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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014

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OF LEXINGTON AND RICHLAND COUNTIES
IRMO, SOUTH CAROLINA

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014



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

Donna M. Patten, CPA
Director of Finance

A. Len Richardson
Chief Financial Officer

Dr. Stephen Hefner
Superintendent

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
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INTRODUCTORY SECTION



November 10, 2014

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

State law requires that all school districts publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of School District Five of Lexington and Richland Counties (the District) for the fiscal year ended June 30, 2014.

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

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

School District Five of Lexington and Richland Counties' financial statements have been audited by Derrick, Stubbs & Stith, L.L.P., Certified Public Accountants, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial

statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering the unqualified opinion that School District Five of Lexington and Richland Counties' financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of School District Five of Lexington and Richland Counties

School District Five of Lexington and Richland Counties is widely recognized as one of the top academic school systems in South Carolina. The District was organized by action of the Lexington County Board of Education in 1951 and the Richland County Board of Education in 1952. The actions of the Boards of Education consolidated several smaller school districts in the Counties. In addition to School District Five of Lexington and Richland Counties, there are four other school districts in Lexington County and two other school districts in Richland County. In 2010, the total population in the District was estimated at 91,018. The 2010 estimated populations of Richland County and Lexington County were 384,504 and 262,394, respectively.

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

The District has twelve elementary schools, four middle schools, four high schools, a career and technology center, and an alternative learning academy that serve students located in the District. Table 21 in the Statistical Section gives additional data about the size, capacity, and age of each school.

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

required to be residents of Lexington County and elected by the registered voters therein. Three trustees are required to be residents of the portion of the District located within Richland County, and they are elected by the registered voters therein. Each trustee is elected to a four-year term. The Board conducts yearly elections in November to elect a Chair, Vice-Chair, and Secretary.

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

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

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

In fiscal year 2013-2014, the District provided comprehensive educational services for 16,321 students: kindergarten through grade twelve. These educational services range from child development (3 and 4 year olds) to a full program of basic and continuing education for adults. Included in the programs are: academically gifted and talented classes for students in grades three through twelve; a school-wide math and engineering magnet program located at Leaphart Elementary School; an academically talented magnet program located at Harbison West Elementary School; accelerated honors level and Advanced Placement courses; an International Baccalaureate (IB) Program (diploma) located at Irmo High School; A STEM Academy housed at Dutch Fork High School; three-year old preschool classes for children with developmental delays; child development classes that provide interventions for four-year-old children to better prepare them for school; a full day five-year-old kindergarten program; early intervention services for students who need more instruction or re-teaching of basic skills in the areas of Reading/English/language arts and mathematics; instructional opportunities in the visual and performing arts; instruction in world languages; special education programs for all students who meet the criteria for the recognized areas of disability; an alternative learning center for middle and high school students; at risk programs to reduce the potential for students dropping out of school; and a variety of elective courses in order for high school students to complete their Individual Graduation Plans. All high schools offer career and technology courses as well as a new career and technology center (The Center for Advanced Technical Studies) that opened in August 2012. Also for faculty and staff, School District Five of Lexington and Richland Counties offers extensive professional development related to effective teacher collaboration, use of classroom, state and benchmark assessment data, differentiation of instruction to meet

students' individual needs, and the infusion of technology into the instructional programs in all schools.

Each year School District Five of Lexington and Richland Counties uses an extensive budgeting process to develop an annual budget for the District. This annual budget for the general fund serves as the foundation for the District's financial planning and control. All schools and departments of the District are required to submit requests for appropriations to the District's management each year. This process incorporates input and requests from principals, parents, students, administrators, teachers, supervisors, and community members. Once assembled, the requests are used to begin the development of a proposed budget after each school and department has had an opportunity to justify their requested appropriations with management. The District's management then presents the proposed budget to the Board for study and review during the months of April, May, and June. The Board conducts three public readings of the proposed budget and holds at least one public hearing advertised for public input on the proposed budget before adopting the budget no later than June 30, the close of the fiscal year.

Factors Affecting Financial Conditions

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

Economic conditions and outlook. School District Five of Lexington and Richland Counties enjoys a relatively favorable economic environment. Local indicators continue to give a positive outlook for stability. The District is located within the Columbia Metropolitan Statistical Area (MSA), which consists of Richland County and Lexington County. The 2010 estimated populations of Richland County and Lexington County were 384,504 and 262,394, respectively. In 2010, the total population in School District Five of Lexington and Richland Counties was estimated at 91,018. In June of 2003, the Columbia MSA was expanded to include Calhoun, Fairfield, Kershaw, and Saluda Counties. The District is a suburban school district located near the City of Columbia, the State Capital and largest city in the state.

Residential subdivisions and commercial/business areas of the District are stable with continued evidence of growth. Many of the residential subdivisions are located on or around the shores of Lake Murray that continue to attract upscale residential housing and commercial development. The Harbison area of the District continues to be one of the fastest growing business areas as is evidenced by the location of additional businesses in and around the Columbiana Mall area. Growth continues away from the mall area along Dutch Fork Road. A new Walmart Supercenter, Tractor Supply, and Sonic are located in the area. In addition to those businesses on Dutch Fork Road, a new McDonalds, San Jose Restaurant, and Chick-Fil-A have also opened. The most recent retail business to open, San Jose Mexican Restaurant, was completed in June 2012 across the street from McDonalds. A new 76-bed full-service community medical facility, Palmetto Health Baptist Parkridge, opened in 2014. The facility is located on 75 acres at the intersection of Interstate 26 and Lake Murray Boulevard near the center of the District. To support this facility, construction is underway for additional medical offices directly across Dutch Fork Road from the District's central offices.

A number of major corporate enterprises, which contribute to a stable economy, are located in or near the District in Lexington and Richland Counties. Included among the larger corporate enterprises in Lexington County are Michelin North America, Inc., United Parcel Service, Amazon.com, Inc., House of Raeford Farms, General Information Systems, CMC Steel, Prysmian Power Cables & Systems USA, Flextronics International, Harsco Track Technologies, and DHL Global Forwarding North America. Included among the larger corporate enterprises in Richland County are BlueCross BlueShield of SC, Computer Sciences Corporation, Consolidated Systems, International Paper, Verizon Wireless, Westinghouse Electric Co. LLC, PurePower Technologies, Schneider Electric, and FN Manufacturing.

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

Median family income statistics for Lexington and Richland Counties are available only as combined figures for the Columbia Metropolitan Statistical Area (MSA) made up of Lexington, Richland, Calhoun, Fairfield, and Saluda Counties. The median family income for the MSA for 2009, the last year available, was $62,100. Per capita personal income for 2012, the last year available, was $37,224 for Lexington County and $38,195 for Richland County. The state per capita income for this same period was $34,266, and in the United States was $42,693. The unemployment rate for Lexington County for 2013 was 4.8 percent and for Richland County was 6.0 percent. The state and national unemployment rates for the same period were 6.6 percent and 6.7 percent, respectively.

Long-term financial planning. Over the last ten years, student enrollment in the District has remained stable, but is expected to begin growing as the economy and housing markets recover. In order to accommodate future growth and to eliminate the use of most portable classrooms, the District has added a new additional high school and renovated a number of the District's existing facilities. Construction of a new middle school is underway with projected completion in August 2015. In order to accomplish this, citizens of the District approved a $243.6 million bond referendum in November 2008. These bonds are being financed with the addition of 3.5 mills of taxes added to the District's debt service levy, effective on property tax bills issued for calendar year 2009. The current debt service levy for the District is 52.5 mills. Richland and Lexington Counties continue to levy an additional one-cent tax which gives taxpayers a credit on their property tax bills.

On June 30, 2014, the District had $244,976,769 outstanding in general obligation bonds. Of this amount $40,444,000 in general obligation refunding bonds were identified as Series 2013A and issued on November 19, 2013.

During the 1977 session of the S. C. General Assembly, the State Legislature adopted an amendment, Section 59-71-155, Code of Laws of South Carolina 1976, as amended, which provides for the establishment of a mechanism for the timely advance of funds from the State's

General Fund to pay directly to school district paying agents amounts needed for debt service on general obligation bonds.

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

The South Carolina General Assembly passed Act 388 in 2006 to become effective for school districts in July 2007. Act 388 limited the amount a school district can increase local millage each year for operational purposes to a rate equal to the sum of the increases in the consumer price index plus the rate of population growth in the District. The Board of Trustees can override this limitation contained in Act 388 if certain specific conditions are present. These events are a prior year deficit, a catastrophic event, a requirement to comply with a court order, an experience of significant decline in revenue due to a taxpayer closure beyond the control of the District equal to ten percent or more of the revenue payable to the District, or to comply with state or federal regulations. Act 388 did not take away the District's fiscal autonomy, but limited the District's autonomy to the above restrictions. School District Five of Lexington and Richland Counties increased operational millage for fiscal year 2013 -2014 by 7.3 mills, or 3.29%, as allowed by law. The increase was used to expand the District's 4k initiative and add school resource officers to all elementary schools.

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

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

The financial statements of this report show that capital projects are one of the main areas of focus in the District's financial planning. Now in the sixth year since passage of the $243.6 million bond referendum, the District has completed renovations and additions at Leaphart

Elementary School, Seven Oaks Elementary School, Chapin Elementary School, and Irmo Elementary School. The new Spring Hill High School, located on the same campus with the Center for Advanced Technical Studies, opened in August 2013. Renovation and additions at Chapin High School are underway and near completion. Construction work will soon be completed for the additions and renovations at Dutch Fork High School and Irmo High School. Construction has begun on a new middle school to address overcrowding in some of the District's elementary and middle schools. The school is scheduled to open in August 2015.

Relevant financial policies. Board Policy requires that the District maintain a reserve fund consistent with the medial average of school districts that maintain "AA" ratings. This amount is generally equivalent to approximately two months operating balance in general fund operating reserve from one fiscal year to the next. The District's total reserve fund exceeds that amount and meets the unreserved fund requirement without funds that have been designated for other purposes.

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to School District Five of Lexington and Richland Counties for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. School District Five of Lexington and Richland Counties has received a Certificate of Achievement for the tenth consecutive year. We believe our current report continues to conform to the Certificate of

Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the District was also awarded The Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the tenth consecutive year the District has received this award.

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

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

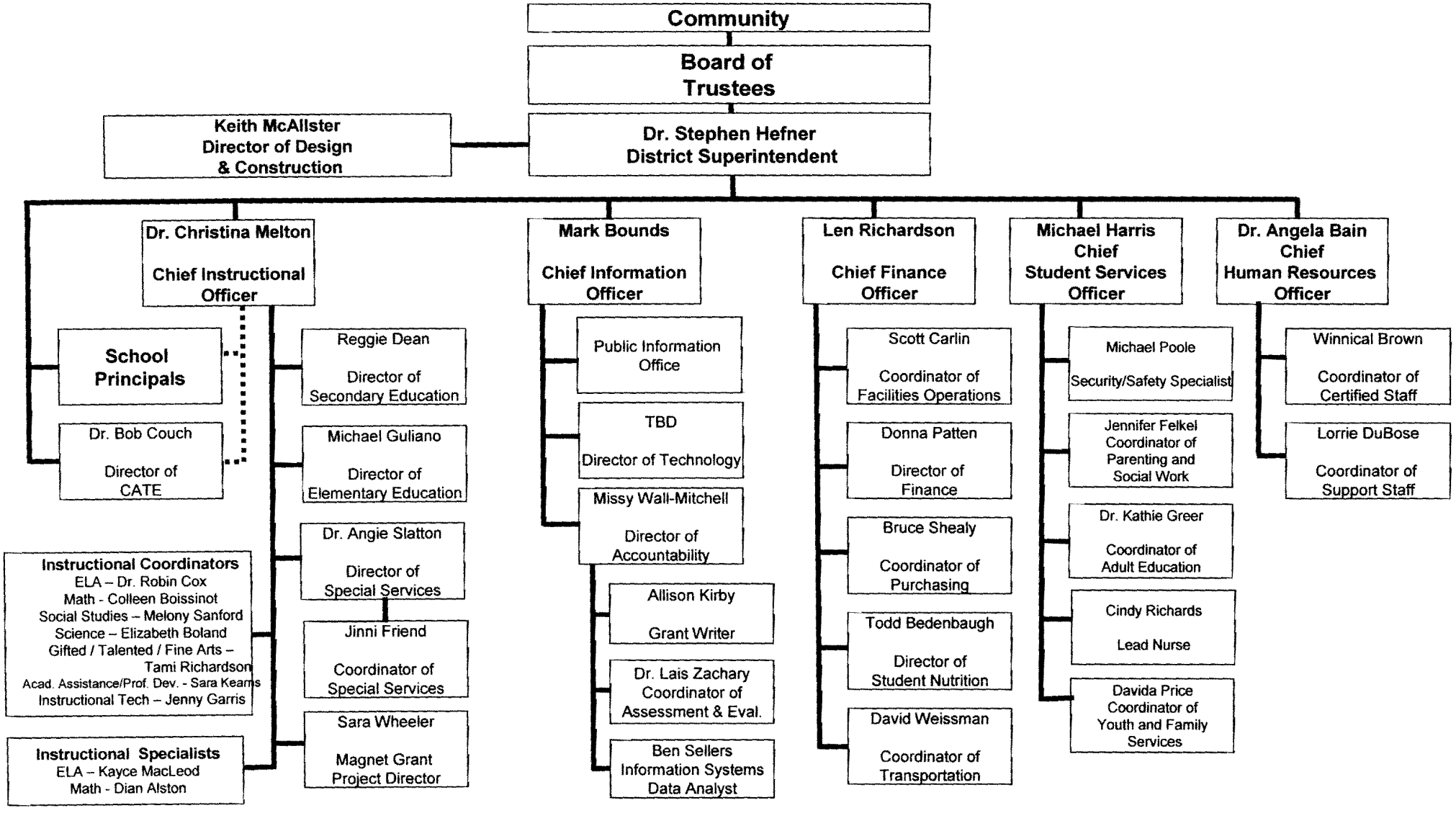
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Office of Finance and Operations. All members of the department as well as members of other various departments have our sincere appreciation for their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

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

Respectfully submitted,

A. Len Richardson
Chief Finance Officer

Stephen W. Hefner, Ed.D.
Superintendent


Community
Board of Trustees
Keith McAllster
Director of Design & Construction
Dr. Stephen Hefner
District Superintendent
Dr. Christina Melton
Chief Instructional Officer
Mark Bounds
Chief Information Officer
Len Richardson
Chief Finance Officer
Michael Harris
Chief Student Services Officer
Dr. Angela Bain
Chief Human Resources Officer
School Principals
Dr. Bob Couch
Director of CATE
Reggie Dean
Director of Secondary Education
Michael Guliano
Director of Elementary Education
Dr. Angie Slatton
Director of Special Services
Jinni Friend
Coordinator of Special Services
Sara Wheeler
Magnet Grant Project Director
Instructional Coordinators
ELA – Dr. Robin Cox
Math - Colleen Boissinot
Social Studies – Melony Sanford
Science – Elizabeth Boland
Gifted / Talented / Fine Arts – Tami Richardson
Acad. Assistance/Prof. Dev. - Sara Kearns
Instructional Tech – Jenny Garris
Instructional Specialists
ELA – Kayce MacLeod
Math - Dian Alston
Public Information Office
TBD
Director of Technology
Missy Wall-Mitchell
Director of Accountability
Allison Kirby
Grant Writer
Dr. Lais Zachary
Coordinator of Assessment & Eval.
Ben Sellers
Information Systems Data Analyst
Scott Carlin
Coordinator of Facilities Operations
Donna Patten
Director of Finance
Bruce Shealy
Coordinator of Purchasing
Todd Bedenbaugh
Director of Student Nutrition
David Weissman
Coordinator of Transportation
Michael Poole
Security/Safety Specialist
Jennifer Felkel
Coordinator of Parenting and Social Work
Dr. Kathie Greer
Coordinator of Adult Education
Cindy Richards
Lead Nurse
Davida Price
Coordinator of Youth and Family Services
Winnical Brown
Coordinator of Certified Staff
Lorrie DuBose
Coordinator of Support Staff

As of 10/28/14

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
PRINCIPAL OFFICIALS

Year Ended June 30, 2014

MEMBERS OF SCHOOL BOARD

Mrs. Beth Watson	**Chairman**
Mr. Robert Gantt	**Vice Chairman**
Mrs. Ellen Baumgardner	**Secretary**
Mrs. Jondy Loveless	**Member of School Board**
Mr. Jim Turner	**Member of School Board**
Mr. Ed White	**Member of School Board**

EXECUTIVE STAFF

Dr. Stephen Hefner	**Superintendent**
Dr. Christina Melton	**Chief Instructional Officer**
Dr. Angela Bain	**Chief Human Resources Officer**
Mr. A. Len Richardson	**Chief Finance Officer**
Mr. Mark Bounds	**Chief Information Officer**
Mr. Michael Harris	**Chief Student Services Officer**
Mr. Keith McAlister	**Director of Design and Construction**

The Government Finance Officers Association of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Donna M. Patten, CPA

Director of Finance

School District Five of Lexington and Richland Counties, South Carolina

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

Executive Director

Date April 9, 2014

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

School District Five of
Lexington and Richland Counties

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards

Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

DERRICK STUBBS
ACCOUNTING · AUDITING · TAXATION · CONSULTING

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508 HAMPTON ST, 1ST FLR | COLUMBIA, SC 29201

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DSSCPA.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of School District Five of Lexington and Richland Counties (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 of the financial statements, the District adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* for the year ending June 30, 2014. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 - 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules, listed in the table of contents as other supplementary information are presented for the purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, is not a required part of the basic financial statements.

Such other supplementary information, listed in the table of contents, and the Schedule of Expenditures of Federal Awards, are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such other supplementary information and the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Derrick, Hutchinson & Stith, LLP

November 5, 2014

As management of School District Five of Lexington and Richland Counties' (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended. June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2 - 9 of this report.

FINANCIAL HIGHLIGHTS

Major financial highlights for 2014 include:

- The assets and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year by $210,706,432 (net position). Of this amount, $30,911,585 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

- The District's total net position decreased $3,348,377 (1.6%) for the 2013-2014 fiscal year. Net position of governmental activities decreased by $2,897,565 (1.4%), while net position of business-type activities decreased by $450,812 (15.7%). Total revenues were $210,785,346 while total expenses were $214,133,723.

- Total expenses increased $12,695,883 (6.3%), from $201,437,840 in fiscal year 2013 to $214,133,723 in fiscal year 2014.

- Governmental funds reported a decrease of $55,602,779 in the fund balance, which included a $53,647,015 decrease to the building fund, a $964,944 decrease to the general fund and a $990,820 decrease to the debt service fund. The decrease for the school building fund was attributable to the fact that only 8% bonds were issued during the year. There was no issuance of referendum debt. The decrease in the general fund was due to expenditures exceeding revenues. However, during the budgeting process a portion of the fund balance was allocated to allow for this occurrence. The decrease in the debt service fund was due mainly to the decrease in bond sales.

- The General Fund total fund balance is $32,164,113 as of June 30, 2014, a decrease of 3% from June 30, 2013.

- Total revenue for the District's principal operating fund, the general fund, was $149,523,087, with an additional $3,904,840, consisting of transfers from the special revenue and proprietary funds for indirect costs, teacher salary supplement increases, and sales of capital assets. Total expenditures in the general fund were $153,950,433 including $92,605,984 for instruction, $61,250,762 for support, $20,025 for community service, $1,473 for capital outlay, and $72,189 for intergovernmental expenditures. In addition, the general fund transferred out $442,438 to other funds for school food service fringe benefits and the local portion of special revenue funds and capital projects.

- Budgeted general fund revenue and expenditures for the 2013 - 2014 fiscal year both increased by 3%. The budget increase included the use of $3,747,745 of fund balance to compensate the continued reduction of state revenue due to the recession. Employees were given a step increase on the salary schedules for another year of experience. Employees did not receive a cost of living increase. The District does not revise revenue budgets except for insurance reimbursements from property losses, miscellaneous donations, and transfers from fiduciary funds for the purchase of supplies and materials. The operating millage was set at 229.27 mills for the District. Debt service millage remained the same at 52.5 mills.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, support services, and community services. The business-type activities of the District include food service and after school operations.

The government-wide financial statements can be found on pages 27 - 28 of this report.

Fund Financial Statements. The remaining financial statements focus on individual parts of the District, reporting its operations in more detail than the government-wide financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund-Special Projects, Special Revenue Fund – Education Improvement Act (EIA), Debt Service Fund and the Capital Projects Fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Governmental Funds (Continued).

The basic governmental fund financial statements can be found on pages 29 - 32 of this report.

Proprietary Funds. The District maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its food service and after school operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 34 - 36 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the pupil activity funds of the schools and accounts for this activity in an agency fund.

The fiduciary fund financial statements can be found on page 37 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 - 59 of this report.

Other information. The combining statements and individual fund financial schedules are included in the supplementary section.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by $210,706,432, at the close of the most recent fiscal year.

The following table provides a summary of the District's net position for 2014 compared to 2013.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	$ 116,541,836	$ 177,259,598	$2,289,269	$2,703,729	$ 118,831,105	$ 179,963,327
Net Capital Assets	380,391,945	335,245,835	553,912	554,085	380,945,857	335,799,920
Total Assets	496,933,781	512,505,433	2,843,181	3,257,814	499,776,962	515,763,247
Deferred Outflows of Resources	454,872	0	0	0	454,872	0
Current and Other Liabilities	48,656,429	51,296,577	168,649	158,936	48,825,078	51,455,513
Long-Term Liabilities	240,440,416	250,019,483	259,908	233,442	240,700,324	250,252,925
Total Liabilities	289,096,845	301,316,060	428,557	392,378	289,525,402	301,708,438
Net Position						
Net Investment in Capital Assets	174,598,030	174,275,981	553,912	554,085	175,151,942	174,830,066
Restricted	4,642,905	6,934,331	0	0	4,642,905	6,934,331
Unrestricted	29,050,873	29,979,061	1,860,712	2,311,351	30,911,585	32,290,412
Total Net Position	$ 208,291,808	$ 211,189,373	$2,414,624	$2,865,436	$ 210,706,432	$ 214,054,809

The District's overall net position decreased by $3,348,377 during 2013 - 2014.

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

Significant current year transactions, such as the addition of $52,941,683 in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less the additional accumulated depreciation of $7,795,746 have had an impact on the Statement of Net Position.

Government-wide Overall Financial Analysis (Continued)

The following table shows the changes in the District's net position for 2014 compared to 2013:

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue						
Program Revenue:						
Charges for Services	$ 33,571	$ 50,292	$5,535,223	$5,278,078	$5,568,794	$5,328,370
Operating Grants	77,171,071	73,559,278	3,866,388	3,534,109	81,037,459	77,093,387
Capital Grants	0	0	0	0	0	0
General Revenue:						
Ad Valorem Taxes and Fees	80,092,559	76,337,838	0	0	80,092,559	76,337,838
Unrestricted Grants	43,083,852	42,603,890	0	0	43,083,852	42,603,890
Investment Earnings and Disposals	395,295	501,042	4,111	7,485	399,406	508,527
Other General Revenue	485,910	430,263	117,366	111,861	603,276	542,124
Total Revenue	201,262,258	193,482,603	9,523,088	8,931,533	210,785,346	202,414,136
Functions/Program Expense						
Instruction Service	115,863,958	108,242,761	0	0	115,863,958	108,242,761
Support Services	78,213,038	74,983,257	0	0	78,213,038	74,983,257
Community Services	59,029	50,377	0	0	59,029	50,377
Interest on Long-Term Debt	9,782,790	9,120,703	0	0	9,782,790	9,120,703
School Food Service & After School	0	0	10,214,908	9,040,742	10,214,908	9,040,742
Total Expenses	203,918,815	192,397,098	10,214,908	9,040,742	214,133,723	201,437,840
Increase (Decrease) in Net Position Before Transfers	(2,656,557)	1,085,505	(691,820)	(109,209)	(3,348,377)	976,296
Transfers	(241,008)	139,548	241,008	(139,548)	0	0
Increase (Decrease) in Net Position	(2,897,565)	1,225,053	(450,812)	(248,757)	(3,348,377)	976,296
Net Position July 1	$211,189,373	$209,964,320	$2,865,436	$3,114,193	$214,054,809	$213,078,513
Net Position June 30	$208,291,808	$211,189,373	$2,414,624	$2,865,436	$210,706,432	$214,054,809

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

Governmental Activities
June 30, 2014

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Instruction Service	$115,863,958	$108,242,761	$ (58,774,012)	$ (57,341,628)
Support Service	78,213,038	74,983,257	(58,137,346)	(52,309,549)
Community Service	59,029	50,377	(20,025)	(15,648)
Interest (Long-Term Debt)	9,782,790	9,120,703	(9,782,790)	(9,120,703)
Totals	**$203,918,815**	**$192,397,098**	**$(126,714,173)**	**$(118,787,528)**

Government-wide Overall Financial Analysis (Continued)

Business-Type Activities. Business-type activities include the District's school food service and after school programs. These programs had revenues of $5,535,223, non-operating revenue and transfers of $4,228,873, and expenses of $10,214,908. This resulted in net loss of $450,812.

