u>	<u>-</u>	<u>-</u>	<u>(60,723)</u>	<u>48,307,894</u>	<u>49,816,479</u>
<b>Fund Balance July 1, 2010</b>	<u>23,076,777</u>	<u>-</u>	<u>-</u>	<u>4,787,501</u>	<u>45,302,817</u>	<u>73,167,095</u>
<b>Fund Balance June 30, 2011</b>	<u>\$ 24,646,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,726,778</u>	<u>\$ 93,610,711</u>	<u>\$ 122,983,574</u>

The notes to the basic financial statements are an integral part of this statement.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2011**

Net change in fund balances - total governmental funds \$ 49,816,479

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over the estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capitals outlays exceed depreciation in the period.

Capital outlays	\$ 39,037,637	
Depreciation expense	<u>(8,617,484)</u>	30,420,153

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This is the amount that debt issued during the year (\$ 91,500,000) exceeds bond principal paid during the year (\$ 21,655,000). (69,845,000)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in accrued interest on bonds between the years. (682,241)

Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount that amortization of bonds and deferred issuance costs exceeds premiums on bonds issued. 444,910

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. However, in the governmental funds expenditures for these absences are measured by the amount of financial resources used. This amount represents the change in accrued compensated absences between years. This amount is the difference in compensated absences recognized at the end of the current year (\$ 5,137,072) and that revenue recognized at the end of the prior year (\$ 5,014,104). (122,968)

In the Statement of Activities, the gain/(loss) on the sale of fixed assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the fixed assets sold. (2,426,393)

Certain deferred tax revenues reported in the governmental funds are recognized as revenue in the Statement of Activities, net of a reserve for uncollected amounts. This amount is the difference in tax revenue recognized at the end of the current year (\$ 2,906,427) and that revenue recognized at the end of the prior year (\$ 2,829,196). 77,231

Change in Net Assets - Governmental Activities \$ 7,682,171

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local	\$ 51,452,037	\$ 51,452,037	\$ 49,011,010	\$ (2,441,027)
State	80,769,976	80,769,976	82,608,766	1,838,790
Federal	3,385,270	3,385,270	-	(3,385,270)
<b>Total Revenues</b>	<u>135,607,283</u>	<u>135,607,283</u>	<u>131,619,776</u>	<u>(3,987,507)</u>
<b>Expenditures:</b>				
Current				
Instruction	84,516,983	84,280,979	84,091,792	189,187
Support Services	52,809,796	53,065,841	48,703,003	4,362,838
Community Service	37,760	37,760	30,715	7,045
Capital Outlay	16,358	11,317	32,512	(21,195)
Intergovernmental	180,400	180,400	196,536	(16,136)
<b>Total Expenditures</b>	<u>137,561,297</u>	<u>137,576,297</u>	<u>133,054,558</u>	<u>4,521,739</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,954,014)</u>	<u>(1,969,014)</u>	<u>(1,434,782)</u>	<u>534,232</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Asset	-	-	6,889	6,889
Transfers In	3,058,673	3,058,673	3,553,508	494,835
Transfers Out	(1,104,659)	(1,089,659)	(556,307)	533,352
<b>Total Other Financing Sources (Uses)</b>	<u>1,954,014</u>	<u>1,969,014</u>	<u>3,004,090</u>	<u>1,035,076</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,569,308</u>	<u>\$ 1,569,308</u>
<b>Fund Balance, July 1, 2010</b>			<u>23,076,777</u>	
<b>Fund Balance, June 30, 2011</b>			<u>\$ 24,646,085</u>	

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2011

	Business-Type Activity Enterprise Fund	Business-Type Activity Enterprise Fund After School Program	Totals
	Food Services		
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 2,551,424	\$ -	\$ 2,551,424
Accounts Receivable	24,584	-	24,584
Inventory	166,130	-	166,130
<b>TOTAL CURRENT ASSETS</b>	<u>2,742,138</u>	<u>-</u>	<u>2,742,138</u>
<b>NONCURRENT ASSETS</b>			
Equipment	4,081,930	-	4,081,930
Accumulated Depreciation	(3,491,260)	-	(3,491,260)
<b>TOTAL NONCURRENT ASSETS</b>	<u>590,670</u>	<u>-</u>	<u>590,670</u>
<b>TOTAL ASSETS</b>	<u><u>3,332,808</u></u>	<u><u>-</u></u>	<u><u>3,332,808</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	51,938	-	51,938
Due to/(from) General Fund	619,405	(358,651)	260,754
Unearned Revenue	100,984	-	100,984
Current Portion of Compensated Absences Payable	25,069	-	25,069
<b>TOTAL CURRENT LIABILITIES</b>	<u>797,396</u>	<u>(358,651)</u>	<u>438,745</u>
<b>NON-CURRENT LIABILITIES</b>			
Noncurrent Portion Compensated Absences Payable	222,932	-	222,932
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>222,932</u>	<u>-</u>	<u>222,932</u>
<b>TOTAL LIABILITIES</b>	<u><u>1,020,328</u></u>	<u><u>(358,651)</u></u>	<u><u>661,677</u></u>
<b>NET ASSETS</b>			
Invested in Capital Assets	590,670	-	590,670
Unrestricted	1,721,810	358,651	2,080,461
<b>TOTAL NET ASSETS</b>	<u><u>\$ 2,312,480</u></u>	<u><u>\$ 358,651</u></u>	<u><u>\$ 2,671,131</u></u>

The notes to the basic financial statements are an integral part of this statement.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND TYPES - ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
<b>Operating Revenues:</b>			
Proceeds of Sales of Meals	\$ 4,367,638	\$ -	\$ 4,367,638
Proceeds of Tuition	<u>-</u>	<u>1,076,179</u>	<u>1,076,179</u>
<b>Total Operating Revenues</b>	<u>4,367,638</u>	<u>1,076,179</u>	<u>5,443,817</u>
<b>Operating Expenses:</b>			
Salaries and Wages	2,807,167	694,863	3,502,030
Employee Benefits	1,075,093	117,769	1,192,862
Purchased Services	136,795	47,887	184,682
Supplies	3,034,283	129,493	3,163,776
Depreciation	173,152	-	173,152
Loss on Disposal of Fixed Assets	29,668	-	29,668
Other	17,490	-	17,490
<b>Total Operating Expenses</b>	<u>7,273,648</u>	<u>990,012</u>	<u>8,263,660</u>
<b>Operating Income (Loss)</b>	<u>(2,906,010)</u>	<u>86,167</u>	<u>(2,819,843)</u>
<b>Non-Operating Revenue:</b>			
Interest	5,964	565	6,529
Other Local Revenue	110,089	113	110,202
Other State Aid	5,606	-	5,606
USDA Reimbursements	2,863,018	-	2,863,018
Commodities Received from USDA	367,756	-	367,756
<b>Total Non-Operating Revenue</b>	<u>3,352,433</u>	<u>678</u>	<u>3,353,111</u>
Income before Transfers	<u>446,423</u>	<u>86,845</u>	<u>533,268</u>
<b>Transfers In (Out)</b>	<u>96,569</u>	<u>(28,800)</u>	<u>67,769</u>
<b>Change in Net Assets</b>	542,992	58,045	601,037
<b>Net Assets, Beginning of Year</b>	<u>1,769,488</u>	<u>300,606</u>	<u>2,070,094</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,312,480</u>	<u>\$ 358,651</u>	<u>\$ 2,671,131</u>

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2011

	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
<b>Cash Flows From Operating Activities:</b>			
Cash Received From Patrons	\$ 4,357,229	\$ 1,018,134	\$ 5,375,363
Cash Payments to Suppliers For Goods and Services	(2,868,487)	(177,380)	(3,045,867)
Cash Payments to Employees For Services	<u>(3,887,754)</u>	<u>(812,632)</u>	<u>(4,700,386)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>(2,399,012)</u>	<u>28,122</u>	<u>(2,370,890)</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>			
Cash Received From USDA Reimbursements	3,002,312	-	3,002,312
Cash Received From Other Federal/State Reimbursements	115,695	113	115,808
Transfers - Out to Other Funds	<u>96,569</u>	<u>(28,800)</u>	<u>67,769</u>
<b>Net Cash Provided (Used) By Non-Capital Financing Activities</b>	<u>3,214,576</u>	<u>(28,687)</u>	<u>3,185,889</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition of Equipment	<u>(25,413)</u>	-	<u>(25,413)</u>
<b>Net Cash (Used) By Capital Activities</b>	<u>(25,413)</u>	-	<u>(25,413)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on Investments	<u>5,964</u>	<u>565</u>	<u>6,529</u>
<b>Net Cash Provided By Investing Activities</b>	<u>5,964</u>	<u>565</u>	<u>6,529</u>
<b>Net Increase In Cash And Cash Equivalents</b>	796,115	-	796,115
<b>Cash And Cash Equivalents At Beginning Of Year</b>	<u>1,755,309</u>	-	<u>1,755,309</u>
<b>Cash And Cash Equivalents At End Of Year</b>	<u><u>2,551,424</u></u>	<u><u>-</u></u>	<u><u>2,551,424</u></u>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities</b>			
<b>Operating Income (Loss)</b>	(2,906,010)	86,167	(2,819,843)
<b>Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>			
Depreciation	173,152	-	173,152
Loss on Disposal of Fixed Assets	29,668	-	29,668
Noncash USDA Commodities Used	367,756	-	367,756
Change In Assets And Liabilities:			
(Increase) In Inventory	(56,108)	-	(56,108)
(Increase) In Accounts Receivable	(20,005)	(58,045)	(78,050)
Increase In Accounts Payable	8,433	-	8,433
Increase In Deferred Revenue	9,596	-	9,596
(Decrease) In Accrued Expenses	<u>(5,494)</u>	<u>-</u>	<u>(5,494)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>(2,399,012)</u>	<u>28,122</u>	<u>(2,370,890)</u>
<b>SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES</b>			
<b>Non-Cash Donation-USDA Commodities</b>	<u>\$ 367,756</u>	<u>\$ -</u>	<u>\$ 367,756</u>

The notes to the basic financial statements are an integral part of this statement.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 FIDUCIARY FUND TYPE  
 JUNE 30, 2011**

	Agency Funds
	<u>Pupil Activity Fund</u>
<b>ASSETS</b>	
Accounts Receivable	\$ 1,486,538
Fuel Inventory	<u>8,528</u>
<b>TOTAL ASSETS</b>	<u><u>1,495,066</u></u>
<b>LIABILITIES</b>	
Accounts Payable	4,034
Due to Pupil Activities	<u>1,491,032</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 1,495,066</u></u>

The notes to the basic financial statements are an integral part of this statement.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies**

The accounting policies of School District Five of Lexington and Richland Counties conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

**Reporting entity:** School District Five of Lexington and Richland Counties (The District) is a Local Education Agency empowered by State law with the responsibility to oversee and control all activities related to public school education in Lexington and Richland Counties, South Carolina. The Board receives State, local and federal government funding and must adhere to the legal requirements of each funding entity. The District operates under the direction of an elected seven member Board of Trustees, with a superintendent serving as the chief administrative officer, and provides education services to approximately 16,606 students pre-kindergarten through grade twelve and 983 students in the Adult Education Program.

The financial reporting entity, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Based on the following criteria, the District has determined it has no component units and it is not a component unit of any other organization. Therefore, the District reports as a primary entity.

The primary entity is financially accountable if it appoints a voting majority of the organization's governing body including situations in which the voting majority consists of the primary entity's officials serving as required by law and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the board. An organization is fiscally dependent on the primary entity that holds one or more of the following powers: determine its budget without another government having the authority to approve and modify that budget, levy taxes or set rates or charges without approval by another government, and issue bonded debt without approval by another government.

**Basis of presentation:** The financial statement presentation for the District has been changed to meet the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The financial statement presentation provides a comprehensive, entity-wide perspective of the District's net assets, revenue, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

**Government-wide statements:** The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been eliminated for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not program revenues are presented as general revenues.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of presentation (continued):**

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

**Fund financial statements:** The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financials statements is on major governmental and enterprise funds, each displayed in a separate column. All District's governmental and enterprise funds are reported as major funds. The fiduciary funds are presented separately.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The District reports the following major governmental funds:

**General fund:** The General Fund is the general operating fund of the District. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. All property taxes, intergovernmental revenues, charges for services, education finance act revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the District collects in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration and other departments of the District are paid through the General Fund.

**Special revenue fund - special projects fund:** The Special Revenue Projects Fund accounts for the financial transactions of the various special projects in which the District participates. All special projects supported in whole or in part with federal, state and local resources (other than expendable trusts, Education Improvement Act proceeds or major capital projects) are accounted for in this fund.

**Special revenue fund – Education Improvement Act:** The Education Improvement Act (EIA) fund accounts for the proceeds of the additional one percent sales and use tax that are restricted to expenditures of the Education Improvement Act strategies. The purpose of the EIA, in general, is to provide additional funding to local school districts for the purpose of raising academic standards by providing for, among other purposes, basic skills remediation, teacher salary increases and the modernization of equipment and instructional facilities.

**Debt service fund:** Accounts for the accumulation of resources for and the payment of general long-term debt, principal and interest. The primary financing source for the fund is Counties property taxes.

**School building fund:** The School Building Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds. Capital projects are funded by proceeds of bonds issued for public school construction and from certain State assistance and grants.

The District reports the following major proprietary funds:

**Food service fund:** The Food Service Fund, an enterprise fund, is used to account for operations of the school lunch and breakfast programs, which are financed and operated in a manner similar to private business enterprises, where the intent of the Board is that the costs of providing the services be recovered primarily through user charges, even though the activity is subsidized from other governmental resources.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**After school fund:** The After School Fund, an enterprise fund, is used to account for operations of the after school programs, which are financed and operated in a manner similar to private business enterprises, where the intent of the Board is that the costs of providing the services be recovered primarily through user charges.

Additionally, the District reports the following fiduciary fund type:

**Agency fund –pupil activity fund:** This fund is used to report resources held by the District in a custodial capacity for student organizations and activities. Those funds generally belong to the individual schools or their student bodies and are not available for general use by the District.

**Measurement focus and basis of accounting: Government-wide, proprietary, and fiduciary fund financial statements:** The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resource measurement focus and the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Proprietary funds:** Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Governmental fund financial statements:** Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. These include federal and state grants, some charges for services, and ad-valorem property taxes.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Funds received but not yet earned are reflected as deferred revenues.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District has elected to apply all private sector standard issued prior to December 1, 1989, as long as those standards do not conflict with GASB pronouncements, in accounting and reporting of the transactions of its proprietary funds.

**Use of resources:** When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Budgets and budgetary accounting:** The District sole legally adopted budget is for the general fund as approved by the Board of Trustees prior to the beginning of each fiscal year. The adopted budget specifies total expenditure limits.

The School Board for any expenditure exceeding total appropriations makes supplemental budget appropriations. Unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions during the fiscal year. The administration has discretionary authority to make transfers between appropriation accounts and the Chief Financial Services Officer approves all line item transfers. No supplemental appropriations were necessary during the year.

The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America and consistent with actual financial statement presentation to provide meaningful comparisons.

The following procedures are used in establishing the general fund budget:

1. Prior to the May meeting of the Board, the Superintendent submits a budget for the operation of the entire school system of the School District. This budget, at the discretion of the Board, is based upon proposed budgets submitted by the administrators and advisory board of the various schools of the School District.
2. A public hearing is held before the 25<sup>th</sup> day of June to obtain taxpayer comments.
3. Following the public hearing and before July first of each year the Board takes final action on the budget.
4. Upon final action by the Board on the budget, the Chairman of the Board notifies the auditor and treasurer of the Counties of the amount of money required for the operation of the District during the next fiscal year. Upon receipt of this notice the auditor levies taxes on all the taxable property of the Counties.
5. Formal budgetary integration is employed as a management control device during the year. Encumbrances are recorded at the time a good or service is ordered and the remaining budget appropriation is reduced by the same amount. When the good or service is received, the encumbrance is reversed in the budgetary accounts and an expenditure is recorded in the general ledger accounts. Encumbered appropriations lapse at year-end and all outstanding encumbrances are canceled.

Once the budget has been approved, the Chief Financial Services Officer can approve any line item transfers without Board approval. Board approval is needed for any budget adjustment to total expenditures or interfund transfers. For the year ended June 30, 2011, there were no budget amendments. The legal level of budgetary control is at the fund level. Small line item transfers were amended.

**Cash and cash equivalents:** For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Investments:** The District accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain or loss on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenditures, and changes in fund balances.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Accounts receivable:** Accounts receivable consists of amounts due from the Federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

**Allowance for doubtful accounts:** All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is determined by analyzing the percentage of receivables that were not collected in prior years.

**Inventories:** Inventory items are valued at cost, based on the "Average Cost" method of accounting, determined using the first-in, first-out method, and are subsequently charged to expenditures/expenses when consumed rather than when purchased. Inventories include plant maintenance and operating supplies. Inventories recorded in the Proprietary Fund are valued at the lower of cost or market determined on a first-in, first-out basis except for commodities received from the United States Department of Agriculture (USDA), which are recorded at fair market value at the time of receipt but have not been consumed as of June 30, 2011.

**Prepaid items:** Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Capital assets:** Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements.

Qualifying improvements include major additions and renovations; improvements that add to the usable space; or improvements that extend the useful life of an existing building are capitalized. The District capitalizes moveable personal property with a unit value in excess of \$ 5,000 and a useful life in excess of one year. Routine repairs and maintenance are charged to expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated lives of the assets, generally 10 to 50 for buildings and improvements, 5 to 8 for vehicles 10 to 20 for site improvements and 3 to 15 years for machinery, equipment. Depreciation is pro rated the year the asset is placed in service and in the year of disposition. The District allocates depreciation expense to programs/functions based on the ratio of program/functional expenses to total expenses with certain modifications.

**Unearned revenues:** Deferred revenues in the governmental funds include amounts received from grant and contract sponsors that have not yet been earned. Deferred revenues in the enterprise fund represent USDA commodities included in inventory at year-end but not reflected as revenue until the commodities are consumed.

**Long-term obligations:** In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Long-term obligations (continued):** In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

**Compensated absences:** The majority of School District employees are employed under 190-day contracts. Therefore, these employees do not earn vacation as part of their benefit package. Leave is granted to all full-time employees at a rate of one and one-fourth days of leave for every twenty days of active service up to a maximum of fifteen days total personal and sick leave. Leave can be accumulated up to ninety days. Administrative and other personnel employed for twelve months are granted up to ten days of vacation at the rate of one day for every twenty-four working days. An employee may use vacation days during the fiscal year in which they are earned, but no later than the end of the following fiscal year.

Compensated absences for vacation and leave and other salary related payments are recorded as a liability when earned by administrative employees if the following conditions are met:

1. The compensated absence is earned on the basis of services already performed by the employee.
2. It is probable that the compensated absence will be paid in a future period.

No accrual is made for compensated absences that are dependent upon the occurrence of specific future events that are outside the control of the employer or the employee. Compensated absences are reported in governmental funds only if they have matured.

The School District has recorded the amount of accumulated employee vacation and other salary related payments of the governmental fund types that are and are not expected to be liquidated with expendable available financial resources. No expenditure is reported for these amounts.

**Non-exchange transactions:** The District generally has two types of non-exchange transactions, government-mandated non-exchange transactions (which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose) and voluntary non-exchange transactions (which result from legislative or contractual agreements other than exchanges, entered into willingly by the parties to the agreement). The District recognizes non-exchange transactions when they are both measurable and probable for collection. For government-mandated non-exchange transactions and voluntary non-exchange transactions, the District recognized assets when all applicable eligibility requirements are met or resources are received, whichever is first, and revenue when all applicable eligibility requirements are met.

**Net assets/fund balances:** The District's net assets in the government-wide financial statements and proprietary fund financial statements are classified as follows:

**Invested in capital assets, net of related debt:** This represents the District's total investment in capital assets, net of accumulated depreciation and reduced by outstanding liabilities that are attributable to the acquisition, construction or improvement of those assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt but rather as a restricted net asset.

**Restricted net assets:** Restricted net assets include resources in which the District is legally or contractually obligated by external parties such as lenders, grantors or contributors or by laws or regulations to spend in accordance with the restrictions imposed.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Net assets/fund balances (continued):**

**Unrestricted net assets:** Unrestricted net assets consist of all other net assets not included in the above categories.

The District's policy for applying expenses that can use both restricted and unrestricted resources is designated to the program administrative level. General practice is to first apply the expense to the restricted resource then to unrestricted resources.

The District implemented GASB Statement 54 this year. The new fund balance classifications enhance the consistency between information reported in the government-wide statement and information in the governmental fund financial statements and avoids confusion about the relationship between reserved fund balance and restricted net assets.

In the governmental fund financial statements, the District's fund balances are classified as follows:

**Nonspendable fund balance:** Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**Restricted fund balance:** Represents amounts that are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) are imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance:** Represents amounts that can only be used by for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

**Assigned fund balance:** Amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned fund balance:** Represents the 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.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the District's general practice is to first reduce committed resources, followed by assigned resources, and then unassigned resources.

**Income taxes:** The District, as a political subdivision of the State of South Carolina, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code.

