

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



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
JUNE 30, 2018**

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

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2018



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

Bruce Shealy  
Director of Finance

A. Len Richardson  
Chief Financial Officer

Dr. Stephen Hefner  
Superintendent

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FISCAL YEAR ENDED JUNE 30, 2018**

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# INTRODUCTORY SECTION

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November 30, 2018

**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, 2018.

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, 2018, 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, 2018, 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.

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 as well as the county they represent. Four trustees represent the portion of the District located within Lexington County and three represent the portion of the District located in Richland County. Each trustee is elected to a four-year term by the registered voters in their respective county. 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 2017-2018, the District provided comprehensive educational services for 16,724 students grades kindergarten through twelve. These District educational services range from child development (3 and 4 year olds) to a full program of instruction including continuing education for adults. Included in the programs are: academically gifted and talented classes for students in grades three through twelve; fourteen magnet programs at eleven sites; 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. The District's

management then presents the proposed budget to the Board for study and review during the months of March, 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 2016 estimated populations of Richland County and Lexington County were 409,549 and 286,196, respectively. In 2016, the total population in School District Five of Lexington and Richland Counties was estimated at 98,184. The District is a suburban school district located near the City of Columbia, the State Capital and largest city in the state.

Residential subdivisions and commercial/business areas of the District are stable with continued evidence of growth. Many of the residential subdivisions are located on or around the shores of Lake Murray that continue to attract upscale residential housing and commercial development. The Harbison area of the District continues to be one of the fastest growing business areas as is evidenced by the location of additional businesses in and around the Columbiana Mall area. Growth continues away from the mall area along Dutch Fork Road

A 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.

The median family income for 2016, the last year available, was \$57,623 for Lexington County and \$51,973 for Richland County. Per capita personal income for 2016, the last year available, was \$42,843 for Lexington County and \$42,245 for Richland County. The state per capita income for

this same period was \$40,312, and in the United States was \$49,820. The unemployment rate for Lexington County as of June 2018 was 3.1 percent and for Richland County was 3.7 percent. The state and national unemployment rates for the same period were 3.6 percent and 4.2 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 54.8 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 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 have been completed 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. The District completed the construction of a new wing at Chapin Middle School which opened in August 2018. In August 2017, land was purchased for the future construction of an additional elementary school in the Chapin attendance area.

**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 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 Response to Intervention (RtI) 4K - 5th grade and Middle Level Intervention (MLI) 6th - 8th grade Programs; Positive Behavioral Interventions and Support (PBIS); iFive Technology Integration; Data Teams; and Classroom Mosaic. 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**

- *U.S. News & World Report* has again ranked School District Five among the top in South Carolina for preparing students for college. We had the second highest college readiness rating in the state and two of our high schools were ranked among the top in the state and nation.
- School District Five's ACT and SAT scores rank among the highest in the state according to data recently released by the South Carolina Department of Education. Test results for the latest ACT assessment showed the class of 2018 had the second highest composite score of any traditional school district in South Carolina. We also had the third highest SAT scores of any traditional district in the state.
- 12 students from School District Five have been announced as semifinalists in the National Merit Scholarship program. All four high schools from School District Five are represented in the nationwide pool of semifinalists which represents less than one percent of U.S. high school seniors.
- A School District Five high school has been named among the top 100 public high schools in the U.S. by [thebestschools.org](http://thebestschools.org). Spring Hill High School was ranked 70th in the nation by the site. The online ranking system ranks schools based on strength of high school curriculum, student graduation rates, facilities, clubs and more. Only two schools in South Carolina were ranked, the other being the Academic Magnet High School, which is a criteria-based school for academically gifted students.
- A School District Five elementary school received national recognition from Special Olympics for its efforts to provide inclusive sports and activities for students with and without disabilities. Harbison West Elementary School is one the first elementary schools in South Carolina to be named a Special Olympics Unified Champion School.

- School District Five received a Technology Innovation Programs (TIPs) Award from the South Carolina Association for Educational Technology. The “Code to the Future” program was honored during the state Association for Education Technology 2018 Award Ceremony.
- Two Lexington-Richland School District Five schools have been presented 2018 South Carolina Association for Supervision and Curriculum Development (ASCD) Whole Child Awards. Chapin Intermediate and Irmo Elementary schools were two of the three South Carolina schools receiving awards during the ASCD Whole Child conference in Columbia on Thursday, October 18.
- Two principals in School District Five were named 2018 National Principal of the Year. Dr. Akil Ross was named National Principal of the Year by the National Association of Secondary School Principals, while Dr. Michael Lofton was named Magnet Schools of America National Principal of the Year. Several other school and district leaders received state recognitions.
- Several of the district's athletic teams, bands and performing arts groups earned top awards in state championships in 2018.
- Thirty-one middle school students from School District Five were recognized by the Duke University Talent Program (Duke TIP) in 2018 for their academic achievements. In April 2018, 146 School District Five students were named South Carolina Junior Scholars for the 2017-2018 school year.
- School District Five is a leader in preparing students for their next steps, and that includes initiatives to equip our students with special needs with work-ready skills. Last school year, the district partnered with Midlands Tech and other organizations to create the (Building Occupational Opportunities in the Midlands) BOOM program to provide semester-long construction courses for students with special needs. Today we are proud to say the BOOM program has already received two awards: The Program of the Year Award from the South Carolina Division on Career Development and Transition and the 2018 Outstanding Continuing Education Cooperative Program by the SC Association for Higher Continuing Education.
- A School District Five high school was designated a nationally certified magnet school by Magnet Schools of America (MSA), the national association for magnet and theme-based schools. Irmo High School International School for the Arts was among 21 schools nationwide to successfully complete a rigorous nine-month evaluation process and “demonstrate through evidence, reflection, and strategic action that it has established the best practices entailed in the Magnet School Standards of Excellence.”
- 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, 2017. This is the fifteenth consecutive year that the District has received this prestigious award.

- The District was also awarded The Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting. This is the fifteenth consecutive year that the District has received this prestigious award.

A Certificate of Achievement and a Certificate of Excellence are valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement and Certificate of Excellence program requirements. We plan to submit it to GFOA and ASBO for consideration.

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.

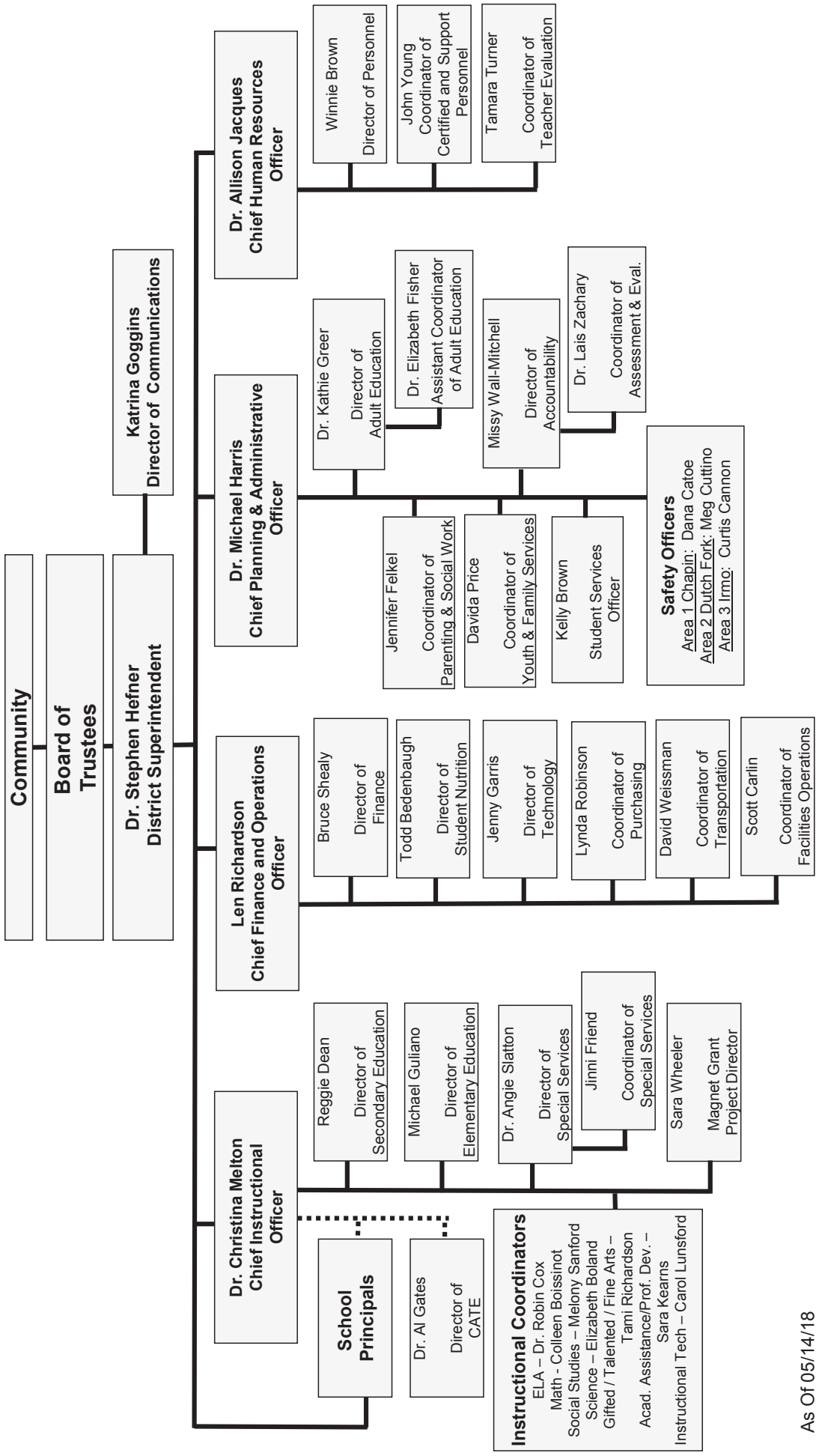
Respectfully submitted,



A. Len Richardson  
Chief Finance and Operations Officer



Christina S. Melton, Ed.D.  
Superintendent



As Of 05/14/18

SCHOOL DISTRICT FIVE OF LEXINGTON & RICHLAND COUNTIES  
PRINCIPAL OFFICIALS

Year Ended June 30, 2018

MEMBERS OF BOARD OF TRUSTEES

Mr. Robert Gantt	Chairman
Mr. Larry Haltiwanger	Vice Chairman
Mrs. Ellen Baumgardner	Secretary
Mr. Michael Cates	Board Member
Mrs. Jan Hammond	Board Member
Ms. Beth Hutchison	Board Member
Mr. Ed White	Board Member

EXECUTIVE STAFF

Dr. Stephen Heftner	Superintendent
Mrs. Katrina Goggins	Director of Communications
Dr. Michael Harris	Chief Planning and Administrative Officer
Dr. Allison Jacques	Chief Human Resources Officer
Dr. Christina Melton	Chief Instructional Officer
Mr. A. Len Richardson	Chief Finance and Operations Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**School District Five of Lexington  
and Richland Counties, South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

School District Five of Lexington and  
Richland Counties

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
Executive Director

## FINANCIAL SECTION

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**PARTNERS**

C.C. McGregor, CPA  
1906–1968

G.D. Skipper, CPA  
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**ASSOCIATES**

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F.C. Gillam, Jr, CPA

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H.S. Mims, CPA  
T. Solorzano, CPA  
C.W. Bolen, CPA  
L.T. Hewitt, 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, 2018, 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.

## **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, 2018, 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.

## **Change in Accounting Principle**

As described in Note 17 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **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 20 – 27, schedules of the District's proportionate share of the net pension liability – SCRS/PORS and District's contributions – SCRS/PORS on pages 83 – 84, and schedules of the District's proportionate share of the net OPEB liability – SCRHITF/SCLTDITF and District's contributions – SCRHITF/SCLTDITF on pages 85 – 86 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 Regulations* (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 30, 2018, 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 30, 2018

**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2018

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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, 2018. 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 3-9 of this report.

## **FINANCIAL HIGHLIGHTS**

Major financial highlights for 2018 include:

- The District's total net position increased \$1,145,670 for the 2017-2018 fiscal year. Net position of governmental activities increased by \$861,920 and net position of business-type activities increased by \$283,750. Total revenues were \$242,061,339 while total expenses were \$240,915,669.
- Total revenues increased \$9,286,877 (4.0%) from \$232,774,462 in fiscal year 2017 to \$242,061,339 in fiscal year 2018. Total expenses increased \$10,406,737 (4.5%), from \$230,508,932 in fiscal year 2017 to \$240,915,669 in fiscal year 2018.
- Governmental funds reported a total decrease of \$160,811 in the fund balance, which included a \$1,680,906 decrease to the general fund, a \$551,632 increase to the debt service fund, and a \$968,463 increase to the capital projects fund.
- The General Fund total fund balance is \$36,655,331 as of June 30, 2018, a decrease of 4.4% from June 30, 2017.
- Total revenue for the District's principal operating fund, the general fund, was \$179,670,619, with an additional \$257,969, 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 \$181,180,219 including \$106,936,874 for instruction, \$72,904,588 for support, \$20,362 for community service, \$43,643 for intergovernmental expenditures, and \$1,274,752 in capital outlay.

## **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).

**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2018

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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 33-37 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 42-79 of this report.

**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2018

**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 \$1,145,670, at the close of the most recent fiscal year.

The following table provides a summary of the District's net position for 2018 compared to 2017.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Current and Other Assets	\$ 95,038,771	\$ 96,921,915	\$ 3,683,306	\$ 3,143,546	98,722,077	\$ 100,065,461
Net Capital Assets	368,021,688	369,969,787	2,271,933	2,558,825	370,293,621	372,528,612
<b>Total Assets</b>	<b>463,060,459</b>	466,891,702	<b>5,955,239</b>	5,702,371	<b>469,015,698</b>	472,594,073
<b>Deferred Outflows of Resources</b>	<b>45,495,528</b>	36,161,219	<b>1,319,251</b>	1,098,382	<b>46,814,779</b>	37,259,601
Current and Other Liabilities	37,028,522	39,560,105	163,546	157,709	37,192,068	39,717,814
Long-term Liabilities	640,112,588	650,578,681	12,667,779	12,976,969	652,780,367	663,555,650
<b>Total Liabilities</b>	<b>677,141,110</b>	690,138,786	<b>12,831,325</b>	13,134,678	<b>689,972,435</b>	703,273,464
<b>Deferred Inflows of Resources</b>	<b>26,063,669</b>	8,424,847	<b>755,445</b>	262,105	<b>26,819,114</b>	8,686,952
Net Position						
Net Investment in Capital Assets	163,073,794	152,302,772	2,271,933	2,558,825	165,345,727	154,861,597
Restricted	19,729,707	16,984,735	-		19,729,707	16,984,735
Unrestricted	(377,452,293)	(364,798,219)	(8,584,213)	(9,154,855)	(386,036,506)	(373,953,074)
<b>Total Net Position</b>	<b>\$ (194,648,792)</b>	\$ (195,510,712)	<b>\$ (6,312,280)</b>	\$ (6,596,030)	<b>\$ (200,961,072)</b>	\$ (202,106,742)

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.

The District's overall net position increased by \$1,145,670 during 2017-2018. Significant current year transactions, such as the addition of \$17,595,674 in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less the additional accumulated depreciation of \$18,132,215 have had an impact on the Statement of Net Position.

