

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



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2015

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

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015



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

Connie Frick, CPA
Senior Accountant

A. Len Richardson
Chief Financial Officer

Dr. Stephen Hefner
Superintendent

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INTRODUCTORY SECTION



November 9, 2015

**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, 2015.

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, 2015, 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 unmodified opinion that School District Five of Lexington and Richland Counties' financial statements for the fiscal year ended June 30, 2015, 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, two intermediate schools, three 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 2014-2015, the District provided comprehensive educational services for 16,461 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 and The Center for Advanced Technical Studies offer career and technology courses. 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 includes Richland County and Lexington County. The 2010 estimated populations of Richland County and Lexington County were 384,504 and 262,391, respectively. In 2010, the total population in School District Five of Lexington and Richland Counties was estimated at 91,018. 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. In recent years a Walmart Supercenter, Tractor Supply, Sonic, McDonalds, San Jose Mexican restaurant and Chick-fil-A have located in the area. 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.

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 2009 through 2013, totaled approximately \$1.04 billion for Lexington County and approximately \$1.25 billion 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 as of July 2015 was 5.3 percent and for Richland County was 6.4 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 an additional high school, renovated a number of the District's existing facilities and opened a new middle school 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.

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 2014-2015 by 6.5 mills or 2.83% as allowed by Section 6-1-320 of the SC code of Laws.

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 Revenue and Fiscal Affairs Office. 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 seventh 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. 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, Dutch Fork High School and Irmo High School have been completed. Construction has also been completed on the new Chapin Middle School which opened in August 2015 to address overcrowding in several district schools.

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 April 2015, the District completed a comprehensive accreditation review by AdvancED, a world-wide external accreditation system. As a part of that review process, the District completed an in-depth study and review of all major operations within the District. The process included an internal and external review of the five 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 External Review Team, the District's accreditation was affirmed and approved on April 22, 2015. The plan included major goals in the areas of student achievement, teacher/administrator quality, school climate, and District priorities. Continued instructional initiatives for the District include the Rtl (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, 2014. 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 eleventh 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, 2014. This was the eleventh 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.

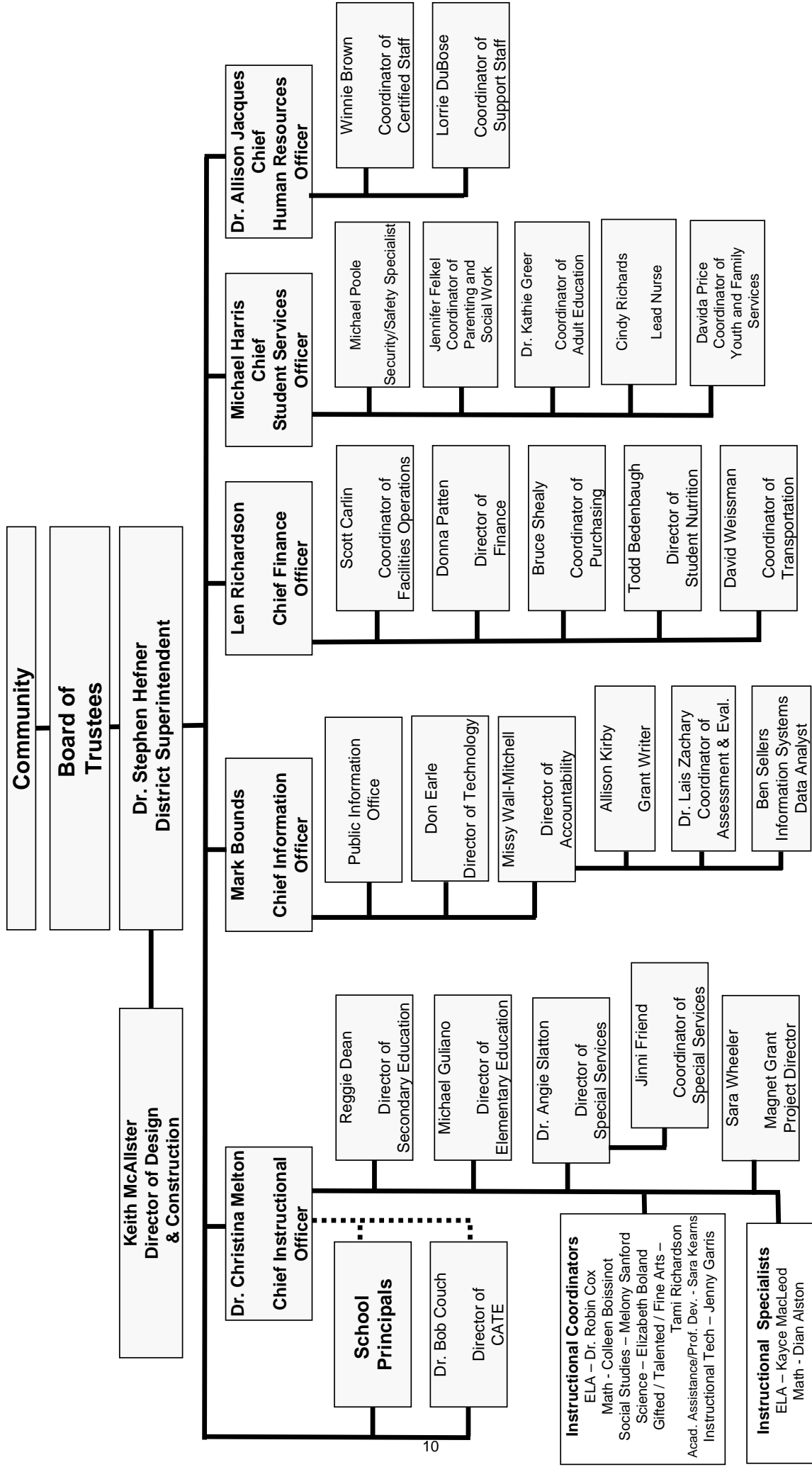
Respectfully submitted,



A. Len Richardson
Chief Finance Officer



Stephen W. Hefner, Ed.D.
Superintendent



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

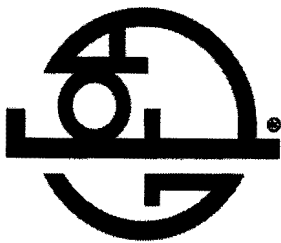
Year Ended June 30, 2015

MEMBERS OF SCHOOL BOARD

Mrs. Beth Hutchison	Chairman
Mr. Robert Gantt	Vice Chairman
Mrs. Jondy Loveless	Secretary
Mrs. Ellen Baumgardner	Member of School Board
Mr. Larry Haltiwanger	Member of School Board
Mr. Ed White	Member of School Board
Mrs. Jan Hammond	Member of School Board

EXECUTIVE STAFF

Dr. Stephen Hefner	Superintendent
Dr. Christina Melton	Chief Instructional Officer
Dr. Allison Jacques	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

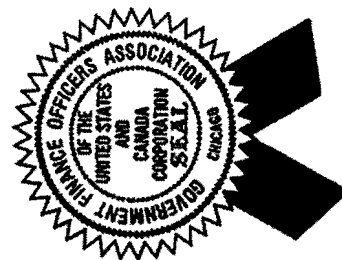
to

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, 2015

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, 2014*

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



A handwritten signature in black ink, appearing to read "M. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION

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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, for the year ending June 30, 2015. 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 and other required supplementary information concerning the District's retirement plan on pages 63 - 64 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 2, 2015, 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, Stulius + Stith, LLP

November 2, 2015

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

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, 2015. 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 2015 include:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$697,584 (net position/deficit). Of this amount, (\$176,401,093) represents unrestricted net position/deficit.
- The District's total net position decreased \$4,333,071 for the 2014-2015 fiscal year. Net position of governmental activities decreased by \$4,375,080, while net position of business-type activities increased by \$42,003. Total revenues were \$218,842,920 while total expenses were \$223,175,997.
- Total expenses increased \$9,042,284 (4.2%), from \$214,133,723 in fiscal year 2014 to \$223,175,997 in fiscal year 2015.
- Governmental funds reported a decrease of \$23,157,531 in the fund balance, which included a \$24,099,855 decrease to the building fund, a \$2,223,203 increase to the general fund and a \$1,280,879 decrease to the debt service fund. There was no issuance of referendum debt, and proceeds of prior referendum debt were spent during fiscal year 2015.
- The General Fund total fund balance is \$34,387,316 as of June 30, 2015, an increase of 6.9% from June 30, 2014.
- Total revenue for the District's principal operating fund, the general fund, was \$156,844,754, with an additional \$4,000,576, consisting of transfers from the special revenue and capital projects funds for indirect costs, teacher salary supplement increases, and closing of capital funds. Total expenditures in the general fund were \$158,375,193 including \$94,968,799 for instruction, \$63,316,052 for support, \$19,296 for community service, \$3,223 for capital outlay, and \$67,823 for intergovernmental expenditures. In addition, the general fund transferred out \$248,900 to other funds for school food service fringe benefits and the local portion of special revenue funds.
- Budgeted general fund revenue and expenditures for the 2014 - 2015 fiscal year both increased by 3.1%. The budget increase included the use of \$667,714 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 235.8 mills for the District. Debt service millage remained the same at 52.5 mills.
- The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (GASB 71), in 2014-15. GASB 68 establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. GASB 71 amends GASB 68 to require that, at transition,

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

FINANCIAL HIGHLIGHTS (CONTINUED)

a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Accordingly, for its government-wide statements, the School District adjusted its beginning net position by a reduction of \$207,070,939 for the cumulative change in accounting principle. The effect on the current year, a decrease in net position of \$ 2,534,810, is found on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities on page 32.

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.

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Governmental Funds (Continued)

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.

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 - 61 of this report.

Other information. The combining statements and individual fund financial schedules are included in the supplementary section. The pension schedules required per the adoption of GASB 68/71 are provided in the required supplementary information 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$697,584, at the close of the most recent fiscal year.

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Government-wide Overall Financial Analysis (Continued)

The following table provides a summary of the District's net position for 2015 compared to 2014.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014	2015	2014*
Current and Other Assets	\$ 91,469,849	\$ 116,541,836	\$ 2,358,311	\$ 2,289,269	\$ 93,828,160	\$ 118,831,105
Net Capital Assets	391,498,687	380,391,945	565,844	553,912	392,064,531	380,945,857
Total Assets	482,968,536	496,933,781	2,924,155	2,843,181	485,892,691	499,776,962
Deferred Outflows of Resources	18,534,311	454,872	-	-	18,534,311	454,872
Current and Other Liabilities	45,991,220	48,656,429	196,038	168,649	46,187,258	48,825,078
Long-Term Liabilities	440,954,842	447,511,355	271,490	259,908	441,226,332	447,771,263
Total Liabilities	486,946,062	496,167,784	467,528	428,557	487,413,590	496,596,341
Deferred Inflows of Resources	17,710,996	-	-	-	17,710,996	-
Net Position						
Net Investment in Capital Assets	171,553,790	174,598,030	565,844	553,912	172,119,634	175,151,942
Restricted	3,583,875	4,642,905	-	-	3,583,875	4,642,905
Unrestricted	(178,291,876)	(178,020,066)	1,890,783	1,860,712	(176,401,093)	(176,159,354)
Total Net Position	\$ (3,154,211)	\$ 1,220,869	\$ 2,456,627	\$ 2,414,624	\$ (697,584)	\$ 3,635,493

*Certain amounts have been restated due to the implementation of GASB 68 for (\$207,070,939). See Note 18 in the notes to the financial statements for more details.

The District's overall net position decreased by \$4,333,077 during 2014 - 2015.

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 \$18,358,334 in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less the additional accumulated depreciation of \$7,239,660 have had an impact on the Statement of Net Position.

School District Five of Lexington and Richland Counties
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Government-wide Overall Financial Analysis (Continued)

The following table shows the changes in the District's net position for 2015 compared to 2014:

Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Revenue						
Program Revenue:						
Charges for Services	\$ 53,248	\$ 33,571	\$ 5,550,294	\$ 5,535,223	\$ 5,603,542	\$ 5,568,794
Operating Grants	79,696,829	77,171,071	4,309,458	3,866,388	84,006,287	81,037,459
Capital Grants	-	-	-	-	-	-
General Revenue:						
Ad Valorem Taxes and Fees	84,173,426	80,092,559	-	-	84,173,426	80,092,559
Unrestricted Grants	43,560,260	43,083,852	-	-	43,560,260	43,083,852
Investment Earnings and Disposals	222,881	395,295	4,835	4,111	227,716	399,406
Other General Revenue	1,063,498	485,910	208,191	117,366	1,271,689	603,276
Total Revenue	208,770,142	201,262,258	10,072,778	9,523,088	218,842,920	210,785,346
Functions/Program Expense						
Instruction Service	124,800,258	115,863,958	-	-	124,800,258	115,863,958
Support Services	79,879,481	78,213,038	-	-	79,879,481	78,213,038
Community Services	65,869	59,029	-	-	65,869	59,029
Interest on Long-Term Debt	8,150,714	9,782,790	-	-	8,150,714	9,782,790
School Food Service & After School	-	-	10,279,675	10,214,908	10,279,675	10,214,908
Total Expenses	212,896,322	203,918,815	10,279,675	10,214,908	223,175,997	214,133,723
Increase (Decrease) in Net Position						
Before Transfers	(4,126,180)	(2,656,557)	(206,897)	(691,820)	(4,333,077)	(3,348,377)
Transfers	(248,900)	(241,008)	248,900	241,008	-	-
Increase (Decrease) in Net Position	(4,375,080)	(2,897,565)	42,003	(450,812)	(4,333,077)	(3,348,377)
Net Position , Beginning of Year, as Previously Reported	208,291,808	211,189,373	2,414,624	2,865,436	210,706,432	214,054,809
*Change in Accounting						
Principle - GASB #68 and #71	(207,070,939)	-	-	-	(207,070,939)	-
Net Position, Beginning of Year, as Adjusted	1,220,869	211,189,373	2,414,624	2,865,436	3,635,493	214,054,809
Net Position , End of Year	\$ (3,154,211)	\$ 208,291,808	\$ 2,456,627	\$ 2,414,624	\$ (697,584)	\$ 210,706,432

*See Note 18 in the notes to the financial statements for more details on the change in accounting principle that impacted beginning net position for 2015.

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.

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Government-wide Overall Financial Analysis (Continued)

Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Instruction Service	\$ 124,800,258	\$ 115,863,958	\$ (69,058,066)	\$ (58,774,012)
Support Service	79,879,481	78,213,038	(55,918,194)	(58,137,346)
Community Service	65,869	59,029	(19,271)	(20,025)
Interest (Long-Term Debt)	8,150,714	9,782,790	(8,150,714)	(9,782,790)
Totals	<u>\$ 212,896,322</u>	<u>\$ 203,918,815</u>	<u>\$ (133,146,245)</u>	<u>\$ (126,714,173)</u>

Business-Type Activities. Business-type activities include the District's school food service and after school programs. These programs had revenues of \$5,550,294, non-operating revenue and transfers of \$4,771,384, and expenses of \$10,279,675. This resulted in net increase of \$42,003.

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, 2015, the District's governmental funds reported combined fund balances of \$54,917,927, a decrease of \$23,157,531 in comparison with the prior year. Approximately 48.8% of this amount (\$26,786,336) 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 (\$800,980), 2) restricted for particular purposes (\$5,228,679), 3) committed for particular purposes (\$15,301,929), or 4) assigned for particular purposes (\$6,800,000).

The general fund is the principal operating fund of the District. The increase in net position in the general fund for the fiscal year was \$2,223,203. This increase was due to the decrease in general fund expenditures. After reservations for inventories, prepaid expenditures, and funds assigned for special purposes, the unassigned fund balance was \$26,786,336. 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 \$1,280,879 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 \$24,099,855. The ending balance is \$15,301,929. The change was attributable to the sale of 8% bonds only during the year, and spending of prior years' referendum proceeds during the current year.

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Financial Analysis of Governmental Funds (Continued)

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 an increase in net position of \$42,003. The food services program ended the year with a \$33,967 decrease in net position and the after school program ended the year with a \$75,970 increase in net position.

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 2014 - 2015 fiscal year. The operating millage for the District was increased to 235.8 mills.

Budgeted general fund revenue and expenditures for the 2014 - 2015 fiscal year increased by 3.1%. 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 on page 33, Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had \$392,064,531 invested in a broad range of capital assets, including land, buildings, furniture, equipment, vehicles, and library books. This represents a net increase of \$11,118,674 (2.9%) for the 2014 - 2015 fiscal year. For more detailed information on capital asset activity see Note 4 - Capital Assets (page 48).

Capital Assets

	Capital Assets					
	Governmental		Business-Type		Total	
	Activities		Activities		School District	
	2015	2014	2015	2014	2015	2014
Land	\$ 7,328,598	\$ 7,328,598	\$ -	\$ -	\$ 7,328,598	\$ 7,328,598
Buildings	336,557,752	341,253,130	-	-	336,557,752	341,253,130
Site Improvements	21,383,683	21,183,249	-	-	21,383,683	21,183,249
Furniture and Equipment	27,814,232	24,726,421	2,442,392	2,629,123	30,256,624	27,355,544
Construction in Progress	119,792,807	99,840,609	-	-	119,792,807	99,840,609
Total Before Accumulated						
Depreciation	512,877,072	494,332,007	2,442,392	2,629,123	515,319,464	496,961,130
Less: Accumulated Depreciation	121,378,385	113,940,062	1,876,548	2,075,211	123,254,933	116,015,273
Net Capital Assets	<u>\$ 391,498,687</u>	<u>\$ 380,391,945</u>	<u>\$ 565,844</u>	<u>\$ 553,912</u>	<u>\$ 392,064,531</u>	<u>\$ 380,945,857</u>

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

As of June 30, 2015, the District had total outstanding long-term debt of \$227,365,000. Of this total, \$ 226,774,000 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, 2015 and 2014 is as follows:

Long-Term Debt at June 30

	Governmental	
	Activities	
	2015	2014
November 19, 2013 Issue	\$ 36,734,000	\$ 38,553,000
June 9, 2010 Issue	10,000,000	10,000,000
September 16, 2010 Issue	2,855,000	5,065,000
September 16, 2010 Issue	68,500,000	68,500,000
August 21, 2012 Issue	108,685,000	112,240,000
Lease Acquisition - June 20, 2013 Issue	591,000	1,777,000
Totals	<u>\$ 227,365,000</u>	<u>\$ 236,135,000</u>

Moody's Investors Service has assigned an Aa1 enhanced rating with a stable outlook and an Aa2 underlying rating to the District's General Obligation Bonds. Standard & Poor's rates the District's bonds AA/Stable long-term and AA/Stable School Issuer. The Aa1 enhanced rating and AA/Stable rating are based on the additional security provided by the South Carolina School District Credit Enhancement Program (SCSDCEP). The program assures timely debt service payment through county and state government coordination. The SCSDCEP is a state-backed enhancement program that shadows the state's rating and consequently carries the stable outlook that is assigned to the state's Aaa general obligation rating. School districts in South Carolina may issue up to 8% of their assessed value without voter approval. On June 30, 2015, the District's debt capacity was approximately \$38,378,592.

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 55).

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 2014 - 2015 fiscal year was set at the required 52.5 mills.