Financial Analysis of Governmental Funds

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

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

At June 30, 2014, the District's governmental funds reported combined fund balances of $78,075,455, a decrease of $55,602,779 in comparison with the prior year. Approximately 30.7% of this amount ($23,971,686) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form ($724,713), 2) restricted for particular purposes ($6,509,558), 3) committed for particular purposes ($39,182,854), or 4) assigned for particular purposes ($7,686,644).

The general fund is the principal operating fund of the District. The decrease in net position in the general fund for the fiscal year was $964,944. This decrease was due to the increase in general fund expenditures and less than anticipated state funding. After reservations for inventories, prepaid expenditures, and funds assigned for special purposes, the unassigned fund balance was $23,971,686. The Board of Trustees has a policy to provide for sound fiscal management and stability. The policy requires that the District maintain an undesignated operating reserve fund of approximately 15 to 18 percent of the general fund budgeted expenditures.

The special revenue fund –special projects fund and special revenue fund – EIA fund are used to account for revenues derived from the state of South Carolina and the federal government. The District's special revenue funds do not typically have fund balances as revenues should be expended, deferred, or returned to the grantor.

The debt service fund balance showed a decrease of $990,820 from the prior year. The District maintains sufficient fund balance in the debt service fund to pay the ensuing six-month principal and interest payments on general obligation debt.

The building fund showed a fund balance decrease of $53,647,015. The ending balance is $39,401,784. The change was attributable to the sale of 8% bonds only during the year.

Proprietary Funds: The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The proprietary funds (food services and after school programs) showed a decrease in net position of $450,812. The food services program ended the year with a $482,876 decrease in net position and the after school program ended the year with a $32,064 increase in net position.

Financial Analysis of Governmental Funds (Continued)

General Fund Budgetary Highlights

The District's budget is prepared according to South Carolina law. The District does not revise revenue budgets without the approval of the Board. No revisions were made for the 2013 - 2014 fiscal year. The operating millage for the District was increased to 229.27 mills.

Budgeted general fund revenue and expenditures for the 2013 - 2014 fiscal year increased by 5.4% due to the opening of the new Spring Hill High School. Employees were not given a cost of living increase, but were given a step increase on the salary schedules.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, the District had $380,945,857 invested in a broad range of capital assets, including land, buildings, furniture, equipment, vehicles, and library books. This represents a net increase of $45,145,937 (13.4%) for the 2013 - 2014 fiscal year. For more detailed information on capital asset activity see Note 4 - Capital Assets (page 48).

Capital Assets

	Governmental Activities		Business-Type Activities		Total School District	
	2014	2013	2014	2013	2014	2013
Land	$ 7,328,598	$ 7,328,598	$ 0	$ 0	$ 7,328,598	$ 7,328,598
Buildings	341,253,130	254,930,925	0	0	341,253,130	254,930,925
Site Improvements	21,183,249	13,461,517	0	0	21,183,249	13,461,517
Furniture and Equipment	24,726,421	22,528,956	2,629,123	2,824,669	27,355,544	25,353,625
Construction in Progress	99,840,609	142,944,782	0	0	99,840,609	142,944,782
Total Before Accumulated Depreciation	$494,332,007	$441,194,778	$2,629,123	$2,824,669	$496,961,130	$444,019,447
Less: Accumulated Depreciation	113,940,062	105,948,943	2,075,211	2,270,584	116,015,273	108,219,527
Net Capital Assets	$380,391,945	$335,245,835	$553,912	$554,085	$380,945,857	$335,799,920

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

As of June 30, 2014, the District had total outstanding long-term debt of $236,135,000, excluding deferred items. Of this total, $ 234,358,000 was general obligation debt backed by the full faith and credit of the District. The District's total long-term debt as of June 30, 2014 and 2013 is as follows:

Long-Term Debt at June 30
(Excludes Deferred Items)

	Governmental Activities	
	2014	**2013**
November 19, 2013 Issue	$ 38,553,000	$ -
July 21, 2009 Issue	-	39,850,000
June 9, 2010 Issue	10,000,000	10,000,000
September 16, 2010 Issue	5,065,000	6,675,000
September 16, 2010 Issue	68,500,000	68,500,000
August 21, 2012 Issue	112,240,000	115,655,000
Lease Acquisition - June 20, 2013 Issue	1,777,000	2,970,000
Totals	$ 236,135,000	$ 243,650,000

Moody's Investors Service has assigned an Aa1 enhanced rating with a stable outlook and an Aa2 underlying rating to the District's General Obligation Bonds. Standard & Poor's rates the District's bonds AA/Stable long-term and AA/Stable School Issuer. The Aa1 enhanced rating and AA/Stable rating are based on the additional security provided by the South Carolina School District Credit Enhancement Program (SCSDCEP). The program assures timely debt service payment through county and state government coordination. The SCSDCEP is a state-backed enhancement program that shadows the state's rating and consequently carries the stable outlook that is assigned to the state's Aaa general obligation rating. School districts in South Carolina may issue up to 8% of their assessed value without voter approval. On June 30, 2014, the District's debt capacity was approximately $38,787,248.

Other obligations include accrued obligations such as annual leave accumulated. More detailed information on these obligations is available in Note 7 - Long-Term Debt of the financial statements (page 52).

In November 2008, the citizens of the District approved a bond referendum in the amount of $243.6 million to finance the renovation and additions to existing facilities and to build a new elementary school, middle school, and high school. These renovations, additions, and construction of new facilities are intended to maintain quality teaching and learning by reducing overcrowding at existing facilities and to accommodate the projected student population in the District for the immediate future. The Board approved a maximum 20 year payback schedule for the bonds that required an increase of 3.5 mills for debt service in addition to the 49 mills that were levied for 2008-2009 fiscal year. Millage for debt service for the 2013 - 2014 fiscal year was set at the required 52.5 mills.

In November 2013, the District issued general obligation current refunding bonds in the amount of $40,444,000 which were used to refund $ 39,850,000 of Build America Bonds. The refunding allowed the district to take advantage of lower interest rates and to reduce its total debt service payments.

In June 2013, the District instituted a five-year technology plan to assign a personal computing device to all students over the next five years. In the 2013 - 2014 school year, all high school students were assigned a personal computing device with students in lower grades to be assigned a device in subsequent years.

ECONOMIC FACTORS AND NEXT YEAR' S BUDGET AND RATES

The District's elected and appointed officials considered many factors when setting the District's budget and tax rates for 2014 - 2015. The most important factor affecting the budget for the near future is the implementation of the new revenue structure, created by Act 388 of 2006. Act 388 eliminated property taxes for owner-occupied houses and replaced that revenue stream with a one-cent sales tax imposed by the state. For the 2007 – 2008 fiscal year, the revenue replacement was a 100% exchange. After the 2008 fiscal year, any increase in this revenue will be based on the consumer price index increase plus growth in the state population. With nearly 50% of the District's assessed value being replaced by the one-cent sales tax, it can be a challenge during a year in which expenditures grow faster than the increase of this revenue stream. The District needs to continue to provide at least the same level of service to students. Beginning in the 2007 - 2008 fiscal year, school districts with unlimited autonomy to raise millage were restricted to a percentage increase of the consumer price index and population growth in the district. While this limited autonomy does provide for some flexibility, it also creates a dilemma for the Board to place additional tax burden on the remaining taxpayers if the growth in the sales tax revenue does not keep up with inflation and cost of living increases.

When setting the 2014 - 2015 fiscal year budget, the District focused on maintaining quality instructional programs in the classrooms and pupil teacher ratios in all schools at the ratio set in Board Policy while facing significant reductions in revenue due to state budget cuts in previous years because of the economy. The general fund budget for the 2014 - 2015 fiscal year is $163,356,921 with a 235.8 operating millage set for the District. There was a millage increase of 6.5 mills for the 2014 - 2015 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Donna Patten, CPA, Director of Finance, at 1020 Dutch Fork Road, Irmo, SC, 29063, or e-mail at dpatten@lexrich5.org.

BASIC FINANCIAL STATEMENTS

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 67,977,069	$ 2,726,007	$ 70,703,076
Due from County Government	31,298,938	-	31,298,938
Taxes Receivable, Net	3,963,504	-	3,963,504
Accounts Receivable	11,504,247	83,027	11,587,274
Interest Subsidy Receivable	394,433	-	394,433
Internal Balance	678,932	(678,932)	-
Inventory	12,574	159,167	171,741
Prepaid Items	712,139	-	712,139
TOTAL CURRENT ASSETS	116,541,836	2,289,269	118,831,105
NON-CURRENT ASSETS			
Land	7,328,598	-	7,328,598
Buildings	341,253,130	-	341,253,130
Site Improvements	21,183,249	-	21,183,249
Equipment	24,726,421	2,629,124	27,355,545
Construction-in-Progress	99,840,609	-	99,840,609
Accumulated Depreciation	(113,940,062)	(2,075,212)	(116,015,274)
TOTAL NON-CURRENT ASSETS	380,391,945	553,912	380,945,857
TOTAL ASSETS	496,933,781	2,843,181	499,776,962
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Refunding of Bonds	454,872	-	454,872
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	9,731,846	18	9,731,864
Retainage Payable	2,944,891	-	2,944,891
Arbitrage Payable	11,615	-	11,615
Due to State	42,467	-	42,467
Accrued Salaries	12,010,080	-	12,010,080
Other Accrued Liabilities	7,175,229	-	7,175,229
Unearned Revenue	3,261,492	123,327	3,384,819
Accrued Interest	2,859,394	-	2,859,394
Current Portion of Long-Term Obligations	9,784,005	-	9,784,005
Current Portion of Compensated Absences Payable	835,410	45,304	880,714
TOTAL CURRENT LIABILITIES	48,656,429	168,649	48,825,078
NON-CURRENT LIABILITIES			
Noncurrent Portion of Long-Term Obligations	235,647,636	-	235,647,636
Noncurrent Portion Compensated Absences Payable	4,792,780	259,908	5,052,688
TOTAL NON-CURRENT LIABILITIES	240,440,416	259,908	240,700,324
TOTAL LIABILITIES	289,096,845	428,557	289,525,402
NET POSITION			
Net Investment in Capital Assets	174,598,030	553,912	175,151,942
Restricted For:			
Debt Service	4,642,905	-	4,642,905
Unrestricted	29,050,873	1,860,712	30,911,585
TOTAL NET POSITION	$ 208,291,808	$ 2,414,624	$ 210,706,432

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION: TOTAL
Governmental Activities:							
Instruction Service	$ 115,863,958	$ 20,206	$ 57,069,740	$ -	$ (58,774,012)	$ -	$ (58,774,012)
Support Service	78,213,038	13,365	20,062,327	-	(58,137,346)	-	(58,137,346)
Community Services	59,029	-	39,004	-	(20,025)	-	(20,025)
Interest & Other Charges	9,782,790	-	-	-	(9,782,790)	-	(9,782,790)
Total Governmental Activities	203,918,815	33,571	77,171,071	-	(126,714,173)	-	(126,714,173)
Business-Type Activities:							
Food Services	8,899,748	4,188,687	3,866,388	-	-	(844,673)	(844,673)
After School	1,315,160	1,346,536	-	-	-	31,376	31,376
Total Business-Type Activities	10,214,908	5,535,223	3,866,388	-	-	(813,297)	(813,297)
Total	$ 214,133,723	$ 5,568,794	$ 81,037,459	$ -	(126,714,173)	(813,297)	(127,527,470)
General Revenues:							
Property Taxes Levied For:							
General Purposes					54,408,077	-	54,408,077
Debt Service					24,390,363	-	24,390,363
Payment in Lieu of Taxes					1,294,119	-	1,294,119
Unrestricted State Revenue in Lieu of Taxes					43,083,852	-	43,083,852
Unrestricted Investment Earnings					395,295	4,111	399,406
Miscellaneous					485,910	117,366	603,276
Total General Revenues					124,057,616	121,477	124,179,093
Change in Net Position Before Transfers					(2,656,557)	(691,820)	(3,348,377)
Transfers					(241,008)	241,008	-
Change in Net Position					(2,897,565)	(450,812)	(3,348,377)
Net Position, Beginning of the Year					211,189,373	2,865,436	214,054,809
Net Position, End of the Year					$ 208,291,808	$ 2,414,624	$ 210,706,432

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Special Projects	Education Improvement Act	Debt Service	Building Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 67,977,069	$ -	$ -	$ -	$ -	$ 67,977,069
Due from County Government	25,023,708	-	-	6,275,230	-	31,298,938
Taxes Receivable, Net	3,131,100	-	-	832,404	-	3,963,504
Accounts Receivable	3,115,449	7,159,376	1,229,422	-	-	11,504,247
Due from Other Funds	-	-	1,232,874	232	42,358,290	43,591,396
Inventory	12,574	-	-	-	-	12,574
Prepaid Items	712,139	-	-	-	-	712,139
				-		
TOTAL ASSETS	99,972,039	7,159,376	2,462,296	7,107,866	42,358,290	159,059,867
LIABILITIES						
Accounts Payable	9,728,050	46	3,750	-	-	9,731,846
Retainage Payable	-	-	-	-	2,944,891	2,944,891
Arbitrage Payable	-	-	-	-	11,615	11,615
Due to Other Funds	36,598,547	6,313,917	-	-	-	42,912,464
Due to State	-	5,331	37,136	-	-	42,467
Accrued Salaries	12,010,080	-	-	-	-	12,010,080
Other Accrued Liabilities	7,175,229	-	-	-	-	7,175,229
Unearned Revenue - Other	-	840,082	2,421,410	-	-	3,261,492
TOTAL LIABILITIES	65,511,906	7,159,376	2,462,296	-	2,956,506	78,090,084
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue property taxes	2,296,020	-	-	598,308	-	2,894,328
				-		
FUND BALANCES						
Nonspendable for Inventory	12,574	-	-		-	12,574
Nonspendable for Prepaid Items	712,139	-	-		-	712,139
Restricted	-	-	-	6,509,558	-	6,509,558
Committed	-	-	-	-	39,182,854	39,182,854
Assigned for Special Purposes	7,467,714	-	-	-	218,930	7,686,644
Unassigned	23,971,686	-	-	-	-	23,971,686
				-		
TOTAL FUND BALANCES	32,164,113	-	-	6,509,558	39,401,784	78,075,455
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 99,972,039	$ 7,159,376	$ 2,462,296	$ 7,107,866	$ 42,358,290	$ 159,059,867

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Reconciliation of governmental fund balances to Statement of Net Position:		
Total Fund Balances - Governmental Funds		$ 78,075,455
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Capital Assets	$ 494,332,007	
Accumulated Depreciation	(113,940,062)	380,391,945
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.		2,894,328
Interest subsidy receivable on outstanding bonds in governmental accounting is not receivable in the current period and, therefore, has not been reported as an asset in the funds.		394,433
Accrued interest on outstanding bonds in governmental accounting is not due and payable in the current period and, therefore, has not been reported as a liability in the funds.		(2,859,394)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Bonds Payable and other long-term debt	(236,135,000)	
Bond Premium, net of accumulated amortization	(9,296,641)	
Deferred Loss on Refunding, net of accumulated amortization	454,872	
Compensated Absences	(5,628,190)	(250,604,959)
Total Net Position - Governmental Activities		$ 208,291,808

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General Fund	Special Projects	Education Improvement Act	Debt Service	Building Fund	Total Governmental Funds
Revenues						
Local	$ 56,080,192	$ 783,456	$ -	$ 24,626,723	$ 334,060	$ 81,824,431
State	93,442,895	1,566,878	12,774,467	925,246	-	108,709,486
Federal	-	8,963,900	-	1,798,081	-	10,761,981
Total Revenues	149,523,087	11,314,234	12,774,467	27,350,050	334,060	201,295,898
Expenditures						
Current						
Instruction	92,605,984	6,712,355	7,790,763	-	-	107,109,102
Support Services	61,250,762	4,041,177	1,347,791	-	5,693,984	72,333,714
Community Service	20,025	39,004	-	-	-	59,029
Capital Outlay	1,473	64,406	-	-	59,289,272	59,355,151
Debt Service						
Principal	-	-	-	47,959,000	-	47,959,000
Interest and Other Fees	-	-	-	10,025,119	-	10,025,119
Intergovernmental	72,189	196,505	-	-	-	268,694
Total Expenditures	153,950,433	11,053,447	9,138,554	57,984,119	64,983,256	297,109,809
Excess (Deficiency) of Revenues Over Expenditures	(4,427,346)	260,787	3,635,913	(30,634,069)	(64,649,196)	(95,813,911)
Other Financing Sources (Uses)						
Sale of Capital Assets	8,140	-	-	-	-	8,140
Issuance of Refunding Debt	-	-	-	40,444,000	-	40,444,000
Transfers In	3,896,700	-	-	1,199,249	12,201,430	17,297,379
Transfers Out	(442,438)	(260,787)	(3,635,913)	(12,000,000)	(1,199,249)	(17,538,387)
Total Other Financing Sources (Uses)	3,462,402	(260,787)	(3,635,913)	29,643,249	11,002,181	40,211,132
Net Change in Fund Balance	(964,944)	-	-	(990,820)	(53,647,015)	(55,602,779)
Fund Balance July 1, 2013	33,129,057	-	-	7,500,378	93,048,799	133,678,234
Fund Balance June 30, 2014	$ 32,164,113	$ -	$ -	$ 6,509,558	$ 39,401,784	$ 78,075,455

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds		$ (55,602,779)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period.		
Capital outlays	$ 58,762,929	
Depreciation expense	(12,635,221)	46,127,708
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		47,959,000
Bond, bond premium, and other long-term debt proceeds provide current financial resources in the governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(40,444,000)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		498,819
The Interest subsidy receivable in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as revenue in the funds when it is received. In the Statement of Activities, however, interest is recognized as the interest accrues.		(253,583)
Bond premiums are revenues in the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities. This amount is the amortization for the current year.		1,072,012
Deferred loss on refundings are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the amount of deferred loss on refunding of $470,941 exceeds amortization on refunding of $16,069.		454,872
Bond issuance costs are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the write-off of bond issuance costs due to implementation of GASB 65 this year.		(1,529,791)
In the Statement of Activities, compensated absences are measured by the amounts earned during the year. However, in the governmental funds expenditures for these absences are measured by the amount of financial resources used. This amount represents the change in accrued compensated absences between years.		(164,585)
In the Statement of Activities, the gain/(loss) on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.		(981,598)
Certain deferred tax revenues reported in the governmental funds are recognized as revenue in the Statement of Activities, net of a reserve for uncollected amounts. This amount is the difference in tax revenue recognized at the end of the current year ($ 2,894,328) and that revenue recognized at the end of the prior year ($ 2,927,968).		(33,640)
Change in Net Position - Governmental Activities		$ (2,897,565)

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Local	$ 56,534,463	$ 56,534,463	$ 56,080,192	$ (454,271)
State	94,368,691	94,368,691	93,442,895	(925,796)
Total Revenues	150,903,154	150,903,154	149,523,087	(1,380,067)
Expenditures:				
Current				
Instruction	96,643,708	96,668,037	92,605,984	4,062,053
Support Services	61,217,442	61,193,113	61,250,762	(57,649)
Community Service	21,500	21,500	20,025	1,475
Capital Outlay	11,426	11,426	1,473	9,953
Intergovernmental	51,200	51,200	72,189	(20,989)
Total Expenditures	157,945,276	157,945,276	153,950,433	3,994,843
Excess (Deficiency) of Revenues Over Expenditures	(7,042,122)	(7,042,122)	(4,427,346)	2,614,776
Other Financing Sources (Uses):				
Sale of Capital Assets	-	-	8,140	8,140
Transfers In	3,806,122	3,806,122	3,896,700	90,578
Transfers Out	(511,745)	(511,745)	(442,438)	69,307
Total Other Financing Sources (Uses)	3,294,377	3,294,377	3,462,402	168,025
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses)	$ (3,747,745)	$ (3,747,745)	(964,944)	$ 2,782,801
Fund Balance, July 1, 2013			33,129,057	
Fund Balance, June 30, 2014			$ 32,164,113	

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

	Business-Type Activity Enterprise Fund Food Services	Business-Type Activity Enterprise Fund After School Program	Totals
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 2,726,007	$ -	$ 2,726,007
Accounts Receivable	83,027	-	83,027
Due from General Fund	-	530,676	530,676
Inventory	159,167	-	159,167
TOTAL CURRENT ASSETS	2,968,201	530,676	3,498,877
NONCURRENT ASSETS			
Equipment	2,629,124	-	2,629,124
Accumulated Depreciation	(2,075,212)	-	(2,075,212)
TOTAL NONCURRENT ASSETS	553,912	-	553,912
TOTAL ASSETS	3,522,113	530,676	4,052,789
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	18	-	18
Due to General Fund	1,209,608	-	1,209,608
Unearned Revenue	123,327	-	123,327
Current Portion of Compensated Absences Payable	45,304	-	45,304
TOTAL CURRENT LIABILITIES	1,378,257	-	1,378,257
NON-CURRENT LIABILITIES			
Noncurrent Portion Compensated Absences Payable	259,908	-	259,908
TOTAL NON-CURRENT LIABILITIES	259,908	-	259,908
TOTAL LIABILITIES	1,638,165	-	1,638,165
NET POSITION			
Investment in Capital Assets	553,912	-	553,912
Unrestricted	1,330,036	530,676	1,860,712
TOTAL NET POSITION	$ 1,883,948	$ 530,676	$ 2,414,624

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2014

	Food Services	After School Program	Totals
Operating Revenues:			
Proceeds of Sales of Meals	$ 4,188,687	$ -	$ 4,188,687
Proceeds of Tuition	-	1,346,536	1,346,536
Total Operating Revenues	4,188,687	1,346,536	5,535,223
Operating Expenses:			
Food Costs	3,732,183	-	3,732,183
Salaries and Wages	4,319,348	921,104	5,240,452
Purchased Services	152,546	127,441	279,987
Supplies and materials	553,162	266,615	819,777
Depreciation	117,629	-	117,629
Other	18,620	-	18,620
Total Operating Expenses	8,893,488	1,315,160	10,208,648
Operating Income (Loss)	(4,704,801)	31,376	(4,673,425)
Non-Operating Revenues (Expenses):			
Interest	3,423	688	4,111
Other Local Revenue	117,366	-	117,366
Other State Aid	7,500	-	7,500
USDA Reimbursements	3,434,189	-	3,434,189
Commodities Received from USDA	314,027	-	314,027
Other Federal Revenue	110,672	-	110,672
Loss on Disposal of Capital Assets	(6,260)	-	(6,260)
Total Non-Operating Revenue	3,980,917	688	3,981,605
Income before Transfers	(723,884)	32,064	(691,820)
Transfers In (Out)	241,008	-	241,008
Change in Net Position	(482,876)	32,064	(450,812)
Net Position, Beginning of Year	2,366,824	498,612	2,865,436
Net Position, End of Year	$ 1,883,948	$ 530,676	$ 2,414,624

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2014

	Food Services	After School Program	Totals
Cash Flows From Operating Activities:			
Cash Received From Patrons	$ 4,595,061	$ 1,314,472	$ 5,909,533
Cash Payments to Suppliers For Goods and Services	(4,178,008)	(394,056)	(4,572,064)
Cash Payments to Employees For Services	(4,291,958)	(921,104)	(5,213,062)
Net Cash (Used) By Operating Activities	(3,874,905)	(688)	(3,875,593)
Cash Flows From Non-Capital Financing Activities:			
Cash Received From USDA Reimbursements	3,062,981	-	3,062,981
Cash Received From Other Federal/State Reimbursements	235,538	-	235,538
Transfers - Out to Other Funds	241,008	-	241,008
Net Cash Provided By Non-Capital Financing Activities	3,539,527	-	3,539,527
Cash Flows From Capital and Related Financing Activities:			
Acquisition of Equipment	(123,716)	-	(123,716)
Net Cash (Used) By Capital Activities	(123,716)	-	(123,716)
Cash Flows From Investing Activities:			
Interest on Investments	3,423	688	4,111
Net Cash Provided By Investing Activities	3,423	688	4,111
Net (Decrease) In Cash And Cash Equivalents	(455,671)	-	(455,671)
Cash And Cash Equivalents At Beginning Of Year	3,181,678	-	3,181,678
Cash And Cash Equivalents At End Of Year	2,726,007	-	2,726,007
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities			
Operating Income (Loss)	(4,704,801)	31,376	(4,673,425)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:			
Depreciation	117,629	-	117,629
Noncash USDA Commodities Used	314,027	-	314,027
Change In Assets And Liabilities:			
Decrease In Inventory	(35,525)	-	(35,525)
Decrease In Accounts Receivable	397,586	(32,064)	365,522
Increase In Accounts Payable	1	-	1
Increase In Deferred Revenue	8,788	-	8,788
Increase In Accrued Expenses	27,390	-	27,390
Net Cash (Used) By Operating Activities	(3,874,905)	(688)	(3,875,593)
SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES			
Non-Cash Donation-USDA Commodities	$ 314,027	$ -	$ 314,027

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE
JUNE 30, 2014

	Agency Funds
ASSETS	Pupil Activity Fund
Accounts Receivable	$ 2,216,714
Fuel Inventory	8,322
TOTAL ASSETS	2,225,036
LIABILITIES	
Accounts Payable	1,113
Due to Pupil Activities	2,223,923
TOTAL LIABILITIES	$ 2,225,036

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

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

Reporting entity: School District Five of Lexington and Richland Counties (the District) is a Local Education Agency empowered by State law with the responsibility to oversee and control all activities related to public school education in Lexington and Richland Counties, South Carolina. The Board receives state, local and federal government funding and must adhere to the legal requirements of each funding entity. The District operates under the direction of an elected seven member Board of Trustees, with a superintendent serving as the chief administrative officer, and provides education services to approximately 16,321 students pre-kindergarten through grade twelve.

