# SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES

IRMO, SOUTH CAROLINA




# COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2016

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

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016




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

This page was intentionally left blank.

**DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**


| | Page |
|---|---|
| ***INTRODUCTORY SECTION*** | ***1*** |
| Letter of Transmittal from Administration | 3 – 10 |
| Administrative Table of Organization | 11 |
| Principal officials | 12 |
| Certificate of Achievement for Excellence in Financial Reporting | 13 |
| Certificate of Excellence in Financial Reporting | 14 |
| ***FINANCIAL SECTION*** | ***15*** |
| Independent Auditor's Report | 17 – 19 |
| Management's Discussion and Analysis | 20 – 28 |
| **Basic Financial Statements** | **29** |
| *Government-wide Financial Statements* | |
| Statement of Net Position | 31 |
| Statement of Activities | 32 |
| *Fund Financial Statements* | |
| Balance Sheet - Governmental Funds | 33 |
| Reconciliation of the Governmental Fund Balances to the Statement of Net Position | 34 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 35 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities | 36 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund | 37 |
| Statement of Net Position – Proprietary Fund | 38 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund Types – Enterprise Funds | 39 |
| Statement of Cash Flows – Proprietary Fund Types – Enterprise Funds | 40 |
| Statement of Fiduciary Assets and Liabilities – Fiduciary Fund Type | 41 |
| Notes to the Basic Financial Statements | 42 – 70 |
| **Required Supplementary Information** | **71** |
| Schedule of the District's Proportionate Share of the Net Pension Liability | 73 |

**DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**


| | Page |
|---|---|
| ***FINANCIAL SECTION (CONTINUED)*** | |
| Schedule of the District's Contributions | 74 |
| **Other Supplementary Information** | **75** |
| *GENERAL FUND* | 77 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budgets and Actual | 79 – 86 |
| *SPECIAL REVENUE FUNDS* | 87 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Fund – Special Projects Fund | 89 – 95 |
| Summary Schedules of Designated Restricted State Grants and Other Special Projects Programs – Special Revenue Fund | 96 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – All Programs – Special Revenue Fund – Education Improvement Act | 97 – 100 |
| Summary Schedule By Program – Special Revenue Fund – Education Improvement Act | 101 |
| *DEBT SERVICE FUND* | 103 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund | 105 – 106 |
| *CAPITAL PROJECTS FUND* | 107 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – School Building Fund | 109 – 110 |
| *ENTERPRISE FUND* | 111 |
| Schedule of Revenues, Expenses, and Changes in Net Position – Proprietary Fund Types – Food Service Fund and After School Program | 113 – 115 |
| *FIDUCIARY FUND* | 117 |
| Statement of Changes in Assets and Liabilities – Fiduciary Fund – Pupil Activity Funds | 119 |
| Combining Schedule of Receipts, Disbursements and Changes In Due to Pupil Activity – Fiduciary Fund – Pupil Activity Funds | 120 |
| Schedule of Receipts, Disbursements and Changes in Due to Pupil Activity – Fiduciary Fund – Pupil Activity Funds – By School | 121 – 125 |
| *SOUTH CAROLINA STATE DEPARTMENT OF EDUCATION SCHEDULES* | 127 |
| INSITE Location Reconciliation Schedule | 129 |
| Detailed Schedule of Due to State Department of Education/Federal Government | 130 |

**DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**


| | Page |
|---|---|
| ***STATISTICAL SECTION (UNAUDITED)*** | **131** |
| Net Position by Component | 133 |
| Expenses, Program Revenues, and Net (Expense) Revenue | 134 |
| General Revenues and Total Change in Net Position | 135 |
| Fund Balances, Governmental Funds | 136 |
| Governmental Funds Revenues | 137 |
| Governmental Funds Expenditures by Function and Debt Service Ratios | 138 |
| Governmental Funds Other Financing Sources and Uses and Net Change in Fund Balances | 139 |
| Assessed Value and Estimated Value of Taxable Property | 140 – 141 |
| Direct and Overlapping Property Tax Rates | 142 – 143 |
| Principal Property Tax Payers | 144 – 145 |
| Property Tax Levies and Collections | 146 – 147 |
| Outstanding Debt by Type | 148 |
| Ratios of General Bonded Debt Outstanding | 149 |
| Direct and Overlapping Governmental Activities Debt | 150 |
| Legal Debt Margin Information | 151 |
| Demographic and Economic Statistics | 152 |
| Principal Employers | 153 – 154 |
| Full-Time Equivalents Personnel Allocations by Type | 155 |
| Operating Statistics | 156 |
| Teacher Base Salaries | 157 |
| School Building Information | 158 – 160 |
| ***SINGLE AUDIT SECTION*** | ***161*** |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* | 163 – 164 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance | 165 – 166 |

**DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**


| | Page |
|---|---|
| ***SINGLE AUDIT SECTION (CONTINUED)*** | |
| Schedule of Expenditures of Federal Awards | 167 – 168 |
| Schedule of Findings and Questioned Costs | 169 – 170 |
| Summary Schedule of Prior Audit Findings | 171 |
| Corrective Action Plan | 172 |

# INTRODUCTORY SECTION

This page was intentionally left blank.




November 28, 2016

**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, 2016.

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 auditor's 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 McGregor & Company, L.L.P., 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, 2016, 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, 2016, 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.

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 2015-2016, the District provided comprehensive educational services for 16,622 students grades kindergarten through 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 262,394, 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 addition to the construction of a Walmart Supercenter, Tractor Supply, Sonic, McDonald's, San Jose Mexican restaurant and Chick-fil-a in recent years, a new YMCA/Palmetto Health Family Medical Office and additional shopping centers have been built. A new branch of the Richland County Library and Frank's Carwash are currently under construction. 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, Kershaw and Saluda Counties. The median family income for the MSA for 2009, the last year available, was $62,100. Per capita personal income for 2013, 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 September 2016 was 4.1 percent and for Richland County was 4.8 percent. The state and national unemployment rates for the same period were 4.9 percent and 4.8 percent, respectively.

**Long-term financial planning.** Over the last ten years, student enrollment in the District has remained stable, but has been growing since 2013 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 2015-2016 by 6.4 mills or 2.70% as allowed by Section 6-1-320 of the SC code of Laws. Additionally, 9.3 mills were added to the 6.4 mills pursuant to Section 6-1-320 (A)(2) which allows the district to add additional millage, that was allowed but not previously imposed, for the three preceding tax years (catch up clause). The total increase in operational millage for FY 2016 was 15.7 mills.

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 changing 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. As a result of the District's 2008 bond referendum, renovations and additions at Leaphart Elementary School, Seven Oaks Elementary School, Chapin Elementary School, and Irmo Elementary School. Construction of Spring Hill High School, the Center for Advanced Technical Studies, and a new Chapin Middle School have been completed. The former Chapin Middle School has been converted to Chapin Intermediate School to house grade 5 – 6 to ease overcrowding at two Chapin area elementary schools. Renovation and additions at Chapin High School, Dutch Fork High School and Irmo High School have also been completed.

**Relevant financial policies.** Board Policy requires that the District maintain an undesignated reserve fund consistent with the medial average of school districts that maintain "AA" ratings.

This amount is generally ranges from 15% to 18% of the general fund budgeted expenditures. 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 RtI (Response to Intervention) Program, PBIS (Positive Behavioral Interventions and Support), and the Continuous Improvement Process. The District will continue to focus upon these goals and initiatives, reviewing the strategic plan each year. Necessary funding to carry out these goals and initiatives and for the accreditation process has been included in the District's budget. Details for each of the major goals referenced above are included in the District's Strategic Plan.

**Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to School District Five of Lexington and Richland Counties for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2015. 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 twelfth 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, 2015. This was the twelfth consecutive year the District has received this award.

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

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

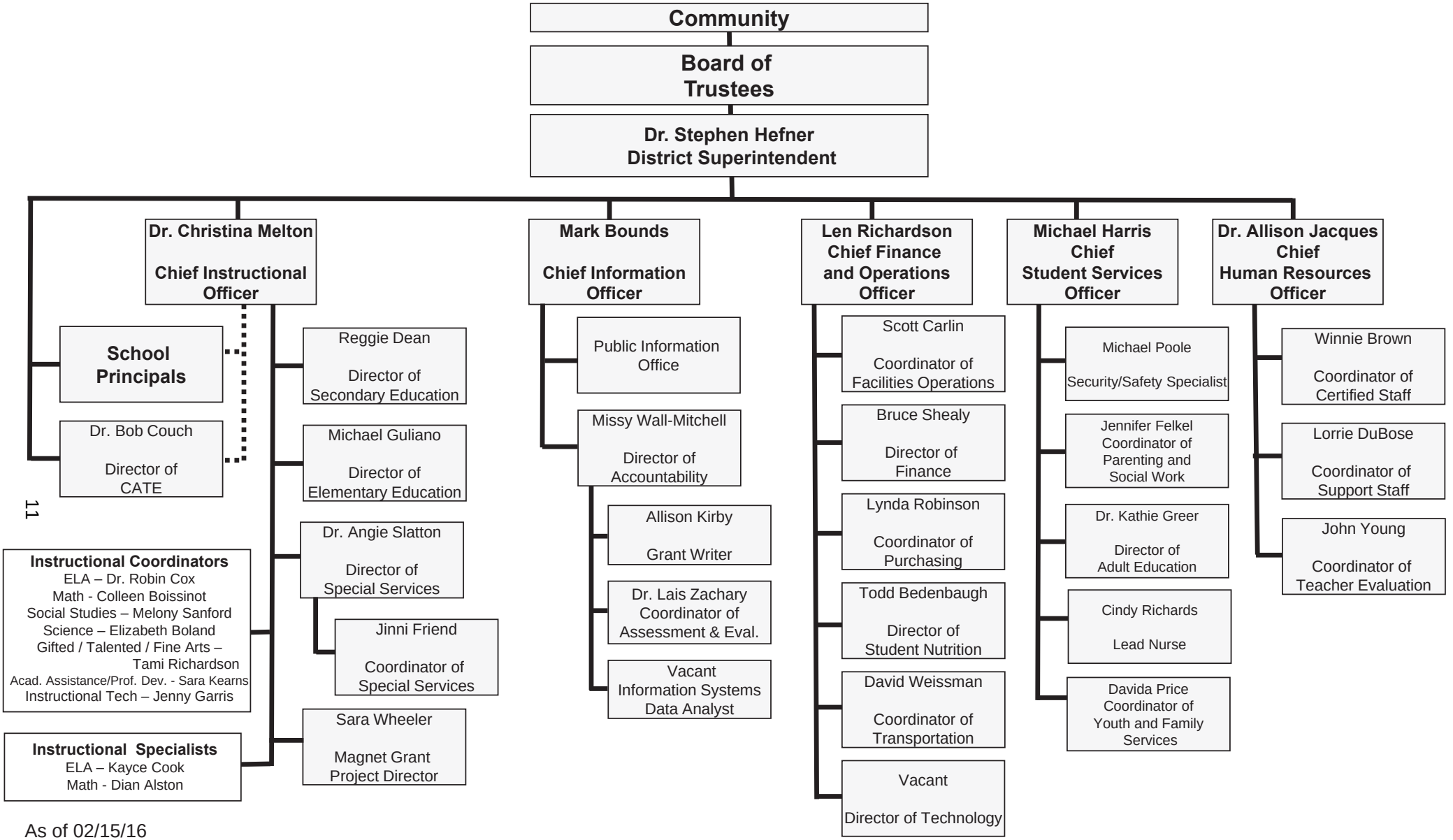
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Office of Finance and Operations. All members of the department as well as members of other various departments have our sincere appreciation for their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

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

Respectfully submitted,

A. Len Richardson
Chief Finance Officer

Stephen W. Hefner, Ed.D.
Superintendent


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



As of 02/15/16

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
PRINCIPAL OFFICIALS

Year Ended June 30, 2016

## MEMBERS OF BOARD OF TRUSTEES

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

## EXECUTIVE STAFF

| | |
|---|---|
| Dr. Stephen Hefner | Superintendent |
| Mr. Mark Bounds | Chief Information Officer |
| Dr. Michael Harris | Chief Student Services Officer |
| Dr. Allison Jacques | Chief Human Resources Officer |
| Dr. Christina Melton | Chief Instructional Officer |
| Mr. A. Len Richardson | Chief Finance Officer |

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

*presents this*

# AWARD OF FINANCIAL REPORTING ACHIEVEMENT

*to*

## Connie C. Frick, CPA

Senior Accountant

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 1, 2016

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, 2015.**

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




Brenda Burkett

**Brenda R. Burkett, CPA, CSBA, SFO**
President

John D. Musso

**John D. Musso, CAE, RSBA**
Executive Director

# FINANCIAL SECTION

This page was intentionally left blank.

McGregor & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS • WWW.MCGREGORCPA.COM

C.C. McGregor, CPA
1906–1968

PARTNERS
W.C. Stevenson, CPA
B.T. Kight, CPA
G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.W. Francis, CPA
D.L. Richardson, CPA
E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA
J.R. Matthews II, CPA

ASSOCIATES
V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA
S. Wo, CPA
C.D. Hinchee, CPA
G.P. Davis, CPA
H.J. Darver, CPA
D.M. Herpel, CPA
H.O. Crider, Jr, CPA
F.C. Gillam, CPA
M.L. Goode, CPA
B.A.G. Felch, CPA
H.S. Mims, CPA
T. Solorzano, CPA

## INDEPENDENT AUDITOR'S REPORT

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, each major fund, and the aggregate remaining fund information of School District Five of Lexington and Richland Counties as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District Five of Lexington and Richland Counties' 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.

COLUMBIA
3830 FOREST DRIVE | PO BOX 135
COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG
1190 BOULEVARD STREET
ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL
340 FULDNER ROAD | PO BOX 1305
BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

GREENVILLE
101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District Five of Lexington and Richland Counties as of June 30, 2016, and the respective changes in financial position, and, 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.

***Other Matters***

*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 schedules of the District's proportionate share of the net pension liability – SCRS/PORS and District's contributions – SCRS/PORS 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 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 inquires, 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 School District Five of Lexington and Richland Counties' basic financial statements. The introductory section, other supplementary information listed in the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulation*s (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have 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 them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016, on our consideration of School District Five of Lexington and Richland Counties' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District Five of Lexington and Richland Counties' internal control over financial reporting and compliance.

McGregor & Company LLP

Orangeburg, South Carolina
November 28, 2016

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, 2016. 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 3-10 of this report.

## FINANCIAL HIGHLIGHTS

Major financial highlights for 2016 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 ($6,505,426) net position/deficit. Of this amount, ($172,580,690) represents unrestricted net position/deficit.

- The District's total net position decreased $6,740,292 for the 2015-2016 fiscal year. Net position of governmental activities decreased by $6,772,684, while net position of business-type activities increased by $32,392. Total revenues were $222,285,183 while total expenses were $229,025,475.

- Total expenses increased $5,849,478 (2.6%), from $223,175,997 in f iscal year 2015 to $229,025,475 in fiscal year 2016.

- Governmental funds reported a decrease of $4,743,511 in the fund balance, which included a $6,840,516 decrease to the capital projects, a $2,685,456 increase to the general fund and a $588,451 decrease to the debt service fund. The District issued $62,025,000 of general obligation (referendum) refunding bonds to refund the outstanding balance of prior referendum debt series 2010B2.

- The General Fund total fund balance is $37,072,772 as of June 30, 2016, an increase of 7.2% from June 30, 2015.

- Total revenue for the District's principal operating fund, the general fund, was $163,749,931, with an additional $3,957,327, 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 $165,023,383 including $99,113,954 for instruction, $65,347,109 for support, $18,291 for community service, and $70,483 for intergovernmental expenditures.

- Budgeted general fund revenue and expenditures for the 2015-2016 fiscal year both increased by 1.89%. Eligible employees were given a step increase on the salary schedules for another year of experience but 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 251.5 mills for the District. Debt service millage remained the same at 52.5 mills.

## Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 31-32 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 33-36 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 38-40 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 41 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 42-70 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 $6,505,426, at the close of the most recent fiscal year.

## Government-wide Overall Financial Analysis (Continued)

The following table provides a summary of the District's net position for 2016 compared to 2015.

### Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2016 | 2015* | 2016 | 2015* | 2016 | 2015* |
| Current and Other Assets | **$ 95,758,124** | $ 91,469,849 | **$ 2,557,531** | $ 2,358,311 | **$ 98,315,665** | $ 93,828,160 |
| Net Capital Assets | **376,596,843** | 391,498,687 | **2,925,150** | 565,844 | **379,521,993** | 392,064,531 |
| **Total Assets** | **472,354,967** | 482,968,536 | **5,482,681** | 2,924,155 | **477,837,648** | 485,892,691 |
| **Deferred Outflows of Resources** | **18,350,444** | 18,534,311 | **489,580** | - | **18,840,024** | 18,534,311 |
| Current and Other Liabilities | **43,926,584** | 45,991,220 | **161,455** | 196,038 | **44,088,039** | 46,187,258 |
| Long-Term Liabilities | **448,503,748** | 440,954,842 | **6,216,289** | 271,490 | **454,720,037** | 441,226,332 |
| **Total Liabilities** | **492,530,332** | 486,946,062 | **6,377,744** | 467,528 | **498,808,076** | 487,413,590 |
| **Deferred Inflows of Resources** | **4,157,796** | 17,710,996 | **117,226** | - | **4,275,022** | 17,710,996 |
| **Net Position** | | | | | | |
| Net Investment in Capital Assets | **150,048,473** | 171,553,790 | **2,925,150** | 565,844 | **152,973,623** | 172,119,634 |
| Restricted | **13,101,641** | 3,583,875 | **-** | - | **13,101,641** | 3,583,875 |
| Unrestricted | **(169,132,831)** | (178,291,876) | **(3,447,859)** | 1,890,783 | **(172,580,690)** | (176,401,093) |
| **Total Net Position** | **$ (5,982,717)** | $ (3,154,211) | **$ (522,709)** | $ 2,456,627 | **$ (6,505,426)** | $ (697,584) |

*Certain amounts have been restated. Amounts reported here are as reported in prior years. See Note 18 in the notes to the financial statements for more details.

The District's overall net position decreased by $6,740,292 during 2015 - 2016 while the June 30, 2015 net position was restated by $932,450.

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 $6,666,513 in capital assets (net of prior year construction in process reclassified to place in service) through construction of school improvements, and purchases of furniture, equipment and vehicles less the additional accumulated depreciation of $16,710,321 have had an impact on the Statement of Net Position.

## Government-wide Overall Financial Analysis (Continued)

The following table shows the changes in the District's net position for 2016 compared to 2015:

**Changes in Net Position**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2016 | 2015* | 2016 | 2015* | 2016 | 2015* |
| **Revenue** | | | | | | |
| Program Revenue: | | | | | | |
| Charges for Services | $ 29,673 | $ 53,248 | $ 5,147,509 | $ 5,550,294 | $ 5,177,182 | $ 5,603,542 |
| Operating Grants | 79,547,616 | 79,696,829 | 4,869,015 | 4,309,458 | 84,416,631 | 84,006,287 |
| Capital Grants | - | - | - | - | - | - |
| General Revenue: | | | | | | |
| Ad Valorem Taxes and Fees | 88,056,726 | 84,173,426 | - | - | 88,056,726 | 84,173,426 |
| Unrestricted Grants | 43,941,177 | 43,560,260 | - | - | 43,941,177 | 43,560,260 |
| Investment Earnings and Disposals | 182,439 | 222,881 | 58,866 | 4,835 | 241,305 | 227,716 |
| Other General Revenue | 306,876 | 1,063,498 | 145,286 | 208,191 | 452,162 | 1,271,689 |
| Total Revenue | 212,064,507 | 208,770,142 | 10,220,676 | 10,072,778 | 222,285,183 | 218,842,920 |
| **Functions/Program Expense** | | | | | | |
| Instruction Service | 120,506,839 | 124,800,258 | - | - | 120,506,839 | 124,800,258 |
| Support Services | 91,001,448 | 79,879,481 | - | - | 91,001,448 | 79,879,481 |
| Community Services | 63,034 | 65,869 | - | - | 63,034 | 65,869 |
| Interest on Long-Term Debt | 7,265,870 | 8,150,714 | - | - | 7,265,870 | 8,150,714 |
| School Food Service & After School | - | - | 10,188,284 | 10,279,675 | 10,188,284 | 10,279,675 |
| Total Expenses | 218,837,191 | 212,896,322 | 10,188,284 | 10,279,675 | 229,025,475 | 223,175,997 |
| Increase (Decrease) in Net Position Before Transfers | (6,772,684) | (4,126,180) | 32,392 | (206,897) | (6,740,292) | (4,333,077) |
| Transfers | - | (248,900) | - | 248,900 | - | - |
| Increase (Decrease) in Net Position | (6,772,684) | (4,375,080) | 32,392 | 42,003 | (6,740,292) | (4,333,077) |
| Net Position , Beginning of Year, as Previously Reported | (3,154,211) | 208,291,808 | 2,456,627 | 2,414,624 | (697,584) | 210,706,432 |
| Change in Accounting Principle – GASB 68/71 | - | (207,070,939) | - | - | - | (207,070,939) |
| *Correct Capital Asset Balances | (4,918,209) | - | 2,518,154 | - | (2,400,055) | - |
| *Reclass Business-Type Activities' Portion of Pension Liability and Related Net Deferred Inflows/Outflows | 5,799,344 | - | (5,799,344) | - | - | - |
| *Correct Compensated Absences | 3,063,043 | - | 269,462 | - | 3,332,505 | - |
| Net Position, Beginning of Year, As Restated | 789,967 | 1,220,869 | (555,101) | 2,414,624 | 234,866 | 3,635,493 |
| Net Position, End of Year | $ (5,982,717) | $ (3,154,211) | $ (522,709) | $ 2,456,627 | $ (6,505,426) | $ (697,584) |

*See Note 18 in the notes to the financial statements for more details on the restatement of prior year balances that impacted beginning net position for 2016. The amounts shown above for 2015 are as originally stated in prior year.

## Government-wide Overall Financial Analysis (Continued)

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

**Governmental Activities**

| | Total Cost of Services | | Net Cost of Services | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| Instruction Service | $ 120,506,839 | $ 124,800,258 | $ (76,521,840) | $ (69,058,066) |
| Support Service | 91,001,448 | 79,879,481 | (55,432,084) | (55,918,194) |
| Community Service | 63,034 | 65,869 | (40,108) | (19,271) |
| Interest (Long-Term Debt) | 7,265,870 | 8,150,714 | (7,265,870) | (8,150,714) |
| Totals | $ 218,837,191 | $ 212,896,322 | $ (139,259,902) | $ (133,146,245) |

**Business-Type Activities.** Business-type activities include the District's school food service and after school programs. These programs had revenues of $5,147,509 non-operating revenue and transfers of $5,073,167, and expenses of $10,188,284. This resulted in net increase of $32,392.

## 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, 2016, the District's governmental funds reported combined fund balances of $50,174,413, a decrease of $4,743,511 in comparison with the prior year. Approximately 56.9% of this amount ($28,584,179) 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 ($1,018,208), 2) restricted for particular purposes ($7,470,385), 3) committed for particular purposes ($13,101,641), or 4) assigned for particular purposes ($7,470,385).

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 $2,685,456. After reservations for inventories, prepaid expenditures, and funds assigned for special purposes, the unassigned fund balance was $28,584,179. 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.

## Financial Analysis of Governmental Funds (Continued)

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 had a total fund balance of $4,640,228, all of which is restricted for the payment of debt service. This is a decrease of $588,451 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 capital projects fund showed a fund balance decrease of $6,840,516. The ending balance is $8,461,413. The change was attributable to the sale of 8% bonds only during the year, and expenditure of referendum funds during the current year.

**Proprietary Funds:** The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The proprietary funds (food services and after school programs) showed an increase in net position of $32,392. The food services program ended the year with a $227,778 increase in net position and the after school program ended the year with a $195,386 decrease in net position.

## General Fund Budgetary Highlights

The District's budget is prepared according to South Carolina law. The District did not amend the general fund budget for increases or decreases in total budget. Minor categorical budget amendments were made during the year to insure expenditures were recorded in the proper account codes as defined by the South Carolina Department of Education. Budgeted general fund revenue and expenditures for the 2015 - 2016 fiscal year increased by 1.89% over the prior year. The district implemented several initiatives to control and/or reduce costs. The result of these actions resulted in a positive variance in actual expenditures to budgeted expenditures of $915,893.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2016, the District had $379,521,993 invested in a broad range of capital assets, including land, buildings, furniture, equipment, vehicles, and library books. This represents a net decrease of $10,142,479 (-2.6%) for the 2015 - 2016 fiscal year. For more detailed information on capital asset activity see Note 4 - Capital Assets.

**Capital Assets**

| | Governmental Activities | | Business-Type Activities | | Total School District | |
|---|---|---|---|---|---|---|
| | **2016** | **2015*** | **2016** | **2015*** | **2016** | **2015*** |
| Land | **$ 7,593,144** | $ 7,328,598 | **-** | **-** | **$ 7,593,144** | $ 7,328,598 |
| Buildings | **447,076,492** | 342,875,186 | **-** | **-** | **447,076,492** | 342,875,186 |
| Site Improvements | **34,307,865** | 16,602,655 | **-** | **-** | **34,307,865** | 16,602,655 |
| Furniture and Equipment | **16,745,994** | 13,488,103 | **4,981,972** | 4,820,684 | **21,727,966** | 18,308,787 |
| Construction in Progress | **731,399** | 119,792,807 | **-** | **-** | **731,399** | 119,792,807 |
| Total Before Accumulated Depreciation | **506,454,894** | 500,087,349 | **4,981,972** | 4,820,684 | **511,436,866** | 504,908,033 |
| Less: Accumulated Depreciation | **129,858,051** | 113,506,871 | **2,056,822** | 1,736,690 | **131,914,873** | 115,243,561 |
| Net Capital Assets | **$ 376,596,843** | $ 386,580,478 | **$ 2,925,150** | $ 3,083,994 | **$379,521,993** | $389,664,472 |

*The prior year capital assets have been restated as a result of a complete detailed inventory performed of all District capital assets. See Notes 4 and 18 for further information.

### Debt Administration

As of June 30, 2016, the District had total outstanding long-term debt of $212,106,000. The general obligation debt is backed by the full faith and credit of the District as well as the State of South Carolina. The District's total long-term debt as of June 30, 2016 and 2015 is as follows:

**Long-Term Debt at June 30**

| | Governmental Activities | |
|---|---|---|
| | **2016** | 2015 |
| November 9, 2015 Issue | **$ 62,025,000** | - |
| November 19, 2013 Issue | **34,791,000** | 36,734,000 |
| June 9, 2010 Issue | **10,000,000** | 10,000,000 |
| September 16, 2010 Issue | **-** | 2,855,000 |
| September 16, 2010 Issue | **-** | 68,500,000 |
| August 21, 2012 Issue | **105,290,000** | 108,685,000 |
| Lease Acquisition - June 20, 2013 Issue | **-** | 591,000 |
| Totals | **$ 212,106,000** | $ 227,365,000 |

## CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

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, 2016, the District's debt capacity was approximately $38,642,874. The district issued Series 2016A $9,550,000 SCAGO general obligation bonds leaving the legal debt limit margin of $29,092,874 at year end.

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 63).

## 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 2016-2017. The most important factor affecting the budget for the near future is the General Assembly struggles with allocating the State's limited resources and fully funding the education funding formula as established in law. The State must fund repairs for a crumbling road system and the damage caused by the historic flood in October 2015 and hurricane Matthew in October 2016.

When setting the 2016 - 2017 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's general fund budget for fiscal year 2016-2017 was approved by the Board of Trustees on June 20, 2016. The budget was approved for $174,506,667 which is an increase of $8,055,646 or 4.84% from the prior year's budget.

## 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 the Office of Finance, School District Five of Lexington and Richland Counties, 1020 Dutch Fork Road, Irmo, SC, 29063. In addition, this financial report may be found on the District's website at www.lexrich5.org.

