



**AGENDA
BOARD OF TRUSTEES
DISTRICT ADMINISTRATION BUILDING'S BOARD ROOM
AUGUST 13, 2012**

1. Call to order at 6:00 p.m.
2. Enter executive session to consider the following:
 - a. Selected employment items (Exhibit A)
 - b. Briefing on litigation involving District 5
3. Welcoming remarks at 7:00 p.m. – Robert Gantt
4. Invocation – Mark Bounds
5. Pledge of Allegiance – Laura Katherine Perla, a rising first grade student at River Springs Elementary School
6. School Board Spotlight
7. Approval of the agenda
8. Superintendent's report (45 minutes)
 - a. Superintendent
 - (1) Back-to-School Report
 - b. Financial Services
 - (1) Update on cost of legal appeals at Chapin High School (Exhibit B)
 - c. Instructional Services
 - (1) District/School ESEA Ratings (Exhibit C)
 - (2) Enrollment update
9. Public participation*

ACTION AGENDA

10. Items considered in executive session
11. Approval of a Resolution for the sale of general obligation bonds (Exhibit D) (15 minutes)
12. Approval of the minutes of the July 23, 2012 board meeting (3 minutes)

DISCUSSION AGENDA

13. Superintendent's goals for 2012-2013 (Exhibit E) (25 minutes)
14. Follow up to entrance area at Irmo High School (Exhibit F) (15 minutes)
15. BEDG "Minutes of Board Meetings" board policy (Exhibit G) (15 minutes)
16. Re-appointment to Richland County Board of Assessment Appeals (Exhibit H) (3 minutes)
17. Adjourn by 9:30 p.m.

FOR YOUR INFORMATION

18. Title I and Title II update (Exhibit I)

*The Board welcomes and encourages public participation and includes an opportunity during its meetings for the public to do so. We respectfully ask that you adhere to the procedures and the decorum provided in board policy BEDH "Public Participation at Meetings". We ask that you sign-up to speak before the meeting begins and that you provide us your name, address and topic of input. Your comments should be limited to three minutes. Questions asked during public participation and placed in writing will receive a written response in a timely manner. Comments, questions and opinions are appreciated but should always be presented in a manner that reflects the respect and dignity expected by our community. Personal attacks on members of the community, the Board, or the staff of the school system will not be allowed.



Minutes/July 23, 2012

The Board of Trustees of School District Five of Lexington and Richland Counties met at H. E. Corley Elementary School with the following members present:

Mr. Robert Gantt, Chairman
Mrs. Beth Burn Watson, Vice Chairman
Mrs. Ellen Baumgardner, Secretary
Mrs. Jan Hammond
Mrs. Kim Murphy
Mr. Jim Turner
Mr. Ed White (via telephone)
Dr. Stephen Hefner, District Superintendent

The following staff were in attendance:

Ms. Helen Anderson, Chief Instructional Services Officer
Dr. Angela Bain, Chief Human Resource Services Officer
Dr. Karl Fulmer, Chief Financial Services Officer
Mr. Michael Harris, Director of Student Services
Mr. Mark Bounds, Public Information Officer

Chairman Robert Gantt gave welcoming remarks.

The Invocation was given by Dr. Karl Fulmer. The Pledge of Allegiance was led by Beth Burn Watson.

During the superintendent's report, Chris Whitley gave a monthly update on new design and construction.

No one spoke during the public participation.

Dr. Hefner presented the proposed superintendent goals for 2012-2013 (Exhibit D).

A = Absent
AB = Abstain
N = No
X = Yes
R = Recuse

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of July 23, 2012

	B A U M G A R D N E R	G A N T T	H A M M O N D	M U R P H Y	T U R N E R	W A T S O N	W H I T E
1. M. Hammond S. Baumgardner Enter executive session to consider the following: a) selected employment items (Exhibit A)	X	X	X	X	X	X	A
2. M. Baumgardner S. Watson Approve the agenda	X	X	X	X	X	X	X
3. M. Watson S. Baumgardner Approve the selected employment items (Exhibit A)	X	X	X	X	X	X	X
4. M. Watson S. Hammond Approve the Phase 2 additions and renovations at Irmo High School (Exhibit B)	X	X	X	No	X	X	X
5. M. Watson S. Baumgardner Approve the additions and renovations at Dutch Fork High School Phases 1 & 2 (Exhibit C)	X	X	X	No	X	X	X
6. M. Watson S. Baumgardner Approve the minutes of the June 11, 2012 board meeting M. Murphy S. I move that the documents and statements attached to the minutes from the board members (Gantt, Watson and Baumgardner), which had not been requested by those board members to be included in the minutes, be withdrawn from the minutes Vote on the original motion	X	X	X	No	X	X	A
7. M. Murphy S. I move that we set up a special called meeting to discuss							

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X = Yes
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SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of July 23, 2012

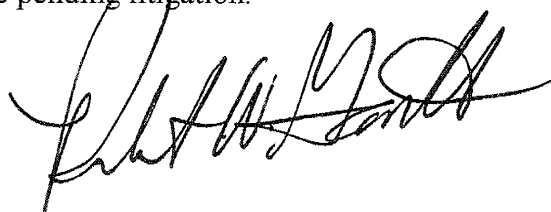
		B A U M G A R D N E R	G A N T T	H A M M O N D	M U R P H Y	T U R N E R	W A T S O N	W H I T E
this very important issue and define the goals								
8.	M. Watson S. Hammond	X	X	X	X	X	X	X
Adjourn at 10:15 p.m.								

A = Absent
AB = Abstain
N = No
X = Yes
R = Recuse

Item 12 - Minutes June 11, 2012.

Prayer Lawsuit Statement

Recently, a lawsuit was brought against the District, challenging the constitutionality of the District's long-standing policy permitting student-led prayer at graduation ceremonies. At the Board meeting held June 25, 2012, the Board received a legal briefing on that litigation in Executive Session. Following executive session, Board Member Kim Murphy introduced a motion to direct the District's attorneys "to draft a new School Ceremonies and Observations policy that goes as far as legally possible to allow voluntary school prayer," a motion that the Irmo News reported was not supported by the other board members. The motion did not receive the required second to allow discussion and a vote and, although we cannot provide further information on the discussions and legal advice provided in Executive session regarding the policy and litigation, the District believes that the failure of the motion, at the entry level, was appropriate at this time. The District's current policy, which Ms. Murphy sought to change through further restrictions, presently allows for student-led prayer. The District and the entire Board wishes to ensure that the District has in place a policy that respects constitutional rights of all students, including those who wish to pray. However, to the extent that any changes are required to the current policy permitting student-led prayer, the District wishes to ensure that those changes are done in conjunction with the pending litigation.



Attachment 1 is included with
the minutes of the 7-23-12
meeting, at the request of Board member
Robert Gantt
pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by **Robert Gantt** for attachment to the Minutes.

Agenda Item # 19 Approval of Second Reading

Item "For The Record" requested by Robert Gantt for attachment to the Minutes.

Kim Murphy - Statement + Attorney General's Opinion (10 pages)
June 25, 2012

Para 1 + (See Related Nobs Attached pg 2).
I don't know what happened. I don't know what went wrong. I'm sure you guys are working very hard. But if we can't trust that the reports that you give to us to be accurate, how can the public trust us. I don't want to have to air our dirty laundry but I'm sorry this work unacceptable.

Para 2 You're asking us to approve a \$150 million budget but the reports are wrong. I don't know which numbers are right and which aren't, but I have found numerous discrepancies. And there are reports missing that are needed to assess a budget.

Para 3 Dr. Fulmer, you shared with us during the meeting when we had the First Reading of the Budget, that the Budget Book you had given to us to, initially, in preparation for the First Reading, was incorrect. You informed us that, even though you knew it was incorrect when you gave it to us, you didn't tell us. But just as in this case, we discovered it.

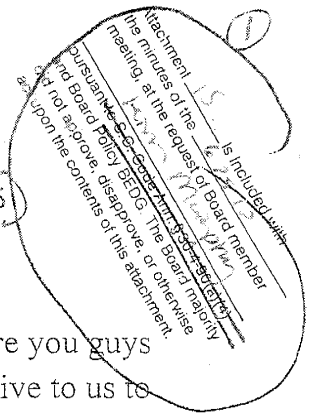
Para 4 In addition, I have asked for specific reports and documents, but the administration, at the guidance of the board Chair, has refused to give them to me. I have asked numerous questions, and my questions remain answered.

Para 5 Not only are there issues in this reporting, but there appears to be out of control spending. We cannot continue to sustain such spending, especially when there is not student growth to justify it. Raising taxes is not an option at times like this and increasing the budget so dramatically makes no sense.

Para 6 It is also not an option to continue secretly overtaxing our citizens so the money can be tuck money away to use at our discretion, without the knowledge of our citizens, as this district has done -- year after year.

Para 7 And now that it is a school board election year, you are claiming that there will not be a tax increase. But, unbeknownst to taxpayers, that's partially true -- we don't have to have a tax increase this next year... because you have already over-taxed

Political Statement by Mrs. Murphy.
Lacks TRUST.



Attachment is included with the minutes of the meeting, at the request of Board member [blank] pursuant to S.C. Code Ann. § 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item "For The Record" requested by Robert Gantt for attachment to the Minutes.

Para 7 (cont)

them in previous years. You taxed them in advance so now you can apply some of that money to offset the budget to - "avoid a tax increase", and make claim that I believe to be false that the board leadership is being fiscally responsible and prudent. *Totally a political erroneous statement by Mrs. Murphy.*

Para 8

I'm going to be quite frank... this is just another example of why we need a change in leadership in November. I'm talking about the Board leadership. *Political statement (not relevant) by Mrs. Murphy.*

Para 9

We have a wonderful district with so much going for us. I fully support our hard-working and dedicated teachers and staff and I cannot begin to tell you how much I appreciate the job you do in the face of all kinds of challenges. *In sincere statement voted NO to raises for all employees.*

This is certainly not a popularity contest, but I cannot, in good faith, support a \$150 million dollar budget, under these circumstances.

Along with this statement, I have an opinion from the Attorney General's office that I will also put on the record. It states I am entitled to the information that I have requested do the job that I was elected to do, but you have refused to provide, to me.

** Mrs. Murphy is in violation of good Boardmanship behavior.*

Attachment 3 is included with the minutes of the 7-23-12 meeting, at the request of Board member Robert Gantt pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Attachment 16 is included with the minutes of the 6-25-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item "For The Record" requested by Kim Murphy for attachment to the Minutes.

** This statement made FTR by Mrs. Murphy is erroneous. It is politically motivated and far outside good Boardmanship. This Board has been tolerant of the FTR statements by Mrs. Murphy but may need to revisit Board Policy related to the Minutes if these type erroneous statements continue. To use Mrs. Murphy's words, "This is totally unacceptable behavior" by Mrs. Murphy.*

For The Record: Rebuttal of False Statements by ^{Mrs. Murphy}
Re: On The Record Statement made by Mrs
Murphy June 25, 2012 ERRORS. - Mrs
Murphy's Statement fraught with inaccuracies & outright
errors. Reference Para on 6/25/12 Document.

~~2~~ Para Budget \$150 million - Cited wrong budget
reports in error. This is Mrs. Murphy's unqualified
opinion only.

3 Para - Dr. Fulmer explained on numerous
occassions that the errors were due to
an accounting software change.

Attachment 4 is included with
the minutes of the 6/27/12
meeting, at the request of Board member
Robert Gantt
Pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG, The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by Robert Gantt for attachment to the Minutes.

4 Para - "At the guidance of the Board
Chair" specific reports asked for
not given. "Refused" - Absolutely not a
true statement. Political statement by Mrs. Murphy

5 Para - Cites out of context spending.
Six Board members voted for this budget.
It passed 6-1. Six members supported raises
for all employees. Mrs. Murphy did not support
the budget or employee raises.
(2)

Item "For The Record" requested by Beth Watson for attachment to the Minutes.

For the record - Item 12 - Approval
of the minutes

Mrs. Murphy's continued minuta-filled
questions & discussions about the
minutes do Nothing to help with
the education of children. Her attempts
to ~~sp~~ waste time on the minutes
is a waste of taxpayer money and
a waste of the audience's time. ~~and~~
It does not help the education in
our school district one bit.