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

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

Basis of presentation: The financial statement presentation for the District meets the requirements of Governmental Accounting Standards Board. The financial statement presentation provides a comprehensive, entity-wide perspective of the District's net position, revenue, expenses and changes in net position and cash flows that replaces the fund-group perspective previously required.

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

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of presentation (continued):

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

The District reports the following major governmental funds:

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

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

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

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

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

The District reports the following major proprietary funds:

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

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

Additionally, the District reports the following fiduciary fund type:

***Agency fund –pupil activity fund*:** This fund is used to report resources held by the District in a custodial capacity for student organizations and activities. Those funds generally belong to the individual schools or their student bodies and are not available for general use by the District. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the School District. This accounting reflects the agency relationship of the School District with the student activity organizations. This fiduciary fund type uses the accrual basis of accounting. Agency funds do not have a measurement focus.

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Budgets and budgetary accounting (continued): The following procedures are used in establishing the general fund budget:

1. Prior to the May meeting of the Board, the Superintendent submits a budget for the operation of the entire school system of the District. This budget, at the discretion of the Board, is based upon proposed budgets submitted by the administrators and advisory board of the various schools of the District.

2. A public hearing is held before the 25th day of June to obtain taxpayer comments.

3. Following the public hearing and before July first of each year the Board takes final action on the budget.

4. Upon final action by the Board on the budget, the Chairman of the Board notifies the auditor and treasurer of the Counties of the amount of money required for the operation of the District during the next fiscal year. Upon receipt of this notice the auditor levies taxes on all the taxable property of the Counties.

5. Formal budgetary integration is employed as a management control device during the year. Encumbrances are recorded at the time a good or service is ordered and the remaining budget appropriation is reduced by the same amount. When the good or service is received, the encumbrance is reversed in the budgetary accounts and an expenditure is recorded in the general ledger accounts. Encumbered appropriations lapse at year-end and all outstanding encumbrances are canceled.

The Board authorizes the superintendent or his/her designee to approve general fund line item transfers in the aggregate totaling no more $ 10,000. General fund budget transfers over $ 10,000 will be presented to the Board for approval. All line item transfers, regardless of the amount, will appear in the monthly financial report to the Board.

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

Investments: The District investment policy is designed to operate within existing state statutes that authorize the district to invest in the following:

a. Obligation of the United States, its agencies, and instrumentalities, the principal and interest of which is fully guaranteed by the United States;
b. Obligations of the State of South Carolina or any of its political subdivisions;
c. Obligations of any corporation with the United States if such obligations bear investment grade ratings of at least two nationally recognized rating services;
d. Certificates of Deposit where the certificates are collaterally secured by securities of the type described in a or b above, held by a third party as escrow agent or custodian, and are of a fair value not less than the amount of the certificates of deposit so secured, including interest;
e. Repurchase agreements when collateralized by securities of the type described in a and b above and held by a third party as escrow agent or custodian of a fair value not less than the amount of the repurchase agreement so collateralized, including interest;
f. Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally recognized rating services.

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Inventories: Inventory items are valued at cost, based on the "Average Cost" method of accounting, determined using the first-in, first-out method, and are subsequently charged to expenditures/expenses when consumed rather than when purchased. Inventories include plant maintenance and operating supplies. Inventories recorded in the Proprietary Fund are valued at the lower of cost or market determined on a first-in, first-out basis except for commodities received from the United States Department of Agriculture (USDA), which are recorded at fair market value at the time of receipt but have not been consumed as of June 30, 2014.

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

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

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

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

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

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

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

1. The compensated absence is earned on the basis of services already performed by the employee.

2. It is probable that the compensated absence will be paid in a future period.

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund balances: In accordance with GASB Statement 54, "Fund *Balance Reporting and Governmental Fund Type Definitions"* (GASB 54), the District's governmental fund balances are classified as follows:

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

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

Committed: Represents amounts that can only be used by for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Trustees) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the School District would consist of amounts approved by resolution by the Board of Trustees of the School District.

Assigned: Amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed; such assignments are made before the report issuance date. Assigned fund balance for the District consists of (a) motions approved by the Board of Trustees that are for a specific purpose or (b) appropriations of current fund balance (made in the annual budget process) for the succeeding budget year.

Unassigned: Represents the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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

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

***Restricted*:** This represents amounts restricted for debt service on the District's bonds in which the District is legally or contractually obligated by external parties such as lenders, grantors or contributors or by laws or regulations to spend in accordance with the restrictions imposed.

***Unrestricted*:** This represents the remainder of the District's net position not included in the above categories.

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

New accounting matters: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was issued by the GASB in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that this new Statement will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the District's financial obligations to current and former employees for past services rendered.

In particular, the District will be required to report a net pension liability for its participation in the SCRS on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. The effect of implementation of this Statement has not been determined at this time, but it is anticipated that it will materially decrease the District's unrestricted net position. This Statement is required to be implemented by the District no later than the fiscal year ending June 30, 2015.

GASB Statement No.71, *Pension Transition for Contributions Made subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* was issued in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of the Statement are required to be applied simultaneously with the provisions of GASB No. 68.

Note 2. Cash and Cash Equivalents

All cash and investments are stated at fair value with accrued interest shown on the statement of net assets. The District is authorized to invest funds received from the Counties Treasurer which are not needed for immediate disbursement by the District, in interest bearing accounts or certificates of deposit issued by banking institutions or savings and loan associations licensed to do business in this state or in securities issued by the United States Government.

Notes to the Basic Financial Statements

Note 2. Cash and Cash Equivalents (Continued)

At June 30, 2014, the carrying amount of the District's deposits and investments held by the various funds was as follows:

Fund Types	
General fund	$ 67,977,069
Enterprise Fund	2,726,007
	70,703,076
Deposits	6,305,120
Investments	64,397,956
Carrying amount at June 30, 2014	$ 70,703,076

Deposits

Custodial Credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a written policy related to custodial credit risk, but does have an agreement with its banking institution that securities be pledged to cover any deposits in excess of federal depository insurance coverage.

At June 30, 2014, the bank balance of the District deposits totaled $ 7,897,498 of which $ 250,000 was insured by the Federal Depository Insurance Corporation (FDIC) insurance, and $ 7,647,498 was secured by collateral held by the bank's trust department in the District's name.

Investments

Credit risk: The District adheres to the State of South Carolina's investment policy, and invests in primarily Certificates of Deposit and U.S. Government-backed obligations. There are no investments in commercial paper or corporate bonds and equities. The District's investments are composed of $ 63,951,314 invested with the South Carolina State Investment Pool and $ 446,642 invested with TD Bank.

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2014, the underlying security ratings of the District's investment in the Local Government Investment Pool (LGIP) is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address:

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

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

Notes to the Basic Financial Statements

Note 2. Cash and Cash Equivalents (Continued)

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

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

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

Note 3. Receivables

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

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

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

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

South Carolina Code Section 12-37-251(A) provides a property tax exemption for property classified pursuant to Section 12-43-220(C) (homestead exemption) from property taxes levied for other than bonded indebtedness and payments pursuant to lease purchase agreements for capital construction.

The exemption applies against millage imposed for school operations and the amount of fair market value of the homestead that is exempt from such millage must be set by the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund.

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

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

Delinquent taxes receivable	$ 5,662,149
Less: Allowance for uncollectible amounts	(1,698,645)
Taxes receivable	$ 3,963,504

Notes to the Basic Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

Capital Assets

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 7,328,598	$ -	$ -	$ 7,328,598
Construction-in-Progress	142,944,782	57,046,596	(100,150,769)	99,840,609
Total Capital Assets, Not Being Depreciated	150,273,380	57,046,596	(100,150,769)	107,169,207
Capital Assets, Being Depreciated:				
Buildings	254,930,925	88,174,259	(1,852,054)	341,253,130
Site Improvements	13,461,517	7,721,732	-	21,183,249
Furniture and Equipment	22,528,956	5,971,111	(3,773,646)	24,726,421
Total Capital Assets, Being Depreciated	290,921,398	101,867,102	(5,625,700)	387,162,800
Less Accumulated Depreciation For:				
Buildings	(89,701,408)	(9,373,973)	804,063	(98,271,318)
Site Improvements	(4,343,642)	(1,217,212)	-	(5,560,854)
Furniture and Equipment	(11,903,893)	(2,044,036)	3,840,039	(10,107,890)
Total Accumulated Depreciation	(105,948,943)	(12,635,221)	4,644,102	(113,940,062)
Total Capital Assets, Being Depreciated, Net	184,972,455	89,231,881	(981,598)	273,222,738
Governmental Activities Capital Assets, Net	335,245,835	146,278,477	(101,132,367)	380,391,945
Business Type Activities:				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Furniture and Equipment	2,824,669	123,716	(319,262)	2,629,123
Total Capital Assets Being Depreciated	2,824,669	123,716	(319,262)	2,629,123
Less, Acumulated Depreciation for:				
Furniture and Equipment	(2,270,584)	(117,629)	313,002	(2,075,211)
Total Accumulated Depreciation	(2,270,584)	(117,629)	313,002	(2,075,211)
Business Type Activities Capital Assets, Net	$ 554,085	$ 6,087	$ (6,260)	$ 553,912

Notes to the Basic Financial Statements

Note 4. Capital Assets (Continued)

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

Government Activities:		
Instruction	$	7,789,614
Support		4,845,607
Total Depreciation – Governmental Activities		12,635,221
Business – Type Activities:		
Food Service		117,629
Total Depreciation – Business Type Activities	$	117,629

Construction commitments: The District has active construction projects at June 30, 2014. The projects include primarily school building construction and renovation. At June 30, 2014, the District's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Chapin Elementary School	$ 2,125	$ -
Chapin High School	50,714,959	5,912,438
Dutch Fork High School	15,579,995	1,460,678
Dutch Fork Middle School	261,614	592,029
New Elementary School	614,154	-
New Middle School	4,001,606	18,904,250
New High School / CATE	1,663,052	290,469
Irmo High School	20,974,902	5,142,313
Crossroads Middle School	382,556	511,155
Irmo Middle School	1,086,236	126,784
In-House Construction Management	4,558,910	843,220
Total Government Activities	$ 99,840,109	$ 33,783,336

Note 5. Retirement Plan

Plan description: The District participates in retirement plans under authorization of Title 9 of the SC Code of Laws, State of South Carolina which covers a majority of the District's full-time employees. The South Carolina Retirement System ("SCRS") is a cost-sharing multi-employer defined benefit pension plan that was administered by the South Carolina Retirement System; a division of the South Carolina State Budget and Control Board. Effective July 1, 2012, the South Carolina General Assembly transferred administration of the SCRS to the newly created South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. The system offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, group life ("GL") insurance benefits and survivor benefits. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

For Class II members, benefits vest after five years of service, and vested members who retire at age sixty-five or with twenty eight years of service at any age, receive an annual benefit, payable monthly for life. The benefit is based on the length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. Reduced benefits are payable as early as age sixty.

Notes to the Basic Financial Statements

Note 5. Retirement Plan (Continued)

Plan description (continued): For Class III members, benefits vest after eight years of service, and vested members who retire must be age sixty-five or meet the rule of 90 requirement (this means that the member's age plus the years of service must add up to a total of at least 90), receive an annual benefit, payable monthly for life. The benefit is based on the length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. Reduced benefits are payable as early as age sixty.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI pension, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the TERI program after July 1, 2005, are required to pay the same pre-tax contribution to SCRS during the TERI period, but do not earn service credit. The TERI program will end effective June 30, 2018.

Funding policy: Both employers and employees are required to contribute to the Plan under the authority of Title 9 of the S. C. Code of Laws. South Carolina Retirement System members are required to contribute 7.50% of their annual covered earnings.

The District is required to contribute at an actuarially determined contribution rate. The current rate is 10.45% of annual covered earnings. In addition, participating employers also contribute 0.15% of annual covered payroll for group life insurance benefits for their participants. Annual covered payroll of SCRS members was $ 105,189,041 for the year ended June 30, 2014. All contributions were equal to the required contribution.

THREE YEAR TREND INFORMATION

Fiscal Year June 30	Annual Employer Contributions	Annual Employee Contributions
2012	$ 9,389,140	$ 6,508,611
2013	10,632,679	7,128,219
2014	10,992,255	7,895,441

Optional retirement program: Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts, which are issued to, and become the property of, the participants. The District assumes no liability for this plan other than for payment of contributions to the retirement system. The obligation for payment of benefits resides with the insurance companies. Employees who enroll in ORP are eligible to change their election to SCRS if done before the fifth anniversary of enrollment in ORP.

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

Under state law, employee contributions to the ORP are required at the same rates as for the SCRS, 7.5% of their annual covered salary in fiscal year 2014.

Notes to the Basic Financial Statements

Note 5. Retirement Plan (Continued)

Optional retirement program (continued): The District is required to contribute an actuarially determined rate. The current rate is 10.45% of annual covered earnings, of which 5.0% of the employer required contribution is remitted to the employees authorized investment providers ("AIP") and the balance is remitted to the South Carolina Retirement System. The 0.15% for group life insurance coverage is also contributed for these participants. The annual covered payroll of ORP members was $ 10,335,366 for the year ended June 30, 2014. The School District contributed amounts equal to the required contributions of $ 1,080,046; $ 984,409; and $ 784,714 for the years ended June 30, 2014, 2013, and 2012, respectively.

Deferred Compensation Plan: The District offers its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all regular full-time and part-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employee or his beneficiaries until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to the claims of the District's general creditors. The plan is administered by the State of South Carolina.

Note 6. Post-Employment Benefits Other Than Pensions

Plan description: In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. The District contributes to the Retiree Medical Plan (RMP) and the Long-Term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB).

Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system.

Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

Funding policy: Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded though annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year set by the Office of the State Budget. The EIP sets the employer contribution rate based on a pay-as-you-go basis.

The employer contribution surcharge was 4.92% for 2014, 4.55% for 2013, and 4.30% for 2012 of annual covered payroll. The District contributed amounts equal to the required contribution to the SCRS for retiree healthcare benefits of approximately $ 5,687,819; $ 5,061,961; and $ 4,670,877 for the years ended June 30, 2014; 2013; and 2012, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments.

Notes to the Basic Financial Statements

Note 6. Post-Employment Benefits Other Than Pensions (Continued)

Funding policy (continued): Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions. Complete financial statements for the benefit plans and the trust funds may be obtained from PEBA Retirement Benefits and Insurance Benefits, 202 Arbor Lake Drive, Suite 360, Columbia, SC 29223.

Note 7. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Current Refunding General Obligation Bonds:					
Series 2013A - Issued November 19, 2013	$ -	$ 40,444,000	$ (1,891,000)	$ 38,553,000	$ 1,819,000
General Obligation Bonds:					
Series 2009B - Issued July 21, 2009	39,850,000	-	(39,850,000)	-	-
Series 2010A - Issued June 9, 2010	10,000,000	-	-	10,000,000	-
Series 2010B1 - Issued September 16, 2010	6,675,000	-	(1,610,000)	5,065,000	2,210,000
Series 2010B2 - Issued September 16, 2010	68,500,000	-	-	68,500,000	-
Series 2012B - Issued August 21, 2012	115,655,000	-	(3,415,000)	112,240,000	3,555,000
Net Acquisition - Issued June 20, 2013	2,970,000	-	(1,193,000)	1,777,000	1,186,000
Total Gross Debt	243,650,000	40,444,000	(47,959,000)	236,135,000	8,770,000
Deferred Amounts:					
Unamortized premium on bonds	10,368,653	-	(1,072,012)	9,296,641	1,014,005
Deferred loss on refunding	-	(470,941)	16,069	(454,872)	-
Total Net Debt	254,018,653	39,973,059	(49,014,943)	244,976,769	9,784,005
Compensated Absences	5,463,605	972,966	(808,381)	5,628,190	835,410
Government Activity Long-Term Liabilities	259,482,258	40,946,025	(49,823,324)	250,604,959	10,619,415
Business Activities:					
Compensated Absences	277,822	71,228	(43,838)	305,212	45,304
Business Activities Long-Term Liabilities	$ 277,822	$ 71,228	$ (43,838)	$ 305,212	$ 45,304

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

Note 7. Long-Term Obligations (Continued)

Details for each debt issue are as follows:

On July 21, 2009, the School District issued Taxable Series 2009 B, $ 40,000,000 general obligation bonds (Build America Bonds) referendum debt. The Build America Bonds provide for an interest credit subsidy equal to 35% of the amount of each interest payment on such bonds. The available subsidy ("Interest Subsidy") received on these bonds is included as revenue of the Debt Service fund. The net proceeds were $ 39,736,127 after a bid premium of $ 1,377 and costs of issuance of $ 265,250. The bonds have a variable interest rate which ranges from 2.4%-5.9%. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2010, through March 1, 2029. Principal payments are due in annual installments ranging from $ 25,000 to $ 4,040,000 beginning March 1, 2010, through March 1, 2029. The proceeds will be used for the purpose of providing funds for capital improvements, equipment, and technology, paying the costs of issuance of the bonds and such other lawful purposes as may be determined by the School District. These bonds were refunded and paid in full in November 2013.

On June 9, 2010, the District issued Taxable Series 2010A, $ 10,000,000, general obligation bonds (Qualified School Construction Bonds - Direct Payment) referendum debt with an interest rate of 5.25%. The American Recovery and Reinvestment Act of 2009 allowed governments to issue taxable bonds to finance capital expenditures and to elect to receive a subsidy payment for the United States Treasury equal to 100% of the amount of each interest payment on such bonds. The available subsidy ("Interest Subsidy") received on these bonds is included as revenue of the Debt Service fund. The net proceeds were $ 9,878,300 after a bid premium of $ 78,200 less costs of issuance of $ 199,900. Bonds are due in a single installment on June 1, 2027. Interest payments are payable semi-annually on December 1 and June 1 beginning December 1, 2010, through June 1, 2027. The proceeds will be used for the purpose of providing funds for capital improvements, equipment, and technology, and paying the costs of issuance of the bonds and such other lawful purposes as determined by the District.

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

On September 16, 2010, the District issued Taxable Series 2010B-2, $ 68,500,000 general obligation (Build America Bonds) referendum debt. The Build America Bonds provide for an interest credit subsidy equal to 35% of the amount of each interest payment on such bonds. The available subsidy ("Interest Subsidy") received on these bonds is included as revenue of the Debt Service fund. The net proceeds were $ 67,497,722 after costs of issuance of $ 1,002,278. Principal payments are payable annually beginning on March 1, 2017, through March 1, 2029, ranging from $ 250,000 to $ 9,210,000.The bonds have variable interest rates which range from 2.75% - 5.0%. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2011, through March 1, 2029. The proceeds will be used for purposes of funding capital projects approved in the Referendum, paying costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District.

On August 21, 2012, the District issued Series 2012B, $ 115,655,000 general obligation bonds (Bond Referendum debt). The net proceeds were $ 125,788,107 after a bid premium of $ 10,413,885 less costs of issuance of $ 280,778. Principal payments are payable annually beginning on March 1, 2014, through March 1, 2032, ranging from $ 125,000 to $ 12,615,000. The bonds have variable interest rates which range from 3.0% - 5.0%. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2013, through March 1, 2032. The proceeds will be used for purposes of funding capital projects approved in the Referendum, paying costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District.

Notes to the Basic Financial Statements

Note 7. Long-Term Obligations (Continued)

On June 20, 2013, the District entered into Acquisition, Use and Security Agreement, Series 2013, for $ 2,970,000. The net proceeds of the agreement were $ 2,938,400 after costs of issuance of $ 31,600. Principal payments are payable annually beginning on October 1, 2013, through October 1, 2015, ranging from $ 1,193,000 to $ 591,000. The interest rate is 0.75%. Interest payments are payable annually on October 1 beginning October 1, 2013, through October 1, 2015. The proceeds will be used fund the purchase of certain equipment and implementation of the technology plan, and paying costs of issuance associated with the agreement.

On November 19, 2013, the District issued Series 2013A, $ 40,444,000 general obligation current refunding bonds (Bond Referendum debt) with an interest rate of 2.21%. The proceeds were used to refund the outstanding balance of $ 39,850,000 of the Series 2009B Build American Bonds which had interest rates ranging from 2.4%-5.9% along with an interest credit subsidy equal to 35% of the amount of each interest payment on the bonds. The net proceeds of $ 40,320,941(after payment of $ 123,059 for costs of issuance) were disbursed to discharge the Series 2009B Build America Bonds.

The reacquisition price exceeded the net carrying amount of the old debt by $ 470,941; this amount is being amortized over the life of the new debt. The District entered into this refunding to take advantage of lower interest rates, resulting in a reduction of total debt service payments of $ 6,008,119 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of $ 4,531,246. Bonds are due in annual installments beginning March 1, 2014, through March 1, 2028, ranging from $ 1,819,000 to $ 3,838,000. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2014, through March 1, 2028. The deferred loss on refunding at June 30, 2014 were $ 454,872.

Bond premium and deferred loss on refunding are amortized using the effective interest method over the life of the debt.