**School District Five of Lexington and Richland Counties**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended June 30, 2018**

**Government-wide Overall Financial Analysis (Continued)**

The following table shows the changes in the District's net position for 2018 compared to 2017:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenue</b>						
Program Revenue:						
Charges for Services	\$ 4,197	\$ 6,704	\$ 4,894,353	\$ 5,158,902	\$ 4,898,550	\$ 5,165,606
Operating Grants	90,902,260	85,992,887	5,509,028	5,201,429	96,411,288	91,194,316
General Revenue:						
Ad Valorem Taxes and Fees	94,802,521	91,526,539	-	-	94,802,521	91,526,539
Unrestricted Grants	44,676,344	44,215,110	-	-	44,676,344	44,215,110
Investment Earnings and Disposals	790,998	421,937	47,960	60,663	838,958	482,600
Other General Revenue	433,678	190,291	-	-	433,678	190,291
<b>Total Revenue</b>	<b>231,609,998</b>	<b>222,353,468</b>	<b>10,451,341</b>	<b>10,420,994</b>	<b>242,061,339</b>	<b>232,774,462</b>
<b>Functions/Program Expenses</b>						
Instruction Services	135,172,741	127,992,580	-	-	135,172,741	127,992,580
Support Services	89,069,070	85,010,739	-	-	89,069,070	85,010,739
Community Services	101,009	78,703	-	-	101,009	78,703
Interest on Long-term Debt	6,165,827	6,213,712	-	-	6,165,827	6,213,712
School Food Service & After School	-	-	10,407,022	11,213,198	-	11,213,198
<b>Total Expenses</b>	<b>230,508,647</b>	<b>219,295,734</b>	<b>10,407,022</b>	<b>11,213,198</b>	<b>240,915,669</b>	<b>230,508,932</b>
Increase (Decrease) in Net Position Before Transfers	1,101,351	3,057,734	44,319	(792,204)	1,145,670	2,265,530
Transfers	(239,431)	(267,897)	239,431	267,897	-	-
<b>Increase (Decrease) in Net Position</b>	<b>861,920</b>	<b>2,789,837</b>	<b>283,750</b>	<b>(524,307)</b>	<b>1,145,670</b>	<b>2,265,530</b>
Net Position, Beginning of Year, as Previously Reported	(195,510,712)	(5,982,717)	(6,596,030)	(522,709)	(202,106,742)	(6,505,426)
Restatements:						
Prior year Net OPEB at adoption of GASB 75	-	(192,630,064)	-	(5,549,014)	-	(198,179,078)
Unspent Lease proceeds held in escrow account	-	312,232	-	-	-	312,232
<b>Net Position, Beginning Year, as Restated</b>	<b>(195,510,712)</b>	<b>(198,300,549)</b>	<b>(6,596,030)</b>	<b>(6,071,723)</b>	<b>(202,106,742)</b>	<b>(204,372,272)</b>
<b>Net Position, End of Year</b>	<b>\$ (194,648,792)</b>	<b>\$ (195,510,712)</b>	<b>\$ (6,312,280)</b>	<b>\$ (6,596,030)</b>	<b>\$ (200,961,072)</b>	<b>\$ (202,106,742)</b>

**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2018

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**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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Instruction Services	\$ 135,172,741	\$ 127,992,580	\$ (84,268,229)	\$ (78,747,533)
Support Services	89,069,070	85,010,739	(49,104,998)	(48,286,406)
Community Services	101,009	78,703	(63,136)	(48,492)
Interest (Long-term Debt)	6,165,827	6,213,712	(6,165,827)	(6,213,712)
<b>Totals</b>	<b>\$ 230,508,647</b>	<b>\$ 219,295,734</b>	<b>\$ (139,602,190)</b>	<b>\$ (133,296,143)</b>

**Business-Type Activities.** Business-type activities include the District's school food service and after school programs. These programs had revenues of \$4,894,353 non-operating revenue and transfers of \$5,556,988, and expenses of \$10,407,022. This resulted in net increase of \$44,319.

**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, 2018, the District's governmental funds reported combined fund balances of \$55,472,391, a decrease of \$160,811 in comparison with the prior year. Approximately 49.9% of this amount (\$32,453,103) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$1,303,955), 2) restricted for particular purposes (\$18,817,060), or 3) assigned for special purposes (\$2,898,273).

The general fund is the principal operating fund of the District. The decrease in net position in the general fund for the fiscal year was \$1,680,906. After reservations for inventories, prepaid expenditures, and funds assigned for special purposes, the unassigned fund balance was \$32,453,103. 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.

**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2018

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**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 had a total fund balance of \$6,003,256, all of which is restricted for the payment of debt service. This is an increase of \$811,397 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 increase of \$968,463. The ending balance is \$12,813,804. The change was attributable to the sale of 8% bonds during the year and delays in completion of projects.

**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 \$283,750. The food services program ended the year with a \$328,825 increase in net position and the after school program ended the year with a \$45,075 decrease in net position.

**General Fund Budgetary Highlights**

The District's budget is prepared according to South Carolina law. The District amended the general fund budget for decreases in total budgeted revenues. 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 2017 - 2018 fiscal year increased by 4.61% and 4.46% respectively over the prior year. Revenue has a positive variance of \$2,532,773. Actual expenditures resulted in a positive variance of \$692,030.

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**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2018

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2018, the District had \$370,293,621 invested in a broad range of capital assets, including land, buildings, site improvements, furniture, equipment, vehicles, and library books. This represents a net decrease of \$2,234,991 (-0.6%) for the 2017 - 2018 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 8,542,011	\$ 7,593,144	\$ -	\$ -	8,542,011	\$ 7,593,144
Buildings	457,791,772	452,895,760	-	-	457,791,772	452,895,760
Site Improvements	34,650,156	35,043,546	-	-	34,650,156	35,043,546
Furniture and Equipment	20,125,763	17,713,736	4,785,017	4,874,668	24,910,780	22,588,404
Construction in Progress	8,123,421	2,466,661	-	-	8,123,421	2,466,661
Total Capital Assets	<u>529,233,123</u>	<u>515,712,847</u>	<u>4,785,017</u>	<u>4,874,668</u>	<u>534,018,140</u>	<u>520,587,515</u>
Less: Accumulated						
Deprecation	161,211,435	145,743,060	2,513,084	2,315,843	163,724,519	148,058,903
Net Capital Assets	<u>\$ 368,021,688</u>	<u>\$ 369,969,787</u>	<u>\$ 2,271,933</u>	<u>\$ 2,558,825</u>	<u>\$ 370,293,621</u>	<u>\$ 372,528,612</u>

**Debt Administration**

As of June 30, 2018, the District had total outstanding long-term debt of \$194,656,901. 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, 2018 and 2017 is as follows:

**Long-Term Debt at June 30**

	Governmental Activities	
	2018	2017
November 19, 2013 Issue	\$ 30,521,000	\$ 32,724,000
November 9, 2015 Issue	57,950,000	60,220,000
June 9, 2010 Issue	10,000,000	10,000,000
August 21, 2012 Issue	94,760,000	100,155,000
Lease Acquisition - April 3, 2017 Issue	1,425,901	1,877,527
Totals	<u>\$ 194,656,901</u>	<u>\$ 204,976,527</u>

**School District Five of Lexington and Richland Counties**  
Management's Discussion and Analysis (Unaudited)  
Year Ended June 30, 2018

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**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, 2018, the District's debt capacity was approximately \$41,065,940. The District issued Series 2018A \$9,718,000 SCAGO general obligation bonds leaving the legal debt limit margin of \$31,347,940 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 72).

**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 2018 - 2019. 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.

When setting the 2018 - 2019 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 2018 - 2019 was approved by the Board of Trustees on May 22, 2018. The budget was approved for \$188,721,570 which is an increase of \$6,830,212 or 3.76% from the prior year's budget. The Board of Trustees approved an amended budget on July 16, 2018 to include changes ratified by the General Assembly on June 29, 2018.

**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](http://www.lexrich5.org).

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# 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.

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**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**  
**STATEMENT OF NET POSITION (DEFICIT)**  
**JUNE 30, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash & Cash Equivalents	\$ 57,140,087	\$ 2,420,051	\$ 59,560,138
Property Tax Receivable, Net	5,500,427	-	5,500,427
Accrued Interest	43,750	-	43,750
Internal Balances	(960,755)	960,755	-
Due From County Government	25,112,615	-	25,112,615
Due From Federal Government	642	-	642
Prepaid Expenses	1,299,021	-	1,299,021
Inventories - Supply & Materials	4,934	135,558	140,492
Other Receivables	6,898,050	166,942	7,064,992
Noncurrent Assets:			
Capital Assets (Net of Accumulated Depreciation):			
Land	8,542,011	-	8,542,011
Buildings	316,454,851	-	316,454,851
Site Improvements	24,390,374	-	24,390,374
Machinery, Equipment and Vehicles	10,511,031	2,271,933	12,782,964
Construction in Progress	8,123,421	-	8,123,421
<b>Total Assets</b>	<b>463,060,459</b>	<b>5,955,239</b>	<b>469,015,698</b>
<b>Deferred Outflows of Resources</b>			
Net Pension Deferred Outflows	37,852,756	1,119,516	38,972,272
Net OPEB Deferred Outflows	6,911,357	199,735	7,111,092
Unamortized Loss on Refunding - Debt Defeasance	731,415	-	731,415
<b>Total Deferred Outflows of Resources</b>	<b>45,495,528</b>	<b>1,319,251</b>	<b>46,814,779</b>
<b>Liabilities</b>			
Accounts Payable and Other Liabilities	2,004,207	11,605	2,015,812
Accrued Salaries	11,130,461	-	11,130,461
Accrued Payroll Related Liabilities	3,009,927	-	3,009,927
Due To State Government	392,880	-	392,880
Due to Pupil Activity	3,526,136	-	3,526,136
Bonds Payable	9,718,000	-	9,718,000
Retainage Payable	50,109	-	50,109
Unearned Revenue	4,888,658	151,941	5,040,599
Other Liabilities	10,702	-	10,702
Accrued Interest Payable	2,297,442	-	2,297,442
Noncurrent Liabilities:			
Due Within One Year	13,331,885	8,069	13,339,954
Due in More Than One Year	193,635,178	12,104	193,647,282
Net OPEB Liability	186,221,874	5,344,708	191,566,582
Net Pension Liability	246,923,651	7,302,898	254,226,549
<b>Total Liabilities</b>	<b>677,141,110</b>	<b>12,831,325</b>	<b>689,972,435</b>
<b>Deferred Inflows of Resources</b>			
Net Pension Deferred Inflows	8,457,149	250,126	8,707,275
Net OPEB Deferred Inflows	17,606,520	505,319	18,111,839
<b>Total Deferred Inflows of Resources</b>	<b>26,063,669</b>	<b>755,445</b>	<b>26,819,114</b>
<b>Net Position (Deficit)</b>			
Net Investment in Capital Assets	163,073,794	2,271,933	165,345,727
Restricted For:			
Debt Service	6,915,903		6,915,903
Capital Projects	12,813,804		12,813,804
Net Position (Deficit) - Unrestricted	(377,452,293)	(8,584,213)	(386,036,506)
<b>Total Net Position (Deficit)</b>	<b>\$ (194,648,792)</b>	<b>\$ (6,312,280)</b>	<b>\$ (200,961,072)</b>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
Instruction	\$ 135,172,741	\$ 2,350	\$ 50,902,162	\$ -	\$ (84,268,229)	\$ -	\$ (84,268,229)
Support Services	89,069,070	1,845	39,962,227	-	(49,104,998)	-	(49,104,998)
Community Service	101,009	2	37,871	-	(63,136)	-	(63,136)
Interest & Other Charges	6,165,827	-	-	-	(6,165,827)	-	(6,165,827)
<b>Total Governmental Activities</b>	<b>230,508,647</b>	<b>4,197</b>	<b>90,902,260</b>	<b>-</b>	<b>(139,602,190)</b>	<b>-</b>	<b>(139,602,190)</b>
<b>Business-Type Activities:</b>							
Food Service	8,869,617	3,402,266	5,508,785	-	-	41,434	41,434
After School	1,537,405	1,492,087	243	-	-	(45,075)	(45,075)
<b>Total Business-Type Activities</b>	<b>10,407,022</b>	<b>4,894,353</b>	<b>5,509,028</b>	<b>-</b>	<b>-</b>	<b>(3,641)</b>	<b>(3,641)</b>
<b>Total Primary Government</b>	<b>\$ 240,915,669</b>	<b>\$ 4,898,550</b>	<b>\$ 96,411,288</b>	<b>\$ -</b>	<b>(139,602,190)</b>	<b>(3,641)</b>	<b>(139,605,831)</b>
<b>General Revenues:</b>							
Property Taxes Levied For:							
General Purposes					66,740,797	-	66,740,797
Debt Service					26,280,631	-	26,280,631
Payment in Lieu of Taxes					1,781,093	-	1,781,093
Unrestricted State Revenue in Lieu of Taxes					44,676,344	-	44,676,344
Unrestricted Investment Earnings					790,998	47,960	838,958
Miscellaneous					433,678	-	433,678
Transfers					(239,431)	239,431	-
<b>Total General Revenues and Transfers</b>					<b>140,464,110</b>	<b>287,391</b>	<b>140,751,501</b>
<b>Change in Net Position</b>					<b>861,920</b>	<b>283,750</b>	<b>1,145,670</b>
<b>Net Position (Deficit) - Beginning - as Restated</b>					<b>(195,510,712)</b>	<b>(6,596,030)</b>	<b>(202,106,742)</b>
<b>Net Position (Deficit) - Ending</b>					<b>\$ (194,648,792)</b>	<b>\$ (6,312,280)</b>	<b>\$ (200,961,072)</b>

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, 2018**

	<b>Special Revenue Funds</b>				<b>Capital Projects</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Special Projects</b>	<b>Education Improvement Act</b>	<b>Debt Service</b>		
<b>Assets</b>						
Cash & Cash Equivalents	\$ 57,140,087	\$ -	\$ -	\$ -	\$ -	\$ 57,140,087
Property Tax Receivable, Net	4,434,607	-	-	1,065,820	-	5,500,427
Due From Other Funds	39,044	-	2,839,677	144,505	24,128,138	27,151,364
Due From County Government	19,407,037	-	-	5,705,578	-	25,112,615
Due From Federal Government	-	642	-	-	-	642
Prepaid Items	1,299,021	-	-	-	-	1,299,021
Inventories - Supplies & Materials	4,934	-	-	-	-	4,934
Other Receivables	3,393,784	3,373,171	131,095	-	-	6,898,050
<b>Total Assets</b>	<b>\$ 85,718,514</b>	<b>\$ 3,373,813</b>	<b>\$ 2,970,772</b>	<b>\$ 6,915,903</b>	<b>\$ 24,128,138</b>	<b>\$ 123,107,140</b>
<b>Liabilities, Deferred Inflows &amp; Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 380,873	\$ 62,309	\$ 14,800	\$ -	\$ 1,546,225	\$ 2,004,207
Accrued Salaries	11,130,461	-	-	-	-	11,130,461
Accrued Payroll Related Liabilities	3,009,927	-	-	-	-	3,009,927
Due To Other Funds	30,652,317	985,938	-	-	-	31,638,255
Due To State Government	-	298,840	94,040	-	-	392,880
Bonds Payable	-	-	-	-	9,718,000	9,718,000
Retainage Payable	-	-	-	-	50,109	50,109
Unearned Revenue	-	2,026,726	2,861,932	-	-	4,888,658
Other Liabilities	10,702	-	-	-	-	10,702
<b>Total Liabilities</b>	<b>45,184,280</b>	<b>3,373,813</b>	<b>2,970,772</b>	<b>-</b>	<b>11,314,334</b>	<b>62,843,199</b>
<b>Deferred Inflows</b>						
Unavailable Tax Revenues	3,878,903	-	-	912,647	-	4,791,550
<b>Total Deferred Inflows</b>	<b>3,878,903</b>	<b>-</b>	<b>-</b>	<b>912,647</b>	<b>-</b>	<b>4,791,550</b>
<b>Fund Balances</b>						
Non-Spendable	1,303,955	-	-	-	-	1,303,955
Restricted	-	-	-	6,003,256	12,813,804	18,817,060
Assigned for Special Purposes	2,898,273	-	-	-	-	2,898,273
Unassigned	32,453,103	-	-	-	-	32,453,103
<b>Total Fund Balances</b>	<b>36,655,331</b>	<b>-</b>	<b>-</b>	<b>6,003,256</b>	<b>12,813,804</b>	<b>55,472,391</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 85,718,514</b>	<b>\$ 3,373,813</b>	<b>\$ 2,970,772</b>	<b>\$ 6,915,903</b>	<b>\$ 24,128,138</b>	<b>\$ 123,107,140</b>

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, 2018**

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

<b>Total Governmental Fund Balances</b>		\$ 55,472,391
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. <i>This is the amount that the cost of the assets exceeds the accumulated depreciation.</i></p>		
<i>Cost of Assets</i>	\$ 529,233,123	
<i>Accumulated Depreciation</i>	<u>(161,211,435)</u>	368,021,688
<p>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.</p>		
		43,750
<p>Deferred Outflows (Inflows) resulting from the recognition of the employer's share of the state's net pension and OPEB liability are not current financial resources and, therefore, are not reported in the funds.</p>		
		18,700,444
<p>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.</p>		
		731,415
<p>Certain unearned revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities. <i>This is the additional amount of taxes receivable recognized under the accrual basis.</i></p>		
		4,791,550
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
<i>Long - Term Debt</i>	(194,656,901)	
<i>Net Pension Liability</i>	(246,923,651)	
<i>Net OPEB Liability</i>	(186,221,874)	
<i>Bond Premiums, Net of Amortization</i>	(11,022,408)	
<i>Compensated Absences</i>	(1,287,754)	
<i>Accrued Interest Payable</i>	<u>(2,297,442)</u>	<u>(642,410,031)</u>
<b>Net Position (Deficit) of Governmental Activities</b>		<b>\$ <u>(194,648,792)</u></b>