School District Five of Lexington and Richland Counties

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

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 2015 - 2016 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. The District also opened a new middle school in August of 2015. As a result of the state's continuing effort to provide additional resources to the poorer school districts in South Carolina, the District is continuing to look at cost reduction measures as state resources are being redirected to these districts. The general fund budget for the 2015 - 2016 fiscal year is \$166,451,021 with a 251.50 operating millage set for the District. There was a millage increase of 15.7 mills for the 2015 - 2016 fiscal year. The increase in millage includes the current millage cap and catch up as allowed by SC Code of Laws Section 6-1-320(A)(2).

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 Connie C. Frick, CPA, Senior Accountant, at 1020 Dutch Fork Road, Irmo, SC, 29063, or e-mail at cfrick@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, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 59,372,193	\$ 1,870,758	\$ 61,242,951
Due from County Government	17,113,027	-	17,113,027
Taxes Receivable, Net	4,325,963	-	4,325,963
Accounts Receivable	9,734,063	104,188	9,838,251
Interest Subsidy Receivable	394,433	-	394,433
Internal Balance	(270,810)	270,810	-
Inventory	12,574	112,555	125,129
Prepaid Items	788,406	-	788,406
TOTAL CURRENT ASSETS	<u>91,469,849</u>	<u>2,358,311</u>	<u>93,828,160</u>
NON-CURRENT ASSETS			
Land	7,328,598	-	7,328,598
Buildings	336,557,752	-	336,557,752
Site Improvements	21,383,683	-	21,383,683
Equipment	27,814,232	2,442,392	30,256,624
Construction-in-Progress	119,792,807	-	119,792,807
Accumulated Depreciation	(121,378,385)	(1,876,548)	(123,254,933)
TOTAL NON-CURRENT ASSETS	<u>391,498,687</u>	<u>565,844</u>	<u>392,064,531</u>
TOTAL ASSETS	<u>482,968,536</u>	<u>2,924,155</u>	<u>485,892,691</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Refunding of Bonds	400,810	-	400,810
Deferred Outflows Related to Pensions	18,133,501	-	18,133,501
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>18,534,311</u>	<u>-</u>	<u>18,534,311</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	7,523,911	-	7,523,911
Retainage Payable	2,610,512	-	2,610,512
Due to State/Federal Government	37,477	-	37,477
Accrued Salaries	12,227,334	-	12,227,334
Other Accrued Liabilities	7,315,194	-	7,315,194
Unearned Revenue	2,807,024	143,553	2,950,577
Accrued Interest	2,774,270	-	2,774,270
Current Portion of Long-Term Obligations	9,727,619	-	9,727,619
Current Portion of Compensated Absences Payable	967,879	52,485	1,020,364
TOTAL CURRENT LIABILITIES	<u>45,991,220</u>	<u>196,038</u>	<u>46,187,258</u>
NON-CURRENT LIABILITIES			
Noncurrent Portion of Long-Term Obligations	225,920,017	-	225,920,017
Noncurrent Portion Compensated Absences Payable	5,006,571	271,490	5,278,061
Net Pension Liability	210,028,254	-	210,028,254
TOTAL NON-CURRENT LIABILITIES	<u>440,954,842</u>	<u>271,490</u>	<u>441,226,332</u>
TOTAL LIABILITIES	<u>486,946,062</u>	<u>467,528</u>	<u>487,413,590</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	17,710,996	-	17,710,996
NET POSITION			
Net Investment in Capital Assets	171,553,790	565,844	172,119,634
Restricted For:			
Debt Service	3,583,875	-	3,583,875
Unrestricted	(178,291,876)	1,890,783	(176,401,093)
TOTAL NET POSITION	<u>\$ (3,154,211)</u>	<u>\$ 2,456,627</u>	<u>\$ (697,584)</u>

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction Service	\$ 124,800,258	\$ 43,311	\$ 55,698,881	\$ -	\$ (69,058,066)	\$ -	\$ (69,058,066)
Support Service	79,879,481	9,912	23,951,375	-	(55,918,194)	-	(55,918,194)
Community Services	65,869	25	46,573	-	(19,271)	-	(19,271)
Interest & Other Charges	8,150,714	-	-	-	(8,150,714)	-	(8,150,714)
Total Governmental Activities	212,896,322	53,248	79,696,829	-	(133,146,245)	-	(133,146,245)
Business-Type Activities:							
Food Services	8,886,303	4,081,244	4,309,458	-	-	(495,601)	(495,601)
After School	1,393,372	1,469,050	-	-	-	75,678	75,678
Total Business-Type Activities	10,279,675	5,550,294	4,309,458	-	-	(419,923)	(419,923)
Total	\$ 223,175,997	\$ 5,603,542	\$ 84,006,287	\$ -	(133,146,245)	(419,923)	(133,566,169)
General Revenues:							
Property Taxes Levied For:							
General Purposes					58,538,094	-	58,538,094
Debt Service					24,426,849	-	24,426,849
Payment in Lieu of Taxes					1,208,483	-	1,208,483
Unrestricted State Revenue in Lieu of Taxes					43,560,260	-	43,560,260
Unrestricted Investment Earnings					222,881	4,835	227,716
Miscellaneous					1,063,498	208,191	1,271,689
Total General Revenues					129,020,065	213,026	129,233,091
Change in Net Position Before Transfers					(4,126,180)	(206,897)	(4,333,077)
Transfers					(248,900)	248,900	-
Change in Net Position					(4,375,080)	42,003	(4,333,077)
Net Position, Beginning of the Year, as Previously Reported					208,291,808	2,414,624	210,706,432
Cumulative Change in Accounting Principle - GASB # 68 and #71					(207,070,939)	-	(207,070,939)
Net Position, Beginning of the Year, as Adjusted					1,220,869	2,414,624	3,635,493
Net Position, End of the Year					\$ (3,154,211)	\$ 2,456,627	\$ (697,584)

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, 2015

	General	Special Projects	Education Improvement Act	Debt Service	Building Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 59,372,193	\$ -	\$ -	\$ -	\$ -	\$ 59,372,193
Due from County Government	12,049,141	-	-	5,063,886	-	17,113,027
Taxes Receivable, Net	3,426,369	-	-	899,594	-	4,325,963
Accounts Receivable	3,941,168	5,520,387	272,508	-	-	9,734,063
Due from Other Funds	-	-	1,061,579	232	17,912,441	18,974,252
Inventory	12,574	-	-	-	-	12,574
Prepaid Items	788,406	-	-	-	-	788,406
TOTAL ASSETS	79,589,851	5,520,387	1,334,087	5,963,712	17,912,441	110,320,478
LIABILITIES						
Accounts Payable	7,520,115	46	3,750	-	-	7,523,911
Retainage Payable	-	-	-	-	2,610,512	2,610,512
Due to Other Funds	15,238,885	4,006,177	-	-	-	19,245,062
Due to State/Federal Government	-	2,500	34,977	-	-	37,477
Accrued Salaries	12,227,334	-	-	-	-	12,227,334
Other Accrued Liabilities	7,315,194	-	-	-	-	7,315,194
Unearned Revenue - Other	-	1,511,664	1,295,360	-	-	2,807,024
TOTAL LIABILITIES	42,301,528	5,520,387	1,334,087	-	2,610,512	51,766,514
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue Property Taxes	2,901,007	-	-	735,033	-	3,636,040
FUND BALANCES						
Nonspendable for Inventory	12,574	-	-	-	-	12,574
Nonspendable for Prepaid Items	788,406	-	-	-	-	788,406
Restricted	-	-	-	5,228,679	-	5,228,679
Committed	-	-	-	-	15,301,929	15,301,929
Assigned for Special Purposes	6,800,000	-	-	-	-	6,800,000
Unassigned	26,786,336	-	-	-	-	26,786,336
TOTAL FUND BALANCES	34,387,316	-	-	5,228,679	15,301,929	54,917,924
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 79,589,851	\$ 5,520,387	\$ 1,334,087	\$ 5,963,712	\$ 17,912,441	\$ 110,320,478

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, 2015**

Reconciliation of governmental fund balances to
Statement of Net Position:

Total Fund Balances - Governmental Funds		\$ 54,917,924
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Capital Assets	\$ 512,877,072	
Accumulated Depreciation	<u>(121,378,385)</u>	391,498,687
Property taxes receivable are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		3,636,040
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.		(2,774,270)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net Pension Liability		(210,028,254)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions		18,133,501
Deferred inflows of resources related to pensions		(17,710,996)
Deferred Loss on Refunding Bonds, net of accumulated amortization		400,810
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	(227,365,000)	
Bond Premium, Net of Accumulated Amortization	(8,282,636)	
Compensated Absences	<u>(5,974,450)</u>	<u>(241,622,086)</u>
Total Net Position - Governmental Activities		<u>\$ (3,154,211)</u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	General Fund	Special Projects	Education Improvement Act	Debt Service	Building Fund	Total Governmental Funds
Revenues						
Local	\$ 60,037,956	\$ 293,525	\$ -	\$ 24,488,049	\$ 245,336	\$ 85,064,866
State	96,806,798	2,993,517	11,437,808	972,728	-	112,210,851
Federal	-	9,289,915	-	1,462,798	-	10,752,713
Total Revenues	<u>156,844,754</u>	<u>12,576,957</u>	<u>11,437,808</u>	<u>26,923,575</u>	<u>245,336</u>	<u>208,028,430</u>
Expenditures						
Current						
Instruction	94,968,799	7,129,374	6,408,888	-	-	108,507,061
Support Services	63,316,052	4,514,383	1,251,877	-	5,545,124	74,627,436
Community Service	19,296	46,573	-	-	-	65,869
Capital Outlay	3,223	500,571	-	-	29,029,626	29,533,420
Debt Service						
Principal	-	-	-	8,770,000	-	8,770,000
Interest and Other Fees	-	-	-	9,195,781	-	9,195,781
Intergovernmental	67,823	171,637	-	-	-	239,460
Total Expenditures	<u>158,375,193</u>	<u>12,362,538</u>	<u>7,660,765</u>	<u>17,965,781</u>	<u>34,574,750</u>	<u>230,939,027</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,530,439)</u>	<u>214,419</u>	<u>3,777,043</u>	<u>8,957,794</u>	<u>(34,329,414)</u>	<u>(22,910,597)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	1,966	-	-	-	-	1,966
Transfers In	4,000,576	-	-	1,199,327	11,438,000	16,637,903
Transfers Out	(248,900)	(214,419)	(3,777,043)	(11,438,000)	(1,208,441)	(16,886,803)
Total Other Financing Sources (Uses)	<u>3,753,642</u>	<u>(214,419)</u>	<u>(3,777,043)</u>	<u>(10,238,673)</u>	<u>10,229,559</u>	<u>(246,934)</u>
Net Change in Fund Balance	<u>2,223,203</u>	<u>-</u>	<u>-</u>	<u>(1,280,879)</u>	<u>(24,099,855)</u>	<u>(23,157,531)</u>
Fund Balance July 1, 2014	<u>32,164,113</u>	<u>-</u>	<u>-</u>	<u>6,509,558</u>	<u>39,401,784</u>	<u>78,075,455</u>
Fund Balance June 30, 2015	<u>\$ 34,387,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,228,679</u>	<u>\$ 15,301,929</u>	<u>\$ 54,917,924</u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net change in fund balances - total governmental funds \$ (23,157,531)

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	\$ 30,720,904	
Depreciation expense	<u>(13,691,155)</u>	17,029,749

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 8,770,000

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. 85,124

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. 1,014,005

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 amortization on refunding for the current year. (54,062)

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. (346,260)

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. (5,923,007)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions	(14,717,209)	
Cost of benefits earned net of employee contributions	<u>12,182,399</u>	(2,534,810)

Certain unavailable 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 (\$ 3,636,040) and that revenue recognized at the end of the prior year (\$ 2,894,328). 741,712

Change in Net Position - Governmental Activities \$ (4,375,080)

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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local	\$ 61,537,234	\$ 61,537,234	\$ 60,037,956	\$ (1,499,278)
State	96,816,060	96,816,060	96,806,798	(9,262)
Total Revenues	158,353,294	158,353,294	156,844,754	(1,508,540)
Expenditures:				
Current				
Instruction	98,688,486	98,722,272	94,968,799	3,753,473
Support Services	64,100,515	64,066,319	63,316,052	750,267
Community Service	21,500	21,500	19,296	2,204
Capital Outlay	8,675	9,085	3,223	5,862
Intergovernmental	26,000	26,000	67,823	(41,823)
Total Expenditures	162,845,176	162,845,176	158,375,193	4,469,983
Excess (Deficiency) of Revenues Over Expenditures	(4,491,882)	(4,491,882)	(1,530,439)	2,961,443
Other Financing Sources (Uses):				
Sale of Capital Assets	-	-	1,966	1,966
Transfers In	4,335,913	4,335,913	4,000,576	(335,337)
Transfers Out	(511,745)	(511,745)	(248,900)	262,845
Total Other Financing Sources (Uses)	3,824,168	3,824,168	3,753,642	(70,526)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses)	\$ (667,714)	\$ (667,714)	2,223,203	\$ 2,890,917
Fund Balance, July 1, 2014			32,164,113	
Fund Balance, June 30, 2015			\$ 34,387,316	

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, 2015

	<u>Business-Type Activity Enterprise Fund</u>	<u>Business-Type Activity Enterprise Fund After School Program</u>	<u>Totals</u>
	<u>Food Services</u>		
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 1,870,758	\$ -	\$ 1,870,758
Accounts Receivable	104,188	-	104,188
Due from General Fund	-	606,646	606,646
Inventory	112,555	-	112,555
TOTAL CURRENT ASSETS	<u>2,087,501</u>	<u>606,646</u>	<u>2,694,147</u>
NONCURRENT ASSETS			
Equipment	2,442,392	-	2,442,392
Accumulated Depreciation	(1,876,548)	-	(1,876,548)
TOTAL NONCURRENT ASSETS	<u>565,844</u>	<u>-</u>	<u>565,844</u>
TOTAL ASSETS	<u><u>2,653,345</u></u>	<u><u>606,646</u></u>	<u><u>3,259,991</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Due to General Fund	335,836	-	335,836
Unearned Revenue	143,553	-	143,553
Current Portion of Compensated Absences Payable	52,485	-	52,485
TOTAL CURRENT LIABILITIES	<u>531,874</u>	<u>-</u>	<u>531,874</u>
NON-CURRENT LIABILITIES			
Noncurrent Portion Compensated Absences Payable	271,490	-	271,490
TOTAL NON-CURRENT LIABILITIES	<u>271,490</u>	<u>-</u>	<u>271,490</u>
TOTAL LIABILITIES	<u><u>803,364</u></u>	<u><u>-</u></u>	<u><u>803,364</u></u>
NET POSITION			
Investment in Capital Assets	565,844	-	565,844
Unrestricted	1,284,137	606,646	1,890,783
TOTAL NET POSITION	<u><u>\$ 1,849,981</u></u>	<u><u>\$ 606,646</u></u>	<u><u>\$ 2,456,627</u></u>

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
Operating Revenues:			
Proceeds of Sales of Meals	\$ 4,081,244	\$ -	\$ 4,081,244
Proceeds of Tuition	<u>-</u>	<u>1,469,050</u>	<u>1,469,050</u>
Total Operating Revenues	<u>4,081,244</u>	<u>1,469,050</u>	<u>5,550,294</u>
Operating Expenses:			
Food Costs	3,861,028	-	3,861,028
Salaries and Wages	4,217,532	1,050,976	5,268,508
Purchased Services	130,311	121,430	251,741
Supplies and materials	554,819	220,966	775,785
Depreciation	105,034	-	105,034
Other	17,579	-	17,579
Total Operating Expenses	<u>8,886,303</u>	<u>1,393,372</u>	<u>10,279,675</u>
Operating Income (Loss)	<u>(4,805,059)</u>	<u>75,678</u>	<u>(4,729,381)</u>
Non-Operating Revenues (Expenses):			
Interest	4,835	-	4,835
Other Local Revenue	233,671	292	233,963
Other State Aid	10,925	-	10,925
USDA Reimbursements	3,571,596	-	3,571,596
Commodities Received from USDA	400,518	-	400,518
Other Federal Revenue	326,419	-	326,419
Loss on Disposal of Capital Assets	(25,772)	-	(25,772)
Total Non-Operating Revenue (Expenses)	<u>4,522,192</u>	<u>292</u>	<u>4,522,484</u>
Income (Loss) before Transfers	<u>(282,867)</u>	<u>75,970</u>	<u>(206,897)</u>
Transfers In (Out)	<u>248,900</u>	<u>-</u>	<u>248,900</u>
Change in Net Position	(33,967)	75,970	42,003
Net Position, Beginning of Year	<u>1,883,948</u>	<u>530,676</u>	<u>2,414,624</u>
Net Position, End of Year	<u>\$ 1,849,981</u>	<u>\$ 606,646</u>	<u>\$ 2,456,627</u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2015**

	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
Cash Flows From Operating Activities:			
Cash Received From Patrons	\$ 4,080,309	\$ 1,393,080	\$ 5,473,389
Cash Payments to Suppliers For Goods and Services	(4,116,625)	(342,396)	(4,459,021)
Cash Payments to Employees For Services	(4,198,769)	(1,050,976)	(5,249,745)
Net Cash (Used) By Operating Activities	<u>(4,235,085)</u>	<u>(292)</u>	<u>(4,235,377)</u>
Cash Flows From Non-Capital Financing Activities:			
Cash Received From USDA Reimbursements	2,697,824	-	2,697,824
Cash Received From Other Federal/State/Local Reimbursements	571,015	292	571,307
Transfers - Out to Other Funds	248,900	-	248,900
Net Cash Provided By Non-Capital Financing Activities	<u>3,517,739</u>	<u>292</u>	<u>3,518,031</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition of Equipment	(142,738)	-	(142,738)
Cash Flows From Investing Activities:			
Interest on Investments	4,835	-	4,835
Net (Decrease) In Cash And Cash Equivalents	(855,249)	-	(855,249)
Cash And Cash Equivalents At Beginning Of Year	<u>2,726,007</u>	<u>-</u>	<u>2,726,007</u>
Cash And Cash Equivalents At End Of Year	<u><u>1,870,758</u></u>	<u><u>-</u></u>	<u><u>1,870,758</u></u>
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities			
Operating Income (Loss)	(4,805,059)	75,678	(4,729,381)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:			
Depreciation	105,034	-	105,034
Noncash USDA Commodities Used	400,518	-	400,518
Change In Assets And Liabilities:			
Decrease In Inventory	46,612	-	46,612
Increase In Accounts Receivable	(21,161)	(75,970)	(97,131)
Decrease In Accounts Payable	(18)	-	(18)
Increase In Deferred Revenue	20,226	-	20,226
Increase In Accrued Expenses	18,763	-	18,763
Net Cash (Used) By Operating Activities	<u>(4,235,085)</u>	<u>(292)</u>	<u>(4,235,377)</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES			
Non-Cash Donation-USDA Commodities	<u>\$ 400,518</u>	<u>\$ -</u>	<u>\$ 400,518</u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE
JUNE 30, 2015**

	Agency Funds
	<u>Pupil Activity Fund</u>
ASSETS	
Accounts Receivable	\$ 2,337,490
Fuel Inventory	<u>8,322</u>
TOTAL ASSETS	<u><u>2,345,812</u></u>
LIABILITIES	
Accounts Payable	1,126
Due to Pupil Activities	<u>2,344,686</u>
TOTAL LIABILITIES	<u><u>\$ 2,345,812</u></u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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, 2015.