Attachment 6 is included with
the minutes of the 7-23-12
meeting, at the request of Board member
Beth Burn Watson
pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Ruth Burn Watson
7-23-2012

Item #14 - Adjourn
submitted by Beth Burn Watson
7/23/2012

RESPONSE TO QUESTIONS SUBMITTED BY KIM MURPHY

ON THE MORNING OF JUNE 25, 2012,

THE DATE OF THE SECOND READING OF THE FY 2012-2013 GENERAL FUND BUDGET

1. Please provide the report "GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY OBJECT", as in previous years. This is essential to review the budget request.

The new software, Smart Fusion, is written in a different programming language than that of Accounting Plus, the previously used software. A special program was written by the District's software vendor to pull information from the old accounting software, Accounting Plus, to the new accounting software, Smart Fusion. The program was not written to include this information. The District can request this module be written to include comparison by object, but likely would have to pay extra for the work.

2. Why does the Second Reading Budget book for 2012-2013 not show the *actual* audited revenue and expenditures from the COMPREHENSIVE ANNUAL FINANCIAL REPORT for the years 2010 and 2011, instead of ORIGINAL BUDGET's for those years, which are only best guesses? Last year's budget books provided that factual historical information (AUDITED ACTUAL) -- information that is essential in assessing a budget. Please provide the budget book showing the AUDITED ACTUAL for previous years.

The new software, Smart Fusion, is written in a different programming language than that of the Accounting Plus software previously used. A special program was written to pull information from the old accounting package, Accounting Plus, to the new accounting software, Smart Fusion. The program was not written to include this information.

3. Please provide me with a copy of the ENTERPRISE FUND Budget for the Tuition-based Four-Year Old Program at Irmo Elementary. You indicated that operational funds would not be budgeted or used for this new program.

This budget was related to the Board during discussion of the tuition based four-year old program before it presented for approval by the Board. The tuition based four-year old program is not a part of the General Fund Budget. The program is based on a single classroom of 20 paying students at \$150 per student for 36 weeks which generates total tuition of \$108,000. Expenditures are projected to be \$60,000 for salary plus fringe for teaching staff, \$25,000 for salary plus fringe for a teacher aide, and \$23,000 for supplies and related costs. The total cost for a single classroom is projected to be \$108,000 for the program. The program will operate on the tuition charged and no General Fund money will be used.

4. What is the value of a mil? As of what date?

Mrs. Murphy asked this question during the Discussion Reading of the General Fund Budget presented on April 23, 2012. At that meeting the Board was given my millage calculation showing assessed value and millage. Regardless, the current value of a mill for General Fund Budget is approximately \$218,543. Please remember that all owner-occupied 4% property is excluded from tax for General Fund Budgets and is excluded from the value of a mill for the General Fund Budget.

Attachment 6 is included with
the minutes of the 7/23/12
meeting, at the request of Board member
Beth Burn Watson
pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

item "For The Record" requested by Beth Watson for attachment to the Minutes.

item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

5. **Please explain the McKinney Vento Act? Where does this cost show up in the budget? What were transportation costs this year? Do we put that out for bid? Do we receive any State or Federal funds for this and, if so, where are those funds shown in the budget?**

Information regarding the McKinney Vento Act can be obtained from the Federal Government. The Act is a rather lengthy document and is best read online. Look for McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B. The District received funds from the McKinney Vento Act as a federal grant. These funds do not appear in the General Fund Budget. Last year the District received approximately \$60,000 of which about \$5,000 was budgeted to be used for homeless transportation. In Fiscal Year 2011-2012 the District spent approximately \$56,735 to transport homeless children. Based on expenditures from last year, \$50,000 has been included in the transportation budget for Fiscal Year 2012-2013. Transportation for these children is provided through the District Transportation Program when feasible and contracted out when contracted service is cheaper. All contracted service is at a prevailing rate as determined by the District's Procurement Policy.

6. **Please itemize OTHER FINANCING USES - Transfers & Payments (\$906,891) under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON more specifically than those in the report by "Function"?**

Each year the District is required to make certain transfers and payments to other funds from the General Fund. Almost without exception, they are transfers to Special Revenue and to Food Service. The \$906,891 shown in the budget is a projected amount that we think fairly represents the transfers the District will likely be required to make. They can be itemized at the end of the year after the transfers have been made.

7. **At the board meeting on April 23, 2012, I asked for the per pupil costs for the districts shown on the report on page 5, which reflects the millage rates of the surrounding districts. Please supply that information to me as I have yet to receive it. Also, please indicate the value of the mil for each district listed.**

The information you asked for I do not have. On page 5, I reported the millage rate for each school district. That information is available on each county website. Per pupil cost is available only through InSite data, published from audited data sent to SDE. The InSite report is about two fiscal years old by the time it is compiled and published. The millage rates I reported on page 5 are for Fiscal Year 2011-2012. With regard to the value of a mill for each district, that information would have to be supplied by the County Auditor from each county. I do not have that information.

8. **Please label Revenue Type listed on page 6 with account name.**

The Revenue Type is the account name. If you mean the revenue account number used for these funds by SDE, then please see attached printout from the SDE website.

9. **Mandated COLA and Step increase: How did you calculate Teacher Salary Support State Share of \$1,272,353.53 (page 6)?**

I did not calculate Teacher Salary Support State. That information is calculated by SDE and sent to each school district. On page 6, I simply gave you a copy of the information as sent to District 5 by SDE.

Attachment 7 is included with
the minutes of the 7-23-12
meeting, at the request of Board member
Beth Beir Watson
pursuant to S.C. Code Ann. § 30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

10. If a teacher is on a 180-day contract and chooses to be paid monthly, how is the remainder of their pay reflected in the financial reports?

The District budgets total salaries. All staff members are paid on a 24 pay cycle, two checks each month.

11. I have previously asked for the Fund Balance history since 2000 and have not yet received this information. Please provide the report to me

The fund balance history since 2000 was included in the Dr. Hefner's Vision 2015 Report as part of my five year projections and presented to you in September 2011. In addition, the Fiscal Years 2011-2012 to FY 2015-2016 have been updated to reflect changes from one budget reading to another in each presentation of the General Fund Budget.

12. Why does the OTHER FINANCING USES number shown under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES not balance with the OTHER FINANCING USES number shown in the THREE-YEAR COMPARISON BY FUNCTION?

They are not supposed to balance. In Other Financing Uses under General Fund Expenditures and Other Financing Uses, Community Services is shown separate and apart from Other Financing Uses. If the two are combined and totaled, as they are in Three-Year Comparison by Function, they do balance.

13. The board just approved an increased annuity for the superintendent and the administration is recommending a salary increase to all employees -- District-wide -- verses just the mandate (employees working directly in the schools) from the state. Why are the additional expenditures for these increases not reflected in GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION - OFFICE OF SUPERINTENDENT?

The additional expenditure is reflected. The action by the Board regarding the superintendent's salary was taken after this budget was compiled for review and presentation to the Board. However, the superintendent's contract contained the language that would potentially grant the annuity. The Board did not give the superintendent a raise. The annuity for the superintendent was paid from funds allocated for that purpose in the Board's Contracted Services account.

14. Why has BOARD OF EDUCATION "Salaries & Bonuses (\$13,750)" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION *decreased* below the salary amount paid to Board members (\$3750 x 7 = \$26,250)? In addition, since being elected, I have chosen not to take my annual salary of \$3750. Where is that money, which is and has been collected from taxpayers, going?

When Mrs. Kim Murphy was elected to the Board, she chose not to receive her pay as a Board member. As a result, all Board salaries were "hard keyed" into Accounting Plus to compensate for that exception within that system. After converting to new software, Smart Fusion, the conversion program did not pick up the "hard keyed" salaries. That line item in the budget includes \$10,000 budgeted for additional compensation (which has never been used) plus \$3,750, the salary for a single board member. This is a flaw in the conversion process of the movement of data for budget presentation from one program to another. The total budget is \$32,250.

Attachment 8 is included with
the minutes of the 7-23-12
meeting, at the request of Board member
Beth Ben Watson
pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

15. **Why has "Contracted Services" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION - SUPERINTENDENT & BOARD increased by \$25,000? (Last year it went up \$87,000.) What is included in that \$339,275 line item?**

The \$25,000 increase is actually under Board of Education Purchased Services designated to cover purchased services attributable to the Board. An example of an expense in this account is the superintendent's annuity that was recently paid as required by his contract with the Board. Board Contracted Services include Purchased Services, \$25,000; Management Services, \$5,000; Policy Manual Services, \$2,200; Audit Services, \$40,000; Legal Services-Board of Trustees, \$225,000; Board Travel, \$12,000; Technology Software, \$12,000; and Advertising, \$18,075.

The increase last year of \$87,000 included a \$75,000 increase in Legal Services-Board of Trustees and a \$12,000 addition for Technology Software.

16. **What is included in the \$39,000 that was plugged into "Transfers and Payments" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE - SUPERINTENDENT & BOARD this year and last year?**

This is a budgeted item for use when there is a need to make a transfer or payment. There were no expenditures in this account in FY 2011-2012. The account will not be used unless needed in FY 2012-2013.

17. **The budget has grown another half a million dollars (\$500,000), which the equivalent of over 2 mils, since the First Reading, please explain**

The explanation for this is listed on page 8 in the Charts/Presentation section of the budget.

18. **Why are "Transfers from EIA up over \$1,000,000 from the First Reading?**

The Senate version of the state budget included \$1,272,353.53 in EIA funding as Teacher Salary Support State Share. This additional funding is shown on page 6 in the Charts/Presentation section of the budget.

19. **Under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES, please explain why "Supplies and Materials, etc has gone up over \$100,000 from the First Reading where a savings had been projected?**

The explanation for this is listed on page 10 in the Charts/Presentation section of the budget. The District budgeted an additional \$100,000 in supplies for opening of the Center.

20. **Please explain why INSTRUCTION "Salaries & Bonuses" and "Fringe Benefits" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES has gone up over \$540,000 since the First Reading?**

In First Reading of the General Fund Budget, the District included additional costs for implementation of a new technology plan for the District. Additional costs related to the technology plan are included in this category and was a part of both the First Reading and Second Reading.

Attachment 9 is included with
the minutes of the 7-22-12
meeting, at the request of Board member
Beth Watson
pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

21. Please explain why SUPPORTING SERVICES "Salaries & Bonuses" and Fringe benefits went *down* under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES since the First Reading?

The pool of employees changes significantly at the end of each fiscal year due to retirements, resignations, replacements, and the employment of new employees. Vacant positions are entered into the budget at an average salary that can vary greatly dependent up who is employed to fill the position. In addition, employees are reassigned among account areas based on school scheduling and the grades or areas in which they will be working. All of these changes are reflected in the budget as such changes are made. Thus, the two readings are based on different employee pools.

22. Please explain why SUPPORTING SERVICES "Fringe Benefits (+9%)" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES increased much more dramatically compared to the increase for "Salaries and Bonuses (+2.25%)"?

Fringe costs are applied to all salary, including raises. Therefore, fringe costs, as a percent of salaries, will always increase at a greater rate than the percent of salary increase given. In addition, fringe costs also increased from Fiscal Year 2011-2012 to Fiscal Year 2012-13. The employer rate for retirement alone increased by 1.315 percent from 13.825 percent to 15.15 percent.

23. Please explain why SUPPORTING SERVICES "Contracted Services" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES increased dramatically (+10.30% - almost \$600,000) since last year?

Principals budgeted more of their allocations under Contracted Services and the District had a number of increases under Contracted Services as well. All new Contracted Services costs that were not a part of the allocations to schools were detailed as increases. They were McKinney Vento Homeless Transportation, insurance coverage for the Center, additional security for Chapin High School and the Center, utilities at the Center, and IB training.

24. Please explain why SUPPORTING SERVICES "Supplies and Materials" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES increased dramatically (+8.91% - almost \$500,000) since last year?