*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 BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>				<b>Total Governmental Funds</b>	
	<b>General</b>	<b>Special Projects</b>	<b>Education Improvement Act</b>	<b>Debt Service</b>		<b>Capital Projects</b>
<b>Revenues</b>						
Taxes Levied/Assessed by the LEA	\$ 66,195,075	\$ -	\$ -	\$ 26,169,830	\$ -	\$ 92,364,905
Revenue From Local Governmental Units Other Than LEAs	1,509,596	-	-	271,497	-	1,781,093
Tuition	3,265	-	-	-	-	3,265
Earnings on Investments	452,928	-	-	82,772	255,298	790,998
Pupil Activities	-	931	-	-	-	931
Other Revenue from Local Sources	999,804	1,105,928	-	-	100,000	2,205,732
<b>Total Local</b>	<b>69,160,668</b>	<b>1,106,859</b>	<b>-</b>	<b>26,524,099</b>	<b>355,298</b>	<b>97,146,924</b>
State Sources	110,509,951	1,629,212	11,176,220	1,091,249	-	124,406,632
Federal Sources	-	8,917,904	-	481,010	-	9,398,914
<b>Total Revenues</b>	<b>179,670,619</b>	<b>11,653,975</b>	<b>11,176,220</b>	<b>28,096,358</b>	<b>355,298</b>	<b>230,952,470</b>
<b>Expenditures</b>						
<b>Current:</b>						
Instruction	106,936,874	6,834,402	4,980,115	-	-	118,751,391
Support Services	72,904,588	3,523,034	1,318,223	-	5,156,034	82,901,879
Community Services	20,362	68,193	-	-	-	88,555
Intergovernmental	43,643	172,865	-	-	-	216,508
<b>Debt Service:</b>						
Other Professional and Technical Services	-	-	-	1,525	-	1,525
Redemption of Principal	-	451,626	-	9,868,000	-	10,319,626
Interest	-	48,374	-	7,856,201	-	7,904,575
Other Objects	-	-	-	-	46,541	46,541
<b>Capital Outlay</b>	<b>1,274,752</b>	<b>510,484</b>	<b>254,656</b>	<b>-</b>	<b>8,781,405</b>	<b>10,821,297</b>
<b>Total Expenditures</b>	<b>181,180,219</b>	<b>11,608,978</b>	<b>6,552,994</b>	<b>17,725,726</b>	<b>13,983,980</b>	<b>231,051,897</b>
Excess of Revenues Over (Under) Expenditures	(1,509,600)	44,997	4,623,226	10,370,632	(13,628,682)	(99,427)
<b>Other Financing Sources (Uses)</b>						
Premiums on Bonds Sold	-	-	-	-	90,377	90,377
Sale of Capital Assets	86,663	-	-	-	-	86,663
Other Financing Sources	-	1,007	-	-	-	1,007
Transfers In	4,981,462	312,232	-	-	14,819,000	20,112,694
Transfers Out	(5,239,431)	(358,236)	(4,623,226)	(9,819,000)	(312,232)	(20,352,125)
<b>Total Other Financing Sources (Uses)</b>	<b>(171,306)</b>	<b>(44,997)</b>	<b>(4,623,226)</b>	<b>(9,819,000)</b>	<b>14,597,145</b>	<b>(61,384)</b>
<b>Net Change in Fund Balances</b>	<b>(1,680,906)</b>	<b>-</b>	<b>-</b>	<b>551,632</b>	<b>968,463</b>	<b>(160,811)</b>
<b>Fund Balance, Beginning of Year - as Restated *</b>	<b>38,336,237</b>	<b>-</b>	<b>-</b>	<b>5,451,624</b>	<b>11,845,341</b>	<b>55,633,202</b>
<b>Fund Balance, Ending of Year</b>	<b>\$ 36,655,331</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,003,256</b>	<b>\$ 12,813,804</b>	<b>\$ 55,472,391</b>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Amounts Reported for the Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds \$ (160,811)

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.*

<i>Depreciation Expense</i>	\$ (17,809,854)	
<i>Capital Outlay</i>	<u>17,546,163</u>	(263,691)

The issuance of long-term debt (e.g. bonds, lease purchase) 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.*

<i>Redemption of Principal</i>	10,319,626	
<i>Issuance of Long-Term Debt</i>	<u>-</u>	10,319,626

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.*

<i>Change in Amortization of Loss on Refunding Bonds</i>	(124,374)	
<i>Change in Amortization of Bond Premiums</i>	<u>1,668,080</u>	1,543,706

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 capital assets disposed or sold. (1,684,411)

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. 656,523

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.*

<i>Compensated Absences - End of Current Year</i>	(1,287,754)	
<i>Compensated Absences - End of Prior Year</i>	<u>1,853,730</u>	565,976

Retirement and pension expense in the statement of activities is measured by the District's proportionate share of the SCRS pension and SCRHITF and SC LTDITF OPEB total expense. In the governmental funds, however, the expenditure is measured by the current contributions to the retirement and pension system. *This is the difference between the Current Contributions and the District's proportionate share.* (10,267,729)

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. 152,731

**Change in Net Position of Governmental Activities \$ 861,920**

*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 BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local	\$ 67,441,807	\$ 67,441,807	\$ 69,160,668	\$ 1,718,861
State	109,868,265	109,696,039	110,509,951	813,912
<b>Total Revenues</b>	<u>177,310,072</u>	<u>177,137,846</u>	<u>179,670,619</u>	<u>2,532,773</u>
<b>Expenditures</b>				
Current:				
Instruction	110,252,945	110,252,945	106,936,874	3,316,071
Support Services	71,578,455	71,578,455	74,179,340	(2,600,885)
Community Services	20,850	20,850	20,362	488
Intergovernmental	20,000	20,000	43,643	(23,643)
<b>Total Expenditures</b>	<u>181,872,250</u>	<u>181,872,250</u>	<u>181,180,219</u>	<u>692,031</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>(4,562,178)</u>	<u>(4,734,404)</u>	<u>(1,509,600)</u>	<u>3,224,804</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	-	86,663	86,663
Transfers from Other Funds	4,557,801	4,557,801	(257,969)	(4,815,770)
<b>Total Other Financing Sources (Uses)</b>	<u>4,557,801</u>	<u>4,557,801</u>	<u>(171,306)</u>	<u>(4,729,107)</u>
<b>Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (4,377)</u>	<u>\$ (176,603)</u>	<u>(1,680,906)</u>	<u>\$ (1,504,303)</u>
<b>Fund Balance, Beginning of Year</b>			<u>38,336,237</u>	
<b>Fund Balance, Ending of Year</b>			<u>\$ 36,655,331</u>	

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**  
**STATEMENT OF NET POSITION (DEFICIT)**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**JUNE 30, 2018**

<b>Assets</b>	<b>Food Services</b>	<b>After School Program</b>	<b>Totals</b>
Current Assets:			
Cash & Cash Equivalents	\$ 2,420,051	\$ -	\$ 2,420,051
Due From Other Funds	182,692	778,063	960,755
Inventories - Supply & Materials	135,558	-	135,558
Other Receivables	166,942	-	166,942
<b>Total Current Assets</b>	<b>2,905,243</b>	<b>778,063</b>	<b>3,683,306</b>
Noncurrent Assets:			
Property and Equipment, Net	2,271,933	-	2,271,933
<b>Total Noncurrent Assets</b>	<b>2,271,933</b>	<b>-</b>	<b>2,271,933</b>
<b>Total Assets</b>	<b>5,177,176</b>	<b>778,063</b>	<b>5,955,239</b>
<b>Deferred Outflows of Resources</b>			
Net Pension Deferred Outflows	873,619	245,897	1,119,516
Net OPEB Deferred Outflows	152,374	47,361	199,735
<b>Total Deferred Outflows of Resources</b>	<b>1,025,993</b>	<b>293,258</b>	<b>1,319,251</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable	10,093	1,512	11,605
Unearned Revenue	151,941	-	151,941
Compensated Absences Payable	8,069	-	8,069
<b>Total Current Liabilities</b>	<b>170,103</b>	<b>1,512</b>	<b>171,615</b>
Noncurrent Liabilities:			
Compensated Absences Payable	12,104	-	12,104
Net OPEB Liability	4,077,367	1,267,341	5,344,708
Net Pension Liability	5,698,854	1,604,044	7,302,898
<b>Total Noncurrent Liabilities</b>	<b>9,788,325</b>	<b>2,871,385</b>	<b>12,659,710</b>
<b>Total Liabilities</b>	<b>9,958,428</b>	<b>2,872,897</b>	<b>12,831,325</b>
<b>Deferred Inflows of Resources</b>			
Net Pension Deferred Inflows	195,186	54,940	250,126
Net OPEB Deferred Inflows	385,497	119,822	505,319
<b>Total Deferred Inflows of Resources</b>	<b>580,683</b>	<b>174,762</b>	<b>755,445</b>
<b>Net Position (Deficit)</b>			
Investment in Capital Assets	2,271,933	-	2,271,933
Unrestricted	(6,607,875)	(1,976,338)	(8,584,213)
<b>Total Net Position (Deficit)</b>	<b>\$ (4,335,942)</b>	<b>\$ (1,976,338)</b>	<b>\$ (6,312,280)</b>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)  
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Food Service</u>	<u>After School Program</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Proceeds from Sales of Meals	\$ 3,402,266	\$ -	\$ 3,402,266
Proceeds of Tuition	-	1,492,087	1,492,087
<b>Total Operating Revenues</b>	<u>3,402,266</u>	<u>1,492,087</u>	<u>4,894,353</u>
<b>Operating Expenses</b>			
Food Costs	3,901,054	-	3,901,054
Salaries & Employee Benefits	3,797,905	1,113,398	4,911,303
Purchased Services	445,348	140,335	585,683
Supplies and Materials	380,445	267,787	648,232
Capital Outlay	4,851	14,825	19,676
Depreciation	322,361	-	322,361
Other Operating Costs	17,653	1,060	18,713
<b>Total Operating Expenses</b>	<u>8,869,617</u>	<u>1,537,405</u>	<u>10,407,022</u>
<b>Operating Income (Loss)</b>	<u>(5,467,351)</u>	<u>(45,318)</u>	<u>(5,512,669)</u>
<b>Non-Operating Revenues (Expenses)</b>			
USDA Reimbursements	4,485,386	-	4,485,386
Commodities Received from USDA	603,612	-	603,612
Other Federal & State Aid	212,176	-	212,176
Other Local Revenue	221,653	243	221,896
Interest Income	47,960	-	47,960
Loss on Disposal of Capital Assets	(14,042)	-	(14,042)
<b>Total Non-Operating Revenues</b>	<u>5,556,745</u>	<u>243</u>	<u>5,556,988</u>
<b>Net Income Before Transfers</b>	89,394	(45,075)	44,319
Transfers In (Out)	239,431	-	239,431
<b>Change in Net Position</b>	328,825	(45,075)	283,750
<b>Net Position (Deficit), Beginning of Year - as Restated</b>	<u>(4,664,767)</u>	<u>(1,931,263)</u>	<u>(6,596,030)</u>
<b>Net Position (Deficit), End of Year</b>	<u>\$ (4,335,942)</u>	<u>\$ (1,976,338)</u>	<u>\$ (6,312,280)</u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Food Service</u>	<u>After School Program</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>			
Received from Patrons	\$ 3,427,589	\$ 1,492,087	\$ 4,919,676
Payments to Employees for Services	(3,902,399)	(1,045,624)	(4,948,023)
Payments to Suppliers for Goods and Services	(4,193,320)	(423,093)	(4,616,413)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(4,668,130)</u>	<u>23,370</u>	<u>(4,644,760)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Federal Subsidy	4,409,394	-	4,409,394
Other Federal and State Aid	212,176	-	212,176
Non-operating Local Support	221,653	243	221,896
Transfers to Other Funds	(3,121,179)	(23,613)	(3,144,792)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>1,722,044</u>	<u>(23,370)</u>	<u>1,698,674</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(49,511)	-	(49,511)
<b>Net Cash Provided (Used) by Capital and Financing Activities</b>	<u>(49,511)</u>	<u>-</u>	<u>(49,511)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	47,960	-	47,960
<b>Net Increase in Cash and Cash Equivalents</b>	(2,947,637)	-	(2,947,637)
Cash and Cash Equivalents - Beginning	5,367,688	-	5,367,688
Cash and Cash Equivalents - Ending	<u>\$ 2,420,051</u>	<u>\$ -</u>	<u>\$ 2,420,051</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income (Loss)	<u>\$ (5,467,351)</u>	<u>\$ (45,318)</u>	<u>\$ (5,512,669)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:			
Depreciation Expense	322,361	-	322,361
Commodities Received from USDA	603,612	-	603,612
Pension Expense	(191,667)	43,758	(147,909)
OPEB Expense	77,261	24,016	101,277
Change in Assets and Liabilities:			
Increase in Inventories	(27,181)	-	(27,181)
Decrease in Accounts Payable	(20,400)	914	(19,486)
Decrease in Accrued Expenses	9,912	-	9,912
Increase in Unearned Revenue	25,323	-	25,323
<b>Total Adjustments</b>	<u>799,221</u>	<u>68,688</u>	<u>867,909</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (4,668,130)</u>	<u>\$ 23,370</u>	<u>\$ (4,644,760)</u>
Non-Cash Transactions:			
Commodities Received from USDA	\$ 603,612	\$ -	\$ 603,612

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES**  
**FIDUCIARY FUND TYPE - PUPIL ACTIVITY AGENCY FUND**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2018**

	<b>Pupil Activity</b>
<b>Assets</b>	
Due From District	<u>\$ 3,526,136</u>
<b>Total Assets</b>	<u><u>\$ 3,526,136</u></u>
<b>Liabilities</b>	
Accounts Payable	\$ 43,949
Due to Pupil Activities	<u>3,482,187</u>
<b>Total Liabilities</b>	<u><u>\$ 3,526,136</u></u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**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 16,724 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. 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.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Basis of presentation (continued)**

activities, which are presented as internal balances and eliminated in the total column. Interfund services provided and used are not eliminated.

**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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Budgets and budgetary accounting:** The District's sole legally adopted budget is for the general fund as approved by the Board of Trustees prior to the beginning of each fiscal year. The adopted budget 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. The General Fund had excess of expenditures over appropriations of \$2,600,886 for support services and \$23,643 for intergovernmental expenditures.

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 25<sup>th</sup> day of June to obtain taxpayer comments.
3. Following the public hearing and before July first of each year the Board takes final action on the budget.
4. Upon final action by the Board on the budget, the Chairman of the Board notifies the auditor and treasurer of the Counties of the amount of money required for the operation of the District during the next fiscal year. Upon receipt of this notice, the auditor levies taxes on all the taxable property of the Counties.
5. Formal budgetary integration is employed as a management control device during the year. Encumbrances are recorded at the time a good or service is ordered and the remaining budget appropriation is reduced by the same amount. When the good or service is received, the encumbrance is reversed in the budgetary accounts and an expenditure is recorded in the general ledger accounts. Encumbered appropriations lapse at year-end and all outstanding encumbrances are 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;
- b. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank, and the Asian Development Bank;
- c. Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear investment grade ratings of at least two nationally recognized rating services;
- d. Certificates of Deposit - if the certificates are secured collaterally by securities of the type described in a. or c. above, held by a third party as escrow agent or custodian, and are of a market value not less than the amount of the certificates of deposits so secured, including interest, except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Investments (continued)**

- e. Repurchase agreements if collateralized by securities of the types described in a. and c. above and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest;
- f. Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally recognized rating services.

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

**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, 2018.

**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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**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 has three items that qualify for reporting in this category. They are the deferred charge on refunding reported in the government-wide statement of net position, and outflows related to pensions and OPEB. 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 and OPEB are described in Notes 5 and 6.

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 and OPEB. 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 and inflows related to OPEB are described in Note 6.