# BASIC FINANCIAL STATEMENTS

The basic financial statements provide a summary overview of the financial position of all funds and account groups and the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**STATEMENT OF NET POSITION (DEFICIT)**
**JUNE 30, 2016**

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **Assets** | | | |
| Cash & Cash Equivalents | $ 62,262,260 | $ 9,657,513 | $ 71,919,773 |
| Property Tax Receivable, Net | 4,881,065 | - | 4,881,065 |
| Accrued Interest | 43,750 | - | 43,750 |
| Internal Balances | 7,312,652 | (7,312,652) | - |
| Due From County Government | 11,511,677 | - | 11,511,677 |
| Due From Federal Government | 214,655 | - | 214,655 |
| Prepaid Expenses | 1,005,634 | - | 1,005,634 |
| Inventories - Supply & Materials | 12,574 | 102,206 | 114,780 |
| Other Receivables | 8,513,857 | 110,464 | 8,624,321 |
| Noncurrent Assets: | | | |
| Capital Assets (Net of Accumulated Depreciation): | | | |
| Land | 7,593,144 | - | 7,593,144 |
| Buildings | 330,675,221 | - | 330,675,221 |
| Site Improvements | 27,704,933 | | 27,704,933 |
| Machinery, Equipment and Vehicles | 9,892,146 | 2,925,150 | 12,817,296 |
| Construction in Progress | 731,399 | - | 731,399 |
| **Total Assets** | 472,354,967 | 5,482,681 | 477,837,648 |
| **Deferred Outflows of Resources** | | | |
| Net Pension Deferred Outflows | 17,364,564 | 489,580 | 17,854,144 |
| Unamortized Loss on Refunding - Debt Defeasance | 985,880 | - | 985,880 |
| **Total Deferred Outflows of Resources** | 18,350,444 | 489,580 | 18,840,024 |
| **Liabilities** | | | |
| Accounts Payable and Other Liabilities | 4,272,036 | 11,783 | 4,283,819 |
| Accrued Salaries | 11,351,514 | - | 11,351,514 |
| Accrued Payroll Related Liabilities | 7,592,027 | - | 7,592,027 |
| Due To State Government | 68,104 | - | 68,104 |
| Due to Federal Government | 2,500 | - | 2,500 |
| Due To Other Governmental Units | 12,196 | - | 12,196 |
| Bonds Payable | 9,550,000 | - | 9,550,000 |
| Retainage Payable | 1,751,437 | - | 1,751,437 |
| Revenue Received in Advance | 3,779,882 | 149,672 | 3,929,554 |
| Other Liabilities | 3,001,038 | | 3,001,038 |
| Accrued Interest Payable | 2,545,850 | | 2,545,850 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 11,363,830 | 4,957 | 11,368,787 |
| Due in More Than One Year | 217,375,059 | 12,418 | 217,387,477 |
| Net Pension Liability | 219,864,859 | 6,198,914 | 226,063,773 |
| **Total Liabilities** | 492,530,332 | 6,377,744 | 498,908,076 |
| **Deferred Inflows of Resources** | | | |
| Net Pension Deferred Inflows | 4,157,796 | 117,226 | 4,275,022 |
| **Total Deferred Inflows of Resources** | 4,157,796 | 117,226 | 4,275,022 |
| **Net Position (Deficit)** | | | |
| Net Investment in Capital Assets | 150,048,473 | 2,925,150 | 152,973,623 |
| Restricted For: | | | |
| Debt Service | 4,640,228 | | 4,640,228 |
| Capital Projects | 8,461,413 | | 8,461,413 |
| Net Position (Deficit) - Unrestricted | (169,132,831) | (3,447,859) | (172,580,690) |
| **Total Net Position (Deficit)** | $ (5,982,717) | $ (522,709) | $ (6,505,426) |

*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**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | |
| **Functions/Programs** | **Expenses** | **Charges for Services** | **Operating Grants and Contributions** | **Capital Grants and Contributions** | **Governmental Activities** | **Business-Type Activities** | **Total** |
| **Governmental Activities:** | | | | | | | |
| Instruction | $ 120,506,839 | $ 16,401 | $ 43,968,598 | $ - | $ (76,521,840) | $ - | $ (76,521,840) |
| Support Services | 91,001,448 | 13,263 | 35,556,101 | - | (55,432,084) | - | (55,432,084) |
| Community Service | 63,034 | 9 | 22,917 | - | (40,108) | - | (40,108) |
| Interest & Other Charges | 7,265,870 | - | - | - | (7,265,870) | - | (7,265,870) |
| **Total Governmental Activities** | 218,837,191 | 29,673 | 79,547,616 | - | (139,259,902) | - | (139,259,902) |
| **Business-Type Activities:** | | | | | | | |
| Food Service | 8,745,796 | 3,900,606 | 4,868,816 | - | - | 23,626 | 23,626 |
| After-School | 1,442,488 | 1,246,903 | 199 | - | - | (195,386) | (195,386) |
| **Total Business-Type Activities** | 10,188,284 | 5,147,509 | 4,869,015 | - | - | (171,760) | (171,760) |
| **Total Primary Government** | $ 229,025,475 | $ 5,177,182 | $ 84,416,631 | $ - | (139,259,902) | (171,760) | (139,431,662) |
| General Revenues: | | | | | | | |
| Property Taxes Levied For: | | | | | | | |
| General Purposes | | | | | 62,449,554 | - | 62,449,554 |
| Debt Service | | | | | 24,441,196 | - | 24,441,196 |
| Payment in Lieu of Taxes | | | | | 1,165,976 | - | 1,165,976 |
| Unrestricted State Revenue in Lieu of Taxes | | | | | 43,941,177 | - | 43,941,177 |
| Unrestricted Investment Earnings | | | | | 182,439 | 58,866 | 241,305 |
| Miscellaneous | | | | | 306,876 | 145,286 | 452,162 |
| Transfers | | | | | - | - | - |
| **Total General Revenues and Transfers** | | | | | 132,487,218 | 204,152 | 132,691,370 |
| **Change in Net Position** | | | | | (6,772,684) | 32,392 | (6,740,292) |
| **Net Position (Deficit) - Beginning - as Restated** | | | | | 789,967 | (555,101) | 234,866 |
| **Net Position (Deficit) - Ending** | | | | | $ (5,982,717) | $ (522,709) | $ (6,505,426) |

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GOVERNMENTAL FUNDS**
**BALANCE SHEET**
**JUNE 30, 2016**

| | General | Special Revenue Funds: Special Projects | Special Revenue Funds: Education Improvement Act | Debt Service | Capital Projects | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash & Cash Equivalents | $ 62,262,260 | $ - | $ - | $ - | $ - | $ 62,262,260 |
| Property Tax Receivable, Net | 3,912,496 | - | - | 968,570 | - | 4,881,066 |
| Due From Other Funds | - | - | 2,048,997 | 232 | 22,730,822 | 24,780,051 |
| Due From County Government | 7,250,165 | - | - | 4,261,512 | - | 11,511,677 |
| Due From Federal Government | - | 642 | - | 214,013 | - | 214,655 |
| Prepaid Expenses | 1,005,634 | - | - | - | - | 1,005,634 |
| Inventories - Supplies & Materials | 12,574 | - | - | - | - | 12,574 |
| Other Receivables | 3,247,299 | 5,200,383 | 66,175 | - | - | 8,513,857 |
| **Total Assets** | $ 77,690,428 | $5,201,025 | $ 2,115,172 | $ 5,444,327 | $ 22,730,822 | $ 113,181,774 |
| **Liabilities, Deferred Inflows & Fund Balances** | | | | | | |
| **Liabilities** | | | | | | |
| Accounts Payable | $ 1,205,715 | $ 87,901 | $ 10,448 | $ - | $ 2,967,972 | $ 4,272,036 |
| Accrued Salaries | 11,351,514 | - | - | - | - | 11,351,514 |
| Accrued Payroll Related Liabilities | 7,592,027 | - | - | - | - | 7,592,027 |
| Due To Other Funds | 17,100,354 | 3,355,166 | - | - | - | 20,455,520 |
| Due To State Government | - | - | 68,104 | - | - | 68,104 |
| Due to Federal Government | - | 2,500 | - | - | - | 2,500 |
| Due To Other Governmental Units | - | 12,196 | - | - | - | 12,196 |
| Bonds Payable | - | - | - | - | 9,550,000 | 9,550,000 |
| Retainage Payable | - | - | - | - | 1,751,437 | 1,751,437 |
| Unearned Revenue | - | 1,743,262 | 2,036,620 | - | - | 3,779,882 |
| Other Liabilities | 12,916 | - | - | - | - | 12,916 |
| **Total Liabilities** | 37,262,526 | 5,201,025 | 2,115,172 | - | 14,269,409 | 58,848,132 |
| **Deferred Inflows** | | | | | | |
| Unavailable Tax Revenues | 3,355,130 | - | - | 804,099 | | 4,159,229 |
| **Total Deferred Inflows** | 3,355,130 | - | - | 804,099 | - | 4,159,229 |
| **Fund Balances** | | | | | | |
| Non-Spendable | 1,018,208 | - | - | - | - | 1,018,208 |
| Restricted | - | - | - | 4,640,228 | 8,461,413 | 13,101,641 |
| Assigned for Special Purposes | 7,470,385 | - | - | - | - | 7,470,385 |
| Unassigned | 28,584,179 | - | - | - | - | 28,584,179 |
| **Total Fund Balances** | 37,072,772 | - | - | 4,640,228 | 8,461,413 | 50,174,413 |
| **Total Liabilities, Deferred Inflows & Fund Balances** | $ 77,690,428 | $5,201,025 | $ 2,115,172 | $ 5,444,327 | $ 22,730,822 | $ 113,181,774 |

*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 BALANCE SHEET OF GOVERNMENTAL FUNDS**
**TO THE STATEMENT OF NET POSITION (DEFICIT)**
**JUNE 30, 2016**

Amounts reported for governmental activities in the statement of net position (deficit) are different because:

| | | |
|---|---|---|
| **Total Governmental Fund Balances** | | $ 50,174,413 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. *This is the amount that the cost of the assets exceeds the accumulated depreciation.* | | |
| *Cost of Assets* | $ 506,454,894 | |
| *Accumulated Depreciation* | (129,858,051) | 376,596,843 |
| Interest subsidy receivable on outstanding bonds in governmental accounting is not receivable in current period and, therefore, has not been reported as an asset in the funds. | | 43,750 |
| Deferred Outflows (Inflows) resulting from the recognition of the employer's share of the state's net pension liability are not current financial resources and, therefore, are not reported in the funds. | | 13,206,768 |
| Deferred charges from loss on refunding bonds (net of amortization) are not reported in the funds because they are not current financial resources, but they are reported in the statement of net position. | | 985,880 |
| Certain unearned revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities. *This is the additional amount of taxes receivable recognized under the accrual basis.* | | 4,159,229 |
| Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| *Long Term Debt* | (212,106,000) | |
| *Net Pension Liability* | (219,864,859) | |
| *Bond Premiums, Net of Amortization* | (14,442,370) | |
| *Compensated Absences* | (2,190,519) | |
| *Accrued Interest Payable* | (2,545,852) | (451,149,600) |
| **Net Position (Deficit) of Governmental Activities:** | | $ (5,982,717) |

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GOVERNMENTAL FUNDS**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | General | Special Revenue | | Debt Service | Capital Projects | Total Governmental Funds |
|---|---|---|---|---|---|---|
| | | Special Projects | Education Improvement Act | | | |
| **Revenues** | | | | | | |
| Taxes Levied/Assessed by the LEA | $ 61,995,431 | $ - | $ - | $ 24,372,130 | $ - | $ 86,367,561 |
| Revenue From Local Governmental Units Other Than LEAs | 991,550 | - | - | 174,426 | - | 1,165,976 |
| Tuition | 6,406 | - | - | - | - | 6,406 |
| Earnings on Investments | 95,807 | - | - | 14,987 | 71,645 | 182,439 |
| Pupil Activities | 23,266 | - | - | - | - | 23,266 |
| Other Revenue from Local Sources | 643,764 | 1,041,865 | 275 | - | 61,647 | 1,747,551 |
| **Total Local** | 63,756,224 | 1,041,865 | 275 | 24,561,543 | 133,292 | 89,493,199 |
| State Sources | 99,984,748 | 1,998,188 | 8,919,038 | 981,792 | - | 111,883,766 |
| Federal Sources | 8,959 | 9,039,047 | - | 1,190,937 | - | 10,238,943 |
| **Total Revenues** | 163,749,931 | 12,079,100 | 8,919,313 | 26,734,272 | 133,292 | 211,615,908 |
| **Expenditures** | | | | | | |
| **Current:** | | | | | | |
| Instruction | 99,113,954 | 6,846,053 | 4,163,451 | - | - | 110,123,458 |
| Support Services | 65,347,109 | 4,109,142 | 1,055,149 | - | 4,328,786 | 74,840,186 |
| Community Services | 18,291 | 39,123 | - | - | - | 57,414 |
| Intergovernmental | 70,483 | 194,261 | - | - | - | 264,744 |
| **Debt Service:** | | - | | | | |
| Other Professional and Technical Services | - | - | - | 2,525 | - | 2,525 |
| Redemption of Principal | - | - | - | 77,284,000 | - | 77,284,000 |
| Interest | - | - | - | 8,712,397 | - | 8,712,397 |
| Other Objects | - | - | - | 225,791 | 84,250 | 310,041 |
| **Capital Outlay** | 473,546 | 633,907 | - | - | 13,162,303 | 14,269,756 |
| **Total Expenditures** | 165,023,383 | 11,822,486 | 5,218,600 | 86,224,713 | 17,575,339 | 285,864,521 |
| Excess of Revenues Over (Under) Expenditures | (1,273,452) | 256,614 | 3,700,713 | (59,490,441) | (17,442,047) | (74,248,613) |
| **Other Financing Sources (Uses)** | | | | | | |
| Premiums on Bonds Sold | - | - | - | 7,360,409 | 95,612 | 7,456,021 |
| Proceeds of Refunding Debt | - | - | - | 62,025,000 | - | 62,025,000 |
| Sale of Fixed Assets | 1,581 | - | - | - | 22,500 | 24,081 |
| Transfers In | 3,957,327 | - | - | 595,581 | 11,079,000 | 15,631,908 |
| Transfers Out | - | (256,614) | (3,700,713) | (11,079,000) | (595,581) | (15,631,908) |
| **Total Other Financing Sources (Uses)** | 3,958,908 | (256,614) | (3,700,713) | 58,901,990 | 10,601,531 | 69,505,102 |
| **Net Change in Fund Balances** | 2,685,456 | - | - | (588,451) | (6,840,516) | (4,743,511) |
| **Fund Balance, Beginning of Year** | 34,387,316 | - | - | 5,228,679 | 15,301,929 | 54,917,924 |
| **Fund Balance, Ending of Year** | $ 37,072,772 | $ - | $ - | $ 4,640,228 | $ 8,461,413 | $ 50,174,413 |

*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 BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | | |
|---|---|---|
| Amounts Reported for the Governmental Activities in the Statement of Activities are Different Because: | | |
| Net Change in Fund Balances - Total Governmental Funds | | $ (4,743,511) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. *This is the amount by which depreciation expense exceeded capital outlays in the current period.* | | |
| *Depreciation Expense* | $ (16,390,189) | |
| *Capital Outlay* | 6,505,225 | (9,884,964) |
| The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. *This is the amount that principal repaid during the year exceeds the amount of debt issued during the year.* | | |
| *Redemption of Principal* | 77,284,000 | |
| *Proceeds from Long-Term Debt* | (62,025,000) | 15,259,000 |
| Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. *This is the change in loss on refunding bonds amortization and change in bond premium amortization.* | | |
| *Change in Amortization of Loss on Refunding Bonds* | 585,070 | |
| *Change in Amortization of Bond Premiums* | (6,159,734) | (5,574,664) |
| In the statement of activities, the gain/(loss) on the sale or disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus the change in net position differs from the change in fund balance by the cost of fixed assets disposed or sold. | | (98,671) |
| Certain unavailable tax revenues reported in the governmental funds are recognized in the statement of activities, net of a reserve for uncollectible amounts. This is the change in the amount of taxes receivable recognized under the accrual basis. | | 523,189 |
| The change in compensated absences reported in the statement of activities does not require the use of current financial resources, and therefore, is not reported as an expenditure/revenue in the governmental funds. *This is the amount that compensated absences at the end of the prior year exceeded the compensated absences at the end of the current year.* | | |
| *Compensated Absences - End of Current Year* | (2,190,519) | |
| *Compensated Absences - End of Prior Year (As Restated)* | 2,911,407 | 720,888 |
| Retirement expense in the statement of activities is measured by the District's proportionate share of the SCRS total pension expense. In the governmental funds, however, the expenditure is measured by the current contributions to the retirement system. *This is the difference between the Current Contributions and the District's proportionate share.* | | (2,851,686) |
| 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. | | (122,265) |
| **Change in Net Position of Governmental Activities** | | $ (6,772,684) |

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**
**IN FUND BALNCE - BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Budget Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Local | $ 63,303,628 | $ 63,303,628 | $ 63,756,224 | $ 452,596 |
| State | 99,239,477 | 99,239,477 | 99,984,748 | 745,271 |
| Federal | - | - | 8,959 | 8,959 |
| **Total Revenues** | 162,543,105 | 162,543,105 | 163,749,931 | 1,206,826 |
| **Expenditures** | | | | |
| Current: | | | | |
| Instruction | 100,217,764 | 100,214,162 | 99,120,470 | 1,093,692 |
| Support Services | 65,627,386 | 65,685,164 | 65,814,139 | (128,975) |
| Community Services | 20,850 | 19,950 | 18,291 | 1,659 |
| Intergovernmental | 20,000 | 20,000 | 70,483 | (50,483) |
| **Total Expenditures** | 165,886,000 | 165,939,276 | 165,023,383 | 915,893 |
| **Excess Revenues Over (Under) Expenditures** | (3,342,895) | (3,396,171) | (1,273,452) | 2,122,719 |
| **Other Financing Sources (Uses)** | | | | |
| Sale of Fixed Assets | - | - | 1,581 | 1,581 |
| Miscellaneous Sources: | | | | |
| Transfers from Other Funds | 3,907,916 | 3,396,171 | 3,957,327 | 561,156 |
| **Total Other Financing Sources (Uses)** | 3,907,916 | 3,396,171 | 3,958,908 | 562,737 |
| **Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses** | $ 565,021 | $ - | 2,685,456 | $ 2,685,456 |
| **Fund Balance, Beginning of Year** | | | 34,387,316 | |
| **Fund Balance, Ending of Year** | | | $ 37,072,772 | |

*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 (DEFICIT)**
**PROPRIETARY FUND**
**JUNE 30, 2016**

| Assets | Business-Type Activities Enterprise Fund - Food Services | Business-Type Activities Enterprise Fund - After School Program | Totals |
|---|---|---|---|
| Current Assets: | | | |
| Cash & Cash Equivalents | $ 9,657,513 | $ - | $ 9,657,513 |
| Due From Other Funds | - | 611,691 | 611,691 |
| Inventories - Supply & Materials | 102,206 | - | 102,206 |
| Other Receivables | 110,464 | - | 110,464 |
| Total Current Assets | 9,870,183 | 611,691 | 10,481,874 |
| Noncurrent Assets: | | | |
| Property and Equipment, Net | 2,925,150 | - | 2,925,150 |
| Total Noncurrent Assets | 2,925,150 | - | 2,925,150 |
| **Total Assets** | 12,795,333 | 611,691 | 13,407,024 |
| **Deferred Outflows of Resources** | | | |
| Net Pension Deferred Outflows | 356,601 | 132,979 | 489,580 |
| **Total Deferred Outflows of Resources** | 356,601 | 132,979 | 489,580 |
| **Liabilities** | | | |
| Current Liabilities: | | | |
| Accounts Payable | 11,244 | 539 | 11,783 |
| Due To Other Funds | 7,924,343 | - | 7,924,343 |
| Unearned Revenue | 149,672 | - | 149,672 |
| Compensated Absences Payable | 4,957 | - | 4,957 |
| Total Current Liabilities | 8,090,216 | 539 | 8,090,755 |
| Noncurrent Liabilities: | | | |
| Compensated Absences Payable | 12,418 | - | 12,418 |
| Net Pension Liability | 4,515,177 | 1,683,737 | 6,198,914 |
| Total Noncurrent Liabilities | 4,527,595 | 1,683,737 | 6,211,332 |
| **Total Liabilities** | 12,617,811 | 1,684,276 | 14,302,087 |
| **Deferred Inflows of Resources** | | | |
| Net Pension Deferred Inflows | 85,385 | 31,841 | 117,226 |
| **Total Deferred Inflows of Resources** | 85,385 | 31,841 | 117,226 |
| **Net Position (Deficit)** | | | |
| Investment in Capital Assets | 2,925,150 | - | 2,925,150 |
| Unrestricted | (2,476,410) | (971,449) | (3,447,859) |
| **Total Net Position (Deficit)** | $ 448,740 | $ (971,449) | $ (522,709) |

*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 NET POSITION (DEFICIT)**
**PROPRIETARY FUND TYPES - ENTERPRISE FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Food Service | After School Program | Totals |
|---|---|---|---|
| **Operating Revenues** | | | |
| Proceeds from Sales of Meals | $ 3,900,606 | $ - | $ 3,900,606 |
| Proceeds of Tuition | - | 1,246,903 | 1,246,903 |
| **Total Operating Revenues** | 3,900,606 | 1,246,903 | 5,147,509 |
| **Operating Expenses** | | | |
| Food Costs | 3,847,843 | - | 3,847,843 |
| Salaries & Employee Benefits | 3,799,766 | 1,081,703 | 4,881,469 |
| Purchased Services | 171,381 | 120,885 | 292,266 |
| Supplies and Materials | 588,765 | 213,302 | 802,067 |
| Depreciation | 320,132 | - | 320,132 |
| Other Operating Costs | 17,909 | 26,597 | 44,506 |
| **Total Operating Expenses** | 8,745,796 | 1,442,488 | 10,188,284 |
| **Operating Income (Loss)** | (4,845,190) | (195,585) | (5,040,775) |
| **Non-Operating Revenues (Expenses)** | | | |
| USDA Reimbursements | 4,060,162 | - | 4,060,162 |
| Commodities Received from USDA | 508,636 | - | 508,636 |
| Other Federal & State Aid | 152,661 | - | 152,661 |
| Other Local Revenue | 147,357 | 199 | 147,556 |
| Interest Income | 58,866 | - | 58,866 |
| **Total Non-Operating Revenues** | 4,927,682 | 199 | 4,927,881 |
| **Net Income Before Transfers** | 82,492 | (195,386) | (112,894) |
| Capital Contributions | 145,286 | - | 145,286 |
| **Change in Net Position** | 227,778 | (195,386) | 32,392 |
| **Net Position (Deficit), Beginning of Year - As Restated** | 220,962 | (776,063) | (555,101) |
| **Net Position (Deficit), End of Year** | $ 448,740 | $ (971,449) | $ (522,709) |

*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**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Food Service | After School Program | Totals |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Received from Patrons | $ 3,906,726 | $ 1,246,903 | $ 5,153,629 |
| Payments to Employees for Services | (4,009,575) | (881,814) | (4,891,389) |
| Payments to Suppliers for Goods and Services | (4,095,669) | (360,245) | (4,455,914) |
| **Net Cash Provided (Used) by Operating Activities** | (4,198,518) | 4,844 | (4,193,674) |
| **Cash Flows from Noncapital Financing Activities** | | | |
| Federal Subsidy | 4,053,886 | - | 4,053,886 |
| Other Federal and State Aid | 152,661 | - | 152,661 |
| Non-operating Local Support | 147,357 | 199 | 147,556 |
| Transfers to Other Funds | 7,588,506 | (5,043) | 7,583,463 |
| **Net Cash Provided (Used) by Noncapital Financing Activities** | 11,942,410 | (4,844) | 11,937,566 |
| **Cash Flows from Capital and Related Financing Activities** | | | |
| Purchase of Capital Assets | (16,002) | - | (16,002) |
| **Cash Flows from Investing Activities** | | | |
| Interest on Investments | 58,866 | - | 58,866 |
| **Net Increase in Cash and Cash Equivalents** | 7,786,755 | - | 7,786,755 |
| Cash and Cash Equivalents - Beginning | 1,870,758 | - | 1,870,758 |
| Cash and Cash Equivalents - Ending | $ 9,657,513 | $ - | $ 9,657,513 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | |
| Operating Income (Loss) | $ (4,845,190) | $ (195,585) | $ (5,040,775) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities: | | | |
| Depreciation Expense | 320,132 | - | 320,132 |
| Commodities Received from USDA | 508,636 | - | 508,636 |
| Pension Expense | (172,671) | 199,890 | 27,219 |
| Change in Assets and Liabilities: | | | - |
| Decrease in Inventories | 10,349 | - | 10,349 |
| Increase in Accounts Payable | 11,244 | 539 | 11,783 |
| Decrease in Accrued Expenses | (37,138) | - | (37,138) |
| Increase in Unearned Revenue | 6,120 | - | 6,120 |
| **Total Adjustments** | 646,672 | 200,429 | 847,101 |
| **Net Cash Provided (Used) by Operating Activities** | $ (4,198,518) | $ 4,844 | $ (4,193,674) |
| Non-Cash Transactions: | | | |
| Capital Assets Contributed to Food Service from Capital Projects Fund | $ 116,362 | $ - | $ 116,362 |
| Capital Assets Contributed to Food Service from Special Revenue Fund | 21,536 | - | 21,536 |
| Capital Assets Contributed to Food Service from General Fund | 7,388 | - | 7,388 |
| Commodities Received from the USDA | 508,636 | - | 508,636 |

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUND**
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**
**JUNE 30, 2016**

| | Pupil Activity |
|---|---|
| **Assets** | |
| Due From District | $ 2,988,121 |
| Inventories - Supply & Materials | 8,322 |
| **Total Assets** | $ 2,996,443 |
| **Liabilities** | |
| Accounts Payable | $ 31,093 |
| Due to Pupil Activities | 2,965,350 |
| **Total Liabilities** | $ 2,996,443 |

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

## 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 16,622 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 to 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 the Governmental Accounting Standards Board. The financial statement presentation provides a comprehensive entity-wide perspective of the District's net position, revenue, expenses and changes and 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 as a whole. 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 government-wide 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of presentation (continued)

***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 financial statements is on major governmental and enterprise funds, each displayed in a separate column. All District's governmental and enterprise funds are reported as major funds. The fiduciary funds are presented separately.

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

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 trust, 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of presentation (continued)

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

Additionally, the District reports the following fiduciary fund type:

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

### 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 *non-operating* 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 non-operating 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 resources 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Budgets an d b udgetary 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 specified 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 transfer 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.

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 cancelled.

The Board authorized the superintendent or his/her designee to approve general fund line item transfers in the aggregate totaling no more than $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 deposits 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;

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Investments (continued)

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 rates of at lest 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.

**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 expenditure/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, 2016.

**Prepaid Items**: Payments made to vendors for services benefitting 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 movable 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 and 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. The 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 qualify for reporting in this category. They are the deferred charge on refunding reported in the government-wide

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Deferred outflows/inflows of resources (continued)

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 qualify 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.

**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 and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts 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 an expense during the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 benefits 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Compensated absences (continued)

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.

**Pension**: 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 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 collections. For government-mandated non-exchange transactions and voluntary non-exchange transactions, the District recognized assets when all applicable eligibility requires are met or resources are received, whichever is first, and revenue when all applicable eligibility requirements are met.

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

***Non-spendable**:* 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 legislations.

***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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**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 represent 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 be 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 the 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.

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

## NOTE 2 – CASH AND CASH EQUIVALENTS

All cash and investments are stated at fair value with accrued interest shown on the statement of net position. The District is authorized to invest funds received from the Counties' Treasurers 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, 2016, the carrying amount of the district's deposits and investments held by the various funds was as follows:

| Fund Types | |
|---|---|
| General Fund | $ 62,262,260 |
| Enterprise Fund | 9,657,513 |
| | $ 71,919,773 |
| Cash on hand | $ 93,924 |
| Deposits | 24,684,312 |
| Investments | 47,141,537 |
| **Carrying amount at June 30, 2016** | $ 71,919,773 |

### 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, 2016, the bank balance of the District deposits totaled $27,012,186 of which $250,000 was insured by Federal Depository Insurance Corporation (FDIC) insurance and $26,762,186 was secured by collateral held by the bank's trust department in the District's name.

### Investments

**Credit ri sk**: 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 $47,141,537 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, 2016, the underlying security rates 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

## NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

**Interest rate risk**: In accordance with its investment policy, the District manages it 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.

## 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 2, 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 percent 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.