**Classification of revenues:** The District has classified its revenues as either operating or non-operating revenues according to the following criteria:

**Operating revenues:** Operating revenues generally result from exchange transactions related to the District's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services or (2) grants and contracts that are essentially the same as contracts for services that finance programs the District would not otherwise undertake.

**Non-operating revenues:** Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, investment income, and any grants or contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2. Cash and Cash Equivalents**

All cash and investments are stated at fair value with accrued interest shown on the statement of net assets. The District is authorized to invest funds received from the Counties Treasurer which are not needed for immediate disbursement by the District, in interest bearing accounts or certificates of deposit issued by banking institutions or savings and loan associations licensed to do business in this state or in securities issued by the United States Government. As of June 30, 2011, all of the District's cash was held in demand deposit accounts covered by federal depository insurance or by collateral held by the District's agent in the District's name.

At June 30, 2011, the carrying amount of the District's deposits and investments held by the various funds was as follows:

<u>Fund Types</u>	<u>Deposits</u>
General fund	<u>\$ 29,729,947</u>
Governmental carrying amount at June 30, 2011	29,729,947
Business-type funds	<u>2,551,424</u>
<b>Carrying amount at June 30, 2011</b>	<b><u>\$ 32,281,371</u></b>

**Credit risk:** The District adheres to the State of South Carolina's investment policy, and invests in primarily Certificates of Deposit and U.S. Government-backed obligations. There are no investments in commercial paper or corporate bonds and equities. The District has \$ 23,841,385 invested with the South Carolina State Investment Pool, and \$ 5,888,562 invested with Branch Banking and Trust.

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2011, the underlying security ratings of the District's investment in the Local Government Investment Pool (LGIP) is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address:

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

**Interest rate risk:** In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months. It is the policy of the State Treasurer's Office that no derivatives of the U.S. Government Securities or Federal Agency Securities or A1/P1 Commercial Paper be purchased by or for the S.C. Local Government Investment Pool. It is the policy of the State Treasurer's Office that the weighted average maturity (WAM) of the LGIP portfolio not exceed 60 days.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 2. Cash and Cash Equivalents (Continued)**

**Concentration of credit risk:** The District's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent (5%) of the total investments. Most investments are U.S. governmental obligations.

**Foreign currency risk:** The District has no foreign currency investments.

**Custodial credit risk:** This is the risk that the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counter party to the investment transaction fails. There are no uninsured investments.

**Note 3. Receivables**

Property taxes are levied by Lexington and Richland Counties (the Counties) on the assessed value for all real and personal property (except vehicles) owned on the preceding December 31st. Liens are attached to the property at the time the taxes are levied, which usually occurs in November of each year. These taxes are due without penalty through January 15th. Penalties are added to taxes depending upon the date paid as follows:

January 16th - February 1st	3% of tax
February 2nd - March 15th	10% of tax
March 16th - Collection Date	15% of tax plus collection costs

The Counties levy taxes on vehicles in the month prior to the renewal of annual vehicle registration through the State Highway Department. These taxes are due by the last day of the same month.

The District is given an appropriation for property taxes by the County at the beginning of each fiscal year.

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.

Act No. 388 which was adopted by the South Carolina General Assembly on June 1, 2006, limits future increases in the rate of millage levied for operational purposes by school districts. As of July 1, 2007, the annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the school district. Act 388 created a new homestead exemption equal to 100% of the fair market value of owner-occupied residential property, for ad valorem taxes imposed for school operating purposes. Act 388 imposed an additional state-wide one percent sales tax, beginning June 1, 2007, the collections of which are deposited in the Homestead Exemption Fund. Proceeds of the sales tax deposited in the Homestead Exemption Fund are distributed to the school districts of the State in substitution for the ad valorem property taxes not collected as a consequence of the New Homestead Exemption.

Taxes receivable as reported in the statement of net assets are net of the following allowance for uncollectible amounts:

Delinquent taxes receivable	\$ 5,262,800
Less: Allowance for uncollectible amounts	( 1,578,840 )
<b>Taxes receivable</b>	<b><u>\$ 3,683,960</u></b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

**Note 4. Capital Assets**

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

Capital Assets

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$ 5,548,348	\$ 1,780,250	\$ -	\$ 7,328,598
Construction-in-Progress	21,173,315	34,174,595	(6,999,628)	48,348,282
Total Capital Assets, Not Being Depreciated	<u>26,721,663</u>	<u>35,954,845</u>	<u>(6,999,628)</u>	<u>55,676,880</u>
<u>Capital Assets, Being Depreciated:</u>				
Buildings	210,690,540	7,066,981	(2,730,149)	215,027,372
Site Improvements	11,497,261	1,496,813	(214,668)	12,779,406
Furniture and Equipment	21,699,257	1,518,626	(1,122,146)	22,095,737
Total Capital Assets, Being Depreciated	<u>243,887,058</u>	<u>10,082,420</u>	<u>(4,066,963)</u>	<u>249,902,515</u>
<u>Less Accumulated Depreciation For:</u>				
Buildings	(75,431,872)	(5,320,758)	679,354	(80,073,276)
Site Improvements	(2,440,541)	(734,849)	44,806	(3,130,584)
Furniture and Equipment	(10,757,704)	(2,561,877)	916,410	(12,403,171)
Total Accumulated Depreciation	<u>(88,630,117)</u>	<u>(8,617,484)</u>	<u>1,640,570</u>	<u>(95,607,031)</u>
Total Capital Assets, Being Depreciated, Net	<u>155,256,941</u>	<u>1,464,936</u>	<u>(2,426,393)</u>	<u>154,295,484</u>
Governmental Activities Capital Assets, Net	<u>181,978,604</u>	<u>37,419,781</u>	<u>(9,426,021)</u>	<u>209,972,364</u>
Business Type Activities:				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Furniture and Equipment	4,501,606	25,413	(445,089)	4,081,930
Total Capital Assets Being Depreciated	<u>4,501,606</u>	<u>25,413</u>	<u>(445,089)</u>	<u>4,081,930</u>
Less, Accumulated Depreciation for:				
Furniture and Equipment	(3,733,529)	(173,152)	415,421	(3,491,260)
Total Accumulated Depreciation	<u>(3,733,529)</u>	<u>(173,152)</u>	<u>415,421</u>	<u>(3,491,260)</u>
Business Type Activities Capital Assets, Net	<u>\$ 768,077</u>	<u>\$ (147,739)</u>	<u>\$ (29,668)</u>	<u>\$ 590,670</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Government Activities:	
Instruction	\$ 5,390,236
Support	<u>3,227,248</u>
Total Depreciation – Governmental Activities	<u>\$ 8,617,484</u>
Business – Type Activities:	
Food Service	<u>\$ 173,152</u>
Total Depreciation – Business Type Activities	<u>\$ 173,152</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 4. Capital Assets (Continued)**

**Construction commitments:** The District has active construction projects at June 30, 2011. The projects include primarily school building construction and renovation. At June 30, 2011, the District's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Chapin Elementary School	\$ 6,684,403	\$ 1,563,582
Chapin High School	3,490,288	396,387
Chapin Middle School	221,696	87,308
HE Corley Elementary School	100	-
Ballentine Elementary School	37,990	60,800
Dutch Fork Elementary School	755,175	495,215
River Springs Elementary School	71,444	77,841
Dutch Fork High School	156,324	197,561
Dutch Fork Middle School	14,125	73,625
Harbison West Elementary School	20,568	-
New Elementary School	613,322	141,669
New Middle School	1,526	
New High School	2,806,529	9,132,178
Irmo Elementary School	8,185,828	8,010,874
Irmo High School	47,372	216,150
Crossroads Middle School	292,671	128,134
Irmo Middle School	911,456	708,210
Lake Murray Elementary School	72,070	117,606
Leaphart Elementary School	10,267,226	456,955
Nursery Road Elementary School	12,171	-
Seven Oaks Elementary School	8,545,195	654,467
In-House Construction Management	5,137,386	4,605,241
Alternative School	3,417	-
<b>Total Government Activities</b>	<b>\$ 48,348,282</b>	<b>\$ 27,123,803</b>

**Note 5. Retirement Plan**

**Plan description:** Substantially all of the School District's full-time employees are required by law to participate in the South Carolina Retirement System ("SCRS") which is a cost-sharing multiple-employer public employee defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board.

This is a Defined Benefit Retirement System, which was established by the South Carolina State Legislature on July 1, 1945 for the benefit of teachers and employees of the State and its political subdivisions. The Plan's provisions are established and amended under Title 9 of the S. C. Code of Laws.

All full-time employees are eligible and must participate in the SCRS. The pension plan provides benefits, deferred allowances, and death and disability benefits. Under the SCRS, employees are eligible for a full service retirement annuity upon reaching age 65 or completion of 28 years of credited service regardless of age. The benefit formula for full benefits effective since July 1, 1989, for the SCRS is 1.82% of an employee's average final compensation multiplied by the number of years of credited service. Early retirement options with reduced benefits are available as early as age 55. Employees are vested for a deferred annuity after five years of service and qualify for a survivor's benefit upon completion of 5 years credited service. Disability annuity benefits are payable to employees totally and permanently disabled provided they have a minimum of five years of service (this restriction does not apply if the disability is the result of a job-related injury).

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 5. Retirement Plan (Continued)**

**Plan description (continued):** A group-life insurance benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI pension, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. For employees who entered the TERI program after July 1, 2005, they are required to pay member contributions.

The South Carolina Retirement System issues a publicly available Comprehensive Annual Financial Report containing financial statements and supplementary information for the South Carolina Retirement System and the Police Officers Retirement System. The report is publicly available at [www.retirement.sc.gov](http://www.retirement.sc.gov) or a copy may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, S.C. 29211-1960.

**Funding policy:** Both employers and employees are required to contribute to the Plan under the authority of Title 9 of the S. C. Code of Laws. South Carolina Retirement System members are required to contribute 6.50% of their annual covered earnings.

The District is required to contribute at an actuarially determined contribution rate. The current rate is 9.24% of annual covered earnings. In addition, participating employers also contribute 0.15% of annual covered payroll for group life insurance benefits for their participants. Annual covered payroll of active members was \$ 90,413,298 and annual covered payroll of retired members was \$ 9,069,733 for the year ended June 30, 2011. All contributions were equal to the required contribution.

THREE YEAR TREND INFORMATION

Fiscal Year June 30	Annual Employer Contributions	Percentage Contributed for Current Year
2009	\$ 9,607,674	100%
2010	9,419,056	100%
2011	9,192,232	100%

**Optional retirement program:** Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts, which are issued to, and become the property of, the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies. The obligation for payment of benefits resides with the insurance companies.

ORP participation is limited to faculty and administrative staff who meet all eligibility requirements for membership in the SCRS. To elect participation in the ORP, eligible employees must irrevocably waive SCRS membership within their first thirty days of employment.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 5. Retirement Plan (Continued)**

**Optional retirement program (continued):** For those employees that have elected to be covered under the optional retirement plan, both employees and employer are required to contribute to the ORP (6.5% for employees and a total of 9.24% for employers on ORP wages of \$ 8,604,875 for 2011). The School District contributed amounts equal to the required contributions of \$ 795,090; \$ 709,253; and \$ 731,475 for the years ended June 30, 2011, 2010, and 2009, respectively. The 0.15% for group life insurance coverage was also contributed for these participants.

**Note 6. Post-Employment Benefits Other Than Pensions**

**Plan description:** In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. "Agency" contributes to the Retiree Medical Plan (RMP) and the Long-Term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

**Funding policy:** Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year set by the Office of the State Budget. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The employer contribution surcharge was 3.90% for 2011 and 3.50% for 2010 and 2009 of annual covered payroll. The District contributed amounts equal to the required contribution to the SCRS for retiree healthcare benefits of approximately \$ 4,220,381; \$ 3,567,824; and \$ 3,639,271 for the years ended June 30, 2011; 2010; and 2009, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions. One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

**Note 7. Long-Term Obligations**

Long-term obligations activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Series 2009A - Issued June 16, 2009	\$ 9,860,000	\$ -	\$ (7,530,000)	\$ 2,330,000	\$ 2,330,000
Series 2009B - Issued July 21, 2009	40,000,000	-	(25,000)	39,975,000	25,000
Series 2010A - Issued June 9, 2010	10,000,000	-	-	10,000,000	-
Series 2010B1 - Issued September 16, 2011	-	9,000,000	(100,000)	8,900,000	100,000
Series 2010B2 - Issued September 16, 2011	-	68,500,000	-	68,500,000	-
Unamortized premium on bonds	289,486	840,815	(320,600)	809,701	231,069
<b>Total Bonds Payable</b>	<u>60,149,486</u>	<u>78,340,815</u>	<u>(7,975,600)</u>	<u>130,514,701</u>	<u>2,686,069</u>
Compensated Absences	5,014,104	630,911	(507,943)	5,137,072	519,271
Government Activity Long-Term Liabilities	<u>65,163,590</u>	<u>78,971,726</u>	<u>(8,483,543)</u>	<u>135,651,773</u>	<u>3,205,340</u>
<b>Business Activities:</b>					
Compensated Absences	253,495	19,028	(24,522)	248,001	25,069
Business Activities Long-Term Liabilities	<u>\$ 253,495</u>	<u>\$ 19,028</u>	<u>\$ (24,522)</u>	<u>\$ 248,001</u>	<u>\$ 25,069</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2011:

Date of Issue	Interest Rates	Payment dates	Maturity	Original Issue	Outstanding June 30, 2011
September 16,2010	2% - 4%	March	2016	\$ 9,000,000	\$ 8,900,000
September 16,2010	2.75% - 5%	March	2029	68,500,000	68,500,000
				<u>\$ 77,500,000</u>	<u>\$ 77,400,000</u>

Details for each debt issue outstanding as of June 30, 2011, are as follows:

On June 16, 2009, the District issued Series 2009A, \$ 28,600,000, general obligation bonds to provide funds for capital improvements, equipment and technology dated June 16, 2009. Bonds are due in annual installments ranging from \$ 2,330,000 to \$ 18,740,000 beginning March 2010 through March 2012 with interest ranging from 2% to 3%. In connection with the Series 2009A bond issue, a premium of \$ 492,497 and bond issuance costs of \$ 150,700 were recorded and are being amortized over the life of the bonds. The unamortized bond issuance costs at June 30, 2011, were \$ 37,684.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

**Note 7. Long-Term Obligations (Continued)**

On July 21, 2009, the School District issued Taxable Series 2009 B, \$ 40,000,000 general obligation bonds (Build America Bonds) referendum debt. The net proceeds were \$ 39,736,127 after a bid premium of \$ 1,377 and costs of issuance of \$ 265,250. The bonds have a variable interest rate which ranges from 2.4%-5.9%. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2010, through March 1, 2029. Principal payments are due in annual installments ranging from \$ 25,000 to \$ 4,040,000 beginning March 1, 2010, through March 1, 2029. The proceeds will be used for the purpose of providing funds for capital improvements, equipment, and technology, paying the costs of issuance of the bonds and such other lawful purposes as may be determined by the School District. The unamortized bond issuance costs at June 30, 2011, were \$ 239,168.

On June 9, 2010, the District issued Taxable Series 2010A, \$ 10,000,000, general obligation bonds (Qualified School Construction Bonds - Direct Payment) referendum debt with an interest rate of 5.25%. The net proceeds were \$ 9,878,300 after a bid premium of \$ 78,200 less costs of issuance of \$ 199,900. Bonds are due in a single installment on June 1, 2027. Interest payments are payable semi-annually on December 1 and June 1 beginning December 1, 2010, through June 1, 2027. The proceeds will be used for the purpose of providing funds for capital improvements, equipment, and technology, and paying the costs of issuance of the bonds and such other lawful purposes as determined by the District. The unamortized bond issuance costs at June 30, 2011, were \$ 188,140.

On September 16, 2010, the District issued Tax-Exempt Series 2010B-1, \$ 9,000,000 general obligation bonds referendum debt. The bonds have variable interest rates which range from 2.0% - 4.0%. The net proceeds were \$ 9,645,472 after a bid premium of \$ 771,095 less costs of issuance of \$ 125,623. Principal payments are payable annually beginning on March 1, 2011 through March 1, 2016 ranging from \$ 100,000 to \$ 2,855,000. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2011, through March 1, 2016. The proceeds will be used for purposes of funding capital projects approved in the Referendum, paying costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District. The unamortized bond issuance costs at June 30, 2011, were \$ 106,593.

On September 16, 2010, the District issued Taxable Series 2010B-2, \$ 68,500,000 general obligation (Build America Bonds) referendum debt. The net proceeds were \$ 67,497,722 after costs of issuance of \$ 1,002,278. Principal payments are payable annually beginning on March 1, 2017, through March 1, 2029, ranging from \$ 250,000 to \$ 9,210,000. The bonds have variable interest rates which range from 2.75% - 5.0%. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2011, through March 1, 2029. The proceeds will be used for purposes of funding capital projects approved in the Referendum, paying costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District. The unamortized bond issuance costs at June 30, 2011, were \$ 940,408.

Bond premium and cost of issuance are amortized using the effective interest method over the life of the debt.

The annual requirements to amortize all bonds outstanding as of June 30, 2011, are as follows:

Year Ended June 30	Principal	Interest	Total
2012	\$ 2,455,000	\$ 4,258,743	\$ 6,713,743
2013	2,225,000	4,186,355	6,411,355
2014	2,910,000	4,120,428	7,030,428
2015	3,625,000	4,039,595	7,664,595
2016	4,395,000	3,935,356	8,330,356
2017-2021	26,365,000	17,718,313	44,083,313
2022-2026	39,295,000	12,643,652	51,938,652
2027-2029	48,435,000	3,176,825	51,611,825
<b>Totals</b>	<b>\$ 129,705,000</b>	<b>\$ 54,079,267</b>	<b>\$ 183,784,267</b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

**Note 7. Long-Term Obligations (Continued)**

In November 2008 a bond referendum was approved in the amount of \$ 243,600,000 which will allow the school district to borrow money to renovate seven schools and construct three new schools. As of June 30, 2011, \$ 127,500,000 referendum debt has been issued.

The South Carolina Constitution limits local borrowing power to 8 percent of its assessed property value. The Limitation excludes bonded indebtedness existing on December 1, 1977, (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters. Based on the December 31, 2010, assessed property valuation of \$ 455,803,588 (unaudited), the legal debt limit is \$ 36,464,287, leaving a legal debt margin of \$ 34,134,287 at June 30, 2011.

**Note 8. Short-Term Obligations**

**Summary of changes in short-term debt:** During the year ended June 30, 2011, the following transactions occurred in short-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Tax Anticipation Note, Series 2010	\$ -	\$ 10,000,000	\$ (10,000,000)	\$ -
Series 2010C - Issued September 16, 2010	-	14,000,000	(14,000,000)	-
<b>Totals</b>	<u>\$ -</u>	<u>\$ 24,000,000</u>	<u>\$ (24,000,000)</u>	<u>\$ -</u>

On November 5, 2010, the District issued Series 2010, Tax Anticipation Note for \$ 10,000,000. The District repaid the note on April 11, 2011. The purpose of the note was to help with cash flows prior to receipt of property taxes beginning in December.

On September 16, 2010, the District issued Series 2010C, \$ 14,000,000 general obligation bonds (Eight Percent Debt) for the purpose of providing funds for capital improvements, equipment, and technology. The net proceeds were \$ 13,988,645 after a bid premium of \$ 69,720 less cost of issuance of \$ 81,075. These bonds, including interest of \$ 88,083, were due March 1, 2011, and were repaid utilizing debt service fund property tax revenues in February 2011.

**Note 9. Deferred Revenue**

Unearned revenues (those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met) consist of the following:

	Special Projects Fund	EIA Fund	Food Services
Unexpended Carryover Amounts	\$ 1,392,892	\$ 2,465,551	\$ 100,984

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

**Note 10. Transfers In and Out**

Transfers during the year ended June 30, 2011, consisted of the following:

<b>General Fund</b>			
Transfers from	Amount	Transfers to	Amount
Special Revenue-EIA	\$ 2,718,286	Enterprise Fund	\$ 556,307
Enterprise Fund	488,539		
Special Revenue-Special Projects	346,683		
	<u>\$ 3,553,508</u>		<u>\$ 556,307</u>

<b>Special Revenue Funds</b>			
Special Projects			
Transfers from	Amount	Transfers to	Amount
General Fund	\$ -	General Fund	\$ 346,684

<b>EIA</b>			
Transfers from	Amount	Transfers to	Amount
General Fund	\$ -	General Fund	\$ 2,718,286

<b>Enterprise Fund</b>			
Transfers from	Amount	Transfers to	Amount
General Fund	\$ 556,307	General Fund	\$ 488,538
<b>TOTAL</b>	<u>\$ 4,109,815</u>		<u>\$ 4,109,815</u>

Descriptions of interfund transfers:

**General Fund to Enterprise Fund** – to fund the shortfall portion of fringe benefits.

**Special Revenue – Special Projects to General Fund** – to transfer allowable indirect costs from grants.

**Special Revenue – EIA to General Fund** – to transfer amounts received for EIA Teacher Salary Increase and Fringe Benefits to the general fund where expenditures are recorded.