**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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Compensated absences (continued)**

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

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

**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.

**Postemployment Benefits Other Than Pensions (OPEB)**

The Governmental Accounting Standards Board (GASB) issued Statement No. 75 entitled *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015 and is effective for fiscal years commencing after June 15, 2017. Paragraphs 89 through 98 of GASB Statement No. 75 discuss the note disclosures and RSI for cost-sharing employers.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts' fiduciary net position have been determined on the same basis as they are reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. 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 requirements 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Fund balances (continued)**

**Committed:** Represents amounts that can only be used 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:** Fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

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

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

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

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

The District's policy for applying expenses that can 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Classification of revenues (continued)**

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

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

**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, 2018, the carrying amount of the District's deposits and investments held by the various funds was as follows:

<u>Fund Types</u>	
General Fund	\$ 57,140,087
Enterprise Fund	<u>2,420,051</u>
	<u>\$ 59,560,138</u>
Cash on hand	\$ 90,608
Deposits	13,094,633
Investments	<u>46,374,897</u>
<b>Carrying amount at June 30, 2018</b>	<b><u>\$ 59,560,138</u></b>

**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, 2018, the bank balance of the District deposits totaled \$22,974,179 of which \$7,291,659 was insured by Federal Depository Insurance Corporation (FDIC) insurance and \$15,682,520 was secured by collateral held by the bank's trust department in the District's name.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Investments**

**Credit risk:** The District adheres to the State of South Carolina's investment policy and invests in primarily Certificates of Deposit and U.S. Government-backed obligations. There are no investments in commercial paper or corporate bonds and equities. The District's investments are composed of \$46,374,897, of which \$45,685,064 is invested with the South Carolina State Investment Pool and \$689,833 is invested in Morgan Stanley Government Portfolio.

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, 2018, 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

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

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

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

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

**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 31<sup>st</sup>. 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 15<sup>th</sup>. Penalties are added to taxes depending upon the date paid as follows:

January 16 <sup>th</sup> – February 1 <sup>st</sup>	3% of tax
February 2 <sup>nd</sup> – March 15 <sup>th</sup>	10% of tax
March 16 <sup>th</sup> – 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 3 – RECEIVABLES (continued)**

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.

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

Delinquent taxes receivable	\$ 7,857,753
Less: Allowance for uncollectible amounts	<u>(2,357,326)</u>
Taxes receivable	<u>\$ 5,500,427</u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$ 7,593,144	\$ 948,867	\$ -	\$ 8,542,011
Construction-in-Progress	<u>2,466,661</u>	<u>12,711,986</u>	<u>(7,055,226)</u>	<u>8,123,421</u>
Total Capital Assets, Not being Depreciated	<u>10,059,805</u>	<u>13,660,853</u>	<u>(7,055,226)</u>	<u>16,665,432</u>
<u>Capital Assets, Being Depreciated:</u>				
Buildings	452,895,760	7,060,772	(2,164,760)	457,791,772
Site Improvements	35,043,546	166,888	(560,278)	34,650,156
Furniture and Equipment	<u>17,713,736</u>	<u>3,712,876</u>	<u>(1,300,849)</u>	<u>20,125,763</u>
Total Capital Assets, Being Depreciated	<u>505,653,042</u>	<u>10,940,536</u>	<u>(4,025,887)</u>	<u>512,567,691</u>
<u>Less Accumulated Depreciation For:</u>				
Buildings	(129,256,342)	(13,233,020)	1,152,441	(141,336,921)
Site Improvements	(8,552,030)	(1,985,181)	277,429	(10,259,782)
Furniture and Equipment	<u>(7,934,688)</u>	<u>(2,591,653)</u>	<u>911,609</u>	<u>(9,614,732)</u>
Total Accumulated Depreciation	<u>(145,743,060)</u>	<u>(17,809,854)</u>	<u>2,341,479</u>	<u>(161,211,435)</u>
Total Capital Assets, Being Depreciated, Net	<u>359,909,982</u>	<u>(6,869,318)</u>	<u>(1,684,408)</u>	<u>351,356,256</u>
Governmental Activities Capital Assets, Net	<u>\$ 369,969,787</u>	<u>\$ 6,791,535</u>	<u>\$ (8,739,634)</u>	<u>\$ 368,021,688</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 4,874,668	\$ 49,511	\$ (139,162)	\$ 4,785,017
Total Capital Assets Being Depreciated	<u>4,874,668</u>	<u>49,511</u>	<u>(139,162)</u>	<u>4,785,017</u>
Less, Accumulated Depreciation for:				
Furniture and Equipment	<u>(2,315,843)</u>	<u>(322,361)</u>	<u>125,120</u>	<u>(2,513,084)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,558,825</u>	<u>\$ (272,850)</u>	<u>\$ (14,042)</u>	<u>\$ 2,271,933</u>

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

Governmental Activities:		
Instruction		\$ 9,972,910
Support		7,829,524
Community Service		7,420
Total Depreciation – Governmental Activities		<u>\$ 17,809,854</u>
Business-Type Activities:		
Food Service		\$ 322,361
Total Depreciation – Business –Type Activities		<u>\$ 322,361</u>

**Construction Commitments:** The District has active construction projects at June 30, 2018. At June 30, 2018, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Harbison West Elementary School:		
Driveway Revisions	\$ 75,375	\$ 312,913
Chapin Middle School:		
Third Wing	6,580,884	930,897
Lake Murray Elementary:		
HVAC	858,249	1,110,897
District Wide:		
Building Automation Control System	<u>59,473</u>	<u>337,015</u>
<b>Total Government Activities</b>	<u>\$ 7,573,981</u>	<u>\$ 2,691,722</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 5 – PENSION PLANS**

**General Information about the Pension Plans**

The District participates in the South Carolina Retirement System (SCRS), and the South Carolina Police Officers Retirement System (PORS). 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 State Fiscal Accountability Authority (SFAA), 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. Effective July 1, 2017, the Retirement System Funding Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. 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 SCRS 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 5 – PENSION PLANS (continued)**

**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.
- State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. 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 part of the retirement systems' trust funds 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 state 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 5 – PENSION PLANS (continued)**

**Benefits (continued)**

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.

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

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

**Contributions**

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA board may increase the percentage rate in 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 total 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 and 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.

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 5 – PENSION PLANS (continued)**

**Contributions** (continued)

twenty year amortization schedule. The recent pension reform legislation also changes the long-term funded ratio requirement from ninety to eighty-five.

Required employee contribution rates<sup>1</sup> are as follows:

	<u>7/1/17 to 6/30/18</u>	<u>7/1/16 to 6/30/17</u>
<b><u>SCRS</u></b>		
Employee Class Two	9.00%	8.66%
Employee Class Three	9.00%	8.66%
<b><u>State ORP</u></b>		
Employee Class Three	9.00%	8.66%
<b><u>PORS</u></b>		
Employee Class Two	9.75%	9.24%
Employee Class Three	9.75%	9.24%

Required employer contribution rates<sup>1</sup> are as follows (based on retirement plan's fiscal year):

	<u>7/1/17 to 6/30/18</u>	<u>7/1/16 to 6/30/17</u>
<b><u>SCRS</u></b>		
Employer Class Two	13.41%	11.41%
Employer Class Three	13.41%	11.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b><u>State ORP</u></b>		
Employer Contribution <sup>2</sup>	13.41%	11.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b><u>PORS</u></b>		
Employer Class Two	15.84%	13.84%
Employer Class Three	15.84%	13.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

<sup>1</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

<sup>2</sup> Of this employer contribution, 5% 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 the SCRS.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 – PENSION PLANS (continued)**

**Contributions** (continued)

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

<u>SCRS</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employee Contributions	\$ 9,706,891	\$ 9,230,967	\$ 8,556,658
Employer Contributions	15,608,714	12,966,077	12,131,873
Employer Group Life Contributions	<u>182,212</u>	<u>178,699</u>	<u>174,843</u>
<b>Total</b>	<b><u>\$ 25,497,817</u></b>	<b><u>\$ 22,375,743</u></b>	<b><u>\$ 20,863,374</u></b>
<u>PORS</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employee Contributions	\$ 12,927	\$ 11,198	\$ 8,088
Employer Contributions	21,002	16,773	12,343
Employer Group Life Contributions	<u>530</u>	<u>485</u>	<u>370</u>
<b>Total</b>	<b><u>\$ 34,459</u></b>	<b><u>\$ 28,456</u></b>	<b><u>\$ 20,801</u></b>

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

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

At June 30, 2018, the District reported a liability of \$253,980,016 for its proportionate share of the net pension liability for SCRS and a liability of \$246,533 for its proportionate share of the net pension liability for PORS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2016, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2017. 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 the retirement plan's year end of June 30, 2017, the District's proportion was 1.128218% and .009% for SCRS and PORS, respectively.

For the year ended June 30, 2018, the District recognized pension expense of \$21,645,303, including \$21,618,115 for SCRS and \$27,188 for PORS, respectively. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>SCRS</b>		
Differences between expected and actual experience	\$ 1,132,242	\$ 140,773
Assumption changes	14,867,804	-
Net difference between projected and actual earnings on pension plan investments	7,089,930	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	35,459	8,566,502
District contributions subsequent to the measurement date	<u>15,790,925</u>	<u>-</u>
<b>Totals</b>	<b><u>\$ 38,916,360</u></b>	<b><u>\$ 8,707,275</u></b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 – PENSION PLANS (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b><u>PORS</u></b>		
Differences between expected and actual experience	\$ 2,198	\$ -
Assumption changes	23,398	-
Net difference between projected and actual earnings on pension plan investments	8,784	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	<u>21,532</u>	<u>-</u>
<b>Totals</b>	<b><u>\$ 55,912</u></b>	<b><u>\$ -</u></b>

The amount of \$15,790,925 for SCRS and \$21,532 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, 2019.

As discussed in GASB 68, collective deferred outflows/inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow or inflow of resources related to pensions. The following schedules reflect the District's proportionate share of amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2017.

<b>Difference between expected and actual experience<sup>1</sup></b>		
	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
	<b>June 30, 2017</b>	<b>June 30, 2017</b>
Initial Balance	\$ 7,845,708	\$ 7,895
Amortized <sup>2</sup> period ending June 30,		
2014	\$ (1,702,442)	\$ (1,192)
2015	(1,581,503)	(1,319)
2016	(1,709,548)	(1,543)
2017	(1,860,746)	(1,643)
2018	(554,973)	(1,471)
2019	(259,409)	(424)
2020	(166,051)	(248)
2021	(11,036)	(55)
2022	-	-
Thereafter	-	-

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 – PENSION PLANS (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

	<b>Assumption Changes</b>	
	<b>SCRS</b>	<b>PORS</b>
	<b>June 30, 2017</b>	<b>June 30, 2017</b>
Initial Balance	\$ 19,706,009	\$ 29,984
Amortized <sup>2</sup> period ending June 30,		
2017	\$ (4,838,205)	\$ (6,586)
2018	(4,838,205)	(6,586)
2019	(4,838,205)	(6,586)
2020	(4,838,205)	(6,586)
2021	(353,189)	(3,640)
2022	-	-
Thereafter	-	-
<b>Difference between projected and actual investment earnings<sup>3</sup></b>		
	<b>SCRS</b>	<b>PORS</b>
	<b>June 30, 2017</b>	<b>June 30, 2017</b>
Initial Balance	\$ 7,761,608	\$ 10,174
Amortized <sup>2</sup> period ending June 30,		
2014	\$ 4,093,999	\$ 4,984
2015	665,444	709
2016	(3,878,799)	(5,048)
2017	(1,552,322)	(2,035)
2018	(1,552,322)	(2,035)
2019	(5,646,320)	(7,019)
2020	(2,217,766)	(2,745)
2021	2,326,478	3,015
Thereafter	-	-

<sup>1</sup> In accordance with GASB 68, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30. The service periods used for amortization periods are 4.233(SCRS) and 4.856(PORS) years for 6/30/14; 4.164(SCRS) and 4.79 (PORS) years for 6/30/15; 4.116(SCRS) and 4.665(PORS) years for 6/30/16; 4.073(SCRS) and 4.553(PORS) years for 6/30/17.

<sup>2</sup> Amount amortized and included in pension expense during measurement period listed.

<sup>3</sup> In accordance with GASB 68, the difference between each year's projected and actual investment earnings is required to be amortized over a closed 5 year period.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 – PENSION PLANS (continued)**

**Actuarial Assumptions and Methods**

Actuarial valuations of the ongoing plan 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 regarding the net pension liability 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. An experience report on the Systems was most recently issued as of July 1, 2015.

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the Systems' consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

	<b>SCRS</b>	<b>PORS</b>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return <sup>1</sup>	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) <sup>1</sup>	3.5% to 9.5% (varies by service) <sup>1</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
<sup>1</sup> Includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2017, TPL are as follows:

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 – PENSION PLANS (continued)**

**Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2017, for SCRS and PORS are presented below.

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability(Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
SCRS	\$48,244,437,494	\$25,732,829,268	\$22,511,608,226	53.3%
PORS	7,013,684,001	4,274,123,178	2,739,560,823	60.9%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 – PENSION PLANS (continued)**

**Net Pension Liability**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>45.0%</b>		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
<b>Real Assets</b>	<b>8.0%</b>		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
<b>Opportunistic</b>	<b>17.0%</b>		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
<b>Diversified Credit</b>	<b>18.0%</b>		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	<u>2.0%</u>	0.92%	<u>0.02%</u>
Total Expected Real Return	<b>100.0%</b>		5.31%
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u><u>7.56%</u></u>

**Discount Rate**

The discount rate used to measure the TPL was 7.25 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 based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 – PENSION PLANS (continued)**

**Sensitivity Analysis**

The following table presents the District's proportionate share of the collective NPL calculated using the discount rate of 7.25 percent, as well as what the District's proportionate share of the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate:

<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1.00% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.00% Increase (8.25%)</b>
SCRS	\$ 327,345,352	\$ 253,980,016	\$ 209,464,496
PORS	\$ 332,904	\$ 246,533	\$ 178,549

**Additional Financial and Actuarial Information**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2017 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2017.

**Payables to the Pension Plan**

As of June 30, 2018, the District had \$3,101,865 in payables outstanding to the pension plans for its legally required contributions.

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS**

**Plan Descriptions**

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), which collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA, Insurance Benefits, and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

PEBA, Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

**Benefits Provided**

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local government entities. The SCLTDITF provides disability payments to eligible employees who have been approved for disability.

**Contributions and Funding Policies**

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these post-employment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to the PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office.

The District's contractually required contribution rate for the year ended June 30, 2018 was 5.50 percent of covered employee payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District for the SCRHITF and SCLTDITF were \$6,688,383 and \$83,627, respectively, for the year ended June 30, 2018. Employees are not required to contribute to the OPEB plan.

BLTD benefits are funded through a person's premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2018. It is also funded through investment income.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2018, the District reported a liability of \$191,566,582 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the District's proportion was 1.414162% for SCRHITF and 1.13928% for SCLTDITF.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

For the year ended June 30, 2018, the District recognized OPEB expense of \$11,160,261. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>SCRHIF</u></b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual Experience	\$ -	\$ 83,133
Changes in Assumptions	-	18,023,581
Net difference between projected and actual Investment Experience	329,130	-
Changes in proportionate share and differences between District contributions and proportionate share of contributions	-	2,738
District contributions subsequent to the measurement date	<u>6,688,383</u>	<u>-</u>
	<b><u>\$ 7,017,513</u></b>	<b><u>\$ 18,109,452</u></b>

	<b><u>SCLTDIF</u></b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Changes in Assumptions	\$ -	\$ 1,874
Net difference between projected and actual Investment Experience	9,952	-
Changes in proportionate share and differences between District contributions and proportionate share of contributions	-	513
District contributions subsequent to the measurement date	<u>83,627</u>	<u>-</u>
	<b><u>\$ 93,579</u></b>	<b><u>\$ 2,387</u></b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

\$6,688,383 (SCRHITF) and \$83,267 (SCLTDITF) reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as reductions of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Difference between expected and actual experience**

	<u>SCRHITF</u> <u>June 30, 2017</u>	<u>SCLTDITF</u> <u>June 30, 2017</u>
Initial Balance (Inflow)/Outflow	\$ (96,443)	\$ -
Amortization period	7.2460	9.9570
Amortized period ended June 30,		
2017	\$ 13,310	\$ -
2018	13,310	-
2019	13,310	-
2020	13,310	-
2021	13,310	-
2022	13,310	-
Thereafter	16,583	-

**Assumption changes**

	<u>SCRHITF</u> <u>June 30, 2017</u>	<u>SCLTDITF</u> <u>June 30, 2017</u>
Initial Balance (Inflow)/Outflow	\$ (20,909,201)	\$ (2,083)
Amortization period	7.2460	9.9570
Amortized period ended June 30,		
2017	\$ 2,885,620	\$ 209
2018	2,885,620	209
2019	2,885,620	209
2020	2,885,620	209
2021	2,885,620	209
2022	2,885,620	209
Thereafter	3,595,481	829

**Difference between projected and actual investment earnings**

	<u>SCRHITF</u> <u>June 30, 2018</u>	<u>SCLTDITF</u> <u>June 30, 2018</u>
Initial Balance (Inflow)/Outflow	\$ 411,412	\$ 12,440
Amortization period	5.0000	5.0000
Amortized period ended June 30,		
2017	\$ (82,282)	\$ (2,488)
2018	(82,282)	(2,488)
2019	(82,282)	(2,488)
2020	(82,282)	(2,488)
2021	(82,284)	(2,488)

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Actuarial Assumptions*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used to include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of OPEB Plan investment expense; including inflation.
Single Discount Rate:	3.56% as of June 30, 2017.
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015.
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 7.00% and gradually decreasing to an ultimate trend of 4.15% over a period of 15 years.
Aging Factors:	Based on plan specific experience.
Retiree Participation:	79% for retirees who are eligible for funded premiums.
Notes:	There were no benefit changes during the year; the discount rate changed from 2.5% as of June 30, 2016 to 3.56% as of June 30, 2017.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Actuarial Assumptions (continued)*

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of OPEB Plan investment expense; including inflation.
Single Discount Rate:	3.87% as of June 30, 2017
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015.
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans.
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years.
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group.
Notes:	There were no benefit changes during the year; the discount rate changed from 3.74% as of June 30, 2016 to 3.87% as of June 30, 2017.