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 two items that qualifies for reporting in this category. They are the deferred charge on refunding reported in the government-wide statement of net position and outflows related to pensions. 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. The outflows related to pensions are described in Note 5.

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 two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, they are, unavailable revenue, reported only in the governmental funds balance sheet and the inflows related to pensions. 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. The inflows related to pensions are described in Note 5.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officer's Retirement System (PORS) and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

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. 72, *Fair Value Measurement and Application*, was issued by the GASB in February 2015. This Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements.

The effect of implementation of this Statement has not been determined at this time. This Statement is required to be implemented by the District no later than the fiscal year ending June 30, 2016.

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.

At June 30, 2015, the carrying amount of the District's deposits and investments held by the various funds was as follows:

<u>Fund Types</u>	
General fund	\$ 59,372,192
Enterprise Fund	1,870,758
	<u>61,242,950</u>
Deposits	9,808,832
Investments	51,434,118
Carrying amount at June 30, 2015	<u>\$ 61,242,950</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 2. Cash and Cash Equivalents (Continued)

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, 2015, the bank balance of the District deposits totaled \$ 11,132,855 of which \$ 250,000 was insured by the Federal Depository Insurance Corporation (FDIC) insurance, and \$ 10,882,855 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 \$ 51,434,118 invested with the South Carolina State Investment Pool.

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, 2015, 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.

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

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	\$ 6,179,940
Less: Allowance for uncollectible amounts	(1,853,977)
Taxes receivable	\$ <u>4,325,963</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

Capital Assets

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$ 7,328,598	\$ -	\$ -	\$ 7,328,598
Construction-in-Progress	99,840,609	28,805,226	(8,853,028)	119,792,807
Total Capital Assets, Not Being Depreciated	<u>107,169,207</u>	<u>28,805,226</u>	<u>(8,853,028)</u>	<u>127,121,405</u>
<u>Capital Assets, Being Depreciated:</u>				
Buildings	341,253,130	6,474,059	(11,169,437)	336,557,752
Site Improvements	21,183,249	222,371	(21,937)	21,383,683
Furniture and Equipment	24,726,421	4,072,276	(984,465)	27,814,232
Total Capital Assets, Being Depreciated	<u>387,162,800</u>	<u>10,768,706</u>	<u>(12,175,839)</u>	<u>385,755,667</u>
<u>Less Accumulated Depreciation For:</u>				
Buildings	(98,271,318)	(9,763,628)	5,620,900	(102,414,046)
Site Improvements	(5,560,854)	(1,336,228)	21,937	(6,875,145)
Furniture and Equipment	(10,107,890)	(2,591,299)	609,995	(12,089,194)
Total Accumulated Depreciation	<u>(113,940,062)</u>	<u>(13,691,155)</u>	<u>6,252,832</u>	<u>(121,378,385)</u>
Total Capital Assets, Being Depreciated, Net	<u>273,222,738</u>	<u>(2,922,449)</u>	<u>(5,923,007)</u>	<u>264,377,282</u>
Governmental Activities Capital Assets, Net	<u>380,391,945</u>	<u>25,882,777</u>	<u>(14,776,035)</u>	<u>391,498,687</u>
Business Type Activities:				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Furniture and Equipment	2,629,123	142,738	(329,469)	2,442,392
Total Capital Assets Being Depreciated	<u>2,629,123</u>	<u>142,738</u>	<u>(329,469)</u>	<u>2,442,392</u>
Less, Accumulated Depreciation for:				
Furniture and Equipment	(2,075,211)	(105,034)	303,697	(1,876,548)
Total Accumulated Depreciation	<u>(2,075,211)</u>	<u>(105,034)</u>	<u>303,697</u>	<u>(1,876,548)</u>
Business Type Activities Capital Assets, Net	<u>\$ 553,912</u>	<u>\$ 37,704</u>	<u>\$ (25,772)</u>	<u>\$ 565,844</u>

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

Government Activities:	
Instruction	\$ 8,365,296
Support	<u>5,325,859</u>
Total Depreciation – Governmental Activities	<u>13,691,155</u>
Business – Type Activities:	
Food Service	<u>105,034</u>
Total Depreciation – Business Type Activities	<u>\$ 105,034</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 4. Capital Assets (Continued)

Construction commitments: The District has active construction projects at June 30, 2015. The projects include primarily school building construction and renovation. At June 30, 2015, the District's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Chapin Elementary School	\$ 10,735	\$ 24,264
Lake Murray Elementary School	\$ 46,768	\$ 1,140,732
Chapin High School	53,584,585	1,601,520
Chapin Middle School	13,754	1,061,761
Dutch Fork Elementary School	5,000	4,875
River Springs Elementary School	89,340	1,624,760
Dutch Fork High School	15,801,182	331,337
Dutch Fork Middle School	11,200	338,800
New Middle School	18,513,460	5,072,064
New High School / CATE	427,290	184,049
Irmo Elementary School	105,733	16,235
Irmo High School	24,804,800	1,175,570
Irmo Middle School	191,190	687,210
Nursery Road Elementary School	18,120	306,880
Seven Oaks Elementary School	36,869	633,081
In-House Construction Management	5,660,008	155,253
District Office	472,773	583,213
Total Government Activities	\$ 119,792,807	\$ 14,941,604

Note 5. Retirement Plan

South Carolina Retirement System

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 is 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. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available and can be obtained at www.peba.sc.gov or by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

Benefits provided: SCRS provides service retirement and disability benefits, cost of living adjustments on an ad-hoc basis, group life ("GL") insurance benefits and survivor benefits. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation.

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 5. Retirement Plan (Continued)

South Carolina Retirement System (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.

Contributions: Both employers and employees are required to contribute to the Plan under the authority of Title 9 of the S. C. Code of Laws. District employees are required to contribute 8.00% of their annual covered earnings.

The District's contractually required contribution rate for the year ended June 30, 2015, was 10.75 % of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, participating employers also contribute 0.15% of annual covered payroll for group life insurance benefits for their participants. Contributions to SCRS from the District were \$ 12,170,691 for the year ended June 30, 2015. Contributions to SCRS from the District were \$ 11,732,446 based on the June 30, 2014, measurement date.

Optional Retirement Program

Plan description: 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 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.

Benefits provided: 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.

Contributions: Under state law, employee contributions to the ORP are required at the same rates as for the SCRS, 8.0% of their annual covered salary in fiscal year 2015. The District is required to contribute an actuarially determined rate. The current rate is 10.75% 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. Contributions are included in the contributions to SCRS.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 5. Retirement Plan (Continued)

South Carolina Police Officers Retirement Program

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

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer. PORS members, other than magistrates and probate judges, must also earn at least \$ 2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class II member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class III member.

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

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

Contributions: Both employers and employees are required to contribute to the Plan under the authority of Title 9 of the S. C. Code of Laws. District employees are required to contribute 8.41% of their annual covered earnings.

The District's contractually required contribution rate for the year ended June 30, 2015, was 13.01 % of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, participating employers also contribute 0.20% of annual covered payroll for incidental death benefits and 0.20% of annual covered payroll for accidental death benefits for their participants. Contributions to PORS from the District were \$ 11,708 for the year ended June 30, 2015. Contributions to PORS from the District were \$ 10,487 based on the June 30, 2014, measurement date.

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

The District reported a liability for its proportionate share of the net pension liability for the pension plans. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 5. Retirement Plan (Continued)

At June 30, 2015, the District's net pension liability and the District's proportionate share based on the June 30, 2014, measurement date for each plan follows:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Net Pension Liability	\$ 209,898,245	\$ 130,009	\$ 210,028,254
District's proportionate share	1.219156%	0.006790%	

For the year ended June 30, 2015, the District recognized pension expense as follows:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Pension Expense	\$ 14,705,915	\$ 11,294	\$ 14,717,209

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>		<u>PORS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,947,633	\$ -	\$ 3,469	\$ -
Net difference between projected and actual earnings on pension plan investments	-	17,695,953	-	15,043
District contributions subsequent to the measurement date	12,170,691	-	11,708	-
Total	<u>\$ 18,118,324</u>	<u>\$ 17,695,953</u>	<u>\$ 15,177</u>	<u>\$ 15,043</u>

District contributions subsequent to the measurement date of \$12,170,691 for SCRS and \$11,708 for PORS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>SCRS</u>	<u>PORS</u>
Year ended June 30:		
2016	\$ (2,584,324)	\$ (2,861)
2017	(2,584,324)	(2,861)
2018	(2,584,324)	(2,861)
2019	(3,995,348)	(2,991)
	<u>\$ (11,748,320)</u>	<u>\$ (11,574)</u>

Actuarial assumptions: The total pension liability as of June 30, 2014, was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	levels off at 3.5 percent
Investment rate of return	7.50 percent, including inflation
Benefit adjustments	lesser of 1% or \$ 500

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 5. Retirement Plan (Continued)

Mortality rates were based on the RP-2000 Mortality Table for Males and Females and is dependent upon the member’s job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study performed on data through June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Short Term	5%	0.03%
Domestic Fixed Income	13	0.26%
Global Fixed Income	9	0.27%
Global Public Equity	31	2.42%
Global Tactical Asset Allocation	10	0.51%
Alternatives	32	2.39%
Total	<u>100%</u>	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.50 %. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.50 %, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 %) or 1-percentage-point higher (8.50 %) than the current rate:

		<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
SCRS	District's proportionate share of the net pension liability	\$ 271,621,317	\$ 209,898,245	\$ 158,403,498
PORS	District's proportionate share of the net pension liability	\$ 181,684	\$ 130,009	\$ 87,252

Pension plan fiduciary net position: Detailed information about the SCRS pension plan’s fiduciary net position administered by PEBA is available in the separately issued CAFR.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 5. Retirement Plan (Continued)

Payables to the pension plan: As of June 30, 2015, the District owed SCRS \$ 3,427,525 for required contributions.

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 through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year set by the Office of the State Budget. The EIP sets the employer contribution rate based on a pay-as-you-go basis.

The employer contribution surcharge was 5.00% for 2015, 4.92% for 2014, and 4.55% for 2013 of annual covered payroll. The District contributed amounts equal to the required contribution to the SCRS for retiree healthcare benefits of approximately \$ 5,846,741; \$ 5,687,819; and \$ 5,061,961 for the years ended June 30, 2015; 2014; and 2013, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions. 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 7. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2015, 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	\$ 38,553,000	\$ -	\$ (1,819,000)	\$ 36,734,000	\$ 1,943,000
General Obligation Bonds:					
Series 2010A - Issued June 9, 2010	10,000,000	-	-	10,000,000	-
Series 2010B1 - Issued September 16, 2010	5,065,000	-	(2,210,000)	2,855,000	2,855,000
Series 2010B2 - Issued September 16, 2010	68,500,000	-	-	68,500,000	-
Series 2012B - Issued August 21, 2012	112,240,000	-	(3,555,000)	108,685,000	3,395,000
Net Acquisition - Issued June 20, 2013	1,777,000	-	(1,186,000)	591,000	591,000
Total Gross Debt	<u>236,135,000</u>	<u>-</u>	<u>(8,770,000)</u>	<u>227,365,000</u>	<u>8,784,000</u>
Deferred Amounts:					
Unamortized premium on bonds	9,296,641	-	(1,014,005)	8,282,636	943,619
Total Net Debt	<u>245,431,641</u>	<u>-</u>	<u>(9,784,005)</u>	<u>235,647,636</u>	<u>9,727,619</u>
Compensated Absences	5,628,190	1,258,046	(911,786)	5,974,450	967,879
Government Activity Long-Term Liabilities	<u>251,059,831</u>	<u>1,258,046</u>	<u>(10,695,791)</u>	<u>241,622,086</u>	<u>10,695,498</u>
Business Activities:					
Compensated Absences	305,212	68,206	(49,443)	323,975	52,485
Business Activities Long-Term Liabilities	<u>\$ 305,212</u>	<u>\$ 68,206</u>	<u>\$ (49,443)</u>	<u>\$ 323,975</u>	<u>\$ 52,485</u>

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

Details for each debt issue are as follows:

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 7. Long-Term Obligations (Continued)

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.

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, 2015 was \$ 400,810.

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 7. Long-Term Obligations (Continued)

The annual debt service requirements to maturity as of June 30, 2015, are as follows:

Year Ended June 30	Principal	Interest	Total
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	12,413,000	7,207,415	19,620,415
2021-2025	74,502,000	27,953,765	102,455,765
2026-2030	79,866,000	12,860,091	92,726,091
2031-2032	21,165,000	1,278,400	22,443,400
Totals	\$ 227,365,000	\$ 82,162,518	\$ 309,527,518

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, 2014, assessed property valuation of \$ 479,732,400 (unaudited), the legal debt limit is \$ 38,378,592, leaving a legal debt margin of \$ 38,378,592 at June 30, 2015.

Note 8. Short-Term Obligations

Summary of changes in short-term debt: During the year ended June 30, 2015, the following transactions occurred in short-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Series 2014 - Issued September 17, 2014	\$ -	\$ 11,438,000	\$ (11,438,000)	\$ -

Capital Projects Fund:

On September 17, 2014, the District issued Series 2014C, \$ 11,438,000 SCAGO general obligation bonds (8% debt) with an interest rate of 1.25% for the purpose of providing funds for capital improvements, equipment, and technology. 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, were due March 2, 2015, 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	\$ 1,511,664	\$ 1,295,360	\$ 143,553

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 10. Transfers In and Out

Transfers during the year ended June 30, 2015, consisted of the following:

General Fund			
Transfers from	Amount	Transfers to	Amount
Special Revenue-EIA	\$ 3,777,043	Enterprise Fund	<u>\$ 248,900</u>
Special Revenue-Special Projects	\$ 214,419		
Capital Projects	9,114		
	<u>\$ 4,000,576</u>		

Special Revenue Funds			
Special Projects			
Transfers from	Amount	Transfers to	Amount
	<u>\$ -</u>	General Fund	<u>\$ 214,419</u>

EIA			
Transfers from	Amount	Transfers to	Amount
	<u>\$ -</u>	General Fund	<u>\$ 3,777,043</u>

Debt Service			
Transfers from	Amount	Transfers to	Amount
Capital Projects	<u>\$ 1,199,327</u>	Capital Projects	<u>\$ 11,438,000</u>

Capital Projects			
Transfers from	Amount	Transfers to	Amount
Debt Service	<u>\$ 11,438,000</u>	General Fund	\$ 9,114
		Debt Service	1,199,327
			<u>\$ 1,208,441</u>

Enterprise Fund			
Transfers from	Amount	Transfers to	Amount
General Fund	<u>\$ 248,900</u>	General Fund	<u>\$ -</u>
TOTAL	<u><u>\$ 16,886,803</u></u>		<u><u>\$ 16,886,803</u></u>

Descriptions of interfund transfers:

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

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

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

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

Capital Projects to General Fund - to transfer balance of closed projects.

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 11. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2015, is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 15,238,885
Special Projects	-	4,006,177
EIA	1,061,579	-
Debt Service	232	-
Building Fund	17,912,441	-
Enterprise Fund - Food Service	-	335,836
Enterprise Fund - After School	606,646	-
Total for Primary Government	\$ 19,580,898	\$ 19,580,898

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

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

Note 12. Risk Management

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

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

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

There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three years ended June 30, 2015, 2014 and 2013.

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

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, 2015, were \$ 506,056. 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, 2015:

Year Ended June 30	Totals
2016	\$ 449,520
2017	367,501
2018	336,428
2019	329,143
2020	188,326
Total Rent Payments	\$ 1,670,918

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.

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
Future capital projects	5,000,000
Total assigned for special purposes	\$ 6,800,000

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, 2015 is \$ 24,967,653 to \$ 29,961,184 based on the 2015/2016 general fund budget. The unassigned amount at June 30, 2015, is \$ 26,786,336.

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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
YEAR ENDED JUNE 30, 2015**

Notes to the Basic Financial Statements

Note 16. Contingencies and Litigation (Continued)

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 2014, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (an amendment of GASB 27). This statement requires the District 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).

The District also adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (an amendment of GASB 68). 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.

The effect of implementation of these two Statements resulted in the District recognizing a liability for its proportionate share of the net pension liability, a deferred outflow related to pensions, and a deferred inflow related to pensions which decreased the District's net position by \$ 209,605,749 at June 30, 2015. Of this amount, \$ 207,070,939 was reflected as a prior period adjustment resulting from the implementation of GASB 68 and 71.

Note 19. Subsequent Events

The District has evaluated subsequent events through November 2, 2015, the date on which the financial statements were available to be issued.