This increase is due primarily to the opening of the Center as is shown on page 13 of the Charts/Presentation section of the budget and the restoration of the 5% reduction in supply allocations that was imposed on schools in previous budget years as is shown on page 8 of the Charts/Presentation section of the budget

25. Please explain why SUPPORTING SERVICES "Insurance, Principal, etc" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES increased dramatically (+114.6% - almost \$400,000) since last year?

This is a change in reporting budgeted expenditures from one category to another for Fiscal Year 2012-2013 as compared to Fiscal Year 2011-2012. The reclassification of the expenditures related to budgeted funds for Dead Head Miles (miles driven by bus drivers with no students on the bus) and athletic allocations to each high school. The change was made at the request of the District's auditing firm. No increases in budget resulted from this change in the location of these expenditures.

Attachment 10 is included with
the minutes of the 7-23-12
meeting, at the request of Board member
Beth Ann Watson
pursuant to S.C. Code Ann. § 30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

26. Please explain why "Primary Programs (+10% - \$1,623,535), "High School Programs (+7.6% - \$1,428,713)," "Educable Mentally Handicap (+9.84% - \$70,302)," "Trainable Mentally Handicap (+19.9% - \$134,480)," "Emotionally Handicap (+12.33% - \$130,998)," "Pre-School Handicap Self-Contained (+5.79% - \$66,651)," and "Autism (+14.77% - \$170,732)" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION increased substantially? Are any new programs being added? If so, how many? If so, why has the Board not voted to implement the programs in order to consider, not only the benefit to students, but, the use of taxpayer dollars and use of school capacity)?

No new programs are being added. Some of the increase is attributable to the salary and step increase given employees. The remainder is due to funding changes. For the two previous fiscal years, the District has received ARRA Funds from the federal government to supplement the District's General Fund Budget. ARRA Funds are not available for the FY 2012-2013 General Fund Budget. These funds, received through IDEA, Title Programs, and as direct assistance to the District, were used to offset General Fund expenditures over the last two years. In FY 2012-2013 all of these cost are charged to the General Fund Budget.

27. Please explain why "Visually Handicap" and "Hearing Handicap" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION has decreased dramatically (between 21% - 25%)?

See answer to question 26. The change in funding to these programs is also attributable to changes in funding from the state and federal government.

28. Please explain why "Gifted & Talented Academy" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION increased dramatically (49.85%) since last year?

Funding for Gifted and Talented Programs has been significantly reduced by the state and reallocated under other funding sources. At the same time the number of Gifted and Talented students in the District has increased.

29. "ADULT SECONDARY" subtotal is incorrectly labeled as "SUBTOTAL PARENTING/FAMILY LITERACY."

Typographical error.

30. Is PARENTING/FAMILY LITERACY under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION a new program? I thought this was already funded. Please explain.

This is not a new program. This program was moved from the Instructional Department to Student Services during last fiscal year and the budget reflects that change.

31. Why has CAREER SPEC SERVICES "Fringe Benefits (+15.27%)" line item under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION increased dramatically when "Salaries & Bonuses (-9.20%)" has decreased?

See the answer to question 22.

Attachment 11 is included with the minutes of the 2-23-12 meeting, at the request of Board member Beth Watson pursuant to S.C. Code Ann. § 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

32. **Same as above for most line items under SUPPORTING SERVICES under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION?**

See the answer to question 22.

33. **What is STU TRANS FED/STATE MANDAT under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION?**

Irmo Middle School operates an after school detention program that the school pays for with part of their allocated funds. Expenditures for that program are accounted for under this heading.

34. **BOARD OF EDUCATION and OFFICE OF SUPERINTENDENT under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION does not balance with SUPERINTENDENT & BOARD under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON SINGLE SITE (DO DISTRICT WIDE).**

This is not an error in reporting. The budget is reported correctly. One schedule is shown by Function and the other is shown by Single Site. The schedule shown by site includes a pay out of leave bonuses as required by the Board's policy for administering employee leave, which is in the superintendent's location but is not, and should not be, in the superintendent's function.

35. **GENERAL FUND EXPENDITURES AND OTHER FINANCING USES THREE-YEAR COMPARISON BY FUNCTION does not balance with SINGLE SITE.**

The Finance Office was aware of the difference between the Comparison by Function and Single Site in this section of the budget and has accounted for that difference. The program that rolled up this section of the budget, as written by the District's software provider, failed to accurately round and compute that section by \$473.29 within the total budget of \$149,780,669.68. Finance recognized that since all other sections computed correctly, this amount was not materially large enough to justify paying additional money to the District's software provider to correct the error in that module.

36. **STUDENT SERVICES under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE does not balance with last year's report.**

This should not balance with last year's report. The budget for supplies was moved from the Instructional Department to Student Services last year after the budget was approved when Student Services was separated from the Instructional Department.

37. **What is "Education Foundation Supplement" listed on the Projected Revenue report? Has District 5 provided any kind of funding to the Education Foundation?**

The District does not provide any educational support for the Education Foundation. Education Foundation Supplement is a term used by SDE to describe a part of the funding SDE sends to each school district in the state. Education Foundation Supplement, as used by SDE, is best described as funds allocated that are to be directed toward the support of each district's basic educational foundation program of course offerings.

Attachment 12 is included with
the minutes of the 12/23/12
meeting, at the request of Board member
Beth Ann Watson
pursuant to S.C. Code Ann. §30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

- 38. Why was \$20,000 for security at Chapin High added to Budget between First and Second Reading? If construction related, why is this not covered by contractor or covered by Capital Improvement money? What account is this charged to?**

The additional security budgeted at Chapin High School is related to student security and not security of the construction site. Security of the construction site, if needed, would be covered by the contractor. The \$20,000 is charged to costs for security within the General Fund Budget as it should be charged.

- 39. Please explain "Core" teachers? If additional teachers are being added because of growth, please indicate the projected increase? Please place the budgeted dollar amount next to each position as you have done on page 14.**

Core teachers are teachers who teach in the core instructional areas of the District's educational programs. These are areas such as Math, Science, Social Studies, and Language Arts. The positions were added to ensure the District continues to meet the Board's policy regarding student and teacher ratio. The student and teacher ratio policy was waived, at the request of the administration, by the Board last fiscal year and was not waived by the Board for FY 2012-2013. The budget clearly shows projected enrollment in the Charts/Presentations section of the budget. The administration has been very clear as to why the additional teachers were needed. The Board was not asked and did not waive the ratios for FY 2012-13 and those positions keep the District in compliance with Board Policy.

- 40. Please explain what happened to the new positions for special education teacher at IMS and IB teacher at IHS shown on page 11 of the First Reading (page 12 of Second Reading)?**

Nothing happened to them. They are still in the budget. The chart on page 12, Second Reading, does not show them.

- 41. Please explain the addition of 9 new positions for Technology shown on page 12 of Second Reading?**

The technology plan was discussed in detail at First Reading of the budget. The plan includes a coordinator, three integration specialists, three technical support assistants, and two technical support employees.

- 42. Please explain why additional costs for CATE shown on GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE are not listed on Summary of Changes in Expenditures: First Reading to Second Reading shown on page 8 and why the All Cost Total on the Projected Annual Costs - The Center shown on page 13 does not balance with Single Site report for CATE?**

The chart on page 13 in the Charts/Presentation section of the budget was not updated for the Second Reading.

- 43. Why is the \$1,081,630 labeled as MOE (Maintenance of Effort) on page 7 and on page 19, when it is Fund Balance? Total Fund Balance projected to force this budget to balance is \$2,455,052 (\$1,373,422 + \$1,081,630).**

MOE represents funds allocated by the state at the end of FY 2010-2011, a portion of which was set aside to be used in FY 2012-2013. These funds were allocated to allow the state to meet federal MOE requirements and must be spent according to federal law.

Attachment 13 is included with the minutes of the 2-23-12 meeting, at the request of Board member Beth Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

44. **Line items on Budgeted General Fund Revenue shown on page 19 are mis-labeled. Please correct.**

There is nothing to correct. The page shows consolidated funding by source. All line items on page 19 in the Charts/Presentations section of the budget are labeled correctly.

45. **According to GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE report for the CATE, start up costs are \$1,974,381.20. The report on page 22 Projected Changes in Fund Balance Assigned for Opening of New Schools - FY 12-13 shows start up costs at \$1,313,491. Actual start up costs are higher and, therefore, according to the District's numbers, the balance remaining for new schools should be \$827,886.80.**

The chart is correct. The chart accounts for new costs only. Employees who were transferred from another site are not a cost increase since they worked in the District this past year and will continue employment at the Center. Their positions and programs simply moved from one site to another.

46. **During the superintendent's evaluation, he highlighted to a major initiative that was being implemented - RTI (Response to Intervention). There is a new charge in the Budget shown on page 10 for RTI Purchase Services, what is that? What is the cost to implement this program. On page 16 Principals FY 12-13 - Additional Requests Not Funded Elementary Schools there are two major requests related to RTI (\$871,867.10 and \$222,013.13). Can you please explain them?**

The \$70,000 in purchased services for RTI listed as new costs in the General Fund for FY 2012-2013 has been funded in previous years from special revenue received from the state for that purpose. Those funds will not be available in FY 2012-2013. Thus, the cost has been budgeted in the General Fund. With regard to implementing the program, the District is not implementing a new program. RTI is a continuing program. RTI requests by principals were for additional teaching staff.

47. **On pages 16, 17 and 18 - Principals FY 12-13 - Additional Requests, please list the schools making the requests.**

These requests were not compiled by school for presentation in this budget.

48. **Please explain why the Teacher Salary Supplement shown on page 6 as \$1,921,025 for FY 11-12 has not increased for 12-13?**

The Teacher Salary Supplement of \$1,921,035 is an amount set by the State Legislature. I cannot answer for them as to why they did not increase this line item.

49. **What does the Teacher Salary Support State Share consist of? Please break it out?**

Teacher Salary Support State Share, comprised of state tax dollars, consists of an allocation given to each school district by the State Legislature. Since the allocation is shown as a single line item in state funding, I cannot break out this item in more detail.

50. **The numbers shown on the Revenue and Expenditure Projections - Next Five Years do not balance with budget such as Total Expenditures for FY 11-12 and FY 12-13. How do you arrive at the Fund Balance amount of \$25,038,199 in FY 12-13?**

They are projections. They are not supposed to balance with budget. FY 2011-2012 and FY 2012-2013 are both active budgets that have not yet been closed and audited.

Attachment 14 is included with the minutes of the 2/23/12 meeting, at the request of Board member Beth Watson pursuant to S.C. Code Ann. § 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

51. For those who qualify, what is the District's expenditure amount for FY 12-13 for the proposed State mandated increase (the mandated 2% COLA plus step increase only)? How much of the increase (a dollar figure) will be reimbursed by the State? How did you calculate that amount? What would the total expenditure be for those who qualify for the mandated raises if no raise was given and what would be the State's reimbursement? Based on 0% increase in staff for the next year, what would be reimbursed by the State for that year? Is the reimbursement from the State calculated in the budget, if so, where? (As I have asked, please provide me with copies of the salary schedules - the States (current and proposed), our current and our proposed. Please indicate on each schedule your example employee discussed in your email of June 11, 2012.

These estimates for this multi-question are shown in the Charts/Presentation section for each reading of the budget.

52. What is the District's expenditure amount for all other salary increases (2% COLA plus step increase only). What would the expenditure be if there was no raise?

This information is located on page 10 in the Charts/Presentation section of the budget.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

Attachment 15 is included with
the minutes of the 7-23-12
meeting, at the request of Board member
Beth Ann Watson
pursuant to S.C. Code Ann. § 30-4-20(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

IHS - Irmo High School

Item # 10

Kim Murphy

I am not opposed to the project per se, I am opposed to ~~take~~ the process and, in good faith, I cannot obligate millions and millions of taxpayers' dollars, especially for projects that weren't included in the bond referendum, based on very vague, partially complete conceptual drawings.

Item "For The Record" requested by Kim Murphy for attachment to the Minutes.