**Enterprise Fund to General Fund** – to transfer allowable indirect costs.

**Note 11. Interfund Receivables and Payables**

The composition of interfund balances as of June 30, 2011, is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 92,179,388
Special Projects	-	2,841,980
EIA	534,021	-
Debt Service	232	-
Building Fund	94,747,869	-
Enterprise Fund	-	260,754
Total for Primary Government	<u>\$ 95,282,122</u>	<u>\$ 95,282,122</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 11. Interfund Receivables and Payables (Continued)**

**Due to general fund from special revenue funds:** The District participates in various federally funded projects, many of which operate on a cost reimbursement basis. That is, the expenditure must be incurred prior to submitting a claim for reimbursement. Accordingly, the District must temporarily provide funds for these project expenditures until such time as the related reimbursement from the grantor agency is received. All interfund balances are expected to be repaid within one year from the date of the financial statements.

**Due to and from other funds:** The District uses one bank account to hold deposits and to issue checks which results in the inter-fund receivables and payables for each of the funds. All interfund balances are expected to be repaid within one year from the date of the financial statements.

**Note 12. Risk Management**

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District pays an annual premium to the South Carolina School Board Insurance Trust for its general insurance. The South Carolina School Board Insurance Trust reinsures through commercial companies.

The District acquires insurance from the South Carolina School Board Insurance Trust for job related injury and illness (workers' compensation) for its employees. Workers' compensation is insured under a retrospectively rated policy where premiums are estimated throughout the year and adjusted subsequent to the policy period based on actual experience.

General blanket fidelity bond insurance from a private insurer was also maintained for the District's employees as well as athletic catastrophic insurance.

There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three years ended June 30, 2011, 2010 and 2009.

**Note 13. Pupil Activity Fund**

The South Carolina Department of Education requires a Schedule of Receipts, Disbursements, and Changes in Amounts Due to Pupil Activities for the Pupil Activity Fund, although the Pupil Activity Fund is an Agency Fund, which does not report results of operations. Accordingly, this schedule has been included in the financial statements in an effort to satisfy this requirement and accounting principles generally accepted in the United States of America.

**Note 14. Operating Leases**

The School District is obligated to account for certain leases as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the School District's account groups. Current rental expenditures for the year ended June 30, 2011, were \$ 585,054. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2011:

Year Ended June 30	Totals
2012	\$ 509,381
2013	359,324
2014	294,754
2015	286,049
2016	214,187
<b>Total Rent Payments</b>	<b>\$ 1,663,695</b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 15. Fund Balances**

The District uses the following governmental fund balance accounts:

***Nonspendable for inventory*** – An account used to segregate a portion of fund balance to indicate inventory is “not in spendable form” even though it is a component of current assets.

***Nonspendable for prepaid items*** – An account used to segregate a portion of fund balance to indicate that prepaid items are “not in spendable form” even though it is a component of current assets.

***Restricted for Debt Service:*** This represents the Debt Service Fund balance that is not available for appropriation because it represents the year-end fund balance that is legally restricted for future debt service on general obligation bonds and is not an expendable, available resource.

***Restricted for School Building Fund:*** This represents the School Building Fund balance that is not available for appropriation because it represents the year-end fund balance that has been formally restricted to use for approved building projects and is not an expendable, available resource.

***Committed for School Building Fund:*** This amount represents the School Building Fund balance that has been committed for contractual obligations for approved building projects and is not an expendable, available resource.

***Assigned for special purposes general fund*** – Amounts assigned were approved by the Board of Trustees and are for the following purposes:

School parking lots maintenance	\$ 247,951
Start up costs associated with new schools	3,000,000
Appropriation of fund balance for budgetary deficit for fiscal year 2011-2012	2,935,628
<b>Total Assigned for special purposes</b>	<b><u>\$ 6,183,579</u></b>

***Unassigned:*** This represents and includes all spendable amounts of the general fund not contained in the other classifications.

District policy is to maintain a minimum fund balance of 8.5% of the General fund budget which amounts to \$ 12,097,533 as of June 30, 2011. This amount is included in the Unassigned fund balance.

**Note 16. Contingencies and Litigation**

The District is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of the District’s management, the ultimate effect of these legal matters will not have a material adverse effect of the District’s financial position.

The District participates in certain federal and state grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

**Note 17. Legal Compliance**

All schedules and exhibits are presented in the level of detail as required by the South Carolina Department of Education. Account numbers are presented on the combining fund statements and supporting schedules as required.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
YEAR ENDED JUNE 30, 2011**

**Notes to the Basic Financial Statements**

---

**Note 18. Subsequent Events**

The District has evaluated subsequent events through October 31, 2011, the date on which the financial statements were available to be issued.

On September 27, 2011, the District issued Series 2010C, \$ 17,500,000 general obligation bonds (Eight Percent Debt). The bonds have an interest rate of 1.0%. Interest and principal payment is due in a single installment on March 1, 2012. The proceeds will be used for the purpose of providing funds for capital improvements, equipment, and technology, paying the costs of issuance of the bonds and such other lawful purposes as may be determined by the School District.

**OTHER SUPPLEMENTARY  
INFORMATION**

## **GENERAL FUND**

The General Fund also referred to as the “general operating fund,” is the basic budgetary fund of the School District. It is used to account for all financial resources except for those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or capacity. Operational expenditures for general education, support services and other departments of the district are paid through the General Fund. Any unassigned fund balance may be appropriated to support operating expenditures in subsequent years.

The following Schedule of Revenue, Expenditures and Change in Fund Balance – Budget and Actual 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 S.C. Department of Education.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGETS AND ACTUAL**  
**YEAR ENDED JUNE 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
<b>1000 Revenue from Local Sources</b>				
1100 Taxes:				
1110 Ad Valorem Taxes-Including Delinquent Taxes	\$ 46,240,471	\$ 47,340,471	\$ 47,681,448	\$ 340,977
1140 Penalties & Interest On Taxes	1,500,000	400,000	434,592	34,592
1200 Revenue From Local Governmental Units Other Than LEAs:				
1280 Revenue in Lieu of Taxes	60,000	60,000	464,974	404,974
1300 Tuition:				
1310 Regular Day School From Patrons	6,000	6,000	2,765	(3,235)
1350 Summer School From Patrons	-	-	15,268	15,268
1500 Earnings on Investments:				
1510 Interest on Investments	200,000	200,000	94,732	(105,268)
1700 Pupil Activities:				
1740 Student Fees	30,000	30,000	77,304	47,304
1900 Miscellaneous Local Revenue:				
1910 Rentals	4,000	4,000	64,011	60,011
1950 Refund of Prior Year's Expenditures	10,000	10,000	2,650	(7,350)
1993 Receipts of Insurance Proceeds	1,200	1,200	-	(1,200)
1999 Revenue from Other Local Sources	3,400,366	3,400,366	173,266	(3,227,100)
<b>Total Local Sources</b>	<b>51,452,037</b>	<b>51,452,037</b>	<b>49,011,010</b>	<b>(2,441,027)</b>
<b>3000 Revenue from State Sources</b>				
3100 Restricted State Funding:				
3129 Consolidated Funding	-	-	513,763	513,763
3130 Special Programs:				
3131 Handicapped Transportation	-	-	2,630	2,630
3132 Home Schooling	-	-	2,423	2,423
3160 School Bus Driver Salary	603,586	603,586	681,144	77,558
3162 Transportation Workers' Compensation	-	-	57,745	57,745
3180 Fringe Benefits Employer Contributions	12,084,768	12,084,768	12,509,006	424,238
3181 Retiree Insurance	2,205,577	2,205,577	2,700,578	495,001
3197 Textbook Cost Savings	-	-	402,509	402,509
3300 Education Finance Act:				
3310 Full-Time Programs:				
3310 EFA Totals	24,915,653	24,915,653	-	(24,915,653)
3311 Kindergarten	-	-	1,478,448	1,478,448
3312 Primary	-	-	4,346,763	4,346,763
3313 Elementary	-	-	6,884,721	6,884,721
3314 High School	-	-	2,334,337	2,334,337
3315 Trainable Mentally Handicapped	-	-	92,747	92,747
3316 Speech Handicapped	-	-	2,313,329	2,313,329
3317 Homebound	-	-	111,396	111,396
3320 Part-Time Programs:				
3321 Emotionally Handicapped	-	-	241,287	241,287
3322 Educable Mentally Handicapped	-	-	105,428	105,428
3323 Learning Disabilities	-	-	1,568,549	1,568,549
3324 Hearing Handicapped	-	-	85,619	85,619
3325 Visually Handicapped	-	-	49,304	49,304
3326 Orthopedically Handicapped	-	-	47,341	47,341
3327 Vocational	-	-	4,968,440	4,968,440
3330 Other EFA Programs:				
3331 Autism	-	-	431,123	431,123
3800 State Revenue In Lieu of Taxes:				
3810 Reimbursement for Local Property Tax Relief (Tier 1)	10,580,071	10,580,071	10,580,071	-
3820 Homestead Exemption (Tier 2)	1,758,200	1,758,200	1,758,200	-
3825 Reimbursement for Property Tax Relief (Tier 3)	27,548,302	27,548,302	27,570,059	21,757
3830 Merchant's Inventory Tax	213,955	213,955	213,955	-
3840 Manufacturers Depreciation Reimbursement	314,980	314,980	343,788	28,808
3890 Other State Property Tax Revenues	-	-	131,015	131,015

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGETS AND ACTUAL**  
**YEAR ENDED JUNE 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES (CONTINUED)</b>				
<b>3000 Revenue from State Sources (Continued)</b>				
3900 Other State Revenue:				
3990 Other State Revenue	\$ 544,884	\$ 544,884	\$ -	\$ (544,884)
3999 Revenue from Other State Sources	-	-	83,048	83,048
<b>Total State Sources</b>	<b>80,769,976</b>	<b>80,769,976</b>	<b>82,608,766</b>	<b>1,838,790</b>
<b>4000 Revenue from Federal Sources</b>				
4900 Other Federal Revenue:				
4999 Revenue from Other Federal Sources	3,385,270	3,385,270	-	(3,385,270)
<b>Total Federal Sources</b>	<b>3,385,270</b>	<b>3,385,270</b>	<b>-</b>	<b>(3,385,270)</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>135,607,283</b>	<b>135,607,283</b>	<b>131,619,776</b>	<b>(3,987,507)</b>
<b>EXPENDITURES</b>				
<b>100 INSTRUCTION</b>				
110 General Instruction:				
111 Kindergarten Programs:				
100 Salaries	4,088,776	4,088,776	4,291,986	(203,210)
200 Employee Benefits	1,402,561	1,402,561	1,458,506	(55,945)
300 Purchased Services	750	833	679	154
400 Supplies and Materials	65,137	63,286	61,936	1,350
112 Primary Programs:				
100 Salaries	12,014,323	12,014,323	11,497,664	516,659
200 Employee Benefits	4,422,713	4,422,713	3,608,143	814,570
300 Purchased Services	2,700	3,171	10,085	(6,914)
400 Supplies and Materials	174,533	182,600	175,235	7,365
113 Elementary Programs:				
100 Salaries	19,258,006	19,258,464	19,245,244	13,220
200 Employee Benefits	6,024,605	6,024,605	6,093,526	(68,921)
300 Purchased Services	6,000	6,364	17,820	(11,456)
400 Supplies and Materials	327,023	321,160	304,393	16,767
114 High School Programs:				
100 Salaries	14,049,926	13,764,571	13,737,020	27,551
200 Employee Benefits	4,280,202	4,280,202	4,196,293	83,909
300 Purchased Services	140,700	135,100	33,636	101,464
400 Supplies and Materials	378,475	391,898	321,942	69,956
600 Other Objects	8,065	8,065	5,000	3,065
115 Career and Technology Education Programs:				
100 Salaries	1,862,842	1,862,842	1,989,206	(126,364)
200 Employee Benefits	572,291	572,291	621,332	(49,041)
300 Purchased Services	-	787	787	-
400 Supplies and Materials	52,411	53,624	51,414	2,210
117 Driver Education Program:				
100 Salaries	113,875	113,875	47,678	66,197
200 Employee Benefits	30,781	30,781	12,279	18,502
400 Supplies and Materials	725	325	-	325
120 Exceptional Programs:				
121 Educable Mentally Handicapped:				
100 Salaries	492,201	492,201	536,847	(44,646)
200 Employee Benefits	163,651	163,651	167,701	(4,050)
400 Supplies and Materials	1,600	1,600	1,564	36
122 Trainable Mentally Handicapped:				
100 Salaries	598,777	598,777	584,465	14,312
200 Employee Benefits	203,096	203,096	199,129	3,967
400 Supplies and Materials	1,150	1,150	964	186

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGETS AND ACTUAL**  
**YEAR ENDED JUNE 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>EXPENDITURES (CONTINUED)</b>				
<b>100 INSTRUCTION (CONTINUED)</b>				
120 Exceptional Programs (Continued):				
123 Orthopedically Handicapped:				
100 Salaries	\$ 294,492	\$ 294,492	\$ 238,970	\$ 55,522
200 Employee Benefits	103,395	103,395	83,563	19,832
400 Supplies and Materials	778	828	576	252
124 Visually Handicapped:				
100 Salaries	88,664	88,664	99,170	(10,506)
200 Employee Benefits	26,149	26,149	27,335	(1,186)
400 Supplies and Materials	165	165	136	29
125 Hearing Handicapped:				
100 Salaries	190,308	190,308	174,115	16,193
200 Employee Benefits	57,517	57,517	59,574	(2,057)
400 Supplies and Materials	285	310	221	89
126 Speech Handicapped:				
100 Salaries	961,636	961,636	1,007,819	(46,183)
200 Employee Benefits	291,702	291,702	312,234	(20,532)
300 Purchased Services	-	-	54,983	(54,983)
400 Supplies and Materials	4,381	5,193	5,100	93
127 Learning Disabilities:				
100 Salaries	3,615,185	3,615,185	3,715,334	(100,149)
200 Employee Benefits	1,124,701	1,124,701	1,135,860	(11,159)
300 Purchased Services	-	786	786	-
400 Supplies and Materials	7,807	16,700	16,107	593
128 Emotionally Handicapped:				
100 Salaries	741,845	741,845	796,913	(55,068)
200 Employee Benefits	259,887	259,887	275,812	(15,925)
400 Supplies and Materials	2,156	2,856	2,243	613
129 Coordinated Early Intervening Services (CEIS):				
100 Salaries	6,083	6,083	16,749	(10,666)
200 Employee Benefits	1,290	1,290	3,655	(2,365)
130 Pre-School Programs:				
136 Pre-School Handicapped-Itinerant (3 & 4 year olds):				
100 Salaries	10,557	10,557	10,348	209
200 Employee Benefits	3,350	3,350	3,590	(240)
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):				
100 Salaries	735,337	735,337	831,656	(96,319)
200 Employee Benefits	261,561	261,561	302,803	(41,242)
138 Pre-School Handicapped-Homebased (3 & 4 year olds):				
100 Salaries	7,773	7,773	7,732	41
200 Employee Benefits	2,529	2,529	2,645	(116)
139 Early Childhood Programs:				
100 Salaries	505,286	505,286	543,875	(38,589)
200 Employee Benefits	168,538	168,538	186,354	(17,816)
300 Purchased Services	300	1,570	1,325	245
400 Supplies and Materials	-	100	100	-
140 Special Programs:				
141 Gifted and Talented-Academic:				
100 Salaries	193,810	193,810	385,378	(191,568)
200 Employee Benefits	55,394	55,394	118,580	(63,186)
143 Advanced Placement:				
100 Salaries	779,090	779,090	657,167	121,923
200 Employee Benefits	227,254	227,254	199,547	27,707
145 Homebound:				
100 Salaries	-	-	157,045	(157,045)
200 Employee Benefits	-	-	34,493	(34,493)
300 Purchased Services	13,300	13,300	7,800	5,500

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGETS AND ACTUAL**  
**YEAR ENDED JUNE 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>EXPENDITURES (CONTINUED)</b>				
<b>100 INSTRUCTION (CONTINUED)</b>				
140 Special Programs (Continued):				
148 Gifted and Talented-Artistic:				
100 Salaries	\$ 3,530	\$ 5,930	\$ 4,654	\$ 1,276
200 Employee Benefits	841	841	883	(42)
300 Purchased Services	-	2,100	1,950	150
149 Other Special Programs:				
100 Salaries	673,545	673,545	992,928	(319,383)
140 Terminal Leave	337,728	337,728	202,170	135,558
200 Employee Benefits	256,259	256,259	259,274	(3,015)
400 Supplies and Materials	2,200	2,900	2,884	16
160 Other Exceptional Programs:				
161 Autism:				
100 Salaries	789,949	789,949	824,155	(34,206)
200 Employee Benefits	283,838	283,838	292,479	(8,641)
400 Supplies and Materials	3,076	3,076	3,115	(39)
170 Summer School Program:				
173 High School Summer School:				
100 Salaries	-	-	63,000	(63,000)
200 Employee Benefits	-	-	13,899	(13,899)
400 Supplies and Materials	-	-	1,963	(1,963)
180 Adult/Continuing Educational Programs:				
181 Adult Basic Education Programs:				
100 Salaries	147,163	163,963	163,709	254
200 Employee Benefits	43,657	47,220	51,343	(4,123)
300 Purchased Services	2,000	2,000	1,436	564
182 Adult Education Secondary Programs:				
300 Purchased Services	500	500	282	218
400 Supplies and Materials	10,660	10,660	10,732	(72)
190 Instructional Pupil Activity:				
100 Salaries	369,845	369,845	346,813	23,032
200 Employee Benefits	80,267	80,267	75,912	4,355
660 Instructional Pupil Activity	31,525	31,525	28,044	3,481
<b>TOTAL INSTRUCTION</b>	<b>84,516,983</b>	<b>84,280,979</b>	<b>84,091,792</b>	<b>189,187</b>
<b>200 SUPPORT SERVICES:</b>				
210 Pupil Services:				
211 Attendance and Social Work Services:				
100 Salaries	799,850	799,850	793,897	5,953
200 Employee Benefits	279,333	279,333	294,125	(14,792)
300 Purchased Services	2,000	18,455	4,520	13,935
400 Supplies and Materials	4,450	9,650	4,945	4,705
212 Guidance Services:				
100 Salaries	2,846,157	2,846,157	2,829,609	16,548
200 Employee Benefits	829,751	829,751	868,132	(38,381)
300 Purchased Services	2,236	1,945	798	1,147
400 Supplies and Materials	24,927	23,308	19,075	4,233

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGETS AND ACTUAL**  
**YEAR ENDED JUNE 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>EXPENDITURES (CONTINUED)</b>				
<b>200 SUPPORT SERVICES (CONTINUED)</b>				
210 Pupil Services (Continued):				
213 Health Services:				
100 Salaries	\$ 1,164,750	\$ 1,164,750	\$ 1,210,687	\$ (45,937)
200 Employee Benefits	335,171	335,171	367,817	(32,646)
300 Purchased Services	925	975	327	648
400 Supplies and Materials	22,704	22,676	20,201	2,475
214 Psychological Services:				
100 Salaries	1,020,360	1,020,360	905,912	114,448
200 Employee Benefits	268,478	268,478	249,717	18,761
300 Purchased Services	6,000	6,000	6,023	(23)
400 Supplies and Materials	6,562	6,562	6,174	388
217 Career Specialist Services:				
100 Salaries	160,783	160,783	147,869	12,914
200 Employee Benefits	51,966	51,966	50,197	1,769
400 Supplies and Materials	1,800	1,800	1,690	110
220 Instructional Staff Services:				
221 Improvement of Instruction-Curriculum Development:				
100 Salaries	3,546,393	3,519,193	3,148,977	370,216
200 Employee Benefits	942,143	938,580	881,781	56,799
300 Purchased Services	203,080	195,810	72,990	122,820
400 Supplies and Materials	348,284	339,534	262,564	76,970
600 Other Objects	1,000	2,250	2,192	58
222 Library and Media Services:				
100 Salaries	1,848,077	1,848,077	1,879,322	(31,245)
200 Employee Benefits	574,232	574,232	594,495	(20,263)
300 Purchased Services	1,380	880	819	61
400 Supplies and Materials	361,522	358,405	338,734	19,671
223 Supervision of Special Programs:				
100 Salaries	652,109	652,109	547,363	104,746
200 Employee Benefits	182,117	182,117	135,977	46,140
300 Purchased Services	2,825	2,825	1,429	1,396
400 Supplies and Materials	4,550	4,550	4,516	34
224 Improvement of Instruction-Inservice and Staff Training:				
100 Salaries	-	10,465	20,330	(9,865)
200 Employee Benefits	-	22	4,336	(4,314)
300 Purchased Services	84,935	76,314	65,013	11,301
400 Supplies and Materials	4,491	3,991	4,151	(160)
230 General Administration Services:				
231 Board of Education:				
100 Salaries	36,250	36,250	24,063	12,187
200 Employee Benefits	7,638	7,638	3,743	3,895
300 Purchased Services	199,200	198,875	202,056	(3,181)
318 Audit Services	40,000	40,000	32,100	7,900
600 Other Objects	206,680	206,680	233,765	(27,085)
232 Office of the Superintendent:				
100 Salaries	259,186	259,186	279,132	(19,946)
200 Employee Benefits	76,376	76,376	69,553	6,823
300 Purchased Services	12,000	12,000	9,560	2,440
400 Supplies and Materials	10,470	10,470	5,678	4,792
600 Other Objects	6,100	6,100	2,606	3,494
233 School Administration:				
100 Salaries	6,983,534	6,983,534	7,273,889	(290,355)
200 Employee Benefits	2,073,901	2,073,901	2,190,382	(116,481)
300 Purchased Services	201,757	193,898	174,560	19,338
400 Supplies and Materials	208,725	201,535	179,005	22,530
500 Capital Outlay	10,108	5,067	2,512	2,555
600 Other Objects	51,250	52,001	42,305	9,696