The annual debt service requirements to maturity as of June 30, 2014, are as follows:

Year Ended June 30	Principal	Interest	Total
2015	$ 8,770,000	$ 8,975,264	$ 17,745,264
2016	8,784,000	8,717,669	17,501,669
2017	9,167,000	8,420,296	17,587,296
2018	10,193,000	8,063,828	18,256,828
2019	11,275,000	7,661,054	18,936,054
2020-2024	71,042,000	30,639,757	101,681,757
2025-2029	85,729,000	16,222,102	101,951,102
2030-2032	31,175,000	2,437,813	33,612,813
Totals	$ 236,135,000	$ 91,137,783	$ 327,272,783

In November 2008 a bond referendum was approved in the amount of $ 243,665,000 which will allow the school district to borrow money to renovate seven schools and construct three new schools. As of June 30, 2014, $ 243,665,000 referendum debt has been issued.

The South Carolina Constitution limits local borrowing power to 8 percent of its assessed property value. The Limitation excludes bonded indebtedness existing on December 1, 1977, (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters. Based on the December 31, 2013, assessed property valuation of $ 484,840,605 (unaudited), the legal debt limit is $ 38,787,248, leaving a legal debt margin of $ 38,787,248 at June 30, 2014.

Notes to the Basic Financial Statements

Note 8. Short-Term Obligations

Summary of changes in short-term debt: During the year ended June 30, 2014, the following transactions occurred in short-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Series 2013 - Issued August 28, 2013	$ -	$ 12,000,000	$ (12,000,000)	$ -

Capital Projects Fund:

On August 28, 2013, the District issued Series 2013, $ 12,000,000 general obligation bonds ($ 11,490,000 of Eight Percent Debt and $ 510,000 Referendum debt) with an interest rate of 1.5% for the purpose of providing funds for capital improvements, equipment, and technology. The net proceeds were $ 11,979,321 after a bid premium of $ 79,440 less cost of issuance of $ 100,119.

These bonds including interest of $ 92,500, were due March 1, 2014 and were repaid utilizing debt service fund property tax revenues.

Note 9. Unearned Revenue

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

	Special Projects Fund	EIA Fund	Food Services
Unexpended Carryover Amounts	$ 840,082	$ 2,421,410	$ 123,327

Note 10. Transfers In and Out

Transfers during the year ended June 30, 2014, consisted of the following:

General Fund

Transfers from	Amount	Transfers to	Amount
Special Revenue-EIA	$ 3,635,913	Capital Projects	$ 201,430
Special Revenue-Special Projects	260,787	Enterprise Fund	241,008
	$ 3,896,700		$ 442,438

Special Revenue Funds

Special Projects

Transfers from	Amount	Transfers to	Amount
	$ -	General Fund	$ 260,787

EIA

Transfers from	Amount	Transfers to	Amount
	$ -	General Fund	$ 3,635,913

Debt Service

Transfers from	Amount	Transfers to	Amount
Capital Projects	$ 1,199,249	Capital Projects	$ 12,000,000

Notes to the Basic Financial Statements

Note 10. Transfers In and Out (Continued)

Capital Projects

Transfers from	Amount	Transfers to	Amount
General Fund	$ 201,430	Debt Service	$ 1,199,249
Debt Service	12,000,000		
	$ 12,201,430		

Enterprise Fund

Transfers from	Amount	Transfers to	Amount
General Fund	$ 241,008	General Fund	$ -
TOTAL	$ 17,538,387		$ 17,538,387

Descriptions of interfund transfers:

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

General Fund to Capital Projects Fund – to transfer parking lot maintenance fund to capital projects fund.

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

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

Debt Service Fund to Capital Projects Fund – to transfer amounts to make bond payments.

Capital Projects to Debt Service Fund – to transfer amounts to make lease payment.

Note 11. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2014, is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 36,598,547
Special Projects	-	6,313,917
EIA	1,232,874	-
Debt Service	232	-
Building Fund	42,358,290	-
Enterprise Fund - Food Service	-	1,209,608
Enterprise Fund - After School	530,676	-
Total for Primary Government	$ 44,122,072	$ 44,122,072

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

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

Notes to the Basic Financial Statements

Note 12. Risk Management

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

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

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

There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three years ended June 30, 2014, 2013 and 2012.

Note 13. Pupil Activity Fund

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

Note 14. Operating Leases

The School District is obligated to account for certain leases as operating leases. Current rental expenditures for the year ended June 30, 2014, were $ 441,630. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2014:

Year Ended June 30	Totals
2015	$ 448,227
2016	363,715
2017	40,644
2018	9,926
2019	2,642
Total Rent Payments	$ 865,154

Note 15. Fund Balances

The District uses the following governmental fund balance accounts:

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

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

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

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

Notes to the Basic Financial Statements

Note 15. Fund Balances (Continued)

Assigned for School Building Fund: Amounts assigned were approved by the Board of Trustees for school parking lots maintenance.

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

Start up costs associated with new schools	$	1,800,000
Appropriation of fund balance for budgetary deficit for fiscal year 2014-2015		667,714
Construction of new middle school		5,000,000
Total Assigned for special purposes	$	7,467,714

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

District policy is to maintain an unassigned fund balance consistent with the medial averages for issuers that retain at least an Aa2/AA credit rating. This average may change from time to time but generally ranges from 15% - 18% of the general fund budgeted expenditures. The required range as of June 30, 2014 is $ 24,503,538 to $ 29,404,246 based on the 2014/2015 general fund budget. The unassigned amount at June 30, 2014, is $ 23,971,686.

Note 16. Contingencies and Litigation

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

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

Note 17. Legal Compliance

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

Note 18. Implementation of GASB Statements

In July 2013, the District adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities (GASB 65).* This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In particular, this Statement requires that bond issuance costs (as defined) should be recognized as an expense in the period incurred.

The effect of implementation of this Statement resulted in the District writing off its debt issuance costs and decreased the District's net position by $ 1,529,791. The deferred loss on refunding is now presented as a deferred outflow of resources in the statement of net position.

The District also adopted GASB Statement No. 66, *Technical Correction – 2012,* - an amendment of GASB Statements No. 10 and NO. 62. The objective of the Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

There was no significant impact on the District due to implementation of this Statement.

Notes to the Basic Financial Statements

Note 19. Subsequent Events

The District has evaluated subsequent events through November 5, 2014, the date on which the financial statements were available to be issued.

On September 17, 2014, the District issued Series 2014C, $ 11,438,000 SCAGO general obligation bonds (8% debt). The net proceeds were $ 11,449,371 after a bid premium of $ 60,850 less cost of issuance of $ 49,479. These bonds, including interest of $ 65,530, are due March 2, 2015. The bonds have an interest rate of 1.25%. The proceeds will be used for purposes of funding capital improvements, acquisition payment, paying legal fees and costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District.

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

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

The following Schedule of Revenue, Expenditures and Change in Fund Balance – Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedule are also mandated by the S.C. Department of Education.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGETS AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
1000 Revenue from Local Sources				
1100 Taxes:				
1110 Ad Valorem Taxes-Including Delinquent Taxes	$ 55,180,754	$ 55,180,754	$ 54,072,700	$ (1,108,054)
1140 Penalties & Interest On Taxes	380,000	380,000	352,966	(27,034)
1200 Revenue From Local Governmental Units Other Than LEAs:				
1280 Revenue in Lieu of Taxes	743,709	743,709	1,083,386	339,677
1300 Tuition:				
1310 Regular Day School From Patrons	5,000	5,000	-	(5,000)
1350 Summer School From Patrons	-	-	11,704	11,704
1500 Earnings on Investments:				
1510 Interest on Investments	100,000	100,000	69,159	(30,841)
1700 Pupil Activities:				
1740 Student Fees	35,000	35,000	21,867	(13,133)
1900 Miscellaneous Local Revenue:				
1910 Rentals	70,000	70,000	-	(70,000)
1930 Medicaid	-	-	99,232	99,232
1950 Refund of Prior Year's Expenditures	8,000	8,000	7,518	(482)
1999 Revenue from Other Local Sources	12,000	12,000	361,660	349,660
Total Local Sources	56,534,463	56,534,463	56,080,192	(454,271)
3000 Revenue from State Sources				
3100 Restricted State Funding:				
3130 Special Programs:				
3131 Handicapped Transportation	-	-	8,790	8,790
3160 School Bus Driver Salary	550,000	550,000	709,298	159,298
3161 EAA Bus Drivers' Salary	-	-	5,005	5,005
3162 Transportation Workers' Compensation	-	-	58,855	58,855
3180 Fringe Benefits Employer Contributions	13,636,881	13,636,881	14,049,967	413,086
3181 Retiree Insurance	3,837,288	3,837,288	4,276,917	439,629
3300 Education Finance Act:				
3310 Full-Time Programs:				
3310 EFA Totals	32,192,401	32,192,401	-	(32,192,401)
3311 Kindergarten	-	-	1,842,789	1,842,789
3312 Primary	-	-	5,681,284	5,681,284
3313 Elementary	-	-	9,000,299	9,000,299
3314 High School	-	-	2,160,285	2,160,285
3315 Trainable Mentally Handicapped	-	-	103,796	103,796
3316 Speech Handicapped	-	-	2,829,341	2,829,341
3317 Homebound	-	-	100,389	100,389
3320 Part-Time Programs:				
3321 Emotionally Handicapped	-	-	173,752	173,752
3322 Educable Mentally Handicapped	-	-	66,904	66,904
3323 Learning Disabilities	-	-	2,123,242	2,123,242
3324 Hearing Handicapped	-	-	41,826	41,826
3325 Visually Handicapped	-	-	79,095	79,095
3326 Orthopedically Handicapped	-	-	51,674	51,674
3327 Vocational	-	-	7,253,293	7,253,293
3330 Other EFA Programs:				
3331 Autism	-	-	667,488	667,488
3375 Education Foundation Supplement	2,020,581	2,020,581	-	(2,020,581)
3800 State Revenue In Lieu of Taxes:				
3810 Reimbursement for Local Property Tax Relief (Tier 1)	10,580,071	10,580,071	10,580,071	-
3820 Homestead Exemption (Tier 2)	1,758,200	1,758,200	1,758,200	-
3825 Reimbursement for Property Tax Relief (Tier 3)	29,095,434	29,095,434	29,089,991	(5,443)
3830 Merchant's Inventory Tax	209,687	209,687	213,955	4,268
3840 Manufacturers Depreciation Reimbursement	303,663	303,663	364,879	61,216
3890 Other State Property Tax Revenues	139,505	139,505	136,204	(3,301)
3900 Other State Revenue:				
3999 Other State Revenue	44,980	44,980	15,306	(29,674)
Total State Sources	94,368,691	94,368,691	93,442,895	(925,796)
TOTAL REVENUE ALL SOURCES	150,903,154	150,903,154	149,523,087	(1,380,067)

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGETS AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES				
100 INSTRUCTION				
110 General Instruction:				
111 Kindergarten Programs:				
100 Salaries	$ 4,559,261	$ 4,559,261	$ 4,481,287	$ 77,974
200 Employee Benefits	1,748,368	1,748,368	1,656,904	91,464
300 Purchased Services	351	351	306	45
400 Supplies and Materials	58,056	60,960	59,497	1,463
112 Primary Programs:				
100 Salaries	12,041,993	12,041,993	11,858,473	183,520
200 Employee Benefits	4,665,210	4,665,210	4,081,395	583,815
300 Purchased Services	3,400	3,400	3,417	(17)
400 Supplies and Materials	250,787	261,417	245,239	16,178
113 Elementary Programs:				
100 Salaries	20,088,168	20,089,283	19,280,098	809,185
200 Employee Benefits	7,316,590	7,316,590	6,593,048	723,542
300 Purchased Services	10,100	10,100	21,526	(11,426)
400 Supplies and Materials	380,401	383,244	365,785	17,459
114 High School Programs:				
100 Salaries	16,269,921	16,259,921	15,470,371	789,550
200 Employee Benefits	5,547,902	5,547,902	5,167,135	380,767
300 Purchased Services	143,400	145,544	138,767	6,777
400 Supplies and Materials	932,033	939,260	874,250	65,010
600 Other Objects	6,065	6,065	5,000	1,065
115 Career and Technology Education Programs:				
100 Salaries	2,944,316	2,944,316	2,625,863	318,453
200 Employee Benefits	991,550	991,550	892,127	99,423
300 Purchased Services	657	1,042	1,040	2
400 Supplies and Materials	159,937	159,958	153,703	6,255
120 Exceptional Programs:				
121 Educable Mentally Handicapped:				
100 Salaries	645,871	645,871	665,706	(19,835)
200 Employee Benefits	235,916	235,916	236,098	(182)
400 Supplies and Materials	1,750	1,750	1,649	101
122 Trainable Mentally Handicapped:				
100 Salaries	614,113	614,113	563,866	50,247
200 Employee Benefits	239,612	239,612	217,627	21,985
400 Supplies and Materials	1,500	1,500	1,488	12
123 Orthopedically Handicapped:				
100 Salaries	30,749	30,749	30,749	-
200 Employee Benefits	10,121	10,121	9,228	893
400 Supplies and Materials	50	50	-	50
124 Visually Handicapped:				
100 Salaries	119,559	119,559	119,559	-
200 Employee Benefits	40,391	40,391	42,077	(1,686)
400 Supplies and Materials	630	630	614	16
125 Hearing Handicapped:				
100 Salaries	141,348	141,348	137,263	4,085
200 Employee Benefits	53,813	53,813	45,832	7,981
400 Supplies and Materials	330	330	80	250
126 Speech Handicapped:				
100 Salaries	960,691	960,691	931,622	29,069
200 Employee Benefits	342,496	342,496	324,513	17,983
300 Purchased Services	75,000	75,000	18,444	56,556
400 Supplies and Materials	5,650	5,331	4,538	793
127 Learning Disabilities:				
100 Salaries	4,288,746	4,288,746	4,420,720	(131,974)
200 Employee Benefits	1,553,375	1,553,375	1,528,678	24,697
300 Purchased Services	780	780	775	5
400 Supplies and Materials	23,340	22,922	20,158	2,764
128 Emotionally Handicapped:				
100 Salaries	677,231	677,231	635,374	41,857
200 Employee Benefits	267,053	267,053	239,640	27,413
400 Supplies and Materials	3,550	3,543	2,880	663

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGETS AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
100 INSTRUCTION (CONTINUED)				
120 Exceptional Programs (Continued):				
129 Coordinated Early Intervening Services (CEIS):				
100 Salaries	$ 255,387	$ 255,387	$ 251,637	$ 3,750
200 Employee Benefits	88,365	88,365	86,187	2,178
130 Pre-School Programs:				
135 Pre-School Handicapped-Speech (3 & 4 year olds):				
400 Supplies and Materials	100	100	100	-
136 Pre-School Handicapped-Itinerant (3 & 4 year olds):				
100 Salaries	11,471	11,471	8,957	2,514
200 Employee Benefits	3,850	3,850	3,044	806
400 Supplies and Materials	0	67	67	-
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):				
100 Salaries	975,846	975,846	839,102	136,744
200 Employee Benefits	385,681	385,681	336,509	49,172
400 Supplies and Materials	300	213	189	24
138 Pre-School Handicapped-Homebased (3 & 4 year olds):				
100 Salaries	8,527	8,527	5,859	2,668
200 Employee Benefits	2,869	2,869	2,009	860
400 Supplies and Materials	300	320	320	-
139 Early Childhood Programs:				
100 Salaries	1,033,373	1,033,373	965,105	68,268
200 Employee Benefits	371,929	371,929	381,462	(9,533)
300 Purchased Services	150	5,505	2,199	3,306
400 Supplies and Materials	101,259	101,754	93,787	7,967
140 Special Programs:				
141 Gifted and Talented-Academic:				
100 Salaries	554,926	554,926	552,456	2,470
200 Employee Benefits	204,008	204,008	201,402	2,606
143 Advanced Placement:				
100 Salaries	587,996	587,996	437,203	150,793
200 Employee Benefits	189,416	189,416	148,468	40,948
145 Homebound:				
100 Salaries	46,800	46,800	176,081	(129,281)
200 Employee Benefits	13,200	13,200	41,373	(28,173)
300 Purchased Services	11,000	11,000	6,316	4,684
148 Gifted and Talented-Artistic:				
100 Salaries	5,303	5,303	3,553	1,750
200 Employee Benefits	632	632	1,024	(392)
300 Purchased Services	2,200	2,200	-	2,200
149 Other Special Programs:				
100 Salaries	1,043,823	1,043,823	1,334,126	(290,303)
140 Terminal Leave	-	-	-	-
200 Employee Benefits	294,385	294,385	325,862	(31,477)
160 Other Exceptional Programs:				
161 Autism:				
100 Salaries	911,459	911,459	882,752	28,707
200 Employee Benefits	338,282	338,282	352,486	(14,204)
400 Supplies and Materials	3,426	3,426	3,330	96
170 Summer School Program:				
173 High School Summer School:				
100 Salaries	-	-	54,291	(54,291)
200 Employee Benefits	-	-	13,047	(13,047)
400 Supplies and Materials	-	-	114	(114)

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGETS AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
100 INSTRUCTION (CONTINUED)				
180 Adult/Continuing Educational Programs:				
181 Adult Basic Education Programs:				
100 Salaries	$ 155,836	$ 161,459	$ 231,559	$ (70,100)
200 Employee Benefits	55,117	55,117	67,852	(12,735)
300 Purchased Services	1,800	2,088	2,117	(29)
600 Other Objects	-	120	120	-
182 Adult Education Secondary Programs:				
300 Purchased Services	500	747	645	102
400 Supplies and Materials	10,570	5,447	4,886	561
190 Instructional Pupil Activity:				
100 Salaries	399,352	399,352	478,515	(79,163)
200 Employee Benefits	98,483	98,483	111,893	(13,410)
660 Instructional Pupil Activity	23,656	24,455	23,571	884
TOTAL INSTRUCTION	96,643,708	96,668,037	92,605,984	4,062,053
200 SUPPORT SERVICES:				
210 Pupil Services:				
211 Attendance and Social Work Services:				
100 Salaries	808,993	808,993	856,963	(47,970)
200 Employee Benefits	324,422	324,422	335,716	(11,294)
300 Purchased Services	6,000	6,000	4,489	1,511
400 Supplies and Materials	3,862	3,862	3,662	200
212 Guidance Services:				
100 Salaries	3,077,464	3,077,664	2,939,701	137,963
200 Employee Benefits	1,021,588	1,021,588	999,427	22,161
300 Purchased Services	2,175	2,221	895	1,326
400 Supplies and Materials	21,810	20,686	17,799	2,887
213 Health Services:				
100 Salaries	1,354,534	1,354,534	1,393,401	(38,867)
200 Employee Benefits	414,928	414,928	472,437	(57,509)
300 Purchased Services	400	480	350	130
400 Supplies and Materials	24,757	24,777	21,833	2,944
214 Psychological Services:				
100 Salaries	843,494	843,494	943,421	(99,927)
200 Employee Benefits	263,369	263,369	280,409	(17,040)
300 Purchased Services	6,000	6,000	5,700	300
400 Supplies and Materials	6,562	6,562	6,930	(368)
217 Career Specialist Services:				
100 Salaries	178,378	178,378	77,682	100,696
200 Employee Benefits	71,800	71,800	27,801	43,999
400 Supplies and Materials	1,050	1,050	981	69
220 Instructional Staff Services:				
221 Improvement of Instruction-Curriculum Development:				
100 Salaries	3,382,838	2,859,403	2,820,941	38,462
200 Employee Benefits	1,010,586	851,471	858,854	(7,383)
300 Purchased Services	548,275	530,725	361,288	169,437
400 Supplies and Materials	171,777	174,225	112,508	61,717
600 Other Objects	1,850	2,500	2,150	350
222 Library and Media Services:				
100 Salaries	1,860,163	1,860,163	1,838,430	21,733
200 Employee Benefits	672,711	672,711	652,365	20,346
300 Purchased Services	1,000	1,745	1,491	254
400 Supplies and Materials	289,405	290,439	273,667	16,772

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGETS AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
200 SUPPORT SERVICES (CONTINUED)				
220 Instructional Staff Services (Continued):				
223 Supervision of Special Programs:				
100 Salaries	$ 530,604	$ 530,604	$ 373,686	$ 156,918
200 Employee Benefits	139,416	139,416	109,037	30,379
300 Purchased Services	-	1,930	4,504	(2,574)
400 Supplies and Materials	19,280	600	2,086	(1,486)
600 Other Objects	1,753	-	-	-
224 Improvement of Instruction-Inservice and Staff Training:				
100 Salaries	4,798	1,356	1,565	(209)
200 Employee Benefits	-	-	367	(367)
300 Purchased Services	88,295	81,012	70,256	10,756
400 Supplies and Materials	8,075	12,031	9,152	2,879
230 General Administration Services:				
231 Board of Education:				
100 Salaries	70,000	70,000	51,750	18,250
200 Employee Benefits	16,580	16,580	7,782	8,798
300 Purchased Services	299,275	281,275	192,143	89,132
318 Audit Services	40,000	40,000	32,600	7,400
400 Supplies and Materials		12,000	100	11,900
600 Other Objects	337,225	337,225	293,730	43,495
232 Office of the Superintendent:				
100 Salaries	261,672	261,672	274,699	(13,027)
200 Employee Benefits	72,703	72,703	99,569	(26,866)
300 Purchased Services	12,000	13,526	8,738	4,788
400 Supplies and Materials	10,470	10,470	4,581	5,889
600 Other Objects	6,100	6,100	5,042	1,058
233 School Administration:				
100 Salaries	8,423,919	8,423,919	8,067,519	356,400
200 Employee Benefits	2,737,461	2,737,461	3,375,807	(638,346)
300 Purchased Services	239,973	230,320	143,602	86,718
400 Supplies and Materials	205,419	230,612	190,469	40,143
500 Capital Outlay	5,176	5,176	1,473	3,703
600 Other Objects	51,298	49,303	44,021	5,282
250 Finance and Operations Services:				
251 Student Transportation (Federal/District Mandated):				
100 Salaries	-	-	3,282	(3,282)
200 Employee Benefits	-	-	751	(751)
300 Purchased Services	7,235	7,235	3,709	3,526
252 Fiscal Services:				
100 Salaries	819,288	819,288	780,130	39,158
200 Employee Benefits	276,369	276,369	263,230	13,139
300 Purchased Services	113,000	111,474	66,316	45,158
400 Supplies and Materials	65,250	63,576	32,002	31,574
500 Capital Outlay	6,250	6,250	-	6,250
600 Other Objects	4,500	4,500	4,131	369
254 Operation and Maintenance of Plant:				
100 Salaries	6,087,461	6,087,461	6,127,346	(39,885)
200 Employee Benefits	2,574,942	2,574,942	2,414,266	160,676
300 Purchased Services	3,178,535	3,179,536	3,290,901	(111,365)
321 Public Utilities	649,600	649,600	659,134	(9,534)
400 Supplies and Materials	935,900	937,110	845,808	91,302
470 Energy	4,364,180	4,364,180	4,263,678	100,502
600 Other Objects	35,310	35,310	5,076	30,234
255 Student Transportation:				
100 Salaries	2,954,659	2,954,659	3,059,100	(104,441)
200 Employee Benefits	837,194	837,194	836,057	1,137
300 Purchased Services	389,900	400,529	509,897	(109,368)
400 Supplies and Materials	67,235	79,635	77,132	2,503
600 Other Objects	1,450	600	328	272