**Roll Forward Disclosure**

The actuarial valuation was performed as of June 30, 2016. Update procedures were used to roll forward the total OPEB liability to June 30, 2017.

**Net OPEB Liability**

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trusts' Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2017:

<u>OPEB Trust</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a % of Total OPEB Liability</u>
SCRHITF	\$ 14,659,610,970	\$ 1,114,774,760	\$ 13,544,836,210	7.60%
SCLTDITF	\$ 38,510,568	\$ 36,697,589	\$ 1,812,979	95.29%

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

**Net OPEB Liability (continued)**

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

**Single Discount Rate**

The Single Discount Rate of 3.56% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.87% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.56%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

**Long-Term Expected Rate of Return**

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

	<b><u>Target Asset Allocation</u></b>	<b><u>Arithmetic Real Rate of Return</u></b>	<b><u>Allocation- Weighted Long- Term Expected Real Rate of Return</u></b>
Asset Class			
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	<u>20.00%</u>	0.84%	<u>0.17%</u>
Total	100.00%		1.84%
Expected Inflation			<u>2.25%</u>
<b>Total Return</b>			<u><b>4.09%</b></u>
<b>Investment Return Assumption</b>			<u><b>4.00%</b></u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

**Sensitivity Analysis**

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.56%, as well as what the District's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease</u> <u>2.56%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.56%</u>	<u>1% Increase</u> <u>4.56%</u>
SCRHITF Net OPEB Liability	\$ 255,586,962	\$ 191,545,927	\$ 164,100,520

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the District's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	<u>Current Healthcare</u> <u>Cost Trend Rate</u>	<u>1% Increase</u>
SCRHITF Net OPEB Liability	\$ 157,075,597	\$ 191,545,927	\$ 236,176,718

The following table represents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.87%, as well as what the District's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease</u> <u>2.87%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.87%</u>	<u>1% Increase</u> <u>4.87%</u>
SCLTDITF Net OPEB Liability	\$ 36,745	\$ 20,655	\$ 4,861

**Additional Financial and Actuarial Information**

Information in this note was compiled from the OPEB Trusts Funds' audited financial statement for the year ended June 30, 2017, and the accounting and financial reporting actuarial valuation as of June 30, 2017. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trusts Funds' audited financial statements.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 – LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended June 30, 2018, was as follows:

	Amounts Outstanding June 30, 2017	Additions	Deductions	Amounts Outstanding June 30, 2018	Amounts Due in One Year
<b><u>Governmental Activities:</u></b>					
Current Refunding General Obligation Bonds:					
Series 2013A – issued November 19, 2013	\$ 32,724,000	\$ -	\$ 2,203,000	\$ 30,521,000	\$ 2,340,000
Series 2015B – Issued November 9, 2015	60,220,000	-	2,270,000	57,950,000	2,765,000
General Obligation Bonds:					
Series 2010A – Issued June 9, 2010	10,000,000	-	-	10,000,000	-
Series 2012B – Issued August 21, 2012	<u>100,155,000</u>	<u>-</u>	<u>5,395,000</u>	<u>94,760,000</u>	<u>5,675,000</u>
	203,099,000	-	9,868,000	193,231,000	10,780,000
Deferred Amounts:					
Unamortized premium on bonds	<u>12,690,488</u>	<u>-</u>	<u>1,668,080</u>	<u>11,022,408</u>	<u>1,573,521</u>
<b>Total Bonds Payable</b>	<u>215,789,488</u>	<u>-</u>	<u>11,536,080</u>	<u>204,253,408</u>	<u>12,353,521</u>
Net Acquisition Lease Purchase – Issued April 3, 2017					
	<u>1,877,527</u>	<u>-</u>	<u>451,626</u>	<u>1,425,901</u>	<u>463,262</u>
Compensated Absences	<u>1,853,730</u>	<u>897,996</u>	<u>1,463,972</u>	<u>1,287,754</u>	<u>515,102</u>
Long-Term Liabilities	<u>\$ 219,520,745</u>	<u>\$ 897,996</u>	<u>\$ 13,451,678</u>	<u>\$ 206,967,063</u>	<u>\$ 13,331,885</u>
<b><u>Business Activities:</u></b>					
Compensated Absences	\$ <u>10,261</u>	\$ <u>11,468</u>	\$ <u>1,556</u>	\$ <u>20,173</u>	\$ <u>8,069</u>
<b>Business Activities Long-Term Liabilities</b>	<u>\$ 10,261</u>	<u>\$ 11,468</u>	<u>\$ 1,556</u>	<u>\$ 20,173</u>	<u>\$ 8,069</u>

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

Details for each debt issue are as follows:

On June 9, 2010, the District issued Taxable Series 2010A, \$10,000,000, general 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**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 semi-annually on March 1 and September 1 beginning March 1, 2013, through March 1, 2032. The proceeds will be used for purposes of funding capital projects approved in the Referendum, paying costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District.

On 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 semi-annually on March 1 and September 1 beginning March 1, 2014, through March 1, 2028. The deferred loss on refunding at June 30, 2018 was \$254,625.

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, 2018 was \$476,790.

On April 3, 2017, the District entered into a Tax-Exempt Lease/Purchase Agreement, for \$2,428,901. The net proceeds of the agreement, after a promotional contribution from the vendor of \$131,907, were \$2,296,994. Principal payments are payable annually beginning on June 1, 2017, through June 1, 2021, ranging from \$419,467 to \$487,441. The interest rate is 2.5466 percent. Interest payments are payable annually on June 1 beginning June 1, 2017, through June 1, 2021. The proceeds were used for the purchase of technology equipment. The proceeds were held in an escrow account and drawn as equipment was purchased. Equipment items of \$1,057,284 met the capitalization threshold and are included in the furniture and equipment category of the District's governmental activities' capital assets. The accumulated depreciation of these assets at 6/30/18 was \$211,457. Items not meeting requirement to be capitalized were \$1,317,094. An unspent balance of \$54,523 was applied towards the first debt service payment.

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

The annual debt service requirements to maturity as of June 30, 2018 are as follows:

<u>Year ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 11,243,262	\$ 7,229,127	\$ 18,472,389
2020	12,218,198	6,743,477	18,961,675
2021	13,244,441	6,213,360	19,457,801
2022	13,826,000	5,636,384	19,462,384
2023	14,660,000	5,022,813	19,682,813
2024 – 2028	80,820,000	16,874,666	97,694,666
2029 – 2032	<u>48,645,000</u>	<u>4,121,325</u>	<u>52,766,325</u>
	<u>\$ 194,656,901</u>	<u>\$ 51,841,152</u>	<u>\$ 246,498,053</u>

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, 2017 assessed property valuation of \$513,524,250 (unaudited), the legal debt limit is \$41,081,940, with \$9,718,000 of applicable general obligation debt outstanding, leaving a legal debt margin of \$31,363,940 at June 30, 2018.

**NOTE 8 – SHORT-TERM OBLIGATIONS**

**Summary of Changes in Short-term Debt:** During the year ended June 30, 2018, the following transactions occurred in short-term liabilities:

	<u>Balance at June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2018</u>
SCAGO – Series 2017A	\$ 9,819,000	\$ -	\$ 9,819,000	\$ -
SCAGO – Series 2018A	<u>-</u>	<u>9,718,000</u>	<u>-</u>	<u>9,718,000</u>
	<u>\$ 9,819,000</u>	<u>\$ 9,718,000</u>	<u>\$ 9,819,000</u>	<u>\$ 9,718,000</u>

Capital Projects Funds:

On May 16, 2018, the District issued Series 2018A, \$9,718,000 SCAGO general obligation bonds (8% debt) with an interest rate of 1.8 percent for the purpose of providing funds for capital improvements, equipment, and technology. The net proceeds were \$9,761,835 after bid premium of \$90,377 less cost of issuance of \$46,542. These bonds, including interest of \$230,803, are due March 1, 2019 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:

	<u>Special Projects Fund</u>	<u>EIA Fund</u>	<u>Food Services</u>
Unexpended Carryover Amounts	\$ 2,026,726	\$ 2,861,932	\$ 151,941

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 10 – INTERFUND TRANSACTIONS**

**Interfund Transfers:**

Transfers during the year ended June 30, 2018 consisted of the following:

<u>Fund Category</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,981,462	\$ 5,239,431
Special Revenue Funds	312,232	358,236
Combined EIA Funds	-	4,623,226
Debt Service Fund	-	9,819,000
Capital Projects Fund	14,819,000	312,232
Food Service Fund	<u>239,431</u>	<u>-</u>
Totals	<u>\$ 20,352,125</u>	<u>\$ 20,352,125</u>

**Interfund Receivables and Payables:**

<u>Fund Category</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 39,044	\$ 30,652,317
Special Revenue Funds	-	985,938
Combined EIA Funds	2,839,677	-
Debt Service Fund	144,505	-
Capital Projects Fund	24,128,138	-
Enterprise Fund – Food Service	182,692	-
Enterprise Fund – After School	778,063	-
Pupil Activity	<u>3,526,136</u>	<u>-</u>
Totals	<u>\$ 31,638,255</u>	<u>\$ 31,638,255</u>

Interfund 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.

**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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC 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, 2018, 2017 and 2016.

**NOTE 12 – OPERATING LEASES**

The School District is obligated to account for certain leases as operating leases. Current rental expenditures for the year ended June 30, 2018 were \$518,967. 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, 2018:

Year Ended June 30	Totals
2019	\$ 521,200
2020	400,270
2021	187,690
2022	66,952
2023	9,517
Total payments	\$ 1,185,629

**NOTE 13 – 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.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 13 – FUND BALANCES (continued)**

**Assigned for Special Purposes General Fund** – Amounts assigned were approved by the Board of Trustees and are for the following purposes:

Future capital projects		\$ 2,000,000
Appropriation for succeeding year's budget		<u>898,273</u>
 Total assigned for special purposes		 \$ <u>2,898,273</u>

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

District policy is to maintain an unassigned fund balance consistent with the medial averages for issuers that retain at least an Aa2/AA credit rating. This average may change from time to time but generally ranges from 15 percent – 18 percent of the general fund budgeted expenditures. The required range as of June 30, 2018 is \$28,308,235 to \$33,971,683 based on the 2018/2019 general fund budget. The unassigned amount at June 30, 2018 is \$32,45,103.

**NOTE 14 – 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 15 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 30, 2018, the date on which the financial statements were available to be issued.

**NOTE 16 – TAX ABATEMENTS**

The District's boundaries encompass areas in both the County of Lexington and the County of Richland.

The District is subject to the following property tax abatement agreements entered into by the County of Lexington:

	<u>Amount of Taxes Abated during the Fiscal Year</u>	<u>State of South Carolina Revenue Reimbursement Amount</u>
County of Lexington:		
Fee-in-lieu of Taxes Program (FILOT)	\$ 241,352	\$ 34,398
Fee-in-lieu of Tax Infrastructure Program (FILOT & IP)	<u>785,751</u>	<u>31,044</u>
	<u>\$1,027,103</u>	<u>\$ 65,442</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 16 – TAX ABATEMENTS (continued)**

**Richland County:**

Richland County, South Carolina has two tax abatement programs which abate the School District Five of Lexington & Richland Counties property tax revenues from certain taxpayers. Those programs are the “Fee-in-Lieu of Ad Valorem Property Tax” (“FILOT”) program and the “Special Source Revenue Credit” (“SSRC”) Program. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina. The purpose of the SSRC program is to enhance economic development by reducing property taxes for taxpayers that use the credit provided under the SSRC program to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the local government or the taxpayer’s property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

Additionally, Richland County uses multicounty industrial or business parks (“MCIP”) in connection with the FILOT and SSRC programs which further abate the School District’s property tax revenues from certain taxpayers.

For tax year 2017, the gross dollar amount by which the School District’s property tax revenues were abated pursuant to tax abatement agreements entered into by Richland County under each of the programs described above is as follows:

FILOT Program: \$0  
SSRC Program: \$0  
MCIP: \$4,184

For tax year 2017, the gross dollar amount of property tax revenues the School District received pursuant to the tax abatement agreements entered into by Richland County under each of the programs described above is as follows:

FILOT Program: \$0  
SSRC Program: \$0  
MCIP: \$78,904

**NOTE 17 – RESTATEMENT OF NET POSITION**

**Change in Accounting Principle**

Effective July 1, 2017, the District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of implementing GASBS 75, the District recorded a total net OPEB liability in the amount of \$204,617,788 as of June 30, 2016, which comprises the District’s proportionate share of the net OPEB liability for the South Carolina Retiree Health Care Plan of \$204,609,880 and the South Carolina Basic Long-Term Disability Plan of \$7,908. The effect on this net OPEB liability reduced the net position of the District by \$198,179,078 (net of \$6,438,710, which represents employer contributions to the trusts during the fiscal year June 30, 2017).

**Restatement of Prior Year Balance**

At June 30, 2017, the District had an escrow cash account with an ending balance of \$312,232 with Key Government Finance Inc. for unspent funds from its capital lease of technology equipment. This cash balance was not reflected at June 30, 2017; therefore, the prior year’s expenditures for this technology equipment were overstated in the amount of \$312,232. These unspent funds at June 30, 2017 were subsequently expended in the current fiscal year. The effect of this correction increased the net position of the District by \$312,232.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 17 – RESTATEMENT OF NET POSITION (continued)**

This change in accounting principle and restatement of prior balance created a change in the net position as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Net Position (Deficit), Beginning of Year	\$ (3,192,880)	\$ (1,047,016)
Adjustments:		
Net OPEB Liability as of June 30, 2017	(192,630,064)	(5,549,014)
Restatement of Prior Year Balance	312,232	-
Net Position (Deficit), Beginning of Year, As Restated	\$ (195,510,712)	\$ (6,596,030)

This restatement of prior balance created a change in the fund balance of the Capital Projects Fund as follows:

	<b>Capital Projects School Building Funds</b>
Fund Balance, Beginning of Year	\$ 11,533,109
Adjustments:	
Restatement of Prior Year Balance	312,232
Fund Balance, Beginning of Year, As Restated	\$ 11,845,341

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## REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year									
	2009*	2010*	2011*	2012*	2013*	2014*	2015	2016	2017	2018
<b>SCRS</b>										
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	\$ 209,898,245	\$ 225,910,185	\$ 245,665,857	\$ 253,980,016
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	1.219156%	1.191165%	1.150129%	1.128218%
District's Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	115,524,407	116,847,519	116,562,170	119,132,897
District's Proportionate Share of Net Pension Liability as a Percentage of Its Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	181.69%	193.34%	210.76%	213.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	59.90%	57.00%	52.90%	53.30%
<b>PORS</b>										
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	\$ 130,009	\$ 153,589	\$ 179,709	\$ 246,533
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	0.00679%	0.00705%	0.00709%	0.00900%
District's Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	81,675	87,304	92,530	121,191
District's Proportionate Share of Net Pension Liability as a Percentage of Its Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	159.18%	175.92%	194.22%	203.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	67.50%	64.60%	60.40%	60.90%

**\* Note: Not Available**

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, 2017.

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

	Fiscal Year									
	2009*	2010*	2011*	2012*	2013*	2014	2015	2016	2017	2018
<b>SCRS</b>										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	\$ 11,732,446	\$ 12,173,782	\$ 12,318,034	\$ 13,159,144	\$ 15,790,925
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	(11,732,446)	(12,173,782)	(12,318,034)	(13,159,144)	(15,790,925)
District's Covered Payroll Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
							10.42%	10.57%	11.05%	13.00%
<b>PORS</b>										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	\$ 115,524,407	\$ 116,847,519	\$ 116,562,170	\$ 119,132,897	\$ 121,474,377
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	(10,487)	(11,707)	(12,411)	(17,258)	(21,532)
District's Covered Payroll Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
							12.84%	13.41%	14.24%	16.24%

**\* Note: Not Available**

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.