Attachment 16 is included with
the minutes of the 2-23-12
meeting, at the request of Board member
Kim Murphy
pursuant to S.C. Code Ann. § 30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Kim Murphy

Item # 11

Dutch Fork High

I am opposed to the project per se, I am opposed to the process and, in good faith, I cannot obligate millions and millions of taxpayers' dollars, especially for projects that weren't included in the bond referendum, based on very vague, partially complete conceptual drawings.

Item "For The Record" requested by Kim Murphy for attachment to the Minutes.

Attachment 17 is included with
the minutes of the 2-23-12
meeting, at the request of Board member
Kim Murphy

pursuant to S.C. Code Ann. § 30-4-90(a)(4)
and Board Policy BEDG. The Board majority
did not approve, disapprove, or otherwise
act upon the contents of this attachment.

Motions

Kim Murphy

June 12, 2012

Agenda Item #12

- I move that documents and statements attached to the Minutes from board members (Gantt, Watson and Baumgardner), which had not been requested by those board members to be included in the Minutes, be withdrawn from the Minutes, ~~and discussion of the Minutes' policy be placed on the agenda for the next meeting in order to clarify what the Board can and cannot do as well as to simplify the process for the Board secretary.~~

Item "For The Record" requested by Kim Murphy for attachment to the Minutes.

Kim Murphy

June 12, 2012

Agenda Item #12

I move that documents and statements submitted by Board members "for" or "on the record" be placed in chronicle order by the Board secretary and that to assist the Board secretary, Board members note on their documents or statements the agenda item number to indicate when the Board member made the request. Documents and statements will be placed in the Minutes in the order the requests were made.

→ Agenda Item #13

I move that we set up a special called meeting to discuss this very important issue and define the goals.

Attachment 18 is included with the minutes of the 7-23-12 meeting, at the request of Board member

Kim Murphy
pursuant to S.C. Code Ann. § 80-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.



August 13, 2012

TO: Stephen Hefner, Ed.D.
Superintendent

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

RE: Updated Estimated Cost of Kim Murphy's Lawsuit Delaying
Renovations at Chapin High School

Combining all the costs referenced below, the lawsuit by Ms. Kim Murphy has cost the school district in excess of \$12.5 million.

As a result of the protest and subsequent lawsuit the costs associated with the delay of the Chapin High School renovation project continue to increase. A summary of those costs are as follows:

- The school district's management company estimated construction costs for the renovations and additions to Chapin High School to be approximately \$38,000,000 with a 15% market adjustment to \$32,300,000 based on current market conditions and economy. Due to litigation and contested permits, the project was delayed. Bids were received on November 3, 2011. The low bid for the project was \$43,400,000. This bid is consistent with the current market based on recently received bids in neighboring school districts.

We now know that the litigation and contested permits delaying construction have increased construction costs by approximately \$11,100,000.

- To date our retained professional staff estimates they have incurred extra costs due to expenses related to attending meetings and drafting alternative designs at the request of the Corp of Engineers during Ms. Murphy's administrative protest. That estimated amount is \$211,924.
- Attorney fees related to the protests and lawsuit continue to accumulate and currently total \$634,094. In addition, the District has been billed \$362,718 to date relating to the permit protests. Total attorney fees to date equal \$996,812.
- Architectural fees currently total \$131,267.
- To date, total staff time devoted to the wetlands litigation is approximately 1338.5 hours or \$75,198.
- To date, fees for Tidewater Environmental Services total \$37,809.

Dr. Stephen Hefner
August 13, 2012
Page 2

In addition, the project will require the issuance of approximately \$45,000,000 of 20-year General Obligation Bonds. Ms. Murphy's lawsuit has delayed the issuance of these bonds, which places the district at risk for increases in interest rates. Prior to its sunset, the Build America Bonds Program (BAB) program had provided unprecedented subsidies to the district to offset bond interest expense.

The BAB program was not renewed for 2011. The district should expect bond cost to increase. Ross, Sinclair & Associates, LLC estimates the impact at this time to be approximately \$6,346,100 over the life of the planned borrowing.

With these additional costs, and the expectation of further costs, it is almost certain that one or more of the projects remaining to be funded will be affected.



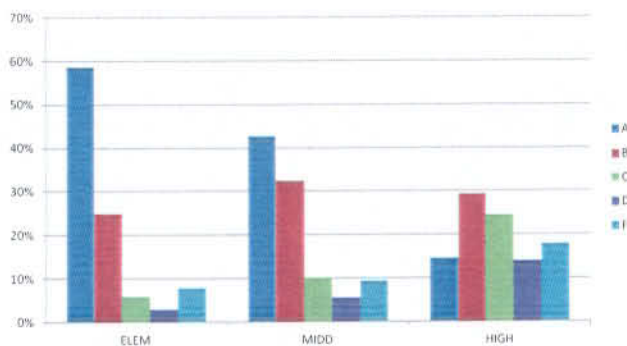
ESEA Waiver Results August 2012

A: 12 School

B: 6 Schools

C: 1 School

Letter Grades: SC Schools



TYPE	A	B	C	D	F	Total
ELEMENTARY	350	149	35	17	46	597
MIDDLE	101	77	24	13	22	237
HIGH	26	53	44	25	32	180
Total	477	279	103	55	100	1014

Excludes "combo" schools or schools that did not receive a grade



Components of ESEA “Grade”: Elementary and Middle Schools

Percent Tested: At Least 95%

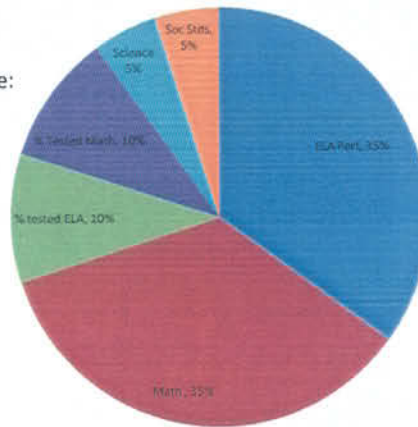
Average PASS Scale Score* Performance:

Elementary: 630

Middle: 624

“Full Credit” if meet above criteria

“Partial Credit (up to .9 points if
increase from last year



*The SEM (14-20 points) was added to the ELA and Math scores before averaging.



Components of ESEA “Grade”: High Schools

Percent Tested: At Least 95%

Average Scale Score* Performance

HSAP ELA: 223

HSAP Math: 220

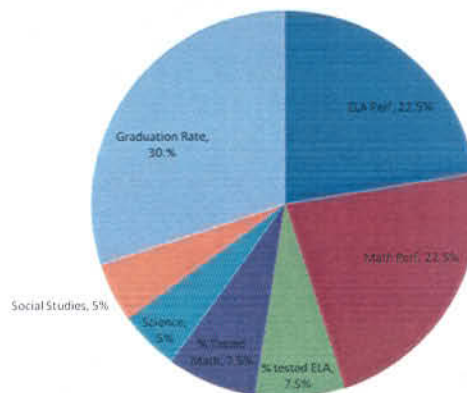
EOCEP Biology: 76

EOCEP US History/Const: 71

Graduation Rate 73.1

“Full Credit” if meet above criteria

“Partial Credit (up to .9 points if
increase from last year



Demographic Subgroups

- All Students
- Male
- Female
- White
- African American
- Asian/ Pacific Is
- Hispanic
- American Indian
- Disabled
- LEP
- Subsidized Meals

Include if 30 or more students

Most Schools were measured in 7 subgroups

Others

6 subgroups: LMES, CHS

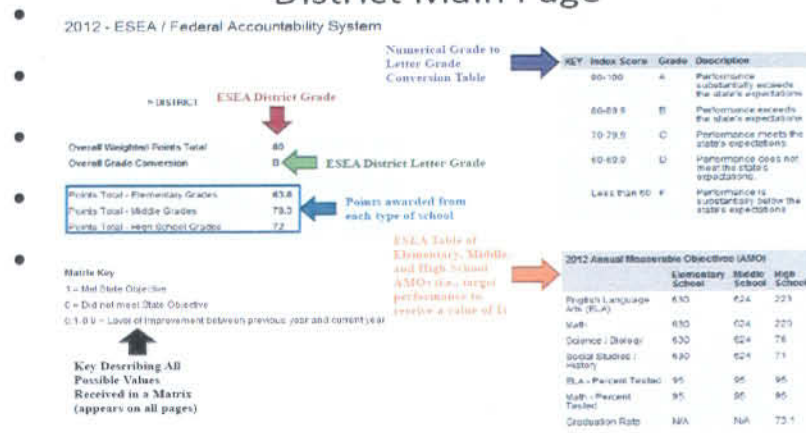
8 subgroups: DFMS

9 subgroups: IMS

10 subgroups: CRMS



SCDE Web Page: ed.sc.gov/data/esea District Main Page



SCDE Web Page: ed.sc.gov/data/esea

Individual Matrix – Elementary School

↑
ELEMENTARY SCHOOL MATRIX

Type of Matrix

Demographic Categories

Values (see Matrix Key and AMOs)

	ELA Proficiency Met/Improvement	Math Proficiency Met/Improvement	Science Proficiency Met/Improvement	Social Studies Proficiency Met/Improvement	ELA Percent Tested	Math Percent Tested
ALL STUDENTS	1	1	0.5	1	1	1
Male	1	1	0.3	1	1	1
Female	1	1	0.5	1	1	1
White	1	1	1	1	1	1
African American	1	1	0.1	0.1	1	1
Asian/Pacific Islander	1	1	1	1	1	1
Hispanic	1	1	1	1	1	1
American Indian / Alaskan	1	1	1	1	1	1
Disabled	0.2	0.2	0.9	0.5	1	1
LSP	1	1	1	1	1	1
Subserved Schools	1	1	0.3	0.2	1	1
Matrix Total	61.8					

Key Describing All Possible Values Received in a Matrix (appears on all pages)

Matrix Key
1 = Met State Objective
0 = Did not meet State Objective
0.1-0.9 = Level of improvement between previous year and current year

School or School-Type Total ESEA Points

Values Used to Compute Scores

	ELA Proficiency Met/Improvement	Math Proficiency Met/Improvement	Science Proficiency Met/Improvement	Social Studies Proficiency Met/Improvement	ELA Percent Tested	Math Percent Tested
Total Number of Points	6.5	7.2	4.2	7.8	10	10
Total Number of Objectives	19	10	10	10	10	10
Percent of Objectives Met	83	77	47	78	100	100
Weight	0.56	0.56	0.06	0.06	0.1	0.1
Weighted Points Subtotal	32.88	29.3	2.1	3.88	10	10
Matrix Total	61.8					



SCDE Web Page: ed.sc.gov/data/esea

Individual Matrix – Middle School

↑
MIDDLE SCHOOL MATRIX

Type of Matrix

Demographic Categories

Values (see Matrix Key and AMOs)

	ELA Proficiency Met/Improvement	Math Proficiency Met/Improvement	Science Proficiency Met/Improvement	Social Studies Proficiency Met/Improvement	ELA Percent Tested	Math Percent Tested
ALL STUDENTS	1	1	1	1	1	1
Male	1	1	1	1	1	1
Female	1	1	1	1	1	1
White	1	1	1	1	1	1
African American	0	0	0.8	0.3	1	1
Asian/Pacific Islander	1	1	1	1	1	1
Hispanic	1	1	1	1	1	1
American Indian / Alaskan	1	1	1	1	1	1
Disabled	0.2	0.1	0	0.2	1	1
LSP	1	1	1	1	1	1
Subserved Schools	0	0	0.7	0.4	1	1
Matrix Total	78.2					

Key Describing All Possible Values Received in a Matrix (appears on all pages)

Matrix Key
1 = Met State Objective
0 = Did not meet State Objective
0.1-0.9 = Level of improvement between previous year and current year