On September 17, 2015, the District issued Series 2015D, \$ 11,079,000 SCAGO general obligation bonds. The net proceeds were \$ 11,120,362 after a bid premium of \$ 95,612 less cost of issuance of \$ 54,250. These bonds, including interest of \$ 100,942, are due March 1, 2016. The bonds have an interest rate of 2.0%. The proceeds will be used for purposes of funding capital improvements, acquisition payment, paying legal fees and costs of issuance of the bonds, such as other lawful purposes as may be determined by the School District.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY
 LAST TEN FISCAL YEARS**

	<u>2015</u>
<u>SOUTH CAROLINA RETIREMENT SYSTEM</u>	
District's proportion of the net pension liability	1.219156%
District's proportionate share of the net pension liability	\$ 209,898,245
District's covered-employee payroll	\$ 115,524,407
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.69%
Plan fiduciary net position as a percentage of the total pension liability	57.70%

POLICE OFFICER'S RETIREMENT SYSTEM

District's proportion of the net pension liability	0.006790%
District's proportionate share of the net pension liability	\$ 130,009
District's covered-employee payroll	\$ 81,675
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	159.18%
Plan fiduciary net position as a percentage of the total pension liability	67.50%

The District implemented GASB Statement 68 and GASB Statement 71 with the fiscal year beginning July 1, 2014.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 LAST TEN FISCAL YEARS**

	<u>2015</u>
<u>SOUTH CAROLINA RETIREMENT SYSTEM PLAN</u>	
Contractually required contribution	\$ 11,732,446
Contributions in relation to the contractually required contribution	<u>(11,732,446)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 115,524,407
Contributions as a percentage of covered-employee payroll	10.16%

<u>POLICE OFFICER'S RETIREMENT SYSTEM PLAN</u>	
Contractually required contribution	\$ 10,487
Contributions in relation to the contractually required contribution	<u>(10,487)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 81,675
Contributions as a percentage of covered-employee payroll	12.84%

The District implemented GASB Statement 68 and GASB Statement 71 with the fiscal year beginning July 1, 2014.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
1000 Revenue from Local Sources				
1100 Taxes:				
1110 Ad Valorem Taxes-Including Delinquent Taxes	\$ 57,590,934	\$ 59,590,934	\$ 57,553,133	\$ (2,037,801)
1140 Penalties & Interest On Taxes	2,400,000	400,000	379,974	(20,026)
1200 Revenue From Local Governmental Units Other Than LEAs:				
1280 Revenue in Lieu of Taxes	944,300	944,300	1,023,607	79,307
1300 Tuition:				
1310 Regular Day School From Patrons	7,000	7,000	10,600	3,600
1350 Summer School From Patrons	-	-	19,770	19,770
1500 Earnings on Investments:				
1510 Interest on Investments	75,000	75,000	49,397	(25,603)
1700 Pupil Activities:				
1740 Student Fees	12,000	12,000	22,878	10,878
1900 Other Revenue from Local Sources:				
1910 Rentals	70,000	70,000	51,720	(18,280)
1930 Medicaid	-	-	158,896	158,896
1950 Refund of Prior Year's Expenditures	8,000	8,000	75,050	67,050
1990 Miscellaneous Local Revenue				
1993 Receipt of Insurance Proceeds	-	-	17,255	17,255
1999 Revenue from Other Local Sources	430,000	430,000	675,676	245,676
Total Local Sources	61,537,234	61,537,234	60,037,956	(1,499,278)
3000 Revenue from State Sources				
3100 Restricted State Funding:				
3130 Special Programs:				
3131 Handicapped Transportation	-	-	8,652	8,652
3160 School Bus Driver Salary	650,000	650,000	752,981	102,981
3161 EAA Bus Drivers' Salary	-	-	2,388	2,388
3162 Transportation Workers' Compensation	58,854	58,854	58,632	(222)
3180 Fringe Benefits Employer Contributions	14,100,000	14,100,000	14,512,423	412,423
3181 Retiree Insurance	4,276,917	4,276,917	4,544,877	267,960
3300 Education Finance Act:				
3310 Full-Time Programs:				
3310 EFA Totals	34,897,495	-	-	-
3311 Kindergarten	-	1,487,500	1,463,708	(23,792)
3312 Primary	-	4,757,865	4,681,763	(76,102)
3313 Elementary	-	9,015,219	8,871,020	(144,199)
3314 High School	-	1,835,746	1,806,383	(29,363)
3315 Trainable Mentally Handicapped	-	89,401	87,971	(1,430)
3316 Speech Handicapped	-	2,806,666	2,761,773	(44,893)
3317 Homebound	-	49,277	48,489	(788)
3320 Part-Time Programs:				
3321 Emotionally Handicapped	-	180,608	177,719	(2,889)
3322 Educable Mentally Handicapped	-	43,869	43,168	(701)
3323 Learning Disabilities	-	2,148,437	2,114,073	(34,364)
3324 Hearing Handicapped	-	78,996	77,733	(1,263)
3325 Visually Handicapped	-	74,847	73,650	(1,197)
3326 Orthopedically Handicapped	-	44,075	43,370	(705)
3327 Vocational	-	7,336,854	7,219,502	(117,352)
3330 Other EFA Programs:				
3331 Autism	-	734,549	722,800	(11,749)
3332 High Achieving Students	-	1,195,635	1,176,511	(19,124)
3334 Limited English Proficiency	-	140,952	138,698	(2,254)
3350 Residential Treatment Facilities (RTF)				
3351 Academic Assistance	-	501,725	493,700	(8,025)
3352 Pupils in Poverty	-	2,375,274	2,337,282	(37,992)
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)	29,496,668	29,496,668	29,483,951	(12,717)
3830 Merchant's Inventory Tax	209,687	209,687	213,955	4,268
3840 Manufacturers Depreciation Reimbursement	303,663	303,663	364,342	60,679
3890 Other State Property Tax Revenues	139,505	139,505	148,198	8,693

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES (CONTINUED)				
3000 Revenue from State Sources (Continued)				
3900 Other State Revenue:				
3992 State Forest Commission Revenues	\$ -	\$ -	\$ 24,528	\$ 24,528
3999 Other State Revenue	345,000	345,000	14,287	(330,713)
Total State Sources	96,816,060	96,816,060	96,806,798	(9,262)
TOTAL REVENUE ALL SOURCES	158,353,294	158,353,294	156,844,754	(1,508,540)
EXPENDITURES				
100 INSTRUCTION				
110 General Instruction:				
111 Kindergarten Programs:				
100 Salaries	4,473,715	4,473,715	4,358,216	115,499
200 Employee Benefits	1,859,845	1,859,845	1,721,924	137,921
300 Purchased Services	350	350	350	-
400 Supplies and Materials	56,458	56,875	51,573	5,302
112 Primary Programs:				
100 Salaries	11,701,053	11,701,053	11,872,638	(171,585)
200 Employee Benefits	4,535,588	4,535,588	4,277,786	257,802
300 Purchased Services	2,800	3,741	3,741	-
400 Supplies and Materials	267,770	279,441	255,127	24,314
113 Elementary Programs:				
100 Salaries	19,853,087	19,854,143	19,280,054	574,089
200 Employee Benefits	7,395,515	7,395,762	6,935,671	460,091
300 Purchased Services	9,300	18,007	17,211	796
400 Supplies and Materials	437,725	386,202	336,434	49,768
114 High School Programs:				
100 Salaries	17,628,197	17,601,597	15,743,188	1,884,409
200 Employee Benefits	5,877,187	5,877,187	5,437,902	439,285
300 Purchased Services	140,800	161,315	157,433	3,882
400 Supplies and Materials	451,673	518,771	461,772	56,999
600 Other Objects	6,500	6,500	6,260	240
115 Career and Technology Education Programs:				
100 Salaries	2,693,596	2,693,596	2,587,831	105,765
200 Employee Benefits	989,724	989,724	911,940	77,784
300 Purchased Services	600	600	359	241
400 Supplies and Materials	129,851	128,493	127,816	677
120 Exceptional Programs:				
121 Educable Mentally Handicapped:				
100 Salaries	679,039	679,039	605,748	73,291
200 Employee Benefits	270,661	270,661	199,106	71,555
400 Supplies and Materials	1,750	2,150	1,669	481
122 Trainable Mentally Handicapped:				
100 Salaries	587,274	587,274	491,690	95,584
200 Employee Benefits	244,615	244,615	174,425	70,190
400 Supplies and Materials	1,500	1,900	1,612	288
123 Orthopedically Handicapped:				
100 Salaries	26,148	26,148	-	26,148
200 Employee Benefits	9,769	9,769	-	9,769
400 Supplies and Materials	50	50	-	50
124 Visually Handicapped:				
100 Salaries	120,762	120,761	168,713	(47,952)
200 Employee Benefits	44,778	44,778	63,924	(19,146)
400 Supplies and Materials	880	880	664	216
125 Hearing Handicapped:				
100 Salaries	247,630	247,630	227,295	20,335
200 Employee Benefits	72,131	72,131	76,398	(4,267)
400 Supplies and Materials	180	180	59	121
126 Speech Handicapped:				
100 Salaries	950,725	950,725	1,464,553	(513,828)
200 Employee Benefits	356,749	356,749	511,367	(154,618)
300 Purchased Services	-	-	14,542	(14,542)
400 Supplies and Materials	5,550	5,560	4,573	987

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
100 INSTRUCTION (CONTINUED)				
120 Exceptional Programs (Continued):				
127 Learning Disabilities:				
100 Salaries	\$ 4,584,073	\$ 4,584,073	\$ 4,439,935	\$ 144,138
200 Employee Benefits	1,760,003	1,760,003	1,559,072	200,931
300 Purchased Services	750	750	750	-
400 Supplies and Materials	21,200	21,207	18,657	2,550
128 Emotionally Handicapped:				
100 Salaries	683,164	683,164	552,436	130,728
200 Employee Benefits	285,258	285,258	226,690	58,568
400 Supplies and Materials	3,550	3,550	2,999	551
129 Coordinated Early Intervening Services (CEIS):				
100 Salaries	268,167	268,167	191,675	76,492
200 Employee Benefits	94,226	94,226	67,752	26,474
130 Pre-School Programs:				
135 Pre-School Handicapped-Speech (3 & 4 year olds):				
100 Salaries	-	-	2,947	(2,947)
200 Employee Benefits	-	-	679	(679)
400 Supplies and Materials	100	100	87	13
136 Pre-School Handicapped-Itinerant (3 & 4 year olds):				
100 Salaries	8,991	8,991	9,294	(303)
200 Employee Benefits	3,427	3,427	3,098	329
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):				
100 Salaries	1,007,240	1,007,240	935,616	71,624
200 Employee Benefits	443,289	443,289	382,031	61,258
400 Supplies and Materials	300	300	300	-
138 Pre-School Handicapped-Homebased (3 & 4 year olds):				
100 Salaries	5,732	5,732	6,045	(313)
200 Employee Benefits	2,326	2,326	1,996	330
400 Supplies and Materials	300	300	-	300
139 Early Childhood Programs:				
100 Salaries	1,064,022	1,035,149	957,619	77,530
200 Employee Benefits	454,021	440,769	356,635	84,134
300 Purchased Services	3,975	3,568	2,133	1,435
400 Supplies and Materials	14,706	57,237	32,242	24,995
140 Special Programs:				
141 Gifted and Talented-Academic:				
100 Salaries	1,344,910	1,347,310	922,408	424,902
200 Employee Benefits	506,823	506,823	341,788	165,035
300 Purchased Services	-	1,800	904	896
400 Supplies and Materials	20,000	12,700	6,482	6,218
143 Advanced Placement:				
100 Salaries	429,382	429,382	431,326	(1,944)
200 Employee Benefits	150,602	150,602	150,526	76
145 Homebound:				
100 Salaries	46,000	46,000	193,937	(147,937)
200 Employee Benefits	14,300	14,300	45,856	(31,556)
300 Purchased Services	16,700	16,700	7,832	8,868
148 Gifted and Talented-Artistic:				
100 Salaries	94,068	94,143	57,496	36,647
200 Employee Benefits	30,507	30,525	18,308	12,217
300 Purchased Services	2,200	5,645	7,423	(1,778)
400 Supplies and Materials	10,000	6,462	1,537	4,925
149 Other Special Programs:				
100 Salaries	610,732	610,728	669,384	(58,656)
140 Terminal Leave	40,000	40,000	771,792	(731,792)
200 Employee Benefits	229,490	229,490	363,473	(133,983)
300 Purchased Services	-	-	426,236	(426,236)
160 Other Exceptional Programs:				
161 Autism:				
100 Salaries	926,160	926,160	863,294	62,866
200 Employee Benefits	393,553	393,555	346,984	46,571
400 Supplies and Materials	3,900	3,942	3,603	339

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
100 INSTRUCTION (CONTINUED)				
170 Summer School Program:				
172 Elementary Summer School:				
100 Salaries	\$ -	\$ -	\$ 18,810	\$ (18,810)
200 Employee Benefits	-	-	4,669	(4,669)
173 High School Summer School:				
100 Salaries	-	-	55,155	(55,155)
200 Employee Benefits	-	-	13,530	(13,530)
180 Adult/Continuing Educational Programs:				
181 Adult Basic Education Programs:				
100 Salaries	212,428	212,428	217,595	(5,167)
200 Employee Benefits	65,334	65,333	66,771	(1,438)
300 Purchased Services	7,000	1,023	1,021	2
600 Other Objects	800	351	351	-
182 Adult Education Secondary Programs:				
100 Salaries	-	8,197	9,268	(1,071)
200 Employee Benefits	-	2,230	2,063	167
300 Purchased Services	500	-	500	(500)
400 Supplies and Materials	5,700	5,700	5,652	48
190 Instructional Pupil Activity:				
100 Salaries	541,534	542,626	500,506	42,120
200 Employee Benefits	124,718	124,986	119,955	5,031
660 Instructional Pupil Activity	20,800	20,800	20,112	688
TOTAL INSTRUCTION	98,688,486	98,722,272	94,968,799	3,753,473
200 SUPPORT SERVICES:				
210 Pupil Services:				
211 Attendance and Social Work Services:				
100 Salaries	864,177	864,177	832,093	32,084
200 Employee Benefits	364,029	364,029	329,768	34,261
300 Purchased Services	6,000	6,120	4,265	1,855
400 Supplies and Materials	3,500	3,380	2,339	1,041
212 Guidance Services:				
100 Salaries	3,059,101	3,059,101	2,917,154	141,947
200 Employee Benefits	1,092,359	1,092,359	1,028,922	63,437
300 Purchased Services	1,600	2,221	1,192	1,029
400 Supplies and Materials	23,679	22,957	16,264	6,693
213 Health Services:				
100 Salaries	1,475,242	1,475,242	1,382,414	92,828
200 Employee Benefits	556,411	556,414	487,057	69,357
300 Purchased Services	430	2,330	140	2,190
400 Supplies and Materials	27,440	29,529	26,338	3,191
600 Other Objects	125	236	111	125
214 Psychological Services:				
100 Salaries	1,199,103	1,199,103	1,172,275	26,828
200 Employee Benefits	375,146	375,146	359,167	15,979
300 Purchased Services	6,000	6,000	-	6,000
400 Supplies and Materials	6,500	6,500	6,294	206
217 Career Specialist Services:				
100 Salaries	77,682	77,682	77,682	-
200 Employee Benefits	28,908	28,908	27,756	1,152
400 Supplies and Materials	1,050	1,050	814	236
220 Instructional Staff Services:				
221 Improvement of Instruction-Curriculum Development:				
100 Salaries	3,025,280	3,022,730	2,820,160	202,570
200 Employee Benefits	963,591	963,977	900,549	63,428
300 Purchased Services	601,560	601,789	475,706	126,083
400 Supplies and Materials	167,000	167,600	57,751	109,849
600 Other Objects	1,500	1,500	534	966

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
200 SUPPORT SERVICES (CONTINUED)				
220 Instructional Staff Services (Continued):				
222 Library and Media Services:				
100 Salaries	\$ 1,901,875	\$ 1,901,875	\$ 1,850,134	\$ 51,741
200 Employee Benefits	737,932	737,932	673,155	64,777
300 Purchased Services	1,200	2,090	1,966	124
400 Supplies and Materials	282,703	281,813	258,857	22,956
223 Supervision of Special Programs:				
100 Salaries	307,185	307,185	493,818	(186,633)
200 Employee Benefits	104,232	104,232	165,378	(61,146)
300 Purchased Services	3,500	-	-	-
400 Supplies and Materials	600	600	608	(8)
224 Improvement of Instruction-Inservice and Staff Training:				
100 Salaries	-	1,000	840	160
200 Employee Benefits	-	-	207	(207)
300 Purchased Services	94,106	84,059	137,927	(53,868)
400 Supplies and Materials	11,835	7,835	4,172	3,663
230 General Administration Services:				
231 Board of Education:				
100 Salaries	67,200	67,200	60,763	6,437
200 Employee Benefits	15,926	15,926	13,518	2,408
300 Purchased Services	333,275	289,275	331,241	(41,966)
318 Audit Services	-	40,000	32,700	7,300
600 Other Objects	337,225	337,225	315,237	21,988
232 Office of the Superintendent:				
100 Salaries	264,398	264,398	275,567	(11,169)
200 Employee Benefits	75,425	75,426	102,007	(26,581)
300 Purchased Services	12,000	16,400	13,525	2,875
400 Supplies and Materials	10,470	7,470	4,335	3,135
600 Other Objects	4,100	7,100	7,891	(791)
233 School Administration:				
100 Salaries	8,179,304	8,181,304	8,083,251	98,053
200 Employee Benefits	2,929,722	2,929,722	2,787,882	141,840
300 Purchased Services	213,668	197,578	170,008	27,570
400 Supplies and Materials	221,826	218,158	193,166	24,992
500 Capital Outlay	2,425	2,425	2,413	12
600 Other Objects	48,243	45,251	40,485	4,766
250 Finance and Operations Services:				
251 Student Transportation (Federal/District Mandated):				
300 Purchased Services	227,500	287,204	201,541	85,663
252 Fiscal Services:				
100 Salaries	761,523	761,523	815,479	(53,956)
200 Employee Benefits	270,383	270,383	279,835	(9,452)
300 Purchased Services	113,000	115,500	72,607	42,893
400 Supplies and Materials	65,250	60,850	20,386	40,464
500 Capital Outlay	6,250	6,250	-	6,250
600 Other Objects	4,500	4,500	4,300	200
254 Operation and Maintenance of Plant:				
100 Salaries	6,243,841	6,243,841	6,179,159	64,682
200 Employee Benefits	3,528,967	3,528,967	2,505,966	1,023,001
300 Purchased Services	3,900,900	3,868,445	3,759,323	109,122
321 Public Utilities	694,000	694,000	687,892	6,108
400 Supplies and Materials	1,074,600	1,003,844	949,658	54,186
470 Energy	4,216,800	4,266,500	4,777,668	(511,168)
500 Capital Outlay	-	-	400	(400)
600 Other Objects	4,500	3,556	900	2,656
255 Student Transportation:				
100 Salaries	2,997,176	2,997,176	3,161,770	(164,594)
200 Employee Benefits	865,098	865,098	1,198,638	(333,540)
300 Purchased Services	140,800	266,192	251,529	14,663
400 Supplies and Materials	71,000	50,816	51,255	(439)
600 Other Objects	500	500	536	(36)

**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, 2015**

	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	\$ 270,046	\$ 270,046	\$ 200,062	\$ 69,984
200 Employee Benefits	90,045	90,045	73,197	16,848
300 Purchased Services	648,435	646,307	660,638	(14,331)
400 Supplies and Materials	39,500	39,500	37,061	2,439
258 Security:				
100 Salaries	70,906	70,906	74,021	(3,115)
200 Employee Benefits	25,226	25,226	25,921	(695)
300 Purchased Services	1,201,000	1,089,467	1,155,194	(65,727)
400 Supplies and Materials	-	1,250	757	493
500 Capital Outlay	-	410	410	-
260 Central Support Services:				
263 Information Services:				
100 Salaries	744,080	745,380	811,434	(66,054)
200 Employee Benefits	247,834	247,834	240,893	6,941
300 Purchased Services	57,000	57,506	86,250	(28,744)
400 Supplies and Materials	34,000	34,000	30,598	3,402
600 Other Objects	12,700	10,894	11,946	(1,052)
264 Staff Services:				
100 Salaries	595,626	595,626	630,999	(35,373)
200 Employee Benefits	199,149	199,149	214,732	(15,583)
300 Purchased Services	81,571	81,571	38,825	42,746
400 Supplies and Materials	66,824	70,824	49,972	20,852
600 Other Objects	825	825	907	(82)
266 Technology and Data Processing Services:				
100 Salaries	1,575,557	1,575,557	1,608,617	(33,060)
200 Employee Benefits	542,856	542,856	545,273	(2,417)
300 Purchased Services	174,000	165,418	214,837	(49,419)
400 Supplies and Materials	12,300	20,382	16,286	4,096
270 Support Services Pupil Activity:				
271 Pupil Services Activities:				
100 Salaries	1,401,885	1,401,885	1,705,150	(303,265)
200 Employee Benefits	357,857	357,857	434,819	(76,962)
300 Purchased Services	22,424	22,811	20,366	2,445
660 Pupil Activity	<u>363,168</u>	<u>363,168</u>	<u>563,472</u>	<u>(200,304)</u>
Total expenditures, excluding capital outlay	64,100,515	64,066,319	63,316,052	750,267
Total capital outlay	<u>8,675</u>	<u>9,085</u>	<u>3,223</u>	<u>5,862</u>
TOTAL SUPPORT SERVICES	<u>64,109,190</u>	<u>64,075,404</u>	<u>63,319,275</u>	<u>756,129</u>
300 COMMUNITY SERVICES				
390 Other Community Services:				
300 Purchased Services	15,000	15,000	15,498	(498)
400 Supplies and Materials	<u>6,500</u>	<u>6,500</u>	<u>3,798</u>	<u>2,702</u>
TOTAL COMMUNITY SERVICES	<u>21,500</u>	<u>21,500</u>	<u>19,296</u>	<u>2,204</u>
400 OTHER CHARGES				
410 Intergovernmental Expenditures:				
412 Payments to Other Governmental Units:				
720 Transits	<u>26,000</u>	<u>26,000</u>	<u>67,823</u>	<u>(41,823)</u>
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>26,000</u>	<u>26,000</u>	<u>67,823</u>	<u>(41,823)</u>
TOTAL EXPENDITURES	<u>162,845,176</u>	<u>162,845,176</u>	<u>158,375,193</u>	<u>4,469,983</u>