## NOTE 3 – RECEIVABLES (continued)

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

| | |
|---|---|
| Delinquent taxes receivable | $ 6,972,950 |
| Less: Allowance for uncollectible amounts | (2,091,885) |
| **Taxes receivable** | **$ 4,881,065** |

## NOTE 4 – CAPITAL ASSETS

For the June 30, 2016 fiscal year, the District transitioned to a new accounting system. Prior to transferring the capital asset information to the new system, a complete inventory of District capital assets was performed. This inventory revealed unrecorded capital assets, prior inventoried capital assets no longer owned, and misclassification of capital assets categories. The beginning balances have been restated to reflect the capital asset balances based upon the completed inventory. Capital asset activity for the year ended June 30, 2016 was as follows:

Capital Assets:

| | As Restated Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | $ 7,328,598 | $ 264,546 | $ - | $ 7,593,144 |
| Construction-in-Progress | 119,792,807 | 5,510,510 | 124,571,918 | 731,399 |
| Total Capital Assets, Not being Depreciated | 127,121,405 | 5,775,056 | 124,571,918 | 8,324,543 |
| Capital Assets, Being Depreciated: | | | | |
| Buildings | 342,875,186 | 104,338,986 | 137,680 | 447,076,492 |
| Site Improvements | 16,602,655 | 17,705,210 | - | 34,307,865 |
| Furniture and Equipment | 13,488,103 | 3,257,891 | - | 16,745,994 |
| Total Capital Assets, Being Depreciated | 372,965,944 | 125,302,087 | 137,680 | 498,130,351 |
| Less Accumulated Depreciation For: | | | | |
| Buildings | (103,935,107) | (12,505,173) | 39,009 | (116,401,271) |
| Site Improvements | (4,684,085) | (1,918,847) | - | (6,602,932) |
| Furniture and Equipment | (4,887,679) | (1,966,169) | - | (6,853,848) |
| Total Accumulated Depreciation | (113,506,871) | (16,390,189) | 39,009 | (129,858,051) |
| Total Capital Assets, Being Depreciated, Net | 259,459,073 | 108,911,898 | 98,671 | 368,272,300 |
| Governmental Activities Capital Assets, Net | $ 386,580,478 | $ 114,686,954 | $ 124,670,589 | $ 376,596,843 |

**NOTE 4 – CAPITAL ASSETS (continued)**

| | As Restated Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-Type Activities:** | | | | |
| School Food Service Fund: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Furniture and Equipment | $ 4,820,684 | $ 161,288 | $ - | $ 4,981,972 |
| Total Capital Assets Being Depreciated | 4,820,684 | 161,288 | - | 4,981,972 |
| Less, Accumulated Depreciation for: | | | | |
| Furniture and Equipment | (1,736,690) | (320,132) | - | (2,056,822) |
| Business-Type Activities Capital Assets, Net | $ 3,083,994 | $ (158,844) | $ - | $ 2,925,150 |

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

| | |
|---|---|
| Government Activities: | |
| Instruction | $ 9,059,400 |
| Support | 7,326,067 |
| Community Service | 4,722 |
| Total Depreciation – Governmental Activities | $ 16,390,189 |
| Business-Type Activities: | |
| Food Service | $ 320,132 |
| Total Depreciation – Business –Type Activities | $ 320,132 |

**Construction commitments**: The District has active construction projects at June 30, 2016. At June 30, 2016, the District's commitments with contractors are as follows:

| **Project** | **Spent to Date** | **Remaining Commitment** |
|---|---|---|
| Chapin High School: | | |
| Baseball/Softball Facilities | $ 98,865 | $ 711,425 |
| Additions/Renovations | 45,847,349 | 600,000 |
| Chapin Elementary/Chapin Intermediate: | | |
| Parking/Transportation Improvements | 108,000 | 262,178 |
| Seven Oaks Elementary: | | |
| Roof | 136,692 | 290,882 |
| Dutch Fork High School: | | |
| Additions/Renovations | 14,025,090 | 20,000 |
| New Middle School: | | |
| Construction | 20,260,932 | 430,950 |
| CATE/Spring Hill High School | | |
| Additions | 10,066,750 | 127,660 |
| Irmo High School: | | |
| Additions/Renovations | 21,767,692 | 973,260 |
| **Total Government Activities** | **$ 112,311,370** | **$3,416,355** |

## NOTE 5 – RETIREMENT PLAN

### *Description of the Entity*

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publically available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

### *Plan Descriptions*

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

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

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

### *Membership*

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

*SCRS*

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

**NOTE 5 – RETIREMENT PLAN (continued)**

*State ORP*

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

*PORS*

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

***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 legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

SCRS

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**NOTE 5 – RETIREMENT PLAN (continued)**

PORS

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or 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***

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

Required **employee** contribution rates for fiscal year 2015-2016 are as follows:

| | |
|---|---|
| SCRS | |
| Employee Class Two | 8.16% of earnable compensation |
| Employee Class Three | 8.16% of earnable compensation |
| State ORP Employee | 8.16% of earnable compensation |
| PORS | |
| Employee Class Two | 8.74% of earnable compensation |
| Employee Class Three | 8.74% of earnable compensation |

Required **employer** contribution rates for fiscal year 2015-2016 are as follows:

| | |
|---|---|
| SCRS | |
| Employee Class Two | 10.91% of earnable compensation |
| Employer Class Three | 10.91% of earnable compensation |
| Employer Incidental Death Benefit | 0.15% of earnable compensation |
| State ORP | |
| Employer Contribution | 10.91% of earnable compensation** |
| Employer Incidental Death Benefit | 0.15% of earnable compensation |
| PORS | |
| Employee Class Two | 13.34% of earnable compensation |
| Employer Class Three | 13.34% of earnable compensation |
| Employer Incidental Death Benefit | 0.20% of earnable compensation |
| Employer Accidental Death Program | 0.20% of earnable compensation |

**NOTE 5 – RETIREMENT PLAN (continued)**

**Of this employer contribution of 10.91 percent of earnable compensation, 5 percent of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

The District's contributions to the SCRS and PORS for the last three fiscal years were as follows:

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| SCRS | | | |
| Employee Contributions | $ 8,556,658 | $ 8,442,701 | $ 7,889,190 |
| Employer Contributions | 12,131,873 | 11,995,419 | 11,555,532 |
| Employer Group Life Contributions | 174,843 | 175,271 | 173,287 |
| **Total** | $20,863,374 | $20,613,391 | $19,618,009 |
| PORS | | | |
| Employee Contributions | $ 8,088 | $ 7,342 | $ 6,263 |
| Employer Contributions | 12,343 | 11,358 | 10,160 |
| Employer Group Life Contributions | 370 | 349 | 327 |
| **Total** | $ 20,801 | $ 19,049 | $ 16,750 |

The governmental unit contributed 100 percent of the required contributions for the current year and each of the two preceding years.

***Actuarial Assumptions and Methods***

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The most recent actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of June 30, 2015. The net pension liability of each defined benefit pension plan was therefore determined by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company (GRS), based on the July 1, 2014 actuarial valuations, using membership data as of July 1, 2014, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

**NOTE 5 – RETIREMENT PLAN (continued)**

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

| | SCRS | PORS |
|---|---|---|
| **Actuarial Cost Method** | Entry Age | Entry Age |
| **Actuarial Assumptions:** | | |
| Investment Rate of Return | 7.50% | 7.50% |
| Projected Salary Increases | 3.5% - 12.5% | 4.0% - 10.0% |
| Includes Inflation at | 2.75% | 2.75% |
| Benefits Adjustments | Lesser of 1% or $500 | Lesser of 1% or $500 |

The post-retiree mortality assumption 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. Assumptions used in the July 1, 2014 valuation for SCRS and PORS are as follows:

| Former Job Class | Males | Females |
|---|---|---|
| Educators | RP-2000 Males (with White Collar adjustment) multiplied by 110% | RP-2000 Females (with White Collar adjustment) multiplied by 95% |
| General Employees and Members of the General Assembly | RP-2000 Males multiplied by 100% | RP-2000 Females multiplied by 90% |
| Public Safety, Firefighters, and members of the South Carolina National Guard | RP-2000 Males (with Blue Collar adjustment) multiplied by 115% | RP-2000 Females (with Blue Collar adjustment) multiplied by 115% |

**NOTE 5 – RETIREMENT PLAN (continued)**

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. As of June 30, 2015, NPL amounts for SCRS and PORS are presented below.

| System | Total Pension Liability | Plan Fiduciary Net Position | Employers' Net Pension Liability(Asset) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---|---|---|---|---|
| SCRS | $44,097,310,230 | $25,131,828,101 | $18,965,482,129 | 57.0% |
| PORS | 6,151,321,222 | 3,971,824,838 | 2,179,496,384 | 64.6% |

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements.

***Discount Rate***

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

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant, Aon Hewitt. The long-term expected rates of return represent assumptions developed using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentages and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

**NOTE 5 – RETIREMENT PLAN (continued)**

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Long-Term Expected Portfolio Real Rate of Return |
|---|---|---|---|
| **Short Term** | **5.0%** | | |
| Cash | 2.0% | 1.90% | 0.04% |
| Short Duration | 3.0% | 2.00% | 0.06% |
| **Domestic Fixed Income** | **13.0%** | | |
| Core Fixed Income | 7.0% | 2.70% | 0.19% |
| Mixed Credit | 6.0% | 3.80% | 0.23% |
| **Global Fixed Income** | **9.0%** | | |
| Global Fixed Income | 3.0% | 2.80% | 0.08% |
| Emerging Markets Debt | 6.0% | 5.10% | 0.31% |
| **Global Public Equity** | **31.0%** | 7.10% | 2.20% |
| **Global Tactical Asset Allocation** | **10.0%** | 4.90% | 0.49% |
| **Alternatives** | **32.0%** | | |
| Hedge Funds (Low Beta) | 8.0% | 4.30% | 0.34% |
| Private Debt | 7.0% | 9.90% | 0.69% |
| Private Equity | 9.0% | 9.90% | 0.89% |
| Real Estate (Broad Market) | 5.0% | 6.00% | 0.30% |
| Commodities | 3.0% | 5.90% | 0.18% |
| **Total Expected Real Return** | **100.0%** | | 6.00% |
| Inflation for Actuarial Purposes | | | 2.75% |
| Total Expected Nominal Return | | | 8.75% |

***Sensitivity Analysis***

The following table presents the collective net pension liability of the participating employer calculated using the discount rate of 7.50 percent, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate:

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

| System | 1.00% Decrease (6.50%) | Current Discount Rate (7.50%) | 1.00% Increase (8.50%) |
|---|---|---|---|
| **SCRS** | $ 284,808,191 | $ 225,910,185 | $ 176,546,168 |
| **PORS** | $ 209,313 | $ 153,588 | $ 103,899 |

**NOTE 5 – RETIREMENT PLAN (continued)**

***Payables to the Pension Plan***

As of June 30, 2016, the District had $2,397,839 in payables outstanding to the pension plans for its legally required contributions.

***Pension Liabilities***

At June 30, 2016, the District reported a liability of $225,910,185 for its proportionate share of the net pension liability for the SCRS and a liability of $153,588 for its proportionate share of the net pension liability for the PORS. The net pension liability of each defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2014, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015. 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 governmental units, actuarially determined. At June 30, 2016, the District's proportions were 1.191165 percent and .00705 percent for SCRS and PORS, respectively.

For the year ended June 30, 2016, the District recognized pension expense of $15,198,334, including $15,183,665 for SCRS and $14,669 for PORS.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| **SCRS** | | |
| Differences between Expected and Actual Experience | $ 4,013,653 | $ 403,999 |
| Net Difference between Projected and Actual Investment Earnings | 1,512,130 | - |
| Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions | - | 3,871,023 |
| Direct Contributions Subsequent to the Measurement Date | 12,306,716 | - |
| Total | $ 17,832,499 | $ 4,275,022 |
| **PORS** | | |
| Differences between Expected and Actual Experience | $ 3,045 | $ - |
| Net Difference between Projected and Actual Investment Earnings | 1,680 | - |
| Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions | 4,206 | - |
| Direct Contributions Subsequent to the Measurement Date | 12,714 | - |
| Total | $ 21,645 | $ - |

The amounts of $12,306,716 for SCRS and $12,714 for PORS reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

## NOTE 5 – RETIREMENT PLAN (continued)

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at June 30, 2015. Average remaining services lives of all employees provided with pensions through the pension plans at June 30, 2015 was 4.164 years for SCRS and 4.796 years for PORS which is basis for amortizing all deferred amounts except for difference between projected and actual investment earnings which are amortized over five years.

| Measurement Period Ending June 30, | Difference Between Expected and Actual Experience | | Difference Between Projected and Actual Investment Earnings | |
|---|---|---|---|---|
| | SCRS | PORS | SCRS | PORS |
| 2016 | $ (62,769) | $ 1,512 | $ 302,426 | $ 336 |
| 2017 | (62,769) | 1,512 | 302,426 | 336 |
| 2018 | (62,769) | 1,512 | 302,426 | 336 |
| 2019 | (62,769) | 1,512 | 302,426 | 336 |
| 2020 | (10,293) | 1,203 | 302,426 | 336 |
| Net Balance of Deferred Outflows/Inflows of Resources | $ (261,369) | $ 7,251 | $ 1,512,130 | $ 1,680 |

### *Additional Financial and Actuarial Information*

Information contained in these Notes to the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (Schedules) was extracted from the audited financial statements of the South Carolina Retirement Systems for the fiscal year ended June 30, 2015. Additional financial information supporting the preparation of the Schedules (including the unqualified audit opinion on the financial statements and required supplementary information) is located in the Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

## NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

### Plan Description

The South Carolina Health Insurance Trust Fund and the South Carolina Long-Term Disability Insurance Trust Fund were established by the State of South Carolina as Act 195, which became effective on May 1, 2008. These trusts were established to fund and account for the employer costs of the State's retiree health and dental plans and the State's basic long-term disability plan in compliance with Governmental Accounting Standards Board Statements No. 43, Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans, and No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions.

## NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The Employee Insurance Program administers both trusts and the State Budget and Control Board acts as Trustee. The State Treasurer is custodian of the funds and invests the funds in accordance with State statutes. The Trustee for these trusts has determined them to be cost-sharing multiple-employer defined benefit plans that cover employees of the State, including all agencies and public school districts. The South Carolina Health Insurance Trust Fund provides health and dental insurance benefits to eligible retirees and the South Carolina Long-Term Disability Insurance Trust Fund provides disability payments to eligible employees as defined in Article 5 of the State Code of Laws (the Code). Article 5 of the Code authorizes the Trustee of both Plans to at any time adjust the Plan, including the benefits and contributions, as necessary to insure the fiscal stability of the Plans.

Both Plans issue a publicly available financial report that includes financial statements and required information for the Plans. These reports may be obtained by writing to Finance Officer, Employee Insurance Program, 202 Arbor Lake Drive, Columbia, SC 29223.

### Funding Policy

Article 5 of the Code provides that contribution requirements of the Plan members and the participating employers are established and may be amended by the Trustee. Participating employers are contractually required to contribute at rates assessed each year by the State Budget and Control Board, currently 5.33% of annual covered payroll for the health insurance and $3.20 per month for active employees for long-term disability. The State Budget and Control Board sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan for a period not to exceed thirty years. The District's contributions to the SC Retiree Health Insurance Trust Fund for the years ended June 30, 2016, 2015, and 2014, respectively, were $6,217,696, $5,846,741, and $5,687,819 which equaled the required contributions for that year.

## NOTE 7 – LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2016, was as follows:

| | Amounts Outstanding June 30, 2015 | Additions | Deductions | Amounts Outstanding June 30, 2016 | Amounts Due in One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Current Refunding General Obligation Bonds: | | | | | |
| Series 2013A – issued November 19, 2013 | $ 36,734,000 | $ - | $ 1,943,000 | $ 34,791,000 | $ 2,067,000 |
| Series 2015B – Issued November 9, 2015 | - | 62,025,000 | - | 62,025,000 | 1,805,000 |
| General Obligation Bonds: | | | | | |
| Series 2010A – Issued June 9, 2010 | 10,000,000 | - | - | 10,000,000 | - |
| Series 2010B1 – Issued September 16, 2010 | 2,855,000 | - | 2,855,000 | - | - |
| Series 2010B2 – Issued September 16, 2010 | 68,500,000 | - | 68,500,000 | - | - |
| Series 2012B – Issued August 21, 2012 | 108,685,000 | - | 3,395,000 | 105,290,000 | 5,135,000 |
| Net Acquisition – Issued June 20, 2013 | 591,000 | - | 591,000 | - | - |
| | 227,365,000 | 62,025,000 | 77,284,000 | 212,106,000 | 9,007,000 |

## NOTE 7 – LONG-TERM OBLIGATIONS (continued)

| | | | | | |
|---|---|---|---|---|---|
| **Governmental Activities (continued):** | | | | | |
| Deferred Amounts: | | | | | |
| Unamortized premium on bonds | 8,282,636 | 7,360,408 | 1,200,674 | 14,442,370 | 1,751,882 |
| **Total Bonds Payable** | 235,647,636 | 69,385,408 | 78,484,674 | 2,190,519 | 10,758,882 |
| Compensated Absences | | | | | |
| **As Restated** | 2,911,407 | - | 720,888 | 2,190,519 | 604,948 |
| Long-Term Liabilities | $ 241,622,086 | $ 69,385,408 | $ 78,484,674 | $ 232,522,820 | $ 10,758,882 |
| **Business Activities:** | | | | | |
| Compensated Absences, | | | | | |
| **As Restated** | $ 54,513 | $ - | $ 37,138 | $ 17,375 | $ 4,798 |
| **Business Activities** | | | | | |
| **Long-Term Liabilities** | $ 54,513 | $ - | $ 37,138 | $ 17,375 | $ - |

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 obligations bonds (Qualified School Construction Bonds – Direct Payment) referendum debt with an interest rate of 5.25 percent. 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 percent 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 for 2.0 percent to 4.0 percent. The net proceeds were $9,645,472 after a bid premium of $771,095 less costs of issuance of $125,623. Principal payments annually beginning on March 1, 2011 through March 1, 2016 ranging from $100,000 to $2,855,000. Interest payments are payable semiannually on March 1 and September 1 beginning March 1, 2011, through March 1, 2016. The proceeds will be used for purposes of funding capital projects approved in the Referendum, paying costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District.

On September 16, 2010, the District issued Taxable Series 2010B-2, $68,500,000 general obligation (Build America Bonds) referendum debt. The Build America Bonds provide for an interest credit subsidy equal to 35 percent 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 percent to 5.0 percent. Interest payments are payable semiannually 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.

**NOTE 7 – LONG-TERM OBLIGATIONS (continued)**

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 percent to 5.0 percent. Interest payments are payable semiannually 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 percent. Interest payments are payable annually on October 1 beginning October 1, 2013, through October 1, 2015. The proceeds will be used to fund the purchase of certain equipment and implementation of the technology plan, and paying cost 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 percent. The proceeds were used to refund the outstanding balance of $39,850,000 of the Series 2009B Build America Bonds which had interest rates ranging from 2.4 percent to 5.9 percent along with an interest credit subsidy equal to 35 percent 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 semiannually on March 1 and September 1 beginning March 1, 2014, through March 1, 2028. The deferred loss on refunding at June 30, 2016 was $349,299.

On November 9, 2015, the District issued Series 2015B, $62,025,000 general obligation current refunding bonds (Bond Referendum debt) with variable interest rates which range from 3 percent to 5 percent. The proceeds were used to refund the outstanding balance of $68,500,000 of the Series 2010B2 Build America Bonds which had interest rates ranging from 2.75 percent to 5 percent along with an interest credit subsidy equal to 35 percent of the amount of each interest payment on the bonds. The net proceeds of $69,159,618 (after premium of $7,360,409 and issuance costs of $225,791) were disbursed to discharge the Series 2010B2 Build America Bonds.

The reacquisition price exceeded the net carrying amount of the old debt by $659,618; 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 $4,170,746 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of $3,438,817. Bonds are due in annual installments beginning March 1, 2017 through March 1, 2029, ranging from $1,805,000 to $12,975,000. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2016 through March 2, 2029. The deferred loss on refunding at June 30, 2016 was $636,581.

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

## NOTE 7 – LONG-TERM OBLIGATIONS (continued)

The annual debt service requirements to maturity as of June 30, 2016 are as follows:

| Year ended June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2017 | $ 9,007,000 | $ 8,017,006 | $ 17,024,006 |
| 2018 | 9,868,000 | 7,624,325 | 17,492,325 |
| 2019 | 10,780,000 | 7,192,389 | 17,972,389 |
| 2020 | 11,743,000 | 6,718,675 | 18,461,675 |
| 2021 | 12,757,000 | 6,200,801 | 18,957,801 |
| 2022 – 2026 | 75,754,000 | 22,436,553 | 98,190,553 |
| 2027 – 2031 | 71,402,000 | 8,786,835 | 80,188,835 |
| 2032 | 10,795,000 | 431,800 | 11,226,800 |
| | $ 212,106,000 | 67,408,384 | $ 279,514,384 |

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, 2015 assessed property valuation of $483,035,929 (unaudited), the legal debt limit is $38,642,874, with $9,550,000 of applicable general obligation debt outstanding, leaving a legal debt margin of $29,092,874 at June 30, 2016.

## NOTE 8 – SHORT-TERM OBLIGATIONS

**Summary o f c hanges i n short-term d ebt**: During the year ended June 30, 2016, the following transactions occurred in short-term liabilities:

| | Balance at June 30, 2015 | Additions | Deductions | Balance at June 30, 2016 |
|---|---|---|---|---|
| SCAGO – Series 2015A | $ - | $ 11,079,000 | $ 11,079,000 | $ |
| SCAGO – Series 2016A | - | 9,550,000 | - | 9,550,000 |
| | $ - | $ 20,629,000 | $ 11,079,000 | $ 9,550,000 |

Capital Projects Funds:

On September 17, 2015, the District issued Series 2015A, $11,079,000 SCAGO general obligation bonds (8% debt) with an interest rate of 2.0 percent for the purpose of providing funds for capital improvements, equipment, and technology. The net proceeds were $11,120,362 after bid premium of $95,612 less cost of issuance of $54,250. These bonds, including interest of $100,942, were due March 1, 2016, and were repaid utilizing debt service fund property tax revenues.

On June 8, 2016, the District issued Series 2016A, $9,550,000 SCAGO general obligation bonds (8% debt) with an interest rate of .79 percent for the purpose of providing funds for capital improvements, equipment, and technology. The net proceeds were $9,250,000 after reduced by cost of issuance of $30,000. These bonds, including interest of $55,117, are due March 1, 2017 and are scheduled to be 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 | $ 1,743,262 | $ 2,036,620 | $ 149,672 |

## NOTE 10 – INTERFUND TRANSACTIONS

**Interfund Transfers**:

Transfers during the year ended June 30, 2016 consisted of the following:

| Fund Category | Transfers In | Transfers Out |
|---|---|---|
| General Fund | $ 3,957,327 | $ - |
| Special Revenue Funds | - | 256,614 |
| Combined EIA Funds | - | 3,700,713 |
| Debt Service Fund | 595,581 | 11,079,000 |
| Capital Projects Fund | 11,079,000 | 595,581 |
| Totals | $ 15,631,908 | $ 15,631,908 |

**Interfund Receivables and Payables**:

| Fund Category | INTERFUND RECEIVABLES | INTERFUND PAYABLES |
|---|---|---|
| General Fund | $ - | $ 17,100,354 |
| Special Revenue Funds | - | 3,355,166 |
| Combined EIA Funds | 2,048,997 | - |
| Debt Service Fund | 232 | - |
| Capital Projects Fund | 22,730,822 | - |
| Enterprise Fund – Food Service | - | 7,924,343 |
| Enterprise Fund – After School | 611,691 | - |
| Pupil Activity | 2,988,121 | - |
| **Totals** | **$ 28,379,863** | **$ 28,379,863** |

Inter-fund transfers include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice.

**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.

## NOTE 10 – INTERFUND TRANSACTIONS (continued)

**Due to and from other funds**: The District used one bank account to hold deposits and to issue checks which results in the interfund 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 11 – 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, 2016, 2015 and 2014.

## NOTE 12 – PUPIL ACTIVITY FUND

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

## NOTE 13 – OPERATING LEASES

The School District is obligated to account for certain leases as operating leases. Current rental expenditures for the year ended June 30, 2016 were $479,226. 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, 2016:

| Year Ended June 30 | Totals |
|---|---|
| 2017 | $ 411,589 |
| 2018 | 380,515 |
| 2019 | 373,231 |
| 2020 | 212,434 |
| Total payments | $ 1,377,769 |

## NOTE 14 – 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 balances 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 to 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:

| | |
|---|---|
| Future capital projects | $ 6,800,000 |
| Appropriation for succeeding year's budget | 670,385 |
| Total assigned for special purposes | $ 7,470 385 |

**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 lease an Aa2/AA credit rating. This average may change from time to time but generally ranges from 15 percent – 18 percent of the general fund budgeted expenditures. The required range as of June 30, 2016 is $26,176,000 to $31,411,200 based on the 2016/2017 general fund budget. The unassigned amount at June 30, 2016 is $28,584,179.

## NOTE 15 – CONTINGENCIES AND LITIGATION

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

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

## NOTE 16 – 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 support schedules as required.

## NOTE 17 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 28, 2016, the date on which the financial statements were available to be issued.

## NOTE 18 – RESTATEMENT OF PRIOR YEAR BALANCES

Governmental fund balances and governmental activities net position for June 30, 2015 were restated as follows:

| | Governmental Activities Net Position | Business-Type | |
|---|---|---|---|
| | | Food Service Net Position | After School Program Net Position |
| Balance, June 30, 2015 | $(3,154,211) | $ 1,849,981 | $ 606,646 |
| To correct capital asset balances: | | | |
| Corrections to cost | (12,789,723) | 2,378,296 | - |
| Corrections to accumulated depreciation | 7,871,514 | 139,858 | - |
| Net capital asset correction | (4,918,209) | 2,518,154 | - |
| To reclass Business-Type Activities' portion of pension liability and related net deferred inflows/outflows | 5,799,344 | (4,416,635) | (1,382,709) |
| To correct compensated absences | 3,063,043 | 269,462 | - |
| Total restatement | 3,944,178 | (1,629,019) | (1,382,709) |
| Balance June 30, 2015, restated | $ 789,967 | $ 220,962 | $ (776,063) |

# REQUIRED SUPPLEMENTARY INFORMATION

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SCRS AND PORS**
**LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2007* | 2008* | 2009* | 2010* | 2011* | 2012* | 2013* | 2014* | 2015 | 2016 |
| **SCRS** | | | | | | | | | | |
| District's Proportion of Net Pension Liability | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ 209,898,245 | $ 225,910,185 |
| District's Proportionate Share of Net Pension Liability | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1.219156% | 1.191165% |
| District's Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 115,524,407 | 116,847,519 |
| District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 181.69% | 193.34% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 59.90% | 57.00% |
| **PORS** | | | | | | | | | | |
| District's Proportion of Net Pension Liability | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ 130,009 | $ 153,589 |
| District's Proportionate Share of Net Pension Liability | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0.00679% | 0.00705% |
| District's Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 81,675 | 87,304 |
| District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 159.18% | 175.92% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 67.50% | 64.60% |

**Note:**
This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

**Source:**
Audit report of employer allocations of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS), as administered by the SC Public Employee Benefit Authority for the year ended June 30, 2015.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRS AND PORS**
**LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2007* | 2008* | 2009* | 2010* | 2011* | 2012* | 2013* | 2014* | 2015 | 2016 |
| **SCRS** | | | | | | | | | | |
| Contractually Required Contribution | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ 11,732,446 | $ 12,173,782 |
| Contributions in Relation to the Contractually Required Contribution | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | (11,732,446) | (12,173,782) |
| Contribution Deficiency (Excess) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ - | $ - |
| District's Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ 115,524,407 | $ 116,847,519 |
| Contributiuons as a Percentage of Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 10.16% | 10.42% |
| **PORS** | | | | | | | | | | |
| Contractually Required Contribution | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ 10,487 | $ 11,707 |
| Contributions in Relation to the Contractually Required Contribution | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | (10,487) | (11,707) |
| Contribution Deficiency (Excess) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ - | $ - |
| District's Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | $ 81,675 | $ 87,304 |
| Contributiuons as a Percentage of Covered-Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 12.84% | 13.41% |

**Note:**
This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

**Source:**
District Quarterly Retirement Contibution Reports

# OTHER SUPPLEMENTARY INFORMATION

This page was intentionally left blank.