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGETS AND ACTUAL**  
**YEAR ENDED JUNE 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>EXPENDITURES (CONTINUED)</b>				
<b>200 SUPPORT SERVICES (CONTINUED)</b>				
250 Finance and Operations Services:				
251 Student Transportation (Federal/District Mandated):				
100 Salaries	\$ 2,298	\$ 2,298	\$ 2,394	\$ (96)
200 Employee Benefits	-	-	612	(612)
300 Purchased Services	2,345	2,345	2,340	5
252 Fiscal Services:				
100 Salaries	745,751	745,751	785,136	(39,385)
200 Employee Benefits	234,749	234,749	237,629	(2,880)
300 Purchased Services	55,000	55,000	16,906	38,094
400 Supplies and Materials	65,250	65,250	41,150	24,100
500 Capital Outlay	6,250	6,250	-	6,250
600 Other Objects	4,500	4,500	82,420	(77,920)
254 Operation and Maintenance of Plant:				
100 Salaries	5,633,795	5,635,895	5,702,662	(66,767)
200 Employee Benefits	2,053,753	2,053,753	2,082,406	(28,653)
300 Purchased Services	2,259,241	2,234,038	2,134,163	99,875
321 Public Utilities	505,048	505,048	-	505,048
400 Supplies and Materials	441,145	727,269	738,410	(11,141)
470 Energy	3,221,117	3,221,117	36,186	3,184,931
500 Capital Outlay	-	-	30,000	(30,000)
600 Other Objects	35,310	35,310	16,813	18,497
255 Student Transportation:				
100 Salaries	2,840,555	2,840,555	2,839,441	1,114
200 Employee Benefits	996,580	996,580	744,436	252,144
300 Purchased Services	205,150	185,150	153,728	31,422
400 Supplies and Materials	52,535	88,035	81,682	6,353
600 Other Objects	450	450	1,042	(592)
257 Internal Services:				
100 Salaries	359,557	359,557	357,145	2,412
200 Employee Benefits	110,713	110,713	112,262	(1,549)
300 Purchased Services	680,590	697,780	616,940	80,840
400 Supplies and Materials	45,930	45,630	(20,787)	66,417
258 Security:				
100 Salaries	69,523	69,523	69,233	290
200 Employee Benefits	18,060	18,060	21,721	(3,661)
300 Purchased Services	561,121	563,920	503,498	60,422
260 Central Support Services:				
263 Information Services:				
100 Salaries	210,918	210,918	223,289	(12,371)
200 Employee Benefits	55,784	55,784	57,034	(1,250)
300 Purchased Services	59,997	59,997	27,011	32,986
400 Supplies and Materials	33,462	33,462	31,363	2,099
600 Other Objects	13,835	13,835	6,967	6,868
264 Staff Services:				
100 Salaries	536,766	536,766	497,510	39,256
200 Employee Benefits	162,489	162,489	206,923	(44,434)
300 Purchased Services	64,650	64,650	34,853	29,797
400 Supplies and Materials	53,324	53,324	40,158	13,166
600 Other Objects	500	825	825	-
266 Technology and Data Processing Services:				
100 Salaries	1,335,146	1,333,092	1,218,976	114,116
200 Employee Benefits	383,415	382,979	366,021	16,958
300 Purchased Services	175,000	177,490	165,358	12,132
400 Supplies and Materials	12,200	12,350	5,112	7,238

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGETS AND ACTUAL**  
**YEAR ENDED JUNE 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>EXPENDITURES (CONTINUED)</b>				
<b>200 SUPPORT SERVICES (CONTINUED)</b>				
270 Support Services Pupil Activity:				
271 Pupil Services Activities:				
100 Salaries	\$ 1,239,609	\$ 1,239,609	\$ 1,300,429	\$ (60,820)
200 Employee Benefits	295,552	295,552	316,553	(21,001)
300 Purchased Services	18,675	18,675	12,785	5,890
660 Pupil Activity	-	-	363,167	(363,167)
Total expenditures, excluding capital outlay	52,809,796	53,065,841	48,703,003	4,362,838
Total capital outlay	16,358	11,317	32,512	(21,195)
<b>TOTAL SUPPORT SERVICES</b>	<b>52,826,154</b>	<b>53,077,158</b>	<b>48,735,515</b>	<b>4,341,643</b>
<b>300 COMMUNITY SERVICES</b>				
390 Other Community Services:				
300 Purchased Services	30,960	30,960	27,590	3,370
400 Supplies and Materials	6,800	6,800	3,125	3,675
<b>TOTAL COMMUNITY SERVICES</b>	<b>37,760</b>	<b>37,760</b>	<b>30,715</b>	<b>7,045</b>
<b>400 OTHER CHARGES</b>				
410 Intergovernmental Expenditures:				
411 Payments to the State Department of Education:				
720 Transits	25,000	25,000	6,371	18,629
412 Payments to Other Governmental Units:				
720 Transits	152,200	152,200	190,165	(37,965)
415 Payments to Nonprofit Entities (for First Steps):				
720 Transits	3,200	3,200	-	3,200
<b>TOTAL INTERGOVERNMENTAL EXPENDITURES</b>	<b>180,400</b>	<b>180,400</b>	<b>196,536</b>	<b>(16,136)</b>
<b>TOTAL EXPENDITURES</b>	<b>137,561,297</b>	<b>137,576,297</b>	<b>133,054,558</b>	<b>4,521,739</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Interfund Transfers, From (To) Other Funds:</b>				
5300 Sale of Capital Assets	-	-	6,889	6,889
5220 Transfer from Special Revenue	-	-	9,568	9,568
5230 Transfer from Special Revenue EIA	2,458,673	2,458,673	2,718,286	259,613
5280 Transfers from Other Funds Indirect Costs	600,000	600,000	825,654	225,654
420-710 Transfer to General Fund	(40,215)	(40,215)	-	40,215
421-710 Transfer to Special Revenue Funds	(134,531)	(134,531)	-	134,531
425-710 Transfer to Food Service Fund	(521,745)	(521,745)	(556,307)	(34,562)
426-710 Transfer to Pupil Activity Fund	(408,168)	(393,168)	-	393,168
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,954,014</b>	<b>1,969,014</b>	<b>3,004,090</b>	<b>1,035,076</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,569,308</b>	<b>\$ 1,569,308</b>
<b>FUND BALANCE, JULY 1, 2010</b>			<b>23,076,777</b>	
<b>FUND BALANCE, JUNE 30, 2011</b>			<b>\$ 24,646,085</b>	

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for the proceeds of specific revenue sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The School District has the following Special Revenue Funds:

- 1) The Special Projects Fund consists of multiple special revenue funds used to account for all federal, state and local projects and grants except for those subject to EIA.
- 2) The Education Improvement Act (EIA) Fund was passed in 1984 by the State Legislature to upgrade the quality of education in South Carolina. The fund accounts for the proceeds of the additional one percent Sales and Use Tax which is restricted to expenditures for the Education Improvement Act standards. Because of the categorical nature of the funding, the state requires that revenues and expenditures be accounted for in a separate fund. Accordingly, the EIA Fund is reported as a Special Revenue Fund.

The following schedules for the Special Revenue Funds 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 S.C. Department of Education.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2011

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>REVENUES:</b>									
<b>1000 Revenue from Local Sources:</b>									
1900 Other Revenue From Local Sources:									
1920 Contributions and Donations Private Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,153	\$ 56,153
1930 Medicaid	-	-	-	-	-	-	-	554,984	554,984
<b>Total Local Sources</b>	-	-	-	-	-	-	-	611,137	611,137
<b>3000 Revenue from State Sources:</b>									
3100 Restricted State Funding:									
3110 Occupational Education:									
3116 EEDA - Miscellaneous	-	-	-	-	-	-	16,353	-	16,353
3118 EEDA Career Specialist	-	-	-	-	-	-	448,225	-	448,225
3120 General Education:									
3123 Formative Assessment	-	-	-	-	-	-	132,209	-	132,209
3126 Refurbishment of K-8 Science Kits	-	-	-	-	-	-	9,568	-	9,568
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	-	155,515	-	155,515
3130 Special Programs:									
3136 Student Health and Fitness - Nurses	-	-	-	-	-	-	353,611	-	353,611
3150 Adult Education:									
3154 Young Adult Education	-	-	-	-	-	-	84,204	-	84,204
3190 Miscellaneous Restricted State Grants:									
3193 Education License Plate	-	-	-	-	-	-	1,912	-	1,912
3199 Other Restricted State Grants	-	-	-	-	-	-	-	2,256	2,256
3600 Education Lottery Act Revenue:									
3607 6-8 Enhancement	-	-	-	-	-	-	32,206	-	32,206
3610 K - 5 Enhancement	-	-	-	-	-	-	761,265	-	761,265
3990 Other State Revenue:									
3991 ADEPT	-	-	-	-	-	-	24,556	-	24,556
3999 Other State Revenue	-	-	-	-	-	-	-	1,400	1,400
<b>Total State Sources</b>	-	-	-	-	-	-	2,019,624	3,656	2,023,280
<b>4000 Revenue from Federal Sources:</b>									
4200 Occupational Education:									
4210 Perkins Aid, Title I	-	-	-	189,236	-	-	-	-	189,236
4300 Elementary and Secondary Education Act of 1965:									
4310 Title I, Basic State Grant Programs	1,232,989	-	-	-	-	-	-	31,894	1,264,883
4315 ARRA Title I, Basic State Grant Programs	-	-	-	-	-	-	-	366,638	366,638
4341 Language Instruction for Limited English, Title III	-	-	-	-	-	-	-	48,826	48,826
4344 McKinney-Vento Homeless Education Assistance Act (ARRA)	-	-	-	-	-	-	-	534	534
4350 State Fiscal Stabilization Fund (ARRA)	-	-	-	-	-	-	-	3,748,260	3,748,260
4351 Improving Teacher Quality	-	-	-	-	-	-	-	307,663	307,663
4400 Adult Education:									
4410 Basic Adult Education	-	-	-	-	-	120,576	-	-	120,576
4430 State Literacy Resource	-	-	-	-	-	5,000	-	-	5,000

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2011

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
\$	-	\$ 2,087,433	\$ -	\$ -	\$ -	\$ -	\$ 30,697	\$ 2,118,130	
4510 IDEA	-	-	105,157	-	-	-	-	105,157	
4520 Pre-School Grants (IDEA)	-	-	-	-	-	-	-	2,046,014	
4540 IDEA (ARRA 611)	-	-	-	-	-	-	-	121,255	
4550 IDEA Preschool (ARRA 619)	-	-	-	-	-	-	-	31,763	
4900 Other Federal Sources:	-	-	-	-	-	-	-	288,539	
4920 Drug and Violence Prevention	-	-	-	-	31,763	-	-	1,439,309	
4924 21st Century	-	-	-	-	-	-	-	8,429,629	
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	-	125,576	
<b>Total Federal Sources</b>	1,232,989	2,087,433	105,157	189,236	31,763	125,576	8,429,629	12,201,783	
<b>TOTAL REVENUE ALL SOURCES</b>	1,232,989	2,087,433	105,157	189,236	31,763	125,576	9,044,422	14,836,200	

**EXPENDITURES:**

**100 INSTRUCTION:**

110 General Instruction:	-	-	-	-	-	-	-	-
111 Kindergarten Programs:	2,290	-	-	-	-	-	13,642	15,932
100 Salaries	292	-	-	-	-	-	4,222	4,514
200 Employee Benefits	-	-	-	-	-	-	-	-
112 Primary Programs:	456,790	-	-	-	-	-	94,681	551,471
100 Salaries	134,259	-	-	-	-	-	30,470	164,729
200 Employee Benefits	1,171	-	-	-	-	-	-	1,171
400 Supplies and Materials	177,964	-	-	-	-	-	82,224	266,988
113 Elementary Programs:	52,028	-	-	-	-	-	27,711	81,208
100 Salaries	4,994	-	-	-	-	-	1,400	6,394
200 Employee Benefits	10,247	-	-	-	-	-	17,394	27,641
300 Purchased Services	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	-	-	-	-	-	-
114 High School Programs:	-	-	-	-	-	-	120	310,507
100 Salaries	-	-	-	-	-	-	25	25,058
200 Employee Benefits	-	-	-	-	-	-	-	31,370
300 Purchased Services	-	-	-	-	-	-	-	16,061
400 Supplies and Materials	-	-	-	-	-	-	1,912	17,973
115 Career & Technology Education Programs:	-	-	-	119,588	-	-	-	119,588
400 Supplies and Materials	-	-	-	-	-	-	-	-

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2011

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (CONTINUED):</b>									
<b>100 INSTRUCTION (CONTINUED):</b>									
120 Exceptional Programs:									
121 Educable Mentally Handicapped:									
100 Salaries	\$ -	\$ 23,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,486	\$ 98,128
200 Employee Benefits	-	12,755	-	-	-	-	-	25,022	37,777
300 Purchased Services	-	1,604	-	-	-	-	-	-	1,604
400 Supplies and Materials	-	809	-	-	-	-	-	-	809
122 Trainable Mentally Handicapped:									
100 Salaries	-	25,393	-	-	-	-	-	58,594	83,987
200 Employee Benefits	-	5,936	-	-	-	-	-	12,799	18,735
300 Purchased Services	-	853	-	-	-	-	-	-	853
400 Supplies and Materials	-	294	-	-	-	-	-	-	294
123 Orthopedically Handicapped:									
100 Salaries	-	37,097	-	-	-	-	-	30,687	67,784
200 Employee Benefits	-	7,920	-	-	-	-	-	8,748	16,668
400 Supplies and Materials	-	1,315	-	-	-	-	-	-	1,315
124 Visually Handicapped:									
100 Salaries	-	13,941	-	-	-	-	-	-	13,941
200 Employee Benefits	-	4,040	-	-	-	-	-	-	4,040
300 Purchased Services	-	9,388	-	-	-	-	-	-	9,388
400 Supplies and Materials	-	875	-	-	-	-	-	-	875
125 Hearing Handicapped:									
100 Salaries	-	70,763	-	-	-	-	-	-	70,763
200 Employee Benefits	-	18,781	-	-	-	-	-	-	18,781
300 Purchased Services	-	3,783	-	-	-	-	-	-	3,783
400 Supplies and Materials	-	4,510	-	-	-	-	-	-	4,510
126 Speech Handicapped:									
100 Salaries	-	245,770	-	-	-	-	-	60,867	306,637
200 Employee Benefits	-	80,745	-	-	-	-	-	19,054	99,799
300 Purchased Services	-	1,919	-	-	-	-	-	-	1,919
400 Supplies and Materials	-	804	-	-	-	-	-	-	804
127 Learning Disabilities:									
100 Salaries	-	161,517	-	-	-	-	-	598,280	759,797
200 Employee Benefits	-	56,389	-	-	-	-	-	182,748	239,137
400 Supplies and Materials	-	9,519	-	-	-	-	-	213,211	222,730
128 Emotionally Handicapped:									
100 Salaries	-	45,409	-	-	-	-	-	50,983	96,392
200 Employee Benefits	-	16,571	-	-	-	-	-	12,809	29,380
300 Purchased Services	-	455	-	-	-	-	-	-	455
400 Supplies and Materials	-	1,482	-	-	-	-	-	-	1,482
129 Coordinated Early Intervening Services:									
100 Salaries	6,179	292,337	-	-	-	-	10,867	267,580	576,963
200 Employee Benefits	2,736	92,143	-	-	-	-	3,832	82,838	181,549
300 Purchased Services	-	26,506	-	-	-	-	-	5,800	32,306
400 Supplies and Materials	-	49,744	-	-	-	-	-	237,879	287,623

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2011

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (243)	DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (CONTINUED):</b>									
<b>100 INSTRUCTION (CONTINUED):</b>									
130 Pre-School Programs:									
	\$ -	\$ -	\$ 54,002	\$ -	\$ -	\$ -	\$ -	\$ 47,416	\$ 101,418
135 Preschool Handicapped Speech (3&4 Yr Olds):			14,160					15,210	29,370
100 Salaries									
200 Employee Benefits									
136 Preschool Handicapped Itinerant (3&4 Yr. Olds):									
100 Salaries								36,997	36,997
200 Employee Benefits		11						13,447	13,458
137 Preschool Handicapped Self-Contained (3&4 Yr. Olds):									
100 Salaries		60,013	21,270					46,422	127,705
200 Employee Benefits		17,277	4,598					22,165	44,040
400 Supplies and Materials		770	7,522					32,757	41,049
140 Special Programs:									
149 Other Special Programs:									
100 Salaries		33,676							33,676
200 Employee Benefits		9,725							9,725
400 Supplies and Materials								38,772	38,772
160 Other Exceptional Programs:									
161 Autism:									
100 Salaries		55,672						91,422	147,094
200 Employee Benefits		16,972						34,909	51,881
400 Supplies and Materials		764							764
170 Summer School Programs:									
175 Instructional Programs Beyond Regular School Day:									
300 Purchased Services	134,468								134,468
180 Adult/Continuing Educational Programs:									
181 Adult Basic Education Programs:									
100 Salaries						29,000			29,000
200 Employee Benefits						6,268			6,268
400 Supplies and Materials						2,157			2,157
182 Adult Secondary Education Programs:									
100 Salaries						50,399	33,789		84,188
200 Employee Benefits						10,404	7,107		17,511
300 Purchased Services							2,000		2,000
400 Supplies and Materials						2,157	20,000		22,157
183 Adult English Literacy (ESL):									
100 Salaries						14,646			14,646
200 Employee Benefits						2,520			2,520
400 Supplies and Materials						2,000			2,000

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2011

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,268	\$ 42,268
	-	-	-	-	-	-	-	13,885	13,885
<b>TOTAL INSTRUCTION</b>	983,418	1,519,889	101,552	119,588	-	119,551	332,602	2,787,969	5,964,569

**100 INSTRUCTION (CONTINUED):**

180 Adult/Continuing Educational Programs (Continued):

188 Parenting/Family Literacy:									
100 Salaries									
200 Employee Benefits									

**200 SUPPORT SERVICES:**

210 Pupil Services:

211 Attendance and Social Work Services:									
100 Salaries					12,420				12,420
200 Employee Benefits					2,585				2,585
300 Purchased Services					2,768				2,768
212 Guidance Services:									
100 Salaries							104,314		104,314
200 Employee Benefits							29,927		29,927
400 Supplies and Materials				1,423					1,423
213 Health Services:									
100 Salaries		63,480					264,081		420,118
200 Employee Benefits		13,902					89,530		123,491
300 Purchased Services		3,406							7,768
400 Supplies and Materials		964						5,916	6,880
214 Psychological Services:									
100 Salaries		252,578						189,878	442,456
200 Employee Benefits		65,912						53,180	119,092
300 Purchased Services		930							930
400 Supplies and Materials		66							66
217 Career Specialist Services:									
100 Salaries							236,255		236,255
200 Employee Benefits							77,729		77,729

**220 Instructional Staff Services:**

221 Improvement of Instruction - Curriculum Development:									
100 Salaries	240	10,420					518,860	56,407	585,927
200 Employee Benefits	52	2,179					162,478	17,246	181,955
300 Purchased Services		3,281			1,348			5,120	9,749
400 Supplies and Materials		7,694			11,553				19,247
600 Other Objects							132,208	6,114	138,322

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2011

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRE-SCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (CONTINUED):</b>									
<b>200 SUPPORT SERVICES (CONTINUED):</b>									
220 Instructional Staff Services (Continued):									
223 Supervision of Special Programs:									
100 Salaries	\$ 40,723	\$ 35,043	\$ -	\$ -	\$ -	\$ 5,439	\$ 22,588	\$ 446,933	\$ 550,726
200 Employee Benefits	11,453	10,469	-	-	-	586	4,751	131,689	158,948
300 Purchased Services	-	2,872	-	-	-	-	3,814	265,464	272,150
400 Supplies and Materials	-	3,107	-	-	-	-	4,518	48,097	55,722
224 Improvement of Instruction-Inservice Training:									
100 Salaries	-	1,395	-	-	-	-	8,400	98,803	108,598
200 Employee Benefits	-	260	-	-	-	-	1,794	20,698	22,752
300 Purchased Services	76,888	13,878	-	30,500	-	-	-	476,113	597,379
400 Supplies and Materials	34,348	-	-	-	-	-	11,668	92,491	138,507
230 General Administration Services:									
233 School Administration:									
300 Purchased Services	-	-	-	5,500	-	-	-	-	5,500
400 Supplies and Materials	-	-	-	2,500	-	-	-	-	2,500
250 Finance and Operations Services:									
251 Student Transportation (Federal/District Mandated):									
100 Salaries	-	-	-	-	-	-	-	19,020	19,020
200 Employee Benefits	-	-	-	-	-	-	-	4,745	4,745
300 Purchased Services	43,596	4,476	-	-	-	-	-	27,261	75,333
250 Finance and Operations Services (Continued):									
253 Facilities Acquisition and Construction:									
300 Purchased Services	-	-	-	-	-	-	-	815	815
500 Capital Outlay	-	-	-	-	-	-	-	241,688	241,688
254 Operation and Maintenance of Plant:									
100 Salaries	-	-	-	-	-	-	-	5,540	5,540
200 Employee Benefits	-	-	-	-	-	-	-	1,175	1,175
321 Public Utilities	-	-	-	-	-	-	-	530,223	530,223
470 Energy	-	-	-	-	-	-	-	3,129,719	3,129,719
260 Central Support Services:									
266 Technology and Data Processing Services:									
300 Purchased Services	-	-	-	-	-	-	-	35,615	35,615