School or School-Type Total ESEA Points

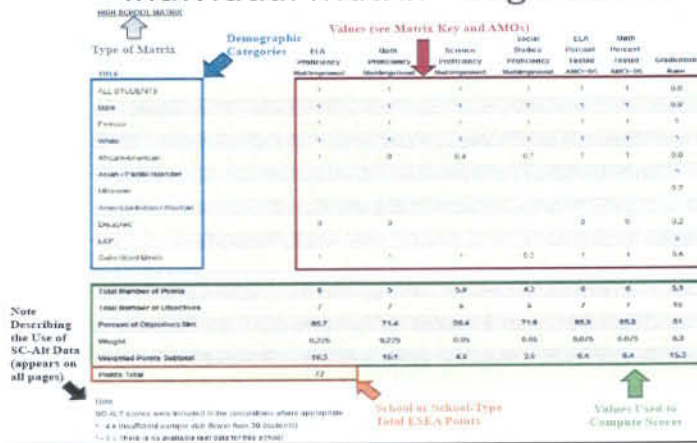
Values Used to Compute Scores

	ELA Proficiency Met/Improvement	Math Proficiency Met/Improvement	Science Proficiency Met/Improvement	Social Studies Proficiency Met/Improvement	ELA Percent Tested	Math Percent Tested
Total Number of Points	7.2	7.1	8.6	7.8	10	10
Total Number of Objectives	19	10	10	10	10	10
Percent of Objectives Met	72	71	82	78	100	100
Weight	0.36	0.36	0.06	0.06	0.1	0.1
Weighted Points Subtotal	25.2	24.65	4.25	5.38	10	10
Matrix Total	78.2					



SCDE Web Page: ed.sc.gov/data/esea

Individual Matrix – High School



The Annual Measurable Objective (AMO) will increase each year

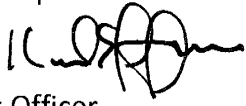
	ELA				Math		
	Elementary	Middle	High		Elementary	Middle	High
2011-12	630	624	223		630	624	220
2012-13	635	628	226		635	628	223
2013-14	640	632	229		640	632	226
2014-15	645	636	232		645	636	230

	Science				Social Studies		
	Elementary	Middle	High		Elementary	Middle	High
2011-12	630	624	76		630	624	71
2012-13	635	628	77		635	628	73
2013-14	640	632	78		640	632	75
2014-15	645	636	79		645	636	77



August 13, 2012

TO: Members of the Board of Trustees
Stephen Hefner, Ed.D., Superintendent

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

RE: Approval of Resolution – Sale of General Obligation Bonds

Attached is a resolution authorizing the issuance and sale of not exceeding \$115,655,000 general obligation bonds, in one or more series, in one or more years, with appropriate series designations, by School District No. 5 of Lexington County and Richland County, South Carolina; fixing the form and details of the bonds; authorizing the Superintendent or his lawfully authorized designee to determine certain matters relating to the bonds; providing for the payment of the bonds and the disposition of the proceeds thereof; adopting written procedures related to tax-exempt debt; and other matters relating thereto.

RECOMMENDATION:

The administration recommends approval of this resolution.

KEF:tl

Attachment

A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$115,655,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, IN ONE OR MORE YEARS, WITH APPROPRIATE SERIES DESIGNATIONS, BY SCHOOL DISTRICT NO. 5 OF LEXINGTON COUNTY AND RICHLAND COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE SUPERINTENDENT OR HIS LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; ADOPTING WRITTEN PROCEDURES RELATED TO TAX-EXEMPT DEBT; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF SCHOOL DISTRICT NO. 5 OF LEXINGTON COUNTY AND RICHLAND COUNTY, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Findings and Determinations. The Board of Trustees (the "Board") of School District No. 5 of Lexington County and Richland County, South Carolina (the "School District"), hereby finds and determines:

(a) The School District was organized by action of the Lexington County Board of Education in 1951 and the Richland County Board of Education in 1952. The School District is also known as Richland-Lexington School District No. 5. The Board is the governing body of the School District.

(b) Article X, Section 15, of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that after November 30, 1982, the governing body of any school district may incur general obligation debt in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such school district and upon such terms and conditions as the General Assembly may prescribe.

(c) Title 59, Chapter 71, Article 1, Code of Laws of South Carolina 1976, as amended (the "School Bond Act") provides that the board of trustees of any school district may issue general obligation bonds of such school district for the purpose of defraying the cost of "capital improvements" (as defined therein) to any amount not exceeding the constitutional debt limitation applicable to such school district.

(d) Section 11-27-50(2) of the Code of Laws of South Carolina, 1976, as amended (the "S.C. Code"), further provides that if an election be prescribed by the provisions of the School Bond Act but is not required by the provisions of Article X of the Constitution, then in every such instance, no election need be held and the remaining provisions of the School Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions. Section 11-27-90 of the S.C. Code further provides that any school district of the State may issue bonds in fully registered form.

(e) In a referendum (the "Referendum") held in the School District on November 4, 2008, the following question was submitted to the qualified electors of the School District:

Shall the Board of Trustees of School District No. 5 of Lexington County and Richland County, South Carolina (the "School District") be empowered to issue, at one time or from time to time, general obligation bonds of the School District, in the principal amount of not exceeding \$243,665,000, the proceeds of which shall be used to finance the costs (including architectural, engineering, legal and related fees) of acquiring land, constructing, improving, equipping, expanding, renovating and repairing school facilities within the School District as follows:

Constructing and equipping (including technology) the following schools:

A new high school, a new career and technical education facility, a new middle school and a new elementary school

Additions, renovations, improvements and modifications, including technology and other equipment for the following schools:

Leaphart Elementary School, Seven Oaks Elementary School, Irmo Elementary School, Chapin Elementary School, Irmo High School, Dutch Fork High School and Chapin High School?

The Referendum was duly conducted and a majority of the qualified electors of the School District voted in favor of the issuance of the general obligation bonds.

(f) The Board has been advised by Bond Counsel that a best practice related to the issuance of tax-exempt bonds is for each issuer to have Written Procedures related to Tax-Exempt Debt.

(g) It is now in the best interest of the School District for the Board to provide for the issuance and sale of general obligation bonds of the School District pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina in an amount not exceeding \$115,655,000, the proceeds of which will be used for the purposes of (i) funding the Referendum-approved projects, (ii) paying costs of issuance of the Bonds (hereinafter defined), and (iii) such other lawful purposes as the Board may determine, and to adopt Written Procedures related to Tax-Exempt Debt.

Section 2. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina, there are hereby authorized to be issued general obligation bonds of the School District in one or more series, in one or more years, with appropriate series designations, in an amount not exceeding \$115,655,000 to obtain funds for the purposes mentioned in Section 1(g) above designated as "\$[amount issued] General Obligation Bonds, [appropriate series designation], of School District No. 5 of Lexington County and Richland County, South Carolina" (the "Bonds").

The Bonds shall be issued as fully-registered bonds; shall be dated as of their date of delivery; shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the principal amount of the bonds maturing in each year; shall be numbered from R-1 upward; shall be book-entry bonds; shall bear interest at such times as hereafter designated by the Superintendent of the School District or his lawfully authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the Superintendent of the School District or his lawfully authorized designee.

Section 3. Delegation of Authority to Determine Certain Matters Relating to each series of Bonds. For each series of Bonds, the Board hereby delegates to the Superintendent the authority, upon the advice of the School District's bond counsel and the School District's financial advisor, to: (a) determine the par amount of the Bonds; (b) determine the maturity dates of the Bonds and the respective principal amounts maturing on such dates; (b) determine the interest payment dates of the Bonds; (c) name the Registrar/Paying Agent for the Bonds; (d) determine the redemption provisions, if any, for the Bonds; (e) determine the date and time of sale of the Bonds; and (g) award the sale of the Bonds to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the Bonds, provided the true interest cost of the Bonds does not exceed five and one-quarter percent (5.25%) percent. After the sale of the Bonds, the Superintendent or his lawfully authorized designee shall submit a written report to the Board setting forth the results of the sale of the Bonds.

Section 4. Registration, Transfer and Exchange of Bonds. The School District shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the School District, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the Registrar/Paying Agent on behalf of the School District shall issue in the name of the transferee a new fully-registered Bond or Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The School District and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the School District nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the School District shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. Neither the School District nor the Registrar/Paying Agent shall be obliged to make any such transfer of Bonds during the fifteen (15) days preceding an interest payment date on such Bonds.

Section 5. Record Date. The School District hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the mailing of notice of redemption of Bonds.

Section 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the School District shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the School District and the Registrar evidence or proof satisfactory to the School District and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State of South Carolina or such greater amount as may be required by the School District and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly-destroyed Bond shall be entitled to the identical benefits under this Resolution as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

Section 7. Execution of Bonds. The Bonds shall be executed in the name of the School District with the manual or facsimile signature of the Chair or Vice Chair of the Board attested by the manual or facsimile signature of the Secretary of the Board under the seal of the School District which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. The Bonds shall bear a certificate of authentication manually executed by the Registrar in the substantially the form set forth herein.

Section 8. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Appendix A.

Section 9. Eligible Securities. The Bonds initially issued (the "Initial Bonds") may be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York ("DTC"), and if issued in book-entry form (the "Book-Entry Bonds"), transfers of beneficial ownership of the Book-Entry Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or any integral multiple of \$5,000.

The Book-Entry Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal or interest on the Book-Entry Bonds becomes due, the School District shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Book-Entry Bonds or any portion thereof shall be sent to DTC in accordance with the provisions of the Resolution.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the School District has advised DTC of its determination that DTC is incapable of discharging its duties, the School District shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the School District of the Book-Entry Bonds together with an assignment duly executed by DTC, the School District shall execute and deliver to the successor securities depository Bonds of the same principal amount, interest rate and maturity registered in the name of such successor.

If the School District is unable to retain a qualified successor to DTC or the School District has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the School District undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the School District of the Book-Entry Bonds, together with an assignment duly executed by DTC, the School District shall execute, authenticate and deliver to the DTC participants Bonds in fully-registered form, in substantially the form set forth in Section 2 of this Resolution in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

Section 10. Security for the Bonds. The full faith, credit, resources and taxing power of the School District are hereby irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor. There shall be levied annually by the Auditors of Lexington County and Richland County and collected by the Treasurers of Lexington County and Richland County in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

The Auditors and Treasurers of Richland County and Lexington County, South Carolina, shall be notified as to the delivery of and payment for the Bonds and are hereby directed to levy and collect, respectively, on all taxable property in the School District, a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Section 11. Defeasance. The obligations of the School District under this Resolution and the pledges, covenants and agreements of the School District therein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding when:

(a) such Bonds shall have been purchased by the School District and surrendered to the School District for cancellation or otherwise surrendered to the School District or the Paying Agent and is canceled or subject to cancellation by the School District or the Paying Agent; or

(b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by

irrevocably depositing with a corporate trustee in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment, or (2) Government Obligations (as defined below) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the corporate trustee. At such time as the Bonds shall no longer be deemed to be outstanding thereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government obligations as set forth in (ii) above, shall no longer be secured by or entitled to the benefits of the Resolution.

“Government Obligations” shall mean any of the following:

- (i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (ii) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”);
- (iii) general obligation bonds of the State, its institutions, agencies, school districts and political subdivisions; and
- (iv) a defeasance obligation as defined in Section 6-5-10 of the S.C. Code as such as may be amended from time to time.

(c) Such Bond or Bonds shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

Section 12. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code, from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

Section 13. Sale of Bonds; Form of Notice of Sale. The Bonds shall be sold at public sale. A Notice of Sale in substantially in the form attached hereto as Appendix B shall be distributed to prospective bidders and a summary of such Notice of Sale may be published in a newspaper having general circulation in the State, not less than seven (7) days prior to the date set for such sale.

Section 14. Preliminary and Official Statement. The Board hereby authorizes the Superintendent or his lawfully authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The Board authorizes the Superintendent or his lawfully authorized designee to designate the Preliminary Official Statement as “final” for purposes of Rule 15c2-12 of the Securities Exchange Commission. The Superintendent or his lawfully authorized designee is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchaser of the Bonds.

Section 15. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the School District covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of the annual audit of the School

District within thirty (30) days of the School District's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which adversely affects more than five (5%) percent of the revenues of the School District or the School District's tax base.

Section 16. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the School District covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of, a Continuing Disclosure Certificate in substantially the form appearing as Appendix C to this Resolution. In the event of a failure of the School District to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Resolution shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by the School District.