# GENERAL FUND

The General Fund is the general operating 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 Revenues, Expenditures and Changes in Fund Balances - 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 South Carolina Department of Education.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues** | | | |
| **1000 Revenue from Local Sources** | | | |
| 1100 Taxes Levied/Assessed by the LEA: | | | |
| 1110 Ad Valorem Taxes-Including Delinquent (Independent) | $ 61,395,328 | $ 61,653,414 | $ 258,086 |
| 1140 Penalties & Interest on Taxes (Independent) | 200,000 | 342,017 | 142,017 |
| 1200 Revenue From Local Governmental Units Other Than LEAs | | | |
| 1280 Revenue in Lieu of Taxes (Independent and Dependent) | 999,300 | 991,550 | (7,750) |
| 1300 Tuition | | | - |
| 1310 From Patrons for Regular Day School | 10,000 | 6,406 | (3,594) |
| 1500 Earnings on Investments: | | | |
| 1510 Interest on Investments | 60,000 | 95,807 | 35,807 |
| 1700 Pupil Activities: | | | |
| 1740 Student Fees | 21,000 | 23,266 | 2,266 |
| 1900 Other Revenue from Local Sources: | | | |
| 1910 Rentals | 70,000 | 169,190 | 99,190 |
| 1930 Medicaid | 100,000 | 118,802 | 18,802 |
| 1950 Refund of Prior Year's Expenditures | 8,000 | 23,070 | 15,070 |
| 1990 Miscellaneous Local Revenue: | | | |
| 1992 Canteen Operations | - | 205,418 | 205,418 |
| 1993 Receipt of Insurance Proceeds | 10,000 | 22,777 | 12,777 |
| 1999 Revenue from Other Local Sources | 430,000 | 104,507 | (325,493) |
| **Total Local Sources** | 63,303,628 | 63,756,224 | 452,596 |
| **3000 Revenue from State Sources** | | | |
| 3100 Restricted State Funding: | | | |
| 3130 Special Programs: | | | |
| 3131 Handicapped Transportation | - | 8,614 | 8,614 |
| 3160 School Bus Driver Salary | 650,000 | 770,702 | 120,702 |
| 3161 EAA Bus Driver Salary and Fringe | - | 2,583 | 2,583 |
| 3162 Transportation Workers' Compensation | 58,632 | 59,218 | 586 |
| 3180 Fringe Benefits Employer Contributions (No Carryover Provision) | 14,882,726 | 15,798,496 | 915,770 |
| 3181 Retiree Insurance (No Carryover Provision) | 4,544,877 | 4,096,635 | (448,242) |
| 3199 Other Restricted State Grants | - | 472 | 472 |
| 3300 Education Finance Act: | | | |
| 3310 Full-Time Programs: | | | |
| 3311 Kindergarten | 1,513,298 | 1,528,508 | 15,210 |
| 3312 Primary | 4,819,574 | 4,868,014 | 48,440 |
| 3313 Elementary | 8,964,652 | 9,054,752 | 90,100 |
| 3314 High School | 2,045,722 | 2,066,283 | 20,561 |
| 3315 Trainable Mentally Handicapped | 90,376 | 91,284 | 908 |
| 3316 Speech Handicapped (Part-Time Program) | 2,885,164 | 2,914,162 | 28,998 |
| 3317 Homebound | 26,197 | 26,460 | 263 |
| 3320 Part-Time Programs: | | | |
| 3321 Emotionally Handicapped | 172,797 | 174,534 | 1,737 |
| 3322 Educable Mentally Handicapped | 60,983 | 61,596 | 613 |
| 3323 Learning Disabilities | 2,353,403 | 2,377,056 | 23,653 |
| 3324 Hearing Handicapped | 73,917 | 74,660 | 743 |
| 3325 Visually Handicapped | 78,153 | 78,939 | 786 |
| 3326 Orthopedically Handicapped | 44,994 | 45,446 | 452 |
| 3327 Vocational | 7,531,505 | 7,607,201 | 75,696 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| 3330 Miscellaneous EFA Programs: | | | |
| 3331 Autism | $ 851,067 | $ 859,620 | $ 8,553 |
| 3332 High Achieving Students | 1,196,790 | 1,208,818 | 12,028 |
| 3334 Limited English Proficiency | 138,393 | 139,784 | 1,391 |
| 3351 Academic Assistance | 610,840 | 616,979 | 6,139 |
| 3352 Pupils in Poverty | 2,469,727 | 2,494,550 | 24,823 |
| 3800 State Revenue in Lieu of Taxes: | | | |
| 3810 Reimbursement for Local Residential Property Tax Relief (Tier 1) | 10,580,071 | 10,580,071 | - |
| 3820 Homestead Exemption (Tier 2) | 1,758,200 | 1,758,200 | - |
| 3825 Reimbursement for Property Tax Relief (Tier 3) | 29,939,069 | 29,938,203 | (866) |
| 3830 Merchant's Inventory Tax | 209,687 | 213,955 | 4,268 |
| 3840 Manufacturers Depreciation Reimbursement | 303,663 | 289,373 | (14,290) |
| 3890 Other State Property Tax Revenues (Includes Motor Carrier Tax) | 140,000 | 179,580 | 39,580 |
| 3900 Other State Revenue: | | | |
| 3999 Revenue From Other State Sources | 245,000 | - | (245,000) |
| **Total State Sources** | 99,239,477 | 99,984,748 | 745,271 |
| **4000 Revenue from Federal Sources** | | | |
| 4900 Other Federal Sources: | | | |
| 4990 Other Federal Revenue: | | | |
| 4999 Revenue from Other Federal Sources | - | 8,959 | 8,959 |
| **Total Federal Sources** | - | 8,959 | 8,959 |
| **Total Revenues All Sources** | 162,543,105 | 163,749,931 | 1,206,826 |
| **Expenditures** | | | |
| **100 Instruction** | | | |
| 110 General Instruction | | | |
| 111 Kindergarten Programs: | | | |
| 100 Salaries | 4,656,984 | 4,400,717 | 256,267 |
| 200 Employee Benefits | 1,938,715 | 1,776,147 | 162,568 |
| 300 Purchased Services | 2,492 | 65,031 | (62,539) |
| 400 Supplies and Materials | 55,999 | 76,184 | (20,185) |
| 112 Primary Programs: | | | |
| 100 Salaries | 11,345,892 | 11,855,879 | (509,987) |
| 200 Employee Benefits | 4,351,909 | 4,350,677 | 1,232 |
| 300 Purchased Services | 5,867 | 68,248 | (62,381) |
| 400 Supplies and Materials | 280,081 | 597,548 | (317,467) |
| 113 Elementary Programs: | | | |
| 100 Salaries | 20,696,246 | 19,998,773 | 697,473 |
| 200 Employee Benefits | 7,773,383 | 7,324,339 | 449,044 |
| 300 Purchased Services | 20,579 | 76,235 | (55,656) |
| 400 Supplies and Materials | 382,448 | 693,214 | (310,766) |
| 500 Capital Outlay | - | 6,515 | (6,515) |
| 114 High School Programs: | | | |
| 100 Salaries | 16,450,141 | 15,978,439 | 471,702 |
| 200 Employee Benefits | 5,915,526 | 5,517,655 | 397,871 |
| 300 Purchased Services | 144,485 | 206,617 | (62,132) |
| 400 Supplies and Materials | 498,630 | 799,967 | (301,337) |
| 600 Other objects | 6,100 | 5,100 | 1,000 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| 115 Career and Technology Education Programs: | | | |
| 100 Salaries | $ 2,558,230 | $ 2,532,911 | $ 25,319 |
| 200 Employee Benefits | 939,857 | 872,397 | 67,460 |
| 300 Purchased Services - Other Than Tuition | 25,678 | 25,556 | 122 |
| 400 Supplies and Materials | 110,776 | 108,984 | 1,792 |
| 600 Other Objects | 122 | 122 | - |
| 120 Exceptional Programs | | | |
| 121 Educable Mentally Handicapped: | | | |
| 100 Salaries | 624,447 | 625,834 | (1,387) |
| 200 Employee Benefits | 224,382 | 210,146 | 14,236 |
| 400 Supplies and Materials | 1,260 | 1,255 | 5 |
| 122 Trainable Mentally Handicapped: | | | |
| 100 Salaries | 447,279 | 416,214 | 31,065 |
| 200 Employee Benefits | 158,961 | 149,219 | 9,742 |
| 400 Supplies and Materials | 1,620 | 1,293 | 327 |
| 123 Orthopedically Handicapped: | | | |
| 100 Salaries | 33,054 | - | 33,054 |
| 200 Employee Benefits | 13,222 | - | 13,222 |
| 124 Visually Handicapped: | | | |
| 100 Salaries | 170,803 | 136,411 | 34,392 |
| 200 Employee Benefits | 66,527 | 53,902 | 12,625 |
| 400 Supplies and Materials | 140 | 1 | 139 |
| 125 Hearing Handicapped: | | | |
| 100 Salaries | 276,178 | 225,414 | 50,764 |
| 200 Employee Benefits | 97,567 | 72,814 | 24,753 |
| 400 Supplies and Materials | 72 | 23 | 49 |
| 126 Speech Handicapped: | | | |
| 100 Salaries | 1,479,642 | 1,502,597 | (22,955) |
| 200 Employee Benefits | 534,865 | 527,904 | 6,961 |
| 400 Supplies and Materials | 5,111 | 4,706 | 405 |
| 127 Learning Disabilities: | | | |
| 100 Salaries | 4,772,315 | 4,355,688 | 416,627 |
| 200 Employee Benefits | 1,788,788 | 1,583,538 | 205,250 |
| 400 Supplies and Materials | 17,162 | 13,217 | 3,945 |
| 128 Emotionally Handicapped: | | | |
| 100 Salaries | 598,878 | 447,761 | 151,117 |
| 200 Employee Benefits | 264,727 | 187,257 | 77,470 |
| 400 Supplies and Materials | 2,297 | 1,814 | 483 |
| 129 Coordinated Early Intervening Services (CEIS): | | | |
| 100 Salaries | 262,052 | 282,594 | (20,542) |
| 200 Employee Benefits | 92,051 | 104,227 | (12,176) |
| 130 Pre-School Programs | | | |
| 135 Pre-School Handicapped-Speech (3 & 4 year olds): | | | |
| 100 Salaries | 5,000 | 5,000 | - |
| 200 Employee Benefits | 1,186 | 1,167 | 19 |
| 400 Supplies and Materials | 90 | 89 | 1 |
| 136 Pre-School Handicapped-Itinerant (3 & 4 year olds): | | | |
| 100 Salaries | 8,314 | 11,616 | (3,302) |
| 200 Employee Benefits | 2,946 | 3,663 | (717) |
| 137 Pre-School Handicapped-Self-Contained (3 & 4 year olds): | | | |
| 100 Salaries | 918,270 | 844,655 | 73,615 |
| 200 Employee Benefits | 396,987 | 352,961 | 44,026 |
| 400 Supplies and Materials | 540 | 137 | 403 |
| 138 Pre-School Handicapped-Homebased (3 & 4 year olds): | | | |
| 100 Salaries | 5,056 | 6,107 | (1,051) |
| 200 Employee Benefits | 2,170 | 2,017 | 153 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| 139 Early Childhood Programs: | | | |
| 100 Salaries | $ 968,017 | $ 971,584 | $ (3,567) |
| 200 Employee Benefits | 407,240 | 389,847 | 17,393 |
| 300 Purchased Services | 19,144 | 10,621 | 8,523 |
| 400 Supplies and Materials | 39,321 | 35,553 | 3,768 |
| 600 Other Objects | 221 | 45 | 176 |
| 140 Special Programs | | | |
| 141 Gifted and Talented - Academic: | | | |
| 100 Salaries | 1,156,072 | 999,058 | 157,014 |
| 200 Employee Benefits | 439,155 | 367,823 | 71,332 |
| 300 Purchased Services | 3,160 | 2,321 | 839 |
| 400 Supplies and Materials | 10,940 | 5,377 | 5,563 |
| 143 Advanced Placement: | | | |
| 100 Salaries | 355,954 | 346,033 | 9,921 |
| 200 Employee Benefits | 125,462 | 119,802 | 5,660 |
| 145 Homebound: | | | |
| 100 Salaries | 67,000 | 192,483 | (125,483) |
| 200 Employee Benefits | 17,000 | 46,111 | (29,111) |
| 300 Purchased Services | 16,000 | 5,375 | 10,625 |
| 148 Gifted and Talented - Artistic: | | | |
| 100 Salaries | 92,499 | 140,684 | (48,185) |
| 200 Employee Benefits | 31,021 | 47,893 | (16,872) |
| 300 Purchased Services | 4,245 | 3,191 | 1,054 |
| 400 Supplies and Materials | 4,709 | 1,888 | 2,821 |
| 149 Other Special Programs: | | | |
| 100 Salaries | 672,225 | 716,576 | (44,351) |
| 140 Terminal Leave | 138,996 | 597,199 | (458,203) |
| 200 Employee Benefits | 249,996 | 334,120 | (84,124) |
| 300 Purchased Services | 1,569,744 | 1,924,527 | (354,783) |
| 400 Supplies and Materials | - | 173 | (173) |
| 160 Other Exceptional Programs | | | |
| 161 Autism: | | | |
| 100 Salaries | 929,053 | 947,156 | (18,103) |
| 200 Employee Benefits | 382,966 | 391,781 | (8,815) |
| 300 Purchased Services | 1,525 | 1,840 | (315) |
| 400 Supplies and Materials | 3,060 | 2,815 | 245 |
| 170 Summer School Program | | | |
| 172 Elementary Summer School: | | | |
| 100 Salaries | 40,000 | 17,730 | 22,270 |
| 200 Employee Benefits | 10,000 | 4,312 | 5,688 |
| 173 High School Summer School: | | | |
| 100 Salaries | 40,000 | 64,821 | (24,821) |
| 200 Employee Benefits | 10,000 | 15,230 | (5,230) |
| 175 Instructional Programs Beyond Regular School Day: | | | |
| 400 Supplies and Materials | - | 85 | (85) |
| 180 Adult/Continuing Educational Programs | | | |
| 181 Adult Basic Education Programs: | | | |
| 100 Salaries | 212,428 | 212,428 | - |
| 200 Employee Benefits | 65,596 | 62,470 | 3,126 |
| 300 Purchased Services | 5,000 | 4,514 | 486 |
| 600 Other Objects | 800 | 636 | 164 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| 182 Adult Secondary Education Programs: | | | |
| 300 Purchased Services | $ 500 | $ 473 | $ 27 |
| 400 Supplies and Materials | 7,130 | 7,124 | 6 |
| 188 Parenting/Family Literacy: | | | |
| 100 Salaries | - | 47,960 | (47,960) |
| 200 Employee Benefits | - | 20,336 | (20,336) |
| 190 Instructional Pupil Activity: | | | |
| 100 Salaries (optional) | 538,977 | 462,033 | 76,944 |
| 200 Employee Benefits (optional) | 124,107 | 110,250 | 13,857 |
| 660 Instructional Pupil Activity | 20,800 | 19,696 | 1,104 |
| **Total Instruction** | 100,214,162 | 99,120,470 | 1,093,692 |
| **200 Support Services** | | | |
| 210 Pupil Services | | | |
| 211 Attendance and Social Work Services: | | | |
| 100 Salaries | 834,655 | 902,963 | (68,308) |
| 200 Employee Benefits | 367,537 | 341,612 | 25,925 |
| 300 Purchased Services | 6,032 | 3,874 | 2,158 |
| 400 Supplies and Materials | 1,858 | 1,120 | 738 |
| 212 Guidance Services: | | | |
| 100 Salaries | 3,218,707 | 3,163,101 | 55,606 |
| 200 Employee Benefits | 1,164,323 | 1,092,253 | 72,070 |
| 300 Purchased Services | 2,561 | 890 | 1,671 |
| 400 Supplies and Materials | 18,245 | 1,828 | 16,417 |
| 213 Health Services: | | | |
| 100 Salaries | 1,553,505 | 1,446,212 | 107,293 |
| 200 Employee Benefits | 583,882 | 536,592 | 47,290 |
| 300 Purchased Services | 2,852 | 1,577 | 1,275 |
| 400 Supplies and Materials | 25,095 | 22,415 | 2,680 |
| 600 Other Objects | 345 | 226 | 119 |
| 214 Psychological Services: | | | |
| 100 Salaries | 1,212,683 | 1,129,364 | 83,319 |
| 200 Employee Benefits | 383,596 | 352,695 | 30,901 |
| 300 Purchased Services | 6,000 | 4,495 | 1,505 |
| 400 Supplies and Materials | 5,850 | 4,984 | 866 |
| 217 Career Specialist Services: | | | |
| 100 Salaries | 77,682 | 77,682 | - |
| 200 Employee Benefits | 26,976 | 26,919 | 57 |
| 300 Purchased Services | (80) | 72 | (152) |
| 400 Supplies and Materials | 1,175 | 815 | 360 |
| 220 Instructional Staff Services | | | |
| 221 Improvement of Instruction Curriculum Development: | | | |
| 100 Salaries | 2,089,965 | 2,141,703 | (51,738) |
| 200 Employee Benefits | 697,458 | 640,840 | 56,618 |
| 300 Purchased Services | 580,672 | 487,351 | 93,321 |
| 400 Supplies and Materials | 131,640 | 74,605 | 57,035 |
| 600 Other Objects | 3,331 | 3,327 | 4 |
| 222 Library and Media Services: | | | |
| 100 Salaries | 1,743,925 | 1,744,168 | (243) |
| 200 Employee Benefits | 693,795 | 654,539 | 39,256 |
| 300 Purchased Services | 400 | 246 | 154 |
| 400 Supplies and Materials | 253,970 | 293,070 | (39,100) |
| 600 Other Objects | - | 175 | (175) |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| 223 Supervision of Special Programs: | | | |
| 100 Salaries | $ 505,552 | $ 529,350 | $ (23,798) |
| 200 Employee Benefits | 170,612 | 172,429 | (1,817) |
| 300 Purchased Services | 13,500 | 8,435 | 5,065 |
| 400 Supplies and Materials | 540 | 50 | 490 |
| 600 Other Objects | - | 176 | (176) |
| 224 Improvement of Instruction Inservice and Staff Training: | | | |
| 100 Salaries | - | 1,616 | (1,616) |
| 200 Employee Benefits | - | 388 | (388) |
| 300 Purchased Services | 82,838 | 74,779 | 8,059 |
| 400 Supplies and Materials | 7,627 | 2,820 | 4,807 |
| 230 General Administration Services | | | |
| 231 Board of Education: | | | |
| 100 Salaries | 67,200 | 57,600 | 9,600 |
| 200 Employee Benefits | 15,933 | 13,847 | 2,086 |
| 300 Purchased Services | 296,775 | 297,833 | (1,058) |
| 318 Audit Services | 40,000 | 34,100 | 5,900 |
| 600 Other Objects | 368,185 | 368,510 | (325) |
| 232 Office of the Superintendent: | | | |
| 100 Salaries | 265,594 | 265,592 | 2 |
| 200 Employee Benefits | 78,195 | 72,976 | 5,219 |
| 300 Purchased Services | 29,521 | 26,249 | 3,272 |
| 400 Supplies and Materials | 4,453 | 4,680 | (227) |
| 600 Other Objects | 6,300 | 2,292 | 4,008 |
| 233 School Administration: | | | |
| 100 Salaries | 9,384,605 | 9,582,006 | (197,401) |
| 200 Employee Benefits | 3,376,931 | 3,310,660 | 66,271 |
| 300 Purchased Services | 182,797 | 149,309 | 33,488 |
| 400 Supplies and Materials | 222,452 | 202,116 | 20,336 |
| 600 Other Objects | 20,049 | 17,217 | 2,832 |
| 250 Finance and Operations Services | | | |
| 251 Student Transportation (Federal/District Mandated): | | | |
| 300 Purchased Services | 422,089 | 423,252 | (1,163) |
| 252 Fiscal Services: | | | |
| 100 Salaries | 773,981 | 812,618 | (38,637) |
| 200 Employee Benefits | 280,958 | 281,497 | (539) |
| 300 Purchased Services | 136,680 | 213,618 | (76,938) |
| 400 Supplies and Materials | 53,955 | 48,860 | 5,095 |
| 500 Capital Outlay | 6,250 | - | 6,250 |
| 600 Other Objects | 3,600 | 5,532 | (1,932) |
| 254 Operation and Maintenance of Plant: | | | |
| 100 Salaries | 6,220,462 | 6,117,704 | 102,758 |
| 200 Employee Benefits | 3,542,713 | 3,304,138 | 238,575 |
| 300 Purchased Services | 4,000,924 | 3,992,862 | 8,062 |
| 321 Public Utilities (Excludes gas, oil, elec. & other heating fuels) | 719,000 | 750,619 | (31,619) |
| 400 Supplies and Materials | 1,085,844 | 1,093,058 | (7,214) |
| 470 Energy (Include gas, oil, elec. & other heating fuels) | 4,222,312 | 4,206,726 | 15,586 |
| 500 Capital Outlay | 134,023 | 153,230 | (19,207) |
| 600 Other Objects | 3,556 | 3,177 | 379 |
| 255 Student Transportation (State Mandated): | | | |
| 100 Salaries | 3,133,318 | 3,221,551 | (88,233) |
| 200 Employee Benefits | 903,846 | 1,204,706 | (300,860) |
| 300 Purchased Services | 90,843 | 69,958 | 20,885 |
| 400 Supplies and Materials | 70,030 | 70,598 | (568) |
| 600 Other Objects | 500 | 344 | 156 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| 257 Internal Services: | | | |
| 100 Salaries | $ 251,822 | $ 249,202 | $ 2,620 |
| 200 Employee Benefits | 94,460 | 88,568 | 5,892 |
| 300 Purchased Services | 646,366 | 631,603 | 14,763 |
| 400 Supplies and Materials | 52,639 | 40,548 | 12,091 |
| 258 Security: | | | |
| 100 Salaries | 70,906 | 74,142 | (3,236) |
| 200 Employee Benefits | 25,369 | 26,056 | (687) |
| 300 Purchased Services | 1,234,545 | 1,143,139 | 91,406 |
| 400 Supplies and Materials | 1,327 | 1,262 | 65 |
| 500 Capital Outlay | 410 | 34 | 376 |
| 260 Central Support Services | | | |
| 263 Information Services: | | | |
| 100 Salaries | 846,764 | 840,996 | 5,768 |
| 200 Employee Benefits | 281,879 | 258,729 | 23,150 |
| 300 Purchased Services | 80,309 | 68,492 | 11,817 |
| 400 Supplies and Materials | 33,146 | 29,443 | 3,703 |
| 600 Other Objects | 12,700 | (1,757) | 14,457 |
| 264 Staff Services: | | | |
| 100 Salaries | 609,751 | 685,477 | (75,726) |
| 200 Employee Benefits | 216,890 | 235,303 | (18,413) |
| 300 Purchased Services | 78,744 | 15,373 | 63,371 |
| 400 Supplies and Materials | 59,527 | 19,321 | 40,206 |
| 600 Other Objects | - | 527 | (527) |
| 266 Technology and Data Processing Services: | | | |
| 100 Salaries | 1,477,028 | 1,528,167 | (51,139) |
| 200 Employee Benefits | 580,848 | 502,111 | 78,737 |
| 300 Purchased Services | 207,459 | 215,746 | (8,287) |
| 400 Supplies and Materials | 26,419 | 18,951 | 7,468 |
| 500 Capital Outlay | - | 313,766 | (313,766) |
| 600 Other Objects | 176 | 176 | - |
| 270 Support Services Pupil Activity | | | |
| 271 Pupil Services Activities: | | | |
| 100 Salaries (optional) | 1,357,264 | 1,509,299 | (152,035) |
| 200 Employee Benefits (optional) | 354,916 | 363,287 | (8,371) |
| 300 Purchased Services (optional) | 55,822 | 206,498 | (150,676) |
| 400 Supplies and Materials (optional) | 30,100 | 33,174 | (3,074) |
| 660 Pupil Activity | 364,400 | 395,715 | (31,315) |
| **Total Support Services** | 65,685,164 | 65,814,139 | (128,975) |
| **300 Community Services** | | | |
| 360 Welfare Services: | | | |
| 300 Purchased Services | - | 2 | (2) |
| 390 Other Community Services: | | | |
| 300 Purchased Services | 17,500 | 17,300 | 200 |
| 400 Supplies and Materials | 2,450 | 989 | 1,461 |
| **Total Community Services** | 19,950 | 18,291 | 1,659 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**GENERAL FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **400 Other Charges:** | | | |
| **410 Intergovernmental Expenditures** | | | |
| 412 Payments to Other Governmental Units | | | |
| 720 Transits | $ 20,000 | $ 70,483 | $ (50,483) |
| **Total Intergovernmental Expenditures** | 20,000 | 70,483 | (50,483) |
| **Total Expenditures** | 165,939,276 | 165,023,383 | 915,893 |
| **Other Financing Sources (Uses)** | | | |
| 5300 Sale of Fixed Assets | - | 1,581 | 1,581 |
| Interfund Transfers, From (To) Other Funds: | | | |
| 5230 Transfer from Special Revenue EIA Fund | 3,642,916 | 3,700,713 | 57,797 |
| 5280 Transfer from Other Funds Indirect Costs | 265,000 | 256,614 | (8,386) |
| 425-710 Transfer to Food Service Fund | (511,745) | - | 511,745 |
| **Total Other Financing Sources (Uses)** | 3,396,171 | 3,958,908 | 562,737 |
| **Excess/(Deficiency) of Revenues over Expenditures** | $ - | 2,685,456 | $ 2,685,456 |
| **Fund Balance, Beginning of Year** | | 34,387,316 | |
| **Fund Balance, Ending of Year** | | $ 37,072,772 | |

# SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable 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 subfunds 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 South Carolina 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