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGETS AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
200 SUPPORT SERVICES (CONTINUED)				
250 Finance and Operations Services (Continued):				
257 Internal Services:				
100 Salaries	$ 269,452	$ 269,452	$ 271,421	$ (1,969)
200 Employee Benefits	87,112	87,112	88,391	(1,279)
300 Purchased Services	725,275	723,852	593,332	130,520
400 Supplies and Materials	40,789	42,589	41,808	781
258 Security:				
100 Salaries	70,906	70,906	71,334	(428)
200 Employee Benefits	24,083	24,083	24,516	(433)
300 Purchased Services	1,495,207	1,473,567	1,532,167	(58,600)
400 Supplies and Materials	-	1,180	1,201	(21)
260 Central Support Services:				
263 Information Services:				
100 Salaries	163,567	688,802	737,345	(48,543)
200 Employee Benefits	48,688	207,924	213,737	(5,813)
300 Purchased Services	73,000	62,569	48,474	14,095
400 Supplies and Materials	32,975	38,806	34,160	4,646
600 Other Objects	13,700	14,050	11,759	2,291
264 Staff Services:				
100 Salaries	532,761	532,761	602,675	(69,914)
200 Employee Benefits	175,016	175,016	216,676	(41,660)
300 Purchased Services	65,750	70,571	52,110	18,461
400 Supplies and Materials	63,824	64,824	47,974	16,850
600 Other Objects	825	825	757	68
266 Technology and Data Processing Services:				
100 Salaries	1,503,216	1,503,216	1,479,443	23,773
200 Employee Benefits	430,526	430,526	491,660	(61,134)
300 Purchased Services	161,275	161,275	225,308	(64,033)
400 Supplies and Materials	12,300	12,300	8,741	3,559
270 Support Services Pupil Activity:				
271 Pupil Services Activities:				
100 Salaries	1,202,873	1,202,873	1,597,876	(395,003)
200 Employee Benefits	330,942	330,942	389,041	(58,099)
300 Purchased Services	21,700	22,424	19,246	3,178
660 Pupil Activity	363,165	363,165	533,240	(170,075)
Total expenditures, excluding capital outlay	61,217,442	61,193,113	61,250,762	(57,649)
Total capital outlay	11,426	11,426	1,473	9,953
TOTAL SUPPORT SERVICES	61,228,868	61,204,539	61,252,235	(47,696)
300 COMMUNITY SERVICES				
390 Other Community Services:				
300 Purchased Services	15,000	15,000	15,120	(120)
400 Supplies and Materials	6,500	6,500	4,905	1,595
TOTAL COMMUNITY SERVICES	21,500	21,500	20,025	1,475

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGETS AND ACTUAL
YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
400 OTHER CHARGES				
410 Intergovernmental Expenditures:				
411 Payments to the State Department of Education:				
720 Transits	$ 22,000	$ 22,000	$ -	$ 22,000
412 Payments to Other Governmental Units:				
720 Transits	26,000	26,000	72,189	(46,189)
415 Payments to Nonprofit Entities (for First Steps):				
720 Transits	3,200	3,200	-	3,200
TOTAL INTERGOVERNMENTAL EXPENDITURES	51,200	51,200	72,189	(20,989)
TOTAL EXPENDITURES	157,945,276	157,945,276	153,950,433	3,994,843
OTHER FINANCING SOURCES (USES):				
Interfund Transfers, From (To) Other Funds:				
5300 Sale of Capital Assets	-	-	8,140	8,140
5230 Transfer from Special Revenue EIA	3,606,122	3,606,122	3,635,913	29,791
5280 Transfers from Other Funds Indirect Costs	200,000	200,000	260,787	60,787
424-710 Transfer to Capital Projects Fund	-	-	(201,430)	(201,430)
425-710 Transfer to Food Service Fund	(511,745)	(511,745)	(241,008)	270,737
TOTAL OTHER FINANCING SOURCES (USES)	3,294,377	3,294,377	3,462,402	168,025
Excess (Deficiency) of Revenues Over Expenditures	$ (3,747,745)	$ (3,747,745)	(964,944)	$ 2,782,801
FUND BALANCE, JULY 1, 2013			33,129,057	
FUND BALANCE, JUNE 30, 2014			$ 32,164,113	

SPECIAL REVENUE FUNDS

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

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

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
REVENUES:								
1000 Revenue from Local Sources:								
1900 Other Revenue From Local Sources:								
1920 Contributions and Donations Private Sources	$ -	$ -	$ -	$ -	$ -	$ -	$ 112,537	$ 112,537
1930 Medicaid	-	-	-	-	-	-	670,919	670,919
Total Local Sources	-	-	-	-	-	-	783,456	783,456
3000 Revenue from State Sources:								
3100 Restricted State Funding:								
3110 Occupational Education:								
3116 EEDA - Miscellaneous	-	-	-	-	-	5,113	-	5,113
3118 EEDA Career Specialist	-	-	-	-	-	488,976	-	488,976
3120 General Education:								
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	116,876		116,876
3130 Special Programs:								
3136 Student Health and Fitness - Nurses	-	-	-	-	-	371,119	-	371,119
3155 Snap Adult Ed	-	-	-	-	-	1,636	-	1,636
3190 Miscellaneous Restricted State Grants:								
3193 Education License Plate	-	-	-	-	-	3,225	-	3,225
3199 Other Restricted State Grants	-	-	-	-	-	-	4,002	4,002
3600 Education Lottery Act Revenue:								
3607 6-8 Enhancement	-	-	-	-	-	42,973	-	42,973
3610 K - 5 Enhancement	-	-	-	-	-	532,958	-	532,958
Total State Sources	-	-	-	-	-	1,562,876	4,002	1,566,878
4000 Revenue from Federal Sources:								
4200 Occupational Education:								
4210 Perkins Aid, Title I	-	-	-	191,274	-	-	-	191,274
4300 Elementary and Secondary Education Act of 1965:								
4310 Title I, Basic State Grant Programs	1,422,638	-	-	-	-	-	215,719	1,638,357
4341 Language Instruction for Limited English, Title III	-	-	-	-	-	-	42,842	42,842
4343 McKinney-Vento	-	-	-	-	-	-	72,003	72,003
4351 Improving Teacher Quality	-	-	-	-	-	-	168,323	168,323
4400 Adult Education:								
4410 Basic Adult Education	-	-	-	-	70,825	-	-	70,825
4500 Programs for Children with Disabilities:								
4510 IDEA	-	3,755,115	-	-	-	-	-	3,755,115
4520 Pre-School Grants (IDEA)	-	-	153,039	-	-	-	-	153,039

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
REVENUES (CONTINUED):								
4000 Revenue from Federal Sources (Continued):								
4900 Other Federal Sources:								
4924 21st Century	$ -	$ -	$ -	$ -	$ -	$ -	$ 243,453	$ 243,453
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	2,628,669	2,628,669
Total Federal Sources	1,422,638	3,755,115	153,039	191,274	70,825	-	3,371,009	8,963,900
TOTAL REVENUE ALL SOURCES	1,422,638	3,755,115	153,039	191,274	70,825	1,562,876	4,158,467	11,314,234
EXPENDITURES:								
100 INSTRUCTION:								
110 General Instruction:								
111 Kindergarten Programs:								
100 Salaries	-	-	-	-	-	13,827	-	13,827
200 Employee Benefits	-	-	-	-	-	4,798	-	4,798
112 Primary Programs:								
100 Salaries	625,253	-	-	-	-	45,562	176,637	847,452
200 Employee Benefits	207,718	-	-	-	-	12,502	40,008	260,228
300 Purchased Services	-	-	-	-	-	-	43,396	43,396
400 Supplies and Materials	101,282	-	-	-	-	-	478,413	579,695
113 Elementary Programs:								
100 Salaries	172,997	-	-	-	-	62,274	64,642	299,913
200 Employee Benefits	57,637	-	-	-	-	20,887	22,930	101,454
300 Purchased Services	455	-	-	-	-	-	9,453	9,908
400 Supplies and Materials	8,429	-	-	-	-	-	57,727	66,156
500 Capital Outlay	-	-	-	-	-	-	28,691	28,691
114 High School Programs:								
100 Salaries	-	-	-	-	-	-	284,976	284,976
200 Employee Benefits	-	-	-	-	-	-	22,372	22,372
300 Purchased Services	-	-	-	-	-	-	47,332	47,332
400 Supplies and Materials	-	-	-	-	-	862	387,598	388,460
500 Capital Outlay	-	-	-	-	-	-	12,420	12,420
115 Career & Technology Education Programs:								
300 Purchased Services	-	-	-	16,250	-	-	-	16,250
400 Supplies and Materials	-	-	-	66,524	-	-	5,047	71,571

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
EXPENDITURES (CONTINUED):								
100 INSTRUCTION (CONTINUED):								
120 Exceptional Programs (Continued):								
121 Educable Mentally Handicapped:								
100 Salaries	$ -	$ 113,712	$ -	$ -	$ -	$ -	$ -	$ 113,712
200 Employee Benefits	-	48,498	-	-	-	-	-	48,498
300 Purchased Services	-	1,669	-	-	-	-	-	1,669
400 Supplies and Materials	-	2,886	-	-	-	-	-	2,886
122 Trainable Mentally Handicapped:								
100 Salaries	-	166,192	-	-	-	-	32,032	198,224
200 Employee Benefits	-	45,794	-	-	-	-	5,176	50,970
300 Purchased Services	-	1,291	-	-	-	-	-	1,291
400 Supplies and Materials	-	4,328	-	-	-	-	-	4,328
124 Visually Handicapped:								
100 Salaries	-	47,016	-	-	-	-	4,336	51,352
200 Employee Benefits	-	16,862	-	-	-	-	465	17,327
300 Purchased Services	-	19,288	-	-	-	-	-	19,288
400 Supplies and Materials	-	15,304	-	-	-	-	-	15,304
125 Hearing Handicapped:								
100 Salaries	-	77,283	-	-	-	-	-	77,283
200 Employee Benefits	-	22,488	-	-	-	-	-	22,488
300 Purchased Services	-	44,651	-	-	-	-	13,242	57,893
400 Supplies and Materials	-	14,654	-	-	-	-	3,886	18,540
126 Speech Handicapped:								
100 Salaries	-	528,411	-	-	-	-	5,550	533,961
200 Employee Benefits	-	171,831	-	-	-	-	1,307	173,138
300 Purchased Services	-	2,219	-	-	-	-	-	2,219
400 Supplies and Materials	-	14,753	-	-	-	-	-	14,753
127 Learning Disabilities:								
100 Salaries	-	371,543	-	-	-	-	2,559	374,102
200 Employee Benefits	-	143,136	-	-	-	-	275	143,411
300 Purchased Services	-	285	-	-	-	-	-	285
400 Supplies and Materials	-	80,280	-	-	-	-	-	80,280
128 Emotionally Handicapped:								
100 Salaries	-	56,499	-	-	-	-	11,417	67,916
200 Employee Benefits	-	15,883	-	-	-	-	1,738	17,621
400 Supplies and Materials	-	321	-	-	-	-	-	321
129 Coordinated Early Intervening Services:								
100 Salaries	39,497	328,979	-	-	-	81,461	-	449,937
200 Employee Benefits	44,532	110,395	-	-	-	25,126	-	180,053

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
EXPENDITURES (CONTINUED):								
100 INSTRUCTION (CONTINUED):								
130 Pre-School Programs:								
135 Preschool Handicapped Speech (3&4 Yr Olds):								
100 Salaries	$ -	$ -	$ 54,824	$ -	$ -	$ -	$ -	$ 54,824
200 Employee Benefits	-	-	23,649	-	-	-	-	23,649
136 Preschool Handicapped Itinerant (3&4 Yr. Olds):								
100 Salaries	-	12,122	-	-	-	-	-	12,122
200 Employee Benefits	-	4,391	-	-	-	-	-	4,391
137 Preschool Handicapped Self-Contained (3&4 Yr. Olds):								
100 Salaries	-	113,784	34,858	-	-	-	15,030	163,672
200 Employee Benefits	-	40,049	8,693	-	-	-	1,290	50,032
300 Purchased Services	-	846	-	-	-	-	-	846
400 Supplies and Materials	-	5,363	26,255	-	-	-	-	31,618
140 Special Programs:								
149 Other Special Programs:								
100 Salaries	-	3,500	-	-	-	-	-	3,500
200 Employee Benefits	-	1,503	-	-	-	-	-	1,503
400 Supplies and Materials	-	-	-	-	-	-	15,412	15,412
160 Other Exceptional Programs:								
161 Autism:								
100 Salaries	-	95,871	-	-	-	-	149,352	245,223
200 Employee Benefits	-	39,014	-	-	-	-	40,443	79,457
300 Purchased Services	-	25,000	-	-	-	-	-	25,000
400 Supplies and Materials	-	31,675	-	-	-	-	-	31,675
170 Summer School Programs:								
175 Instructional Programs Beyond Regular School Day:								
300 Purchased Services	27,520	-	-	-	-	-	-	27,520
180 Adult/Continuing Educational Programs:								
181 Adult Basic Education Programs:								
100 Salaries	-	-	-	-	15,396	-	2,542	17,938
200 Employee Benefits	-	-	-	-	4,465	-	458	4,923
400 Supplies and Materials	-	-	-	-	4,200	1,636	-	5,836

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
EXPENDITURES (CONTINUED):								
100 INSTRUCTION (CONTINUED):								
180 Adult/Continuing Educational Programs (Continued):								
182 Adult Secondary Education Programs:								
100 Salaries	$ -	$ -	$ -	$ -	$ 11,834	$ -	$ -	$ 11,834
200 Employee Benefits	-	-	-	-	3,630	-		3,630
300 Purchased Services	-	-	-	-	1,810	-	-	1,810
400 Supplies and Materials	-	-	-	-	5,701	-	2,000	7,701
183 Adult English Literacy (ESL):								
100 Salaries	-	-	-	-	15,529	-	-	15,529
200 Employee Benefits	-	-	-	-	4,471	-	-	4,471
400 Supplies and Materials	-	-	-	-	3,789	-	-	3,789
188 Parenting/Family Literacy:								
100 Salaries	-	-	-	-	-	-	46,448	46,448
200 Employee Benefits	-	-	-	-	-	-	15,543	15,543
400 Supplies and Materials	-	-	-	-	-	-	5,621	5,621
Total expenditures, excluding capital outlay	1,285,320	2,839,569	148,279	82,774	70,825	268,935	2,016,653	6,712,355
Capital outlay	-	-	-	-	-	-	41,111	41,111
TOTAL INSTRUCTION	1,285,320	2,839,569	148,279	82,774	70,825	268,935	2,057,764	6,753,466
200 SUPPORT SERVICES:								
210 Pupil Services:								
211 Attendance and Social Work Services:								
100 Salaries	-	-	-	-	-	-	18,199	18,199
200 Employee Benefits	-	-	-	-	-	-	4,339	4,339
212 Guidance Services:								
100 Salaries	-	-	-	-	-	241,344	-	241,344
200 Employee Benefits	-	-	-	-	-	72,320	-	72,320
300 Purchased Services	-	-	-	-	-	4,251	-	4,251
400 Supplies and Materials	-	-	-	4,500	-	-	-	4,500
213 Health Services:								
100 Salaries	-	17,710	-	-	-	268,689	53,733	340,132
200 Employee Benefits	-	5,344	-	-	-	102,430	17,166	124,940
300 Purchased Services	-	3,969	-	-	-	-	6,150	10,119
400 Supplies and Materials	-	25,172	-	-	-	-	9,995	35,167

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
EXPENDITURES (CONTINUED):								
200 SUPPORT SERVICES (CONTINUED):								
210 Pupil Services (Continued):								
214 Psychological Services:								
100 Salaries	$ -	$ 350,803	$ -	$ -	$ -	$ -	$ -	$ 350,803
200 Employee Benefits	-	99,802	-	-	-	-	-	99,802
300 Purchased Services	-	3,087	-	-	-	-	2,825	5,912
400 Supplies and Materials	-	38,701	-	-	-	-	-	38,701
217 Career Specialist Services:								
100 Salaries	-	-	-	-	-	121,581	-	121,581
200 Employee Benefits	-	-	-	-	-	53,730	-	53,730
220 Instructional Staff Services:								
221 Improvement of Instruction - Curriculum Development:								
100 Salaries	-	31,348	-	-	-	316,891	13,482	361,721
200 Employee Benefits	-	6,874	-	-	-	109,480	3,665	120,019
300 Purchased Services	-	13,525	-	-	-	-	(9)	13,516
400 Supplies and Materials	-	10,185	-	-	-	-	2,549	12,734
223 Supervision of Special Programs:								
100 Salaries	-	80,694	-	-	-	-	297,406	378,100
200 Employee Benefits	-	28,266	-	-	-	-	93,431	121,697
300 Purchased Services	-	24,872	-	-	-	-	517,771	542,643
400 Supplies and Materials	-	9,966	-	-	-	-	102,235	112,201
600 Other Objects	-	-	-	-	-	-	1,500	1,500
224 Improvement of Instruction-Inservice Training:								
100 Salaries	-	1,565	-	-	-	-	34,137	35,702
200 Employee Benefits	-	323	-	-	-	-	6,992	7,315
300 Purchased Services	16,980	32,890	-	45,800	-	-	318,324	413,994
400 Supplies and Materials	11	-	-	-	-	-	24,321	24,332
600 Other Objects	-	-	-	-	-	-	1,116	1,116
230 General Administration Services:								
233 School Administration:								
100 Salaries	-	-	-	-	-	-	20,110	20,110
200 Employee Benefits	-	-	-	-	-	-	8,905	8,905
300 Purchased Services	-	-	-	4,000	-	-	2,000	6,000
400 Supplies and Materials	-	-	-	540	-	-	42	582
600 Other Objects	-	-	-	-	-	-	545	545

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
EXPENDITURES (CONTINUED):								
200 SUPPORT SERVICES (CONTINUED):								
250 Finance and Operations Services:								
251 Student Transportation (Federal/District Mandated):								
100 Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,517	$ 29,517
200 Employee Benefits	-	-	-	-	-	-	5,898	5,898
300 Purchased Services	75,881	12,957	-	-	-	-	32,618	121,456
254 Operation & Maintenance of Plant:								
300 Purchased Services	-	-	-	-	-	-	1,275	1,275
500 Equipment and Improvements	-	-	-	-	-	-	23,295	23,295
256 Food Services:								
100 Salaries	-	-	-	-	-	-	4,300	4,300
300 Purchased Services	-	-	-	-	-	-	6,022	6,022
400 Supplies and Materials	-	-	-	-	-	-	2,955	2,955
260 Central Support Services:								
266 Technology and Data Processing Services:								
100 Salaries	-	-	-	-	-	-	44,601	44,601
200 Employee Benefits	-	-	-	-	-	-	15,157	15,157
300 Purchased Services	-	-	-	-	-	-	42,834	42,834
400 Supplies and Materials	-	-	-	-	-	3,225	667	3,892
270 Support Services - Pupil Activity:								
271 Pupil Service Activities:								
100 Salaries	-	-	-	-	-	-	154	154
200 Employee Benefits	-	-	-	-	-	-	36	36
300 Purchased Services	-	-	-	53,660	-	-	848	54,508
Total expenditures, excluding capital outlay	92,872	798,053	-	108,500	-	1,293,941	1,747,811	4,041,177
Capital outlay	-	-	-	-	-	-	23,295	23,295
TOTAL SUPPORT SERVICES	92,872	798,053	-	108,500	-	1,293,941	1,771,106	4,064,472

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2014

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
EXPENDITURES (CONTINUED):								
300 COMMUNITY SERVICES								
360 Welfare Services:								
300 Purchased Services	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,460	$ 13,460
400 Supplies and Materials	-	-	-	-	-	-	25,544	25,544
TOTAL COMMUNITY SERVICES	-	-	-	-	-	-	39,004	39,004
410 INTERGOVERNMENTAL EXPENDITURES:								
412-720 Payments to Other Governmental Units	-	-	-	-	-	-	5,576	5,576
414-720 Payments to Other Governmental Units	-	-	-	-	-	-	190,929	190,929
TOTAL INTERGOVERNMENTAL EXPENDITURES	-	-	-	-	-	-	196,505	196,505
TOTAL EXPENDITURES	1,378,192	3,637,622	148,279	191,274	70,825	1,562,876	4,064,379	11,053,447
OTHER FINANCING SOURCES (USES):								
Interfund Transfers, From (To) Other Funds:								
431-791 Special Revenue Fund Indirect Cost	(44,446)	(117,493)	(4,760)	-	-	-	(94,088)	(260,787)
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-
FUND BALANCE, JULY 1, 2013	-	-	-	-	-	-	-	-
FUND BALANCE, JUNE 30, 2014	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SUMMARY SCHEDULE FOR ADULT EDUCATION, OTHER RESTRICTED
STATE GRANTS AND OTHER SPECIAL PROJECTS PROGRAMS
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2014

SUBFUND	REVENUE CODE	PROGRAM	REVENUE	EXPENDITURES	Other Fund Transfers In/(Out)	DEFERRED REVENUE
Other Restricted State Grants						
919	3193	Education License Plates	$ 3,225	$ 3,225	$ -	$ -
926	3116	EEDA Miscellaneous	5,113	5,113	-	-
928	3118	EEDA Career Specialist	488,976	488,976	-	-
936	3136	Student Health and Fitness - Nurses	371,119	371,119	-	-
937	3127	Student Health and Fitness - PE Teachers	116,876	116,876	-	-
955	3155	Adult Education	1,636	1,636	-	-
960	3610	K - 5 Enhancement	532,958	532,958	-	-
967	3607	6 - 8 Enhancement	42,973	42,973	-	-
		Total	1,562,876	1,562,876	-	$ -
Other Special Revenue Programs						
224	4924	21st Century	243,453	235,880	(7,573)	
232	4343	McKinney-Vento	46,677	45,226	(1,451)	
237	4310	Title I - School Improvement	215,719	209,010	(6,709)	
256	4343	McKinney-Vento	25,326	24,542	(784)	
264	4341	Title II - English Language Acquisition	42,842	42,002	(840)	
267	4351	Improving Teacher Quality	168,323	163,088	(5,235)	
803	4999	Magnet School Grant	2,216,029	2,147,174	(68,855)	
810	4999	Farm to School Grant	12,802	12,404	(398)	
831	4999	CHS NJROTC	80,706	80,706	-	
832	4999	IHS, DFHS AFJROTC	139,223	139,223	-	
846	4999	Smaller Learning Communities	107,982	107,982	-	
857	4999	Drug Free Communities	32,797	31,771	(1,026)	
868	1920	Lexington County First Steps	66,991	66,991	-	
890	1930	Medicaid	670,919	670,919	-	
897	4999	Teaching American History	39,130	37,913	(1,217)	
898	1920/1999	Mini Grants	49,548	49,548	-	
		Total	$ 4,158,467	$ 4,064,379	$ (94,088)	

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SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2014

	TOTAL
REVENUES:	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	$ 14,672
3505 Technology Initiative	22,653
3509 Arts in Education	3,478
3511 Professional Development	54,680
3525 Career and Technology Education Equipment	139,540
3526 Science Kits	58,939
3532 National Board Certification Salary Supplement	2,955,591
3533 Teacher of the Year Awards	1,077
3538 Students at Risk of School Failure	2,107,614
3540 Early Childhood (Four-Year-Old)	257,327
3544 High Achieving Students	1,201,225
3550 Teacher Salary Increase	3,209,211
3555 School Employer Contributions	426,702
3556 Adult Education	269,812
3558 Reading	79,178
3577 Teacher Supplies	370,700
3578 High Schools that Work/Making Middle Grades Work	28,934
3585 Aid to Districts-Special Education	685,775
3592 Work-Based Learning	58,611
3594 EEDA At Risk Supplemental Programs	31,303
3597 Aid to Districts	793,705
3599 Other EIA	3,740
Total State Sources	12,774,467
TOTAL REVENUE ALL SOURCES	12,774,467
EXPENDITURES:	
100 INSTRUCTION:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	86,322
200 Employee Benefits	19,500
400 Supplies and Materials	21,907
112 Primary Programs:	
100 Salaries	1,274,066
200 Employee Benefits	394,322
400 Supplies and Materials	87,557
113 Elementary Programs:	
100 Salaries	1,467,395
200 Employee Benefits	436,471
400 Supplies and Materials	149,885