**Sources:**

District Quarterly Retirement Contribution Reports

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

	Fiscal Year									
	2009*	2010*	2011*	2012*	2013*	2014*	2015*	2016*	2017	2018
<b>SCR HITF</b>										
District's Proportion of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 204,609,880	\$ 191,545,927
District's Proportionate Share of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.414162%	1.414162%
District's Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	116,654,699	119,254,088
District's Proportionate Share of Net OPEB Liability as a Percentage of Its Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	175.40%	160.62%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.60%
<b>SCLTDITF</b>										
District's Proportion of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 7,908	\$ 20,655
District's Proportionate Share of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.13923%	1.13928%
District's Covered Payroll (1)										
District's Proportionate Share of Net OPEB Liability as a Percentage of Its Covered Payroll (1)										
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.29%

**\* Note: Not Available**

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.

(1): Long-term Disability is assessed per covered individual, not as a percentage of covered payroll.

**Source:**

Audit report on the Schedules of Employer and Non-Employer Entity Allocations and Other Post-Employment Benefit (OPEB) Amounts by Employer for the South Carolina Retiree Health Insurance and Long-Term Disability Insurance Trust Funds, as administered by the SC Public Employee Benefit Authority for the year ended June 30, 2017.

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

	Fiscal Year									
	2009*	2010*	2011*	2012*	2013*	2014*	2015*	2016	2017	2018
<b>SCRHTIF</b>										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 6,217,696	\$ 6,356,243	\$ 6,688,383
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(6,356,243)	(6,688,383)
District's Covered Payroll Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 116,654,699	\$ 119,254,088	\$ 121,606,963
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.33%	5.33%	5.50%
<b>SCLDITF</b>										
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 81,595	\$ 82,467	\$ 83,627
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(82,467)	(83,627)
District's Covered Payroll (1) Contributions as a Percentage of Covered Payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	\$ -

**\* Note: Not Available**

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.

(1): Long-term Disability is assessed per covered individual, not as a percentage of covered payroll.

**Sources:**

District Quarterly Retirement Contribution Reports and Health Insurance Reports

OTHER SUPPLEMENTARY  
INFORMATION

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## 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 Balance – Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedule are also mandated by the South Carolina Department of Education.

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**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 65,158,323	\$ 65,888,764	\$ 730,441
1140 Penalties & Interest on Taxes (Independent)	277,000	306,310	29,310
1200 Revenue From Local Governmental Units Other Than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,281,484	1,509,596	228,112
1300 Tuition:			
1310 From Patrons for Regular Day School	50,000	3,265	(46,735)
1500 Earnings on Investments:			
1510 Interest on Investments	100,000	452,928	352,928
1900 Other Revenue from Local Sources:			
1910 Rentals	120,000	131,875	11,875
1930 Special Needs Transportation - Medicaid	120,000	108,409	(11,591)
1950 Refund of Prior Year's Expenditures	15,000	2,959	(12,041)
1990 Miscellaneous Local Revenue:			
1992 Canteen Operations	-	558,719	558,719
1993 Receipt of Insurance Proceeds	20,000	24,806	4,806
1999 Revenue from Other Local Sources	300,000	173,037	(126,963)
<b>Total Local Sources</b>	<u>67,441,807</u>	<u>69,160,668</u>	<u>1,718,861</u>
<b>3000 Revenue from State Sources</b>			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	2,609	2,609
3160 School Bus Driver Salary	1,133,005	1,234,541	101,536
3161 EAA Bus Driver Salary and Fringe	-	2,441	2,441
3162 Transportation Workers' Compensation	58,632	61,740	3,108
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	17,689,833	17,837,198	147,365
3181 Retiree Insurance (No Carryover Provision)	4,306,644	4,504,369	197,725
3199 Other Restricted State Grants	-	3,835	3,835
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	1,639,784	1,651,785	12,001
3312 Primary	5,330,908	5,369,926	39,018
3313 Elementary	10,395,067	10,471,151	76,084
3314 High School	2,959,499	2,981,161	21,662
3315 Trainable Mentally Handicapped	75,813	76,368	555
3316 Speech Handicapped (Part-Time Program)	3,091,991	3,114,621	22,630
3317 Homebound	21,850	22,009	159
3320 Part-Time Programs:			
3321 Emotionally Handicapped	167,175	168,399	1,224
3322 Educable Mentally Handicapped	90,755	91,420	665
3323 Learning Disabilities	2,819,043	2,839,676	20,633
3324 Hearing Handicapped	109,610	110,412	802
3325 Visually Handicapped	77,114	77,678	564
3326 Orthopedically Handicapped	50,708	51,079	371
3327 Vocational	7,705,176	7,761,572	56,396

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
3330 Miscellaneous EFA Programs:			
3331 Autism	\$ 1,106,687	\$ 1,114,787	\$ 8,100
3332 High Achieving Students	1,339,809	1,349,616	9,807
3334 Limited English Proficiency	175,720	177,006	1,286
3351 Academic Assistance	1,173,720	1,182,311	8,591
3352 Pupils in Poverty	2,782,332	2,802,696	20,364
3353 Dual Credit Enrollment	40,314	40,609	295
3375 Education Foundation Supplement	452,457	455,769	3,312
3392 NBC Excess EFA Formula	159,378	160,544	1,166
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)	30,521,426	30,521,379	(47)
3830 Merchant's Inventory Tax	213,955	213,955	-
3840 Manufacturers Depreciation Reimbursement	289,373	287,779	(1,594)
3890 Other State Property Tax Revenues (Includes Motor Carrier Tax)	179,580	223,712	44,132
3900 Other State Revenue:			
3992 State Forest Commission Revenues	-	17,117	17,117
3993 Library Allocation	1,190,410	1,190,410	-
3999 Revenue From Other State Sources	10,000	-	(10,000)
<b>Total State Sources</b>	<b>109,696,039</b>	<b>110,509,951</b>	<b>813,912</b>
<b>Total Revenues All Sources</b>	<b>177,137,846</b>	<b>179,670,619</b>	<b>2,532,773</b>
<b>Expenditures</b>			
<b>100 Instruction</b>			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries	4,548,185	4,334,098	214,087
200 Employee Benefits	2,065,398	1,896,253	169,145
300 Purchased Services	2,637	1,770	867
400 Supplies and Materials	67,870	66,065	1,805
112 Primary Programs:			
100 Salaries	11,715,736	11,565,267	150,469
200 Employee Benefits	4,928,336	4,710,895	217,441
300 Purchased Services	10,976	10,154	822
400 Supplies and Materials	261,300	252,715	8,585
113 Elementary Programs:			
100 Salaries	21,414,335	21,354,048	60,287
200 Employee Benefits	8,862,473	8,484,664	377,809
300 Purchased Services	23,864	16,341	7,523
400 Supplies and Materials	468,663	762,284	(293,621)
114 High School Programs:			
100 Salaries	17,550,713	16,647,342	903,371
200 Employee Benefits	6,946,794	6,428,189	518,605
300 Purchased Services	237,172	191,566	45,606
400 Supplies and Materials	694,257	800,474	(106,217)
600 Other Objects	6,000	5,995	5
115 Career and Technology Education Programs:			
100 Salaries	2,501,687	2,450,981	50,706
200 Employee Benefits	991,195	938,049	53,146
300 Purchased Services - Other Than Tuition	21,600	20,947	653
400 Supplies and Materials	104,000	103,758	242

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries	\$ 185,697	\$ 819,231	\$ (633,534)
200 Employee Benefits	114,382	357,021	(242,639)
300 Purchased Services	90,640	85,650	4,990
400 Supplies and Materials	3,254	21,481	(18,227)
122 Trainable Mentally Handicapped:			
100 Salaries	188,703	406,227	(217,524)
200 Employee Benefits	79,529	169,690	(90,161)
400 Supplies and Materials	3,635	4,713	(1,078)
123 Orthopedically Handicapped:			
100 Salaries	64,983	-	64,983
200 Employee Benefits	27,761	-	27,761
400 Supplies and Materials	886	-	886
124 Visually Handicapped:			
100 Salaries	190,578	105,833	84,745
200 Employee Benefits	81,417	42,068	39,349
400 Supplies and Materials	4,462	277	4,185
125 Hearing Handicapped:			
100 Salaries	115,695	295,633	(179,938)
200 Employee Benefits	47,493	107,963	(60,470)
300 Purchased Services	-	325	(325)
400 Supplies and Materials	1,533	-	1,533
126 Speech Handicapped:			
100 Salaries	1,638,365	1,627,772	10,593
200 Employee Benefits	699,190	639,140	60,050
300 Purchased Services	87,857	83,276	4,581
400 Supplies and Materials	78,279	11,834	66,445
127 Learning Disabilities:			
100 Salaries	5,293,629	3,993,103	1,300,526
200 Employee Benefits	2,256,561	1,617,738	638,823
300 Purchased Services	4,800	4,151	649
400 Supplies and Materials	92,516	126,252	(33,736)
128 Emotionally Handicapped:			
100 Salaries	248,254	731,161	(482,907)
200 Employee Benefits	106,057	311,663	(205,606)
400 Supplies and Materials	4,469	8,180	(3,711)
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	758,745	315,242	443,503
200 Employee Benefits	340,774	120,803	219,971
130 Pre-School Programs			
135 Pre-School Handicapped-Speech (3 & 4 year olds):			
100 Salaries	5,000	5,000	-
200 Employee Benefits	1,385	1,329	56
400 Supplies and Materials	90	86	4
136 Pre-School Handicapped-Itinerant (3 & 4 year olds):			
100 Salaries	11,962	11,488	474
200 Employee Benefits	4,259	4,026	233
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	993,476	994,435	(959)
200 Employee Benefits	439,608	437,568	2,040
400 Supplies and Materials	540	509	31
138 Pre-School Handicapped-Homebased (3 & 4 year olds):			
100 Salaries	6,326	6,326	-
200 Employee Benefits	2,342	2,285	57

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
139 Early Childhood Programs:			
100 Salaries	\$ 957,905	\$ 1,080,596	\$ (122,691)
200 Employee Benefits	425,515	465,426	(39,911)
300 Purchased Services	13,328	9,269	4,059
400 Supplies and Materials	50,970	68,452	(17,482)
600 Other Objects	500	114	386
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries	993,274	1,043,048	(49,774)
200 Employee Benefits	413,038	413,105	(67)
300 Purchased Services	9,076	4,681	4,395
400 Supplies and Materials	11,125	7,048	4,077
600 Other Objects	276	100	176
143 Advanced Placement:			
100 Salaries	356,443	348,160	8,283
200 Employee Benefits	135,807	132,665	3,142
144 International Baccalaureate:			
300 Purchased Services	15,000	8,251	6,749
400 Supplies and Materials	50,000	50,000	-
145 Homebound:			
100 Salaries	193,937	143,658	50,279
200 Employee Benefits	53,701	41,263	12,438
300 Purchased Services	16,000	3,525	12,475
148 Gifted and Talented - Artistic:			
100 Salaries	147,320	144,422	2,898
200 Employee Benefits	56,800	52,677	4,123
300 Purchased Services	3,945	4,389	(444)
400 Supplies and Materials	5,900	970	4,930
149 Other Special Programs:			
100 Salaries	754,454	777,593	(23,139)
140 Terminal Leave	1,957,867	1,865,822	92,045
200 Employee Benefits	846,351	663,268	183,083
300 Purchased Services	2,000,000	2,519,493	(519,493)
160 Other Exceptional Programs			
161 Autism:			
100 Salaries	1,251,532	789,566	461,966
200 Employee Benefits	532,800	368,516	164,284
400 Supplies and Materials	18,646	15,450	3,196
170 Summer School Program			
172 Elementary Summer School:			
100 Salaries	18,000	9,450	8,550
200 Employee Benefits	4,984	2,708	2,276
300 Purchased Services	-	2,583	(2,583)
173 High School Summer School:			
100 Salaries	65,000	62,091	2,909
200 Employee Benefits	17,999	17,365	634
300 Purchased Services	-	1,241	(1,241)

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs:			
100 Salaries	\$ 225,020	\$ 216,208	\$ 8,812
200 Employee Benefits	78,534	71,777	6,757
300 Purchased Services	4,547	4,318	229
400 Supplies and Materials	738	904	(166)
600 Other Objects	277	493	(216)
182 Adult Secondary Education Programs:			
100 Salaries	-	76,509	(76,509)
200 Employee Benefits	-	31,067	(31,067)
300 Purchased Services	526	26	500
400 Supplies and Materials	4,889	7,089	(2,200)
183 Adult English Literacy (ESL):			
100 Salaries	-	8,209	(8,209)
200 Employee Benefits	-	2,686	(2,686)
184 Post Secondary Education Programs:			
100 Salaries	-	12,433	(12,433)
200 Employee Benefits	-	3,404	(3,404)
400 Supplies and Materials	-	5,783	(5,783)
188 Parenting/Family Literacy:			
100 Salaries	34,915	45,257	(10,342)
200 Employee Benefits	21,030	23,891	(2,861)
300 Purchased Services	-	136	(136)
400 Supplies and Materials	250	7,808	(7,558)
190 Instructional Pupil Activity:			
100 Salaries (optional)	615,662	606,000	9,662
200 Employee Benefits (optional)	169,941	163,807	6,134
660 Instructional Pupil Activity	20,800	20,770	30
<b>Total Instruction</b>	<b>110,252,945</b>	<b>106,936,874</b>	<b>3,316,071</b>
<b>200 Support Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services:			
100 Salaries	991,356	921,436	69,920
200 Employee Benefits	489,733	421,342	68,391
300 Purchased Services	29,600	36,761	(7,161)
400 Supplies and Materials	1,890	547	1,343
212 Guidance Services:			
100 Salaries	2,971,316	3,100,352	(129,036)
200 Employee Benefits	1,182,426	1,194,812	(12,386)
300 Purchased Services	3,608	3,513	95
400 Supplies and Materials	32,625	27,959	4,666
213 Health Services:			
100 Salaries	1,744,168	1,887,658	(143,490)
200 Employee Benefits	724,717	745,750	(21,033)
300 Purchased Services	1,610	23,554	(21,944)
400 Supplies and Materials	35,643	33,075	2,568
600 Other Objects	445	-	445
214 Psychological Services:			
100 Salaries	1,267,728	1,142,386	125,342
200 Employee Benefits	453,013	404,514	48,499
300 Purchased Services	6,000	4,503	1,497
400 Supplies and Materials	5,850	5,792	58

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
217 Career Specialist Services:			
100 Salaries	\$ 79,235	\$ 79,235	\$ -
200 Employee Benefits	31,057	29,986	1,071
300 Purchased Services	-	178	(178)
400 Supplies and Materials	900	714	186
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	2,034,867	2,061,446	(26,579)
200 Employee Benefits	717,155	727,127	(9,972)
300 Purchased Services	501,370	529,819	(28,449)
400 Supplies and Materials	143,165	39,519	103,646
600 Other Objects	2,500	4,509	(2,009)
222 Library and Media Services:			
100 Salaries	1,776,756	1,695,634	81,122
200 Employee Benefits	786,619	729,892	56,727
300 Purchased Services	3,218	1,918	1,300
400 Supplies and Materials	334,122	313,162	20,960
600 Other Objects	-	175	(175)
223 Supervision of Special Programs:			
100 Salaries	557,179	788,358	(231,179)
200 Employee Benefits	210,039	284,973	(74,934)
300 Purchased Services	13,500	2,490	11,010
400 Supplies and Materials	540	367	173
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	1,957	-	1,957
200 Employee Benefits	542	-	542
300 Purchased Services	67,435	69,328	(1,893)
400 Supplies and Materials	10,594	6,219	4,375
600 Other Objects	140	545	(405)
230 General Administration Services			
231 Board of Education:			
100 Salaries	68,128	67,281	847
200 Employee Benefits	18,524	18,339	185
300 Purchased Services	298,151	326,889	(28,738)
318 Audit Services	40,000	33,000	7,000
600 Other Objects	380,335	375,038	5,297
232 Office of the Superintendent:			
100 Salaries	284,564	397,290	(112,726)
200 Employee Benefits	92,615	114,790	(22,175)
300 Purchased Services	43,419	29,684	13,735
400 Supplies and Materials	6,723	6,652	71
600 Other Objects	7,100	2,482	4,618
233 School Administration:			
100 Salaries	10,441,537	10,153,078	288,459
200 Employee Benefits	4,125,778	3,852,828	272,950
300 Purchased Services	201,739	189,074	12,665
400 Supplies and Materials	248,276	213,303	34,973
600 Other Objects	19,618	33,823	(14,205)
250 Finance and Operations Services			
251 Student Transportation (Federal/District Mandated):			
300 Purchased Services	359,000	346,321	12,679