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 South Carolina Department of Education.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | 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) | OTHER DESIGNATED RESTRICTED STATE GRANTS (900s) | OTHER SPECIAL REVENUE PROGRAMS (200s/800s) | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | |
| **1000 Revenue from Local Sources** | | | | | | | | |
| 1900 Other Revenue from Local Sources: | | | | | | | | |
| 1920 Contributions & Donations Private Sources | $ - | $ - | $ - | $ - | $ - | $ - | $ 291,625 | $ 291,625 |
| 1930 Medicaid | - | - | - | - | - | - | 750,240 | 750,240 |
| **Total Local Sources** | - | - | - | - | - | - | 1,041,865 | 1,041,865 |
| **3000 Revenue from State Sources** | | | | | | | | |
| 3100 Restricted State Funding: | | | | | | | | |
| 3118 EEDA Career Specialists | - | - | - | - | - | 338,054 | - | 338,054 |
| 3127 Student Health and Fitness - PE Teachers | - | - | - | - | - | 97,330 | - | 97,330 |
| 3130 Special Programs: | | | | | | | | |
| 3135 Reading Coaches | - | - | - | - | - | 407,745 | - | 407,745 |
| 3136 Student Health and Fitness - Nurses | - | - | - | - | - | 383,862 | - | 383,862 |
| 3155 DDS SNAP & E&T Program | - | - | - | - | - | 5,385 | - | 5,385 |
| 3177 Summer Reading Camp | - | - | - | - | - | 75,791 | - | 75,791 |
| 3198 Technology Professional Development | - | - | - | - | - | 90,778 | - | 90,778 |
| 3199 Other Restricted State Grants | - | - | - | - | - | - | 26,060 | 26,060 |
| 3600 Education Lottery | | | | | | | | |
| 3620 Digital Instructional Materials | - | - | - | - | - | 34,863 | - | 34,863 |
| 3630 K-12 Technology Initiative | - | - | - | - | - | 538,320 | - | 538,320 |
| **Total State Sources** | - | - | - | - | - | 1,972,128 | 26,060 | 1,998,188 |
| **4000 Revenue from Federal Sources** | | | | | | | | |
| 4200 Occupational Education: | | | | | | | | |
| 4210 Vocational Aid, Title I | - | - | - | 230,335 | - | - | - | 230,335 |
| 4300 Elementary and Secondary Education Act of 1965 (ESEA): | | | | | | | | |
| 4310 Title I, Basic State Grant Programs (Carryover Provision) | 1,706,743 | - | - | - | - | - | 61,500 | 1,768,243 |
| 4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III | - | - | - | - | - | - | 34,678 | 34,678 |
| 4343 McKinney-Vento | - | - | - | - | - | - | 37,837 | 37,837 |
| 4351 Improving Teacher Quality (Carryover Provision) | - | - | - | - | - | - | 288,633 | 288,633 |
| 4400 Adult Education: | | | | | | | | |
| 4410 Basic, Adult Education | - | - | - | - | 92,428 | - | - | 92,428 |
| 4430 State Literacy Resource | - | - | - | - | 4,097 | - | - | 4,097 |
| 4500 Programs for Children with Disabilities | | | | | | | | |
| 4510 Individuals With Disabilities Education Act (IDEA) (Carryover Provision) | - | 3,240,128 | - | - | - | - | - | 3,240,128 |
| 4520 Preschool Grants (Carryover Provision) | - | - | 221,860 | - | - | - | - | 221,860 |
| 4800 USDA Reimbursement: | | | | | | | | |
| 4870 School Food Service (Equipment) | - | - | - | - | - | - | 9,792 | 9,792 |
| 4900 Other Federal Sources: | | | | | | | | |
| 4924 21st Century Community Learning Centers Program, (Title IV, 21st Century Schools) | - | - | - | - | - | - | 84,665 | 84,665 |
| 4990 Other Federal Revenue: | | | | | | | | |
| 4999 Revenue from Other Federal Sources | - | - | - | - | - | - | 3,026,351 | 3,026,351 |
| **Total Federal Sources** | 1,706,743 | 3,240,128 | 221,860 | 230,335 | 96,525 | - | 3,543,456 | 9,039,047 |
| **Total Revenues All Sources** | 1,706,743 | 3,240,128 | 221,860 | 230,335 | 96,525 | 1,972,128 | 4,611,381 | 12,079,100 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | 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) | OTHER DESIGNATED RESTRICTED STATE GRANTS (900s) | OTHER SPECIAL REVENUE PROGRAMS (200s/800s) | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **Expenditures** | | | | | | | | |
| **100 Instruction** | | | | | | | | |
| 110 General Instruction | | | | | | | | |
| 111 Kindergarten Programs: | | | | | | | | |
| 100 Salaries | $ - | $ - | $ - | $ - | $ - | $ 13,276 | $ - | $ 13,276 |
| 200 Employee Benefits | - | - | - | - | - | 4,740 | - | 4,740 |
| 300 Purchased Services | - | - | - | - | - | - | 1,630 | 1,630 |
| 400 Supplies and Materials | - | - | - | - | - | - | 643 | 643 |
| 112 Primary Programs: | | | | | | | | |
| 100 Salaries | 777,620 | - | - | - | - | 86,022 | 117,445 | 981,087 |
| 200 Employee Benefits | 260,409 | - | - | - | - | 22,505 | 32,168 | 315,082 |
| 300 Purchased Services | 365 | - | - | - | - | 1,050 | 35,781 | 37,196 |
| 400 Supplies and Materials | 144,305 | - | - | - | - | 16,643 | 412,292 | 573,240 |
| 113 Elementary Programs: | | | | | | | | |
| 100 Salaries | 243,071 | - | - | - | - | 29,488 | 197,766 | 470,325 |
| 200 Employee Benefits | 77,295 | - | - | - | - | 10,701 | 72,733 | 160,729 |
| 300 Purchased Services | - | - | - | - | - | - | 6,810 | 6,810 |
| 400 Supplies and Materials | 20,641 | - | - | - | - | 19,482 | 182,845 | 222,968 |
| 600 Other Objects | - | - | - | - | - | - | 275 | 275 |
| 114 High School Programs: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 316,128 | 316,128 |
| 200 Employee Benefits | - | - | - | - | - | - | 35,662 | 35,662 |
| 300 Purchased Services | - | - | - | - | - | - | 99,573 | 99,573 |
| 400 Supplies and Materials | - | - | - | - | - | - | 242,785 | 242,785 |
| 500 Capital Outlay | - | - | - | - | - | - | 3,046 | 3,046 |
| 115 Career and Technology Education Programs: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 2,103 | 2,103 |
| 200 Employee Benefits | - | - | - | - | - | - | 161 | 161 |
| 300 Purchased Services - Other Than Tuition | - | - | - | 15,500 | - | - | - | 15,500 |
| 400 Supplies and Materials | - | - | - | 62,309 | - | - | 19,520 | 81,829 |
| 500 Capital Outlay | - | - | - | - | - | - | 14,500 | 14,500 |
| 120 Exceptional Programs | | | | | | | | |
| 121 Educable Mentally Handicapped: | | | | | | | | |
| 100 Salaries | - | 276,614 | - | - | - | - | 45,999 | 322,613 |
| 200 Employee Benefits | - | 125,983 | - | - | - | - | 10,024 | 136,007 |
| 300 Purchased Services | - | 1,191 | - | - | - | - | 3,208 | 4,399 |
| 400 Supplies and Materials | - | 21,865 | - | - | - | - | 12,849 | 34,714 |
| 122 Trainable Mentally Handicapped: | | | | | | | | |
| 100 Salaries | - | 174,857 | - | - | - | - | 38,261 | 213,118 |
| 200 Employee Benefits | - | 62,770 | - | - | - | - | 7,181 | 69,951 |
| 300 Purchased Services | - | 256 | - | - | - | - | - | 256 |
| 400 Supplies and Materials | - | 2,478 | - | - | - | - | - | 2,478 |
| 500 Capital Outlay | - | - | - | - | - | - | 7,104 | 7,104 |
| 124 Visually Handicapped: | | | | | | | | |
| 300 Purchased Services | - | 20,583 | - | - | - | - | - | 20,583 |
| 400 Supplies and Materials | - | 1,658 | - | - | - | - | - | 1,658 |
| 125 Hearing Handicapped: | | | | | | | | |
| 100 Salaries | - | 4,540 | - | - | - | - | - | 4,540 |
| 200 Employee Benefits | - | 1,091 | - | - | - | - | - | 1,091 |
| 300 Purchased Services | - | 66,994 | - | - | - | - | - | 66,994 |
| 400 Supplies and Materials | - | 9,722 | - | - | - | - | 2,953 | 12,675 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | 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) | OTHER DESIGNATED RESTRICTED STATE GRANTS (900s) | OTHER SPECIAL REVENUE PROGRAMS (200s/800s) | TOTAL |
|---|---|---|---|---|---|---|---|---|
| 126 Speech Handicapped: | | | | | | | | |
| 100 Salaries | $ - | $ 998 | $ - | $ - | $ - | $ - | $ 2,940 | $ 3,938 |
| 200 Employee Benefits | - | 241 | - | - | - | - | 946 | 1,187 |
| 300 Purchased Services | - | 8,230 | - | - | - | - | - | 8,230 |
| 400 Supplies and Materials | - | 19,653 | - | - | - | - | - | 19,653 |
| 127 Learning Disabilities: | | | | | | | | |
| 100 Salaries | - | 494,038 | - | - | - | - | 39,490 | 533,528 |
| 200 Employee Benefits | - | 230,649 | - | - | - | - | 5,468 | 236,117 |
| 300 Purchased Services | - | 2,081 | - | - | - | - | - | 2,081 |
| 400 Supplies and Materials | - | 22,087 | - | - | - | - | - | 22,087 |
| 128 Emotionally Handicapped: | | | | | | | | |
| 100 Salaries | - | 51,806 | - | - | - | - | 9,796 | 61,602 |
| 200 Employee Benefits | - | 16,975 | - | - | - | - | 1,209 | 18,184 |
| 300 Purchased Services | - | 12,143 | - | - | - | - | - | 12,143 |
| 400 Supplies and Materials | - | 827 | - | - | - | - | - | 827 |
| 129 Coordinated Early Intervening Services (CEIS):: | | | | | | | | |
| 100 Salaries | 45,278 | 282,796 | - | - | - | - | - | 328,074 |
| 200 Employee Benefits | 15,228 | 103,269 | - | - | - | - | - | 118,497 |
| 130 Pre-School Prgrams | | | | | | | | |
| 132 Pre-School Handicapped-Itinerant (5 year olds): | | | | | | | | |
| 300 Purchased Services | - | - | 12 | - | - | - | - | 12 |
| 135 Pre-School Handicapped-Speech (3 & 4 year olds): | | | | | | | | |
| 100 Salaries | - | - | 59,063 | - | - | - | - | 59,063 |
| 200 Employee Benefits | - | - | 25,861 | - | - | - | - | 25,861 |
| 136 Pre-School Handicapped-Itinerant (3 & 4 year olds): | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 7,792 | 7,792 |
| 200 Employee Benefits | - | - | - | - | - | - | 1,013 | 1,013 |
| 137 Pre-School Handicapped-Self-Contained (3 & 4 year olds): | | | | | | | | |
| 100 Salaries | - | 135,943 | 23,874 | - | - | - | - | 159,817 |
| 200 Employee Benefits | - | 55,288 | 5,754 | - | - | - | - | 61,042 |
| 300 Purchased Services | - | 71 | 1,942 | - | - | - | - | 2,013 |
| 400 Supplies and Materials | - | - | 29,283 | - | - | - | - | 29,283 |
| 140 Special Programs | | | | | | | | |
| 149 Other Special Programs: | | | | | | | | |
| 100 Salaries | - | 12,994 | - | - | - | - | - | 12,994 |
| 200 Employee Benefits | - | 5,018 | - | - | - | - | - | 5,018 |
| 400 Supplies and Materials | - | - | - | - | - | - | 25,476 | 25,476 |
| 160 Other Exceptional Programs | | | | | | | | |
| 161 Autism: | | | | | | | | |
| 100 Salaries | - | 130,496 | - | - | - | - | 113,680 | 244,176 |
| 200 Employee Benefits | - | 60,949 | - | - | - | - | 33,949 | 94,898 |
| 300 Purchased Services | - | 58,348 | - | - | - | - | - | 58,348 |
| 400 Supplies and Materials | - | 9,405 | - | - | - | - | - | 9,405 |
| 170 Summer School Program | | | | | | | | |
| 172 Elementary Summer School: | | | | | | | | |
| 300 Purchased Services | - | - | - | - | - | - | 895 | 895 |
| 400 Supplies and Materials | - | - | - | - | - | - | 12,629 | 12,629 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | 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) | OTHER DESIGNATED RESTRICTED STATE GRANTS (900s) | OTHER SPECIAL REVENUE PROGRAMS (200s/800s) | TOTAL |
|---|---|---|---|---|---|---|---|---|
| 175 Instructional Programs Beyond Regular School Day: | | | | | | | | |
| 100 Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ 13,103 | $ 13,103 |
| 200 Employee Benefits | - | - | - | - | - | - | 3,113 | 3,113 |
| 300 Purchased Services | - | - | - | - | - | - | 792 | 792 |
| 400 Supplies and Materials | - | - | - | - | - | - | 1,549 | 1,549 |
| 600 Other Objects | - | - | - | - | - | - | 648 | 648 |
| 180 Adult/Continuing Educational Programs | | | | | | | | |
| 181 Adult Basic Education Programs: | | | | | | | | |
| 100 Salaries | - | - | - | - | 13,860 | - | 6,428 | 20,288 |
| 200 Employee Benefits | - | - | - | - | 2,891 | - | 1,531 | 4,422 |
| 400 Supplies and Materials | - | - | - | - | 4,985 | - | - | 4,985 |
| 182 Adult Secondary Education Programs: | | | | | | | | |
| 100 Salaries | - | - | - | - | 20,454 | - | - | 20,454 |
| 200 Employee Benefits | - | - | - | - | 7,344 | - | - | 7,344 |
| 300 Purchased Services | - | - | - | - | 460 | - | - | 460 |
| 400 Supplies and Materials | - | - | - | - | 23,500 | 2,889 | - | 26,389 |
| 183 Adult English Literacy (ESL): | | | | | | | | |
| 100 Salaries | - | - | - | - | 14,736 | - | - | 14,736 |
| 200 Employee Benefits | - | - | - | - | 2,490 | - | - | 2,490 |
| 300 Purchased Services | - | - | - | - | 805 | - | - | 805 |
| 400 Supplies and Materials | - | - | - | - | 2,000 | - | - | 2,000 |
| 188 Parenting/Family Literacy: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 34,503 | 34,503 |
| 200 Employee Benefits | - | - | - | - | - | - | 21,207 | 21,207 |
| 300 Purchased Services | - | - | - | - | - | - | 4,142 | 4,142 |
| 400 Supplies and Materials | - | - | - | - | - | - | 3,738 | 3,738 |
| 190 Instructional Pupil Activity: | | | | | | | | |
| 100 Salaries (optional) | - | - | - | - | - | 2,795 | 5,000 | 7,795 |
| 200 Employee Benefits (optional) | - | - | - | - | - | 672 | 383 | 1,055 |
| 600 Other Objects | | | | | | | | |
| 660 Instructional Pupil Activity | - | - | - | - | - | - | 1,333 | 1,333 |
| **Total Instruction** | 1,584,212 | 2,484,907 | 145,789 | 77,809 | 93,525 | 210,263 | 2,274,198 | 6,870,703 |
| **200 Support Services** | | | | | | | | |
| 210 Pupil Services | | | | | | | | |
| 211 Attendance and Social Work Services: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 18,306 | 18,306 |
| 200 Employee Benefits | - | - | - | - | - | - | 4,403 | 4,403 |
| 300 Purchased Services | - | - | - | - | - | - | 718 | 718 |
| 212 Guidance Services: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 94,994 | - | 94,994 |
| 200 Employee Benefits | - | - | - | - | - | 37,787 | - | 37,787 |
| 213 Health Services: | | | | | | | | |
| 100 Salaries | - | 13,769 | - | - | - | 284,397 | 57,952 | 356,118 |
| 200 Employee Benefits | - | 5,368 | - | - | - | 99,466 | 19,288 | 124,122 |
| 300 Purchased Services | - | 2,561 | - | - | - | - | 31,270 | 33,831 |
| 400 Supplies and Materials | - | 10,499 | - | - | - | - | 9,719 | 20,218 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | 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) | OTHER DESIGNATED RESTRICTED STATE GRANTS (900s) | OTHER SPECIAL REVENUE PROGRAMS (200s/800s) | TOTAL |
|---|---|---|---|---|---|---|---|---|
| 214 Psychological Services: | | | | | | | | |
| 100 Salaries | $ - | $ 307,069 | $ 49,594 | $ - | $ - | $ - | $ - | $ 356,663 |
| 200 Employee Benefits | - | 92,379 | 19,682 | - | - | - | - | 112,061 |
| 300 Purchased Services | - | 445 | - | - | - | - | 821 | 1,266 |
| 400 Supplies and Materials | - | 12,312 | - | - | - | - | - | 12,312 |
| 217 Career Specialist Services: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 143,452 | 31,847 | 175,299 |
| 200 Employee Benefits | - | - | - | - | - | 61,820 | 10,584 | 72,404 |
| 220 Instructional Staff Services | | | | | | | | |
| 221 Improvement of Instruction Curriculum Development: | | | | | | | | |
| 100 Salaries | - | 19,524 | - | - | - | 282,185 | 11,322 | 313,031 |
| 200 Employee Benefits | - | 6,471 | - | - | - | 145,703 | 3,806 | 155,980 |
| 300 Purchased Services | - | 9,855 | - | - | - | 70,636 | - | 80,491 |
| 400 Supplies and Materials | - | 11,515 | - | - | - | - | 388 | 11,903 |
| 600 Other Objects | - | - | - | - | - | - | 1,710 | 1,710 |
| 222 Library and Media Services: | | | | | | | | |
| 400 Supplies and Materials | - | - | - | - | - | 609 | - | 609 |
| 223 Supervision of Special Programs: | | | | | | | | |
| 100 Salaries | - | 80,203 | - | - | - | - | 319,218 | 399,421 |
| 200 Employee Benefits | - | 30,032 | - | - | - | - | 103,073 | 133,105 |
| 300 Purchased Services | - | 9,552 | - | - | - | 58 | 299,382 | 308,992 |
| 400 Supplies and Materials | - | 7,054 | - | - | 3,000 | 2,439 | 8,690 | 21,183 |
| 600 Other Objects | - | - | - | - | - | - | 3,361 | 3,361 |
| 224 Improvement of Instruction Inservice and Staff Training: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 32,600 | 32,600 |
| 200 Employee Benefits | - | - | - | - | - | - | 7,806 | 7,806 |
| 300 Purchased Services | 8,883 | 18,370 | - | 57,000 | - | - | 455,531 | 539,784 |
| 400 Supplies and Materials | - | - | - | - | - | - | 19,665 | 19,665 |
| 230 General Administration Services | | | | | | | | |
| 233 School Administration: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 34,006 | 34,006 |
| 200 Employee Benefits | - | - | - | - | - | - | 18,661 | 18,661 |
| 300 Purchased Services | - | - | - | 526 | - | - | 5,640 | 6,166 |
| 400 Supplies and Materials | - | - | - | - | - | - | 22,029 | 22,029 |
| 250 Finance and Operations Services | | | | | | | | |
| 251 Student Transportation (Federal/District Mandated): | | | | | | | | |
| 300 Purchased Services | 50,000 | 16,499 | - | - | - | - | 43,041 | 109,540 |
| 253 Facilities Acquisition and Construction: | | | | | | | | |
| 500 Capital Outlay | | | | | | | | |
| 540 Equipment | - | - | - | - | - | - | 18,526 | 18,526 |
| 254 Operation and Maintenance of Plant: | | | | | | | | |
| 300 Purchased Services | - | - | - | - | - | - | 64,468 | 64,468 |
| 400 Supplies and Materials | - | - | - | - | - | - | 20,418 | 20,418 |
| 500 Capital Outlay | - | - | - | - | - | - | 124,692 | 124,692 |
| 255 Student Transportation (State Mandated): | | | | | | | | |
| 256 Food Service: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 9,219 | 9,219 |
| 200 Employee Benefits | - | - | - | - | - | - | 2,216 | 2,216 |
| 300 Purchased Services (Excludes gas, oil, electricity, and other heating fuels.) | - | - | - | - | - | - | 5,765 | 5,765 |
| 400 Supplies and Materials (Includes gas, oil, electricity, and other heating fuels.) | - | - | - | - | - | - | 11,075 | 11,075 |
| 500 Capital Outlay | - | - | - | - | - | - | 7,156 | 7,156 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | 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) | OTHER DESIGNATED RESTRICTED STATE GRANTS (900s) | OTHER SPECIAL REVENUE PROGRAMS (200s/800s) | TOTAL |
|---|---|---|---|---|---|---|---|---|
| 260 Central Support Services | | | | | | | | |
| 264 Staff Services: | | | | | | | | |
| 300 Purchased Services | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,006 | $ 2,006 |
| 266 Technology and Data Processing Services: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 70,345 | 70,345 |
| 200 Employee Benefits | - | - | - | - | - | - | 24,333 | 24,333 |
| 300 Purchased Services | - | - | - | - | - | 60,714 | 43,366 | 104,080 |
| 400 Supplies and Materials | - | - | - | - | - | 18,723 | - | 18,723 |
| 500 Capital Outlay | - | - | - | - | - | 458,882 | - | 458,882 |
| 270 Support Services Pupil Activity | | | | | | | | |
| 271 Pupil Services Activities: | | | | | | | | |
| 100 Salaries (optional) | - | - | - | - | - | - | 1,200 | 1,200 |
| 200 Employee Benefits (optional) | - | - | - | - | - | - | 282 | 282 |
| 300 Purchased Services (optional) | - | - | - | 95,000 | - | - | 33,298 | 128,298 |
| 400 Supplies and Materials (optional) | - | - | - | - | - | - | 6,170 | 6,170 |
| **Total Support Services** | 58,883 | 653,477 | 69,276 | 152,526 | 3,000 | 1,761,865 | 2,019,372 | 4,718,399 |
| **300 Community Services** | | | | | | | | |
| 350 Custody and Care of Children Services: | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 6,122 | 6,122 |
| 200 Employee Benefits | - | - | - | - | - | - | 1,496 | 1,496 |
| 360 Welfare Services: | | | | | | | | |
| 300 Purchased Services | - | - | - | - | - | - | 28,996 | 28,996 |
| 400 Supplies and Materials | - | - | - | - | - | - | 2,509 | 2,509 |
| **Total Community Services** | - | - | - | - | - | - | 39,123 | 39,123 |
| **400 Other Charges:** | | | | | | | | |
| **410 Intergovernmental Expenditures** | | | | | | | | |
| 411 Payments to the South Carolina Department of Education | | | | | | | | |
| 720 Transits | - | - | - | - | - | - | 194,261 | 194,261 |
| **Total Intergovernmental Expenditures** | - | - | - | - | - | - | 194,261 | 194,261 |
| **Total Expenditures** | 1,643,095 | 3,138,384 | 215,065 | 230,335 | 96,525 | 1,972,128 | 4,526,954 | 11,822,486 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | 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) | OTHER DESIGNATED RESTRICTED STATE GRANTS (900s) | OTHER SPECIAL REVENUE PROGRAMS (200s/800s) | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **Other Financing Sources (Uses)** | | | | | | | | |
| Interfund Transfers, From (To) Other Funds: | | | | | | | | |
| 431-791 Special Revenue Fund Indirect Costs | $ (63,648) | $ (101,744) | $ (6,795) | $ - | $ - | $ - | $ (84,427) | $ (256,614) |
| **Total Other Financing Sources (Uses)** | (63,648) | (101,744) | (6,795) | - | - | - | (84,427) | (256,614) |
| **Excess/Deficiency of Revenues over Expenditures** | - | - | - | - | - | - | - | - |
| **Fund Balance, Beginning of Year** | - | - | - | - | - | - | - | - |
| **Fund Balance, Ending of Year** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - SPECIAL PROJECTS**
**SUMMARY SCHEDULE OF DESIGNATED STATE RESTRICTED GRANTS AND OTHER SPECIAL PROJECTS PROGRAMS**
**FOR THE YEAR ENDED JUNE 30, 2016**

| District Subfund Code | District Revenue Code | Program | Revenues | Expenditures | Interfund Transfers In/(Out) | Other Fund Transfers In/(Out) | Unearned Revenue |
|---|---|---|---|---|---|---|---|
| **Other State Restricted Grants:** | | | | | | | |
| 914 | 3194 | Digital Instruction Matierials | $ 34,863 | $ 34,863 | $ - | $ - | $ - |
| 918 | 3198 | Technology Professional Development | 90,778 | 90,778 | - | - | - |
| 919 | 3193 | Education License Plates | - | - | - | - | 3,030 |
| 926 | 3177 | Summer Reading Camp | 75,791 | 75,791 | - | - | 61,955 |
| 928 | 3118 | EEDA Career Specialists | 338,054 | 338,054 | - | - | 274,857 |
| 935 | 3135 | Reading Coaches | 407,745 | 407,745 | - | - | - |
| 936 | 3136 | Student Health and Fitness | 383,862 | 383,862 | - | - | - |
| 937 | 3127 | Student Health and Fitness - PE Teachers | 97,330 | 97,330 | - | - | 17,774 |
| 955 | 3155 | DSS SNAP & E&T Program | 5,385 | 5,385 | - | - | 42,188 |
| 963 | 3630 | K-12 Technology Initiative | 538,320 | 538,320 | - | - | 544,450 |
| | | | $ 1,972,128 | $ 1,972,128 | $ - | $ - | $ 944,254 |
| **Other Special:** | | | | | | | |
| 224 | 4924 | 21st Century | $ 84,665 | $ 81,706 | $ - | $ (2,959) | $ - |
| 232 | 4343 | McKinney-Vento | 37,837 | 36,435 | - | (1,402) | - |
| 237 | 4310 | Title I - School Improvement | 61,500 | 61,500 | - | - | - |
| 264 | 4341 | Title II - English Languae Acquisition | 34,678 | 33,998 | - | (680) | - |
| 267 | 4351 | Improving Teach Quality | 288,633 | 279,200 | - | (9,433) | - |
| 803 | 4999 | Magnet School Grant | 2,780,200 | 2,710,902 | - | (69,298) | - |
| 809 | 4999 | Farm to Five USDA Grant | 610 | 587 | - | (23) | - |
| 810 | 4999 | Farm to School Grant | 16,884 | 16,252 | - | (632) | - |
| 811 | 4870 | National School Lunch Equipment Assistance | 4,896 | 4,896 | - | - | - |
| 812 | 4870 | National School Lunch Equipment Assistance | 4,896 | 4,896 | - | - | - |
| 813 | 4999 | National School Lunch Equipment Assistance | 8,462 | 8,462 | - | - | - |
| 831 | 4999 | CHS NJROTC | 88,887 | 88,887 | - | - | 7,271 |
| 832 | 4999 | IHS, DFHS AF JROTC | 131,308 | 131,308 | - | - | 546 |
| 868 | 1920 | Lexington County First Steps | 70,342 | 70,342 | - | - | - |
| 890 | 1930/3199 | Medicaid | 776,300 | 776,300 | - | - | 694,648 |
| 898 | 1920 | Mini Grants | 221,283 | 221,283 | - | - | 87,676 |
| | | | $ 4,611,381 | $ 4,526,954 | $ - | $ (84,427) | $ 790,141 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | |
|---|---|
| **Revenues** | |
| **1000 Revenue from Local Sources** | |
| 1900 Other Revenue from Local Sources: | |
| 1950 Refund of Prior Year's Expenditures | $ 275 |
| **Total Local Sources** | 275 |
| **3000 Revenue from State Sources** | |
| 3500 Education Improvement Act: | |
| 3502 ADEPT | 739 |
| 3511 Professional Development | 113,098 |
| 3518 Formative Assessment | 75,678 |
| 3525 Career and Technology Education Equipment | 217,134 |
| 3526 Refurbishment of K-8 Science Kits | 40,270 |
| 3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision) | 2,878,759 |
| 3533 Teacher of the Year Awards | 1,077 |
| 3538 Students At Risk of School Failure | 121,178 |
| 3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children) | 142,533 |
| 3550 Teacher Salary Increase (No Carryover Provision) | 3,218,071 |
| 3555 School Employer Contributions (No Carryover Provision) | 482,642 |
| 3556 Adult Education | 287,012 |
| 3558 Reading | 28,341 |
| 3577 Teacher Supplies (No Carryover Provision) | 289,720 |
| 3578 High Schools That Work/Making Middle Grades Work | 24,997 |
| 3592 Work-Based Learning | 51,654 |
| 3594 EEDA Supplemental Programs | 80,333 |
| 3595 EEDA - Supplies and Materials - Career Awareness | 14,390 |
| 3597 Aid to Districts | 851,412 |
| **Total State Sources** | 8,919,038 |
| **Total Revenues All Sources** | 8,919,313 |
| **Expenditures** | |
| **100 Instruction** | |
| 110 General Instruction | |
| 111 Kindergarten Programs: | |
| 100 Salaries | 88,336 |
| 200 Employee Benefits | 21,037 |
| 400 Supplies and Materials | 3,211 |
| 112 Primary Programs: | |
| 100 Salaries | 392,429 |
| 200 Employee Benefits | 93,120 |
| 400 Supplies and Materials | 136,315 |
| 113 Elementary Programs: | |
| 100 Salaries | 993,062 |
| 200 Employee Benefits | 277,694 |
| 400 Supplies and Materials | 102,321 |
| 114 High School Programs: | |
| 100 Salaries | 672,604 |
| 200 Employee Benefits | 161,644 |
| 400 Supplies and Materials | 91,148 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | | |
|---|---|---|
| 115 Career and Technology Education Programs: | | |
| 100 Salaries | $ | 103,825 |
| 200 Employee Benefits | | 24,766 |
| 400 Supplies and Materials | | 225,694 |
| 120 Exceptional Programs | | |
| 121 Educable Mentally Handicapped: | | |
| 100 Salaries | | 7,500 |
| 200 Employee Benefits | | 1,784 |
| 122 Trainable Mentally Handicapped: | | |
| 100 Salaries | | 11,013 |
| 200 Employee Benefits | | 2,633 |
| 126 Speech Handicapped: | | |
| 100 Salaries | | 15,000 |
| 200 Employee Benefits | | 3,563 |
| 127 Learning Disabilities: | | |
| 100 Salaries | | 92,921 |
| 200 Employee Benefits | | 21,999 |
| 128 Emotionally Handicapped: | | |
| 100 Salaries | | 1,750 |
| 200 Employee Benefits | | 391 |
| 129 Coordinated Early Intervening Services (CEIS): | | |
| 100 Salaries | | 38,750 |
| 200 Employee Benefits | | 9,144 |
| 130 Pre-School Programs | | |
| 135 Pre-School Handicapped-Speech (3 & 4 year olds): | | |
| 100 Salaries | | 5,000 |
| 200 Employee Benefits | | 1,168 |
| 136 Pre-School Handicapped-Itinerant (3 & 4 year olds): | | |
| 100 Salaries | | 5,125 |
| 200 Employee Benefits | | 1,219 |
| 137 Pre-School Handicapped-Self-Contained (3 & 4 year olds): | | |
| 100 Salaries | | 19,500 |
| 200 Employee Benefits | | 4,653 |
| 138 Pre-School Handicapped-Homebased (3 & 4 year olds): | | |
| 100 Salaries | | 375 |
| 200 Employee Benefits | | 90 |
| 139 Early Childhood Programs: | | |
| 100 Salaries | | 84,148 |
| 200 Employee Benefits | | 35,586 |
| 400 Supplies and Materials | | 24,922 |
| 140 Special Programs | | |
| 141 Gifted and Talented - Academic: | | |
| 100 Salaries | | 21,225 |
| 200 Employee Benefits | | 5,050 |
| 143 Advanced Placement: | | |
| 100 Salaries | | 24,975 |
| 200 Employee Benefits | | 5,930 |
| 144 International Baccalaureate: | | |
| 100 Salaries | | 46,849 |
| 200 Employee Benefits | | 17,600 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | | |
|---|---|---|
| 149 Other Special Programs: | | |
| 100 Salaries | $ | 7,500 |
| 200 Employee Benefits | | 1,794 |
| 170 Summer School Program | | |
| 175 Instructional Programs Beyond Regular School Day: | | |
| 100 Salaries | | 13,968 |
| 200 Employee Benefits | | 3,006 |
| 180 Adult/Continuing Educational Programs | | |
| 181 Adult Basic Education Programs: | | |
| 100 Salaries | | 3,150 |
| 200 Employee Benefits | | 403 |
| 182 Adult Secondary Education Programs: | | |
| 100 Salaries | | 131,138 |
| 200 Employee Benefits | | 35,676 |
| 183 Adult English Literacy (ESL): | | |
| 100 Salaries | | 28,750 |
| 200 Employee Benefits | | 4,548 |
| 188 Parenting/Family Literacy: | | |
| 100 Salaries | | 25,390 |
| 200 Employee Benefits | | 5,559 |
| 300 Purchased Services | | 728 |
| 400 Supplies and Materials | | 4,772 |
| **Total Instruction** | | 4,163,451 |
| **200 Support Services** | | |
| 210 Pupil Services | | |
| 212 Guidance Services: | | |
| 100 Salaries | | 98,320 |
| 200 Employee Benefits | | 23,877 |
| 300 Purchased Services | | 473 |
| 400 Supplies and Materials | | 13,918 |
| 220 Instructional Staff Services | | |
| 221 Improvement of Instruction Curriculum Development: | | |
| 100 Salaries | | 64,041 |
| 200 Employee Benefits | | 15,245 |
| 222 Library and Media Services: | | |
| 100 Salaries | | 45,000 |
| 200 Employee Benefits | | 10,714 |
| 223 Supervision of Special Programs: | | |
| 100 Salaries | | 82,123 |
| 200 Employee Benefits | | 30,189 |
| 300 Purchased Services | | 19 |
| 400 Supplies and Materials | | 720 |
| 224 Improvement of Instruction Inservice and Staff Training: | | |
| 100 Salaries | | 49,530 |
| 200 Employee Benefits | | 12,807 |
| 300 Purchased Services | | 182,568 |
| 400 Supplies and Materials | | 34,968 |
| 600 Other Objects | | 450 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | |
|---|---|
| 230 General Administration Services | |
| 233 School Administration: | |
| 300 Purchased Services | $ 21,579 |
| 600 Other Objects | 17,750 |
| 250 Finance and Operations Services | |
| 251 Student Transportation (Federal/District Mandated):: | |
| 300 Purchased Services | 34,733 |
| 252 Fiscal Services: | |
| 100 Salaries | 40,349 |
| 200 Employee Benefits | 14,588 |
| 300 Purchased Services | 234,398 |
| 260 Central Support Services | |
| 266 Technology and Data Processing Services: | |
| 100 Salaries | 15,000 |
| 200 Employee Benefits | 3,519 |
| 270 Support Services Pupil Activity | |
| 271 Pupil Services Activities: | |
| 300 Purchased Services (optional) | 8,271 |
| **Total Support Services** | 1,055,149 |
| **Total Expenditures** | 5,218,600 |
| **Other Financing Sources (Uses)** | |
| Interfund Transfers, From (To) Other Funds: | |
| 420-710 Transfer to General Fund (Exclude Indirect Costs) | (3,700,713) |
| **Total Other Financing Sources (Uses)** | (3,700,713) |
| **Excess/Deficiency of Revenues over Expenditures** | - |
| **Fund Balance, Beginning of Year** | - |
| **Fund Balance, Ending of Year** | $ - |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT**
**SUMMARY SCHEDULE BY PROGRAM**
**FOR THE YEAR ENDED JUNE 30, 2016**

| Program | Revenues | Expenditures | Interfund Transfers In/(Out) | Other Fund Transfers In/(Out) | Unearned Revenue |
|---|---|---|---|---|---|
| 1900 Other Local Sources | $ 275 | $ 275 | $ - | $ - | $ - |
| 3500 Education Improvement Act: | | | | | |
| 3502 ADEPT | 739 | 739 | - | - | 7,149 |
| 3511 Professional Development | 113,098 | 113,098 | - | - | 12,881 |
| 3512 Technology Professional Development | - | - | - | - | 90,137 |
| 3518 Formative Assessment | 75,678 | 75,678 | - | - | - |
| 3525 Career and Technology Education Equipment | 217,134 | 217,134 | - | - | 40,172 |
| 3526 Refurbishment of K-8 Science Kits | 40,270 | 40,270 | - | - | 56,616 |
| 3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision) | 2,878,759 | 2,878,759 | - | - | - |
| 3533 Teacher of the Year Awards | 1,077 | 1,077 | - | - | - |
| 3535 Reading Coaches | - | - | - | - | 8,000 |
| 3538 Students At Risk of School Failure | 121,178 | 121,178 | - | - | 1,141,567 |
| 3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children) | 142,533 | 142,533 | - | - | 151,126 |
| 3550 Teacher Salary Increase (No Carryover Provision) | 3,218,071 | - | - | (3,218,071) | - |
| 3555 School Employer Contributions (No Carryover Provision) | 482,642 | - | - | (482,642) | - |
| 3556 Adult Education | 287,012 | 287,012 | - | - | 145,535 |
| 3558 Reading | 28,341 | 28,341 | - | - | 84,455 |
| 3577 Teacher Supplies (No Carryover Provision) | 289,720 | 289,720 | - | - | - |
| 3578 High Schools That Work/Making Middle Grades Work | 24,997 | 24,997 | - | - | 29,003 |
| 3592 Work-Based Learning | 51,654 | 51,654 | - | - | 35,463 |
| 3594 EEDA Supplemental Programs | 80,333 | 80,333 | - | - | 443 |
| 3595 EEDA - Supplies and Materials - Career Awareness | 14,390 | 14,390 | - | - | 31,677 |
| 3597 Aid to Districts | 851,412 | 851,412 | - | - | 202,396 |
| **Total** | $ 8,919,313 | $ 5,218,600 | $ - | $ (3,700,713) | $ 2,036,620 |

This page was intentionally left blank.