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2014

	TOTAL
EXPENDITURES (CONTINUED):	
100 INSTRUCTION (CONTINUED):	
110 General Instruction (Continued):	
114 High School Programs:	
100 Salaries	$ 762,787
200 Employee Benefits	182,185
400 Supplies and Materials	87,199
115 Career & Technology Education Programs:	
100 Salaries	92,250
200 Employee Benefits	20,927
400 Supplies and Materials	173,097
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	1,925
122 Trainable Mentally Handicapped:	
100 Salaries	15,000
200 Employee Benefits	3,459
400 Supplies and Materials	3,300
124 Visually Handicapped:	
400 Supplies and Materials	825
125 Hearing Handicapped:	
400 Supplies and Materials	550
126 Speech Handicapped:	
100 Salaries	15,000
200 Employee Benefits	3,432
400 Supplies and Materials	6,600
127 Learning Disabilities:	
100 Salaries	141,797
200 Employee Benefits	36,868
400 Supplies and Materials	19,525
128 Emotionally Handicapped:	
100 Salaries	71,167
200 Employee Benefits	20,997
400 Supplies and Materials	3,025
129 Coordinated Early Intervening Services:	
100 Salaries	65,959
200 Employee Benefits	21,455
400 Supplies and Materials	1,375
130 Pre-School Programs:	
136 Preschool Handicapped Speech (3 & 4 Yr. Olds):	
100 Salaries	500
200 Employee Benefits	115
137 Preschool Handicapped Self-Contained (3 & 4 Yr. Olds):	
100 Salaries	201,681
200 Employee Benefits	80,835
400 Supplies and Materials	4,125

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2014

	TOTAL
EXPENDITURES (CONTINUED):	
100 INSTRUCTION (CONTINUED):	
130 Pre-School Programs (Continued):	
138 Preschool Handicapped Homebased (3 & 4 Yr. Olds):	
100 Salaries	$ 250
200 Employee Benefits	58
139 Early Childhood Programs:	
100 Salaries	142,126
200 Employee Benefits	42,876
300 Purchased Services	152
400 Supplies and Materials	35,841
140 Special Programs:	
141 Gifted and Talented-Academic:	
100 Salaries	744,806
200 Employee Benefits	247,584
300 Purchased Services	4,902
400 Supplies and Materials	49,277
600 Other Objects	276
143 Advanced Placement:	
400 Supplies and Materials	1,375
148 Gifted and Talented-Artistic:	
100 Salaries	107,252
200 Employee Benefits	34,165
300 Purchased Services	6,169
400 Supplies and Materials	45,000
149 Other Special Programs:	
100 Salaries	7,500
200 Employee Benefits	1,728
400 Supplies and Materials	1,100
160 Other Exceptional Programs:	
161 Autism:	
100 Salaries	40,318
200 Employee Benefits	9,690
400 Supplies and Materials	2,750
170 Summer School Program:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	3,300
200 Employee Benefits	800
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	10,871
200 Employee Benefits	960

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2014

	TOTAL
EXPENDITURES (CONTINUED):	
100 INSTRUCTION (CONTINUED):	
180 Adult/Continuing Educational Programs (Continued):	
182 Adult Secondary Education Programs:	
100 Salaries	$ 101,310
200 Employee Benefits	22,083
400 Supplies and Materials	36,456
183 Adult English Literacy:	
100 Salaries	3,145
188 Parenting/Family Literacy:	
100 Salaries	65,347
200 Employee Benefits	29,969
300 Purchased Services	5,326
400 Supplies and Materials	10,616
TOTAL INSTRUCTION	7,790,763
200 SUPPORT SERVICES:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	82,500
200 Employee Benefits	18,913
400 Supplies and Materials	12,625
214 Psychological Services:	
100 Salaries	199,545
200 Employee Benefits	61,696
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	204,896
200 Employee Benefits	68,836
300 Purchased Services	521
400 Supplies and Materials	1,375
600 Other Objects	5,400
222 Library and Media:	
100 Salaries	70,313
200 Employee Benefits	16,126
400 Supplies and Materials	7,150
223 Supervision of Special Programs:	
100 Salaries	305,975
200 Employee Benefits	88,221
300 Purchased Services	4,531
400 Supplies and Materials	5,643

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2014

	TOTAL
EXPENDITURES (CONTINUED):	
200 SUPPORT SERVICES (CONTINUED):	
220 Instructional Staff Services (Continued):	
224 Improvement of Instruction-Inservice and Staff Training:	
100 Salaries	$ 16,600
200 Employee Benefits	3,960
300 Purchased Services	110,394
400 Supplies and Materials	15,223
250 Finance and Operations Services:	
251 Student Transportation	
100 Salaries	5,181
200 Employee Benefits	1,021
300 Purchased Services	2,572
260 Central Support Services:	
266 Technology and Data Processing Services	
100 Salaries	7,500
200 Employee Benefits	1,712
400 Supplies and Materials	22,928
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
300 Purchased Services	6,434
TOTAL SUPPORT SERVICES	1,347,791
TOTAL EXPENDITURES	9,138,554
OTHER FINANCING SOURCES (USES):	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund	(3,635,913)
TOTAL OTHER FINANCING SOURCES (USES)	(3,635,913)
Excess (Deficiency) of Revenues Over Expenditures	-
FUND BALANCE, JULY 1, 2013	-
FUND BALANCE, JUNE 30, 2014	$ -

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SUMMARY SCHEDULE BY PROGRAM
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2014

PROGRAM	Revenues	Expenditures	EIA Interfund Transfer In/(Out)	Transfers In/(Out)	Deferred Revenue
3500 Education Improvement Act:					
3502 ADEPT	$ 14,672	$ 14,672	$ -	$ -	$ -
3505 Technology Initiative	22,653	22,653	-	-	-
3509 Arts in Education	3,478	3,478	-	-	-
3511 Professional Development	54,680	54,680	-	-	48,317
3518 Formative Assessment	-	-	-	-	39,399
3525 Career and Technology Education Equipment	139,540	139,540	-	-	70,069
3526 Science Kits	58,939	58,939	-	-	9,945
3532 National Board Certification Salary Supplement	2,955,591	2,955,591	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students at Risk of School Failure	2,107,614	2,107,614	-	-	782,268
3540 Early Childhood (Four-Year-Old)	257,327	257,327	-	-	-
3544 High Achieving Students	1,201,225	1,201,225	-	-	399,453
3550 Teacher Salary Increase	3,209,211	-	-	(3,209,211)	-
3555 School Employer Contributions	426,702	-	-	(426,702)	-
3556 Adult Education	269,812	269,812	-	-	131,005
3558 Reading	79,178	79,178	-	-	36,653
3577 Teacher Supplies	370,700	370,700	-	-	-
3578 High Schools that Work/Making Middle Grades Work	28,934	28,934	-	-	10,331
3585 Aid to Districts-Special Education	685,775	685,775	-	-	-
3592 Work-Based Learning	58,611	58,611	-	-	14,731
3594 EEDA At Risk Supplemental Programs	31,303	31,303			66,382
3597 Aid to Districts	793,705	793,705	-	-	793,072
3599 Other EIA	3,740	3,740	-	-	19,785
TOTALS	$ 12,774,467	$ 9,138,554	$ -	$ (3,635,913)	$ 2,421,410

DEBT SERVICE FUND

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

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2014

REVENUES		
1000 Revenue from Local Sources		
1100 Taxes:		
1110 Ad Valorem Taxes-Including Delinquent Taxes	$	24,329,195
1140 Penalties & Interest on Taxes		77,219
1200 Revenue from Local Governmental Units Other than LEAs:		
1280 Revenue in Lieu of Taxes		210,733
1500 Earnings on Investments:		
1510 Interest on Investments		9,576
Total Local Sources		24,626,723
3000 Revenue from State Sources		
3800 State Revenue in Lieu of Taxes:		
3820 Homestead Exemption (Tier 2)		738,450
3830 Merchants Inventory Tax		71,318
3840 Manufacturers Depreciation Reimbursement		83,552
3890 Other State Property Tax Revenue		31,926
Total State Sources		925,246
4000 Revenue from Federal Sources		
4900 Other Federal Sources:		
4999 Revenue from Other Federal Sources		1,798,081
TOTAL REVENUE ALL SOURCES		27,350,050
EXPENDITURES		
500 DEBT SERVICE		
319 Legal Services		63,837
395 Other Professional & Technical Services		59,222
610 Redemption of Principal		47,959,000
620 Interest		9,898,285
690 Other Objects		3,775
TOTAL EXPENDITURES		57,984,119
OTHER FINANCING SOURCES (USES):		
5130 Proceeds from Refunding Debt		40,444,000
Interfund Transfers, From (To) Other Funds:		
5250 Transfer from Capital Projects Fund		1,199,249
424-710 Transfer to Capital Projects Fund		(12,000,000)
TOTAL OTHER FINANCING SOURCES (USES)		29,643,249
Excess (Deficiency) of Revenues Over Expenditures		(990,820)
Fund Balance July 1, 2013		7,500,378
Fund Balance June 30, 2014	$	6,509,558

CAPITAL PROJECTS FUND

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

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SCHOOL BUILDING FUND
YEAR ENDED JUNE 30, 2014

REVENUES		
1000 Revenues from Local Sources		
1500 Earnings on Investments:		
1510 Interest on Investments	$	316,560
1900 Other Revenue from Local Sources		
1999 Revenue from Other Local Sources		17,500
Total Local Sources		334,060
TOTAL REVENUES ALL SOURCES		334,060
EXPENDITURES		
250 Finance and Operations		
253 Facilities Acquisition & Construction:		
100 Salaries		209,072
200 Employee Benefits		67,055
300 Purchased Services		2,136,213
400 Supplies		3,162,013
500 Capital Outlay		
520 Construction Services		48,521,141
530 Improvements Other Than Buildings		447,458
540 Equipment		6,196,640
545 Technology, Equipment and Software		4,042,992
550 Vehicles		81,041
600 Other Objects		
690 Other Objects		119,631
TOTAL EXPENDITURES		64,983,256
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund		201,430
5240 Transfer from Debt Service Fund		12,000,000
423-710 Transfer to Debt Service Fund		(1,199,249)
TOTAL OTHER FINANCING SOURCES (USES)		11,002,181
Excess (Deficiency) of Revenues Over Expenditures		(53,647,015)
FUND BALANCE JULY 1, 2013		93,048,799
FUND BALANCE JUNE 30, 2014	$	39,401,784

ENTERPRISE FUND

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

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

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

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPES - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM
YEAR ENDED JUNE 30, 2014

	Food Services	After School Program	Totals
REVENUES			
1000 Revenue from Local Sources			
1300 Tuition:			
1310 From Patrons for Regular Day School	$ -	$ 1,346,536	$ 1,346,536
1500 Earnings on Investments:			
1510 Interest on Investments	3,423	688	4,111
1600 Food Service:			
1610 Lunch Sales to Pupils	1,883,611	-	1,883,611
1620 Breakfast Sales to Pupils	100,623	-	100,623
1630 Special Sales to Pupils	1,952,995	-	1,952,995
1640 Lunch Sales to Adults	142,864	-	142,864
1650 Breakfast Sales to Adults	1,760	-	1,760
1660 Special Sales to Adults	106,834	-	106,834
1900 Other Revenue from Local Sources:			
1999 Revenue from Other Local Sources	117,366	-	117,366
Total Revenue from Local Sources	4,309,476	1,347,224	5,656,700
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3140 School Lunch:			
3142 Program Aid	7,500	-	7,500
3900 Other State Sources:			
3999 Revenue from Other State Sources	-	-	-
Total Revenue from State Sources	7,500	-	7,500
4000 Revenue from Federal Sources			
4800 USDA Reimbursement:			
4810 School Lunch Program	2,690,372	-	2,690,372
4830 School Breakfast Program	743,817	-	743,817
4900 Other Federal Sources:			
4991 USDA Commodities	314,027	-	314,027
4999 Revenue from Other Federal Sources	110,672	-	110,672
Total Federal Sources	3,858,888	-	3,858,888
Total Revenue All Sources	$ 8,175,864	$ 1,347,224	$ 9,523,088

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPES - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM
YEAR ENDED JUNE 30, 2014

	Food Services	After School Program	Totals
EXPENSES			
111 Kindergarten Programs:			
100 Salaries	$ -	$ 56,302	$ 56,302
200 Employee Benefits	-	23,933	23,933
113 Elementary Programs:			
100 Salaries	-	884	884
200 Employee Benefits	-	211	211
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	-	7,000	7,000
200 Employee Benefits	-	1,669	1,669
300 Purchased Services	-	5,196	5,196
233 School Administration:			
100 Salaries	-	19,424	19,424
200 Employee Benefits	-	4,575	4,575
300 Purchased Services	-	569	569
256 Food Services:			
100 Salaries	2,961,715	-	2,961,715
200 Employee Benefits	1,357,633	-	1,357,633
300 Purchased Services	152,546	-	152,546
400 Supplies and Materials	4,222,566	-	4,222,566
500 Capital Outlay	186,668	-	186,668
600 Other Objects	18,620	-	18,620
271 Pupil Services Activities:			
300 Purchased Services	-	6,342	6,342
400 Supplies and Materials	-	81,150	81,150
350 Custody and Care of Children Services:			
100 Salaries	-	679,010	679,010
200 Employee Benefits	-	128,096	128,096
300 Purchased Services	-	115,334	115,334
400 Supplies and Materials	-	185,465	185,465
TOTAL EXPENSES	8,899,748	1,315,160	10,214,908
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund	241,008	-	241,008
Total Transfers	241,008	-	241,008
Excess (Deficiency) of Revenues Over Expenses	(482,876)	32,064	(450,812)
NET POSITION, JULY 1, 2013	2,366,824	498,612	2,865,436
NET POSITION, JUNE 30, 2014	$ 1,883,948	$ 530,676	$ 2,414,624

FIDUCIARY FUND

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

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

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
PUPIL ACTIVITY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2014

ASSETS	**BALANCE JUNE 30, 2013**	**ADDITIONS**	**DEDUCTIONS**	**BALANCE JUNE 30, 2014**
Accounts Receivable	$ 1,891,143	$ 5,961,093	$ 5,635,522	$ 2,216,714
Inventory	8,322	-	-	8,322
TOTAL ASSETS	1,899,465	5,961,093	5,635,522	2,225,036
LIABILITIES				
Accounts Payable	863	250	-	1,113
Due to Pupil Activities	1,898,602	5,960,843	5,635,522	2,223,923
TOTAL LIABILITIES	$ 1,899,465	$ 5,961,093	$ 5,635,522	$ 2,225,036

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND
PUPIL ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2014

	Other Pupil Activity	Schools Pupil Activity	Totals
RECEIPTS			
1500 Earnings on Investments:			
1510 Interest on Investments	$ -	$ 1,592	$ 1,592
1700 Pupil Activities:			
1740 Student Fees	-	787,652	787,652
1790 Other	654,275	4,503,058	5,157,333
1900 Other Revenue from Local Sources:			
1999 Miscellaneous Local Revenue	14,266	-	14,266
Total Receipts	668,541	5,292,302	5,960,843
DISBURSEMENTS			
270 Supporting Services Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	160,512	-	160,512
200 Employee Benefits	37,140	-	37,140
300 Purchased Services	12,253	-	12,253
660 Pupil Activity	313,133	5,112,484	5,425,617
Total Pupil Activity Expenditures	523,038	5,112,484	5,635,522
Excess (Deficiency) of Revenues Over Expenditures	145,503	179,818	325,321
Due to Pupil Activity - July 1, 2013	268,448	1,630,154	1,898,602
Due to Pupil Activity - June 30, 2014	$ 413,951	$ 1,809,972	$ 2,223,923

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL
YEAR ENDED JUNE 30, 2014

	Chapin Elementary	Ballentine Elementary	Chapin Middle	Chapin High	Crossroads Middle	Dutch Fork Elementary	Oak Pointe Elementary
RECEIPTS							
1000 Receipts from Local Sources							
1500 Earnings on Investments							
1510 Interest on Investments	$ 38	$ 71	$ 87	$ 258	$ 91	$ 41	$ 32
1700 Pupil Activities:							
1740 Student Fees	19,542	17,617	95,127	113,289	36,284	7,366	14,616
1790 Other	186,744	112,091	236,190	598,072	324,642	47,400	114,154
Total Receipts	206,324	129,779	331,404	711,619	361,017	54,807	128,802
DISBURSEMENTS							
270 Supporting Services Pupil Activity:							
271 Pupil Service Activities:							
660 Pupil Activity	133,436	134,120	313,233	724,742	355,460	56,094	117,480
Total Disbursements	133,436	134,120	313,233	724,742	355,460	56,094	117,480
Excess (Deficiency) of Receipts Over Disbursements	72,888	(4,341)	18,171	(13,123)	5,557	(1,287)	11,322
Due to Pupil Activity - July 1, 2013	46,646	96,204	95,563	239,453	77,920	50,787	25,952
Due to Pupil Activity - June 30, 2014	$ 119,534	$ 91,863	$ 113,734	$ 226,330	$ 83,477	$ 49,500	$ 37,274

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL
YEAR ENDED JUNE 30, 2014

	Dutch Fork High	Dutch Fork Middle	H.E. Corley Elementary	Harbison West Elementary	Irmo Elementary	Irmo Middle	Irmo High
RECEIPTS							
1000 Receipts from Local Sources							
1500 Earnings on Investments							
1510 Interest on Investments	$ 239	$ 76	$ 39	$ 23	$ 30	$ 57	$ 231
1700 Pupil Activities:							
1740 Student Fees	138,000	50,122	7,638	5,923	10,958	26,757	89,173
1790 Other	870,287	310,665	49,911	68,736	59,494	121,120	790,929
Total Receipts	1,008,526	360,863	57,588	74,682	70,482	147,934	880,333
DISBURSEMENTS							
270 Supporting Services Pupil Activity:							
271 Pupil Service Activities:							
660 Pupil Activity	902,615	357,968	61,702	90,732	76,539	160,376	855,246
Total Disbursements	902,615	357,968	61,702	90,732	76,539	160,376	855,246
Excess (Deficiency) of Receipts Over Disbursements	105,911	2,895	(4,114)	(16,050)	(6,057)	(12,442)	25,087
Due to Pupil Activity - July 1, 2013	192,699	44,709	48,686	34,038	31,666	57,372	222,583
Due to Pupil Activity - June 30, 2014	$ 298,610	$ 47,604	$ 44,572	$ 17,988	$ 25,609	$ 44,930	$ 247,670

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL
YEAR ENDED JUNE 30, 2014

	Lake Murray Elementary	Leaphart Elementary	Nursery Road Elementary	River Springs Elementary	Seven Oaks Elementary	Academy For Success	The Center
RECEIPTS							
1000 Receipts from Local Sources							
1500 Earnings on Investments							
1510 Interest on Investments	$ 122	$ 20	$ 14	$ 25	$ 22	$ 3	$ 29
1700 Pupil Activities:							
1740 Student Fees	24,531	5,887	7,011	14,785	3,766		53,430
1790 Other	151,879	67,242	33,532	68,385	66,088	1,554	75,570
Total Receipts	176,532	73,149	40,557	83,195	69,876	1,557	129,029
DISBURSEMENTS							
270 Supporting Services Pupil Activity:							
271 Pupil Service Activities:							
660 Pupil Activity	198,458	83,951	43,392	104,126	67,112	2,063	103,529
Total Disbursements	198,458	83,951	43,392	104,126	67,112	2,063	103,529
Excess (Deficiency) of Receipts Over Disbursements	(21,926)	(10,802)	(2,835)	(20,931)	2,764	(506)	25,500
Due to Pupil Activity - July 1, 2013	201,483	28,127	13,351	33,940	41,269	4,580	19,817
Due to Pupil Activity - June 30, 2014	$ 179,557	$ 17,325	$ 10,516	$ 13,009	$ 44,033	$ 4,074	$ 45,317

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL
YEAR ENDED JUNE 30, 2014

	Adult Education	Spring Hill High	Total
RECEIPTS			
1000 Receipts from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	$ 16	$ 28	$ 1,592
1700 Pupil Activities:			
1740 Student Fees		45,831	787,653
1790 Other	2,178	146,194	4,503,057
Total Receipts	2,194	192,053	5,292,302
DISBURSEMENTS			
270 Supporting Services Pupil Activity:			
271 Pupil Service Activities:			
660 Pupil Activity	11,859	158,251	5,112,484
Total Disbursements	11,859	158,251	5,112,484
Excess (Deficiency) of Receipts Over Disbursements	(9,665)	33,802	179,818
Due to Pupil Activity - July 1, 2013	23,309	-	1,630,154
Due to Pupil Activity - June 30, 2014	$ 13,644	$ 33,802	$ 1,809,972

SOUTH CAROLINA STATE DEPARTMENT OF EDUCATION SCHEDULES

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
INSITE LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2014

Location	Location Description	Education Level	Cost Type	2014 YTD Expenditures
1	Districtwide	Non-Schools	Central	$ 87,797,746
15	Chapin Elementary School	Elementary Schools	School	7,613,536
17	Lake Murray Elementary School	Elementary Schools	School	6,945,525
20	Chapin High School	High Schools	School	31,310,313
21	Chapin Middle School	Middle Schools	School	8,792,748
23	HE Corley Elementary School	Elementary Schools	School	7,343,504
24	Ballentine Elementary School	Elementary Schools	School	6,219,725
25	Dutch Fork Elementary School	Elementary Schools	School	6,044,131
26	River Springs Elementary School	Elementary Schools	School	5,877,247
27	Dutch Fork High School	High Schools	School	27,083,285
28	Dutch Fork Middle School	Middle Schools	School	9,634,046
29	Harbison West Elementary School	Elementary Schools	School	6,483,520
30	Oak Point Elementary	Elementary Schools	School	6,389,432
32	New Middle School	Middle Schools	School	3,737,571
33	The Center	High Schools	School	10,899,096
34	Spring Hill High School	High Schools	School	6,674,363
35	Irmo Elementary School	Elementary Schools	School	5,247,672
40	Irmo High School	High Schools	School	29,256,764
45	Crossroads Middle School	Middle Schools	School	9,109,280
46	Irmo Middle School	Middle Schools	School	11,087,632
50	Leaphart Elementary School	Elementary Schools	School	5,032,438
52	Nursery Road Elementary School	Elementary Schools	School	6,672,606
55	Seven Oaks Elementary School	Elementary Schools	School	5,862,872
61	Summer School	High Schools	School	54,851
65	Alternative School	Other Schools	School	1,790,336
				$ 312,960,239

RECONCILIATION OF PRIMARY GOVERNMENT EXPENDITURES TO THE FINANCIAL STATEMENTS

	Expenditures
General Fund	$ 153,950,433
Special Revenue Fund	11,053,447
Special Revenue EIA Fund	9,138,554
Debt Service Fund	57,984,119
Capital Projects Fund	64,983,256
Proprietary Fund	10,214,908
Trust and Agency Fund	5,635,522
Total Expenditures/Disbursements for All Funds	$ 312,960,239

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION / FEDERAL GOVERNMENT
JUNE 30, 2014

Program	Grant or Project Number and FY	Revenue & Subfund Codes	Description	Amount Due to SCDE or Federal Government	Status of Amounts Due to Grantors
Summer Reading Camp	SRF	3116/926	Unexpended Funds	$ 5,331	Paid after Year-End
National Board Certification	EIA	3532/332	Unexpended Funds	37,132	Paid after Year-End
Teacher of the Year Awards	EIA	3533/333	Unexpended Funds	4	Paid after Year-End
			Total Due	$ 42,467	

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
DETAILED SCHEDULE OF DEFERRED REVENUE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
JUNE 30, 2014

Program	Fund Number	Revenue Code	Amount
Professional Development	311	3511	$ 48,317
Formative Assessment	318	3518	39,399
Career and Technology Education Equipment	325	3525	70,069
Science Kits	326	3526	9,945
Students at Risk of School Failure	338	3538	782,268
High Achieving Students	344	3544	399,453
Adult Education	356	3556	131,005
Reading	358	3558	36,653
High Schools that Work/Making Middle Grades Work	378	3578	10,331
Work-Based Learning	392	3592	14,731
EEDA At Risk Supplemental Programs	394	3594	66,382
Aid to Districts	397	3597	793,072
Other EIA	399	3599	19,785
			$ 2,421,410

STATISTICAL SECTION (Unaudited)

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

Contents

	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	104 - 110
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	111 - 118
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	119 - 122
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader Understand the environment within which the District's financial activities take place.	123 - 125
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	126 - 131

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. This District implemented GASB Statement 54 with the fiscal year beginning July 1, 2010; therefore, schedules presenting governmental fund balance information include new fund balance terminology beginning with June 30, 2011. The District implemented GASB Statement 63 with the fiscal year beginning July 1, 2012; therefore, schedules presenting government-wide fund balance information reflect the new fund balance terminology.