Section 17. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds shall be deposited with the Treasurer of Lexington County in a special fund to the credit of the School District and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds.

Section 18. Reimbursement of Certain Expenditures. The Board hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Treasury Regulation § 1.150-2 to reimburse the School District from the proceeds of the Bonds for expenditures with respect to the capital improvements (the "Expenditures"). The School District anticipates incurring Expenditures with respect to the capital improvements prior to the issuance by the School District of the Bonds for such purposes. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the Project was placed in service, but in no event more than three (3) years after the original Expenditures. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one (1) year. The source of funds for the Expenditures with respect to the capital improvements will be the School District's general reserve funds or other legally-available funds.

Section 19. Tax Covenants. The School District hereby covenants and agrees with the Holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Bondholders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The School District further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the School District hereby shall:

(a) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and

(c) make such reports of such information at the time and places required by the Code.

Section 19. Written Procedures Related to Tax-Exempt Debt. The Board hereby approves the Written Procedures Related to Tax-Exempt Debt attached hereto as Appendix D.

Section 20. Miscellaneous. The Board hereby authorizes the Chair, the Secretary of the Board, the Superintendent, and the Chief Financial Services Officer to execute such documents and instruments as may be necessary to effect the issuance of the Bonds. The Board hereby retains McNair Law Firm, P.A. as Bond Counsel, and Southwest Securities, Inc. as Financial Advisor in connection with the issuance of the Bonds. The Superintendent is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force from and after its adoption.

Adopted this 23rd day of July, 2012.

SCHOOL DISTRICT NO. 5 OF LEXINGTON
COUNTY AND RICHLAND COUNTY,
SOUTH CAROLINA

Chair, Board of Trustees

(SEAL)

ATTEST:

Secretary, Board of Trustees

FORM OF BOND

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 SCHOOL DISTRICT NO. 5 OF LEXINGTON COUNTY AND RICHLAND COUNTY
 GENERAL OBLIGATION BOND, SERIES _____

No. R-1

INTEREST <u>RATE</u> %	MATURITY <u>DATE</u>	ORIGINAL <u>ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED HOLDER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that School District No. 5 of Lexington County and Richland County, South Carolina (the "School District"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of _____ in _____ (the "Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is payable semiannually on _____ 1 and _____ 1 of each year, commencing _____ 1, _____ until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the School District maintained by the registrar, presently _____ in _____ (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully-registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Resolution of the School District authorizing the Bonds, nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

For the payment of the principal and interest on this Bond as it respectively matures and for the creation of such sinking fund as may be necessary therefor the full faith, credit, resources and taxing power of the School District are hereby irrevocably pledged, and there shall be levied annually by the Auditors of Richland County and Lexington County and collected by the Treasurers of Richland County and Lexington County, in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest on this Bond as it respectively matures and to create such sinking fund as may be necessary therefor.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, denomination and rate of interest, aggregating _____ (\$ _____), issued pursuant to and in accordance with [ARRA], the Constitution and laws of the State of South Carolina, including Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended; Title 59, Chapter 71, Article 1, Code of Laws of South Carolina, 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended; the successful results of a referendum and a resolution duly adopted by the Board of Trustees of the School District.

[Redemption provisions]

This Bond is transferable as provided in the Resolution, only upon the books of the School District kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully-registered Bond or Bonds of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution. The School District, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, school district and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the School District does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest on this Bond as it respectively matures and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, SCHOOL DISTRICT NO. 5 OF LEXINGTON COUNTY AND RICHLAND COUNTY, SOUTH CAROLINA, has caused this Bond to be signed with the facsimile signature of the Chair of the Board of Trustees of the School District, attested by the facsimile signature of the Secretary of the Board of Trustees of the School District and the seal of the School District impressed, imprinted or reproduced hereon.

SCHOOL DISTRICT NO. 5 OF LEXINGTON
COUNTY AND RICHLAND COUNTY,
SOUTH CAROLINA

Chair, Board of Trustees

ATTEST:

Secretary, Board of Trustees

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This Bond is one of the bonds described in the within-mentioned Resolution of School District No. 5 of Lexington County and Richland County, South Carolina.

as Registrar

By: _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

Custodian
(Cust) (Minor)
under Uniform Gifts to
Minors Act _____
(state)

JT TEN - as joint tenants with
right of survivorship
and not as tenants in
common

Additional abbreviations may also be used though not in above list.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Transferee)
the within Bond and does hereby irrevocably constitute and appoint
_____ attorney to transfer the within Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Notice: Signature(s) must be
guaranteed by an institution
which is a participant in the
Securities Transfer Agents Medallion
Program ("STAMP") or similar program.

Notice: The signature to this assignment must
correspond with the name of the registered
holder as it appears upon the face of the within
Bond in every particular, without alteration
or enlargement or any change whatever.

A copy of the final approving legal opinion to be rendered shall be printed on the back of
each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the
School District with a facsimile signature of the Secretary of the Board of Trustees of the School District.
Said certificate shall be in substantially the following form:

IT IS HEREBY CERTIFIED that the following is a true and correct copy
of the final legal opinion (except for date and letterhead) of McNair Law
Firm, P.A., Columbia, South Carolina, approving the issue of bonds of
which the within bond is one, the original of which opinion was
manually executed, dated and issued as of the date of delivery of and
payment for the bonds, and a copy of which is on file with School
District No. 5 of Lexington County and Richland County, South
Carolina.

SCHOOL DISTRICT NO. 5 OF LEXINGTON COUNTY
AND RICHLAND COUNTY, SOUTH CAROLINA

By: _____
Secretary, Board of Trustees

FORM OF NOTICE OF SALE
\$ _____ GENERAL OBLIGATION BONDS, SERIES _____
SCHOOL DISTRICT NO. 5 OF LEXINGTON COUNTY AND RICHLAND COUNTY
STATE OF SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that bids for the purchase of \$ _____ General Obligation Bonds, Series _____ (the "Bonds"), of School District No. 5 of Lexington County and Richland County, South Carolina (the "School District") or his designee, until 11:00 a.m. (South Carolina time) on _____, _____, in the offices of the School District located at 1020 Dutch Fork Road, Irmo, South Carolina 29063.

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ _____ General Obligation Bonds, Series _____, School District No. 5 of Lexington County and Richland County, South Carolina" and should be directed to the School District at the address in the first paragraph hereof.

Facsimile Bids: The School District will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the Bidder. The School District shall not be responsible for the confidentiality of bids submitted by facsimile transmission. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid are the responsibility of the bidder. Bids by facsimile should be transmitted to the attention of Stephen W. Hefner, Ed.D, Superintendent, fax number (803) 476-8047.

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal.

Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC. The Bonds will be dated _____, _____ and will mature serially in successive annual installments on _____ 1 in each of the years and in the principal amounts as follows:

_____ 1	Principal Amount*	_____ 1	Principal Amount*
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*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. If, after final computation of the proposals, the School District determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the par amount. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the School District in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The Bonds will bear interest from the date thereof payable semiannually on _____ 1 and _____ 1, commencing _____ 1, 200____.

Redemption Provisions: [TO BE PROVIDED]

Registrar/Paying Agent: Within twenty-four (24) hours of the sale of the Bonds, The School District will designate a registrar and paying agent ("Registrar/Paying Agent") for the Bonds. The Registrar/Paying Agent is a bank, trust company, depository or transfer agent organized under the laws of the State of South Carolina or the laws of the United States of America.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% and the lowest interest rate specified for any maturity shall not be more than 3% lower than the highest interest rate specified for any maturity. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium in excess of 10% of the par amount of the Bonds will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Award of Bid: The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the School District. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The School District reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Good Faith Deposit: No good faith deposit will be required.

Official Statement: Upon the award of the Bonds, the School District will prepare an official statement (the "Official Statement") in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the School District will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the School District all necessary pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Security: The Bonds shall constitute binding general obligations of the School District, and the full faith, credit, resources and taxing power of the School District are irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary to provide for the prompt payment thereof. There shall be levied and collected annually upon all taxable property of the School District a tax, without limitation as to rate or amount, sufficient for such purposes.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the School District will undertake, pursuant to a Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The Board shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, Columbia, South Carolina, which opinion shall be printed on the back of each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds and a 15c2-12 Certificate.

Certificate as to Issue Price: The successful bidder must provide a certificate to the School District by the date of delivery of the Bonds, stating the initial re-offering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

Delivery: The Bonds will be delivered on or about _____, _____, in New York, New York, at the expense of the School District, or at such other place as may be agreed upon with the purchaser at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds. The cost of printing the Bonds will be borne by the School District.

Additional Information: The Preliminary Official Statement of the School District with respect to the Bonds available via the internet at <http://www.rsamuni.com> and will be furnished to any person interested in bidding for the Bonds upon request to McNair Law Firm, P.A., Post Office Box 11390, Columbia, South Carolina 29211, Attention: Francenia B. Heizer, Esquire, telephone (803) 799-9800. The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Notice of Sale as to the complete information concerning the Bonds. For additional information, please contact the School District's Bond Counsel, Francenia B. Heizer, Esquire, McNair Law Firm, P.A., telephone (803) 799-9800; e-mail: fheizer@mcnair.net or the School District's financial advisor, Brian G. Nurick, Southwest Securities, Inc., telephone (803) 753-1604; e-mail: brian.nurick@swst.com.

s/ _____
Superintendent, School District No. 5 of Lexington
County and Richland County, South Carolina

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by School District No. 5 of Lexington County and Richland County, South Carolina (the “School District”) in connection with the issuance of \$ _____ General Obligation Bonds, Series _____, School District No. 5 of Lexington County and Richland County, South Carolina (the “Bonds”). The Bonds are being issued pursuant to a Bond Resolution adopted by the Board of Trustees of the School District (the “Resolution”). The School District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Bonds” shall mean the \$ _____ General Obligation Bonds, Series _____, School District No. 5 of Lexington County and Richland County, South Carolina, dated _____.

“Dissemination Agent” shall mean the School District or any successor Dissemination Agent designated in writing by the School District and which has filed with the School District a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“National Repository” shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean _____ and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Depository, if any.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Depository” shall mean any public or private repository or entity designated by the State of South Carolina as a state depository for the purpose of the Rule. As of the date of this Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports.

(a) The School District shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 2011, to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the School District shall provide the Annual Report to the Dissemination Agent, if other than the School District; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date, unaudited financial statements of the School District may be included in such Annual Report in lieu thereof, and the School District shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report.

(b) If the School District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the School District shall send a notice to the National Repository and State Depository, if any, in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any; and

(2) if the Dissemination Agent is other than the School District, file a report with the School District and (if the Dissemination Agent is not the Registrar) the Registrar certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, and, if provided, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The School District's Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to governmental entities such as the School District, and shall, in addition, contain or incorporate by reference the following:

- (a) School District enrollment for the current fiscal year;
- (b) Total anticipated state appropriations subject to withholding under Article X, Sec. 15, South Carolina Constitution for current fiscal year;
- (c) Anticipated funding under Education Finance Act and Education Improvement Act for current fiscal year;
- (d) Outstanding Indebtedness of the School District;
- (e) Market Value/Assessment Summary of taxable property in School District;
- (f) Tax levy for School District for current fiscal year;
- (g) Tax collections for School District for preceding fiscal year; and
- (h) Five largest taxpayers (including fee-in-lieu-of-tax) for School District for preceding fiscal year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the School District is an “obligated person” (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the National Repository. The School District shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the School District shall give, or cause to be given, notice of the occurrence of any of the following events (the “Listed Events”):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Tender offers;
- (10) Defeasances;
- (11) Release, substitution, or sale of property securing repayment of the securities;
- (12) Rating changes;
- (13) Bankruptcy, insolvency, receivership or similar event of the School District;
- (14) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (15) Appointment of a successor or additional trustee or the change of name of a trustee.

(b) Whenever the School District obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), or (15) above, the School District shall as soon as possible determine if such event would be material under applicable federal securities laws. If the School District determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the School District shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Trustee, the Municipal Securities Rulemaking Board and the State Depository.