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2011

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (CONTINUED):</b>									
<b>200 SUPPORT SERVICES (CONTINUED):</b>									
270 Support Services - Pupil Activity:									
271 Pupil Service Activities:									
300 Purchased Services	\$ -	\$ -	\$ -	\$ 29,725	\$ -	\$ -	\$ 4,539	\$ 1,635	\$ 35,899
Total expenditures, excluding capital outlay	207,300	496,312	-	69,648	30,674	6,025	1,677,454	5,786,875	8,274,288
Capital outlay	-	-	-	-	-	-	-	241,688	241,688
<b>TOTAL SUPPORT SERVICES</b>	<b>207,300</b>	<b>496,312</b>	<b>-</b>	<b>69,648</b>	<b>30,674</b>	<b>6,025</b>	<b>1,677,454</b>	<b>6,028,563</b>	<b>8,515,976</b>
<b>410 INTERGOVERNMENTAL EXPENDITURES:</b>									
412-720 Payments to Other Governmental Units	-	-	-	-	-	-	-	8,971	8,971
<b>TOTAL EXPENDITURES</b>	<b>1,190,718</b>	<b>2,016,201</b>	<b>101,552</b>	<b>189,236</b>	<b>30,674</b>	<b>125,576</b>	<b>2,010,056</b>	<b>8,825,503</b>	<b>14,489,516</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
420-710 Transfer to General Fund	(42,271)	(71,232)	(3,605)	-	(1,089)	-	(9,568)	(218,919)	(9,568)
431-791 Special Revenue Fund Indirect Cost	-	-	-	-	-	-	-	-	(337,116)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JULY 1, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SUMMARY SCHEDULE FOR ADULT EDUCATION, OTHER RESTRICTED  
STATE GRANTS AND OTHER SPECIAL PROJECTS PROGRAMS  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2011**

<u>SUBFUND</u>	<u>REVENUE CODE</u>	<u>PROGRAM</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>Other Fund Transfers In/(Out)</u>	<u>DEFERRED REVENUE</u>
<b>Other Restricted</b>						
<b>State Grants</b>						
908	3126	Refurbishment of K-8 Science Kits	\$ 9,568	\$ -	\$ (9,568)	\$ -
916	3991	ADEPT	24,556	24,556	-	24,764
919	3193	Education License Plates	1,912	1,912	-	1,367
920	3154	Young Adult Education	84,204	84,204	-	-
926	3116	EEDA Miscellaneous	16,353	16,353	-	10,785
928	3118	EEDA Career Specialist	448,225	448,225	-	-
933	3123	Formative Assessment	132,209	132,209	-	-
936	3136	Student Health and Fitness - Nurses	353,611	353,611	-	-
937	3127	Student Health and Fitness - PE Teachers	155,515	155,515	-	-
960	3610	K - 5 Enhancement	761,265	761,265	-	14,503
967	3607	6 - 8 Enhancement	32,206	32,206	-	11,959
		<b>Total</b>	<u>2,019,624</u>	<u>2,010,056</u>	<u>(9,568)</u>	<u>\$ 63,378</u>
<b>Other Special</b>						
<b>Revenue Programs</b>						
213	4510	Personnel Development - IDEA	30,697	29,644	(1,053)	
215	4540	IDEA ( ARRA 611)	2,046,014	1,975,871	(70,143)	
216	4550	IDEA Preschool (ARRA 619)	121,255	117,098	(4,157)	
222	4315	ARRA Title I, Basic State Grant Programs	358,075	345,799	(12,276)	
223	4315	ARRA Title I, Basic State Grant Programs	8,563	8,269	(294)	
224	4924	21st Century	288,539	278,645	(9,894)	
227	4344	McKinney-Vento Homeless Education Assistance Act ( ARRA)	534	516	(18)	
237	4310	Title I - School Improvement	31,894	30,801	(1,093)	
250	4350	State Fiscal Stabilization Fund (ARRA)	3,748,260	3,659,942	(88,318)	
264	4341	Title II - English Language Acquisition	48,826	47,869	(957)	
266	4999	Energy Stimulus	249,218	249,218	-	
267	4351	Improving Teacher Quality	307,663	297,114	(10,549)	
812	3199	ESY Handicap	136	136	-	
831	4999	CHS NJROTC	74,082	74,082	-	
832	4999	IHS, DFHS AFJROTC	139,678	139,678	-	
834	3199	Profoundly Mentally Handicapped	2,120	2,120	-	
841	3999	Artist in Education	1,400	1,400	-	
846	4999	Smaller Learning Communities	388,442	388,442	-	
857	4999	Drug Free Communities	124,807	120,528	(4,279)	
868	1920	Lexington County First Steps	56,153	56,153	-	
890	1930	Medicaid	554,984	554,984	-	
897	4999	Teaching American History	463,082	447,194	(15,888)	
		<b>Total</b>	<u>\$ 9,044,422</u>	<u>\$ 8,825,503</u>	<u>\$ (218,919)</u>	

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
YEAR ENDED JUNE 30, 2011**

	<u>TOTAL</u>
<b>REVENUES:</b>	
<b>3000 Revenue from State Sources:</b>	
3500 Education Improvement Act:	
3509 Arts in Education	\$ 14,599
3511 Professional Development	95,205
3525 Career and Technology Education Equipment	180,443
3526 Science Kits	85,563
3530 Trainable & Profoundly Mentally Disabled Student Services	37,888
3532 National Board Certification Salary Supplement	2,738,463
3533 Teacher of the Year Awards	10,765
3538 Students at Risk of School Failure	1,765,933
3540 Early Childhood (Four-Year-Old)	181,536
3542 Preschool Program for Children with Disabilities	84,877
3544 High Achieving Students	1,290,562
3550 Teacher Salary Increase	1,954,077
3555 School Employer Contributions	409,184
3556 Adult Education	86,516
3558 Reading	73,430
3562 Adult Education, Basic	75,972
3565 Adult Education, Literacy	11,150
3568 EAA Technical Assistance	70,758
3577 Teacher Supplies	355,025
3578 High Schools that Work/Making Middle Grades Work	7,730
3588 IDEA - MOE Special Allocation	82,061
3592 Work-Based Learning	57,689
3598 Flexibility Cost Savings	40,113
	<hr/>
<b>Total State Sources</b>	<b>9,709,539</b>
	<hr/>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>9,709,539</b>
	<hr/>

**EXPENDITURES:**

**100 INSTRUCTION:**

110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	74,290
200 Employee Benefits	15,329
400 Supplies and Materials	18,356
112 Primary Programs:	
100 Salaries	1,249,457
200 Employee Benefits	342,861
400 Supplies and Materials	27,535
113 Elementary Programs:	
100 Salaries	893,468
200 Employee Benefits	200,638
400 Supplies and Materials	39,795
114 High School Programs:	
100 Salaries	750,308
200 Employee Benefits	162,589

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
YEAR ENDED JUNE 30, 2011**

	<u>TOTAL</u>
<b>EXPENDITURES (CONTINUED):</b>	
<b>100 INSTRUCTION (CONTINUED):</b>	
110 General Instruction (Continued):	
115 Career & Technology Education Programs:	
100 Salaries	\$ 70,139
200 Employee Benefits	14,276
400 Supplies and Materials	180,444
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	7,461
200 Employee Benefits	1,535
122 Trainable Mentally Handicapped:	
100 Salaries	51,390
200 Employee Benefits	14,370
123 Orthopedically Handicapped:	
100 Salaries	7,461
200 Employee Benefits	1,515
127 Learning Disabilities:	
100 Salaries	115,814
200 Employee Benefits	25,779
128 Emotionally Handicapped:	
100 Salaries	7,461
200 Employee Benefits	1,532
129 Coordinated Early Intervening Services:	
100 Salaries	52,764
200 Employee Benefits	20,164
400 Supplies and Materials	68,618
130 Pre-School Programs:	
137 Preschool Handicapped Self-Contained (3 & 4 Yr. Olds):	
100 Salaries	79,026
200 Employee Benefits	27,398
139 Early Childhood Programs:	
100 Salaries	123,670
200 Employee Benefits	30,676
300 Purchased Services	975
400 Supplies and Materials	20,020
140 Special Programs:	
141 Gifted and Talented-Academic:	
100 Salaries	879,307
200 Employee Benefits	272,969
300 Purchased Services	2,011
400 Supplies and Materials	3,005
600 Other Objects	139

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
YEAR ENDED JUNE 30, 2011**

	<u>TOTAL</u>
<b>EXPENDITURES (CONTINUED):</b>	
<b>100 INSTRUCTION (CONTINUED):</b>	
140 Special Programs (Continued):	
143 Advanced Placement:	
100 Salaries	\$ 14,921
200 Employee Benefits	3,114
300 Purchased Services	720
400 Supplies and Materials	19,017
148 Gifted and Talented-Artistic:	
100 Salaries	110,211
200 Employee Benefits	32,309
300 Purchased Services	1,701
400 Supplies and Materials	5,163
149 Other Special Programs:	
100 Salaries	7,461
200 Employee Benefits	1,612
160 Other Exceptional Programs:	
161 Autism:	
100 Salaries	14,921
200 Employee Benefits	3,106
170 Summer School Program:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	3,435
200 Employee Benefits	751
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	30,115
200 Employee Benefits	5,325
300 Purchased Services	2,601
182 Adult Secondary Education Programs:	
100 Salaries	36,101
200 Employee Benefits	7,295
300 Purchased Services	4,716
400 Supplies and Materials	25,817
188 Parenting/Family Literacy:	
100 Salaries	58,263
200 Employee Benefits	22,202
300 Purchased Services	5,346
400 Supplies and Materials	14,832
<b>TOTAL INSTRUCTION</b>	<u>6,285,600</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
YEAR ENDED JUNE 30, 2011**

	<u>TOTAL</u>
<b>EXPENDITURES (CONTINUED):</b>	
<b>200 SUPPORT SERVICES:</b>	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	\$ 3,967
200 Employee Benefits	857
300 Purchased Services	973
400 Supplies and Materials	4,695
212 Guidance Services:	
100 Salaries	74,033
200 Employee Benefits	15,241
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	59,385
200 Employee Benefits	12,686
300 Purchased Services	200
400 Supplies and Materials	4,534
222 Library and Media:	
100 Salaries	82,067
200 Employee Benefits	17,009
223 Supervision of Special Programs:	
100 Salaries	188,395
200 Employee Benefits	46,841
400 Supplies and Materials	2,863
224 Improvement of Instruction-Inservice and Staff Training:	
100 Salaries	23,534
200 Employee Benefits	4,672
300 Purchased Services	98,955
400 Supplies and Materials	23,020
230 General Administration Services:	
233 School Administration:	
300 Purchased Services	721
250 Finance and Operation Services:	
255 Student Transportation:	
300 Purchased Services	40,113
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
300 Purchased Services	892
<b>TOTAL SUPPORT SERVICES</b>	<u>705,653</u>
<b>TOTAL EXPENDITURES</b>	<u>6,991,253</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
YEAR ENDED JUNE 30, 2011**

	<u>TOTAL</u>
<b>OTHER FINANCING SOURCES (USES):</b>	
<b>Interfund Transfers, From (To) Other Funds:</b>	
420-710 Transfer to General Fund	\$ (2,718,286)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,718,286)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-
<b>FUND BALANCE, JULY 1, 2010</b>	<u>-</u>
<b>FUND BALANCE, JUNE 30, 2011</b>	<u><u>\$ -</u></u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SUMMARY SCHEDULE BY PROGRAM  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
YEAR ENDED JUNE 30, 2011**

<b>PROGRAM</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>EIA Interfund Transfer In/(Out)</b>	<b>Transfers In/(Out)</b>	<b>Deferred Revenue</b>
3500 Education Improvement Act:					
3509 Arts in Education	\$ 14,599	\$ 14,599	-	-	-
3511 Professional Development	95,205	95,205	-	-	46,239
3513 Parenting/Family Literacy (Carryover Only)	-	-	-	-	9,232
3525 Career and Technology Education Equipment	180,443	180,443	-	-	73,757
3526 Science Kits	85,563	85,563	-	-	4,848
3530 Trainable & Profoundly Mentally Disabled Student Services	37,888	37,888	-	-	-
3532 National Board Certification Salary Supplement	2,738,463	2,738,463	-	-	-
3533 Teacher of the Year Awards	10,765	10,765	-	-	-
3538 Students at Risk of School Failure	1,765,933	1,765,933	-	-	257,221
3540 Early Childhood (Four-Year-Old)	181,536	181,536	-	-	1,495
3542 Preschool Program for Children with Disabilities	84,877	84,877	-	-	-
3544 High Achieving Students	1,290,562	1,290,562	-	-	20,978
3549 Academic Assistance Reading Recovery (Carryover Only)	-	-	-	-	1,925
3550 Teacher Salary Increase	1,954,077	-	-	(1,954,077)	-
3555 School Employer Contributions	409,184	-	-	(409,184)	-
3556 Adult Education	86,516	86,516	-	-	116,241
3558 Reading	73,430	73,430	-	-	18,303
3562 Adult Education, Basic	75,972	75,972	-	-	-
3565 Adult Education, Literacy	11,150	11,150	-	-	-
3568 EAA Technical Assistance	70,758	70,758	-	-	4,031
3577 Teacher Supplies	355,025	-	-	(355,025)	-
3578 High Schools that Work/Making Middle Grades Work	7,730	7,730	-	-	2,655
3588 IDEA - MOE Special Allocation	82,061	82,061	-	-	1,857,216
3592 Work-Based Learning	57,689	57,689	-	-	44,733
3596 EAA Alternative Schools Program (Carryover Only)	-	-	-	-	6,677
3598 Flexibility Cost Savings	40,113	40,113	-	-	-
<b>TOTALS</b>	<b>\$ 9,709,539</b>	<b>\$ 6,991,253</b>	<b>\$ -</b>	<b>\$ (2,718,286)</b>	<b>\$ 2,465,551</b>

## **DEBT SERVICE FUND**

The Debt Service Fund accounts for the accumulation of resources for, and the payment of the District's general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various statements are also mandated by the S.C. Department of Education.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 DEBT SERVICE FUND  
 YEAR ENDED JUNE 30, 2011**

**REVENUES**

**1000 Revenue from Local Sources**

1100 Taxes:

1110 Ad Valorem Taxes-Including Delinquent Taxes	\$ 23,278,430
1140 Penalties & Interest on Taxes	101,036

1200 Revenue from Local Governmental Units Other than LEAs:

1280 Revenue in Lieu of Taxes	97,937
-------------------------------	--------

1500 Earnings on Investments:

1510 Interest on Investments	22,729
------------------------------	--------

1900 Other Revenue from Local Sources:

1999 Revenue from other local sources	514,434
---------------------------------------	---------

<b>Total Local Sources</b>	<u>24,014,566</u>
----------------------------	-------------------

**3000 Revenue from State Sources**

3800 State Revenue in Lieu of Taxes:

3820 Homestead Exemption (Tier 2)	632,829
3830 Merchants Inventory Tax	71,318
3840 Manufacturers Depreciation Reimbursement	84,419
3890 Other State Property Tax Revenue	32,714

<b>Total State Sources</b>	<u>821,280</u>
----------------------------	----------------

<b>TOTAL REVENUE ALL SOURCES</b>	<u>24,835,846</u>
----------------------------------	-------------------

**EXPENDITURES**

**500 DEBT SERVICE**

610 Redemption of Principal	21,655,000
620 Interest	3,238,169
690 Other Objects	3,400

<b>TOTAL EXPENDITURES</b>	<u>24,896,569</u>
---------------------------	-------------------

<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(60,723)
--	----------

<b>Fund Balance July 1, 2010</b>	<u>4,787,501</u>
----------------------------------	------------------

<b>Fund Balance June 30, 2011</b>	<u><u>\$ 4,726,778</u></u>
-----------------------------------	----------------------------

## **CAPITAL PROJECTS FUND**

The Capital Projects Fund accounts, also referred to as the “School Building Fund,” is used to record proceeds from the sale of long-term general obligation bonds and other revenues used to acquire or construct major capital facilities (other than those of proprietary and trust funds).

The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various statements are also mandated by the S.C. Department of Education.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
SCHOOL BUILDING FUND  
YEAR ENDED JUNE 30, 2011**

**REVENUES**

**1000 Revenues from Local Sources**

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 337,205

<b>Total Local Sources</b>	<u>337,205</u>
----------------------------	----------------

<b>TOTAL REVENUES ALL SOURCES</b>	<u>337,205</u>
-----------------------------------	----------------

**EXPENDITURES**

250 Finance and Operations

253 Facilities Acquisition & Construction:	
100 Salaries	200,766
200 Employee Benefits	57,328
300 Purchased Services	6,428,915
400 Supplies	2,019,157
500 Capital Outlay	
510 Land	1,765,250
520 Construction Services	27,052,662
530 Improvements Other Than Buildings	587,907
540 Equipment	1,569,563
545 Technology, Equipment and Software	1,675,071
580 Mobile Classrooms	46,123
590 Other Capital Outlay	<u>2,967,384</u>

<b>TOTAL EXPENDITURES</b>	<u>44,370,126</u>
---------------------------	-------------------

**OTHER FINANCING SOURCES (USES)**

5110 Premiums on Bonds Sold	840,815
5120 Proceeds of General Bond Obligations	<u>91,500,000</u>

<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>92,340,815</u>
---	-------------------

<b>Excess (Deficiency) of Revenues Over Expenditures</b>	48,307,894
--	------------

<b>FUND BALANCE JULY 1, 2010</b>	<u>45,302,817</u>
----------------------------------	-------------------

<b>FUND BALANCE JUNE 30, 2011</b>	<u><u>\$ 93,610,711</u></u>
-----------------------------------	-----------------------------

# ENTERPRISE FUND

The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered through user fees.

School Food Services Enterprise Fund is to provide balanced nutritious meals to the School District's students, some of which are free and reduced meals under the United States Department of Agriculture (USDA) school breakfast and lunch programs.

After School Program Enterprise Fund is to provide after normal school hours programs for elementary students at some of the elementary schools.

The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various statements are also mandated by the S.C. Department of Education.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUND TYPES - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM  
YEAR ENDED JUNE 30, 2011**

	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
<b>REVENUES</b>			
<b>1000 Revenue from Local Sources</b>			
1300 Tuition:			
1310 From Patrons for Regular Day School	\$ -	\$ 1,076,179	\$ 1,076,179
1500 Earnings on Investments:			
1510 Interest on Investments	5,964	565	6,529
1600 Food Service:			
1610 Lunch Sales to Pupils	2,164,195	-	2,164,195
1620 Breakfast Sales to Pupils	114,769	-	114,769
1630 Special Sales to Pupils	1,836,981	-	1,836,981
1640 Lunch Sales to Adults	150,484	-	150,484
1650 Breakfast Sales to Adults	2,908	-	2,908
1660 Special Sales to Adults	98,301	-	98,301
1900 Other Revenue from Local Sources:			
1950 Refund of Prior Year's Expenditures	-	113	113
1999 Revenue from Other Local Sources	110,089	-	110,089
<b>Total Revenue from Local Sources</b>	<u>4,483,691</u>	<u>1,076,857</u>	<u>5,560,548</u>
<b>3000 Revenue from State Sources</b>			
3900 Other State Sources:			
3999 Revenue from Other State Sources	5,606	-	5,606
<b>Total Revenue from State Sources</b>	<u>5,606</u>	<u>-</u>	<u>5,606</u>
<b>4000 Revenue from Federal Sources</b>			
4800 USDA Reimbursement:			
4810 School Lunch Program	2,268,228	-	2,268,228
4830 School Breakfast Program	594,790	-	594,790
4900 Other Federal Sources:			
4991 USDA Commodities	367,756	-	367,756
<b>Total Federal Sources</b>	<u>3,230,774</u>	<u>-</u>	<u>3,230,774</u>
<b>Total Revenue All Sources</b>	<u>\$ 7,720,071</u>	<u>\$ 1,076,857</u>	<u>\$ 8,796,928</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUND TYPES - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM  
YEAR ENDED JUNE 30, 2011**

	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
<b>EXPENSES</b>			
111 Kindergarten Programs:			
400 Supplies and Materials	\$ -	\$ 247	\$ 247
112 Primary Programs:			
400 Supplies and Materials	-	239	239
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	-	1,200	1,200
200 Employee Benefits	-	252	252
300 Purchased Services	-	3,887	3,887
233 School Administration:			
100 Salaries	-	19,292	19,292
200 Employee Benefits	-	4,122	4,122
253 Facilities Acquisition and Construction:			
300 Purchased Services	-	2,100	2,100
254 Operations and Maintenance of Plant:			
400 Supplies and Materials	-	272	272
256 Food Service:			
100 Salaries	2,807,167	-	2,807,167
200 Employee Benefits	1,075,093	-	1,075,093
300 Purchased Services	136,795	-	136,795
400 Supplies and Materials	3,034,283	-	3,034,283
500 Capital Outlay	202,820	-	202,820
600 Other Objects	17,490	-	17,490
271 Pupil Services Activities:			
300 Purchased Services	-	1,177	1,177
350 Custody and Care of Children Services:			
100 Salaries	-	674,371	674,371
200 Employee Benefits	-	113,395	113,395
300 Purchased Services	-	40,723	40,723
400 Supplies and Materials	-	128,735	128,735
<b>TOTAL EXPENDITURES</b>	<u>7,273,648</u>	<u>990,012</u>	<u>8,263,660</u>
<b>Interfund Transfers, From (To) Other Funds:</b>			
5210 Transfer from General Fund	556,307	-	556,307
432-791 Food Service/After School Program Indirect Cost	<u>(459,738)</u>	<u>(28,800)</u>	<u>(488,538)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>96,569</u>	<u>(28,800)</u>	<u>67,769</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	542,992	58,045	601,037
<b>NET ASSETS, JULY 1, 2010</b>	<u>1,769,488</u>	<u>300,606</u>	<u>2,070,094</u>
<b>NET ASSETS, JUNE 30, 2011</b>	<u>\$ 2,312,480</u>	<u>\$ 358,651</u>	<u>\$ 2,671,131</u>

## **FIDUCIARY FUND**

The Agency Fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are purely custodial and do not involve measurement of results of operations.