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES (CONTINUED)				
OTHER FINANCING SOURCES (USES):				
Interfund Transfers, From (To) Other Funds:				
5300 Sale of Capital Assets	\$ -	\$ -	\$ 1,966	\$ 1,966
5230 Transfer from Special Revenue EIA	3,635,913	3,635,913	3,777,043	141,130
5250 Transfer from Capital Projects Fund	-	-	9,114	9,114
5280 Transfers from Other Funds Indirect Costs	700,000	700,000	214,419	(485,581)
425-710 Transfer to Food Service Fund	(511,745)	(511,745)	(248,900)	262,845
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,824,168</u>	<u>3,824,168</u>	<u>3,753,642</u>	<u>(70,526)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (667,714)</u>	<u>\$ (667,714)</u>	2,223,203	<u>\$ 2,890,917</u>
FUND BALANCE, JULY 1, 2014			<u>32,164,113</u>	
FUND BALANCE, JUNE 30, 2015			<u>\$ 34,387,316</u>	

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, 2015**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,916	\$ 201,916
1930 Medicaid	-	-	-	-	-	-	91,609	91,609
Total Local Sources	-	-	-	-	-	-	293,525	293,525
3000 Revenue from State Sources:								
3100 Restricted State Funding:								
3110 Occupational Education:								
3118 EEDA Career Specialist	-	-	-	-	-	551,005	-	551,005
3120 General Education:								
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	115,772	-	115,772
3130 Special Programs:								
3135 Reading Coaches	-	-	-	-	-	407,745	-	407,745
3136 Student Health and Fitness - Nurses	-	-	-	-	-	404,433	-	404,433
3155 DSS Snap E&T Program	-	-	-	-	-	41,231	-	41,231
3177 Summer Reading Program	-	-	-	-	-	27,822	-	27,822
3190 Miscellaneous Restricted State Grants:								
3193 Education License Plate	-	-	-	-	-	3,240	-	3,240
3194 Digital Instructional Materials	-	-	-	-	-	237,570	-	237,570
3199 Other Restricted State Grants	-	-	-	-	-	-	611,383	611,383
3600 Education Lottery Act Revenue:								
3607 6-8 Enhancement	-	-	-	-	-	64,922	-	64,922
3610 K - 5 Enhancement	-	-	-	-	-	406,981	-	406,981
3620 Digital Instruction Materials	-	-	-	-	-	91,420	-	91,420
3630 K - 12 Technology Initiative	-	-	-	-	-	29,993	-	29,993
Total State Sources	-	-	-	-	-	2,382,134	611,383	2,993,517
4000 Revenue from Federal Sources:								
4200 Occupational Education:								
4210 Perkins Aid, Title I	-	-	-	201,585	-	-	-	201,585
4300 Elementary and Secondary Education Act of 1965:								
4310 Title I, Basic State Grant Programs	1,647,453	-	-	-	-	-	8,570	1,656,023
4341 Language Instruction for Limited English, Title III	-	-	-	-	-	-	37,190	37,190
4343 McKinney-Vento	-	-	-	-	-	-	49,654	49,654
4351 Improving Teacher Quality	-	-	-	-	-	-	137,803	137,803
4400 Adult Education:								
4410 Basic Adult Education	-	-	-	-	-	-	-	84,996
4430 State Literacy Resource	-	-	-	-	-	-	-	5,147

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, 2015

	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):								
4500 Programs for Children with Disabilities:								
4510 IDEA	\$ -	\$ 3,298,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,298,735
4520 Pre-School Grants (IDEA)	-	-	139,133	-	-	-	-	139,133
4900 Other Federal Sources:								
4924 21st Century	-	-	-	-	-	-	106,409	106,409
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	3,573,240	3,573,240
Total Federal Sources	1,647,453	3,298,735	139,133	201,585	90,143	-	3,912,866	9,289,915
TOTAL REVENUE ALL SOURCES	1,647,453	3,298,735	139,133	201,585	90,143	2,382,134	4,817,774	12,576,957

EXPENDITURES:

100 INSTRUCTION:

110 General Instruction:								
111 Kindergarten Programs:								
100 Salaries	-	-	-	-	-	14,033	-	14,033
200 Employee Benefits	-	-	-	-	-	5,003	-	5,003
400 Supplies and Materials	-	-	-	-	-	-	19,749	19,749
112 Primary Programs:								
100 Salaries	718,950	-	-	-	-	56,202	115,025	890,177
200 Employee Benefits	241,306	-	-	-	-	15,580	30,488	287,374
300 Purchased Services	-	-	-	-	-	-	99,588	99,588
400 Supplies and Materials	173,427	-	-	-	-	9,124	419,849	602,400
113 Elementary Programs:								
100 Salaries	239,484	-	-	-	-	80,757	145,634	465,875
200 Employee Benefits	79,600	-	-	-	-	25,220	46,016	150,836
300 Purchased Services	-	-	-	-	-	-	6,050	6,050
400 Supplies and Materials	11,005	-	-	-	-	1,240	253,480	265,725
114 High School Programs:								
100 Salaries	-	-	-	-	-	-	346,014	346,014
200 Employee Benefits	-	-	-	-	-	-	40,749	40,749
300 Purchased Services	-	-	-	-	-	-	101,440	101,440
400 Supplies and Materials	-	-	-	-	-	2,000	512,753	514,753
500 Capital Outlay	-	-	-	-	-	-	75,263	75,263
115 Career & Technology Education P Programs:								
300 Purchased Services	-	-	-	16,250	-	-	500	16,750
400 Supplies and Materials	-	-	-	36,835	-	-	5,864	42,699

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, 2015

	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:								
121 Educable Mentally Handicapped:								
100 Salaries	\$ -	\$ 272,842	\$ -	\$ -	\$ -	\$ -	\$ 5,201	\$ 278,043
200 Employee Benefits	-	116,779	-	-	-	-	627	117,406
300 Purchased Services	-	1,075	-	-	-	-	-	1,075
400 Supplies and Materials	-	5,265	-	-	-	-	-	5,265
122 Trainable Mentally Handicapped:								
100 Salaries	-	189,735	-	-	-	-	41,010	230,745
200 Employee Benefits	-	76,252	-	-	-	-	6,480	82,732
300 Purchased Services	-	40	-	-	-	-	-	40
400 Supplies and Materials	-	8,021	-	-	-	-	-	8,021
124 Visually Handicapped:								
300 Purchased Services	-	29,722	-	-	-	-	-	29,722
400 Supplies and Materials	-	1,672	-	-	-	-	-	1,672
125 Hearing Handicapped:								
100 Salaries	-	54	-	-	-	-	-	54
200 Employee Benefits	-	1,993	-	-	-	-	-	1,993
300 Purchased Services	-	61,168	-	-	-	-	291	61,459
400 Supplies and Materials	-	5,257	-	-	-	-	743	6,000
126 Speech Handicapped:								
100 Salaries	-	1,700	-	-	-	-	11,723	13,423
200 Employee Benefits	-	415	-	-	-	-	2,832	3,247
300 Purchased Services	-	1,546	-	-	-	-	-	1,546
400 Supplies and Materials	-	24,958	-	-	-	-	-	24,958
127 Learning Disabilities:								
100 Salaries	-	490,695	-	-	-	-	28,029	518,724
200 Employee Benefits	-	235,579	-	-	-	-	2,991	238,570
300 Purchased Services	-	2,300	-	-	-	-	350	2,650
400 Supplies and Materials	-	59,814	-	-	-	-	3,405	63,219
600 Other Objects	-	-	-	-	-	-	150	150
128 Emotionally Handicapped:								
100 Salaries	-	46,058	-	-	-	-	33,652	79,710
200 Employee Benefits	-	12,003	-	-	-	-	6,111	18,114
400 Supplies and Materials	-	665	-	-	-	-	-	665
129 Coordinated Early Intervening Services:								
100 Salaries	40,432	306,501	-	-	-	73,701	-	420,634
200 Employee Benefits	13,996	106,830	-	-	-	22,532	-	143,358
130 Pre-School Programs:								
135 Preschool Handicapped Speech (3&4 Yr Olds):								
100 Salaries	-	-	57,249	-	-	-	-	57,249
200 Employee Benefits	-	-	25,152	-	-	-	-	25,152

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, 2015

	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 (Continued):								
137 Preschool Handicapped Self-Contained (3&4 Yr. Olds):								
100 Salaries	\$ -	\$ 95,289	\$ 23,751	\$ -	\$ -	\$ -	\$ -	\$ 119,040
200 Employee Benefits	-	39,890	7,648	-	-	-	-	47,538
300 Purchased Services	-	304	-	-	-	-	-	304
400 Supplies and Materials	-	4,690	21,728	-	-	-	-	26,418
140 Special Programs:								
149 Other Special Programs:								
100 Salaries	-	24,573	-	-	-	-	-	24,573
200 Employee Benefits	-	6,143	-	-	-	-	-	6,143
400 Supplies and Materials	-	-	-	-	-	-	13,904	13,904
160 Other Exceptional Programs:								
161 Autism:								
100 Salaries	-	96,443	-	-	-	-	137,116	233,559
200 Employee Benefits	-	48,900	-	-	-	-	41,471	90,371
300 Purchased Services	-	23,587	-	-	-	-	-	23,587
400 Supplies and Materials	-	19,505	-	-	-	-	-	19,505
170 Summer School Programs:								
175 Instructional Programs Beyond Regular School Day:								
100 Salaries	-	-	-	-	-	-	6,579	6,579
200 Employee Benefits	-	-	-	-	-	-	2,025	2,025
180 Adult/Continuing Educational Programs:								
181 Adult Basic Education Programs:								
100 Salaries	-	-	-	-	22,888	1,580	-	24,468
200 Employee Benefits	-	-	-	-	6,313	384	-	6,697
400 Supplies and Materials	-	-	-	-	-	7,080	-	7,080
182 Adult Secondary Education Programs:								
100 Salaries	-	-	-	-	31,185	21,327	-	52,512
200 Employee Benefits	-	-	-	-	7,929	4,981	-	12,910
400 Supplies and Materials	-	-	-	-	-	966	-	966
183 Adult English Literacy (ESL):								
100 Salaries	-	-	-	-	17,310	-	-	17,310
200 Employee Benefits	-	-	-	-	4,518	-	-	4,518
400 Supplies and Materials	-	-	-	-	-	589	-	589

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, 2015

	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):								
188 Parenting/Family Literacy:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,910	\$ 46,910
200 Employee Benefits	-	-	-	-	-	-	24,283	24,283
190 Pupil Activity Instructional								
100 Salaries	-	-	-	-	-	2,005	5,000	7,005
200 Employee Benefits	-	-	-	-	-	591	422	1,013
400 Supplies and Materials	-	-	-	-	-	-	1,806	1,806
600 Other Objects	-	-	-	-	-	-	2,950	2,950
Total expenditures, excluding capital outlay	1,518,200	2,418,263	135,528	53,085	90,143	344,895	2,569,260	7,129,374
Capital outlay	-	-	-	-	-	-	75,263	75,263
TOTAL INSTRUCTION	1,518,200	2,418,263	135,528	53,085	90,143	344,895	2,644,523	7,204,637
200 SUPPORT SERVICES:								
210 Pupil Services:								
211 Attendance and Social Work Services:								
100 Salaries	-	-	-	-	-	-	21,232	21,232
200 Employee Benefits	-	-	-	-	-	-	5,168	5,168
300 Purchased Services	-	-	-	-	-	-	547	547
400 Supplies and Materials	-	-	-	-	-	-	935	935
212 Guidance Services:								
100 Salaries	-	-	-	-	-	273,998	-	273,998
200 Employee Benefits	-	-	-	-	-	76,501	-	76,501
400 Supplies and Materials	-	-	-	1,500	-	-	-	1,500
213 Health Services:								
100 Salaries	-	16,565	-	-	-	293,133	61,398	371,096
200 Employee Benefits	-	5,201	-	-	-	111,300	19,595	136,096
300 Purchased Services	-	3,523	-	-	-	-	6,252	9,775
400 Supplies and Materials	-	22,732	-	-	-	-	15,463	38,195
214 Psychological Services:								
100 Salaries	-	308,331	-	-	-	-	-	308,331
200 Employee Benefits	-	90,930	-	-	-	-	-	90,930
300 Purchased Services	-	10,386	-	-	-	-	3,000	13,386
400 Supplies and Materials	-	38,519	-	-	-	-	-	38,519
217 Career Specialist Services:								
100 Salaries	-	-	-	-	-	140,229	35,896	176,125
200 Employee Benefits	-	-	-	-	-	60,278	12,770	73,048

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, 2015

	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):								
220 Instructional Staff Services:								
221 Improvement of Instruction - Curriculum Development:	\$ -	\$ 47,879	\$ -	\$ -	\$ -	\$ 526,727	\$ 15,543	\$ 590,149
100 Salaries	-	11,130	-	-	-	191,766	3,746	206,642
200 Employee Benefits	-	16,599	-	-	-	-	530	17,129
300 Purchased Services	-	8,010	-	-	-	-	16,111	24,121
400 Supplies and Materials	-	-	-	-	-	-	3,032	3,032
600 Other Objects	-	-	-	-	-	-	-	-
222 Library and Media:								
400 Supplies and Materials	-	-	-	-	-	-	9,483	9,483
223 Supervision of Special Programs:								
100 Salaries	-	80,484	-	-	-	-	366,878	447,362
200 Employee Benefits	-	29,904	-	-	-	-	115,310	145,214
300 Purchased Services	-	51,269	-	-	-	-	379,197	430,466
400 Supplies and Materials	-	6,537	-	-	-	2,070	7,597	16,204
600 Other Objects	-	-	-	-	-	-	1,825	1,825
224 Improvement of Instruction-Inservice Training:								
100 Salaries	-	130	-	-	-	-	57,244	57,374
200 Employee Benefits	-	11	-	-	-	-	13,222	13,233
300 Purchased Services	33,812	26,349	-	54,000	-	-	273,430	387,591
400 Supplies and Materials	-	-	-	-	-	-	19,130	19,130
500 Capital Outlay	-	-	-	-	-	-	287	287
600 Other Objects	-	-	-	-	-	-	1,260	1,260
230 General Administration Services:								
233 School Administration:								
100 Salaries	-	-	-	-	-	-	33,912	33,912
200 Employee Benefits	-	-	-	-	-	-	18,016	18,016
300 Purchased Services	-	-	-	1,000	-	-	712	1,712
400 Supplies and Materials	-	-	-	3,000	-	-	557	3,557
600 Other Objects	-	-	-	-	-	-	345	345
250 Finance and Operations Services:								
251 Student Transportation (Federal/District Mandated):								
100 Salaries	-	-	-	-	-	-	891	891
200 Employee Benefits	-	-	-	-	-	-	259	259
300 Purchased Services	56,801	20,615	-	-	-	-	31,189	108,605
253 Facilities Acquisition and Construction:								
500 Capital Outlay	-	-	-	-	-	-	13,424	13,424
540 Equipment	-	-	-	-	-	-	-	-

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, 2015

	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 (Continued):								
254 Operation & Maintenance of Plant:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94	94
200 Employee Benefits	-	-	-	-	-	-	25	25
300 Purchased Services	-	-	-	-	-	-	27,072	27,072
400 Supplies and Materials	-	-	-	-	-	-	5,534	5,534
500 Capital Outlay	-	-	-	-	-	-	43,514	43,514
256 Food Services:								
100 Salaries	-	-	-	-	-	-	4,300	4,300
300 Purchased Services	-	-	-	-	-	-	21,267	21,267
400 Supplies and Materials	-	-	-	-	-	-	14,631	14,631
500 Capital Outlay	-	-	-	-	-	-	9,100	9,100
260 Central Support Services:								
263 Information Services:								
400 Supplies and Materials	-	-	-	-	-	-	3,000	3,000
264 Staff Services:								
300 Purchased Services	-	-	-	-	-	-	6,500	6,500
266 Technology and Data Processing Services:								
100 Salaries	-	-	-	-	-	-	84,703	84,703
200 Employee Benefits	-	-	-	-	-	-	25,517	25,517
300 Purchased Services	-	-	-	-	-	-	37,919	37,919
500 Capital Outlay	-	-	-	-	-	358,983	-	358,983
270 Support Services - Pupil Activity:								
271 Pupil Service Activities:								
100 Salaries	-	-	-	-	-	-	800	800
200 Employee Benefits	-	-	-	-	-	-	187	187
300 Purchased Services	-	-	-	89,000	-	2,254	16,062	107,316
400 Supplies and Materials	-	-	-	-	-	-	2,349	2,349
600 Other Objects	-	-	-	-	-	-	275	275
Total expenditures, excluding capital outlay	90,613	795,104	-	148,500	-	1,678,256	1,801,910	4,514,383
Capital outlay	-	-	-	-	-	358,983	66,325	425,308
TOTAL SUPPORT SERVICES	90,613	795,104	-	148,500	-	2,037,239	1,868,235	4,939,691

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, 2015

	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								
350 Custody and Care of Children:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,870	461
200 Employee Benefits	-	-	-	-	-	-	461	-
360 Welfare Services:								
300 Purchased Services	-	-	-	-	-	-	35,143	9,099
400 Supplies and Materials	-	-	-	-	-	-	9,099	-
TOTAL COMMUNITY SERVICES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,573</u>	<u>46,573</u>
410 INTERGOVERNMENTAL EXPENDITURES:								
411-720 Payments to South Carolina Department of Education	-	-	-	-	-	-	171,637	171,637
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,637</u>	<u>171,637</u>
TOTAL EXPENDITURES	<u>1,608,813</u>	<u>3,213,367</u>	<u>135,528</u>	<u>201,585</u>	<u>90,143</u>	<u>2,382,134</u>	<u>4,730,968</u>	<u>12,362,538</u>
OTHER FINANCING SOURCES (USES):								
Interfund Transfers, From (To) Other Funds:								
431-791 Special Revenue Fund Indirect Cost	(38,640)	(85,368)	(3,605)	-	-	-	(86,806)	(214,419)
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JULY 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