(c) Whenever the School District obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) above, the School District shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Trustee, the Municipal Securities Rulemaking Board and the State Depository.

(d) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8), (9), and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds. For the purposes of the event identified in (a)(13) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

SECTION 6. Termination of Reporting Obligation. The School District's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of the Bond.

SECTION 7. Dissemination Agent. The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the School District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the School District, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the School District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the School District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the School District, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the School District, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the School District, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the School District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bond.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SCHOOL DISTRICT NO. 5 OF LEXINGTON
COUNTY AND RICHLAND COUNTY,
SOUTH CAROLINA

By: _____
Superintendent

Dated: _____

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of School District: School District No. 5 of Lexington County and Richland County, South Carolina

Name of Bond Issue: \$_____ General Obligation Bonds, Series _____,
School District No. 5 of Lexington County and Richland County,
South Carolina

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that School District No. 5 of Lexington County and Richland County, South Carolina (the "School District") has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate executed and delivered by the School District as Dissemination Agent. The School District has notified us in writing that the Annual Report will be filed by _____.

Dated: _____

SCHOOL DISTRICT NO. 5 OF LEXINGTON
COUNTY AND RICHLAND COUNTY,
SOUTH CAROLINA

**SCHOOL DISTRICT NO. 5 OF LEXINGTON COUNTY AND
RICHLAND COUNTY, SOUTH CAROLINA**

**WRITTEN PROCEDURES
Related to Tax-Exempt Debt**

The Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder (the “Regulations”) impose certain requirements on tax-exempt bonds, including but not limited to, restrictions on the use of bond proceeds and bond-financed property, arbitrage yield restrictions, and the arbitrage rebate requirement. These requirements are generally applicable throughout the period that the bonds remain outstanding.

The September 2011 revision to the Form 8038-G, Information Return for Tax Exempt Governmental Obligations (“Form 8038-G”) requires the issuer to represent whether it has established written procedures to (a) monitor the requirements of Section 148 of the Code, including, but not limited to, the arbitrage rebate and arbitrage yield restriction requirements; and (b) ensure that any nonqualified bonds (within the meaning of Section 1.148-12(j) of the Regulations) are remediated in accordance with the Code and the Regulations.

In addition to the above-described Form 8038-G representations, School District No. 5 of Lexington County and Richland County (the “School District”) has been advised that additional procedures are recommended in order for the School District to document compliance with the applicable federal tax requirements. Actions pursuant to these procedures (collectively referred to as post-issuance tax compliance) are intended to assist the School District in documenting compliance with the applicable federal tax requirements. Post-issuance tax compliance begins with the debt issuance process itself and includes a continuing focus on investments of bond proceeds and use of bond-financed property. Post issuance tax compliance requires identifying the responsible people and the applicable procedures.

References herein to a “bond” or to “bonds” shall apply to all forms of tax-exempt obligations including, but not limited to, lease/purchase agreements, bond anticipation notes, and tax anticipation notes.

Procedures

The School District’s Chief Financial Services Officer (the “CFO”) is designated as being responsible for post-issuance tax compliance. The CFO may delegate to his staff or contract with independent contractors (such as an arbitrage/rebate consultant or a consulting engineer) responsibility for different aspects of post-issuance tax compliance. For example, coordinating and documenting the expenditure of bond proceeds on projects may be delegated to the consulting engineer. However, the CFO will be ultimately responsible for implementing the procedures described herein.

The School District recognizes that that the School District has issued tax-exempt debt prior to the adoption of these procedures. With respect to this prior issued debt, the CFO will take reasonable steps to collect and maintain appropriate documentation of compliance with these procedures. However, the School District recognizes that such documentation may not exist with respect to some of the items enumerated in these procedures.

Issuance – The CFO will:

- (a) Confirm the filing of the Form 8038 or Form 8038-G (or applicable successor form) with Internal Revenue Service (“IRS”). Filing of the applicable Form 8038 is usually overseen by bond counsel at or soon after the closing of a bond issue.
- (b) Obtain and store the Transcript of Proceedings prepared by bond counsel (which typically includes the applicable Form 8038 and the Federal Tax Certificate containing the School District’s expectations as of the date of issuance of the bond issue).

Recordkeeping – The CFO will:

- (a) Establish a plan for keeping relevant books and records as to the investment and the expenditure of bond proceeds.
- (b) Keep accurate records including:
 - Basic records relating to the bond transactions (including the trust indenture, loan agreements, and bond counsel opinion; see Transcript of Proceeding, above);
 - Documentation evidencing the expenditure of bond proceeds;
 - Documentation evidencing use of bond-financed property by public and private users (i.e., copies of management contracts, material power purchase contracts);
 - Documentation evidencing all sources of payment or security for the bonds; and
 - Documentation pertaining to any investment of bond proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- (c) Keep all records in a manner that ensures their complete access to the IRS so long as they are material. While this is typically accomplished through the maintenance of hard copies, records may be kept in an electronic format if certain requirements are satisfied, in accordance with the guidelines in Revenue Procedure 97-22, 1997-1 C.B. 652.
- (d) Keep the relevant records for each issue of bonds for as long as such issue of bonds is outstanding (including any bonds issued to refund such issue of bonds) plus three years after the final redemption date of the bonds.

Arbitrage Rebate and Arbitrage Yield Restriction – The CFO will:

- (a) Engage the services of an arbitrage/rebate consultant for assistance in compliance with arbitrage related issues. As of the date of the adoption of these procedures, the School District has retained AMTEC Compliance as its arbitrage/rebate consultant.
- (b) Work with the School District’s bond counsel, financial advisor and/or arbitrage/rebate consultant to monitor compliance with “temporary period exceptions” for expenditure of bond proceeds, typically three years for new money bonds, and provide for yield restriction of investments or “yield reduction payments” if exceptions are not satisfied.
- (c) Work with the School District’s bond counsel and financial advisor to ensure investments acquired with bond proceeds are purchased at fair market value. This may include use of bidding procedures under the regulatory safe harbor (Section 1.148-5(d) of the Regulations).

- (d) Consult with the School District's bond counsel prior to the creation of funds which would reasonably be expected to be used to pay debt service on tax-exempt bonds to determine in advance whether such funds must be invested at a restricted yield (i.e., yield restricted).
- (e) Consult with the School District's bond counsel and financial advisor before engaging in post-issuance credit enhancement transactions (e.g., bond insurance, letter of credit) or hedging transactions (e.g., interest rate swap, cap).
- (f) Consult with the School District's bond counsel, financial advisor, and/or arbitrage/rebate consultant to identify situations in which compliance with applicable yield restrictions depends upon subsequent investments (e.g., purchase of 0% SLGS from U.S. Treasury) and monitor implementation.
- (g) Work with the School District's arbitrage/rebate consultant to arrange for timely computation of rebate/yield reduction payment liability and, if an amount is payable, for timely filing of Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (or applicable successor form), and payment of such liability. Rebate/Yield Reduction payments are ordinarily due at 5-year intervals.

Private Use of Bond-Financed Facilities - The CFO will:

- (a) Create and maintain records of which proceeds of bond issues were used to finance which facilities. These records shall incorporate the refunding or partial refunding of any bond issues.
- (b) Record the allocation of bond proceeds to expenditures, including reimbursements. These records will be consistent with the expenditures used for arbitrage purposes.
- (c) Record the allocation of bond proceeds and funds from other sources in connection with any bond funded project. Review expenditure of bond proceeds with bond counsel and/or consulting engineer to ensure bond proceeds are used for qualifying costs.
- (d) Review with bond counsel prior to the sale or lease of a bond-financed facility, or the granting of a license or management contract, or any other arrangement allowing private use of a bond financed facility, the terms of such arrangement.
- (e) Keep records of private use, if any, of bond-financed facilities to monitor the amount of private use of bond-financed facilities. Relevant to the School District, private use generally includes: use of the proceeds of bonds or bond-financed facilities in any activity by a person or organization that is not (a) a state or local government; or (b) a natural person. Notwithstanding the preceding sentence, private business use generally does not include: (a) use as a member of the general public pursuant to arrangements with a term of less than 200 days; and (b) use by a nongovernmental person pursuant to an arrangement with a term of less than 50 days that is a result of arms-length negotiations and compensation payable under the arrangement is not less than fair market value.
- (f) Private use of bond-financed facilities shall be reviewed once a year (in connection with the preparation of the annual financial statements). If private use occurs, bond counsel will be consulted to determine if remedial action is necessary (including but not included to, the remediation of all non-qualified bonds in accordance with Section 1.14-12 of the Regulations).

Reissuance – The CFO will:

- (a) Consult with bond counsel to identify any post-issuance modification to the terms of bonds which could be treated as a current refunding of “old” bonds by “new” bonds, often referred to as a “reissuance.”
- (b) Consult with bond counsel to determine whether any “remedial action” (see item (f) under “Private Use of Bond-Financed Facilities” above) in connection with private use must be treated as a “reissuance.”

Proposed Superintendent's Goals for 2012-13

Timeline: July 1, 2012 – June 30, 2013

Goal 1: Sustain and enhance the District's record of excellence in student achievement as measured by:

- i. a district grade of "A" on the ESEA accountability system, and
- ii. a performance index among the top 10% of districts on the state accountability system.

Goal 2: Ensure the District's instructional program is comprehensive and prepares our students for both post-secondary education and employment that will provide them with long-term economic security as measured by:

- i. a district-wide graduation rate exceeding the national average, and
- ii. a CATE completer rate above the state average.

Goal 3: Continue to expand our access to and utilization of technology to improve teaching and learning as measured by:

- i. the successful implementation of the year 1 activities in five-year district technology plan.

Goal 4: Proceed with "all deliberate speed" on our new facilities construction / facilities improvement program as measured by:

- i. the completion of renovations at Irmo Elementary,
- ii. the completion of the construction of the Center of Advanced Technical Studies,
- iii. the completion of scheduled construction at Spring Hill High School,
- iv. the satisfactory progress on the renovations and additions at Chapin High School,
- v. the satisfactory progress on scheduled renovations and additions at Irmo High School,
- vi. the satisfactory progress on scheduled renovations and additions at Dutch Fork High School, and
- vii. the development of a plan for addressing the increased student enrollment at Chapin Elementary, Lake Murray Elementary, and Chapin Middle Schools.

Goal 5: Reinforce and expand our efforts to ensure the safety of our students and staff to include bullying, cyber-bullying and the physical security of our campuses as measured by:

- i. a comprehensive needs assessment of the security systems and procedures in our buildings, and
- ii. professional development training for all staff members designed to prevent bullying, cyber-bullying, and sexual harassment/misconduct.

Goal 6: Continue to improve the emotional, psychological, and physical well-being of our students and staff as measured by:

- i. an increase in initiatives to promote healthier staff and students.

Goal 7: Expand an effective communication system for the District with its employees, parents, students, and community as measured by:

- i. the enhancement of the district's communication strategies using electronic media, and
- ii. the creation of additional avenues for the superintendent's communication with teachers.



MEMORANDUM

August 13, 2012

To: Members of the Board of Trustees

From: Keith McAlister 
Director, New Design and Construction

Re: Irmo High School

ADMINISTRATION CONSIDERATION

Administration provides information in reference to the main entrance of Irmo High School.

RECOMMENDATION

Administration recommends board receive for information the design regarding the main entrance of Irmo High School.