The Pupil Activity Fund is used to record the receipts and disbursements of monies from various student activities organizations. These organizations exist with the explicit approval of the Board of Education. The approval may be revoked. The fund accounting reflects the School District's agency relationship with student activities organizations.

The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various statements are also mandated by the S.C. Department of Education.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUND  
 PUPIL ACTIVITY FUNDS  
 FOR FISCAL YEAR ENDED JUNE 30, 2011

<u>ASSETS</u>	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
Accounts Receivable	\$ 1,351,785	\$ 5,275,114	\$ 5,140,361	\$ 1,486,538
Inventory	4,534	3,994	-	8,528
<b>TOTAL ASSETS</b>	<u>1,356,319</u>	<u>5,279,108</u>	<u>5,140,361</u>	<u>1,495,066</u>
<u>LIABILITIES</u>				
Accounts Payable	3,552	482	-	4,034
Due to Pupil Activities	1,352,767	5,278,626	5,140,361	1,491,032
<b>TOTAL LIABILITIES</b>	<u>\$ 1,356,319</u>	<u>\$ 5,279,108</u>	<u>\$ 5,140,361</u>	<u>\$ 1,495,066</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY  
 FIDUCIARY FUND  
 PUPIL ACTIVITY FUNDS  
 YEAR ENDED JUNE 30, 2011**

	<u>Other Pupil Activity</u>	<u>Schools Pupil Activity</u>	<u>Totals</u>
<b>RECEIPTS</b>			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ -	\$ 2,035	\$ 2,035
1700 Pupil Activities:			
1740 Student Fees	-	725,410	725,410
1790 Other	532,822	4,015,568	4,548,390
1900 Other Revenue from Local Sources:			
1999 Miscellaneous Local Revenue	2,791	-	2,791
<b>Total Receipts</b>	<u>535,613</u>	<u>4,743,013</u>	<u>5,278,626</u>
<b>DISBURSEMENTS</b>			
270 Supporting Services Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	147,373	181,708	329,081
200 Employee Benefits	33,085	37,441	70,526
300 Purchased Services	14,407	-	14,407
400 Supplies and Materials	247	-	247
660 Pupil Activity	353,557	4,372,543	4,726,100
<b>Total Pupil Activity Expenditures</b>	<u>548,669</u>	<u>4,591,692</u>	<u>5,140,361</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(13,056)	151,321	138,265
<b>Due to Pupil Activity - July 1, 2010</b>	<u>75,287</u>	<u>1,277,480</u>	<u>1,352,767</u>
<b>Due to Pupil Activity - June 30, 2011</b>	<u>\$ 62,231</u>	<u>\$ 1,428,801</u>	<u>\$ 1,491,032</u>

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY  
 FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL  
 YEAR ENDED JUNE 30, 2011

RECEIPTS

1000 Receipts from Local Sources

	Chapin Elementary	Ballentine Elementary	Chapin Middle	Chapin High	Crossroads Middle	Dutch Fork Elementary	Oak Pointe Elementary
1500 Earnings on Investments							
1510 Interest on Investments	\$ 77	\$ 94	\$ 178	\$ 319	\$ 108	\$ 15	\$ 50
1700 Pupil Activities:							
1740 Student Fees	17,775	19,007	57,945	106,852	46,961	9,154	15,240
1790 Other	71,456	124,198	193,208	699,945	276,776	52,336	117,346
<b>Total Receipts</b>	<u>89,308</u>	<u>143,299</u>	<u>251,331</u>	<u>807,116</u>	<u>323,845</u>	<u>61,505</u>	<u>132,636</u>

DISBURSEMENTS

270 Supporting Services Pupil Activity:

271 Pupil Service Activities:

660 Pupil Activity

**Total Disbursements**

Excess (Deficiency) of Receipts Over  
Disbursements

Due to Pupil Activity - July 1, 2010

Due to Pupil Activity - June 30, 2011

	88,037	131,480	254,551	702,729	324,404	50,049	137,082
	<u>88,037</u>	<u>131,480</u>	<u>254,551</u>	<u>702,729</u>	<u>324,404</u>	<u>50,049</u>	<u>137,082</u>
	1,271	11,819	(3,220)	104,387	(559)	11,456	(4,446)
	<u>43,525</u>	<u>54,363</u>	<u>100,393</u>	<u>191,462</u>	<u>34,088</u>	<u>46,644</u>	<u>25,937</u>
	<u>\$ 44,796</u>	<u>\$ 66,182</u>	<u>\$ 97,173</u>	<u>\$ 295,849</u>	<u>\$ 33,529</u>	<u>\$ 58,100</u>	<u>\$ 21,491</u>





**SOUTH CAROLINA STATE DEPARTMENT  
OF EDUCATION SCHEDULES**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
INSITE LOCATION RECONCILIATION SCHEDULE  
YEAR ENDED JUNE 30, 2011**

<u>Location</u>	<u>Location Description</u>	<u>Education Level</u>	<u>Cost Type</u>	<u>2011 YTD Expenditures</u>
1	Districtwide	Non-Schools	Central	\$ 55,869,034
15	Chapin Elementary School	Elementary Schools	School	7,539,681
17	Lake Murray Elementary School	Elementary Schools	School	6,312,839
20	Chapin High School	High Schools	School	13,103,365
21	Chapin Middle School	Middle Schools	School	8,105,387
23	HE Corley Elementary School	Elementary Schools	School	6,879,904
24	Ballentine Elementary School	Elementary Schools	School	5,936,806
25	Dutch Fork Elementary School	Elementary Schools	School	6,107,529
26	River Springs Elementary School	Elementary Schools	School	5,445,465
27	Dutch Fork High School	High Schools	School	19,325,791
28	Dutch Fork Middle School	Middle Schools	School	7,974,259
29	Harbison West Elementary School	Elementary Schools	School	6,359,345
30	Oak Point Elementary	Elementary Schools	School	5,883,575
31	New Elementary School	Elementary Schools	School	815,553
32	New Middle School	Middle Schools	School	1,456
33	New High School	High Schools	School	2,288,223
35	Irmo Elementary School	Elementary Schools	School	12,179,247
40	Irmo High School	High Schools	School	18,695,231
45	Crossroads Middle School	Middle Schools	School	9,170,634
46	Irmo Middle School	Middle Schools	School	9,629,580
50	Leaphart Elementary School	Elementary Schools	School	9,041,830
52	Nursery Road Elementary School	Elementary Schools	School	6,456,965
55	Seven Oaks Elementary School	Elementary Schools	School	12,405,894
61	Summer School	High Schools	School	78,625
65	Alternative School	Other Schools	School	1,599,825
				<u>\$ 237,206,043</u>

**RECONCILIATION OF PRIMARY GOVERNMENT EXPENDITURES TO THE FINANCIAL STATEMENTS**

**Expenditures**

General Fund	\$ 133,054,558
Special Revenue Fund	14,489,516
Special Revenue EIA Fund	6,991,253
Debt Service Fund	24,896,569
Capital Projects Fund	44,370,126
Proprietary Fund	8,263,660
Trust and Agency Fund	5,140,361
Total Expenditures/Disbursements for All Funds	<u>\$ 237,206,043</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT  
 OF EDUCATION/FEDERAL GOVERNMENT  
 JUNE 30, 2011**

<u>Program</u>	<u>Grant or Project Number and FY</u>	<u>Revenue &amp; Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SCDE or Federal Government</u>
National Board Certification	EIA	3532/332	Unspent funds	<u>\$ 26,064</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 DETAILED SCHEDULE OF DEFERRED REVENUE  
 SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
 JUNE 30, 2011**

Program	Fund Number	Revenue Code	Amount
Professional Development	311	3511	\$ 46,239
Parenting/Family Literacy (Carryover Only)	313	3513	9,232
Career and Technology Education Equipment	325	3525	73,757
Science Kits	326	3526	4,848
Students at Risk of School Failure	338	3588	257,221
Early Childhood Program (Four-Year-Old)	340	3540	1,495
High Achieving Students	344	3544	20,978
Academic Assistance Reading Recovery (Carryover Only)	349	3549	1,925
Adult Education	356	3556	116,241
Reading	358	3558	18,303
EAA Technical Assistance	368	3568	4,031
High Schools that Work/Making Middle Grades Work	378	3578	2,655
IDEA - MOE Special Allocation	388	3588	1,857,216
Work-Based Learning	392	3592	44,733
EAA Alternative Schools Program (Carryover Only)	396	3596	6,677
			<u>\$ 2,465,551</u>

# STATISTICAL SECTION (Unaudited)

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

## Contents

	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	98 - 104
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	105 - 112
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	113 - 116
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	117 - 119
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	120 - 125

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. This District implemented GASB Statement 34 with the fiscal year beginning July 1, 2002; therefore, schedules presenting government-wide information include information beginning with June 30, 2003. This District implemented GASB Statement 54 with the fiscal year beginning July 1, 2010; therefore, schedules presenting governmental fund balance information include new fund balance terminology beginning with June 30, 2011.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS**  
(accrual basis of accounting - unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities:</b>									
Invested in capital assets, net of related debt	\$ 108,228,094	\$ 106,739,242	\$ 124,152,122	\$ 137,979,595	\$ 127,615,113	\$ 149,508,221	\$ 141,675,359	\$ 167,131,935	\$ 173,068,374
Restricted	2,887,711	10,700,584	3,344,517	2,513,011	18,525,701	3,372,639	20,717,142	4,787,501	5,596,435
Unrestricted	3,763,272	6,662,474	10,677,434	11,677,539	20,711,028	25,968,031	22,596,243	20,832,647	21,769,445
<b>Total governmental activities</b>	<b>114,879,077</b>	<b>124,102,300</b>	<b>138,174,073</b>	<b>152,170,145</b>	<b>166,851,842</b>	<b>178,848,891</b>	<b>184,988,744</b>	<b>192,752,083</b>	<b>200,434,254</b>
<b>Business-type activities:</b>									
Invested in capital assets, net of related debt	1,397,500	1,282,130	1,464,485	1,549,904	1,327,852	1,122,400	949,845	768,077	590,670
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	606,717	476,081	(289,600)	11,341	73,579	407,107	781,999	1,302,017	2,080,461
<b>Total business-type activities</b>	<b>2,004,217</b>	<b>1,758,211</b>	<b>1,174,885</b>	<b>1,561,245</b>	<b>1,401,431</b>	<b>1,529,507</b>	<b>1,731,844</b>	<b>2,070,094</b>	<b>2,671,131</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	109,625,594	108,021,372	125,616,607	139,529,499	128,942,965	150,630,621	142,625,204	167,900,012	173,659,044
Restricted	2,887,711	10,700,584	3,344,517	2,513,011	18,525,701	3,372,639	20,717,142	4,787,501	5,596,435
Unrestricted	4,369,989	7,138,555	10,387,834	11,688,880	20,784,607	26,375,138	23,378,242	22,134,664	23,849,906
<b>Total primary government</b>	<b>\$ 116,883,294</b>	<b>\$ 125,860,511</b>	<b>\$ 139,348,958</b>	<b>\$ 153,731,390</b>	<b>\$ 168,253,273</b>	<b>\$ 180,378,398</b>	<b>\$ 186,720,588</b>	<b>\$ 194,822,177</b>	<b>\$ 203,105,385</b>

Source: Records maintained by the School District Finance Department

The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2002, therefore, this schedule presents accrual information beginning with June 30, 2003.

TABLE 2

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE  
LAST NINE FISCAL YEARS**

(accrual basis of accounting - unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Government activities:									
Instruction	\$ 72,384,722	\$ 77,636,671	\$ 78,103,905	\$ 84,035,162	\$ 89,513,413	\$ 99,977,330	\$ 103,349,967	\$ 103,102,269	\$ 101,732,197
Support service	42,252,665	41,449,602	46,082,728	53,068,424	55,254,878	66,279,033	66,005,330	68,169,387	67,979,135
Community service	66,620	66,240	65,922	81,070	78,231	2,408	-	36,397	30,715
Intergovernmental	219,421	869,523	1,246,782	1,053,433	525,218	177,042	218,338	-	-
Interest and other charges	1,421,781	1,410,551	1,251,247	916,724	1,043,455	1,098,074	450,189	1,441,216	3,923,810
Depreciation - unallocated	57,393	176,810	302,152	422,789	1,587,476	-	-	-	-
Total governmental expenses	116,402,602	121,609,397	127,052,736	139,577,602	148,002,671	167,533,887	170,023,824	172,749,269	173,665,857
Business-type activities:									
Food service	5,374,225	5,832,527	6,497,943	6,874,026	7,215,560	7,378,956	7,823,389	7,368,772	7,273,648
After school	-	-	-	160,889	228,462	665,743	737,646	924,671	990,012
Total business-type expenses	5,374,225	5,832,527	6,497,943	7,034,915	7,444,022	8,044,699	8,561,035	8,293,443	8,263,660
Total primary government expenses	121,776,827	127,441,924	133,550,679	146,612,517	155,446,693	175,578,586	178,584,859	181,042,712	181,929,517
<b>Program Revenues</b>									
Government activities:									
Charges for services	-	69,394	754,944	736,024	872,627	796,798	806,077	831,091	419,662
Instruction Services	498,264	774,749	385,673	474,065	489,424	494,877	456,325	408,865	178,779
Support Services	-	-	16,487	25,000	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Operating grants and contributions	53,566,512	55,190,654	62,437,734	69,020,560	69,795,112	73,388,602	67,715,102	67,856,214	65,919,385
Capital grants and contributions	3,628,241	-	400,567	-	-	487,789	-	1,003,483	-
Total governmental revenues	57,693,017	56,034,797	63,995,405	70,255,649	71,157,163	75,168,066	68,977,504	70,099,653	66,517,826
Business-type activities:									
Charges for services	3,735,150	3,852,849	4,004,880	4,759,337	4,922,080	5,655,178	5,579,912	5,469,608	5,443,817
Operating grants and contributions	1,506,693	1,834,672	1,900,937	2,578,938	2,390,437	2,531,503	2,852,827	3,115,745	3,346,582
Capital grants and contributions	-	-	-	-	-	-	-	-	-
Total business-type revenues	5,241,843	5,687,521	5,905,817	7,338,275	7,312,517	8,186,681	8,432,739	8,585,353	8,790,399
Total primary government revenues	62,934,860	61,722,318	69,901,222	77,593,924	78,469,680	83,354,747	77,410,243	78,685,006	75,308,225
<b>Net (Expense) Revenue</b>									
Total primary government net expense	\$ (58,841,967)	\$ (65,719,606)	\$ (63,649,457)	\$ (69,018,593)	\$ (76,977,013)	\$ (92,223,839)	\$ (101,174,616)	\$ (102,357,706)	\$ (106,621,292)

Source: Records maintained by the School District Finance Department

The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2002, therefore, this schedule presents accrual information beginning with June 30, 2003.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS**

(accrual basis of accounting - unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>									
Total primary government net expense	\$ (58,841,967)	\$ (65,719,606)	\$ (63,649,457)	\$ (69,018,593)	\$ (76,977,013)	\$ (92,223,839)	\$ (101,174,616)	\$ (102,357,706)	\$ (106,621,292)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes levied for general purposes	42,483,309	46,428,770	46,543,180	52,578,885	60,008,122	43,645,680	46,528,039	46,196,847	48,181,527
Property taxes levied for debt service	14,175,605	14,743,459	14,887,776	15,615,508	15,544,153	19,026,906	20,065,446	22,254,816	23,391,210
Payment in lieu of taxes	137,773	115,906	84,837	75,045	78,278	80,207	81,018	145,151	562,911
Unrestricted state revenue in lieu of taxes	12,608,246	12,926,902	13,681,146	13,227,983	13,730,219	39,794,004	40,385,037	41,212,780	41,501,416
Gain on sale of land	-	-	53,312	-	-	-	-	-	-
Loss on disposals	-	(30,088)	(89,275)	-	-	-	-	-	-
Investment earnings	307,859	220,787	521,014	1,292,613	1,912,150	1,634,000	385,519	374,660	454,666
Miscellaneous	312,842	226,331	1,386,098	472,062	208,987	151,297	65,448	272,639	806,241
Total governmental revenues	70,025,634	74,632,067	77,068,088	83,262,096	91,481,909	104,332,094	107,510,507	110,456,893	114,897,971
Business-type activities:									
Investment earnings	71,080	43,317	69,816	138,929	16,987	16,870	6,299	2,402	6,529
Miscellaneous	28,836	21,439	-	-	-	-	-	-	-
Total business-type revenues	99,916	64,756	69,816	138,929	16,987	16,870	6,299	2,402	6,529
Total primary government	70,125,550	74,696,823	77,137,904	83,401,025	91,498,896	104,348,964	107,516,806	110,459,295	114,904,500
<b>Change in Net Assets</b>									
Governmental activities	11,316,049	9,057,467	14,010,577	13,940,143	14,681,697	11,997,049	6,139,853	7,763,339	7,682,171
Business-type activities	(32,466)	(80,250)	(522,130)	442,289	(159,814)	128,076	202,337	338,250	601,037
Total primary government	\$ 11,283,583	\$ 8,977,217	\$ 13,488,447	\$ 14,382,432	\$ 14,521,883	\$ 12,125,125	\$ 6,342,190	\$ 8,101,589	\$ 8,283,208

Source: Records maintained by the School District Finance Department

The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2002, therefore, this schedule presents accrual information beginning with June 30, 2003.

TABLE 4

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting - unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Nonspendable for Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,657
Nonspendable for Prepaid Items										2,871,605
Assigned for Special Purposes										6,183,579
Unassigned										15,321,244
Reserved	321,228	308,183	333,566	428,925	442,249	587,982	552,387	3,470,904	5,701,580	-
Unreserved	4,285,939	6,080,981	8,595,917	12,342,425	15,611,999	21,994,142	28,392,396	21,492,632	17,375,197	-
Total General Fund	\$ 4,607,167	\$ 6,389,164	\$ 8,929,483	\$ 12,771,350	\$ 16,054,248	\$ 22,582,124	\$ 28,944,783	\$ 24,963,536	\$ 23,076,777	\$ 24,646,085
All Other Governmental Funds										
Restricted- Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,726,778
Restricted- Building Fund										66,486,908
Committed- Building Fund										27,123,803
Reserved										
Debt Service	2,310,031	1,982,154	1,533,732	2,558,228	2,513,011	3,188,124	4,940,428	1,895,195	4,787,501	-
Building Fund-Special Purposes						500,000	500,000	500,000	179,892	-
Unreserved	2,916,081	597,374	8,833,286	786,289	(2,162,620)	15,337,577	(2,067,789)	18,321,947	45,122,925	-
Building Fund	\$ 5,226,112	\$ 2,579,528	\$ 10,367,018	\$ 3,344,517	\$ 350,391	\$ 19,025,701	\$ 3,372,639	\$ 20,717,142	\$ 50,090,318	\$ 98,337,489
Total all other governmental funds										

Source: Records maintained by the School District Finance Department

This District implemented GASB Statement 54 with the fiscal year beginning July 1, 2010, therefore, this schedule presents new fund balance terminology information beginning with June 30, 2011.