# DEBT SERVICE FUND

The Debt Service Funds account 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 South Carolina Department of Education.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**DEBT SERVICE FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | |
|---|---|
| **Revenues** | |
| **1000 Revenue from Local Sources** | |
| 1100 Taxes Levied/Assessed by the LEA: | |
| 1110 Ad Valorem Taxes-Including Delinquent (Independent) | $ 24,303,624 |
| 1140 Penalties & Interest on Taxes (Independent) | 68,506 |
| 1200 Revenue From Local Governmental Units Other Than LEAs | |
| 1280 Revenue in Lieu of Taxes (Independent and Dependent) | 174,426 |
| 1500 Earnings on Investments: | |
| 1510 Interest on Investments | 14,987 |
| **Total Local Sources** | 24,561,543 |
| **3000 Revenue from State Sources** | |
| 3800 State Revenue in Lieu of Taxes: | |
| 3820 Homestead Exemption (Tier 2) | 810,806 |
| 3830 Merchant's Inventory Tax | 71,318 |
| 3840 Manufacturers Depreciation Reimbursement | 60,406 |
| 3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax) | 39,262 |
| **Total State Sources** | 981,792 |
| **4000 Revenue from Federal Sources** | |
| 4900 Other Federal Sources: | |
| 4990 Other Federal Revenue: | |
| 4999 Revenue from Other Federal Sources | 1,190,937 |
| **Total Federal Sources** | 1,190,937 |
| **Total Revenues All Sources** | 26,734,272 |
| **Expenditures** | |
| **500 Debt Service** | |
| 395 Other Professional and Technical Services | 2,525 |
| 610 Redemption of Principal | 77,284,000 |
| 620 Interest | 8,712,397 |
| 690 Other Objects (Includes Fees For Servicing Bonds) | 225,791 |
| **Total Debt Service** | 86,224,713 |
| **Total Expenditures** | 86,224,713 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**DEBT SERVICE FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | |
|---|---|
| **Other Financing Sources (Uses)** | |
| 5110 Premium on Bonds Sold | $ 7,360,409 |
| 5130 Proceeds of Refunding Debt | 62,025,000 |
| Interfund Transfers, From (To) Other Funds: | |
| 5250 Transfer from School Building Fund Capital Projects Fund | 595,581 |
| 424-710 Transfer to School Building Fund Capital Projects Fund | (11,079,000) |
| **Total Other Financing Sources (Uses)** | 58,901,990 |
| **Excess/Deficiency of Revenues over Expenditures** | (588,451) |
| **Fund Balance, Beginning of Year** | 5,228,679 |
| **Fund Balance, Ending of Year** | $ 4,640,228 |

# CAPITAL PROJECTS FUND

The Capital Projects Funds, also referred to as the "School Building Fund", are 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 South Carolina Department of Education.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHOOL BUILDING FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | | |
|---|---|---|
| **Revenues** | | |
| **1000 Revenue from Local Sources** | | |
| 1500 Earnings on Investments: | | |
| 1510 Interest on Investments | $ | 71,645 |
| 1900 Other Revenue from Local Sources: | | |
| 1990 Miscellaneous Local Revenue: | | |
| 1999 Revenue from Other Local Sources | | 61,647 |
| **Total Local Sources** | | 133,292 |
| **Total Revenues All Sources** | | 133,292 |
| **Expenditures** | | |
| **200 Support Services** | | |
| 250 Finance and Operations Services | | |
| 251 Student Transportation (Federal/District Mandated):: | | |
| 500 Capital Outlay | | 200,000 |
| 252 Fiscal Services: | | |
| 300 Purchased Services | | 120,415 |
| 253 Facilities Acquisition and Construction: | | |
| 100 Salaries | | 74,356 |
| 200 Employee Benefits | | 17,875 |
| 300 Purchased Services | | 3,172,508 |
| 400 Supplies and Materials | | 242,207 |
| 500 Capital Outlay | | |
| 510 Land | | 176,470 |
| 520 Construction Services | | 9,867,962 |
| 530 Improvements Other Than Buildings | | 458,359 |
| 540 Equipment | | 1,315,751 |
| 545 Technology Equipment and Software | | 1,143,760 |
| 258 Security: | | |
| 400 Supplies and Materials | | 25,668 |
| 260 Central Support Services | | |
| 266 Technology and Data Processing Services: | | |
| 300 Purchased Services | | 16,869 |
| 400 Supplies and Materials | | 658,889 |
| **Total Support Services** | | 17,491,089 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHOOL BUILDING FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | | |
|---|---|---|
| **500 Debt Service** | | |
| 690 Other Objects (Includes Fees For Servicing Bonds) | $ | 84,250 |
| **Total Debt Service** | | 84,250 |
| **Total Expenditures** | | 17,575,339 |
| **Other Financing Sources (Uses)** | | |
| 5110 Premium on Bonds Sold | | 95,612 |
| 5300 Sale of Fixed Assets | | 22,500 |
| Interfund Transfers, From (To) Other Funds: | | |
| 5240 Transfer from Debt Service Fund | | 11,079,000 |
| 423-710 Transfer to Debt Service Fund | | (595,581) |
| **Total Other Financing Sources (Uses)** | | 10,601,531 |
| **Excess/Deficiency of Revenues over Expenditures** | | (6,840,516) |
| **Fund Balance, Beginning of Year** | | 15,301,929 |
| **Fund Balance, Ending of Year** | $ | 8,461,413 |

# ENTERPRISE FUND

The Enterprise Fund accounts for operations that are financed and operating 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.

1. School Food Services Enterprise Fund's purpose 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

2. After School Program Enterprise Fund's purpose 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 South Carolina Department of Education.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**PROPRIETARY FUND TYPES - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM**
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Food Service | After School Program | Totals |
|---|---|---|---|
| **Revenues** | | | |
| **1000 Revenue from Local Sources** | | | |
| 1300 Tuition | | | |
| 1310 From Patrons for Regular Day School | $ - | $ 1,246,903 | $ 1,246,903 |
| 1500 Earnings on Investments: | | | |
| 1510 Interest on Investments | 58,866 | - | 58,866 |
| 1600 Food Service: | | | |
| 1610 Lunch Sales to Pupils | 1,868,126 | - | 1,868,126 |
| 1620 Breakfast Sales to Pupils | 88,384 | - | 88,384 |
| 1630 Special Sales to Pupils | 1,724,124 | - | 1,724,124 |
| 1640 Lunch Sales to Adults | 138,530 | - | 138,530 |
| 1650 Breakfast Sales to Adults | 2,453 | - | 2,453 |
| 1660 Special Sales to Adults | 78,988 | - | 78,988 |
| 1700 Pupil Activities: | | | |
| 1790 Other Pupil Activity Income | 578 | 199 | 777 |
| 1900 Other Revenue from Local Sources: | | | |
| 1990 Miscellaneous Local Revenue: | | | |
| 1999 Revenue from Other Local Sources | 146,780 | - | 146,780 |
| **Total Local Sources** | 4,106,829 | 1,247,102 | 5,353,931 |
| **3000 Revenue from State Sources** | | | |
| 3100 Restricted State Funding: | | | |
| 3140 School Lunch | | | |
| 3142 Program Aid | 481 | - | 481 |
| **Total State Sources** | 481 | - | 481 |
| **4000 Revenue from Federal Sources** | | | |
| 4800 USDA Reimbursement: | | | |
| 4810 School Lunch and After School Snacks Program | 2,945,736 | - | 2,945,736 |
| 4830 School Breakfast Program | 1,020,902 | - | 1,020,902 |
| 4880 Summer Feeding Programs (SFSP) | 93,524 | - | 93,524 |
| 4900 Other Federal Sources: | | | |
| 4990 Other Federal Revenue: | | | |
| 4991 USDA Commodities (Food Distribution Program) | 508,636 | - | 508,636 |
| 4999 Revenue from Other Federal Sources | 152,180 | - | 152,180 |
| **Total Federal Sources** | 4,720,978 | - | 4,720,978 |
| **Total Revenues All Sources** | 8,828,288 | 1,247,102 | 10,075,390 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**PROPRIETARY FUND TYPES - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM**
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Food Service | After School Program | Totals |
|---|---|---|---|
| **Expenditures** | | | |
| **100 Instruction** | | | |
| 110 General Instruction | | | |
| 111 Kindergarten Programs: | | | |
| 100 Salaries | $ - | $ 63,540 | $ 63,540 |
| 200 Employee Benefits | - | 27,945 | 27,945 |
| 300 Purchased Services | - | 2,093 | 2,093 |
| 400 Supplies and Materials | - | 12,789 | 12,789 |
| 112 Primary Programs: | | | |
| 100 Salaries | - | 202 | 202 |
| 200 Employee Benefits | - | 48 | 48 |
| 300 Purchased Services | - | 550 | 550 |
| 400 Supplies and Materials | - | 88,982 | 88,982 |
| 113 Elementary Programs: | | | |
| 100 Salaries | - | 1,346 | 1,346 |
| 200 Employee Benefits | - | 321 | 321 |
| **Total Instruction** | - | 197,816 | 197,816 |
| **200 Support Services** | | | |
| 220 Instructional Staff Services | | | |
| 223 Supervision of Special Programs: | | | |
| 300 Purchased Services | - | 980 | 980 |
| 400 Supplies and Materials | - | 4,912 | 4,912 |
| 224 Improvement of Instruction Inserve and Staff Training: | | | |
| 300 Purchased Services | - | 18,172 | 18,172 |
| 400 Supplies and Materials | - | 26,102 | 26,102 |
| 600 Other Objects | - | 750 | 750 |
| 230 General Administration Services | | | |
| 233 School Administration: | | | |
| 100 Salaries | - | 3,310 | 3,310 |
| 200 Employee Benefits | - | 785 | 785 |
| 300 Purchased Services | - | 2,000 | 2,000 |
| 400 Supplies and Materials | - | 7,252 | 7,252 |
| 600 Other Objects | - | 351 | 351 |
| 250 Finance and Operations Services | | | |
| 254 Operation and Maintenance of Plant: | | | |
| 400 Supplies and Materials | - | 555 | 555 |
| 256 Food Service: | | | |
| 100 Salaries | 2,793,551 | - | 2,793,551 |
| 200 Employee Benefits | 1,006,215 | - | 1,006,215 |
| 300 Purchased Services | 171,381 | - | 171,381 |
| 400 Supplies and Materials | 4,436,608 | - | 4,436,608 |
| 500 Capital Outlay | 320,132 | - | 320,132 |
| 600 Other Objects | 17,909 | - | 17,909 |
| 258 Security: | | | |
| 400 Supplies and Materials | - | 1,043 | 1,043 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**PROPRIETARY FUND TYPES - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM**
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Food Service | After School Program | Totals |
|---|---|---|---|
| 270 Support Services Pupil Activity | | | |
| 271 Pupil Services Activities: | | | |
| 300 Purchased Services (optional) | $ - | $ 250 | $ 250 |
| 660 Pupil Activity | - | 24,921 | 24,921 |
| **Total Support Services** | 8,745,796 | 91,383 | 8,837,179 |
| **300 Community Services** | | | |
| 350 Custody and Care of Children Services: | | | |
| 100 Salaries | - | 657,402 | 657,402 |
| 200 Employee Benefits | - | 318,706 | 318,706 |
| 300 Purchased Services | - | 96,841 | 96,841 |
| 400 Supplies and Materials | - | 66,245 | 66,245 |
| 600 Other Objects | - | 575 | 575 |
| 390 Other Community Services: | | | |
| 100 Salaries | - | 6,515 | 6,515 |
| 200 Employee Benefits | - | 1,585 | 1,585 |
| 400 Supplies and Materials | - | 5,420 | 5,420 |
| **Total Community Services** | - | 1,153,289 | 1,153,289 |
| **Total Expenditures** | 8,745,796 | 1,442,488 | 10,188,284 |
| **Other Financing Sources (Uses)** | | | |
| 5900 Miscellaneous Sources: | | | |
| 5999 Contributed Capital | 145,286 | - | 145,286 |
| **Total Other Financing Sources (Uses)** | 145,286 | - | 145,286 |
| **Excess/Deficiency of Revenues over Expenditures** | 227,778 | (195,386) | 32,392 |
| **Net Position (Deficit), Beginning of Year - as Restated** | 220,962 | (776,063) | (555,101) |
| **Net Position (Deficit), End of Year** | $ 448,740 | $ (971,449) | $ (522,709) |

This page was intentionally left blank.

# 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 and operations.

The Pupil Activity Fund, an agency 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 South Carolina Department of Education.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUND**
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**
**JUNE 30, 2016**

| | Balance June 30, 2015 | Additions | Reductions | Balance June 30, 2016 |
|---|---|---|---|---|
| **Assets** | | | | |
| Due From District | $ 2,337,490 | $ 5,557,502 | $ 4,906,871 | $ 2,988,121 |
| Inventories - Supply & Materials | 8,322 | - | - | 8,322 |
| **Total Assets** | $ 2,345,812 | $ 5,557,502 | $ 4,906,871 | $ 2,996,443 |
| **Liabilities** | | | | |
| Accounts Payable | $ 1,126 | $ 31,093 | $ 1,126 | $ 31,093 |
| Due to Pupil Activities | 2,344,686 | 5,557,502 | 4,936,838 | 2,965,350 |
| **Total Liabilities** | $ 2,345,812 | $ 5,588,595 | $ 4,937,964 | $ 2,996,443 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS**
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Other Pupil Activity | Schools Pupil Activity | Totals |
|---|---|---|---|
| **Receipts** | | | |
| **1000 Receipts from Local Sources** | | | |
| 1700 Pupil Activities: | | | |
| 1740 Student Fees | $ - | $ 1,095,055 | $ 1,095,055 |
| 1790 Other Pupil Activity Income | 595,674 | 3,808,206 | 4,403,880 |
| 1900 Other Receipts from Local Sources: | | | |
| 1990 Miscellaneous Local Receipts: | | | |
| 1999 Receipts from Other Local Sources | 45,292 | 13,275 | 58,567 |
| **Total Local Sources** | 640,966 | 4,916,536 | 5,557,502 |
| **Total Receipts All Sources** | 640,966 | 4,916,536 | 5,557,502 |
| **Disbursements** | | | |
| **190 Instruction Pupil Activity** | | | |
| 190 Instruction Pupil Activities: | | | |
| 100 Salaries (optional) | - | 1,326 | 1,326 |
| 200 Employee Benefits (optional) | - | 231 | 231 |
| 660 Pupil Activity | - | 683,156 | 683,156 |
| **270 Support Services Pupil Activity** | | | |
| 271 Pupil Services Activities: | | | |
| 100 Salaries (optional) | 171,049 | 68,649 | 239,698 |
| 200 Employee Benefits (optional) | 35,859 | 15,478 | 51,337 |
| 300 Purchased Services (optional) | 15 | 390,210 | 390,225 |
| 400 Supplies and Materials (optional) | - | 287,789 | 287,789 |
| 500 Capital Outlay (optional) | 59,660 | - | 59,660 |
| 600 Other Objects (optional) | - | 90,348 | 90,348 |
| 660 Pupil Activity | 238,508 | 2,894,560 | 3,133,068 |
| **Total Disbursements** | 505,091 | 4,431,747 | 4,936,838 |
| **Excess/Deficiency of Receipts over Disbursements** | 135,875 | 484,789 | 620,664 |
| **Due to Pupil Activities, Beginning of Year** | 311,782 | 2,032,904 | 2,344,686 |
| **Due to Pupil Activities, End of Year** | $ 447,657 | $ 2,517,693 | $ 2,965,350 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS - BY SITE**
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Chapin Elementary | Ballentine Elementary | Chapin Middle | Chapin High | Crossroads Middle | Dutch Fork Elementary |
|---|---|---|---|---|---|---|
| **Receipts** | | | | | | |
| **1000 Receipts from Local Sources** | | | | | | |
| 1700 Pupil Activities: | | | | | | |
| 1740 Student Fees | $ 15,811 | $ 15,303 | $ 95,583 | $ 183,247 | $ 54,410 | $ 8,752 |
| 1790 Other Pupil Activity Income | 45,954 | 120,332 | 87,052 | 292,750 | 319,297 | 13,762 |
| 1900 Other Receipts from Local Sources: | | | | | | |
| 1990 Miscellaneous Local Receipts: | | | | | | |
| 1999 Receipts from Other Local Sources | - | - | - | - | - | - |
| **Total Receipts from Local Sources** | 61,765 | 135,635 | 182,635 | 475,997 | 373,707 | 22,514 |
| **Disbursements** | | | | | | |
| 190 Instruction Pupil Activity | | | | | | |
| 190 Instruction Pupil Activities: | | | | | | |
| 100 Salaries (optional) | - | - | - | - | - | - |
| 200 Employee Benefits (optional) | - | - | - | - | - | - |
| 660 Pupil Activity | 12,529 | 5,042 | 92,172 | - | 54,501 | (221) |
| 270 Support Services Pupil Activity | | | | | | |
| 271 Pupil Services Activities: | | | | | | |
| 100 Salaries (optional) | 30 | 6,963 | - | 7,250 | 898 | - |
| 200 Employee Benefits (optional) | 7 | 1,673 | - | 1,636 | 214 | - |
| 300 Purchased Services (optional) | - | - | - | - | - | - |
| 400 Supplies and Materials (optional) | - | - | - | - | - | - |
| 600 Other Objects (optional) | - | - | - | - | - | - |
| 660 Pupil Activity | 80,307 | 121,473 | 113,208 | 383,354 | 312,204 | 26,937 |
| **Total Disbursements** | 92,873 | 135,151 | 205,380 | 392,240 | 367,817 | 26,716 |
| **Excess/Deficiency of Receipts over Disbursements** | (31,108) | 484 | (22,745) | 83,757 | 5,890 | (4,202) |
| **Due to Pupil Activities, Beginning of Year** | 123,091 | 74,355 | 139,212 | 250,931 | 96,497 | 54,446 |
| **Due to Pupil Activities, Ending of Year** | $ 91,983 | $ 74,839 | $ 116,467 | $ 334,688 | $ 102,387 | $ 50,244 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS - BY SITE**
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Oak Pointe Elementary | Dutch Fork High | Dutch Fork Middle | H.E. Corley Elementary | Harbison West Elementary | Irmo Elementary |
|---|---|---|---|---|---|---|
| **Receipts** | | | | | | |
| **1000 Receipts from Local Sources** | | | | | | |
| 1700 Pupil Activities: | | | | | | |
| 1740 Student Fees | $ 14,654 | $ 187,692 | $ 90,059 | $ 7,199 | $ 7,307 | $ 17,043 |
| 1790 Other Pupil Activity Income | 120,552 | 372,860 | 139,881 | 54,149 | 71,998 | 49,598 |
| 1900 Other Receipts from Local Sources: | | | | | | |
| 1990 Miscellaneous Local Receipts: | | | | | | |
| 1999 Receipts from Other Local Sources | - | - | - | - | - | - |
| **Total Receipts from Local Sources** | 135,206 | 560,552 | 229,940 | 61,348 | 79,305 | 66,641 |
| **Disbursements** | | | | | | |
| 190 Instruction Pupil Activity | | | | | | |
| 190 Instruction Pupil Activities: | | | | | | |
| 100 Salaries (optional) | - | - | - | - | - | - |
| 200 Employee Benefits (optional) | - | - | - | - | - | - |
| 660 Pupil Activity | 14,373 | 180,445 | 89,116 | 3,624 | 6,130 | 10,661 |
| 270 Support Services Pupil Activity | | | | | | |
| 271 Pupil Services Activities: | | | | | | |
| 100 Salaries (optional) | - | 4,480 | 300 | - | - | 420 |
| 200 Employee Benefits (optional) | - | 1,068 | 72 | - | - | 101 |
| 300 Purchased Services (optional) | - | - | - | - | - | - |
| 400 Supplies and Materials (optional) | - | - | - | - | - | - |
| 600 Other Objects (optional) | - | - | - | - | - | - |
| 660 Pupil Activity | 124,935 | 322,715 | 140,001 | 61,319 | 61,860 | 52,255 |
| **Total Disbursements** | 139,308 | 508,708 | 229,489 | 64,943 | 67,990 | 63,437 |
| **Excess/Deficiency of Receipts over Disbursements** | (4,102) | 51,844 | 451 | (3,595) | 11,315 | 3,204 |
| **Due to Pupil Activities, Beginning of Year** | 39,610 | 357,100 | 71,334 | 37,815 | 20,546 | 27,447 |
| **Due to Pupil Activities, Ending of Year** | $ 35,508 | $ 408,944 | $ 71,785 | $ 34,220 | $ 31,861 | $ 30,651 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS - BY SITE**
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Irmo Middle | Irmo High | Chapin Intermediate | Lake Murray Elementary | Leaphart Elementary | Nursery Road Elementary |
|---|---|---|---|---|---|---|
| **Receipts** | | | | | | |
| **1000 Receipts from Local Sources** | | | | | | |
| 1700 Pupil Activities: | | | | | | |
| 1740 Student Fees | $ 58,737 | $ 68,881 | $ 70,453 | $ 23,396 | $ 10,843 | $ 5,368 |
| 1790 Other Pupil Activity Income | 85,991 | 444,443 | 44,050 | 142,010 | 50,284 | 29,322 |
| 1900 Other Receipts from Local Sources: | | | | | | |
| 1990 Miscellaneous Local Receipts: | | | | | | |
| 1999 Receipts from Other Local Sources | - | - | - | - | - | - |
| **Total Receipts from Local Sources** | 144,728 | 513,324 | 114,503 | 165,406 | 61,127 | 34,690 |
| **Disbursements** | | | | | | |
| 190 Instruction Pupil Activity | | | | | | |
| 190 Instruction Pupil Activities: | | | | | | |
| 100 Salaries (optional) | - | - | - | - | - | - |
| 200 Employee Benefits (optional) | - | - | - | - | - | - |
| 660 Pupil Activity | 57,372 | 56,769 | 67,928 | 13,883 | - | 5,620 |
| 270 Support Services Pupil Activity | | | | | | |
| 271 Pupil Services Activities: | | | | | | |
| 100 Salaries (optional) | 690 | 8,881 | - | 320 | 410 | - |
| 200 Employee Benefits (optional) | 214 | 2,100 | - | 77 | 98 | - |
| 300 Purchased Services (optional) | - | - | - | - | - | - |
| 400 Supplies and Materials (optional) | - | - | - | - | - | - |
| 600 Other Objects (optional) | - | - | - | - | - | - |
| 660 Pupil Activity | 75,181 | 348,609 | (2,581) | 142,223 | 45,921 | 28,674 |
| **Total Disbursements** | 133,457 | 416,359 | 65,347 | 156,503 | 46,429 | 34,294 |
| **Excess/Deficiency of Receipts over Disbursements** | 11,271 | 96,965 | 49,156 | 8,903 | 14,698 | 396 |
| **Due to Pupil Activities, Beginning of Year** | 62,763 | 226,147 | 1,500 | 238,950 | 19,064 | 8,762 |
| **Due to Pupil Activities, Ending of Year** | $ 74,034 | $ 323,112 | $ 50,656 | $ 247,853 | $ 33,762 | $ 9,158 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS - BY SITE**
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | River Springs Elementary | Seven Oaks Elementary | Academy for Success | The Center | Adult Education | Spring Hill High |
|---|---|---|---|---|---|---|
| **Receipts** | | | | | | |
| **1000 Receipts from Local Sources** | | | | | | |
| 1700 Pupil Activities: | | | | | | |
| 1740 Student Fees | $ 9,582 | $ 4,325 | $ - | $ 806 | $ - | $ 145,604 |
| 1790 Other Pupil Activity Income | 70,127 | 58,778 | 2,353 | 68,219 | 17,234 | 238,333 |
| 1900 Other Receipts from Local Sources: | | | | | | |
| 1990 Miscellaneous Local Receipts: | | | | | | |
| 1999 Receipts from Other Local Sources | - | - | - | - | - | - |
| **Total Receipts from Local Sources** | 79,709 | 63,103 | 2,353 | 69,025 | 17,234 | 383,937 |
| **Disbursements** | | | | | | |
| 190 Instruction Pupil Activity | | | | | | |
| 190 Instruction Pupil Activities: | | | | | | |
| 100 Salaries (optional) | - | - | - | 1,326 | - | - |
| 200 Employee Benefits (optional) | - | - | - | 231 | - | - |
| 660 Pupil Activity | 9,435 | 3,777 | - | - | - | - |
| 270 Support Services Pupil Activity | | | | | | |
| 271 Pupil Services Activities: | | | | | | |
| 100 Salaries (optional) | - | - | - | - | - | 1,406 |
| 200 Employee Benefits (optional) | - | - | - | - | - | 336 |
| 300 Purchased Services (optional) | - | - | - | - | - | - |
| 400 Supplies and Materials (optional) | - | - | - | - | - | - |
| 600 Other Objects (optional) | - | - | - | - | - | - |
| 660 Pupil Activity | 73,018 | 28,863 | 2,731 | 55,960 | 9,288 | 286,105 |
| **Total Disbursements** | 82,453 | 32,640 | 2,731 | 57,517 | 9,288 | 287,847 |
| **Excess/Deficiency of Receipts over Disbursements** | (2,744) | 30,463 | (378) | 11,508 | 7,946 | 96,090 |
| **Due to Pupil Activities, Beginning of Year** | 16,930 | 29,679 | 3,959 | 29,871 | 20,589 | 60,544 |
| **Due to Pupil Activities, Ending of Year** | $ 14,186 | $ 60,142 | $ 3,581 | $ 41,379 | $ 28,535 | $ 156,634 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS - BY SITE**
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO PUPIL ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2016**

| | Technology Training Center | Athletics | Total |
|---|---|---|---|
| **Receipts** | | | |
| **1000 Receipts from Local Sources** | | | |
| 1700 Pupil Activities: | | | |
| 1740 Student Fees | $ - | $ - | $ 1,095,055 |
| 1790 Other Pupil Activity Income | - | 868,877 | 3,808,206 |
| 1900 Other Receipts from Local Sources: | | | |
| 1990 Miscellaneous Local Receipts: | | | |
| 1999 Receipts from Other Local Sources | 13,275 | - | 13,275 |
| **Total Receipts from Local Sources** | 13,275 | 868,877 | 4,916,536 |
| **Disbursements** | | | |
| 190 Instruction Pupil Activity | | | |
| 190 Instruction Pupil Activities: | | | |
| 100 Salaries (optional) | - | - | 1,326 |
| 200 Employee Benefits (optional) | - | - | 231 |
| 660 Pupil Activity | - | - | 683,156 |
| 270 Support Services Pupil Activity | | | |
| 271 Pupil Services Activities: | | | |
| 100 Salaries (optional) | 333 | 36,268 | 68,649 |
| 200 Employee Benefits (optional) | 79 | 7,803 | 15,478 |
| 300 Purchased Services (optional) | 5,100 | 385,110 | 390,210 |
| 400 Supplies and Materials (optional) | - | 287,789 | 287,789 |
| 600 Other Objects (optional) | - | 90,348 | 90,348 |
| 660 Pupil Activity | - | - | 2,894,560 |
| **Total Disbursements** | 5,512 | 807,318 | 4,431,747 |
| **Excess/Deficiency of Receipts over Disbursements** | 7,763 | 61,559 | 484,789 |
| **Due to Pupil Activities, Beginning of Year** | 21,762 | - | 2,032,904 |
| **Due to Pupil Activities, Ending of Year** | $ 29,525 | $ 61,559 | $ 2,517,693 |

This page was intentionally left blank.