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
252 Fiscal Services:			
100 Salaries	\$ 862,783	\$ 842,168	\$ 20,615
200 Employee Benefits	337,914	320,753	17,161
300 Purchased Services	182,692	249,279	(66,587)
400 Supplies and Materials	53,955	23,805	30,150
600 Other Objects	3,600	3,184	416
253 Facilities Acquisition and Construction:			
300 Purchased Services	-	573,478	(573,478)
400 Supplies and Materials	-	37,908	(37,908)
500 Capital Outlay			
510 Land	-	10,000	(10,000)
520 Construction Services	-	4,590	(4,590)
254 Operation and Maintenance of Plant:			
100 Salaries	6,486,239	6,277,833	208,406
200 Employee Benefits	3,026,754	2,805,773	220,981
300 Purchased Services	4,218,767	3,874,053	344,714
321 Public Utilities (Excludes gas, oil, elec. & other heating fuels)	719,000	759,151	(40,151)
400 Supplies and Materials	1,086,559	1,075,137	11,422
470 Energy (Include gas, oil, elec. & other heating fuels)	4,122,149	4,079,982	42,167
500 Capital Outlay	55,926	174,532	(118,606)
600 Other Objects	2,861	1,271	1,590
255 Student Transportation (State Mandated):			
100 Salaries	3,518,993	3,437,691	81,302
200 Employee Benefits	1,527,688	1,423,376	104,312
300 Purchased Services	172,130	126,340	45,790
400 Supplies and Materials	56,500	40,181	16,319
600 Other Objects	1,000	549	451
257 Internal Services:			
100 Salaries	236,436	236,444	(8)
200 Employee Benefits	97,521	94,622	2,899
300 Purchased Services	734,184	686,287	47,897
400 Supplies and Materials	52,639	25,900	26,739
258 Security:			
100 Salaries	165,241	157,030	8,211
200 Employee Benefits	73,183	54,562	18,621
300 Purchased Services	1,604,771	1,441,329	163,442
400 Supplies and Materials	6,501	5,189	1,312
500 Capital Outlay	12,505	147,129	(134,624)
600 Other Objects	410	-	410
260 Central Support Services			
262 Planning, Research, Development & Evaluation:			
100 Salaries	127,419	634,459	(507,040)
200 Employee Benefits	46,645	214,103	(167,458)
300 Purchased Services	7,895	5,100	2,795
263 Information Services:			
100 Salaries	881,068	336,329	544,739
200 Employee Benefits	341,244	134,082	207,162
300 Purchased Services	106,000	89,113	16,887
400 Supplies and Materials	30,000	55,786	(25,786)
600 Other Objects	12,000	21,072	(9,072)
264 Staff Services:			
100 Salaries	799,794	804,649	(4,855)
200 Employee Benefits	289,177	285,128	4,049
300 Purchased Services	28,744	18,812	9,932
400 Supplies and Materials	19,527	16,085	3,442
600 Other Objects	-	702	(702)

**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, 2018**

	Final Budget	Actual	Variance Positive (Negative)
266 Technology and Data Processing Services:			
100 Salaries	\$ 1,646,578	\$ 1,740,230	\$ (93,652)
200 Employee Benefits	635,166	642,756	(7,590)
300 Purchased Services	709,223	1,433,406	(724,183)
400 Supplies and Materials	75,520	1,831,746	(1,756,226)
500 Capital Outlay	-	938,501	(938,501)
600 Other Objects	500	176	324
270 Support Services Pupil Activity			
271 Pupil Services Activities:			
100 Salaries (optional)	1,488,963	1,490,002	(1,039)
200 Employee Benefits (optional)	426,011	422,852	3,159
300 Purchased Services (optional)	56,027	232,854	(176,827)
600 Other Objects (optional)			
660 Pupil Activity	<u>581,928</u>	<u>362,451</u>	<u>219,477</u>
<b>Total Support Services</b>	<u>71,578,455</u>	<u>74,179,340</u>	<u>(2,600,885)</u>
<b>300 Community Services</b>			
390 Other Community Services:			
300 Purchased Services	19,263	19,262	1
400 Supplies and Materials	<u>1,587</u>	<u>1,100</u>	<u>487</u>
<b>Total Community Services</b>	<u>20,850</u>	<u>20,362</u>	<u>488</u>
<b>400 Other Charges:</b>			
<b>410 Intergovernmental Expenditures</b>			
412 Payments to Other Governmental Units			
720 Transits	<u>20,000</u>	<u>43,643</u>	<u>(23,643)</u>
<b>Total Intergovernmental Expenditures</b>	<u>20,000</u>	<u>43,643</u>	<u>(23,643)</u>
<b>Total Expenditures</b>	<u>181,872,250</u>	<u>181,180,219</u>	<u>692,031</u>
<b>Other Financing Sources (Uses)</b>			
5300 Sale of Capital Assets	-	86,663	86,663
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	4,311,909	4,623,226	311,317
5280 Transfer from Other Funds Indirect Costs	265,000	358,236	93,236
424-710 Transfer to School Building Fund Capital Projects Fund	-	(5,000,000)	(5,000,000)
425-710 Transfer to Food Service Fund	<u>(19,108)</u>	<u>(239,431)</u>	<u>(220,323)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>4,557,801</u>	<u>(171,306)</u>	<u>(4,729,107)</u>
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<u>\$ (176,603)</u>	<u>(1,680,906)</u>	<u>\$ (1,504,303)</u>
<b>Fund Balance, Beginning of Year</b>		<u>38,336,237</u>	
<b>Fund Balance, Ending of Year</b>		<u>\$ 36,655,331</u>	

## 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.

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SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018

	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 RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
<b>Revenues</b>								
<b>1000 Revenue from Local Sources</b>								
1700 Pupil Activities:								
1740 Student Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931	\$ 931
1900 Other Revenue from Local Sources:								
1920 Contributions & Donations Private Sources	-	-	-	-	-	-	220,886	220,886
1930 Special Needs Transportation - Medicaid	-	-	-	-	-	-	885,042	885,042
<b>Total Local Sources</b>	-	-	-	-	-	-	1,106,859	1,106,859
<b>3000 Revenue from State Sources</b>								
3100 Restricted State Funding:								
3118 EEDA Career Specialists	-	-	-	-	-	404,327	-	404,327
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	30,253	-	30,253
3130 Special Programs:								
3135 Reading Coaches	-	-	-	-	-	554,214	-	554,214
3155 DDS SNAP & E&T Program	-	-	-	-	-	18,541	-	18,541
3177 Summer Reading Camp	-	-	-	-	-	134,440	-	134,440
3199 Other Restricted State Grants	-	-	-	-	-	-	1,926	1,926
3600 Education Lottery:								
3630 K-12 Technology Initiative	-	-	-	-	-	485,511	-	485,511
<b>Total State Sources</b>	-	-	-	-	-	1,627,286	1,926	1,629,212
<b>4000 Revenue from Federal Sources</b>								
4100 Federally Impacted Areas:								
4200 Occupational Education:								
4210 Perkins Aid, Title I-Career & Technical Education-Basic Grants to States	-	-	-	204,889	-	-	-	204,889
4300 Elementary and Secondary Education Act of 1965 (ESEA):								
4310 Title I, Basic State Grant Programs (Carryover Provision)	2,136,379	-	-	-	-	-	65,000	2,201,379
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	40,836	40,836
4343 McKinney-Vento	-	-	-	-	-	-	83,963	83,963
4351 Improving Teacher Quality (Carryover Provision)	-	-	-	-	-	-	348,021	348,021
4400 Adult Education:								
4410 Basic, Adult Education	-	-	-	-	129,883	-	-	129,883
4430 State Literacy Resource	-	-	-	-	7,123	-	-	7,123
4500 Programs for Children with Disabilities:								
4510 Individuals With Disabilities Education Act (IDEA) (Carryover Provision)	-	3,328,615	-	-	-	-	-	3,328,615
4520 Preschool Grants (Carryover Provision)	-	-	170,867	-	-	-	-	170,867
4900 Other Federal Sources:								
4924 21st Century Community Learning Centers Program, (Title IV, 21st Century Schools)	-	-	-	-	-	-	350,365	350,365
4990 Other Federal Revenue:								
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	2,051,963	2,051,963
<b>Total Federal Sources</b>	2,136,379	3,328,615	170,867	204,889	137,006	-	2,940,148	8,917,904
<b>Total Revenues All Sources</b>	2,136,379	3,328,615	170,867	204,889	137,006	1,627,286	4,048,933	11,653,975

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018

	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)	DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
<b>Expenditures</b>								
<b>100 Instruction</b>								
110 General Instruction								
111 Kindergarten Programs:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,063	\$ 2,450	\$ 6,513
200 Employee Benefits	-	-	-	-	-	1,602	1,154	2,756
300 Purchased Services	-	-	-	-	-	-	319	319
400 Supplies and Materials	-	-	-	-	-	-	28,378	28,378
112 Primary Programs:								
100 Salaries	925,974	-	-	-	-	62,845	121,000	1,109,819
200 Employee Benefits	351,825	-	-	-	-	18,032	44,216	414,073
300 Purchased Services	15,235	-	-	-	-	816	26,108	42,159
400 Supplies and Materials	251,363	-	-	-	-	54,864	437,360	743,587
500 Capital Outlay	-	-	-	-	-	-	15,112	15,112
113 Elementary Programs:								
100 Salaries	260,972	-	-	-	-	9,055	11,650	281,677
200 Employee Benefits	99,235	-	-	-	-	3,621	5,371	108,227
300 Purchased Services	-	-	-	-	-	-	1,864	1,864
400 Supplies and Materials	11,836	-	-	-	-	-	35,455	47,291
600 Other Objects	-	-	-	-	-	-	278	278
114 High School Programs:								
100 Salaries	-	-	-	-	-	-	247,518	247,518
200 Employee Benefits	-	-	-	-	-	-	10,078	10,078
300 Purchased Services	-	-	-	-	-	-	4,862	4,862
400 Supplies and Materials	-	-	-	-	-	-	109,331	109,331
500 Capital Outlay	-	-	-	-	-	-	5,483	5,483
115 Career and Technology Education Programs:								
100 Salaries	-	-	-	-	-	-	2,512	2,512
200 Employee Benefits	-	-	-	-	-	-	338	338
300 Purchased Services - Other Than Tuition	-	-	-	19,250	-	-	-	19,250
400 Supplies and Materials	-	-	-	16,558	-	-	17,274	33,832
500 Capital Outlay	-	-	-	16,871	-	-	-	16,871
600 Other Objects	-	-	-	-	-	-	503	503
120 Exceptional Programs								
121 Educable Mentally Handicapped:								
100 Salaries	-	591,804	-	-	-	-	81,159	672,963
200 Employee Benefits	-	277,047	-	-	-	-	38,663	315,710
300 Purchased Services	-	1,090	-	-	-	-	12,174	13,264
400 Supplies and Materials	-	35,104	-	-	-	-	5,335	40,439
122 Trainable Mentally Handicapped:								
100 Salaries	-	132,681	-	-	-	-	9,460	142,141
200 Employee Benefits	-	59,925	-	-	-	-	2,811	62,736
124 Visually Handicapped:								
100 Salaries	-	855	-	-	-	-	23,129	23,984
200 Employee Benefits	-	243	-	-	-	-	4,287	4,530
300 Purchased Services	-	20,963	-	-	-	-	-	20,963
400 Supplies and Materials	-	4,167	-	-	-	-	-	4,167
125 Hearing Handicapped:								
100 Salaries	-	58	-	-	-	-	-	58
200 Employee Benefits	-	17	-	-	-	-	-	17
300 Purchased Services	-	15,290	-	-	-	-	66	15,356
400 Supplies and Materials	-	8,372	-	-	-	-	233	8,605

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ -	\$ 20,087	\$ -	\$ -	\$ -	\$ -	\$ 696	\$ 20,783
200 Employee Benefits	-	7,034	-	-	-	-	191	7,225
300 Purchased Services	-	663	-	-	-	-	-	663
400 Supplies and Materials	-	13,026	-	-	-	-	-	13,026
127 Learning Disabilities:								
100 Salaries	-	194,880	-	-	-	-	20,858	215,738
200 Employee Benefits	-	106,542	-	-	-	-	16,590	123,132
300 Purchased Services	-	3,224	-	-	-	-	-	3,224
400 Supplies and Materials	-	584	-	-	-	-	-	584
128 Emotionally Handicapped:								
100 Salaries	-	45,769	-	-	-	-	36,653	82,422
200 Employee Benefits	-	22,331	-	-	-	-	4,287	26,618
129 Coordinated Early Intervening Services (CEIS):								
100 Salaries	48,229	286,655	-	-	-	-	-	334,884
200 Employee Benefits	17,827	110,549	-	-	-	-	-	128,376
130 Pre-School Programs								
135 Pre-School Handicapped-Speech (3 & 4 year olds):								
100 Salaries	-	-	61,343	-	-	-	-	61,343
200 Employee Benefits	-	-	29,073	-	-	-	-	29,073
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):								
100 Salaries	-	187,926	18,327	-	-	-	23,851	230,104
200 Employee Benefits	-	99,785	5,330	-	-	-	5,564	110,679
300 Purchased Services	-	1,478	-	-	-	-	-	1,478
400 Supplies and Materials	-	-	24,240	-	-	-	-	24,240
140 Special Programs								
141 Gifted and Talented - Academic:								
400 Supplies and Materials	-	-	-	-	-	-	1,700	1,700
144 International Baccalaureate:								
300 Purchased Services	-	-	-	-	-	-	317	317
149 Other Special Programs:								
100 Salaries	-	9,032	-	-	-	-	-	9,032
200 Employee Benefits	-	3,859	-	-	-	-	-	3,859
400 Supplies and Materials	-	-	-	-	-	-	16,294	16,294
160 Other Exceptional Programs								
161 Autism:								
100 Salaries	-	101,270	-	-	-	-	107,801	209,071
200 Employee Benefits	-	41,028	-	-	-	-	23,580	64,608
300 Purchased Services	-	81,782	-	-	-	-	-	81,782
400 Supplies and Materials	-	2,847	-	-	-	-	-	2,847
500 Capital Outlay	-	-	-	-	-	-	928	928
170 Summer School Program								
172 Elementary Summer School:								
300 Purchased Services	-	-	-	-	-	1,734	-	1,734
400 Supplies and Materials	-	-	-	-	-	-	7,761	7,761

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,000	\$ 98,000
200 Employee Benefits	-	-	-	-	-	-	26,841	26,841
300 Purchased Services	-	-	-	-	-	-	24,057	24,057
400 Supplies and Materials	-	-	-	-	-	-	50,906	50,906
180 Adult/Continuing Educational Programs								
181 Adult Basic Education Programs:								
100 Salaries	-	-	-	-	29,108	6,377	-	35,485
200 Employee Benefits	-	-	-	-	7,550	(343)	-	7,207
400 Supplies and Materials	-	-	-	-	-	114	-	114
182 Adult Secondary Education Programs:								
100 Salaries	-	-	-	-	35,643	-	8,525	44,168
200 Employee Benefits	-	-	-	-	8,974	-	1,482	10,456
300 Purchased Services	-	-	-	-	-	-	1,340	1,340
400 Supplies and Materials	-	-	-	-	5,000	8,005	32,700	45,705
183 Adult English Literacy (ESL):								
100 Salaries	-	-	-	-	28,989	-	-	28,989
200 Employee Benefits	-	-	-	-	6,042	-	-	6,042
188 Parenting/Family Literacy:								
100 Salaries	-	-	-	-	-	-	37,715	37,715
200 Employee Benefits	-	-	-	-	-	-	22,978	22,978
300 Purchased Services	-	-	-	-	-	-	4,100	4,100
400 Supplies and Materials	1,790	-	-	-	-	-	6,685	8,475
190 Instructional Pupil Activity:								
100 Salaries (optional)	-	-	-	-	-	-	3,300	3,300
200 Employee Benefits (optional)	-	-	-	-	-	-	894	894
300 Purchased Services (optional)	-	-	-	-	-	8,060	-	8,060
<b>Total Instruction</b>	<b>1,984,286</b>	<b>2,487,967</b>	<b>138,313</b>	<b>52,679</b>	<b>121,306</b>	<b>178,845</b>	<b>1,892,525</b>	<b>6,855,921</b>
<b>200 Support Services</b>								
210 Pupil Services								
211 Attendance and Social Work Services:								
300 Purchased Services	-	-	-	-	-	-	71	71
400 Supplies and Materials	-	-	-	-	-	-	1,205	1,205
212 Guidance Services:								
100 Salaries	-	-	-	-	-	109,002	-	109,002
200 Employee Benefits	-	-	-	-	-	42,244	-	42,244
213 Health Services:								
100 Salaries	-	2,467	-	-	-	-	67,161	69,628
200 Employee Benefits	-	676	-	-	-	-	22,123	22,799
300 Purchased Services	-	2,718	-	-	-	-	4,698	7,416
400 Supplies and Materials	-	10,568	-	-	-	-	2,688	13,256