TABLE 5

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting - unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Local sources	\$ 53,987,494	\$ 57,861,213	\$ 62,440,144	\$ 65,250,384	\$ 71,405,717	\$ 79,265,649	\$ 65,768,664	\$ 68,243,166	\$ 69,969,985	\$ 73,973,918
State sources	71,609,219	65,014,302	61,692,169	67,923,880	74,094,537	77,028,601	107,735,190	101,518,072	98,319,597	95,162,865
Federal sources	3,660,651	4,620,500	6,083,576	8,121,467	8,115,364	6,350,891	5,766,203	6,489,250	11,697,077	12,201,783
Total revenues	<u>\$ 129,257,364</u>	<u>\$ 127,496,015</u>	<u>\$ 130,215,889</u>	<u>\$ 141,295,731</u>	<u>\$ 153,615,618</u>	<u>\$ 162,645,141</u>	<u>\$ 179,270,057</u>	<u>\$ 176,250,488</u>	<u>\$ 179,986,659</u>	<u>\$ 181,338,566</u>

Source: Records maintained by the School District Finance Department

TABLE 6

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION AND DEBT SERVICE RATIOS  
LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting - unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	\$ 66,888,421	\$ 69,987,563	\$ 73,100,720	\$ 75,161,029	\$ 81,021,567	\$ 86,190,182	\$ 95,549,350	\$ 98,020,654	\$ 97,736,125	\$ 96,341,961
Support services	35,233,387	38,488,232	39,448,879	42,501,379	48,828,138	50,904,792	63,616,099	69,354,122	69,803,600	66,389,110
Community services	4,713	4,359	2,430	2,886	18,738	13,342	2,408	-	34,673	30,715
Intergovernmental	101,505	219,421	869,523	1,246,782	1,053,433	525,218	177,042	218,338	148,738	205,507
Capital outlay	19,082,325	10,783,393	6,150,866	10,732,041	25,664,777	14,923,946	11,082,441	9,170,097	14,746,208	35,938,160
Debt service										
Principal	13,295,000	13,575,000	14,485,000	13,665,000	18,155,000	17,705,000	17,070,000	23,190,000	18,740,000	21,655,000
Interest and other fees	1,930,913	1,525,674	1,496,418	1,284,091	949,107	950,992	1,095,704	668,565	1,327,433	3,241,569
<b>Total expenditures</b>	<b>\$ 136,536,264</b>	<b>\$ 134,583,642</b>	<b>\$ 135,553,836</b>	<b>\$ 144,593,208</b>	<b>\$ 175,690,760</b>	<b>\$ 171,213,472</b>	<b>\$ 188,593,044</b>	<b>\$ 200,621,776</b>	<b>\$ 202,536,777</b>	<b>\$ 223,802,022</b>
Debt service as a percentage of noncapital expenditures	14.9%	13.9%	12.1%	11.0%	12.5%	11.7%	10.3%	14.2%	12.0%	15.3%

Source: Records maintained by the School District Finance Department

TABLE 7

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
GOVERNMENTAL FUNDS OTHER FINANCING SOURCES AND USES AND  
NET CHANGE IN FUND BALANCES  
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting - unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Excess of revenues over (under) expenditures</b>	\$ (7,278,900)	\$ (7,087,627)	\$ (5,337,947)	\$ (3,297,477)	\$ (22,075,142)	\$ (8,568,331)	\$ (9,322,987)	\$ (24,371,288)	\$ (22,550,118)	\$ (42,463,456)
<b>Other Financing Sources (Uses)</b>										
General long-term debt issued	5,300,000	6,200,000	15,500,000	-	22,300,000	33,725,000	-	37,565,000	50,000,000	91,500,000
Premiums on bonds sold	-	-	-	-	-	0	-	492,497	79,577	840,815
Sale of capital assets	-	-	-	55,127	7,983	1,222	1,808	1,381	896	6,889
Transfers in	6,212,805	7,800,419	7,895,850	10,116,795	7,029,596	8,047,799	5,581,745	3,281,338	3,328,018	3,553,508
Transfers out	(8,059,907)	(7,777,379)	(7,730,094)	(10,055,079)	(6,973,666)	(8,002,503)	(5,550,969)	(3,605,672)	(3,371,956)	(3,621,277)
Total other financing sources (uses)	3,452,898	6,223,040	15,665,756	116,843	22,363,913	33,771,518	32,584	37,734,544	50,036,535	92,279,935
<b>Net change in fund balances</b>	\$ (3,826,002)	\$ (864,587)	\$ 10,327,809	\$ (3,180,634)	\$ 288,771	\$ 25,203,187	\$ (9,290,403)	\$ 13,363,256	\$ 27,486,417	\$ 49,816,479

Source: Records maintained by the School District Finance Department

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(unaudited)

Lexington County:

Fiscal Year	Tax Year December 31	Real Property		Personal Property		Total		Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2002	2001	124,144,170	2,767,821,708	69,372,110	693,692,165	193,516,280	3,461,513,873	221.20	5.6%
2003	2002	126,471,320	2,810,075,780	65,504,890	678,208,345	191,976,210	3,488,284,125	238.70	5.5%
2004	2003	130,761,130	2,876,123,450	61,631,520	341,947,124	192,392,650	3,218,070,574	246.10	6.0%
2005	2004	132,554,060	2,809,420,117	60,537,390	365,894,826	193,091,450	3,175,314,943	244.90	6.1%
2006	2005	172,360,600	3,699,968,703	61,798,580	364,004,305	234,159,180	4,063,973,008	214.60	5.8%
2007	2006	177,489,860	3,771,146,558	70,830,305	395,923,921	248,320,165	4,167,070,479	231.10	6.0%
2008	2007	181,109,220	3,883,609,100	71,494,430	840,624,720	252,603,650	4,724,233,820	252.20	5.3%
2009	2008	188,785,650	4,203,372,242	72,625,080	823,241,882	261,410,730	5,026,614,124	261.50	5.2%
2010	2009	194,851,890	4,180,217,453	67,837,490	787,621,405	262,689,380	4,967,838,858	265.00	5.3%
2011	2010	213,686,120	4,645,292,369	66,978,970	757,286,738	280,665,090	5,402,579,107	265.00	5.2%

Note: Property tax rates per \$1,000 of the assessed valuation.

Source: Lexington County Auditor's Office

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(unaudited)

Richland County:

Fiscal Year	Tax Year December 31	Real Property		Personal Property		Total		Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2002	2001	66,653,740	1,494,154,675	33,251,254	325,082,122	99,904,994	1,819,236,797	221.20	5.5%
2003	2002	71,492,920	1,595,483,667	30,509,918	315,706,778	102,002,838	1,911,190,445	238.70	5.3%
2004	2003	77,421,590	1,758,710,100	32,859,465	259,887,348	110,281,055	2,018,597,448	246.10	5.5%
2005	2004	82,370,170	1,830,836,093	32,387,450	284,936,409	114,757,620	2,115,772,502	244.90	5.4%
2006	2005	104,541,020	2,386,563,800	32,940,429	306,246,869	137,481,449	2,692,810,669	214.60	5.1%
2007	2006	113,752,760	2,585,290,000	21,270,099	292,769,532	135,022,859	2,878,059,532	231.10	4.7%
2008	2007	117,939,420	2,669,377,000	34,210,374	460,418,632	152,149,794	3,129,795,632	252.50	4.9%
2009	2008	126,005,620	2,845,008,000	35,379,606	465,665,463	161,385,226	3,310,673,463	261.50	4.9%
2010	2009	142,735,450	3,233,354,560	33,533,543	443,733,320	176,268,993	3,677,087,880	252.70	4.8%
2011	2010	145,920,360	3,310,104,270	29,218,138	382,558,208	175,138,498	3,692,662,478	266.30	4.7%

Note: Property tax rates per \$1,000 of the assessed valuation.

Source: Richland County Auditor's Office

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**  
(unaudited)

Fiscal Year	Tax Year December 31	District Direct Rates			Overlapping Rates							
		General Purposes	Capital Purposes	Total	Midlands				City Of			
					Lexington County	Recreation District	Technical College	Riverbanks Zoo	Town Of Chapin	Irmo	Columbia	
2002	2001	172.200	49.000	221.200	75.296	15.000	3.723	2.013	14.000	19.000	92.000	
2003	2002	189.700	49.000	238.700	82.078	18.158	4.083	1.731	14.000	18.000	92.000	
2004	2003	197.100	49.000	246.100	83.908	18.471	4.181	1.858	14.000	18.000	92.000	
2005	2004	195.900	49.000	244.900	87.555	18.778	4.277	1.885	14.000	18.000	92.000	
2006	2005	173.600	41.000	214.600	76.858	16.097	3.769	1.643	11.663	-	92.000	
2007	2006	190.900	40.190	231.090	80.786	17.013	4.452	1.915	11.900	-	99.000	
2008	2007	203.500	49.000	252.500	85.818	18.023	1.452	1.960	11.900	-	102.500	
2009	2008	212.500	49.000	261.500	89.287	18.577	4.452	1.888	11.900	-	106.300	
2010	2009	212.500	52.500	265.000	90.455	18.577	4.452	1.788	11.900	-	106.300	
2011	2010	213.800	52.500	266.300	86.467	17.270	4.303	1.775	11.900	-	98.100	

Note: Property tax rates per \$1,000 of the assessed valuation.  
Includes levies for operating and debt service.

Source: Lexington County Auditor's Office

As of July 1, 2007, the annual millage rate for operations (general purposes) may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the school district.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**  
(unaudited)

Richland County:

Fiscal Year	Tax Year December 31	District Direct Rates			Total	Overlapping Rates						
		General Purposes	Capital Purposes			Richland County	Recreation District	Midlands Technical College	Riverbanks Zoo	City Of Irmo	City Of Columbia	
2002	2001	172.200	49.000		221.200	76.200	9.200	3.800	2.200	19.000	92.000	
2003	2002	189.700	49.000		238.700	85.800	8.800	4.000	1.900	18.000	92.000	
2004	2003	197.100	49.000		246.100	95.600	9.700	4.200	2.000	18.000	92.000	
2005	2004	195.900	49.000		244.900	99.300	11.200	4.300	2.100	18.000	92.000	
2006	2005	173.600	41.000		214.600	95.000	12.000	4.400	2.100	-	83.600	
2007	2006	190.900	40.200		231.100	96.400	12.300	4.400	2.100	-	99.000	
2008	2007	203.500	49.000		252.500	97.700	12.400	4.400	2.100	-	102.500	
2009	2008	212.500	49.000		261.500	101.600	13.600	4.400	2.100	-	106.300	
2010	2009	200.200	52.500		252.700	56.100	13.200	4.200	2.000	-	98.100	
2011	2010	213.800	52.500		266.300	47.800	10.400	2.800	1.300	-	98.100	

Note: Property tax rates per \$1,000 of the assessed valuation.  
Includes levies for operating and debt service.

Source: Richland County Auditor's Office

As of July 1, 2007, the annual millage rate for operations (general purposes) may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the school district.

TABLE 10  
Page 1 of 2

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(unaudited)

Lexington Taxpayer:	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
South Carolina Electric & Gas	\$ 23,164,570	1	8.25%	\$ 11,962,300	1	6.18%
AT&T Mobility F/K/A Cingular	5,263,120	2	1.88%			
Shaw Industries Group, Inc.	4,737,970	3	1.69%			
GGP Columbiana Trust	2,990,890	4	1.07%	2,334,400	3	1.21%
DDRTC Columbiana Station I, LLC	1,473,940	5	0.53%			
DDR MDT Harbison Court LLC	1,194,710	6	0.43%			
Columbiana Station (E & A) LL	1,181,370	7	0.42%	720,130	10	0.37%
Mid Carolina Electric Coop., Inc.	1,343,460	8	0.48%			
HUB Properties Trust	1,334,430	9	0.48%			
Lake Murray Village Tract LLC	1,329,660	10	0.47%			
Honeywell International Inc.				5,658,860	2	2.92%
Bellsouth Telecommunications				1,650,620	4	0.85%
Triton PCS Holding Co LLC				1,291,320	5	0.67%
SBP Columbia, LLC ET AL				1,290,540	6	0.67%
Wessington Partners				1,040,130	7	0.54%
LB Harbison Court LLC				822,360	8	0.42%
Belk Inc.				747,170	9	0.39%
Total Assessed Value of Ten Principal Taxpayers	\$ 44,014,120		15.68%	\$ 27,517,830		14.22%
Total Assessed Value of Other Taxpayers	236,650,970		84.32%	165,998,450		85.78%
Total Assessed Value of All Taxpayers	\$ 280,665,090		100.00%	\$ 193,516,280		100.00%

Sources: Lexington County Auditor's Office  
Lexington County Treasurer's Office

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(unaudited)

Richland Taxpayer:	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Mid-Carolina Electric Coop.	\$ 1,982,060	1	1.13%	1,196,950	2	1.20%
South Carolina Electric & Gas	1,702,910	2	0.97%	984,240	3	0.99%
Bellsouth Telecommunications, Inc.	1,245,990	3	0.71%	1,679,110	1	1.68%
Paces Brook Gardens Associates	903,980	4	0.52%			0.00%
Century Heights Partners LLC	840,510	5	0.48%			0.00%
Harpaw LLC	822,700	6	0.47%			0.00%
Southland Log House Inc.	771,080	7	0.44%	481,820	9	0.48%
Franklin Pineridge Associates	644,020	8	0.37%			0.00%
Wal-Mart Real Estate Business	582,570	9	0.33%			0.00%
LHC Realty Trust	445,520	10	0.25%			0.00%
Columbia MSA Limited Partnership			0.00%	966,800	4	0.97%
Metropolitan Life Insurance			0.00%	616,630	5	0.62%
Aimco Properties LP			0.00%	509,570	6	0.51%
Dillard Department Store			0.00%	465,300	7	0.47%
Home Depot USA, Inc.			0.00%	420,180	8	0.42%
Brown Trout Investments Ltd.			0.00%	373,480	10	0.37%
Total Assessed Value of Ten Principal Taxpayers	\$ 9,941,340		5.68%	\$ 7,694,080		7.70%
Total Assessed Value of Other Taxpayers	165,197,158		94.32%	92,210,914		92.30%
Total Assessed Value of All Taxpayers	\$ 175,138,498		100.00%	\$ 99,904,994		100.00%

Sources: Richland County Auditor's Office  
Richland County Treasurer's Office

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**  
(unaudited)

Lexington County:

Fiscal Year	Tax Year December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	2001	\$ 63,138,054	\$ 61,364,387	97.19%	\$ 1,725,643	\$ 63,090,030	99.92%
2003	2002	67,785,773	65,655,084	96.86%	2,063,942	67,719,026	99.90%
2004	2003	69,588,432	67,672,292	97.25%	1,829,417	69,501,709	99.88%
2005	2004	71,453,273	69,506,007	97.27%	1,878,345	71,384,352	99.90%
2006	2005	81,004,636	79,051,034	97.59%	1,890,546	80,941,580	99.92%
2007	2006	85,195,520	83,205,742	97.66%	1,798,871	85,004,613	99.78%
2008	2007	93,420,824	91,387,277	97.82%	1,795,072	93,182,349	99.74%
2009	2008	99,956,477	97,016,034	97.06%	2,366,161	99,382,195	99.43%
2010	2009	101,696,822	98,883,830	97.23%	2,000,359	100,884,189	99.20%
2011	2010	110,046,352	106,425,326	96.71%	-	106,425,326	96.71%

Note: Levies and Collections updated for each fiscal year as of 6/30/11 per Lexington County Treasurer's Office.

Sources: Lexington County Auditor's Office  
Lexington County Treasurer's Office

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(unaudited)

Richland County:

Fiscal Year	Tax Year December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	2001	\$ 22,237,116	\$ 20,317,997	91.37%	\$ 829,483	\$ 21,147,480	95.10%
2003	2002	24,659,775	22,145,271	89.80%	751,752	22,897,023	92.85%
2004	2003	26,877,569	24,506,348	91.18%	1,129,757	25,636,105	95.38%
2005	2004	28,104,141	25,874,000	92.06%	821,663	26,695,663	94.99%
2006	2005	29,390,908	26,997,963	91.86%	780,854	27,778,817	94.52%
2007	2006	33,648,301	32,604,998	96.90%	490,240	33,095,238	98.36%
2008	2007	38,417,823	37,282,199	97.04%	509,564	37,791,763	98.37%
2009	2008	40,526,957	39,133,834	96.56%	650,645	39,784,479	98.17%
2010	2009	41,710,253	40,089,788	96.11%	903,082	40,992,870	98.28%
2011	2010	42,650,504	41,368,546	96.99%	-	41,368,546	96.99%

Sources: Richland County Auditor's Office  
Richland County Treasurer's Office

TABLE 12

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**  
(unaudited)

Fiscal Year	Governmental Activities General Obligation Bonds	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
2002	\$ 31,155,000	\$ 31,155,000	0.59%	1.42%	398
2003	23,780,000	23,780,000	0.44%	1.05%	299
2004	24,795,000	24,795,000	0.47%	1.04%	306
2005	11,130,000	11,130,000	0.21%	0.45%	135
2006	15,275,000	15,275,000	0.23%	0.58%	182
2007	31,295,000	31,295,000	0.44%	1.10%	367
2008	14,225,000	14,225,000	0.18%	0.48%	164
2009	28,600,000	28,600,000	0.34%	0.88%	325
2010	59,860,000	59,860,000	0.69%	1.85%	668
2011	129,705,000	129,705,000	1.43%	Not Available	1,425

Notes: Details of the district's outstanding debt can be found in the Notes to the Basic Financial Statements.

Personal income and population data can be found in Table 16. The ratios are calculated using personal income and population for the prior calendar year.

**TABLE 13**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(unaudited)**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2002	\$ 31,155,000	\$ 2,310,031	\$ 28,844,969	0.55%	369
2003	23,780,000	1,982,154	21,797,846	0.40%	274
2004	24,795,000	1,533,732	23,261,268	0.44%	287
2005	11,130,000	2,558,228	8,571,772	0.16%	104
2006	15,275,000	2,513,011	12,761,989	0.19%	152
2007	31,295,000	3,188,124	28,106,876	0.40%	330
2008	14,225,000	4,940,428	9,284,572	0.12%	107
2009	28,600,000	1,895,195	26,704,805	0.32%	303
2010	59,860,000	4,787,501	55,072,499	0.64%	615
2011	129,705,000	4,726,778	124,978,222	1.37%	1,373

Notes: Details of the district's outstanding debt can be found in the Notes to the Basic Financial Statements.

Population data can be found in Table 16.  
The ratios are calculated using population for the prior calendar year.

The Estimated Actual Taxable Value of Property can be found in Table 8.

**TABLE 14**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011  
(unaudited)**

	<u>General Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable To District</u>	<u>Estimated District Share of Direct and Overlapping Debt</u>
<u>Direct:</u>			
School District Five of Lexington and Richland Counties	<u>\$ 129,705,000</u>	100.00%	<u>\$ 129,705,000</u>
<u>Overlapping:</u>			
<u>Lexington County:</u>			
Lexington County	\$ 42,053,986	28.20%	\$ 11,859,224
Irmo-Chapin Recreation District	8,825,000	100.00%	8,825,000
Riverbanks Park District	12,600,000	18.20%	2,293,200
City of Columbia	24,380,000	4.10%	999,580
<u>Richland County:</u>			
Richland County	\$ 79,285,000	11.60%	9,197,060
Richland Co Recreation District	39,571,100	14.90%	5,896,094
Riverbanks Park District	12,600,000	18.20%	2,293,200
City of Columbia	<u>30,055,000</u>	4.10%	<u>1,232,255</u>
Total overlapping debt	<u>249,370,086</u>		<u>42,595,613</u>
Total direct and overlapping debt	<u><u>\$ 379,075,086</u></u>		<u><u>\$ 172,300,613</u></u>

Sources: Lexington County Treasurer's Office  
Richland County Treasurer's Office

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (unaudited)

Legal Debt Margin Calculation For Fiscal Year 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value										\$ 455,803,588
Debt limit (8% of assessed value)										36,464,287
Debt applicable to limit										2,330,000
Legal debt margin										\$ 34,134,287
Debt limit	\$ 23,473,702	\$ 23,518,324	\$ 24,213,896	\$ 24,944,759	\$ 29,731,250	\$ 31,524,337	\$ 32,380,276	\$ 33,823,676	\$ 37,200,913	\$ 36,464,287
Total net debt applicable to limit	10,565,000	6,180,000	10,345,000	-	7,650,000	27,375,000	14,225,000	28,600,000	9,860,000	2,330,000
Legal debt margin	\$ 12,908,702	\$ 17,338,324	\$ 13,868,896	\$ 24,944,759	\$ 22,081,250	\$ 4,049,337	\$ 18,155,276	\$ 5,223,676	\$ 27,340,913	\$ 34,134,287
Total net debt applicable to the limit as a percentage of debt limit	45.01%	26.28%	42.72%	0.00%	25.73%	86.84%	43.93%	84.56%	26.50%	6.39%

Article XI, Section 14 of the Constitution of the State of South Carolina, 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, 1977, 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 percent of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of the qualified electors of the School District voting in a referendum will not be considered in the computation of the 8 percent limitation.