TABLE 1

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	$ 124,152,122	$ 137,979,595	$ 127,615,113	$ 149,508,221	$ 141,675,359	$ 167,131,935	$ 173,068,374	$ 175,518,572	$ 174,275,981	$ 174,598,030
Restricted	3,344,517	2,513,011	18,525,701	3,372,639	20,717,142	4,787,501	752,378	6,477,810	6,934,331	4,642,905
Unrestricted	10,677,434	11,677,539	20,711,028	25,968,031	22,596,243	20,832,647	26,613,502	27,967,938	29,979,061	29,050,873
Total governmental activities	138,174,073	152,170,145	166,851,842	178,848,891	184,988,744	192,752,083	200,434,254	209,964,320	211,189,373	208,291,808
Business-type activities:										
Net investment in capital assets	1,464,485	1,549,904	1,327,852	1,122,400	949,845	768,077	590,670	544,780	554,085	553,912
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(289,600)	11,341	73,579	407,107	781,999	1,302,017	2,080,461	2,569,413	2,311,351	1,860,712
Total business-type activities	1,174,885	1,561,245	1,401,431	1,529,507	1,731,844	2,070,094	2,671,131	3,114,193	2,865,436	2,414,624
Primary government										
Net investment in capital assets	125,616,607	139,529,499	128,942,965	150,630,621	142,625,204	167,900,012	173,659,044	176,063,352	174,830,066	175,151,942
Restricted	3,344,517	2,513,011	18,525,701	3,372,639	20,717,142	4,787,501	752,378	6,477,810	6,934,331	4,642,905
Unrestricted	10,387,834	11,688,880	20,784,607	26,375,138	23,378,242	22,134,664	28,693,963	30,537,351	32,290,412	30,911,585
Total primary government	$ 139,348,958	$ 153,731,390	$ 168,253,273	$ 180,378,398	$186,720,588	$194,822,177	$203,105,385	$213,078,513	$214,054,809	$210,706,432

Source: Records maintained by the School District Finance Department

TABLE 2

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting - unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Government activities:										
Instruction	$ 78,103,905	$ 84,035,162	$ 89,513,413	$ 99,977,330	$ 103,349,967	$ 103,102,269	$ 101,732,197	$ 101,998,583	$ 108,242,761	$ 115,863,958
Support service	46,082,728	53,068,424	55,254,878	66,279,033	66,005,330	68,169,387	67,979,135	71,146,133	74,983,257	78,213,038
Community service	65,922	81,070	78,231	2,408	-	36,397	30,715	76,339	50,377	59,029
Intergovernmental	1,246,782	1,053,433	525,218	177,042	218,338	-	-	-	-	-
Interest and other charges	1,251,247	916,724	1,043,455	1,098,074	450,189	1,441,216	3,923,810	4,312,025	9,120,703	9,782,790
Depreciation - unallocated	302,152	422,789	1,587,476	-	-	-	-	-	-	-
Total governmental expenses	127,052,736	139,577,602	148,002,671	167,533,887	170,023,824	172,749,269	173,665,857	177,533,080	192,397,098	203,918,815
Business-type activities:										
Food service	6,497,943	6,874,026	7,215,560	7,378,956	7,823,389	7,368,772	7,273,648	7,614,547	7,843,171	8,899,748
After school	-	160,889	228,462	665,743	737,646	924,671	990,012	1,033,685	1,197,571	1,315,160
Total business-type expenses	6,497,943	7,034,915	7,444,022	8,044,699	8,561,035	8,293,443	8,263,660	8,648,232	9,040,742	10,214,908
Total primary government expenses	133,550,679	146,612,517	155,446,693	175,578,586	178,584,859	181,042,712	181,929,517	186,181,312	201,437,840	214,133,723
Program Revenues										
Government activities:										
Charges for services										
Instruction Services	754,944	736,024	872,627	796,798	806,077	831,091	419,662	633,584	30,864	20,206
Support Services	385,673	474,065	489,424	494,877	456,325	408,865	178,779	263,966	19,428	13,365
Intergovernmental	16,487	25,000	-	-	-	-	-	-	-	-
Operating grants and contributions	62,437,734	69,020,560	69,795,112	73,388,602	67,715,102	67,856,214	65,919,385	67,207,775	73,559,278	77,171,071
Capital grants and contributions	400,567	-	-	487,789	-	1,003,483	-	-	-	-
Total governmental revenues	63,995,405	70,255,649	71,157,163	75,168,066	68,977,504	70,099,653	66,517,826	68,105,325	73,609,570	77,204,642
Business-type activities:										
Charges for services	4,004,880	4,759,337	4,922,080	5,655,178	5,579,912	5,469,608	5,443,817	5,327,592	5,278,078	5,535,223
Operating grants and contributions	1,900,937	2,578,938	2,390,437	2,531,503	2,852,827	3,115,745	3,346,582	3,654,464	3,534,109	3,866,388
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type revenues	5,905,817	7,338,275	7,312,517	8,186,681	8,432,739	8,585,353	8,790,399	8,982,056	8,812,187	9,401,611
Total primary government revenues	69,901,222	77,593,924	78,469,680	83,354,747	77,410,243	78,685,006	75,308,225	77,087,381	82,421,757	86,606,253
Net (Expense) Revenue										
Total primary government net expense	$ (63,649,457)	$ (69,018,593)	$ (76,977,013)	$ (92,223,839)	$ (101,174,616)	$ (102,357,706)	$ (106,621,292)	$ (109,093,931)	$ (119,016,083)	$ (127,527,470)

Source: Records maintained by the School District Finance Department

TABLE 3

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting - unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Total primary government net expense	$ (63,649,457)	$ (69,018,593)	$ (76,977,013)	$ (92,223,839)	$ (101,174,616)	$ (102,357,706)	$ (106,621,292)	$ (109,093,931)	$ (119,016,083)	$ (127,527,470)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	46,543,180	52,578,885	60,008,122	43,645,680	46,528,039	46,196,847	48,181,527	51,096,858	51,408,125	54,408,077
Property taxes levied for debt service	14,887,776	15,615,508	15,544,153	19,026,906	20,065,446	22,254,816	23,391,210	23,732,876	23,899,135	24,390,363
Payment in lieu of taxes	84,837	75,045	78,278	80,207	81,018	145,151	562,911	1,085,626	1,030,578	1,294,119
Unrestricted state revenue in lieu of taxes	13,681,146	13,227,983	13,730,219	39,794,004	40,385,037	41,212,780	41,501,416	41,932,359	42,603,890	43,083,852
Gain on sale of land	53,312	-	-	-	-	-	-	-	-	-
Loss on disposals	(89,275)	-	-	-	-	-	-	-	-	-
Investment earnings	521,014	1,292,613	1,912,150	1,634,000	385,519	374,660	454,666	354,198	501,042	395,295
Miscellaneous	1,386,098	472,062	208,987	151,297	65,448	272,639	806,241	856,805	430,263	485,910
Total governmental revenues	77,068,088	83,262,096	91,481,909	104,332,094	107,510,507	110,456,893	114,897,971	119,058,722	119,873,033	124,057,616
Business-type activities:										
Investment earnings	69,816	138,929	16,987	16,870	6,299	2,402	6,529	8,337	7,485	4,111
Miscellaneous	-	-	-	-	-	-	-	-	111,861	117,366
Total business-type revenues	69,816	138,929	16,987	16,870	6,299	2,402	6,529	8,337	119,346	121,477
Total primary government	77,137,904	83,401,025	91,498,896	104,348,964	107,516,806	110,459,295	114,904,500	119,067,059	119,992,379	124,179,093
Change in Net Position										
Governmental activities	14,010,577	13,940,143	14,681,697	11,997,049	6,139,853	7,763,339	7,682,171	9,530,066	1,225,053	(2,897,565)
Business-type activities	(522,130)	442,289	(159,814)	128,076	202,337	338,250	601,037	443,062	(248,757)	(450,812)
Total primary government	$ 13,488,447	$ 14,382,432	$ 14,521,883	$ 12,125,125	$ 6,342,190	$ 8,101,589	$ 8,283,208	$ 9,973,128	$ 976,296	$ (3,348,377)

Source: Records maintained by the School District Finance Department

TABLE 4

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting - unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable for Inventory	$ -	$ -	$ -	$ -	$ -	$ -	$ 269,657	$ 159,516	$ 9,083	$ 12,574
Nonspendable for Prepaid Items	-	-	-	-	-	-	2,871,605	2,893,816	3,118,702	712,139
Assigned for Special Purposes	-	-	-	-	-	-	6,183,579	4,574,852	10,749,175	7,467,714
Unassigned	-	-	-	-	-	-	15,321,244	23,115,911	19,252,097	23,971,686
Reserved	428,925	442,249	587,982	552,387	3,470,904	5,701,580	-	-	-	-
Unreserved	12,342,425	15,611,999	21,994,142	28,392,396	21,492,632	17,375,197	-	-	-	-
Total General Fund	$12,771,350	$16,054,248	$22,582,124	$ 28,944,783	$ 24,963,536	$23,076,777	$24,646,085	$30,744,095	$ 33,129,057	$ 32,164,113
All Other Governmental Funds										
Restricted- Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,726,778	$ 5,715,026	$ 7,500,378	$ 6,509,558
Restricted- Building Fund	-	-	-	-	-	-	66,486,908	-	-	-
Assigned - Building Fund	-	-	-	-	-	-	-	-	-	218,930
Committed- Building Fund	-	-	-	-	-	-	27,123,803	45,581,375	93,048,799	39,182,854
Reserved										
Debt Service	2,558,228	2,513,011	3,188,124	4,940,428	1,895,195	4,787,501	-	-	-	-
Building Fund-Special Purposes	-	-	500,000	500,000	500,000	179,892	-	-	-	-
Unreserved										
Building Fund	786,289	(2,162,620)	15,337,577	(2,067,789)	18,321,947	45,122,925	-	-	-	-
Total all other governmental funds	$ 3,344,517	$ 350,391	$19,025,701	$ 3,372,639	$ 20,717,142	$50,090,318	$98,337,489	$51,296,401	$ 100,549,177	$ 45,911,342

Source: Records maintained by the School District Finance Department

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

TABLE 5

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting - unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Local sources	$ 65,250,384	$ 71,405,717	$ 79,265,649	$ 65,768,664	$ 68,243,166	$ 69,969,985	$ 73,973,918	$ 77,787,518	$ 78,404,569	$ 81,824,431
State sources	67,923,880	74,094,537	77,028,601	107,735,190	101,518,072	98,319,597	95,162,865	102,513,220	106,307,556	108,709,486
Federal sources	8,121,467	8,115,364	6,350,891	5,766,203	6,489,250	11,697,077	12,201,783	6,537,246	9,075,000	10,761,981
Total revenues	$ 141,295,731	$ 153,615,618	$ 162,645,141	$ 179,270,057	$ 176,250,488	$ 179,986,659	$ 181,338,566	$ 186,837,984	$ 193,787,125	$ 201,295,898

Source: Records maintained by the School District Finance Department

TABLE 6

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	$ 75,161,029	$ 81,021,567	$ 86,190,182	$ 95,549,350	$ 98,020,654	$ 97,736,125	$ 96,341,961	$ 96,528,377	$ 102,390,616	$ 107,109,102
Support services	42,501,379	48,828,138	50,904,792	63,616,099	69,354,122	69,803,600	66,389,110	64,126,752	69,059,636	72,333,714
Community services	2,886	18,738	13,342	2,408	-	34,673	30,715	76,339	50,377	59,029
Intergovernmental	1,246,782	1,053,433	525,218	177,042	218,338	148,738	205,507	75,805	54,980	268,694
Capital outlay	10,732,041	25,664,777	14,923,946	11,082,441	9,170,097	14,746,208	35,938,160	60,084,729	89,416,159	59,355,151
Debt service										
Principal	13,665,000	18,155,000	17,705,000	17,070,000	23,190,000	18,740,000	21,655,000	2,455,000	2,225,000	47,959,000
Interest and other fees	1,284,091	949,107	950,992	1,095,704	668,565	1,327,433	3,241,569	4,336,154	8,347,424	10,025,119
Total expenditures	$ 144,593,208	$ 175,690,760	$ 171,213,472	$ 188,593,044	$ 200,621,776	$ 202,536,777	$ 223,802,022	$ 227,683,156	$ 271,544,192	$ 297,109,809
Debt service as a percentage of noncapital expenditures	11.0%	12.5%	11.7%	10.3%	14.2%	12.0%	15.3%	4.0%	5.7%	24.3%

Source: Records maintained by the School District Finance Department

Note: Beginning 2012, noncapital expenditures equals total expenditures less capital outlays (from Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities).

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
GOVERNMENTAL FUNDS OTHER FINANCING SOURCES AND USES AND
NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting - unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Excess of revenues over (under) expenditures	$ (3,297,477)	$ (22,075,142)	$ (8,568,331)	$ (9,322,987)	$ (24,371,288)	$ (22,550,118)	$ (42,463,456)	$ (40,845,172)	$ (77,757,067)	$ (95,813,911)
Other Financing Sources (Uses)										
General long-term debt issued	-	22,300,000	33,725,000	-	37,565,000	50,000,000	91,500,000	-	115,655,000	-
Premiums on bonds sold	-	-	0	-	492,497	79,577	840,815	-	10,597,185	-
Sale of capital assets	55,127	7,983	1,222	1,808	1,381	896	6,889	2,995	33,072	8,140
Lease Purchases	-	-	-	-	-	-	-	-	2,970,000	-
Issuance of Refunding Debt	-	-	-	-	-	-	-	-	-	40,444,000
Transfers in	10,116,795	7,029,596	8,047,799	5,581,745	3,281,338	3,328,018	3,553,508	20,613,737	19,573,565	17,297,379
Transfers out	(10,055,079)	(6,973,666)	(8,002,503)	(5,550,969)	(3,605,672)	(3,371,956)	(3,621,277)	(20,714,638)	(19,434,017)	(17,538,387)
Total other financing sources (uses)	116,843	22,363,913	33,771,518	32,584	37,734,544	50,036,535	92,279,935	(97,906)	129,394,805	40,211,132
Net change in fund balances	$ (3,180,634)	$ 288,771	$25,203,187	($9,290,403)	$ 13,363,256	$ 27,486,417	$ 49,816,479	$ (40,943,078)	$ 51,637,738	$ (55,602,779)

Source: Records maintained by the School District Finance Department

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

Lexington County:

Fiscal Year	Tax Year December 31	Real Property Assessed Value	Real Property Estimated Actual Value	Personal Property Assessed Value	Personal Property Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
2005	2004	$ 132,554,060	$ 2,809,420,117	$ 60,537,390	$ 365,894,826	$ 193,091,450	$ 3,175,314,943	244.90	6.1%
2006	2005	172,360,600	3,699,968,703	61,798,580	364,004,305	234,159,180	4,063,973,008	214.60	5.8%
2007	2006	177,489,860	3,771,146,558	70,830,305	395,923,921	248,320,165	4,167,070,479	231.10	6.0%
2008	2007	181,109,220	3,883,609,100	71,494,430	840,624,720	252,603,650	4,724,233,820	252.20	5.3%
2009	2008	188,785,650	4,203,372,242	72,625,080	823,241,882	261,410,730	5,026,614,124	261.50	5.2%
2010	2009	194,851,890	4,180,217,453	67,837,490	787,621,405	262,689,380	4,967,838,858	265.00	5.3%
2011	2010	213,686,120	4,645,292,369	66,978,970	757,286,738	280,665,090	5,402,579,107	266.30	5.2%
2012	2011	220,046,380	4,714,594,672	68,234,275	778,824,881	288,280,655	5,493,419,553	274.47	5.2%
2013	2012	220,925,130	4,735,947,204	71,226,190	821,124,737	292,151,320	5,557,071,941	274.47	5.3%
2014	2013	222,309,960	4,771,760,716	74,403,610	836,607,381	296,713,570	5,608,368,097	281.77	5.3%

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

Source: Lexington County Auditor's Office

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

Richland County:

Fiscal Year	Tax Year December 31	Real Property Assessed Value	Real Property Estimated Actual Value	Personal Property Assessed Value	Personal Property Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
2005	2004	$ 82,370,170	$ 1,830,836,093	$ 32,387,450	$ 284,936,409	$ 114,757,620	$ 2,115,772,502	244.90	5.4%
2006	2005	104,541,020	2,386,563,800	32,940,429	306,246,869	137,481,449	2,692,810,669	214.60	5.1%
2007	2006	113,752,760	2,585,290,000	21,270,099	292,769,532	135,022,859	2,878,059,532	231.10	4.7%
2008	2007	117,939,420	2,669,377,000	34,210,374	460,418,632	152,149,794	3,129,795,632	252.50	4.9%
2009	2008	126,005,620	2,845,008,000	35,379,606	465,665,463	161,385,226	3,310,673,463	261.50	4.9%
2010	2009	142,735,450	3,233,354,560	33,533,543	443,733,320	176,268,993	3,677,087,880	252.70	4.8%
2011	2010	145,920,360	3,310,104,270	29,218,138	382,558,208	175,138,498	3,692,662,478	266.30	4.7%
2012	2011	148,038,250	3,363,604,130	30,867,650	407,473,050	178,905,900	3,771,077,180	274.40	4.7%
2013	2012	149,209,870	3,398,316,900	34,298,412	462,019,334	183,508,282	3,860,336,234	221.90	4.8%
2014	2013	151,507,630	3,451,657,009	36,619,405	501,232,157	188,127,035	3,952,889,166	229.30	4.8%

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

Source: Richland County Auditor's Office

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

Lexington County:

		District Direct Rates			Overlapping Rates							
Fiscal Year	Tax Year December 31	General Purposes	Capital Purposes	Total	Lexington County	Recreation District	Midlands Technical College	Riverbanks Zoo	Town Of Chapin	City Of Irmo	City Of Columbia	Irmo Fire District Bond
2005	2004	195.900	49.000	244.900	87.555	18.778	4.277	1.885	14.000	18.000	92.000	-
2006	2005	173.600	41.000	214.600	76.858	16.097	3.769	1.643	11.663	-	92.000	-
2007	2006	190.900	40.190	231.090	80.786	17.013	4.452	1.915	11.900	-	99.000	-
2008	2007	203.500	49.000	252.500	85.818	18.023	1.452	1.960	11.900	-	102.500	-
2009	2008	212.500	49.000	261.500	89.287	18.577	4.452	1.888	11.900	-	106.300	-
2010	2009	212.500	52.500	265.000	90.455	18.577	4.452	1.788	11.900	-	106.300	-
2011	2010	213.800	52.500	266.300	86.467	17.270	4.303	1.775	11.900	-	98.100	-
2012	2011	221.970	52.500	274.470	88.253	16.054	4.374	1.793	11.900	-	98.100	-
2013	2012	221.970	52.500	274.470	90.759	18.604	4.374	1.793	11.505	-	98.100	2.970
2014	2013	229.270	52.500	281.770	94.296	18.604	4.374	1.893	11.505	-	98.100	2.900

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

Source: Lexington County Auditor's Office

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

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

Richland County:

		District Direct Rates			Overlapping Rates					
Fiscal Year	Tax Year December 31	General Purposes	Capital Purposes	Total	Richland County	Recreation District	Midlands Technical College	Riverbanks Zoo	City Of Irmo	City Of Columbia
2005	2004	195.900	49.000	244.900	99.300	11.200	4.300	2.100	18.000	92.000
2006	2005	173.600	41.000	214.600	95.000	12.000	4.400	2.100	-	83.600
2007	2006	190.900	40.200	231.100	96.400	12.300	4.400	2.100	-	99.000
2008	2007	203.500	49.000	252.500	97.700	12.400	4.400	2.100	-	102.500
2009	2008	212.500	49.000	261.500	101.600	13.600	4.400	2.100	-	106.300
2010	2009	200.200	52.500	252.700	56.100	13.200	4.200	2.000	-	98.100
2011	2010	213.800	52.500	266.300	47.800	10.400	2.800	1.300	-	98.100
2012	2011	221.900	52.500	274.400	49.200	10.700	2.900	1.300	-	98.100
2013	2012	221.900	52.500	274.400	106.500	14.100	4.500	2.000	-	98.100
2014	2013	229.300	52.500	281.800	109.400	11.400	3.100	1.300		98.100

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

Source: Richland County Auditor's Office

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

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

	2014			2005		
Lexington Taxpayer:	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
South Carolina Electric & Gas	$ 25,998,520	1	8.76%	$ 13,649,290	1	7.07%
Shaw Industries Group, Inc.	5,863,480	2	1.98%			
AT&T Mobility F/K/A Cingular	4,105,950	3	1.38%	2,790,850	3	1.45%
GGP Columbiana Trust	2,978,150	4	1.00%	2,990,800	2	1.55%
DDRTC Columbiana Station I, LLC	1,459,650	5	0.49%			
BRE DDR Harbison Court, LLC	1,267,350	6	0.43%	1,070,880	6	0.55%
AVR Columbia LLC	1,485,000	7	0.50%			
Columbiana Station (E & A) LLC	1,128,950	8	0.38%	1,043,190	7	0.54%
Mid-Carolina Electric Co-Op, Inc.	1,389,280	9	0.47%			
Wal-Mart Realty Company	921,490	10	0.31%			
Honeywell International Inc.				3,640,490	4	1.89%
Bellsouth Personal Comm				1,426,440	5	0.74%
Alliance PP Limited Partnership				1,202,060	8	0.62%
SBP Columbia, LLC et al				1,199,440	9	0.62%
Inland Southeast Columbiana				869,440	10	0.45%
Total Assessed Value of Ten Principal Taxpayers	$ 46,597,820		15.70%	$ 29,882,880		15.48%
Total Assessed Value of Other Taxpayers	250,115,750		84.30%	163,208,570		84.52%
Total Assessed Value of All Taxpayers	$ 296,713,570		100.00%	$ 193,091,450		100.00%

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

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

	2014			2005		
Richland Taxpayer;	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Mid-Carolina Electric Co-Op, Inc.	$ 2,072,790	1	1.10%	$ 1,524,810	2	1.33%
South Carolina Electric & Gas	2,072,950	2	1.10%	1,213,760	3	1.06%
Bellsouth Telecommunications, Inc.	913,370	3	0.49%	1,579,210	1	1.38%
AVR-Lake Murray, LLC	840,510	4	0.45%			
Harpaw LLC	822,700	5	0.44%	716,660	6	0.62%
Paces Brook Gardens Associates	755,530	6	0.40%			
Pradella Giannina & Milan Olich	683,150	7	0.36%			
Franklin Pineridge Associates	644,020	8	0.34%	560,020	10	0.49%
Wal-Mart Realty Company	582,570	9	0.31%			
LHC Realty Trust	445,520	10	0.24%			
Columbia MSA Limited Partnership				1,213,730	4	1.06%
Gray Properties 5203 LLC				764,640	5	0.67%
Walden Heights at Harbison LLC				675,590	7	0.59%
Baptist Healthcare House Inc.				644,330	8	0.56%
Southland Log Homes				583,120	9	0.51%
Total Assessed Value of Ten Principal Taxpayers	$ 9,833,110		5.23%	$ 9,475,870		8.26%
Total Assessed Value of Other Taxpayers	178,293,925		94.77%	105,281,750		91.74%
Total Assessed Value of All Taxpayers	$ 188,127,035		100.00%	$ 114,757,620		100.00%

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

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

Lexington County:

Fiscal Year	Tax Year December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2004	$ 71,442,738	$ 69,506,007	97.29%	$ 1,883,501	$ 71,389,508	99.93%
2006	2005	80,992,480	79,051,034	97.60%	1,894,798	80,945,832	99.94%
2007	2006	85,173,870	83,205,742	97.69%	1,804,050	85,009,792	99.81%
2008	2007	93,384,660	91,387,277	97.86%	1,811,993	93,199,270	99.80%
2009	2008	99,670,223	97,016,034	97.34%	2,518,988	99,535,022	99.86%
2010	2009	101,260,300	98,883,830	97.65%	2,211,764	101,095,594	99.84%
2011	2010	109,424,317	106,425,326	97.26%	2,585,414	109,010,740	99.62%
2012	2011	114,258,224	111,549,859	97.63%	2,047,837	113,597,696	99.42%
2013	2012	117,535,166	114,123,980	97.10%	2,127,252	116,251,232	99.20%
2014	2013	122,347,073	118,742,250	97.05%	-	118,742,250	97.05%

Note: Levies and Collections updated for each fiscal year as of 6/30/14 per Lexington County Treasurer's Office.