SUBFUND	REVENUE CODE	PROGRAM	REVENUE		EXPENDITURES		Other Fund Transfers In/(Out)	Special Revenue Fund Unearned
			\$		\$			
Other Restricted State Grants								
919	3193	Education License Plates		3,240	3,240			\$ -
914	3194	Digital Instruction Materials		237,570	237,570			-
928	3118	EEDA Career Specialist		551,005	551,005			-
935	3135	Reading Coaches		407,745	407,745			-
936	3136	Student Health and Fitness - Nurses		404,433	404,433			-
937	3127	Student Health and Fitness - PE Teachers		115,772	115,772			-
955	3155	DSS SNAP E&T Program		41,231	41,231			-
926	3177	Summer Reading Program		27,822	27,822			-
960	3610	K - 5 Enhancement		406,981	406,981			-
965	3620	Digital Instructional Materials		91,420	91,420			-
963	3630	K - 12 Technology Initiative		29,993	29,993			-
967	3607	6 - 8 Enhancement		64,922	64,922			-
		Total		<u>2,382,134</u>	<u>2,382,134</u>			<u>\$ -</u>
Other Special Revenue Programs								
224	4924	21st Century		106,409	103,652		(2,757)	
232	4343	McKinney-Vento		49,654	48,367		(1,287)	
237	4310	Title I - School Improvement		8,570	8,348		(222)	
264	4341	Title II - English Language Acquisition		37,190	36,606		(584)	
267	4351	Improving Teacher Quality		137,803	133,822		(3,981)	
803	4999	Magnet School Grant		3,298,649	3,222,391		(76,258)	
810	4999	Farm to School Grant		63,786	62,069		(1,717)	
831	4999	CHS NJROTC		81,770	81,770		-	
832	4999	IHS, DFHS AFJROTC		129,036	129,036		-	
868	1920	Lexington County First Steps		71,193	71,193		-	
890	1930	Medicaid		702,992	702,992		-	
898	1920/1999	Mini Grants		130,722	130,722		-	
		Total		<u>4,817,774</u>	<u>4,730,968</u>		<u>(86,806)</u>	

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2015**

	<u>TOTAL</u>
REVENUES:	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 14,913
3504 LevelData	26,665
3505 Technology Initiative	10,000
3511 Professional Development	142,592
3518 Formulative Assessment	112,050
3525 Career and Technology Education Equipment	167,387
3526 Science Kits	32,947
3532 National Board Certification Salary Supplement	2,973,561
3533 Teacher of the Year Awards	1,077
3538 Students at Risk of School Failure	1,929,111
3540 Early Childhood (Four-Year-Old)	289,826
3544 High Achieving Students	399,453
3550 Teacher Salary Increase	3,219,968
3555 School Employer Contributions	557,075
3556 Adult Education	176,208
3558 Reading	83,021
3577 Teacher Supplies	307,704
3578 High Schools that Work/Making Middle Grades Work	33,505
3592 Work-Based Learning	47,991
3594 EEDA At Risk Supplemental Programs	99,897
3597 Aid to Districts	793,072
3599 Other EIA	19,785
	<hr/>
Total State Sources	11,437,808
	<hr/>
TOTAL REVENUE ALL SOURCES	11,437,808
	<hr/>

EXPENDITURES:

100 INSTRUCTION:

110 General Instruction:

111 Kindergarten Programs:	
100 Salaries	81,540
200 Employee Benefits	19,094
400 Supplies and Materials	4,200
112 Primary Programs:	
100 Salaries	1,253,059
200 Employee Benefits	406,896
300 Purchased Services	174
400 Supplies and Materials	169,540
113 Elementary Programs:	
100 Salaries	1,181,703
200 Employee Benefits	343,634
400 Supplies and Materials	94,273
114 High School Programs:	
100 Salaries	967,452
200 Employee Benefits	234,127
400 Supplies and Materials	123,460

**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, 2015**

	<u>TOTAL</u>
EXPENDITURES (CONTINUED):	
100 INSTRUCTION (CONTINUED):	
110 General Instruction (Continued):	
115 Career & Technology Education Programs:	
100 Salaries	\$ 106,300
200 Employee Benefits	24,775
400 Supplies and Materials	175,286
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	54
122 Trainable Mentally Handicapped:	
100 Salaries	15,000
200 Employee Benefits	3,519
126 Speech Handicapped:	
100 Salaries	15,000
200 Employee Benefits	3,488
127 Learning Disabilities:	
100 Salaries	105,762
200 Employee Benefits	24,423
128 Emotionally Handicapped:	
100 Salaries	9,724
200 Employee Benefits	2,223
129 Coordinated Early Intervening Services:	
100 Salaries	77,627
200 Employee Benefits	26,685
130 Pre-School Programs:	
135 Preschool Handicapped Speech (3 & 4 Yr. Olds):	
100 Salaries	4,947
200 Employee Benefits	1,143
136 Preschool Handicapped Itinerant (3 & 4 Yr. Olds):	
100 Salaries	249
200 Employee Benefits	58
137 Preschool Handicapped Self-Contained (3 & 4 Yr. Olds):	
100 Salaries	24,660
200 Employee Benefits	5,770
139 Early Childhood Programs:	
100 Salaries	149,978
200 Employee Benefits	54,404
300 Purchased Services	906
400 Supplies and Materials	45,784
140 Special Programs:	
141 Gifted and Talented-Academic:	
100 Salaries	285,074
200 Employee Benefits	94,254
400 Supplies and Materials	8,639

**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, 2015**

	<u>TOTAL</u>
EXPENDITURES (CONTINUED):	
100 INSTRUCTION (CONTINUED):	
140 Special Programs (Continued):	
148 Gifted and Talented-Artistic:	
100 Salaries	\$ 40,798
200 Employee Benefits	14,120
400 Supplies and Materials	2,032
149 Other Special Programs:	
100 Salaries	7,500
200 Employee Benefits	1,756
160 Other Exceptional Programs:	
161 Autism:	
100 Salaries	5,083
200 Employee Benefits	1,190
170 Summer School Program:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	9,389
200 Employee Benefits	2,227
400 Supplies and Materials	2,370
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	1,506
400 Supplies and Materials	88
182 Adult Secondary Education Programs:	
100 Salaries	43,383
200 Employee Benefits	10,583
300 Purchased Services	726
400 Supplies and Materials	2,049
183 Adult English Literacy:	
100 Salaries	15,972
200 Employee Benefits	2,187
300 Purchased Services	50
400 Supplies and Materials	117
188 Parenting/Family Literacy:	
100 Salaries	62,576
200 Employee Benefits	20,888
300 Purchased Services	4,603
400 Supplies and Materials	12,811
TOTAL INSTRUCTION	<u>6,408,888</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2015**

	<u>TOTAL</u>
EXPENDITURES (CONTINUED):	
200 SUPPORT SERVICES:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	\$ 85,852
200 Employee Benefits	19,834
400 Supplies and Materials	26,228
213 Health Services:	
400 Supplies and Materials	5,417
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	134,731
200 Employee Benefits	39,490
300 Purchased Services	112,921
600 Other Objects	1,225
222 Library and Media:	
100 Salaries	67,500
200 Employee Benefits	15,761
223 Supervision of Special Programs:	
100 Salaries	304,111
200 Employee Benefits	94,570
300 Purchased Services	6,333
400 Supplies and Materials	5,708
600 Other Objects	221
224 Improvement of Instruction-Inservice and Staff Training:	
100 Salaries	62,344
200 Employee Benefits	14,725
300 Purchased Services	147,633
400 Supplies and Materials	21,122
230 General Administration Services:	
233 School Administration	
300 Purchased Services	600
250 Finance and Operations Services:	
251 Student Transportation	
300 Purchased Services	17,069
260 Central Support Services:	
266 Technology and Data Processing Services	
100 Salaries	14,684
200 Employee Benefits	3,393
300 Purchased Services	36,665

**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, 2015**

	<u>TOTAL</u>
EXPENDITURES (CONTINUED):	
200 SUPPORT SERVICES:	
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
300 Purchased Services	\$ 13,740
TOTAL SUPPORT SERVICES	<u>1,251,877</u>
TOTAL EXPENDITURES	<u>7,660,765</u>
OTHER FINANCING SOURCES (USES):	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund	<u>(3,777,043)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,777,043)</u>
Excess (Deficiency) of Revenues Over Expenditures	-
FUND BALANCE, JULY 1, 2014	<u>-</u>
FUND BALANCE, JUNE 30, 2015	<u>\$ -</u>

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SUMMARY SCHEDULE BY PROGRAM
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2015

PROGRAM	Revenues	Expenditures	EIA Interfund Transfer In/(Out)	Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act:					
3502 ADEPT	\$ 14,913	\$ 14,913	\$ -	\$ -	\$ -
3504 LevelData	26,665	26,665	-	-	-
3505 Technology Initiative	10,000	10,000	-	-	-
3511 Professional Development	142,592	142,592	-	-	14,400
3518 Formative Assessment	112,050	112,050	-	-	-
3525 Career and Technology Education Equipment	167,387	167,387	-	-	57,260
3526 Science Kits	32,947	32,947	-	-	42,560
3532 National Board Certification Salary Supplement	2,973,561	2,973,561	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students at Risk of School Failure	1,929,111	1,929,111	-	-	53,881
3540 Early Childhood (Four-Year-Old)	289,826	289,826	-	-	-
3544 High Achieving Students	399,453	399,453	-	-	-
3550 Teacher Salary Increase	3,219,968	-	-	(3,219,968)	-
3555 School Employer Contributions	557,075	-	-	(557,075)	-
3556 Adult Education	176,208	176,208	-	-	173,436
3558 Reading	83,021	83,021	-	-	28,341
3577 Teacher Supplies	307,704	307,704	-	-	-
3578 High Schools that Work/Making Middle Grades Work	33,505	33,505	-	-	14,265
3585 Aid to Districts-Special Education	-	-	-	-	-
3592 Work-Based Learning	47,991	47,991	-	-	27,959
3594 EEDA At Risk Supplemental Programs	99,897	99,897	-	-	-
3595 EEDA - Supplies and Materials - Career Awareness	-	-	-	-	31,846
3597 Aid to Districts	793,072	793,072	-	-	851,412
3599 Other EIA	19,785	19,785	-	-	-
TOTALS	\$ 11,437,808	\$ 7,660,765	\$ -	\$ (3,777,043)	\$ 1,295,360

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, 2015**

REVENUES

1000 Revenue from Local Sources

1100 Taxes:	
1110 Ad Valorem Taxes-Including Delinquent Taxes	\$ 24,212,032
1140 Penalties & Interest on Taxes	78,092
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes	184,876
1500 Earnings on Investments:	
1510 Interest on Investments	<u>13,049</u>
Total Local Sources	<u>24,488,049</u>

3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	786,505
3830 Merchants Inventory Tax	71,318
3840 Manufacturers Depreciation Reimbursement	81,119
3890 Other State Property Tax Revenue	<u>33,786</u>
Total State Sources	<u>972,728</u>

4000 Revenue from Federal Sources

4900 Other Federal Sources:	
4999 Revenue from Other Federal Sources	<u>1,462,798</u>

TOTAL REVENUE ALL SOURCES	<u>26,923,575</u>
----------------------------------	-------------------

EXPENDITURES

500 DEBT SERVICE

610 Redemption of Principal	8,770,000
620 Interest	9,040,794
690 Other Objects	<u>154,987</u>

TOTAL EXPENDITURES	<u>17,965,781</u>
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OTHER FINANCING SOURCES (USES):

Interfund Transfers, From (To) Other Funds:

5250 Transfer from Capital Projects Fund	1,199,327
424-710 Transfer to Capital Projects Fund	<u>(11,438,000)</u>

TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,238,673)</u>
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Excess (Deficiency) of Revenues Over Expenditures	(1,280,879)
--	-------------

Fund Balance July 1, 2014	<u>6,509,558</u>
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Fund Balance June 30, 2015	<u><u>\$ 5,228,679</u></u>
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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, 2015**

REVENUES

1000 Revenues from Local Sources

1500 Earnings on Investments:		
1510 Interest on Investments	\$	160,435
1900 Other Revenue from Local Sources		
1999 Revenue from Other Local Sources		<u>84,901</u>
Total Local Sources		<u>245,336</u>
TOTAL REVENUES ALL SOURCES		<u>245,336</u>

EXPENDITURES

250 Finance and Operations		
252 Fiscal Services:		
300 Purchased Services		140,571
400 Supplies and Materials		328,092
600 Other Objects		51,102
253 Facilities Acquisition & Construction:		
100 Salaries		210,659
200 Employee Benefits		69,180
300 Purchased Services		2,419,969
400 Supplies		1,691,462
500 Capital Outlay		
520 Construction Services		24,129,566
525 Buildings		10,000
530 Improvements Other Than Buildings		465,161
540 Equipment		3,021,517
545 Technology, Equipment and Software		1,285,453
550 Vehicles		67,055
560 Library Books		37,794
590 Other Capital Outlay		13,080
600 Other Objects		
690 Other Objects		<u>634,089</u>
TOTAL EXPENDITURES		<u>34,574,750</u>

OTHER FINANCING SOURCES (USES)

Interfund Transfers, From (To) Other Funds:

5240 Transfer from Debt Service Fund		11,438,000
420-710 Transfer to General Fund		(9,114)
423-710 Transfer to Debt Service Fund		<u>(1,199,327)</u>
TOTAL OTHER FINANCING SOURCES (USES)		<u>10,229,559</u>

Excess (Deficiency) of Revenues Over Expenditures (24,099,855)

FUND BALANCE JULY 1, 2014 39,401,784

FUND BALANCE JUNE 30, 2015 \$ 15,301,929

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, 2015**

REVENUES	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
1000 Revenue from Local Sources			
1300 Tuition:			
1310 From Patrons for Regular Day School	\$ -	\$ 1,469,050	\$ 1,469,050
1500 Earnings on Investments:			
1510 Interest on Investments	4,835	-	4,835
1600 Food Service:			
1610 Lunch Sales to Pupils	1,930,790	-	1,930,790
1620 Breakfast Sales to Pupils	104,845	-	104,845
1630 Special Sales to Pupils	1,800,958	-	1,800,958
1640 Lunch Sales to Adults	147,127	-	147,127
1650 Breakfast Sales to Adults	1,574	-	1,574
1660 Special Sales to Adults	95,950	-	95,950
1900 Other Revenue from Local Sources:			
1999 Revenue from Other Local Sources	<u>233,671</u>	<u>292</u>	<u>233,963</u>
Total Revenue from Local Sources	<u>4,319,750</u>	<u>1,469,342</u>	<u>5,789,092</u>
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3140 School Lunch:			
3142 Program Aid	<u>10,925</u>	<u>-</u>	<u>10,925</u>
Total Revenue from State Sources	<u>10,925</u>	<u>-</u>	<u>10,925</u>
4000 Revenue from Federal Sources			
4800 USDA Reimbursement:			
4810 School Lunch Program	2,781,891	-	2,781,891
4830 School Breakfast Program	789,705	-	789,705
4900 Other Federal Sources:			
4991 USDA Commodities	400,518	-	400,518
4999 Revenue from Other Federal Sources	<u>326,419</u>	<u>-</u>	<u>326,419</u>
Total Federal Sources	<u>4,298,533</u>	<u>-</u>	<u>4,298,533</u>
Total Revenue All Sources	<u>\$ 8,629,208</u>	<u>\$ 1,469,342</u>	<u>\$ 10,098,550</u>

**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, 2015**

	<u>Food Services</u>	<u>After School Program</u>	<u>Totals</u>
EXPENSES			
111 Kindergarten Programs:			
100 Salaries	\$ -	\$ 58,832	\$ 58,832
200 Employee Benefits	-	26,444	26,444
400 Supplies and Materials	-	1,124	1,124
113 Elementary Programs:			
100 Salaries	-	663	663
200 Employee Benefits	-	161	161
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	-	1,716	1,716
200 Employee Benefits	-	415	415
300 Purchased Services	-	7,637	7,637
233 School Administration:			
100 Salaries	-	16,682	16,682
200 Employee Benefits	-	4,038	4,038
300 Purchased Services	-	894	894
256 Food Services:			
100 Salaries	2,859,808	-	2,859,808
200 Employee Benefits	1,357,724	-	1,357,724
300 Purchased Services	130,311	-	130,311
400 Supplies and Materials	4,368,618	-	4,368,618
500 Capital Outlay	178,035	-	178,035
600 Other Objects	17,579	-	17,579
350 Custody and Care of Children Services:			
100 Salaries	-	793,045	793,045
200 Employee Benefits	-	148,980	148,980
300 Purchased Services	-	112,899	112,899
400 Supplies and Materials	-	219,842	219,842
TOTAL EXPENSES	<u>8,912,075</u>	<u>1,393,372</u>	<u>10,305,447</u>
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund	<u>248,900</u>	<u>-</u>	<u>248,900</u>
Total Transfers	<u>248,900</u>	<u>-</u>	<u>248,900</u>
Excess (Deficiency) of Revenues Over Expenses	(33,967)	75,970	42,003
NET POSITION, JULY 1, 2014	<u>1,883,948</u>	<u>530,676</u>	<u>2,414,624</u>
NET POSITION, JUNE 30, 2015	<u>\$ 1,849,981</u>	<u>\$ 606,646</u>	<u>\$ 2,456,627</u>

FIDUCIARY FUND

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

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

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
PUPIL ACTIVITY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2015

<u>ASSETS</u>	<u>BALANCE JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2015</u>
Accounts Receivable	\$ 2,216,714	\$ 6,211,349	\$ 6,090,573	\$ 2,337,490
Inventory	8,322	-	-	8,322
TOTAL ASSETS	<u>2,225,036</u>	<u>6,211,349</u>	<u>6,090,573</u>	<u>2,345,812</u>
<u>LIABILITIES</u>				
Accounts Payable	1,113	13	-	1,126
Due to Pupil Activities	2,223,923	6,211,336	6,090,573	2,344,686
TOTAL LIABILITIES	<u>\$ 2,225,036</u>	<u>\$ 6,211,349</u>	<u>\$ 6,090,573</u>	<u>\$ 2,345,812</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
 FIDUCIARY FUND
 PUPIL ACTIVITY FUNDS
 YEAR ENDED JUNE 30, 2015**

	<u>Other Pupil Activity</u>	<u>Schools Pupil Activity</u>	<u>Totals</u>
RECEIPTS			
1700 Pupil Activities:			
1740 Student Fees	\$ -	\$ 795,463	\$ 795,463
1790 Other	676,819	4,720,679	5,397,498
1900 Other Revenue from Local Sources:			
1999 Miscellaneous Local Revenue	18,375	-	18,375
Total Receipts	<u>695,194</u>	<u>5,516,142</u>	<u>6,211,336</u>
DISBURSEMENTS			
270 Supporting Services Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	181,106	-	181,106
200 Employee Benefits	43,816	-	43,816
300 Purchased Services	10,100	-	10,100
400 Supplies and Materials	76	-	76
500 Capital Outlay	147,315	-	147,315
660 Pupil Activity	393,188	5,314,972	5,708,160
Total Pupil Activity Expenditures	<u>775,601</u>	<u>5,314,972</u>	<u>6,090,573</u>
Excess (Deficiency) of Revenues Over Expenditures	(80,407)	201,170	120,763
Due to Pupil Activity - July 1, 2014	<u>413,951</u>	<u>1,809,972</u>	<u>2,223,923</u>
Due to Pupil Activity - June 30, 2015	<u>\$ 333,544</u>	<u>\$ 2,011,142</u>	<u>\$ 2,344,686</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL
YEAR ENDED JUNE 30, 2015**

RECEIPTS

1000 Receipts from Local Sources

1700 Pupil Activities:														
1740 Student Fees	\$	18,868	\$	15,789	\$	118,884	\$	87,514	\$	31,030	\$	7,081	\$	14,649
1790 Other		139,865		119,099		267,535		633,808		434,901		48,370		132,442
Total Receipts		<u>158,733</u>		<u>134,888</u>		<u>386,419</u>		<u>721,322</u>		<u>465,931</u>		<u>55,451</u>		<u>147,091</u>