Sources: Lexington County Auditor's Office  
 Richland County Auditor's Office

TABLE 16

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS**  
 (unaudited)

Fiscal Year	Calendar Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income		Unemployment Rate	Unemployment Rate
				Lexington County	Richland County		
2002	2001	\$ 78,265	\$ 2,201,594	\$ 28,642	\$ 27,618	3.7%	4.3%
2003	2002	79,598	2,273,796	29,040	28,092	4.0%	4.8%
2004	2003	80,954	2,375,028	30,048	28,628	4.5%	5.6%
2005	2004	82,334	2,487,804	30,816	29,616	4.9%	6.0%
2006	2005	83,737	2,641,735	31,855	31,241	4.9%	5.6%
2007	2006	85,161	2,854,980	33,748	33,301	4.6%	5.7%
2008	2007	86,609	2,952,414	33,744	34,434	4.7%	6.1%
2009	2008	88,081	3,242,306	36,797	36,824	8.8%	9.2%
2010	2009	89,578	3,228,167	35,773	36,302	8.4%	9.6%
2011	2010	91,018	Not Available	Not Available	Not Available	8.1%	9.6%

Sources: South Carolina Budget and Control Board, Division of Research and Statistical Services  
 South Carolina Budget and Control Board, Office of Economic Research  
 South Carolina Employment Security Commission, Labor Market Information Division  
 Records maintained by the School District Finance Department  
 2011 Estimated Population from Proximity - Demographic - Economic 2010 Census

**TABLE 17**  
**Page 1 of 2**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**

**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(unaudited)

<u>Lexington Employer:</u>	2011			2002		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Michelin North America Inc.	1,750	1	21.41%	1,500	1	25.85%
Amick Farms	1,200	2	14.68%			
SCANA	1,000	3	12.23%			
UPS	1,000	4	12.23%			
Babcock Center	750	5	9.17%			
Flextronics	600	6	7.34%			
Walmart Stores	550	7	6.73%			
Armstrong Air Conditioning (Lennox)	500	8	6.12%			
Columbia Farms / House of Raeford	425	9	5.20%			
Harsco Rail	400	10	4.89%	467	5	8.05%
SMI Steel & SMI Joist (Commercial Metals)	-	-	-	782	2	13.48%
Honeywell International Inc.	-	-	-	655	3	11.29%
Columbia Farms Inc.	-	-	-	525	4	9.05%
Cooper Tools	-	-	-	441	6	7.60%
Soletron	-	-	-	400	7	6.89%
Union Switch & Signal, Inc.	-	-	-	390	8	6.72%
Pirelli Cables & Systems	-	-	-	375	9	6.46%
BC Components	-	-	-	267	10	4.60%
	<u>8,175</u>		<u>100.00%</u>	<u>5,802</u>		<u>100.00%</u>

Source: South Carolina Department of Commerce

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**  
(unaudited)

	2011			2002		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<u>Richland Employer:</u>						
BlueCrossBlueShield of SC	6,900	1	29.05%			
Walmart	4,500	2	18.95%			
AT&T	2,852	3	12.01%			
Humana Military Healthcare / TriCare	2,000	4	8.42%			
Palmetto GBA	1,900	5	8.00%			
Verizon Wireless	1,550	6	6.53%			
Westinghouse Electric Corp.	1,200	7	5.05%	1,300	1	19.19%
Computer Sciences Corporation	1,100	8	4.63%			
Colonial Life & Accident Insurance	1,000	9	4.21%			
Bose Corp.	750	10	3.16%	1,149	2	16.96%
International Paper				738	3	10.89%
Square D				675	4	9.96%
The State Record				606	5	8.94%
Ducane Gas Grill				600	6	8.86%
Intertape Polymer Group				475	7	7.01%
Richtex Brick				442	8	6.52%
FN Manufacturing				400	9	5.90%
Consolidated Systems, Inc.				390	10	5.76%
	<u>23,752</u>		<u>100.00%</u>	<u>6,775</u>		<u>100.00%</u>

Source: South Carolina Department of Commerce

TABLE 18

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
FULL-TIME-EQUIVALENTS PERSONNEL ALLOCATIONS BY TYPE  
LAST TEN FISCAL YEARS**  
(unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>School Allocations:</u>										
Teachers	1066.09	1,081.00	1,091.63	1,122.55	1,186.41	1,395.00	1,433.00	1,298.74	1,212.42	1,190.02
Guidance	40.50	41.00	41.50	43.50	43.50	50.00	43.50	51.00	48.50	46.50
Media specialists	21.00	21.00	21.00	22.00	23.00	24.00	21.00	25.00	24.00	24.00
Psychologists and social workers	14.00	14.00	19.50	13.50	15.30	18.80	19.70	27.30	25.00	27.00
Speech therapists	24.00	24.00	23.00	24.00	24.00	25.30	24.30	27.50	29.80	31.00
Nurses, occupational and physical therapists	22.80	25.47	27.30	28.10	28.57	24.32	27.41	31.80	38.50	37.00
Secretaries, bookkeepers, and receptionists	110.00	114.00	121.00	121.50	121.50	122.00	134.30	119.75	112.00	113.00
Teacher assistants and media assistants	233.00	242.58	255.59	261.49	272.09	287.21	265.36	333.13	330.12	296.92
Food service personnel and cafeteria monitors	146.02	151.19	156.73	156.81	164.22	169.00	170.00	171.33	143.26	143.58
Custodians, maintenance and transportation	255.00	267.00	255.78	259.78	261.59	278.50	266.00	288.10	263.85	271.42
Technology services and other specialized	8.50	8.50	15.00	17.50	15.00	18.00	6.50	12.00	6.00	6.00
Principal/assistant and principal/coordinators	46.00	48.00	58.66	59.83	60.88	71.67	69.00	67.43	70.00	71.00
<b>Total</b>	<b>1,986.91</b>	<b>2,037.74</b>	<b>2,086.69</b>	<b>2,130.56</b>	<b>2,216.06</b>	<b>2,483.80</b>	<b>2,480.07</b>	<b>2,453.08</b>	<b>2,303.45</b>	<b>2,257.44</b>
<u>District Office Allocations:</u>										
Superintendent	7.84	7.87	7.87	7.87	8.00	8.00	7.00	2.00	2.00	2.00
Instruction	39.15	40.15	26.92	27.92	27.51	28.00	38.00	38.80	36.28	37.50
Human resources services	8.00	8.00	8.00	8.00	8.00	8.00	9.27	9.27	9.30	7.80
Financial services	28.85	28.85	28.85	28.85	29.35	39.00	36.00	21.00	30.00	30.00
Community Services	0.00	0.00	0.00	0.00	0.00	0.00	2.00	4.73	4.73	4.73
Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.00	14.50	15.00
Facilities/Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43.03	19.00	20.00
<b>Total</b>	<b>83.84</b>	<b>84.87</b>	<b>71.64</b>	<b>72.64</b>	<b>72.86</b>	<b>83.00</b>	<b>92.27</b>	<b>135.83</b>	<b>115.81</b>	<b>117.03</b>
<b>Total</b>	<b>2070.75</b>	<b>2122.61</b>	<b>2158.33</b>	<b>2203.20</b>	<b>2288.92</b>	<b>2,566.80</b>	<b>2572.34</b>	<b>2,588.91</b>	<b>2,419.26</b>	<b>2,374.47</b>

Source: Records maintained by the School District Human Resources Department

TABLE 19

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**  
(unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced -Price Meals
2002	14,757	\$ 102,228,026	\$ 6,927	8.32%	N/A	N/A	N/A	948	15.6	17.0%
2003	15,034	108,699,575	7,230	4.37%	\$ 121,776,827	\$ 8,100	N/A	926	16.2	18.0%
2004	15,377	113,421,552	7,376	2.02%	127,441,924	8,288	2.32%	903	17.0	21.0%
2005	15,901	118,912,076	7,478	1.39%	133,550,679	8,399	1.34%	912	17.4	22.0%
2006	16,394	130,921,876	7,986	6.79%	146,612,517	8,943	6.48%	952	17.2	23.0%
2007	16,569	137,633,534	8,307	4.02%	155,446,693	9,382	4.91%	1,108	15.0	23.0%
2008	16,505	159,344,899	9,654	16.22%	175,578,586	10,638	13.39%	1,395	11.8	26.10%
2009	16,423	167,593,114	10,205	5.71%	178,584,859	10,874	2.22%	1,299	12.6	28.0%
2010	16,325	167,723,136	10,274	0.68%	181,042,712	11,090	1.98%	1,212	13.5	30.0%
2011	16,368	162,967,293	9,956	-3.09%	181,929,517	11,115	0.23%	1,190	13.8	32.5%

Source: Records maintained by the School District Finance Department

Operating expenditures are total expenditures less debt service and capital outlays from Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

Expenses are total expenses from Statement of Activities.  
N/A = Not available

The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2002, therefore, this schedule presents accrual information beginning with June 30, 2003.

**TABLE 20**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
TEACHER BASE SALARIES  
LAST TEN FISCAL YEARS  
(unaudited)**

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Average Salary
2002	\$ 27,954	\$ 60,629	\$ 39,923
2003	27,954	60,629	40,362
2004	28,137	61,025	41,162
2005	28,719	62,286	42,189
2006	29,804	65,061	42,959
2007	30,581 *	66,760 *	44,123
2008	31,828	69,573	45,758
2009	33,054	72,256	47,602
2010	32,406	72,256	47,421
2011	32,406	72,256	47,421

\* - Correction from 2006 - 2007 CAFR

Source: Records maintained by the School District  
South Carolina Department of Education

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>School</b>										
<b>Elementary</b>										
Ballentine Elementary (2002)										
Square feet	-	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731
Capacity	-	800	800	800	800	800	800	800	819	819
Enrollment	-	560	652	719	789	703	712	771	737	742
Chapin Elementary (1977)										
Square feet	108,900	108,900	108,900	108,900	108,900	108,900	108,900	108,900	118,900	131,950
Capacity	850	850	850	850	850	850	850	850	916	916
Enrollment	701	592	599	670	704	727	776	807	822	794
Dutch Fork Elementary (1953)										
Square feet	83,446	83,446	83,446	83,446	93,485	103,522	103,522	103,522	95,182	95,182
Capacity	750	750	750	750	750	750	750	750	657	657
Enrollment	796	519	506	535	578	542	559	563	537	541
H. E. Corley Elementary (1990)										
Square feet	105,944	105,944	105,944	105,944	105,944	105,944	105,944	105,944	105,944	105,944
Capacity	750	750	750	750	750	750	750	750	733	733
Enrollment	745	687	637	636	581	594	543	517	498	522
Harbison West Elementary (1982)										
Square feet	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Capacity	800	800	800	800	800	800	800	800	710	710
Enrollment	641	560	500	512	496	471	408	368	394	486
Irmo Elementary (1933)										
Square feet	86,674	86,674	86,674	86,674	86,674	86,674	86,674	86,674	85,674	85,674
Capacity	550	550	550	550	550	550	550	550	584	584
Enrollment	596	592	555	525	527	532	498	505	479	509
Lake Murray Elementary (1997)										
Square feet	102,842	102,842	102,842	102,842	102,842	102,842	102,842	102,842	102,842	102,842
Capacity	800	800	800	800	800	800	800	800	849	849
Enrollment	475	644	711	774	840	807	814	853	862	866
Leaphart Elementary (1975)										
Square feet	95,300	95,300	95,300	95,300	95,300	95,300	95,300	95,300	108,300	120,500
Capacity	750	750	750	750	750	725	725	725	814	814
Enrollment	585	569	582	582	569	546	496	486	466	433

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>School</b>										
<b>Elementary (Continued)</b>										
Nursery Road Elementary (1980)										
Square feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity	800	800	800	800	800	800	800	800	777	777
Enrollment	687	704	706	691	703	654	595	521	492	499
Oak Pointe Elementary (2007)										
Square feet	-	-	-	-	-	110,390	110,390	110,390	110,396	110,396
Capacity	-	-	-	-	-	825	825	825	756	756
Enrollment	-	-	-	-	-	539	601	630	634	671
River Springs Elementary (1997)										
Square feet	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899
Capacity	800	800	800	800	800	800	800	800	925	925
Enrollment	970	822	862	834	879	611	645	642	677	654
Seven Oaks Elementary (1966)										
Square feet	72,756	72,756	72,756	72,756	72,756	72,756	72,756	72,756	72,756	72,756
Capacity	550	550	550	550	550	550	550	550	570	570
Enrollment	425	481	501	495	543	557	510	510	484	475
<b>Middle</b>										
Chapin Middle (1991)										
Square feet	103,886	103,886	103,886	103,886	139,651	177,433	177,433	177,433	177,433	177,433
Capacity	800	800	800	800	800	900	900	900	1,018	1,018
Enrollment	715	720	782	810	863	883	979	975	996	1,030
Cross Roads Middle (1971)										
Square feet	148,194	148,194	148,194	148,194	148,194	148,194	148,194	148,194	148,194	148,194
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,098	1,098
Enrollment	929	1,056	1,021	1,012	1,018	1,004	997	955	966	917
Dutch Fork Middle (1998)										
Square feet	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,149	1,149
Enrollment	1,032	1,052	1,095	1,108	1,044	1,037	1,011	1,039	1,049	1,100
Irmo Middle (1977)										
Square feet	233,000	233,000	233,000	233,000	233,000	233,000	233,000	233,000	233,000	233,000
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,181	1,181
Enrollment	930	955	995	1,092	1,087	1,044	1,030	925	896	880

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>School</b>										
<b>High</b>										
Chapin High (1971)										
Square feet	172,769	187,288	187,288	187,288	187,288	187,288	187,288	187,288	187,288	187,288
Capacity	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,239	1,239
Enrollment	847	914	955	1,057	1,111	1,166	1,245	1,242	1,286	1,302
Dutch Fork High (1993)										
Square feet	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,207	2,207
Enrollment	1,784	1,782	1,882	1,966	2,079	2,076	2,073	2,088	2,068	2,031
Irmo High (1964)										
Square feet	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,141	2,141
Enrollment	1,827	1,755	1,772	1,801	1,915	2,003	2,012	2,029	1,983	1,915
<b>Other</b>										
Alternative School (1955)										
Square feet	26,005	26,005	26,005	26,005	26,005	26,005	26,005	26,005	20,961	20,961
Capacity	99	99	99	99	99	99	99	99	99	99
Enrollment	72	70	64	82	68	73	73	138	127	127

Source: Records maintained by the School District

Note: Capacity stated as Core Capacity as developed by the Southern Management Group, Columbia, SC  
2010 - Capacity is "current as-used program capacity" as reported in District and School Level Program Capacity Study prepared by H. Dale Holden & Associates.  
Enrollment as of the 135 day Average Daily Attendance report

## **SINGLE AUDIT SECTION**

The following information is related to the annual single audit including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control and compliance with applicable laws and regulations.



**DERRICK, STUBBS & STITH, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

508 Hampton Street, 1st Floor • Post Office Box 36  
Columbia, South Carolina 29202-0036  
Telephone: (803) 799-5810 • Facsimile: (803) 799-5554  
www.dsscpa.com

A. David Masters, CPA  
Charles R. Statler, Jr., CPA  
Alan F. Grimsley, CPA  
Hugh R. Penny, CPA, CISA, CBA  
H. Warren Counts, Jr., CPA  
K. Todd Dailey, CPA, CVA  
Timothy M. Monahan, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Chairman and Members of the Board of Trustees  
School District Five of Lexington and Richland Counties  
Irmo, South Carolina

We have audited the financial statements of School District Five of Lexington and Richland Counties as of and for the year ended June 30, 2011, and have issued our report thereon dated October 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

Management of School District Five of Lexington and Richland Counties is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered School District Five of Lexington and Richland Counties' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District Five of Lexington and Richland Counties' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District Five of Lexington and Richland Counties' internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether School District Five of Lexington and Richland Counties' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School District Five of Lexington and Richland Counties in a separate letter dated October 31, 2011.

This report is intended solely for the information and use of the Board of Trustees, management, the South Carolina Department of Education, and applicable federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Derrick, Stubbs & Stith, LLP*

October 31, 2011



**DERRICK, STUBBS & STITH, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

508 Hampton Street, 1st Floor • Post Office Box 36  
Columbia, South Carolina 29202-0036  
Telephone: (803) 799-5810 • Facsimile: (803) 799-5554  
www.dsscpa.com

A. David Masters, CPA  
Charles R. Statler, Jr., CPA  
Alan F. Grimsley, CPA  
Hugh R. Penny, CPA, CISA, CBA  
H. Warren Counts, Jr., CPA  
K. Todd Dailey, CPA, CVA  
Timothy M. Monahan, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Chairman and Members of the Board of Trustees  
School District Five of Lexington and Richland Counties  
Irmo, South Carolina

**Compliance**

We have audited the compliance of School District Five of Lexington and Richland Counties with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. School District Five of Lexington and Richland Counties' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of School District Five of Lexington and Richland Counties' management. Our responsibility is to express an opinion on the School District Five of Lexington and Richland Counties' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District Five of Lexington and Richland Counties' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on School District Five of Lexington and Richland Counties' compliance with those requirements.

In our opinion, School District Five of Lexington and Richland Counties complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of School District Five of Lexington and Richland Counties is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered School District Five of Lexington and Richland Counties' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, 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 School District Five of Lexington and Richland Counties' 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.

To the Honorable Chairman and Members of the Board of Trustees  
School District Five of Lexington and Richland Counties  
Page 2

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

This report is intended solely for the information and use of the Board of Trustees, management, the South Carolina Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Derick, Stulke + Smith, LLP*

October 31, 2011

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2011**

Fund	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures Paid
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Passed Through S.C. Department of Education:				
201	Title I Grants to Local Educational Agencies	84.010	11BA057	\$ 1,232,989
222	ARRA - Title I Grants to Local Educational Agencies	84.389	10SA057	358,075
223	ARRA - Title I Grants to Local Educational Agencies	84.389A	11SL057	8,563
237	Title I School Improvement	84.010A	10BJ057 & 11BJ057	31,894
				* <u>1,631,521</u>
203	Handicapped Disabilities Act	84.027A	11CA057	2,087,433
205	Special Education - Preschool Grants	84.173	11CG057	105,157
213	Office of Exceptional Children - IDEA - Discipline	84.027A	11CO057	30,697
215	ARRA - Special Education - Grants to States	84.391A	11SC057	2,046,014
216	ARRA - Special Education - Preschool Grants	84.392A	11SG057	121,255
				* <u>4,390,556</u>
207	Vocation Education	84.048A	11VA057	189,236
209	Safe and Drug-Free Schools and Communities State Grants	84.186	11FQ057	31,763
224	21st Century	84.287	10CL057 & 11CL057	288,539
227	Education for Homeless Children and Youth	84.387	11SM057	534
243	Adult Education Federal Grant Program	84.002	11EA057 & 11ED057	125,576
250	ARRA - State Fiscal Stabilization Funding	84.394A	10SF057 & 11SF057	* 3,748,260
264	Title II - English Language Acquisition	84.365A	11BP057	48,826
266	ARRA - State Energy Program	81.041	S10-0048	249,218
267	Title II Part A - Improving Teacher Quality	84.367	11TQ057	307,663
Passed Through Orangeburg School District Five:				
846	Smaller Learning Communities	84.215L	N/A	388,442
Direct Programs:				
897	Teaching American History	84.215X	N/A	* <u>463,082</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				<u>11,863,216</u>
<b>U. S. DEPARTMENT OF JUSTICE</b>				
Direct Programs:				
857	Drug Free Communities	16.729	N/A	<u>124,807</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>				
Direct Programs:				
831/832	NJROTC/AFJROTC	12.000	N/A	<u>213,760</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through S.C. Department of Education:				
Child Nutrition Cluster:				
600	Non- Cash Assistance (Commodities): National School Lunch Program	10.555	N/A	<u>367,756</u>
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	594,790
600	National School Lunch Program	10.555	N/A	2,268,228
				<u>2,863,018</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<u>3,230,774</u>
<b>Total Federal Assistance Expended</b>				<u>\$ 15,432,557</u>

\* Denotes major fund

Summary of Significant Accounting Policies:

This schedule includes the federal grant activity of the School District Five of Lexington and Richland Counties and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations". The financial activity shown in this schedule reflects amounts recorded by the District during its fiscal year July 1, 2010, through June 30, 2011, and, accordingly, does not include a full year's financial activity for grants awarded or terminated on dates not coinciding with the District's year.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011**

**1. Summary of Auditor's Results:**

***Financial Statements***

Type of report issued on financial statements	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to the financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

<u>U.S. Department of Education:</u>	<u>CFDA#</u>	<u>Expenditure</u>
ARRA State Fiscal Stabilization Funding	84.394A	\$ 3,748,260
Title 1 Grants to Local Educational Agencies	84.010	1,232,989
ARRA- Title 1 Grants to Local Educational Agencies	84.389	358,075
ARRA- Title 1 Grants to Local Educational Agencies	84.389A	8,563
Title 1 School Improvement	84.010A	<u>31,894</u>
	Total	\$ <u>1,631,521</u>
Handicapped Disabilities Act	84.027	2,087,433
Special Education-Preschool Grants	84.173	105,157
Office of Exceptional Children - IDEA – Discipline	84.027A	30,697
ARRA - Special Education - Grants to Schools	84.391A	2,046,014
ARRA - Special Education – Preschool Grants	84.392A	<u>121,255</u>
	Total	\$ <u>4,390,556</u>

Dollar threshold used to distinguish between Type A and Type B programs \$ 463,082

School District Five of Lexington and Richland Counties qualified as a low risk auditee under paragraph .530 OMB 133 Yes

**2. Findings 2011 Financial Statements Audit** None Reported

**3. Findings and questioned costs for Federal awards** None Reported

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2011**

There are no prior audit findings and questioned costs relative to Federal Awards.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF CORRECTIVE ACTION PLAN  
JUNE 30, 2011**

No corrective action plan is required for the year ending June 30, 2011.