# SUPPLEMENTARY SCHEDULES

REQUIRED BY THE
SOUTH CAROLINA STATE
DEPARTMENT OF EDUCATION

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**LOCATION RECONCILIATION SCHEDULE**
**FOR THE YEAR ENDED JUNE 30, 2016**

| Location ID | Location Description | Education Level | Cost Type | Total Expenditures |
|---|---|---|---|---|
| 000 | Districtwide | Non-Schools | Central | $ 118,481,991 |
| 038 | Chapin High School | High School | School | 14,558,508 |
| 039 | Irmo High School | High School | School | 16,296,792 |
| 040 | Irmo Middle School | Middle School | School | 10,259,714 |
| 041 | Chapin Elementary School | Elementary School | School | 6,984,535 |
| 042 | Dutch Fork Elementary School | Elementary School | School | 5,735,614 |
| 043 | Irmo Elementary School | Elementary School | School | 5,253,001 |
| 044 | Leaphart Elementary Schhol | Elementary School | School | 4,676,588 |
| 045 | Seven Oaks Elementary School | Elementary School | School | 6,238,384 |
| 046 | Crossroads Intermediate School | Intermediate School | School | 8,063,982 |
| 047 | Nursery Road Elementary School | Elementary School | School | 6,533,632 |
| 048 | Harbison West Elementary School | Elementary School | School | 6,728,952 |
| 049 | HE Corley Elementary School | Elementary School | School | 6,656,087 |
| 050 | Chapin Intermediate School | Intermediate School | School | 5,937,721 |
| 051 | Dutch Fork High School | High School | School | 16,100,986 |
| 052 | Lake Murray Elementary School | Elementary School | School | 6,897,244 |
| 053 | River Springs Elementary School | Elementary School | School | 7,961,145 |
| 054 | Dutch Fork Middle School | Middle School | School | 8,470,345 |
| 055 | Ballentine Elementary School | Elementary School | School | 6,048,771 |
| 056 | Oak Pointe Elementary School | Elementary School | School | 6,254,717 |
| 057 | Spring Hill High School | High School | School | 9,279,697 |
| 058 | Chapin Middle School | Middle School | School | 12,694,672 |
| 750 | Academy For Success | Other Schools | School | 1,495,894 |
| 995 | Center for Advanced Technical Studies | Other Schools | School | 3,380,671 |
| **Total Expenditures/Disbursements for All Funds** | | | | $ 300,989,643 |

Above expenditures are reconciled to the District's Audit statements as follows:

| | |
|---|---|
| General Fund | $ 165,023,383 |
| Special Revenue Fund - Special Projects | 11,822,486 |
| Special Revenue Fund - EIA Fund | 5,218,600 |
| Debt Service Fund | 86,224,713 |
| Capital Projects Fund | 17,575,339 |
| Proprietary Funds | 10,188,284 |
| Agency Fund - Pupil Activity | 4,936,838 |
| **Total Expenditures/Disbursements for All Funds** | $ 300,989,643 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/ FEDERAL GOVERNMENT**
**JUNE 30, 2016**

| Program | Project/Grant Number | Revenue & Subfund Code | Description | Amount Due to SDE or Federal Government | Status of Amounts Due To Grantors |
|---|---|---|---|---|---|
| Refurbishment of K-8 Science Kits | EIA | 326 / 3526 | Unexpended Funds | $ 2,290 | Outstanding |
| National Board Certification | EIA | 332 / 3532 | Unexpended Funds | 9,329 | Outstanding |
| Teacher Supplies | EIA | 377 / 3577 | Unexpended Funds | 39,029 | Outstanding |
| EEDA Supplies and Materials - Career Awareness | EIA | 395 / 3595 | Unexpended Funds | 17,456 | Outstanding |
| Farm to School | SRF | 810 / 4999 | Overclaimed Costs | 2,500 | Outstanding |
| | | | | $ 70,604 | |

# STATISTICAL SECTION (Unaudited)

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

**Contents** **Page**


**Financial Trends**
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. 131 – 139

**Revenue Capacity**
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. 140 – 147

**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. 148 – 151

**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. 152 – 154

**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. 155 – 160


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 2, 2012; therefore, schedules presenting government-wide fund balance information reflect the new fund balance terminology.

This page was intentionally left blank.

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015* | 2016** |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | $ 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 | $ 150,048,473 |
| Restricted | 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 | 13,101,641 |
| Unrestricted | 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) | (169,132,831) |
| Total governmental activities | 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) | (5,982,717) |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | 1,327,852 | 1,122,400 | 949,845 | 768,077 | 590,670 | 544,780 | 554,085 | 553,912 | 565,844 | 2,925,150 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 73,579 | 407,107 | 781,999 | 1,302,017 | 2,080,461 | 2,569,413 | 2,311,351 | 1,860,712 | 1,890,783 | (3,447,859) |
| Total business-type activities | 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 | (522,709) |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 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 | 152,973,623 |
| Restricted | 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 | 13,101,641 |
| Unrestricted | 20,784,607 | 26,375,138 | 23,378,242 | 22,134,664 | 28,693,963 | 30,537,351 | 32,290,412 | 30,911,585 | (176,401,093) | (172,580,690) |
| Total primary government | $ 168,253,273 | $ 180,378,398 | $ 186,720,588 | $ 194,822,177 | $ 203,105,385 | $ 213,078,513 | $ 214,054,809 | $ 210,706,432 | $ (697,584) | $ (6,505,426) |

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 $207,070,939.

During fiscal year 2015-16, the District restated its net position for June 30, 2015 by allocating correct portion of net pension liability to business-type activities, and making corrections to capital asset balances and compensated absences payable for both governmental and business-type activities. The cumulative effect of these corrections included an increase of net position by $3,944,178 to the governmental activities and decrease by $3,011,728 to the business-type activities.

TABLE 2

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Government activities: | | | | | | | | | | |
| Instruction | $ 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 | $ 120,506,839 |
| Support service | 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 | 91,001,448 |
| Community service | 78,231 | 2,408 | - | 36,397 | 30,715 | 76,339 | 50,377 | 59,029 | 65,869 | 63,034 |
| Intergovernmental | 525,218 | 177,042 | 218,338 | - | - | - | - | - | - | - |
| Interest and other charges | 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 | 7,265,870 |
| Depreciation - unallocated | 1,587,476 | - | - | - | - | - | - | - | - | - |
| Total governmental expenses | 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 | 218,837,191 |
| Business-type activities: | | | | | | | | | | |
| Food service | 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 | 8,745,796 |
| After school | 228,462 | 665,743 | 737,646 | 924,671 | 990,012 | 1,033,685 | 1,197,571 | 1,315,160 | 1,393,372 | 1,442,488 |
| Total business-type expenses | 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 | 10,188,284 |
| Total primary government expenses | 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 | 229,025,475 |
| **Program Revenues** | | | | | | | | | | |
| Government activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Instruction Services | 872,627 | 796,798 | 806,077 | 831,091 | 419,662 | 633,584 | 30,864 | 20,206 | 43,311 | 16,401 |
| Support Services | 489,424 | 494,877 | 456,325 | 408,865 | 178,779 | 263,966 | 19,428 | 13,365 | 9,912 | 13,263 |
| Community Services | - | - | - | - | - | - | - | - | 25 | 9 |
| Intergovernmental | - | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 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 | 79,547,616 |
| Capital grants and contributions | - | 487,789 | - | 1,003,483 | - | - | - | - | - | - |
| Total governmental revenues | 71,157,163 | 75,168,066 | 68,977,504 | 70,099,653 | 66,517,826 | 68,105,325 | 73,609,570 | 77,204,642 | 79,750,077 | 79,577,289 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | 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 | 5,147,509 |
| Operating grants and contributions | 2,390,437 | 2,531,503 | 2,852,827 | 3,115,745 | 3,346,582 | 3,654,464 | 3,534,109 | 3,866,388 | 4,309,458 | 4,869,015 |
| Capital grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Total business-type revenues | 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 | 10,016,524 |
| Total primary government revenues | 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 | 89,593,813 |
| **Net (Expense) Revenue** | | | | | | | | | | |
| Total primary government net expense | $ (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) | $ (139,431,662) |

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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Total primary government net expense | $ (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) | $ (139,431,662) |
| **General Revenues and Other Changes in Net Position** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes levied for general purposes | 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 | 62,449,554 |
| Property taxes levied for debt service | 15,544,153 | 19,026,906 | 20,065,446 | 22,254,816 | 23,391,210 | 23,732,876 | 23,899,135 | 24,390,363 | 24,426,849 | 24,441,196 |
| Payment in lieu of taxes | 78,278 | 80,207 | 81,018 | 145,151 | 562,911 | 1,085,626 | 1,030,578 | 1,294,119 | 1,208,483 | 1,165,976 |
| Unrestricted state revenue in lieu of taxes | 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 | 43,941,177 |
| Investment earnings | 1,912,150 | 1,634,000 | 385,519 | 374,660 | 454,666 | 354,198 | 501,042 | 395,295 | 227,716 | 182,439 |
| Miscellaneous | 208,987 | 151,297 | 65,448 | 272,639 | 806,241 | 856,805 | 430,263 | 485,910 | 1,271,689 | 306,876 |
| Total governmental revenues | 91,481,909 | 104,332,094 | 107,510,507 | 110,456,893 | 114,897,971 | 119,058,722 | 119,873,033 | 124,057,616 | 129,233,091 | 132,487,218 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 16,987 | 16,870 | 6,299 | 2,402 | 6,529 | 8,337 | 7,485 | 4,111 | 4,835 | 58,866 |
| Miscellaneous | - | - | - | - | - | - | 111,861 | 117,366 | 208,191 | 145,286 |
| Total business-type revenues | 16,987 | 16,870 | 6,299 | 2,402 | 6,529 | 8,337 | 119,346 | 121,477 | 213,026 | 204,152 |
| Total primary government | 91,498,896 | 104,348,964 | 107,516,806 | 110,459,295 | 114,904,500 | 119,067,059 | 119,992,379 | 124,179,093 | 129,446,117 | 132,691,370 |
| **Change in Net Position** | | | | | | | | | | |
| Governmental activities | 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) | (6,772,684) |
| Business-type activities | (159,814) | 128,076 | 202,337 | 338,250 | 601,037 | 443,062 | (248,757) | (450,812) | 42,003 | 32,392 |
| Total primary government | $ 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) | $ (6,740,292) |

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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | | | | | | | | | | |
| Nonspendable for Inventory | $ - | $ - | $ - | $ - | $ 269,657 | $ 159,516 | $ 9,083 | $ 12,574 | $ 12,574 | $ 12,574 |
| Nonspendable for Prepaid Items | - | - | - | - | 2,871,605 | 2,893,816 | 3,118,702 | 712,139 | 788,406 | 1,005,634 |
| Assigned for Special Purposes | - | - | - | - | 6,183,579 | 4,574,852 | 10,749,175 | 7,467,714 | 6,800,000 | 7,470,385 |
| Unassigned | - | - | - | - | 15,321,244 | 23,115,911 | 19,252,097 | 23,971,686 | 26,786,336 | 28,584,179 |
| Reserved | 587,982 | 552,387 | 3,470,904 | 5,701,580 | - | - | - | - | - | - |
| Unreserved | 21,994,142 | 28,392,396 | 21,492,632 | 17,375,197 | - | - | - | - | - | - |
| Total General Fund | $ 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 | $ 37,072,772 |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted- Debt Service | $ - | $ - | $ - | $ - | $ 4,726,778 | $ 5,715,026 | $ 7,500,378 | $ 6,509,558 | $ 5,228,679 | $ 4,640,228 |
| Restricted- Building Fund | - | - | - | - | 66,486,908 | - | - | - | - | 8,461,413 |
| Committed- Building Fund | - | - | - | - | 27,123,803 | 45,581,375 | 93,048,799 | 39,182,854 | 15,301,929 | - |
| Reserved | | | | | | | | | | |
| Debt Service | 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 | 15,337,577 | (2,067,789) | 18,321,947 | 45,122,925 | - | - | - | - | - | - |
| Total All Other Governmental Funds | $ 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 | $ 13,101,641 |

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.

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Local sources | $ 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 | $ 89,493,199 |
| State sources | 77,028,601 | 107,735,190 | 101,518,072 | 98,319,597 | 95,162,865 | 102,513,220 | 106,307,556 | 108,709,486 | 112,210,851 | 111,883,766 |
| Federal sources | 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 | 10,238,943 |
| Total revenues | $ 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 | $ 211,615,908 |

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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Instruction | $ 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 | $ 110,123,458 |
| Support services | 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 | 74,840,186 |
| Community services | 13,342 | 2,408 | - | 34,673 | 30,715 | 76,339 | 50,377 | 59,029 | 65,869 | 57,414 |
| Intergovernmental | 525,218 | 177,042 | 218,338 | 148,738 | 205,507 | 75,805 | 54,980 | 268,694 | 239,460 | 264,744 |
| Capital outlay | 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 | 14,269,756 |
| Debt service | | | | | | | | | | |
| Principal | 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 | 77,284,000 |
| Interest and other fees | 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 | 9,024,963 |
| Total expenditures | $ 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 | $ 285,864,521 |
| Debt service as a percentage of noncapital expenditures | 11.7% | 10.3% | 14.2% | 12.0% | 15.3% | 4.0% | 5.7% | 24.3% | 9.0% | 30.9% |

Source: Records maintained by the School District Finance Department

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

TABLE 7

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Excess of revenues over (under) expenditures** | $ (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) | $ (74,248,613) |
| **Other Financing Sources (Uses)** | | | | | | | | | | |
| General long-term debt issued | 33,725,000 | - | 37,565,000 | 50,000,000 | 91,500,000 | - | - | - | - | - |
| Premiums on bonds sold | 0 | - | 492,497 | 79,577 | 840,815 | - | - | - | - | 7,456,021 |
| Sale of capital assets | 1,222 | 1,808 | 1,381 | 896 | 6,889 | 2,995 | 33,072 | 8,140 | 1,966 | 24,081 |
| Lease Purchases | - | - | - | - | - | - | 2,970,000 | - | - | - |
| Proceeds from long-term notes | - | - | - | - | - | - | 126,252,185 | - | - | - |
| Issurance of Refunding Debt | - | - | - | - | - | - | - | 40,444,000 | - | 62,025,000 |
| Transfers in | 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 | 15,631,908 |
| Transfers out | (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) | (15,631,908) |
| Total other financing sources (uses) | 33,771,518 | 32,584 | 37,734,544 | 50,036,535 | 92,279,935 | (97,906) | 129,394,805 | 40,211,132 | (246,934) | 69,505,102 |
| **Net change in fund balances** | $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) | $ (4,743,511) |

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:

| | | Real Property | | Personal Property | | Total | | | Ratio Of Total Assessed Value To Total Estimated Actual Value |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Tax Year December 31 | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Total Direct Rate | |
| 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 | 288.30 | 5.3% |
| 2016 | 2015 | 214,676,690 | 4,624,830,605 | 80,599,160 | 940,202,500 | 295,275,850 | 5,565,033,105 | 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 Assessed Value | Real Property Estimated Actual Value | Personal Property Assessed Value | Personal Property Estimated Actual Value | Total Assessed Value | Total Estimated Actual Value | Total Direct Rate | Ratio Of Total Assessed Value To Total Estimated Actual Value |
|---|---|---|---|---|---|---|---|---|---|
| 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% |
| 2016 | 2015 | 147,025,490 | 3,317,914,710 | 40,734,589 | 561,278,432 | 187,760,079 | 3,879,193,142 | 304.00 | 4.8% |

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

Source: Richland County Auditor's Office

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

Lexington County:

| | | District Direct Rates | | | Overlapping Rates | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Tax Year December 31 | General Purposes | Capital Purposes | Total | Lexington County | Recreation District | Midlands Technical College | Riverbanks Zoo | Town Of Chapin | City Of Irmo | City Of Columbia | Irmo Fire District Bond |
| 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 | 235.800 | 52.500 | 288.300 | 94.746 | 20.604 | 4.374 | 2.393 | 11.505 | - | 98.100 | 2.900 |
| 2016 | 2015 | 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:

| | | District Direct Rates | | | Overlapping Rates | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Tax Year December 31 | General Purposes | Capital Purposes | Total | Richland County | Recreation District | Midlands Technical College | Riverbanks Zoo | City Of Irmo | City Of Columbia |
| 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 |
| 2016 | 2015 | 251.500 | 52.500 | 304.000 | 120.900 | 12.800 | 3.500 | 1.400 | - | 96.100 |

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)

| | 2016 | | | 2007 | | |
|---|---|---|---|---|---|---|
| Lexington Taxpayer: | Taxable Assessed Value | Rank | Percentage of Total Taxable Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Value |
| South Carolina Electric & Gas | $ 27,248,750 | 1 | 9.23% | $ 20,547,820 | 1 | 8.27% |
| Shaw Industries Group, Inc. | 4,891,670 | 2 | 1.66% | 3,288,110 | 4 | 1.32% |
| GGP Columbiana Trust | 3,439,110 | 3 | 1.16% | 2,981,950 | 3 | 1.20% |
| AT&T Mobility F/K/A Cingular | 3,959,560 | 4 | 1.34% | 5,476,470 | 2 | |
| DDRTC Columbiana Station I, LLC | 1,496,830 | 5 | 0.51% | 1,555,170 | 5 | |
| AVR Columbia LLC | 1,707,750 | 6 | 0.58% | | | 0.00% |
| BRE DDR Harbison Court, LLC | 1,290,790 | 7 | 0.44% | | | 0.00% |
| Mid-Carolina Electric COOP, Inc | 1,412,060 | 8 | 0.48% | 1,224,850 | 10 | 0.49% |
| Columbiana Station (E & A) LLC | 1,153,700 | 9 | 0.39% | 1,043,190 | 9 | 0.42% |
| LSREF2 Newton, LLC | 1,218,250 | 10 | 0.41% | | | |
| HUB Properties | | | | 1,842,030 | 6 | 0.74% |
| BellSouth Telecommunications | | | | 1,438,420 | 7 | 0.58% |
| DDR MDT Harbison Court, LLC | | | | 1,070,870 | 8 | 0.43% |
| Total Assessed Value of Ten Principal Taxpayers | $ 47,818,470 | | 16.19% | $ 40,468,880 | | 13.47% |
| Total Assessed Value of Other Taxpayers | 247,457,380 | | 83.81% | 207,851,285 | | 83.70% |
| Total Assessed Value of All Taxpayers | $ 295,275,850 | | 100.00% | $ 248,320,165 | | 97.17% |

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)

| | 2016 | | | 2007 | | |
|---|---|---|---|---|---|---|
| Richland Taxpayer: | Taxable Assessed Value | Rank | Percentage of Total Taxable Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Value |
| South Carolina Electric & Gas | $ 2,232,950 | 1 | 1.19% | $ 1,221,670 | 3 | 0.90% |
| Mid-Carolina Electric Coop. | 2,126,740 | 2 | 1.13% | 1,804,000 | 1 | 1.34% |
| 1600 Marina Road, LLC | 1,255,230 | 3 | 0.67% | | | |
| Ballentine Crossing, LLC | 1,084,860 | 4 | 0.58% | | | |
| AVR-Lake Murray, LLC | 966,590 | 5 | 0.51% | | | |
| Crestmont Apartments, LLC | 840,020 | 6 | 0.45% | | | |
| Paces Brook Gardens Associates | 782,990 | 7 | 0.42% | 798,600 | 6 | 0.59% |
| EEA Wellspring, LLC | 726,750 | 8 | 0.39% | | | |
| Bellsouth Telecommunications, Inc. | 600,030 | 9 | 0.32% | 1,702,770 | 2 | 1.26% |
| ERH Kennerly, LLC | 563,700 | 10 | 0.30% | | | |
| Columbia MSA Limited Partnership | - | | | 1,219,050 | 4 | 0.90% |
| Century Heights Partners, LLC | - | | | 885,270 | 5 | 0.66% |
| Harpaw LLC | - | | | 716,660 | 7 | 0.53% |
| Southland Log Homes | - | | | 645,900 | 8 | 0.48% |
| NGC Harbison, LLC | - | | | 561,290 | 9 | 0.42% |
| Franklin Pineridge Associates | - | | | 560,020 | 10 | 0.41% |
| Total Assessed Value of Ten Principal Taxpayers | 11,179,860 | | 5.95% | 10,115,230 | | 7.49% |
| Total Assessed Value of Other Taxpayers | 176,580,219 | | 94.05% | 124,907,629 | | 92.51% |
| Total Assessed Value of All Taxpayers | $ 187,760,079 | | 100.00% | $ 135,022,859 | | 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 |
| 2007 | 2006 | $ 85,169,312 | $ 83,205,742 | 97.69% | $ 1,805,903 | $ 85,011,645 | 99.81% |
| 2008 | 2007 | 93,379,313 | 91,387,277 | 97.87% | 1,814,659 | 93,201,936 | 99.81% |
| 2009 | 2008 | 99,663,892 | 97,016,034 | 97.34% | 2,526,694 | 99,542,728 | 99.88% |
| 2010 | 2009 | 101,248,862 | 98,883,830 | 97.66% | 2,225,056 | 101,108,886 | 99.86% |
| 2011 | 2010 | 109,207,970 | 106,425,326 | 97.45% | 2,621,863 | 109,047,189 | 99.85% |
| 2012 | 2011 | 114,033,585 | 111,549,859 | 97.82% | 2,048,907 | 113,598,766 | 99.62% |
| 2013 | 2012 | 117,136,820 | 114,123,980 | 97.43% | 2,196,298 | 116,320,278 | 99.30% |
| 2014 | 2013 | 122,018,962 | 118,742,250 | 97.31% | 2,293,236 | 121,035,486 | 99.19% |
| 2015 | 2014 | 126,783,750 | 123,390,291 | 97.32% | 2,108,044 | 125,498,335 | 98.99% |
| 2016 | 2015 | 130,399,609 | 126,511,241 | 97.02% | - | 126,511,241 | 97.02% |

Note: Levies and Collections updated for each fiscal year as of 6/30/16 per Lexington County Treasurer's Office.

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

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

Richland County:

| Fiscal Year | Tax Year December 31 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|---|
| | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2007 | 2006 | $ 33,648,301 | $ 32,604,998 | 96.90% | $ 493,326 | $ 33,098,324 | 98.37% |
| 2008 | 2007 | 38,417,823 | 37,282,199 | 97.04% | 514,599 | 37,796,798 | 98.38% |
| 2009 | 2008 | 40,526,957 | 39,133,834 | 96.56% | 678,511 | 39,812,345 | 98.24% |
| 2010 | 2009 | 41,710,253 | 40,089,788 | 96.11% | 892,453 | 40,982,241 | 98.25% |
| 2011 | 2010 | 42,650,504 | 41,368,546 | 96.99% | 791,505 | 42,160,051 | 98.85% |
| 2012 | 2011 | 45,074,021 | 43,710,463 | 96.97% | 891,170 | 44,601,633 | 98.95% |
| 2013 | 2012 | 46,216,599 | 44,651,273 | 96.61% | 1,011,457 | 45,662,730 | 98.80% |
| 2014 | 2013 | 47,657,973 | 46,316,828 | 97.19% | 558,341 | 46,875,169 | 98.36% |
| 2015 | 2014 | 49,471,459 | 48,430,437 | 97.90% | 481,011 | 48,911,448 | 98.87% |
| 2016 | 2015 | 52,038,893 | 50,488,324 | 97.02% | - | 50,488,324 | 97.02% |

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

**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 |
|---|---|---|---|---|---|---|---|
| 2007 | $ 31,295,000 | | $ 31,295,000 | | 0.44% | 1.10% | 367 |
| 2008 | 14,225,000 | | 14,225,000 | | 0.18% | 0.48% | 164 |
| 2009 | 28,600,000 | | 28,600,000 | | 0.34% | 0.88% | 325 |
| 2010 | 59,860,000 | | 59,860,000 | | 0.69% | 1.92% | 668 |
| 2011 | 129,705,000 | | 129,705,000 | | 1.43% | 3.98% | 1,425 |
| 2012 | 127,250,000 | | 127,250,000 | | 1.37% | 3.65% | 1,377 |
| 2013 | 254,018,653 | | 254,018,653 | | 2.70% | 7.28% | 2,765 |
| 2014 | 245,431,641 | * | 245,431,641 | * | 2.57% | 7.06% | 2,779 |
| 2015 | 235,647,636 | | 235,647,636 | | 2.51% | not available | not available |
| 2016 | 236,098,370 | | 236,098,370 | | 2.50% | not available | not available |

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

Fiscal year ended June 30, 2016 includes a short-term general obligation bond that was outstanding at year-end of $9,550,000.

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.