DISBURSEMENTS

270 Supporting Services Pupil Activity:

271 Pupil Service Activities:

660 Pupil Activity		155,176		152,396		360,941		696,721		452,911		50,505		143,255
Total Disbursements		<u>155,176</u>		<u>152,396</u>		<u>360,941</u>		<u>696,721</u>		<u>452,911</u>		<u>50,505</u>		<u>143,255</u>

Excess (Deficiency) of Receipts Over Disbursements

Due to Pupil Activity - July 1, 2014

Due to Pupil Activity - June 30, 2015

		3,557		(17,508)		25,478		24,601		13,020		4,946		3,836
		119,534		91,863		113,734		226,330		83,477		49,500		37,274
	\$	<u>123,091</u>	\$	<u>74,355</u>	\$	<u>139,212</u>	\$	<u>250,931</u>	\$	<u>96,497</u>	\$	<u>54,446</u>	\$	<u>41,110</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL
YEAR ENDED JUNE 30, 2015**

RECEIPTS

1000 Receipts from Local Sources

1700 Pupil Activities:														
1740 Student Fees	\$	103,670	\$	46,388	\$	7,600	\$	6,525	\$	10,840	\$	61,594	\$	87,177
1790 Other		919,089		206,028		55,814		70,306		48,179		124,361		860,816
Total Receipts		<u>1,022,759</u>		<u>252,416</u>		<u>63,414</u>		<u>76,831</u>		<u>59,019</u>		<u>185,955</u>		<u>947,993</u>

DISBURSEMENTS

270 Supporting Services Pupil Activity:

271 Pupil Service Activities:

660 Pupil Activity		964,269		228,686		70,171		74,273		57,181		168,122		969,516
Total Disbursements		<u>964,269</u>		<u>228,686</u>		<u>70,171</u>		<u>74,273</u>		<u>57,181</u>		<u>168,122</u>		<u>969,516</u>

Excess (Deficiency) of Receipts Over Disbursements

		58,490		23,730		(6,757)		2,558		1,838		17,833		(21,523)
--	--	--------	--	--------	--	---------	--	-------	--	-------	--	--------	--	----------

Due to Pupil Activity - July 1, 2014

		298,610		47,604		44,572		17,988		25,609		44,930		247,670
--	--	---------	--	--------	--	--------	--	--------	--	--------	--	--------	--	---------

Due to Pupil Activity - June 30, 2015

	\$	<u>357,100</u>	\$	<u>71,334</u>	\$	<u>37,815</u>	\$	<u>20,546</u>	\$	<u>27,447</u>	\$	<u>62,763</u>	\$	<u>226,147</u>
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**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, 2015**

RECEIPTS

1000 Receipts from Local Sources

1700 Pupil Activities:										
1740 Student Fees	\$ 24,313	\$ 7,051	\$ 6,266	\$ 18,469	\$ 3,610	\$ -	\$ 63,255			
1790 Other	154,284	65,815	31,587	63,515	42,097	2,020	137,587			
Total Receipts	<u>178,597</u>	<u>72,866</u>	<u>37,853</u>	<u>81,984</u>	<u>45,707</u>	<u>2,020</u>	<u>200,842</u>			

DISBURSEMENTS

270 Supporting Services Pupil Activity:

271 Pupil Service Activities:

660 Pupil Activity	119,204	71,127	39,607	78,063	60,061	2,135	216,288
Total Disbursements	<u>119,204</u>	<u>71,127</u>	<u>39,607</u>	<u>78,063</u>	<u>60,061</u>	<u>2,135</u>	<u>216,288</u>

Excess (Deficiency) of Receipts Over Disbursements

Due to Pupil Activity - July 1, 2014

Due to Pupil Activity - June 30, 2015

	59,393	1,739	(1,754)	3,921	(14,354)	(115)	(15,446)
	179,557	17,325	10,516	13,009	44,033	4,074	45,317
	<u>\$ 238,950</u>	<u>\$ 19,064</u>	<u>\$ 8,762</u>	<u>\$ 16,930</u>	<u>\$ 29,679</u>	<u>\$ 3,959</u>	<u>\$ 29,871</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO PUPIL ACTIVITY
FIDUCIARY FUND - PUPIL ACTIVITY FUNDS - BY SCHOOL
YEAR ENDED JUNE 30, 2015**

	Adult Education	Spring Hill High	Total
RECEIPTS			
1000 Receipts from Local Sources			
1700 Pupil Activities:			
1740 Student Fees	-	\$ 54,890	\$ 795,463
1790 Other	7,716	155,445	4,720,679
Total Receipts	7,716	210,335	5,516,142
DISBURSEMENTS			
270 Supporting Services Pupil Activity:			
271 Pupil Service Activities:			
660 Pupil Activity	771	183,593	5,314,972
Total Disbursements	771	183,593	5,314,972
Excess (Deficiency) of Receipts Over Disbursements	6,945	26,742	201,170
Due to Pupil Activity - July 1, 2014	13,644	33,802	1,809,972
Due to Pupil Activity - June 30, 2015	20,589	60,544	2,011,142

**SOUTH CAROLINA STATE DEPARTMENT
OF EDUCATION SCHEDULES**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
INSITE LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2015**

<u>Location</u>	<u>Location Description</u>	<u>Education Level</u>	<u>Cost Type</u>	<u>2015 YTD Expenditures</u>
1	Districtwide	Non-Schools	Central	\$ 48,943,939
15	Chapin Elementary School	Elementary Schools	School	7,649,885
17	Lake Murray Elementary School	Elementary Schools	School	6,965,772
20	Chapin High School	High Schools	School	17,120,358
21	Chapin Middle School	Middle Schools	School	9,392,367
23	HE Corley Elementary School	Elementary Schools	School	6,948,849
24	Ballentine Elementary School	Elementary Schools	School	6,306,556
25	Dutch Fork Elementary School	Elementary Schools	School	6,374,431
26	River Springs Elementary School	Elementary Schools	School	5,600,035
27	Dutch Fork High School	High Schools	School	17,598,068
28	Dutch Fork Middle School	Middle Schools	School	9,543,580
29	Harbison West Elementary School	Elementary Schools	School	6,691,232
30	Oak Point Elementary	Elementary Schools	School	6,158,137
31	Chapin Intermediate School	Middle Schools	School	41,313
32	New Middle School	Middle Schools	School	14,539,684
33	The Center	High Schools	School	3,992,402
34	Spring Hill High School	High Schools	School	7,686,613
35	Irmo Elementary School	Elementary Schools	School	5,155,923
40	Irmo High School	High Schools	School	22,465,710
45	Crossroads Middle School	Middle Schools	School	9,849,295
46	Irmo Middle School	Middle Schools	School	9,594,215
50	Leaphart Elementary School	Elementary Schools	School	4,720,638
52	Nursery Road Elementary School	Elementary Schools	School	6,420,621
55	Seven Oaks Elementary School	Elementary Schools	School	5,953,917
61	Summer School	High Schools	School	92,164
65	Alternative School	Other Schools	School	1,529,343
				<u><u>\$ 247,335,047</u></u>

RECONCILIATION OF PRIMARY GOVERNMENT EXPENDITURES TO THE FINANCIAL STATEMENTS

	<u>Expenditures</u>
General Fund	\$ 158,375,193
Special Revenue Fund	12,362,538
Special Revenue EIA Fund	7,660,765
Debt Service Fund	17,965,781
Capital Projects Fund	34,574,750
Proprietary Fund	10,305,447
Trust and Agency Fund	6,090,573
Total Expenditures/Disbursements for All Funds	<u><u>\$ 247,335,047</u></u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
 DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION / FEDERAL GOVERNMENT
 JUNE 30, 2015**

Program	Grant or Project Number and FY	Revenue & Subfund Codes	Description	Amount Due to SCDE or Federal Government	Status of Amounts Due to Grantors
Farm to School	SRF	4999/810	Overclaimed Cost	\$ 2,500	Paid after Year-End
National Board Certification	EIA	3532/332	Unexpended Funds	14,931	Paid after Year-End
Teacher Supplies	EIA	3577/377	Unexpended Funds	20,046	Paid after Year-End
Total Due				\$ 37,477	

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
 DETAILED SCHEDULE OF UNEARNED REVENUE
 SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
 JUNE 30, 2015**

Program	Fund Number	Revenue Code	Amount
Professional Development	311	3511	\$ 14,400
Career and Technology Education Equipment	325	3525	57,260
Science Kits	326	3526	42,560
Students at Risk of School Failure	338	3538	53,881
Adult Education	356	3556	173,436
Reading	358	3558	28,341
High Schools that Work/Making Middle Grades Work	378	3578	14,265
Work-Based Learning	392	3592	27,959
EEDA- Supplies and Materials - Career Awareness	395	3595	31,846
Aid to Districts	397	3597	851,412
			<u>\$ 1,295,360</u>

STATISTICAL SECTION (Unaudited)

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

Contents

	<u>Page</u>
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.	109 - 115
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	116 - 123
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.	124 - 127
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.	128 - 130
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.	131 - 136

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.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 171,553,790
Restricted	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	3,583,875
Unrestricted	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	(178,291,876)
Total governmental activities	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	(3,154,211)
Business-type activities:										
Net investment in capital assets	1,549,904	1,327,852	1,122,400	949,845	768,077	590,670	544,780	554,085	553,912	565,844
Unrestricted	11,341	73,579	407,107	781,999	1,302,017	2,080,461	2,569,413	2,311,351	1,860,712	1,890,783
Total business-type activities	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	2,456,627
Primary government										
Net investment in capital assets	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	172,119,634
Restricted	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	3,583,875
Unrestricted	11,688,880	20,784,607	26,375,138	23,378,242	22,134,664	28,693,963	30,537,951	32,290,412	30,911,585	(176,401,093)
Total primary government	\$ 153,731,390	\$ 168,253,273	\$ 180,378,388	\$ 186,720,588	\$ 194,822,177	\$ 203,105,385	\$ 213,078,513	\$ 214,054,809	\$ 210,706,432	\$ (697,584)

Source: Records maintained by the School District Finance Department

* - The district implemented GASB 68 and GASB 71 on July 1, 2014.

The cumulative effect of the change in accounting principle decreased beginning net position by \$207,070,989.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Government activities:										
Instruction	\$ 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	\$ 124,800,258
Support service	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	79,879,481
Community service	81,070	78,231	2,408	-	36,397	30,715	76,339	50,377	59,029	65,869
Intergovernmental	1,053,433	525,218	177,042	218,338	-	-	-	-	-	-
Interest and other charges	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	8,150,714
Depreciation - unallocated	422,789	1,587,476	1,098,074	450,189	1,441,216	3,923,810	4,312,025	9,120,703	9,782,790	8,150,714
Total governmental expenses	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	212,896,322
Business-type activities:										
Food service	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	8,886,303
After school	160,889	228,462	665,743	737,646	924,671	990,012	1,033,685	1,197,571	1,315,160	1,393,372
Total business-type expenses	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	10,279,675
Total primary government expenses	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	223,175,997
Program Revenues										
Government activities:										
Charges for services										
Instruction Services	736,024	872,627	796,798	806,077	831,091	419,662	633,584	30,864	20,206	43,311
Support Services	474,065	489,424	494,877	456,325	408,865	178,779	263,966	19,428	13,365	9,912
Community Services	-	-	-	-	-	-	-	-	-	-
Intergovernmental	25,000	-	-	-	-	-	-	-	-	-
Operating grants and contributions	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	79,696,829
Capital grants and contributions	-	-	487,789	-	1,003,483	-	-	-	-	-
Total governmental revenues	70,255,649	71,157,163	75,188,066	68,977,504	70,999,653	66,517,826	68,105,325	73,609,570	77,204,642	79,750,077
Business-type activities:										
Charges for services	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	5,550,294
Operating grants and contributions	2,578,938	2,390,437	2,551,503	2,852,827	3,115,745	3,346,582	3,654,464	3,534,109	3,866,388	4,309,456
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type revenues	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	9,859,752
Total primary government revenues	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	89,609,829
Net (Expense) Revenue	\$ (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)	\$ (133,566,168)
Total primary government net expense										

Source: Records maintained by the School District Finance Department

**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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Total primary government net expense	\$ (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)	\$ (133,566,168)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	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	58,538,094
Property taxes levied for debt service	15,615,508	15,544,153	19,026,906	20,065,446	22,254,816	23,391,210	23,732,876	23,898,135	24,390,363	24,426,849
Payment in lieu of taxes	75,045	78,278	80,207	81,018	145,151	562,911	1,085,626	1,030,578	1,294,119	1,208,483
Unrestricted state revenue in lieu of taxes	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	43,560,260
Investment earnings	1,292,613	1,912,150	1,634,000	385,519	374,660	454,666	354,198	501,042	395,295	222,881
Miscellaneous	472,062	208,987	151,297	65,448	272,639	806,241	886,805	430,263	485,910	1,063,498
Total governmental revenues	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	129,020,065
Business-type activities:										
Investment earnings	138,929	16,987	16,870	6,299	2,402	6,529	8,337	7,485	4,111	4,835
Miscellaneous	-	-	-	-	-	-	-	111,861	117,366	208,191
Total business-type revenues	138,929	16,987	16,870	6,299	2,402	6,529	8,337	119,346	121,477	213,026
Total primary government	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	129,233,091
Change in Net Position										
Governmental activities	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)	(4,375,080)
Business-type activities	442,289	(159,814)	128,076	202,337	338,250	601,037	443,062	(248,757)	(450,812)	42,003
Total primary government	\$ 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)	\$ (4,333,077)

Source: Records maintained by the School District Finance Department

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

(modified accrual basis of accounting - unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable for Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,657	\$ 159,516	\$ 9,083	\$ 12,574	\$ 12,574
Nonspendable for Prepaid Items	-	-	-	-	-	2,871,605	2,893,816	3,118,702	712,139	788,406
Assigned for Special Purposes	-	-	-	-	-	6,183,579	4,574,852	10,749,175	7,467,714	6,800,000
Unassigned	-	-	-	-	-	15,321,244	23,115,911	19,252,097	23,971,686	26,786,336
Reserved	442,249	587,982	552,387	3,470,904	5,701,580	-	-	-	-	-
Unreserved	15,611,999	21,994,142	28,392,396	21,492,632	17,375,197	-	-	-	-	-
Total General Fund	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	34,387,316
All Other Governmental Funds										
Restricted- Debt Service	-	-	-	-	-	4,726,778	5,715,026	7,500,378	6,509,558	5,228,679
Restricted- Building Fund	-	-	-	-	-	66,486,908	-	-	-	-
Committed- Building Fund	-	-	-	-	-	27,123,803	45,581,375	93,048,799	39,182,854	15,301,929
Reserved	-	-	-	-	-	-	-	-	-	-
Debt Service	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	-	-	-	218,930	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Building Fund	(2,162,620)	15,337,577	(2,067,789)	18,321,947	45,122,925	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 20,530,608

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Local sources	\$ 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	\$ 85,064,866
State sources	74,094,537	77,028,601	107,735,190	101,518,072	98,319,597	96,162,865	102,513,220	106,307,556	108,709,486	112,210,851
Federal sources	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	10,752,713
Total revenues	\$ 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	\$ 208,028,430

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction	\$ 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	\$ 108,507,061
Support services	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	74,627,436
Community services	18,738	13,342	2,408	-	34,673	30,715	76,339	50,377	59,029	65,869
Intergovernmental	1,053,433	525,218	177,042	218,338	148,738	205,507	75,805	54,980	268,694	239,460
Capital outlay	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	29,533,420
Debt service										
Principal	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	8,770,000
Interest and other fees	949,107	950,992	1,095,704	668,565	1,327,433	3,241,569	4,336,154	8,347,424	10,025,119	9,195,781
Total expenditures	\$ 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	\$ 230,939,027
Debt service as a percentage of noncapital expenditures	12.5%	11.7%	10.3%	14.2%	12.0%	15.3%	4.0%	5.7%	24.3%	9.0%

Source: Records maintained by the School District Finance Department

Note: Beginning 2012, noncapital expenditures equals total expenditures less capital outlays (from Note 4, Capital Assets)

**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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess of revenues over (under) expenditures	\$ (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)	\$ (22,910,597)
Other Financing Sources (Uses)										
General long-term debt issued	22,300,000	33,725,000	-	37,565,000	50,000,000	91,500,000	-	-	-	-
Premiums on bonds sold	-	-	-	492,497	79,577	840,815	-	-	-	-
Sale of capital assets	7,963	1,222	1,808	1,381	896	6,889	2,995	33,072	8,140	1,966
Lease Purchases	-	-	-	-	-	-	-	2,970,000	-	-
Proceeds from long-term notes	-	-	-	-	-	-	-	126,252,185	-	-
Insurance of refunding debt	-	-	-	-	-	-	-	-	40,444,000	-
Transfers in	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	16,637,903
Transfers out	(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)	(16,886,803)
Total other financing sources (uses)	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	(246,934)
Net change in fund balances	\$ 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)	\$ (23,157,531)

Source: Records maintained by the School District Finance Department

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

Lexington County:

Fiscal Year	Tax Year December 31	Real Property		Personal Property		Total		Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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%
2015	2014	218,291,070	4,717,054,338	79,430,980	921,143,809	297,722,050	5,638,198,147	304.00	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		Personal Property		Total		Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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%
2015	2014	143,158,920	3,225,050,100	38,851,430	533,672,468	182,010,350	3,758,722,568	235.80	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)

Fiscal Year	Tax Year December 31	District Direct Rates			Overlapping Rates									
		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		
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		
2015	2014	251.500	52.500	304.000	94.441	20.604	4.353	2.088	11.505	-	96.100	2.500		

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

Source: Lexington County Auditor's Office

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

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

Richland County:

Fiscal Year	Tax Year December 31	District Direct Rates			Overlapping Rates					
		General Purposes	Capital Purposes	Total	Richland County	Recreation District	Midlands Technical College	Riverbanks Zoo	City Of Irmo	City Of Columbia
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
2015	2014	235.800	52.500	288.300	118.800	12.600	3.400	1.400	-	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)

Lexington Taxpayer:	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
South Carolina Electric & Gas	\$ 27,087,190	1	9.10%	\$ 21,331,220	1	9.11%
Shaw Industries Group, Inc.	5,579,490	2	1.87%	3,511,710	4	1.50%
AT&T Mobility F/K/A Cingular	4,574,790	3	1.54%			
GGP Columbiana Trust	3,025,560	4	1.02%	2,990,500	3	1.28%
DDRTC Columbiana Station I, LLC	1,459,650	5	0.49%			
BRE MDT Harbison Court, LLC	1,194,710	6	0.40%	1,070,870	7	0.46%
AVR Columbia LLC	1,485,000	7	0.50%			
Columbiana Station (E & A) LLC	1,128,950	8	0.38%	1,043,190	8	0.45%
Mid-Carolina Electric COOP, Inc	1,398,750	9	0.47%	1,148,260	9	0.49%
Wal-Mart Realty Company	921,490	10	0.31%			
HUB Properties				1,842,030	5	0.79%
Cingular Wireless (f/k/a/ Bellsouth)				4,905,400	2	2.09%
BellSouth Telecommunications				1,494,670	6	0.64%
Inland Southeast Columbiana				869,440	10	0.37%
Total Assessed Value of Ten Principal Taxpayers	47,855,580		16.07%	40,207,290		17.17%
Total Assessed Value of Other Taxpayers	249,866,470		83.93%	193,951,890		82.83%
Total Assessed Value of All Taxpayers	\$ 297,722,050		100.00%	\$ 234,159,180		100.00%