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

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

Richland County:

Fiscal Year	Tax Year December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2004	$ 28,104,141	$ 25,874,000	92.06%	$ 821,779	$ 26,695,779	94.99%
2006	2005	29,390,908	26,997,963	91.86%	781,096	27,779,059	94.52%
2007	2006	33,648,301	32,604,998	96.90%	491,900	33,096,898	98.36%
2008	2007	38,417,823	37,282,199	97.04%	511,826	37,794,025	98.38%
2009	2008	40,526,957	39,133,834	96.56%	669,275	39,803,109	98.21%
2010	2009	41,710,253	40,089,788	96.11%	882,462	40,972,250	98.23%
2011	2010	42,650,504	41,368,546	96.99%	746,703	42,115,249	98.75%
2012	2011	45,074,021	43,710,463	96.97%	824,116	44,534,579	98.80%
2013	2012	46,216,599	44,651,273	96.61%	958,288	45,609,561	98.69%
2014	2013	47,657,973	46,316,828	97.19%	-	46,316,828	97.19%

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

TABLE 12

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

Fiscal Year	Governmental Activities General Obligation Bonds (1)	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
2005	$ 11,130,000	$ 11,130,000	0.21%	0.45%	135
2006	15,275,000	15,275,000	0.23%	0.58%	182
2007	31,295,000	31,295,000	0.44%	1.10%	367
2008	14,225,000	14,225,000	0.18%	0.48%	164
2009	28,600,000	28,600,000	0.34%	0.88%	325
2010	59,860,000	59,860,000	0.69%	1.92%	668
2011	129,705,000	129,705,000	1.43%	3.98%	1,425
2012	127,250,000	127,250,000	1.37%	3.69%	1,393
2013	254,018,653	254,018,653	2.70%	not available	2,749
2014	244,976,769	244,976,769	2.56%	not available	2,667

(1) Presented net of deferred amounts

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

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

TABLE 13

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005	$ 11,130,000	$ 2,558,228	$ 8,571,772	0.16%	104
2006	15,275,000	2,513,011	12,761,989	0.19%	152
2007	31,295,000	3,188,124	28,106,876	0.40%	330
2008	14,225,000	4,940,428	9,284,572	0.12%	107
2009	28,600,000	1,895,195	26,704,805	0.32%	303
2010	59,860,000	4,787,501	55,072,499	0.64%	615
2011	129,705,000	4,726,778	124,978,222	1.37%	1,373
2012	127,250,000	5,715,026	121,534,974	1.31%	1,331
2013	254,018,653	7,500,378	246,518,275	2.62%	2,668
2014	244,976,769	4,642,905	240,333,864	2.51%	2,617

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

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

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

TABLE 14

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014
(unaudited)

	General Bonded Debt Outstanding	Estimated Percentage Applicable To District	Estimated District Share of Direct and Overlapping Debt
Direct:			
School District Five of Lexington and Richland Counties	$ 244,976,769	100.00%	$ 244,976,769
Total direct debt	244,976,769		244,976,769
Overlapping:			
Lexington County:			
Lexington County	49,595,971	28.20%	13,986,064
Irmo-Chapin Recreation District	23,680,000	100.00%	23,680,000
Riverbanks Park District	36,100,000	18.20%	6,570,200
City of Columbia	35,680,000	4.10%	1,462,880
Richland County:			
Richland County	26,921,256	11.60%	3,122,866
Richland Co Recreation District	44,125,000	14.90%	6,574,625
Riverbanks Park District	36,100,000	18.20%	6,570,200
City of Columbia	35,680,000	4.10%	1,462,880
Total overlapping debt	287,882,227		63,429,715
Total direct and overlapping debt	$ 532,858,996		$ 308,406,484

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

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

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

Legal Debt Margin Calculation For Fiscal Year 2014

Assessed Value	$ 484,840,605
Debt limit (8% of assessed value)	38,787,248
Debt applicable to limit	-
Legal debt margin	$ 38,787,248

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 24,944,759	$ 29,731,250	$31,524,337	$ 32,380,276	$ 33,823,676	$ 37,200,913	$ 36,464,287	$ 37,374,924	$ 38,052,768	$ 38,787,248
Total net debt applicable to limit	-	7,650,000	27,375,000	14,225,000	28,600,000	9,860,000	2,330,000	15,183,300	-	-
Legal debt margin	$ 24,944,759	$ 22,081,250	$ 4,149,337	$ 18,155,276	$ 5,223,676	$ 27,340,913	$ 34,134,287	$ 22,191,624	$ 38,052,768	$ 38,787,248
Total net debt applicable to the limit as a percentage of debt limit	0.00%	25.73%	86.84%	43.93%	84.56%	26.50%	6.39%	40.62%	0.00%	0.00%

Article X, Section 14 of the Constitution of the State of South Carolina, empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1977, each school district may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8 percent of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of the qualified electors of the School District voting in a referendum will not be considered in the computation of the 8 percent limitation.

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

TABLE 16

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

Fiscal Year	Calendar Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income Lexington County	Per Capita Personal Income Richland County	Unemployment Rate Lexington County	Unemployment Rate Richland County
2005	2004	82,334	$ 2,487,804	$ 30,816	$ 29,616	4.9%	6.0%
2006	2005	83,737	2,641,735	31,855	31,241	4.9%	5.6%
2007	2006	85,161	2,854,980	33,748	33,301	4.6%	5.7%
2008	2007	86,609	2,952,414	33,744	34,434	4.7%	6.1%
2009	2008	88,081	3,242,306	36,797	36,824	8.8%	9.2%
2010	2009	89,578	3,228,167	35,773	36,302	8.4%	9.6%
2011	2010	91,018	3,172,978	34,456	35,266	8.1%	9.6%
2012	2011	92,401	3,306,015	35,211	36,347	7.8%	9.2%
2013	2012	91,853	3,463,731	37,224	38,195	6.9%	8.4%
2014	2013	not available	not available	not available	not available	4.8%	6.0%

Sources: South Carolina Revenue and Fiscal Affairs Office (formally South Carolina Budget and Control Board)
South Carolina Employment Security Commission, Labor Market Information Division
Records maintained by the School District Finance Department
2011 Estimated Population from Proximity - Demographic - Economic 2010 Census
2012 Estimated Population from Proximityone.com - ACS 2012 General Demographics
2012 Per Capita Personal Income - SC Department of Commerce Labor Profile

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

	2014			2005		
Lexington Employer:	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Michelin North America Inc.	1,930	1	1.49%	1,000	3	0.83%
SCANA Corp	1,900	2	1.47%			
Amazon.com Inc	1,200	3	0.93%			
House of Raeford Farms (Columbia Farms)	857	4	0.66%			
Southeastern Freight Lines	587	5	0.45%			
General Information Services	583	6	0.45%			
Republic National Distribution Co	527	7	0.41%			
DHL Global Forwarding North America	500	8	0.39%			
Harsco Track Technologies	431	9	0.33%	400	8	0.33%
Owen Electric Steel Co	400	10	0.31%			
Amick Farms				1,500	1	1.24%
Voridian				1,500	1	1.24%
Columbia Farms				750	4	0.62%
SMI Steel & Joist				600	5	0.50%
Honeywell International				500	6	0.41%
Solectron				400	7	0.33%
Pirelli Cables & Systems				300	9	0.25%
Carolina Culinary Foods				300	9	0.25%
	8,915		6.87%	7,250		5.99%

Source: South Carolina Department of Commerce
Total Employment from Bureau of Labor Statistics
2014 Total Employment from Department of Employment and Workforce .
2005 Total Employment from Bureau of Labor and Statistics

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

	2014			2005		
Richland Employer:	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
BlueCross BlueShield of SC	6,900	1	3.98%			
Verizon Wireless	1,500	2	0.87%			
Westinghouse Electric Co LLC	1,150	3	0.66%	1,200	1	0.75%
Computer Sciences Corp	1,100	4	0.64%	500	5	0.31%
Schneider Electric (Square D)	750	5	0.43%	560	4	0.35%
International Paper Co	726	6	0.42%	850	2	0.53%
CSI Consolidated Systems	700	7	0.40%			
FN Manufacturing	500	8	0.29%	400	8	0.25%
Sysco	413	9	0.24%			
McIntire Produce	400	10	0.23%			
Bose Corp.				800	3	0.50%
Siemens Diesel Systems				500	5	0.31%
State Newspaper				500	5	0.31%
Intertape Polymer Group				430	9	0.27%
Shakespeare Monofilament				300	10	0.19%
	14,139		8.16%	6,040		3.77%

Source: South Carolina Department of Commerce
Total Employment from Bureau of Labor Statistics
2005 Total Employment from Bureau of Labor and Statistics

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
School Allocations:										
Teachers	1,122.55	1,186.41	1,395.00	1,433.00	1,298.74	1,212.42	1,190.02	1,175.52	1,203.55	1,245.00
Guidance	43.50	43.50	50.00	43.50	51.00	48.50	46.50	46.50	46.50	21.00
Media specialists	22.00	23.00	24.00	21.00	25.00	24.00	24.00	24.00	24.00	19.00
Psychologists and social workers	13.50	15.30	18.80	19.70	27.30	25.00	27.00	27.00	27.00	22.00
Speech therapists	24.00	24.00	25.30	24.30	27.50	29.80	31.00	31.00	31.00	32.00
Nurses, occupational and physical therapists	28.10	28.57	24.32	27.41	31.80	38.50	37.00	37.00	37.00	29.00
Secretaries, bookkeepers, and receptionists	121.50	121.50	122.00	134.30	119.75	112.00	113.00	113.00	116.00	139.00
Teacher assistants and media assistants	261.49	272.09	287.21	265.36	333.13	330.12	296.92	292.92	296.92	300.00
Food service personnel and cafeteria monitors	156.81	164.22	169.00	170.00	171.33	143.26	143.58	143.58	143.58	149.00
Custodians, maintenance and transportation	259.78	261.59	278.50	266.00	288.10	263.85	271.42	271.42	272.42	272.00
Technology services and and other specialized	17.50	15.00	18.00	6.50	12.00	6.00	6.00	6.00	12.00	17.00
Principal/assistant and principal/coordinators	59.83	60.88	71.67	69.00	67.43	70.00	71.00	69.84	71.84	83.00
Total	2,130.56	2,216.06	2,483.80	2,480.07	2,453.08	2,303.45	2,257.44	2,237.78	2,281.81	2,328.00
District Office Allocations:										
Superintendent	7.87	8.00	8.00	7.00	2.00	2.00	2.00	2.00	2.00	2.00
Instruction	27.92	27.51	28.00	38.00	38.80	36.28	37.50	37.50	37.50	35.00
Human resources services	8.00	8.00	8.00	9.27	9.27	9.30	7.80	7.80	7.80	10.00
Financial services	28.85	29.35	39.00	36.00	21.00	30.00	30.00	30.00	30.00	33.00
Community Services	0.00	0.00	0.00	2.00	4.73	4.73	4.73	4.73	5.73	10.00
Technology	0.00	0.00	0.00	0.00	17.00	14.50	15.00	15.00	15.00	28.00
Facilities/Maintenance	0.00	0.00	0.00	0.00	43.03	19.00	20.00	20.00	20.00	24.00
Total	72.64	72.86	83.00	92.27	135.83	115.81	117.03	117.03	118.03	142.00
Total	2203.20	2288.92	2,566.80	2572.34	2,588.91	2,419.26	2,374.47	2,354.81	2,399.84	2,470.00

Source: Records maintained by the School District Human Resources Department

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

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced -Price Meals
2005	15,901	$ 118,912,076	7,478	1.39%	$ 133,550,679	$ 8,399	1.34%	912	17.4	22.0%
2006	16,394	130,921,876	7,986	6.79%	146,612,517	8,943	6.48%	952	17.2	23.0%
2007	16,569	137,633,534	8,307	4.02%	155,446,693	9,382	4.91%	1,108	15.0	23.0%
2008	16,505	159,344,899	9,654	16.22%	175,578,586	10,638	13.39%	1,395	11.8	26.10%
2009	16,423	167,593,114	10,205	5.71%	178,584,859	10,874	2.22%	1,299	12.6	28.0%
2010	16,325	167,723,136	10,274	0.68%	181,042,712	11,090	1.98%	1,212	13.5	30.0%
2011	16,368	162,967,293	9,956	-3.09%	181,929,517	11,115	0.23%	1,190	13.8	32.5%
2012	16,339	160,807,273	9,842	-1.15%	186,181,312	11,395	2.52%	1,176	13.9	34.7%
2013	16,238	171,555,609	10,565	7.35%	201,437,840	12,405	8.87%	1,204	13.5	34.0%
2014	16,321	179,770,539	11,015	4.26%	214,133,723	13,168	6.15%	1,245	13.1	36.3%

Source: Records maintained by the School District Finance Department

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

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

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

Fiscal Year	Minimum Salary		Maximum Salary		Statewide Average Salary
2005	$ 28,719		$ 62,286		$ 42,189
2006	29,804		65,061		42,959
2007	30,581	*	66,760	*	44,123
2008	31,828		69,573		45,758
2009	33,054		72,256		47,602
2010	32,406		72,256		47,421
2011	32,406		72,256		47,421
2012	32,406		72,256		47,428
2013	33,054		73,701		47,428
2014	33,054		73,701		48,430

* - Correction from 2006 - 2007 CAFR

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
School										
Elementary										
Ballentine Elementary (2002)										
Square feet	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731
Capacity	800	800	800	800	800	819	819	819	819	819
Enrollment	719	789	703	712	771	737	742	752	720	718
Chapin Elementary (1977)										
Square feet	108,900	108,900	108,900	108,900	108,900	118,900	131,950	131,950	131,950	131,950
Capacity	850	850	850	850	850	916	916	916	916	916
Enrollment	670	704	727	776	807	822	794	811	820	854
Dutch Fork Elementary (1953)										
Square feet	83,446	93,485	103,522	103,522	103,522	95,182	95,182	95,182	95,182	95,182
Capacity	750	750	750	750	750	657	657	657	657	657
Enrollment	535	578	542	559	563	537	541	519	514	511
H. E. Corley Elementary (1990)										
Square feet	105,944	105,944	105,944	105,944	105,944	105,944	105,944	105,944	105,944	105,944
Capacity	750	750	750	750	750	733	733	733	733	733
Enrollment	636	581	594	543	517	498	522	514	511	467
Harbison West Elementary (1982)										
Square feet	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Capacity	800	800	800	800	800	710	710	710	710	710
Enrollment	512	496	471	408	368	394	486	502	479	487
Irmo Elementary (1933)										
Square feet	86,674	86,674	86,674	86,674	86,674	85,674	85,674	121,000	121,000	121,000
Capacity	550	550	550	550	550	584	584	640	640	640
Enrollment	525	527	532	498	505	479	509	468	511	478
Lake Murray Elementary (1997)										
Square feet	102,842	102,842	102,842	102,842	102,842	102,842	102,842	102,842	102,842	102,842
Capacity	800	800	800	800	800	849	849	849	849	849
Enrollment	774	840	807	814	853	862	866	847	874	926
Leaphart Elementary (1975)										
Square feet	95,300	95,300	95,300	95,300	95,300	108,300	120,500	120,500	120,500	120,500
Capacity	750	750	725	725	725	814	814	814	814	814
Enrollment	582	569	546	496	486	466	433	430	429	452

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
School										
Elementary (Continued)										
Nursery Road Elementary (1980)										
Square feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity	800	800	800	800	800	777	777	777	777	777
Enrollment	691	703	654	595	521	492	499	519	491	477
Oak Pointe Elementary (2007)										
Square feet	-	-	110,390	110,390	110,390	110,396	110,396	110,396	110,396	110,396
Capacity	-	-	825	825	825	756	756	756	756	756
Enrollment	-	-	539	601	630	634	671	647	645	627
River Springs Elementary (1997)										
Square feet	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899
Capacity	800	800	800	800	800	925	925	925	925	925
Enrollment	834	879	611	645	642	677	654	641	633	598
Seven Oaks Elementary (1966)										
Square feet	72,756	72,756	72,756	72,756	72,756	72,756	72,756	103,756	103,756	103,756
Capacity	550	550	550	550	550	570	570	640	640	640
Enrollment	495	543	557	510	510	484	475	465	438	486
Middle										
Chapin Middle (1991)										
Square feet	103,886	139,651	177,433	177,433	177,433	177,433	177,433	177,433	177,433	177,433
Capacity	800	800	900	900	900	1,018	1,018	1,018	1,018	1,018
Enrollment	810	863	883	979	975	996	1,030	1,103	1,121	1,111
Cross Roads Middle (1971)										
Square feet	148,194	148,194	148,194	148,194	148,194	148,194	148,194	148,194	148,194	148,194
Capacity	1,100	1,100	1,100	1,100	1,100	1,098	1,098	1,098	1,098	1,098
Enrollment	1,012	1,018	1,004	997	955	966	917	988	946	943
Dutch Fork Middle (1998)										
Square feet	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901
Capacity	1,100	1,100	1,100	1,100	1,100	1,149	1,149	1,149	1,149	1,149
Enrollment	1,108	1,044	1,037	1,011	1,039	1,049	1,100	1,054	1,045	1,092
Irmo Middle (1977)										
Square feet	233,000	233,000	233,000	233,000	233,000	233,000	233,000	233,000	233,000	233,000
Capacity	1,100	1,100	1,100	1,100	1,100	1,181	1,181	1,181	1,181	1,181
Enrollment	1,092	1,087	1,044	1,030	925	896	880	879	909	897

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
School										
High										
Chapin High (1971)										
Square feet	187,288	187,288	187,288	187,288	187,288	187,288	187,288	187,288	187,288	252,288
Capacity	1,150	1,150	1,150	1,150	1,150	1,239	1,239	1,239	1,239	1,700
Enrollment	1,057	1,111	1,166	1,245	1,242	1,286	1,302	1,341	1,346	1,206
Dutch Fork High (1993)										
Square feet	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788
Capacity	2,000	2,000	2,000	2,000	2,000	2,207	2,207	2,207	2,207	2,207
Enrollment	1,966	2,079	2,076	2,073	2,088	2,068	2,031	2,031	2,097	1,895
Irmo High (1964)										
Square feet	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121
Capacity	2,000	2,000	2,000	2,000	2,000	2,141	2,141	2,141	2,141	2,141
Enrollment	1,801	1,915	2,003	2,012	2,029	1,983	1,915	1,829	1,707	1,540
Center for Advanced Technical Studies (2012)										
Square feet									115,000	115,000
Capacity									1,200	1,200
<1> Enrollment									0	0
Spring Hill High School (2013)										
Square feet										287,000
Capacity										1,700
Enrollment										556
Other										
Academy for Success (1955)										
Square feet	26,005	26,005	26,005	26,005	26,005	20,961	20,961	20,961	20,961	20,961
Capacity	99	99	99	99	99	99	99	99	99	99
<2> Enrollment	82	68	73	73	138	127	127	127	95	0

Source: Records maintained by the School District

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

<1> Students enrolled in programs at this facility are included in their home-based school.
<2> Facility is no longer used for instructional purposes. This program is housed at Spring Hill High School beginning with the 13/14 school year.

SINGLE AUDIT SECTION

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

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of School District Five of Lexington and Richland Counties as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2014.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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

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

Derrick, Stubbs + Stith, LLP

November 5, 2014

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES FOR FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133 INCLUDES REPORTING ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

We have audited School District Five of Lexington and Richland Counties' (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Derrick, Stubbs + Stith, LLP

November 5, 2014

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Fund	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures Paid
	U. S. DEPARTMENT OF EDUCATION			
	Passed Through S.C. Department of Education:			
201	Title I Grants to Local Educational Agencies	84.010	13BA057 & 14BA057	$ 1,422,638
237	Title I School Improvement	84.010A	13FO057	215,719
				1,638,357
203	Handicapped Disabilities Act	84.027	12CA057 & 14CA057	1,307,600
204	Handicapped Disabilities Act	84.027	13CA057	2,447,515
205	Special Education - Preschool Grants	84.173	14CG057	28,050
206	Special Education - Preschool Grants	84.173	13CG057	124,989
				3,908,154
207	Vocation Education	84.048A	14VA057	191,274
224	21st Century	84.287	13CL057 & 14CL057	243,453
243	Adult Education Federal Grant Program	84.002	13EA057, 14EA057 & 14ED057	70,825
232	McKinney-Vento Homeless Assistance	84.196	14FH057	46,677
256	McKinney-Vento Homeless Assistance	84.196	12FH057 & 13FH057	25,326
264	Title II - English Language Acquisition	84.365A	12BP057 , 13BP057 & 14BP057	42,842
267	Title II Part A - Improving Teacher Quality	84.367	13TQ057 & 14TQ057	168,323
	Passed Through Orangeburg School District Five:			
846	Smaller Learning Communities	84.215L	N/A	107,982
	Direct Programs:			
803	Project ASSESS	84.165A	N/A	2,216,029
897	Teaching American History	84.215X	N/A	39,130
	TOTAL U.S. DEPARTMENT OF EDUCATION			8,698,372
	U. S. DEPARTMENT OF JUSTICE			
	Direct Programs:			
857	Drug Free Communities	16.729	N/A	32,797
	U.S. DEPARTMENT OF DEFENSE			
	Direct Programs:			
831/832	NJROTC/AFJROTC	12.000	N/A	219,929
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed Through S.C. Department of Education:			
	Child Nutrition Cluster:			
600	Non- Cash Assistance (Commodities):			
	National School Lunch Program	10.555	N/A	314,027
	Cash Assistance:			
600	School Breakfast Program	10.553	N/A	743,817
600	National School Lunch Program	10.555	N/A	2,690,372
	Cash Assistance Subtotal			3,434,189
	Total for Cluster			3,748,216

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Fund	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures Paid
	U. S. DEPARTMENT OF AGRICULTURE (CONTINUED)			
	Passed Through S.C. Department of Social Services:			
600	Supper Program	10.558	N/A	$ 110,672
	Direct Programs:			
810	Farm to School	10.575	CN-F25-IMPL-14-SC-01	12,802
	TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,871,690
	Total Federal Assistance Expended			$ 12,822,788

Notes

(1) Basis of Presentation
The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of School District Five of Lexington and Richland Counties under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Government, and Non-Profit Organizations. Because the schedule presents only a selection portion of the operations of School District Five of Lexington and Richland Counties, it is not intended to and does not present the financial position, changes in net assets, or cash flows of School District Five of Lexington and Richland Counties.

(2) Summary of Significant Accounting Policies
Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-133 wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

(3) Reconciliation of SEFA to Financial Statements:

Federal assistance:	
Governmental Funds	$ 10,761,981
Enterprise Funds	3,858,888
Total Federal assistance per financial statements	14,620,869
Less: Federal Interest Subsidy - Debt Service Fund	(1,798,081)
Total Federal assistance per SEFA	$ 12,822,788

ARRA funded programs not subject to A-133 audit:
Build America Bonds
Qualified School Construction Bonds
The federal interest subsidy assistance received from these bond programs is excluded from SEFA reporting.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

I. Summary of Auditor's Results:

Financial Statements

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

Federal Awards

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

Identification of major programs:

U.S. Department of Education:	CFDA#	
Title 1	84.010	$ 1,638,357
Project ASSESS – Magnet Program	84.165A	2,216,029
		$ 3,854,386

Dollar threshold used to distinguish between Type A and Type B programs	$ 384,684
School District Five of Lexington and Richland Counties qualified as a low risk auditee under paragraph .530 OMB 133	Yes

II. **Findings 2014 Financial Statement Audit** None

III. **2014 Findings and questioned costs for Federal awards** None

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF CORRECTIVE ACTION PLAN
JUNE 30, 2014

No corrective action plan is required for the year ending June 30, 2014.