* Correction to 6/30/14 CAFR (GASB 65)

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

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Net General Bonded Debt | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|---|---|---|---|---|---|
| 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 | 6,509,558 | 238,922,083 | 2.50% | 2,705 |
| 2015 | 235,647,636 | 5,228,679 | 230,418,957 | 2.45% | Not available |
| 2016 | 236,098,370 | 4,640,228 | 231,458,142 | 2.45% | 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, 2016**
(unaudited)

| | General Bonded Debt Outstanding | Estimated Percentage Applicable To District | Estimated District Share of Direct and Overlapping Debt |
|---|---|---|---|
| Direct: | | | |
| School District Five of Lexington and Richland Counties | $ 236,098,370 | 100.00% | $ 236,098,370 |
| Total direct debt | 236,098,370 | | 236,098,370 |
| Overlapping: | | | |
| Lexington County: | | | |
| Lexington County | 42,193,802 | 28.20% | 11,898,652 |
| Irmo-Chapin Recreation District | 23,890,000 | 100.00% | 23,890,000 |
| Riverbanks Park District | 33,425,000 | 18.20% | 6,083,350 |
| City of Columbia | 36,025,000 | 4.10% | 1,477,025 |
| Richland County: | | | |
| Richland County | 24,586,363 | 11.60% | 2,852,018 |
| Richland Co Recreation District | 38,415,000 | 14.90% | 5,723,835 |
| Riverbanks Park District | 33,425,000 | 18.20% | 6,083,350 |
| City of Columbia | 36,025,000 | 4.10% | 1,477,025 |
| Total overlapping debt | 267,985,165 | | 59,485,255 |
| Total direct and overlapping debt | $ 504,083,535 | | $ 295,583,625 |

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 2016**

| | |
|---|---|
| Assessed Value | $483,035,929 |
| Debt limit (8% of assessed value) | 38,642,874 |
| Debt applicable to limit | 9,550,000 |
| Legal debt margin | $ 29,092,874 |

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt limit | $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 | $ 38,378,592 |
| Total net debt applicable to limit | 27,375,000 | 14,225,000 | 28,600,000 | 9,860,000 | 2,330,000 | 15,183,300 | - | - | - | 9,550,000 |
| Legal debt margin | $ 4,149,337 | $ 18,155,276 | $ 5,223,676 | $ 27,340,913 | $ 34,134,287 | $ 22,191,624 | $ 38,052,768 | $ 38,787,248 | $ 38,378,592 | $ 28,828,592 |
| Total net debt applicable to the limit as a percentage of debt limit | 86.84% | 43.93% | 84.56% | 26.50% | 6.39% | 40.62% | 0.00% | 0.00% | 0.00% | 24.88% |

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

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

| Fiscal Year | Calendar Year | Estimated Population | Personal Income (thousands of dollars) | Per Capita Personal Income Lexington County | Per Capita Personal Income Richland County | Unemployment Rate Lexington County | Unemployment Rate Richland County |
|---|---|---|---|---|---|---|---|
| 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 | 3,477,148 | 39,935 | 38,811 | 4.8% | 6.0% |
| 2015 | 2014 | not available | not available | not available | not available | 5.3% | 6.4% |
| 2016 | 2015 | not available | not available | not available | not available | 4.7% | 5.6% |

Sources: South Carolina Revenue and Fiscal Affairs Office
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 & 2013 Estimated Population from Proximityone.com - ACS 2012 General Demographics
2012 Per Capita Personal Income - SC Department of Commerce Labor Profile

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

| | 2016 | | | 2007 | | |
|---|---|---|---|---|---|---|
| Lexington Employer: | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Lexington Medical Center | 6,300 | 1 | 4.45% | | | |
| Amazon.com | 2,500 | 2 | 1.77% | | | |
| Michelin North America, Inc. | 2,080 | 3 | 1.47% | 1,614 | 1 | 1.30% |
| General Information Services (GIS) | 1,000 | 4 | 0.71% | | | |
| Walter P. Rawl & Sons, Inc. | 700 | 5 | 0.49% | | | |
| Akebono Brake Corporation | 674 | 6 | 0.48% | | | |
| Southeastern Freight Lines | 587 | 7 | 0.41% | | | |
| Republic National Distributions Co | 536 | 8 | 0.38% | | | |
| US Foods | 500 | 9 | 0.35% | | | |
| Harsco Track Technologies | 431 | 10 | 0.30% | 467 | 5 | 0.38% |
| Columbia Farms/House of Raeford | | | | 800 | 2 | 0.64% |
| UPS | | | | 630 | 3 | 0.51% |
| Honeywell International Inc. | | | | 480 | 4 | 0.39% |
| Cooper Tools | | | | 392 | 6 | 0.32% |
| Prysmian Cables & Systems | | | | 375 | 7 | 0.30% |
| CMS Steel - South Carolina | | | | 360 | 8 | 0.29% |
| Solectron | | | | 351 | 9 | 0.28% |
| Union Switch & Signal | | | | 325 | 10 | 0.26% |
| Pirelli Cables & Systems North America | | | | | | |
| | 15,308 | | 10.82% | 5,794 | | 4.67% |

2016 Top Employers from Central Alliance website at www.centralsc.org
2016 Total Employment from Bureau of Labor Statistics, SC Dept of Employment & Workfoce
2007 Data from Department of Commerce

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

| | 2016 | | | 2007 | | |
|---|---|---|---|---|---|---|
| Richland Employer: | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Blue Cross Blue Shield of SC | 6,422 | 1 | 3.36% | | | |
| AT&T South Carolina | 2,400 | 2 | 1.25% | | | |
| Palmetto GBA | 2,100 | 3 | 1.10% | | | |
| Providence Hospitals | 1,809 | 4 | 0.95% | | | |
| Allied Universal Security | 1,500 | 5 | 0.78% | | | |
| Colonial Life & Accident Insurance | 1,140 | 6 | 0.60% | | | |
| Verizon Communications | 1,105 | 7 | 0.58% | | | |
| Aflac | 1,000 | 8 | 0.52% | | | |
| Wells Fargo Bank | 1,000 | 8 | 0.52% | | | |
| UCI Medical Affiliates | 767 | 10 | 0.40% | | | |
| Westinghouse Electric Corp | | | | 1,059 | 1 | 0.64% |
| Bose Corporation | | | | 960 | 2 | 0.58% |
| International Paper | | | | 726 | 3 | 0.44% |
| Schneider Electric/Square D Co. | | | | 656 | 4 | 0.40% |
| The State Record Co., Inc. | | | | 606 | 5 | 0.37% |
| FN Manufacturing | | | | 560 | 6 | 0.34% |
| Siemen Diesel Systems Technology LLC | | | | 490 | 7 | 0.30% |
| Intertape Polymer Group | | | | 425 | 8 | 0.26% |
| Trane Co. | | | | 400 | 9 | 0.24% |
| Hanson Brick | | | | 300 | 10 | 0.18% |
| | 19,243 | | 10.06% | 6,182 | | 3.74% |

2016 Top Employers from Central Alliance website at www.centralsc.org
2016 Total Employment from Bureau of Labor Statistics, SC Dept of Employment & Workfoce
2007 Data from Department of Commerce

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| School Allocations: | | | | | | | | | | |
| Teachers | 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 | 1,261.31 |
| Guidance | 50.00 | 43.50 | 51.00 | 48.50 | 46.50 | 46.50 | 46.50 | 21.00 | 50.00 | 49.60 |
| Media specialists | 24.00 | 21.00 | 25.00 | 24.00 | 24.00 | 24.00 | 24.00 | 19.00 | 21.00 | 22.00 |
| Psychologists and social workers | 18.80 | 19.70 | 27.30 | 25.00 | 27.00 | 27.00 | 27.00 | 22.00 | 26.00 | 27.50 |
| Speech therapists | 25.30 | 24.30 | 27.50 | 29.80 | 31.00 | 31.00 | 31.00 | 32.00 | 28.00 | 30.20 |
| Nurses, occupational and physical therapists | 24.32 | 27.41 | 31.80 | 38.50 | 37.00 | 37.00 | 37.00 | 29.00 | 40.00 | 35.25 |
| Secretaries, bookkeepers, and receptionists | 122.00 | 134.30 | 119.75 | 112.00 | 113.00 | 113.00 | 116.00 | 139.00 | 151.00 | 130.00 |
| Teacher assistants and media assistants | 287.21 | 265.36 | 333.13 | 330.12 | 296.92 | 292.92 | 296.92 | 300.00 | 289.00 | 296.68 |
| Food service personnel and cafeteria monitors | 169.00 | 170.00 | 171.33 | 143.26 | 143.58 | 143.58 | 143.58 | 149.00 | 146.00 | 129.71 |
| Custodians, maintenance and transportation | 278.50 | 266.00 | 288.10 | 263.85 | 271.42 | 271.42 | 272.42 | 272.00 | 233.00 | 277.23 |
| Technology services and and other specialized | 18.00 | 6.50 | 12.00 | 6.00 | 6.00 | 6.00 | 12.00 | 17.00 | 10.00 | 5.00 |
| Principal/assistant and principal/coordinators | 71.67 | 69.00 | 67.43 | 70.00 | 71.00 | 69.84 | 71.84 | 83.00 | 79.00 | 76.50 |
| Total | 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 | 2,340.98 |
| District Office Allocations: | | | | | | | | | | |
| Superintendent | 8.00 | 7.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Instruction | 28.00 | 38.00 | 38.80 | 36.28 | 37.50 | 37.50 | 37.50 | 35.00 | 33.00 | 29.50 |
| Human resources services | 8.00 | 9.27 | 9.27 | 9.30 | 7.80 | 7.80 | 7.80 | 10.00 | 11.00 | 10.40 |
| Financial services | 39.00 | 36.00 | 21.00 | 30.00 | 30.00 | 30.00 | 30.00 | 33.00 | 15.00 | 30.73 |
| Community Services | 0.00 | 2.00 | 4.73 | 4.73 | 4.73 | 4.73 | 5.73 | 10.00 | 26.00 | 25.75 |
| Technology | 0.00 | 0.00 | 17.00 | 14.50 | 15.00 | 15.00 | 15.00 | 28.00 | 18.00 | 18.00 |
| Facilities/Maintenance | 0.00 | 0.00 | 43.03 | 19.00 | 20.00 | 20.00 | 20.00 | 24.00 | 25.00 | 19.00 |
| Total | 83.00 | 92.27 | 135.83 | 115.81 | 117.03 | 117.03 | 118.03 | 142.00 | 130.00 | 135.38 |
| Total | 2,566.80 | 2572.34 | 2,588.91 | 2,419.26 | 2,374.47 | 2,354.81 | 2,399.84 | 2,470.00 | 2,474.00 | 2,476.36 |

Source: Records maintained by the School District Human Resources Department

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

| Fiscal Year | Enrollment | Operating Expenditures | Cost per Pupil | Percentage Change | Expenses | Cost per Pupil | Percentage Change | Teaching Staff | Pupil-Teacher Ratio | Percentage of Students Receiving Free or Reduced -Price Meals |
|---|---|---|---|---|---|---|---|---|---|---|
| 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% |
| 2016 | 16,622 | 185,285,802 | 11,147 | 0.04% | 229,025,475 | 13,778 | 1.64% | 1,261 | 13.2 | 34.5% |

Source: Records maintained by the School District Finance Department

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

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

**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 |
|---|---|---|---|---|---|
| 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 |
| 2016 | 33,054 | | 73,701 | | 48,469 |

* - 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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **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 | 819 | 819 | 819 | 819 | 819 | 819 | 819 |
| Enrollment | 703 | 712 | 771 | 737 | 742 | 752 | 720 | 718 | 716 | 668 |
| Chapin Elementary (1977) | | | | | | | | | | |
| Square feet | 108,900 | 108,900 | 108,900 | 118,900 | 131,950 | 131,950 | 131,950 | 131,950 | 131,950 | 131,950 |
| Capacity | 850 | 850 | 850 | 916 | 916 | 916 | 916 | 916 | 916 | 916 |
| Enrollment | 727 | 776 | 807 | 822 | 794 | 811 | 820 | 854 | 843 | 686 |
| Dutch Fork Elementary (1953) | | | | | | | | | | |
| Square feet | 103,522 | 103,522 | 103,522 | 95,182 | 95,182 | 95,182 | 95,182 | 95,182 | 95,182 | 95,182 |
| Capacity | 750 | 750 | 750 | 657 | 657 | 657 | 657 | 657 | 657 | 657 |
| Enrollment | 542 | 559 | 563 | 537 | 541 | 519 | 514 | 511 | 504 | 498 |
| 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 | 733 | 733 | 733 | 733 | 733 | 733 | 733 |
| Enrollment | 594 | 543 | 517 | 498 | 522 | 514 | 511 | 467 | 486 | 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 | 710 | 710 | 710 | 710 | 710 | 710 | 710 |
| Enrollment | 471 | 408 | 368 | 394 | 486 | 502 | 479 | 487 | 518 | 559 |
| Irmo Elementary (1933) | | | | | | | | | | |
| Square feet | 86,674 | 86,674 | 86,674 | 85,674 | 85,674 | 121,000 | 121,000 | 121,000 | 121,000 | 121,000 |
| Capacity | 550 | 550 | 550 | 584 | 584 | 640 | 640 | 640 | 640 | 640 |
| Enrollment | 532 | 498 | 505 | 479 | 509 | 468 | 511 | 478 | 474 | 505 |
| 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 | 849 | 849 | 849 | 849 | 849 | 849 | 849 |
| Enrollment | 807 | 814 | 853 | 862 | 866 | 847 | 874 | 926 | 992 | 872 |
| Leaphart Elementary (1975) | | | | | | | | | | |
| Square feet | 95,300 | 95,300 | 95,300 | 108,300 | 120,500 | 120,500 | 120,500 | 120,500 | 120,500 | 120,500 |
| Capacity | 725 | 725 | 725 | 814 | 814 | 814 | 814 | 814 | 814 | 814 |
| Enrollment | 546 | 496 | 486 | 466 | 433 | 430 | 429 | 452 | 432 | 435 |
| 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 | 777 | 777 | 777 | 777 | 777 | 777 | 777 |
| Enrollment | 654 | 595 | 521 | 492 | 499 | 519 | 491 | 477 | 454 | 401 |

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **School** | | | | | | | | | | |
| **Elementary** (Continued) | | | | | | | | | | |
| Oak Pointe Elementary (2007) | | | | | | | | | | |
| Square feet | 110,390 | 110,390 | 110,390 | 110,396 | 110,396 | 110,396 | 110,396 | 110,396 | 110,396 | 110,396 |
| Capacity | 825 | 825 | 825 | 756 | 756 | 756 | 756 | 756 | 756 | 756 |
| Enrollment | 539 | 601 | 630 | 634 | 671 | 647 | 645 | 627 | 636 | 635 |
| 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 | 925 | 925 | 925 | 925 | 925 | 925 | 925 |
| Enrollment | 611 | 645 | 642 | 677 | 654 | 641 | 633 | 598 | 568 | 556 |
| Seven Oaks Elementary (1966) | | | | | | | | | | |
| Square feet | 72,756 | 72,756 | 72,756 | 72,756 | 72,756 | 103,756 | 103,756 | 103,756 | 103,756 | 103,756 |
| Capacity | 550 | 550 | 550 | 570 | 570 | 640 | 640 | 640 | 640 | 640 |
| Enrollment | 557 | 510 | 510 | 484 | 475 | 465 | 438 | 486 | 534 | 588 |
| **Middle** | | | | | | | | | | |
| Chapin Intermediate (1991) | | | | | | | | | | |
| <3> Square feet | 177,433 | 177,433 | 177,433 | 177,433 | 177,433 | 177,433 | 177,433 | 177,433 | 177,433 | 177,433 |
| Capacity | 900 | 900 | 900 | 1,018 | 1,018 | 1,018 | 1,018 | 1,018 | 1,018 | 1,018 |
| Enrollment | 883 | 979 | 975 | 996 | 1,030 | 1,103 | 1,121 | 1,111 | 1,172 | 718 |
| Chapin Middle (2015) | | | | | | | | | | |
| Square feet | | | | | | | | | | 122,000 |
| Capacity | | | | | | | | | | 1,200 |
| Enrollment | | | | | | | | | | 808 |
| Cross Roads Intermediate (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 | 1,098 | 1,098 | 1,098 | 1,098 | 1,098 | 1,098 | 1,098 |
| Enrollment | 1,004 | 997 | 955 | 966 | 917 | 988 | 946 | 943 | 917 | 793 |
| 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 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 |
| Enrollment | 1,037 | 1,011 | 1,039 | 1,049 | 1,100 | 1,054 | 1,045 | 1,092 | 1,089 | 1,061 |
| 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 | 1,181 | 1,181 | 1,181 | 1,181 | 1,181 | 1,181 | 1,181 |
| Enrollment | 1,044 | 1,030 | 925 | 896 | 880 | 879 | 909 | 897 | 843 | 926 |

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| **School** | | | | | | | | | | |
| **High** | | | | | | | | | | |
| Chapin High (1971) | | | | | | | | | | |
| Square feet | 187,288 | 187,288 | 187,288 | 187,288 | 187,288 | 187,288 | 187,288 | 252,288 | 375,500 | 375,500 |
| Capacity | 1,150 | 1,150 | 1,150 | 1,239 | 1,239 | 1,239 | 1,239 | 1,700 | 1,700 | 1,700 |
| Enrollment | 1,166 | 1,245 | 1,242 | 1,286 | 1,302 | 1,341 | 1,346 | 1,206 | 1,152 | 1,238 |
| Dutch Fork High (1993) | | | | | | | | | | |
| Square feet | 316,788 | 316,788 | 316,788 | 316,788 | 316,788 | 316,788 | 316,788 | 316,788 | 368,788 | 368,788 |
| Capacity | 2,000 | 2,000 | 2,000 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 | 2,207 |
| Enrollment | 2,076 | 2,073 | 2,088 | 2,068 | 2,031 | 2,031 | 2,097 | 1,894 | 1,833 | 1,766 |
| Irmo High (1964) | | | | | | | | | | |
| Square feet | 343,121 | 343,121 | 343,121 | 343,121 | 343,121 | 343,121 | 343,121 | 343,121 | 396,121 | 396,121 |
| Capacity | 2,000 | 2,000 | 2,000 | 2,141 | 2,141 | 2,141 | 2,141 | 2,141 | 2,141 | 2,141 |
| Enrollment | 2,003 | 2,012 | 2,029 | 1,983 | 1,915 | 1,829 | 1,707 | 1,540 | 1,508 | 1,436 |
| Center for Advanced Technical Studies (2012) | | | | | | | | | | |
| Square feet | | | | | | | 115,000 | 115,000 | 115,000 | 115,000 |
| Capacity | | | | | | | 1,200 | 1,200 | 1,200 | 1,200 |
| <1> Enrollment | | | | | | | | | | |
| Spring Hill High School (2013) | | | | | | | | | | |
| Square feet | | | | | | | | 287,000 | 287,000 | 287,000 |
| Capacity | | | | | | | | 1,700 | 1,700 | 1,700 |
| Enrollment | | | | | | | | 556 | 792 | 987 |
| **Other** | | | | | | | | | | |
| Academy for Success (1955) | | | | | | | | | | |
| Square feet | 26,005 | 26,005 | 26,005 | 20,961 | 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 | 73 | 73 | 138 | 127 | 127 | 127 | 95 | 0 | 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.
<3> Facility was site of Chapi n Middle School until the fiscal year 2015-16. Chapin Intermediate includes only 5th and 6th grades. Chapin Middle School includes only 7th and 8th grades beginning with the 15-16 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.

This page was intentionally left blank.

McGregor & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS • WWW.MCGREGORCPA.COM

C.C. McGregor, CPA 1906–1968

PARTNERS
W.C. Stevenson, CPA
B.T. Kight, CPA
G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.W. Francis, CPA
D.L. Richardson, CPA
E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA
J.R. Matthews II, CPA

ASSOCIATES
V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA
S. Wo, CPA
C.D. Hinchee, CPA
G.P. Davis, CPA
H.J. Darver, CPA
D.M. Herpel, CPA
H.O. Crider, Jr, CPA
F.C. Gillam, CPA
M.L. Goode, CPA
B.A.G. Felch, CPA
H.S. Mims, CPA
T. Solorzano, CPA

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

Honorable Chairman and Members of the Board of Trustees of
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, each major fund, and the aggregate remaining fund information of School District Five of Lexington and Richland Counties as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise School District Five of Lexington and Richland Counties' basic financial statements, and have issued our report thereon dated November 28, 2016.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered School District Five of Lexington and Richland Counties' 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 School District Five of Lexington and Richland Counties' internal control. Accordingly, we do not express an opinion on the effectiveness of School District Five of Lexington and Richland Counties' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2016-1 and 2016-2 to be material weaknesses.

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.

COLUMBIA
3830 FOREST DRIVE | PO BOX 135
COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG
1190 BOULEVARD STREET
ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL
340 FULDNER ROAD | PO BOX 1305
BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

GREENVILLE
101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether School District Five of Lexington and Richland Counties' 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.*

**School District Five of Lexington and Richland Counties' Response to the Findings**

School District Five of Lexington and Richland Counties' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

McGregor & Company LLP

Orangeburg, South Carolina
November 28, 2016

McGregor & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS • WWW.MCGREGORCPA.COM

C.C. McGregor, CPA 1906–1968

PARTNERS
W.C. Stevenson, CPA
B.T. Kight, CPA
G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.W. Francis, CPA
D.L. Richardson, CPA
E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA
J.R. Matthews II, CPA

ASSOCIATES
V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA
S. Wo, CPA
C.D. Hinchee, CPA
G.P. Davis, CPA
H.J. Darver, CPA
D.M. Herpel, CPA
H.O. Crider, Jr, CPA
F.C. Gillam, CPA
M.L. Goode, CPA
B.A.G. Felch, CPA
H.S. Mims, CPA
T. Solorzano, CPA

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Chairman and Members of the Board of Trustees of
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' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of School District Five of Lexington and Richland Counties' major federal programs for the year ended June 30, 2016. School District Five of Lexington and Richland Counties' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

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

#### *Auditor's Responsibility*

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of School District Five of Lexington and Richland Counties' compliance.



COLUMBIA
3830 FOREST DRIVE | PO BOX 135
COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG
1190 BOULEVARD STREET
ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL
340 FULDNER ROAD | PO BOX 1305
BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

GREENVILLE
101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

***Opinion on Each Major Federal Program***

In our opinion, School District Five of Lexington and Richland Counties 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, 2016.

**Report on Internal Control over Compliance**

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

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

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

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

McGregor & Company LLP

Orangeburg, South Carolina
November 28, 2016

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2016**

| LEA Subfund Code | | Federal Grantor Pass-Through Grantor Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Total Expenditures |
|---|---|---|---|---|---|
| **U.S. Department of Education** | | | | | |
| Pass-Through S.C. Department of Education: | | | | | |
| 201 | | Title I Grant Regular | 84.010 | H63010100116 | $ 1,417,240 |
| 201 | | Title I Carryover from Prior Year | 84.010 | H63010100115 | 282,615 |
| 201 | | Title I Distinguished Schools | 84.010 | H63010100115 | 6,888 |
| 237 | | Title I School Improvement | 84.010A | H63010100115 | 61,500 |
| | | *Total Title I Cluster* | | | 1,768,243 |
| 203 | ** | Handicapped Disabilities Act | 84.027 | H63010100916 & ESY | 1,864,294 |
| 204 | ** | Handicapped Disabilities Act | 84.027 | H63010100915 | 1,375,834 |
| 205 | ** | Special Education - Preschool Grants | 84.173 | 14CG057 & H63010100816 | 90,713 |
| 206 | ** | Special Education - Preschool Grants | 84.173 | H63010100815 | 131,147 |
| | | *Special Education (IDEA) Cluster* | | | 3,461,988 |
| 207 | | Career and Technical Education - Basic Grants to States | 84.048 | H63010107116 | 230,335 |
| 224 | | 21st Century Community Learning Centers | 84.287 | H63010006916 | 64,757 |
| 224 | | 21st Century - 15 Summer Bridge Program | 84.287 | H63010006915 | 19,908 |
| 232 | | McKinney-Vento Homeless Assistance | 84.196 | H63010108915 | 13,668 |
| 232 | | McKinney-Vento Homeless Assistance | 84.196 | H63010108916 | 24,169 |
| 243 | | Adult Education | 84.002 | H63010101015 | 91,996 |
| 243 | | Adult Education - Reverted Funds School District | 84.002 | H63010101016 | 4,529 |
| 264 | | Title II - English Language Acquisition | 84.365A | 16BP057 | 34,678 |
| 267 | | Title II Part A - Improving Teacher Quality | 84.367 | H63010006815 | 216,787 |
| 267 | | Title II Part A - Improving Teacher Quality | 84.367 | H63010006816 | 71,846 |
| | | Direct Programs: | | | |
| 803 | | Project ASSESS | 84.165A | N/A | 2,780,200 |
| **Total U.S. Department of Education** | | | | | 8,783,104 |
| **U.S. Department of Agriculture** | | | | | |
| Pass-Through S.C. Department of Education: | | | | | |
| | | Child Nutrition Cluster: | | | |
| | | Non-Cash Assistance (Commodities): | | | |
| 600 | | National School Lunch Program | 10.555 | N/A | 508,636 |
| | | Cash Assistance: | | | |
| 600 | | School Breakfast Program | 10.553 | N/A | 1,020,902 |
| 600 | | School Lunch Program | 10.555 | N/A | 2,945,736 |
| | | *Total Child Nutrition Cluster* | | | 4,475,274 |
| 811 | | 2014-15 National School Lunch Equipment Assistance | 10.579 | H63010013514 | 4,896 |
| 812 | | 2014-15 National School Lunch Equipment Assistance | 10.579 | H63010013514 | 4,896 |
| 813 | | 2014-15 National School Lunch Equipment Assistance | 10.579 | H63010013514 | 8,462 |
| Pass-Through S.C. Department of Social Services: | | | | | |
| 600 | | Supper Program | 10.558 | N/A | 152,180 |
| 600 | | Summer Feeding Program | 10.559 | N/A | 93,524 |
| | | Direct Programs: | | | |
| 809 | | Farm to Five: Communities Thrive | 10.575 | CN-F2S-IMPL-15-SC-12 | 610 |
| 810 | | Farm to School | 10.575 | CN-F25-IMPL-14-SC-01 | 16,884 |
| **Total U.S. Department of Agriculture** | | | | | 4,756,726 |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2016**

| LEA Subfund Code | Federal Grantor Pass-Through Grantor Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Total Expenditures |
|---|---|---|---|---|
| | **U.S. Department of Homeland Security** | | | |
| | Pass-Through S.C. Emergency Management Division: | | | |
| 100 | SC Severe Storm and Flooding | 97.036 | 4241-DR-SC | $ 8,959 |
| | **Total U.S. Department of Homeland Security** | | | 8,959 |
| | **U.S. Department of Defense** | | | |
| | Direct Programs: | | | |
| 831 | Navy JROTC | 12.000 | N/A | 88,887 |
| 832 | Air Force JROTC | 12.000 | N/A | 131,308 |
| | **Total U.S. Department of Defense** | | | 220,195 |
| **Total Federal Awards Expended** | | | | $ 13,768,984 |

**Denotes Major Program

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, 2016. The information in this schedule is presented in accordance wih the requirements of the Office of Management and Budget (OMB) Uniform Guidance, 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 Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Also, the District has not elected to use the 10% de minimus indirect cost rate.

(3) Reconciliation of SEFA to Financial Statements:

| Federal Assistance: | |
|---|---|
| Governmental Funds | $ 10,238,943 |
| Enterprise Funds | 4,720,978 |
| Total Federal Assistance per Financial Statements | 14,959,921 |
| Less: Federal Interest Subsidy - Debt Service Fund | (1,190,937) |
| Total Federal Assistance per SEFA | $ 13,768,984 |

ARRA Funded Programs Not Subject to Single Audit:

Build America Bonds
Qualified School Construction Bonds

The federal interest subsidy assistance received from these bond programs is excluded from the SEFA reporting.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR THE YEAR ENDED JUNE 30, 2016**

## Part I Summary of Auditors' Results:

### Financial Statements

| | | |
|---|---|---|
| Type of Auditors' Report Issued: | Unmodified | |
| Internal Control Over Financial Reporting: | | |
| Material Weakness(es) Identified? | X Yes | ___ No |
| Significant Deficiencies Identified That Are Not Considered To Be Material Weaknesses | ___ Yes | X None Reported |
| Noncompliance Material to Financial Statements Noted | ___ Yes | X No |

### Federal Awards

| | | |
|---|---|---|
| Internal Control Over Major Federal Programs: | | |
| Material Weakness(es) Identified? | ___ Yes | X No |
| Significant Deficiencies Identified That Are Not Considered To Be Material Weaknesses | ___ Yes | X None Reported |
| Type of Auditors' Report Issued on Compliance for Major Federal Programs: | Unmodified | |
| Programs Tested as Major Programs: | | |
| Program: | CFDA #: | |
| Special Education Cluster (IDEA) | 84.027, 84.173 | |
| Dollar Threshold used to Distinguish Between Type A and Type B Programs: | $750,000 | |
| Auditee Qualify as Low-Risk Auditee? | X Yes | ___ No |
| Any Audit Findings Disclosed That are Required To Be Reported in Accordance With Government Auditing Standards 2 CFR 200.516(a) | ___ Yes | X No |

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

## Part II Findings - Financial Statements Audit

### Finding 2016-1 Material Audit Adjustments

**Criteria:** Sound internal control over financial reporting requires that there be in place adequate controls over the selection and application of accounting principles that are in conformity with U.S. Generally Accepted Accounting Principles.

**Condition:** The District's unadjusted financial statements reported material misstatements in the School Building Fund and Debt Service Governmental Funds, the Food Service and After School Proprietary Funds, and the Pupil Activity Fiduciary Fund. These misstatements were not prevented or detected by the District's internal control over financial reporting and were not corrected by the District prior to the financial statements being presented for audit.

**Effect:** These funds would have been materially misstated had the audit adjustments not been posted.

**Cause:** The District's internal controls failed to detect material errors in processing, recording and reporting of information related to the School Building Fund, Debt Service Fund, Food Service Fund and Pupil Activity Fund.

**Recommendation:** The District should have procedures in place to assure the proper recording of School Building Fund, Debt Service Fund, Food Service Fund and Pupil Activity Fund.

### Finding 2016-2 Capital Assets

**Criteria:** A complete capital assets listing should be maintained by the District of all capital assets owned meeting the capitalization threshold and should be included in the financial statements of the District at their original cost (or historical value if cost is not available) at the time acquired. These capital assets should be depreciated as applicable over their respective lives.

**Condition:** The District did not maintain an accurate listing of its capital assets and related depreciation calculations.

**Cause:** For the June 30, 2016 fiscal year, the District transitioned to a new accounting system. Prior to transferring the capital asset information to the new system, a complete inventory of District capital assets was performed. This inventory revealed unrecorded capital assets, prior inventoried capital assets no longer owned, and misclassification of capital assets categories. We noted the revised capital asset listing and related accumulated deprecation provided for audit contained material errors. These were caused by incorrect in-service dates for several assets which caused the accumulated deprecation to be calculated incorrectly. The accumulated depreciation was materially correct as stated for these assets at June 30, 2015, but when exported to the new accounting system during the current year, the assets' beginning accumulated depreciation was recalculated in the new accounting system based on incorrect in-service dates for several assets. This caused a material variance in the accumulated depreciation of $11,738,027 for the restated June 30, 2015 balances. Based on audit procedures, this variance was corrected by the District.

**Effect:** Without material corrections, the District's capital assets and related accumulated depreciation would be materially misstated at June 30, 2016.

**Recommendation:** We recommend capital assets and related depreciation calculations be reviewed for accuracy in carrying forward at year end and any discrepancies be noted and investigated.

## Part III Findings and Questioned Costs – Major Federal Award Programs Audit

None

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

None

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**
**CORRECTIVE ACTION PLAN**
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

**Finding 2016-1**

*Failure to detect material errors in processing, recording and reporting of information related to the School Building Fund, Debt Service Fund, Food Service Fund and Pupil Activity Fund.*

The District has implemented additional internal controls to detect and correct any errors in recording the activity, not only in the School Building Fund, Debt Service Fund, Food Service Fund, and Pupil Activity Fund, but in all funds within the district.

**Finding 2016-2**

*Failure to maintain an accurate listing of its capital assets and related depreciation calculations.*

As noted in the finding, the export of incorrect in-service dates for several assets listed in District's legacy accounting system caused calculation errors in the new accounting system. All in-service dates have been corrected to ensure correct calculations of the accumulated depreciation. In addition, the District will reconcile the general ledger addition and retirement postings to the fixed asset register each month and review all balances each month to ensure an accurate listing and valuation of its capital assets.