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

(unaudited)

Richland Taxpayer:	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
South Carolina Electric & Gas	\$ 2,143,070	1	1.18%	\$ 1,207,890	4	0.88%
Mid-Carolina Electric Coop.	2,111,130	2	1.16%	1,702,230	2	1.24%
1600 Marina Road, LLC	1,282,040	3	0.70%			0.00%
Ballentine Crossing, LLC	1,047,160	4	0.58%			
AVR-Lake Murray, LLC	966,590	5	0.53%			
Paces Brook Gardens Associates	782,990	6	0.43%	798,600	6	0.58%
Franklin Pineridge Associates	718,500	7	0.39%	560,020	10	0.41%
Bellsouth Telecommunications, Inc.	681,970	8	0.37%	1,783,610	1	1.30%
Harpaw LLC	669,130	9	0.37%	716,660	8	0.52%
Wal-Mart Real Estate Business	551,440	10	0.30%			
Triton PCS Holdings Company				758,240	7	0.55%
Columbia MSA Limited Partnership				1,210,670	3	0.88%
Walden Heights at Harbison LLC				861,520	5	0.63%
Southland Log Homes				611,810	9	0.45%
Total Assessed Value of Ten Principal Taxpayers	10,954,020		6.02%	10,211,250		7.43%
Total Assessed Value of Other Taxpayers	171,056,330		93.98%	127,270,199		92.57%
Total Assessed Value of All Taxpayers	\$ 182,010,350		100.00%	\$ 137,481,449		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
2006	2005	\$ 80,990,205	\$ 79,051,034	97.61%	\$ 1,895,486	\$ 80,946,520	99.95%
2007	2006	85,170,042	83,205,742	97.69%	1,805,852	85,011,594	99.81%
2008	2007	93,379,793	91,387,277	97.87%	1,814,636	93,201,913	99.81%
2009	2008	99,664,340	97,016,034	97.34%	2,526,458	99,542,492	99.88%
2010	2009	101,250,263	98,883,830	97.66%	2,224,448	101,108,278	99.86%
2011	2010	109,207,658	106,425,326	97.45%	2,621,603	109,046,929	99.85%
2012	2011	114,036,950	111,549,859	97.82%	2,042,837	113,592,696	99.61%
2013	2012	117,156,452	114,123,980	97.41%	2,180,147	116,304,127	99.20%
2014	2013	122,098,443	118,742,250	97.25%	2,292,772	121,035,022	97.05%
2015	2014	127,217,135	123,390,291	96.99%	-	123,390,291	96.99%

Note: Levies and Collections updated for each fiscal year as of 6/30/15 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		Collections in Subsequent Years	Total Collections to Date	
			Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2006	2005	\$ 29,390,908	\$ 26,997,963	91.86%	\$ 782,370	\$ 27,780,333	94.52%
2007	2006	33,648,301	32,604,998	96.90%	492,469	33,097,467	98.36%
2008	2007	38,417,823	37,282,199	97.04%	512,887	37,795,086	98.38%
2009	2008	40,526,957	39,133,834	96.56%	670,619	39,804,453	98.22%
2010	2009	41,710,253	40,089,788	96.11%	884,539	40,974,327	98.24%
2011	2010	42,650,504	41,368,546	96.99%	781,728	42,150,274	98.83%
2012	2011	45,074,021	43,710,463	96.97%	879,322	44,589,785	98.93%
2013	2012	46,216,599	44,651,273	96.61%	999,195	45,650,468	98.78%
2014	2013	47,657,973	46,316,828	97.19%	517,043	46,833,871	98.27%
2015	2014	49,471,459	48,430,437	97.90%	-	48,430,437	97.90%

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

TABLE 12

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

Fiscal Year	Governmental Activities General Obligation Bonds	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
2006	\$ 15,275,000	\$ 15,275,000	0.23%	0.58%	182
2007	31,295,000	31,295,000	0.44%	1.10%	367
2008	14,225,000	14,225,000	0.18%	0.48%	164
2009	28,600,000	28,600,000	0.34%	0.88%	325
2010	59,860,000	59,860,000	0.69%	1.85%	668
2011	129,705,000	129,705,000	1.43%	4.09%	1,425
2012	127,250,000	127,250,000	1.37%	3.85%	1,377
2013	254,018,653	254,018,653	2.70%	not available	2,765
2014	245,431,641	245,431,641	2.57%	not available	2,779
2015	235,647,636	235,647,636	2.51%	not available	not available

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

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

TABLE 13

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
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%	1,315
2013	254,018,653	7,500,378	246,518,275	2.62%	2,684
2014	245,431,641	4,642,905	240,788,736	2.52%	2,727
2015	235,647,636	3,583,875	232,063,761	2.47%	not available

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, 2015
(unaudited)**

	<u>General Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable To District</u>	<u>Estimated District Share of Direct and Overlapping Debt</u>
<u>Direct:</u>			
School District Five of Lexington and Richland Counties	\$ 235,647,636	100.00%	\$ 235,647,636
Total direct debt	<u>235,647,636</u>		<u>235,647,636</u>
<u>Overlapping:</u>			
<u>Lexington County:</u>			
Lexington County	45,590,386	28.20%	12,856,489
Irmo-Chapin Recreation District	22,355,000	100.00%	22,355,000
Riverbanks Park District	34,760,000	18.20%	6,326,320
City of Columbia	30,665,000	4.10%	1,257,265
<u>Richland County:</u>			
Richland County	25,761,297	11.60%	2,988,310
Richland Co Recreation District	40,355,000	14.90%	6,012,895
Riverbanks Park District	34,760,000	18.20%	6,326,320
City of Columbia	<u>30,665,000</u>	4.10%	<u>1,257,265</u>
Total overlapping debt	<u>264,911,683</u>		<u>59,379,864</u>
Total direct and overlapping debt	<u>\$ 500,559,319</u>		<u>\$ 295,027,500</u>

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

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

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

Legal Debt Margin Calculation For Fiscal Year 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Value										\$ 479,732,400
Debt limit (8% of assessed value)										38,378,592
Debt applicable to limit										-
Legal debt margin										\$ 38,378,592
Debt limit	\$ 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	\$ 38,378,592
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	\$ 22,081,250	\$ 4,049,337	\$ 18,155,276	\$ 5,223,676	\$ 27,340,913	\$ 34,134,287	\$ 22,191,624	\$ 38,052,768	\$ 38,787,248	\$ 38,378,592
Total net debt applicable to the limit as a percentage of debt limit	25.73%	86.84%	43.93%	84.56%	26.50%	6.39%	40.62%	0.00%	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		Unemployment Rate	Unemployment Rate
				Lexington County	Richland County		
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	88,313	not available	not available	not available	4.8%	6.0%
2015	2014	not available	not available	not available	not available	5.3%	6.4%

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

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

(unaudited)

	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<u>Richland Employer:</u>						
Palmetto Health	9,000	1	4.88%	1,059	1	0.65%
Blue Cross Blue Shield of SC	6,459	2	3.51%	960	2	0.59%
AT&T	2,400	3	1.30%	726	3	0.45%
Humana/TriCare	2,100	4	1.14%	656	4	0.40%
Providence Hospitals	2,075	5	1.13%	606	5	0.37%
Palmetto GBA	1,900	6	1.03%	490	6	0.30%
Wells Fargo	1,549	7	0.84%	425	7	0.26%
Verizon Communications	1,500	8	0.81%	400	8	0.25%
CSC Corporation	1,345	9	0.73%	375	9	0.23%
First Citizens Bank	1,250	10	0.68%	317	10	0.19%
Westinghouse Electric Corp						
Bose Corporation						
International Paper						
Schneider Electric/Square D Co.						
The State Record Co., Inc.						
Siemen Diesel Systems Technology LLC						
Intertape Polymer Group						
Trane Co.						
FN Manufacturing						
Spirax Sarco, Inc.						
	<u>29,578</u>		<u>16.05%</u>	<u>6,014</u>		<u>3.69%</u>

2015 Top Employers from Central Alliance website at www.centralisc.org

2015 Total Employment from Bureau of Labor Statistics

2006 Data from Department of Commerce

TABLE 18

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

School Allocations:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Teachers	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	1,271.00
Guidance	43.50	50.00	43.50	51.00	48.50	46.50	46.50	46.50	21.00	50.00
Media specialists	23.00	24.00	21.00	25.00	24.00	24.00	24.00	24.00	19.00	21.00
Psychologists and social workers	15.30	18.80	19.70	27.30	25.00	27.00	27.00	27.00	22.00	26.00
Speech therapists	24.00	25.30	24.30	27.50	29.80	31.00	31.00	31.00	32.00	28.00
Nurses, occupational and physical therapists	28.57	24.32	27.41	31.80	38.50	37.00	37.00	37.00	29.00	40.00
Secretaries, bookkeepers, and receptionists	121.50	122.00	134.30	119.75	112.00	113.00	113.00	116.00	139.00	151.00
Teacher assistants and media assistants	272.09	287.21	265.36	333.13	330.12	296.92	292.92	296.92	300.00	289.00
Food service personnel and cafeteria monitors	164.22	169.00	170.00	171.33	143.26	143.58	143.58	143.58	149.00	146.00
Custodians, maintenance and transportation	261.59	278.50	266.00	288.10	263.85	271.42	271.42	272.42	272.00	233.00
Technology services and other specialized	15.00	18.00	6.50	12.00	6.00	6.00	6.00	12.00	17.00	10.00
Principal/assistant and principal/coordinators	60.88	71.67	69.00	67.43	70.00	71.00	69.84	71.84	83.00	79.00
Total	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	2,344.00
<u>District Office Allocations:</u>										
Superintendent	8.00	8.00	7.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Instruction	27.51	28.00	38.00	38.80	36.28	37.50	37.50	37.50	35.00	33.00
Human resources services	8.00	8.00	9.27	9.27	9.30	7.80	7.80	7.80	10.00	11.00
Financial services	29.35	39.00	36.00	21.00	30.00	30.00	30.00	30.00	33.00	15.00
Community Services	0.00	0.00	2.00	4.73	4.73	4.73	4.73	5.73	10.00	26.00
Technology	0.00	0.00	0.00	17.00	14.50	15.00	15.00	15.00	28.00	18.00
Facilities/Maintenance	0.00	0.00	0.00	43.03	19.00	20.00	20.00	20.00	24.00	25.00
Total	72.86	83.00	92.27	135.83	115.81	117.03	117.03	118.03	142.00	130.00
Total	2,288.92	2,566.80	2,572.34	2,588.91	2,419.26	2,374.47	2,354.81	2,399.84	2,470.00	2,474.00

Source: Records maintained by the School District Human Resources Department

TABLE 19

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

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced -Price Meals
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	13,120	5.76%	1,245	13.1	36.3%
2015	16,463	183,439,826	11,143	1.16%	223,175,997	13,556	3.32%	1,271	13.0	34.7%

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

TABLE 20

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

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Average Salary
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
2015	33,054	73,701	48,561

* - 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	819	819	819	819	819	819
Enrollment	789	703	712	771	737	742	752	720	718	716
Chapin Elementary (1977)										
Square feet	108,900	108,900	108,900	108,900	118,900	131,950	131,950	131,950	131,950	131,950
Capacity	850	850	850	850	916	916	916	916	916	916
Enrollment	704	727	776	807	822	794	811	820	854	843
Dutch Fork Elementary (1953)										
Square feet	93,485	103,522	103,522	103,522	95,182	95,182	95,182	95,182	95,182	95,182
Capacity	750	750	750	750	657	657	657	657	657	657
Enrollment	578	542	559	563	537	541	519	514	511	504
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	733	733	733	733	733	733
Enrollment	581	594	543	517	498	522	514	511	467	486
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	710	710	710	710	710	710
Enrollment	496	471	408	368	394	486	502	479	487	518
Irmo Elementary (1933)										
Square feet	86,674	86,674	86,674	86,674	85,674	85,674	121,000	121,000	121,000	121,000
Capacity	550	550	550	550	584	584	640	640	640	640
Enrollment	527	532	498	505	479	509	468	511	478	474
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	849	849	849	849	849	849
Enrollment	840	807	814	853	862	866	847	874	926	992
Leaphart Elementary (1975)										
Square feet	95,300	95,300	95,300	95,300	108,300	120,500	120,500	120,500	120,500	120,500
Capacity	750	725	725	725	814	814	814	814	814	814
Enrollment	569	546	496	486	466	433	430	429	452	432

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

School	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	777	777	777	777	777	777
Enrollment	703	654	595	521	492	499	519	491	477	454
Oak Pointe Elementary (2007)										
Square feet	-	110,390	110,390	110,390	110,396	110,396	110,396	110,396	110,396	110,396
Capacity	-	825	825	825	756	756	756	756	756	756
Enrollment	-	539	601	630	634	671	647	645	627	636
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	925	925	925	925	925	925
Enrollment	879	611	645	642	677	654	641	633	598	568
Seven Oaks Elementary (1966)										
Square feet	72,756	72,756	72,756	72,756	72,756	72,756	103,756	103,756	103,756	103,756
Capacity	550	550	550	550	570	570	640	640	640	640
Enrollment	543	557	510	510	484	475	465	438	486	534
Middle										
Chapin Middle (1991)										
Square feet	139,651	177,433	177,433	177,433	177,433	177,433	177,433	177,433	177,433	177,433
Capacity	800	900	900	900	1,018	1,018	1,018	1,018	1,018	1,018
Enrollment	863	883	979	975	996	1,030	1,103	1,121	1,111	1,172
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	1,098	1,098	1,098	1,098	1,098	1,098
Enrollment	1,018	1,004	997	955	966	917	988	946	943	917
Dutch Fork Middle (1998)										
Square feet	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901	142,901
Capacity	1,100	1,100	1,100	1,100	1,149	1,149	1,149	1,149	1,149	1,149
Enrollment	1,044	1,037	1,011	1,039	1,049	1,100	1,054	1,045	1,092	1,089
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	1,181	1,181	1,181	1,181	1,181	1,181
Enrollment	1,087	1,044	1,030	925	896	880	879	909	897	843

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
School										
High										
Chapin High (1971)										
Square feet	187,288	187,288	187,288	187,288	187,288	187,288	187,288	187,288	252,288	375,500
Capacity	1,150	1,150	1,150	1,150	1,239	1,239	1,239	1,239	1,700	1,700
Enrollment	1,111	1,166	1,245	1,242	1,286	1,302	1,341	1,346	1,206	1,152
Dutch Fork High (1993)										
Square feet	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788	316,788	368,788
Capacity	2,000	2,000	2,000	2,000	2,207	2,207	2,207	2,207	2,207	2,207
Enrollment	2,079	2,076	2,073	2,088	2,068	2,031	2,031	2,097	1,894	1,833
Irmo High (1964)										
Square feet	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121	343,121	396,121
Capacity	2,000	2,000	2,000	2,000	2,141	2,141	2,141	2,141	2,141	2,141
Enrollment	1,915	2,003	2,012	2,029	1,983	1,915	1,829	1,707	1,540	1,508
Center for Advanced Technical Studies (2012)										
Square feet									115,000	115,000
Capacity									1,200	1,200
<1> Enrollment										
Spring Hill High School (2013)										
Square feet									287,000	287,000
Capacity									1,700	1,700
Enrollment									556	792
Other										
Academy for Success (1955)										
Square feet	26,005	26,005	26,005	26,005	20,961	20,961	20,961	20,961	20,961	20,961
Capacity	99	99	99	99	99	99	99	99	99	99
<2> Enrollment	68	73	73	138	127	127	127	95	0	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.

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, 2015, 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 2, 2015.

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 + Smith, LLP

November 2, 2015

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, 2015. 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, 2015.

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.

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

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.

Derick, Stulke + Smith, LLP

November 2, 2015

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

<u>Fund</u>	<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures Paid</u>
U. S. DEPARTMENT OF EDUCATION				
Passed Through S.C. Department of Education:				
201	Title I Grants to Local Educational Agencies	84.010	14BA057 & 15BA057	\$ 1,647,453
237	Title I School Improvement	84.010A	13FO057	8,570
				<u>1,656,023</u>
203	Handicapped Disabilities Act	84.027	14CA057	1,709,575
204	Handicapped Disabilities Act	84.027	15CA057	1,589,160
205	Special Education - Preschool Grants	84.173	14CG057	101,254
206	Special Education - Preschool Grants	84.173	13CG057 & 15CG057	37,879
				<u>3,437,868</u>
207	Vocation Education	84.048A	15VA057	201,585
224	21st Century	84.287	14CL057 & 15CL057 15 Adult Education - Regular, Reverted Funds for Districts, English Literacy/Civics, Family Literacy	106,409
243	Adult Education Federal Grant Program	84.002	14FH057 & 15FH057	90,143
232	McKinney-Vento Homeless Assistance	84.196	12BP057 , 13BP057 & 14BP057	49,654
264	Title II - English Language Acquisition	84.365A	13TQ057 & 14TQ057	37,190
267	Title II Part A - Improving Teacher Quality	84.367		137,803
803	Direct Programs: Project ASSESS	84.165A	N/A	<u>3,298,649</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>9,015,324</u>
U.S. DEPARTMENT OF DEFENSE				
831/832	Direct Programs: NJROTC/AFJROTC	12.000	N/A	<u>210,805</u>
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	<u>400,518</u>
600	Cash Assistance: School Breakfast Program	10.553	N/A	789,705
600	National School Lunch Program Cash Assistance Subtotal	10.555	N/A	<u>2,781,891</u>
	Total for Cluster			<u>3,972,114</u>
600	Passed Through S.C. Department of Social Services: Supper Program	10.558	N/A	<u>326,419</u>
810	Direct Programs: Farm to School	10.575	CN-F25-IMPL-14-SC-01	<u>63,786</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>4,362,319</u>
Total Federal Assistance Expended				<u>\$ 13,588,448</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

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, 2015. 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	\$ 10,752,713
Enterprise Funds	<u>4,298,533</u>
Total Federal assistance per financial statements	15,051,246
Less: Federal Interest Subsidy - Debt Service Fund	<u>(1,462,798)</u>
Total Federal assistance per SEFA	<u>\$ 13,588,448</u>

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, 2015**

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?	None Identified
Significant deficiency(ies) identified?	None Identified
Noncompliance material to the financial statements noted?	None Identified

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None Identified
Significant deficiency(ies) identified?	None Identified
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?	None

Identification of major programs:		
<u>U.S. Department of Education:</u>	<u>CFDA#</u>	
<u>Child Nutrition Cluster:</u>		
USDA Food Service/Commodities	10.550	\$ 400,518
School Breakfast Program	10.553	789,705
School Lunch Program	10.555	<u>2,781,891</u>
		\$ <u>3,972,114</u>

Dollar threshold used to distinguish between Type A and Type B programs \$ 407,653

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

II. Findings 2015 Financial Statement Audit None

III. 2015 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, 2015**

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, 2015**

No corrective action plan is required for the year ending June 30, 2015.