ATTACHMENT

Exhibit



Irmo High School

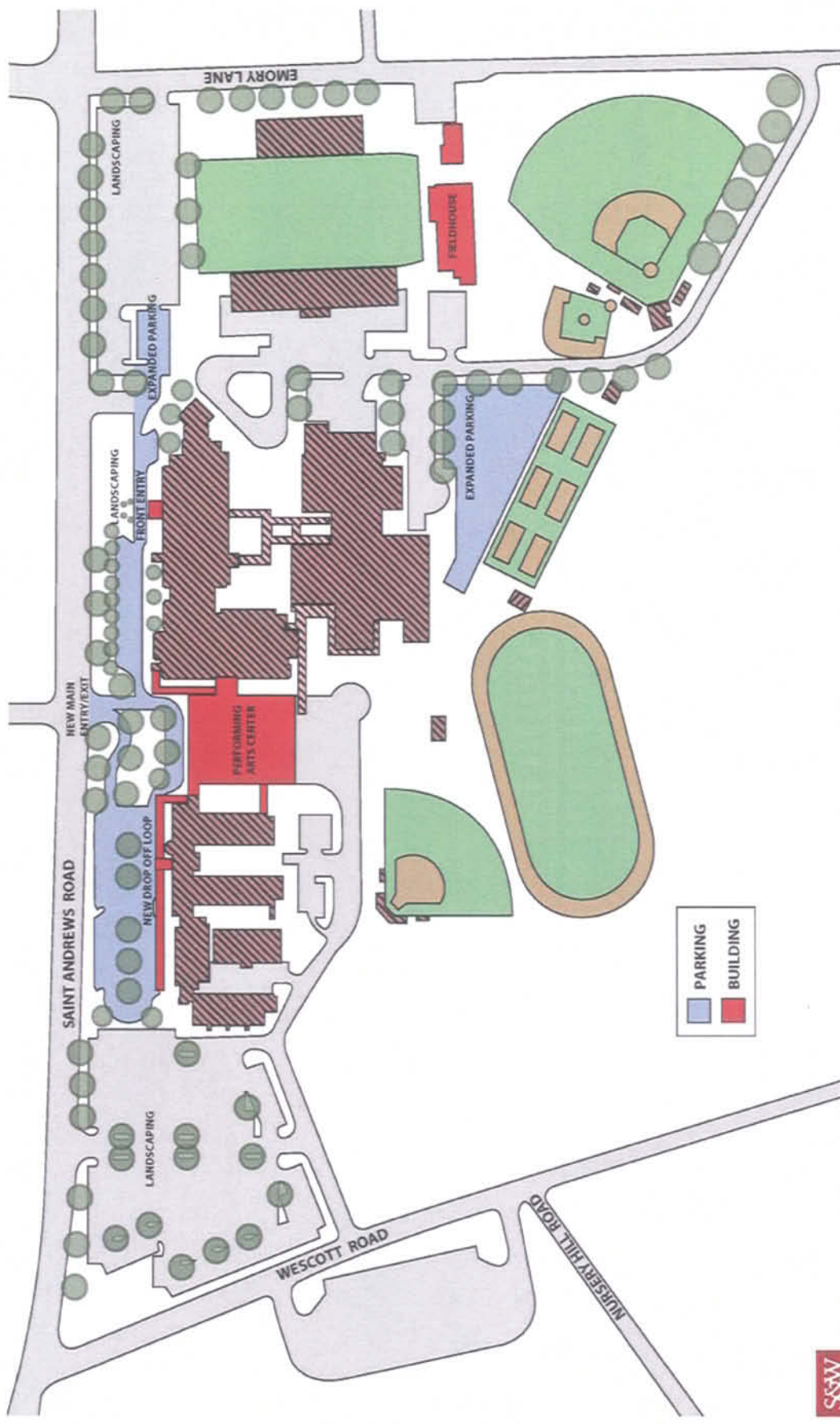
Proposed Renovations & Additions

SS&W

ARCHITECTURE
ENGINEERING
INTERIORS

© 2011 SS&W Architects, Inc.

IRMO HIGH SCHOOL





MINUTES OF BOARD MEETINGS

Code **BEDG** Issued **6/12**

Purpose: To establish the basic structure for maintaining a record of business conducted at board meetings.

The minutes of a school board meeting constitute the written record of board action. The minutes are legal evidence of the board's action.

The board secretary will keep, or cause to be kept, a complete record of the action of board meetings. As provided by the South Carolina Freedom of Information Act, these minutes will include, but need not be limited to, the following.

- the date, time and place of the meeting
- the members recorded as either present or absent
- the substance of all materials proposed, discussed or decided and, at the request of any member, a record, by an individual member, of any votes taken
- information that any board member requests be included in the minutes pursuant to S.C. Code Section 30-4-90(4), including for the record comments, subject to the following
 - limited to written materials germane to the public agenda which, absent exceptional or special circumstances as determined by the board chairman, will be limited to five pages (front and back) and must be presented in writing to the board's recording secretary or the board chairman at the time of the meeting
 - designated as an attachment to the minutes, with the disclaimer that such materials are included at the request of a board member pursuant to S.C. Code Section 30-4-90(4) and board policy BEDG and do not imply approval by the board majority, disapproval or any other board action
 - the board chairman, or presiding officer, always has the prerogative to rule any such request out of order for the reason that such materials are not germane to the agenda, are inappropriate as an attachment or that the materials are otherwise publicly available; such ruling by the presiding officer will stand unless overturned by the board majority

The minutes will become permanent records of the board and will be in the custody of the superintendent. He/She will make them available to interested citizens of the district upon request, with exceptions as provided by law, at reasonable times during the working day.

Adopted 2/24/69; Revised 11/16/81, 1/25/88, 3/27/06, 3/28/11, 6/25/12

Legal references:

- A. S.C. Code, 1976, as amended:
1. Section 30-4-10, et seq. - South Carolina Freedom of Information Act.
 2. Section 30-4-80 - Notice of meetings of public bodies.
 3. Section 30-4-90 - Minutes of meetings of public bodies.
 4. Section 59-19-80 - Certain items to be in board minutes.



Memorandum

To: Members of the Board of Trustees

Through: Stephen W. Hefner, Ed.D.
Superintendent

From: Mark Bounds 
Public Information Officer

Date: August 8, 2012

Re: Reappointment to Richland County Board of Assessment Appeals

Attached is a recommendation letter from Richland County Assessor, John A. Cloyd, recommending the reappointment of Mr. Roger Banta to the Richland County Board of Assessment Appeals.

I met with Mr. Banta to confirm his continued interest in serving and his dedication to this appointment. He is not paid for this appointment, but he receives reimbursement for travel. I am also attaching Mr. Banta's professional vita for your review.

The administration supports this recommendation and requests the Board of Trustees approval.

Thank you and please let me know if you have any questions.

MAB/aw

Attachment - Reappointment Letter
Mr. Banta's Professional Vita



RICHLAND COUNTY
SOUTH CAROLINA
Board of Assessment Appeals

P.O. BOX 192
2020 HAMPTON ST.
COLUMBIA, S.C. 29202
TELEPHONE (803) 576-2640

June 25, 2012

Buddy Price
Director of Community Services
Lexington & Richland Counties District Five
1020 Dutch Fork Road
Irmo, South Carolina 29063

Re: Appointment of Representative from District Five
Richland County Board of Assessment Appeals

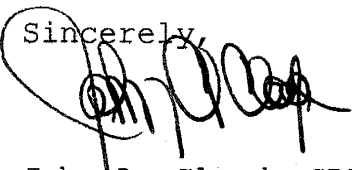
Dear Mr. Price:

I am writing in reference to the appointment of Roger Banta as representative from School District Five, Lexington and Richland Counties, to the Board of Assessment Appeals.

Mr. Banta is currently serving as a representative from your district; however, his term will expire on June 30, 2012. He has agreed to serve a second term. We have heard a number of appeals during the past three years, and Mr. Banta has been very loyal in attendance and knowledgeable in matters of real estate and taxation. I am pleased to recommend his reappointment for a second term.

I would appreciate your earliest attention to this matter, and if I may be of further service, please contact me.

Sincerely,


John A. Cloyd, SRA, RM, RES
Richland County Assessor

JAC:cfy

cc: Roger Banta

School District five of Lexington & Richland County
1020 Dutch Fork Rd.
Irmo, South Carolina, 29063

Attn: Mr. Mark Bounds

Please find below a short list of my educational and experiential qualification for consideration in the selection of a Community Representative for Richland County Board of Assessment Appeals.

Education Experience:

Bachelor of Science in Business

Miami University (Ohio) 1960,

Master of Education

University of South Carolina – Secondary School Counseling 1997

Specialist Degree in Education- Marriage and Family Counseling

University of South Carolina- no degree- 57 Graduate credit hours toward a Specialist degree

MBA

Xavier University- 1960 -no degree

University of Dayton -1970-no degree

University of the South, School of Theology- EFM 2006- Lay Chaplain

Real Estate Brokers License – 1989 - Expired 1-1-09

Seven real estate classes including Real Estate Appraisal

Business Experience:

Auditor's Office- Warren County Ohio

Chief deputy Auditor -1958/1961

Responsibilities: Real and Personal Property Tax Assessment including; appraisal and appeals, rate establishment, distribution, and tax duplicate reconciliation.

NCR/AT&T-

Director of Operations – Retired- 30 years- 1993

Part of Start up team of NCR plant on Platt Springs Rd. West Columbia

KryoTec Inc.

VP Staff and Operations- 2002

Business Consulting- Current

Board of Assessment Appeals- Three years

Personal Experience:

Deacon- Lebanon Presbyterian Church

Vestry- Saint Mary's Episcopal Church Lebanon, Ohio

Past Master Masonic Lodge F&AM #26 Lebanon, Ohio 1969

Lay Chaplain- Saint Francis of Assisi Episcopal Church, Chapin , S.C.

Personal Cont.

Volunteer activities:

School Mentor- Lake Murray Elementary- Mentor of the year
School Counselor- Lex. Dist. 5 Alternative Academy 1992/1993
School Counselor- Department Of Juvenile Justice 1991
Group Counseling- Domestic Violent Perpetrators- Newberry County Ct System

I sincerely hope this brief reference list will provide you with the information necessary to support a selection decision. Should clarification or additional information be required, please contact me at:

Roger A. Banta
102 Savannah Branch Trail
Irmo, South Carolina, 29063
(803) 781-3711

Sincerely

Roger A. Banta



TITLE I 2012-2013

2012-2013 Program Proposal

FY 12-13 (New Grant) Funds	\$ 1,322,288
FY 11-12 (Projected) Carryover Funds	<u>150,000</u>
TOTAL 12-13 <i>PROJECTED</i> FUNDS	\$ 1,472,288

Title I Schools:

All of the following schools have 40% F/R lunch count, or higher and have conducted a Needs Assessment in their school to make the community decision to go school-wide with Title I funds.

School

Title I Programs

Seven Oaks Elementary

*Reading Interventionist
Math Interventionist
Academic Instructional Assistant*

Leaphart Elementary

*Reading Interventionist
Math Interventionist*

Harbison West Elementary

*Reading Interventionist
Math/Science Coach
Academic Interventionist*

H. E. Corley Elementary

*Reading Interventionist
Math Interventionist
Academic Interventionist*

Nursery Road Elementary

*Reading Interventionist
Math Interventionist
Academic Interventionist*

Dutch Fork Elementary

*Reading Interventionist
Math Interventionist*

Title I funds will be expended for teachers' salaries/benefits, parent involvement needs, Title I Supplemental Educational Services, as required by federal mandate, and Title I School Choice, as required by federal mandate.

Program Purposes:

(As stated in Federal Regulations)

Programs that provide extended learning time for disadvantaged children to assist in the acquisition of performance standards expected for all children. Programs may include extended school year; before- and after-school or summer programs; and, accelerated, high-quality curriculum including applied learning. Programs should minimize removing children from the regular classroom during regular school hours for instruction and should coordinate with and support the regular education program in the classroom. Programs supported by Title I funds may also include counseling, mentoring, and other pupil services; college and career awareness and preparation; services to transition students from school to work; services to assist preschool children; and, professional development opportunities to provide teachers with strategies to use in the classroom and with promoting parental involvement in their children's education.

www.lex5.k12.sc.us

1020 Dutch Fork Road • Irmo, South Carolina 29063 • (803) 476-8000



Title II, Part A Program
Improving Teacher Quality
No Child Left Behind
2012-2013 Proposed Budget

2012-2013 PROGRAM PROPOSAL

FY 12-13 (New Grant) Funds	\$ 235,072.17
FY 11-12 (Carryover) Funds	<u>8,342.59</u>
TOTAL 12-13 FUNDS	\$ 243,414.76

Program Purposes:

Per our District's Strategic Plan, Title II monies will be used to support the District Initiatives, Professional Development, Paraprofessional Training, Recruiting, and the Content Area teachers' needs.