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	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	\$ -	\$ 308,112	\$ 17,655	\$ -	\$ -	\$ -	\$ -	\$ 325,767
200 Employee Benefits	-	107,269	7,621	-	-	-	-	114,890
300 Purchased Services	-	414	-	-	-	-	125	539
400 Supplies and Materials	-	11,115	-	-	-	-	-	11,115
217 Career Specialist Services:								
100 Salaries	-	-	-	-	-	175,981	-	175,981
200 Employee Benefits	-	-	-	-	-	77,100	-	77,100
220 Instructional Staff Services								
221 Improvement of Instruction Curriculum Development:								
100 Salaries	-	22,939	-	-	-	392,574	11,734	427,247
200 Employee Benefits	-	9,046	-	-	-	161,640	4,587	175,273
300 Purchased Services	-	8,987	-	-	-	-	-	24,687
400 Supplies and Materials	-	5,936	-	-	15,700	-	160	6,096
600 Other Objects	-	-	-	-	-	-	9,122	9,122
222 Library and Media Services:								
400 Supplies and Materials	-	-	-	-	-	-	2,439	2,439
223 Supervision of Special Programs:								
100 Salaries	-	88,367	-	-	-	-	161,024	249,391
200 Employee Benefits	-	33,532	-	-	-	-	60,559	94,091
300 Purchased Services	-	12,421	-	-	-	-	442,480	454,901
400 Supplies and Materials	-	4,487	-	-	-	3,574	15,529	23,590
600 Other Objects	-	-	-	-	-	-	14,245	14,245
224 Improvement of Instruction Inservice and Staff Training:								
100 Salaries	-	-	-	-	-	-	99,231	99,231
200 Employee Benefits	-	-	-	-	-	-	25,684	25,684
300 Purchased Services	29,564	20,866	-	7,223	-	-	335,173	392,826
400 Supplies and Materials	-	-	-	-	-	-	4,424	4,424
600 Other Objects	-	-	-	-	-	-	2,855	2,855
230 General Administration Services								
233 School Administration:								
100 Salaries	-	-	-	-	-	-	39,542	39,542
200 Employee Benefits	-	-	-	-	-	-	20,514	20,514
300 Purchased Services	-	-	-	-	-	-	1,781	1,781
500 Capital Outlay	-	-	-	-	-	-	3,344	3,344
250 Finance and Operations Services								
251 Student Transportation (Federal/District Mandated):								
300 Purchased Services	6,367	44,876	-	-	-	-	77,936	129,179
400 Supplies and Materials	-	-	-	-	-	-	7,628	7,628
253 Facilities Acquisition and Construction:								
500 Capital Outlay	-	-	-	-	-	-	87,309	87,309
540 Equipment	-	-	-	-	-	-	133,876	133,876
550 Vehicles	-	-	-	-	-	-	-	-
254 Operation and Maintenance of Plant:								
300 Purchased Services	-	-	-	-	-	-	78,687	78,687
500 Capital Outlay	-	-	-	-	-	-	6,690	6,690
256 Food Service:								
400 Supplies and Materials (Includes gas, oil, electricity, and other heating fuels.)	-	-	-	-	-	-	8,055	8,055
258 Security:								
300 Purchased Services	-	-	-	-	-	-	2,630	2,630

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2018**

	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								
263 Information Services:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,755	\$ 4,755
200 Employee Benefits	-	-	-	-	-	-	395	395
264 Staff Services:								
300 Purchased Services	-	-	-	-	-	-	4,450	4,450
266 Technology and Data Processing Services:								
300 Purchased Services	-	-	-	-	-	40,000	46,885	86,885
500 Capital Outlay	-	-	-	-	-	257,743	-	257,743
270 Support Services Pupil Activity								
271 Pupil Services Activities:								
100 Salaries (optional)	-	-	-	-	-	-	300	300
200 Employee Benefits (optional)	-	-	-	-	-	-	80	80
300 Purchased Services (optional)	-	-	143,139	-	-	815	13,544	157,498
400 Supplies and Materials (optional)	-	-	-	1,848	-	-	1,895	3,543
<b>Total Support Services</b>	<b>35,931</b>	<b>694,796</b>	<b>25,276</b>	<b>152,210</b>	<b>15,700</b>	<b>1,260,673</b>	<b>1,827,413</b>	<b>4,011,999</b>
<b>300 Community Services</b>								
350 Custody and Care of Children Services:								
100 Salaries	-	-	-	-	-	-	3,725	3,725
200 Employee Benefits	-	-	-	-	-	-	1,043	1,043
360 Welfare Services:								
300 Purchased Services	-	-	-	-	-	-	45,156	45,156
400 Supplies and Materials	-	-	-	-	-	-	18,269	18,269
<b>Total Community Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,193</b>	<b>68,193</b>
<b>400 Other Charges:</b>								
<b>410 Intergovernmental Expenditures</b>								
411 Payments to the South Carolina Department of Education								
720 Transits	-	-	-	-	-	-	172,865	172,865
<b>Total Intergovernmental Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,865</b>	<b>172,865</b>
<b>500 Debt Service</b>								
610 Redemption of Principal	-	-	-	-	-	451,626	-	451,626
620 Interest	-	-	-	-	-	48,374	-	48,374
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>
<b>Total Expenditures</b>	<b>2,020,217</b>	<b>3,182,763</b>	<b>163,589</b>	<b>204,889</b>	<b>137,006</b>	<b>1,939,518</b>	<b>3,960,996</b>	<b>11,608,978</b>

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2018

	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
5900 Miscellaneous Sources:								
5999 Other Financing Sources								
Interfund Transfers, From (To) Other Funds:								
5250 Transfer from Capital Projects Fund						312,232		312,232
431-791 Special Revenue Fund Indirect Costs	(116,162)	(145,852)	(7,278)				(88,944)	(358,236)
<b>Total Other Financing Sources (Uses)</b>	(116,162)	(145,852)	(7,278)			312,232	(87,937)	(44,997)
<b>Excess/Deficiency of Revenues over Expenditures</b>								
<b>Fund Balance, Beginning of Year</b>								
<b>Fund Balance, Ending of Year</b>								

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUNDS  
SUMMARY SCHEDULE OF DESIGNATED STATE RESTRICTED GRANTS AND OTHER SPECIAL PROJECTS PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2018**

District Subfund Code	District Revenue Code	Program	Revenues		Expenditures		Interfund Transfers		Other Fund Transfers		Unearned Revenue
			In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)			
<b>Other State Restricted Grants:</b>											
919	3193	Education License Plates	\$ -	\$ -	-	\$ -	-	\$ -	-	\$ -	2,548
926	3177	Summer Reading Camp	134,440	134,440	-	-	-	-	-	-	-
928	3118	EEDA Career Specialists	404,327	404,327	-	-	-	-	-	-	801,601
935	3135	Reading Coaches	554,214	554,214	-	-	-	-	-	-	329,738
936	3136	Student Health and Fitness	-	-	-	-	-	-	-	-	353,489
937	3127	Student Health and Fitness - PE Teachers	30,253	30,253	-	-	-	-	-	-	148,830
955	3155	DSS SNAP & E&T Program	18,541	18,541	-	-	-	-	-	-	20,554
956	3156	Adult Education	-	-	-	-	-	-	-	-	4,043
963	3630	K-12 Technology Initiative	485,511	797,743	-	-	-	-	312,232	-	19,416
			<b>\$ 1,627,286</b>	<b>\$ 1,939,518</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 312,232</b>	<b>\$ -</b>	<b>\$ 1,680,219</b>	
<b>Other Special:</b>											
224	4924	21st Century	\$ 350,365	\$ 337,641	\$ -	\$ -	\$ -	\$ -	(12,724)	\$ -	-
232	4343	McKinney-Vento	83,963	81,906	-	-	-	-	(2,057)	-	-
237	4310	Title I - School Improvement	65,000	65,000	-	-	-	-	-	-	-
264	4341	Title II - English Language Acquisition	40,836	39,898	-	-	-	-	(938)	-	-
267	4351	Improving Teacher Quality	348,021	329,817	-	-	-	-	(18,204)	-	-
803	4999	Magnet School Grant - Project Access	506,627	499,669	-	-	-	-	(6,958)	-	-
804	4999	Magnet School Grant - Discover Five	1,308,004	1,259,941	-	-	-	-	(48,063)	-	-
831	4999	CHS NJROTC	85,490	85,490	-	-	-	-	-	-	6,857
832	4999	IHS, DFHS AF JROTC	151,842	151,842	-	-	-	-	-	-	495
868	1920	Lexington County First Steps	77,633	77,633	-	-	-	-	-	-	-
890	1930/3199	Medicaid	886,968	886,968	-	-	-	-	-	-	241,263
898	1740/1920	Mini Grants	144,184	144,184	-	-	-	-	-	-	87,421
			<b>\$ 4,048,933</b>	<b>\$ 3,959,989</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (88,944)</b>	<b>\$ -</b>	<b>\$ 336,036</b>	

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

**Revenues**

**3000 Revenue from State Sources**

3500 Education Improvement Act:	
3502 ADEPT	\$ 6,677
3509 Arts in Education	12,175
3511 Professional Development	177,055
3512 Technology Professional Development	89,854
3518 Formative Assessment	72,741
3519 Grade 10 Assessments	47,800
3525 Career and Technology Education Equipment	182,073
3526 Refurbishment of K-8 Science Kits	57,797
3528 Industry Certificates	113,319
3529 Career and Technology Education	367,709
3532 National Board Salary Supplement (No Carryover Provision)	2,755,516
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	1,000,407
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	144,552
3550 Teacher Salary Increase (No Carryover Provision)	3,978,866
3555 Teacher Salary Fringe (No Carryover Provision)	644,360
3556 Adult Education	106,760
3557 Summer Reading Program	22,061
3558 Reading	77,291
3577 Teacher Supplies (No Carryover Provision)	369,600
3578 High Schools That Work/Making Middle Grades Work	43,368
3587 IDEA MOE Tier 1	609,820
3592 Work-Based Learning	33,790
3594 EEDA Supplemental Programs	224,695
3597 Aid to Districts	36,857

**Total State Sources**

11,176,220

**Total Revenues All Sources**

11,176,220

**Expenditures**

**100 Instruction**

110 General Instruction

111 Kindergarten Programs:	
100 Salaries	99,100
200 Employee Benefits	27,020
300 Purchased Services	83
400 Supplies and Materials	3,534
112 Primary Programs:	
100 Salaries	770,530
200 Employee Benefits	246,557
300 Purchased Services	10,404
400 Supplies and Materials	23,906
113 Elementary Programs:	
100 Salaries	664,772
200 Employee Benefits	197,739
300 Purchased Services	283
400 Supplies and Materials	39,359

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

114 High School Programs:		
100 Salaries	\$	633,772
200 Employee Benefits		172,557
115 Career and Technology Education Programs:		
100 Salaries		103,825
200 Employee Benefits		28,299
300 Purchased Services - Other Than Tuition		72,029
400 Supplies and Materials		346,645
500 Capital Outlay		225,053
 120 Exceptional Programs		
121 Educable Mentally Handicapped:		
100 Salaries		29,862
200 Employee Benefits		8,117
400 Supplies and Materials		484,690
122 Trainable Mentally Handicapped:		
100 Salaries		5,000
200 Employee Benefits		1,361
126 Speech Handicapped:		
100 Salaries		15,000
200 Employee Benefits		4,085
127 Learning Disabilities:		
100 Salaries		45,513
200 Employee Benefits		12,320
300 Purchased Services		90
129 Coordinated Early Intervening Services (CEIS):		
100 Salaries		38,750
200 Employee Benefits		10,529
 130 Pre-School Programs		
135 Pre-School Handicapped-Speech (3 & 4 year olds):		
100 Salaries		5,000
200 Employee Benefits		1,335
136 Pre-School Handicapped-Itinerant (3 & 4 year olds):		
100 Salaries		4,726
200 Employee Benefits		1,287
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):		
100 Salaries		19,479
200 Employee Benefits		5,306
138 Pre-School Handicapped-Homebased (3 & 4 year olds):		
100 Salaries		375
200 Employee Benefits		102
139 Early Childhood Programs:		
100 Salaries		95,044
200 Employee Benefits		38,302
400 Supplies and Materials		20,728
 140 Special Programs		
141 Gifted and Talented - Academic:		
100 Salaries		21,225
200 Employee Benefits		5,763
143 Advanced Placement:		
100 Salaries		20,025
200 Employee Benefits		5,482

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

149 Other Special Programs:	
100 Salaries	\$ 7,500
200 Employee Benefits	2,035
400 Supplies and Materials	369,600
160 Other Exceptional Programs	
161 Autism:	
100 Salaries	7,500
200 Employee Benefits	2,011
300 Purchased Services	41,340
500 Capital Outlay	29,603
170 Summer School Program	
172 Elementary Summer School:	
300 Purchased Services	285
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	46,736
200 Employee Benefits	12,556
400 Supplies and Materials	1,992
180 Adult/Continuing Educational Programs	
181 Adult Basic Education Programs:	
100 Salaries	5,663
200 Employee Benefits	1,233
400 Supplies and Materials	81
600 Other Objects	104
182 Adult Secondary Education Programs:	
100 Salaries	36,934
200 Employee Benefits	14,997
400 Supplies and Materials	1,762
183 Adult English Literacy (ESL):	
100 Salaries	3,963
200 Employee Benefits	1,297
184 Post Secondary Education Programs:	
100 Salaries	6,002
200 Employee Benefits	1,643
400 Supplies and Materials	2,792
188 Parenting/Family Literacy:	
100 Salaries	35,624
200 Employee Benefits	13,831
300 Purchased Services	624
400 Supplies and Materials	4,857
190 Instructional Pupil Activity:	
300 Purchased Services (optional)	12,243
400 Supplies and Materials (optional)	5,000
<b>Total Instruction</b>	<b>5,234,771</b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

**200 Support Services**

210 Pupil Services

211 Attendance and Social Work Services:

100 Salaries	\$ 52,715
200 Employee Benefits	19,346
300 Purchased Services	25,932
400 Supplies and Materials	4,415

212 Guidance Services:

100 Salaries	82,500
200 Employee Benefits	22,388

220 Instructional Staff Services

221 Improvement of Instruction Curriculum Development:

100 Salaries	218,487
200 Employee Benefits	70,150
300 Purchased Services	63,330

222 Library and Media Services:

100 Salaries	45,000
200 Employee Benefits	12,260

223 Supervision of Special Programs:

100 Salaries	76,608
200 Employee Benefits	27,802
300 Purchased Services	4,290
400 Supplies and Materials	6,044

224 Improvement of Instruction Inservice and Staff Training:

100 Salaries	68,367
200 Employee Benefits	18,531
300 Purchased Services	284,174
400 Supplies and Materials	57,935
600 Other Objects	2,400

230 General Administration Services

233 School Administration:

300 Purchased Services	13,794
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250 Finance and Operations Services

251 Student Transportation (Federal/District Mandated):

300 Purchased Services	33,808
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252 Fiscal Services:

100 Salaries	56,698
200 Employee Benefits	22,318

260 Central Support Services

266 Technology and Data Processing Services:

100 Salaries	7,500
200 Employee Benefits	2,021

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

270 Support Services Pupil Activity	
271 Pupil Services Activities:	
300 Purchased Services (optional)	<u>\$ 19,410</u>
<b>Total Support Services</b>	<u>1,318,223</u>
<b>Total Expenditures</b>	<u>6,552,994</u>
<b>Other Financing Sources (Uses)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	<u>(4,623,226)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(4,623,226)</u>
<b>Excess/Deficiency of Revenues over Expenditures</b>	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>
<b>Fund Balance, Ending of Year</b>	<u><u>\$ -</u></u>

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2018

Program	Revenues		Expenditures		Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act:							
3502 ADEPT	\$	6,677	\$	6,677	\$	-	\$ 9,471
3507 Aid to District Technology		-		-		-	222,280
3509 Arts in Education		12,175		12,175		-	-
3511 Professional Development		177,055		177,055		-	33,366
3512 Technology Professional Development		89,854		89,854		-	-
3518 Formative Assessment		72,741		72,741		-	78,601
3519 Grade 10 Assessments		47,800		47,800		-	-
3525 Career and Technology Education Equipment		182,073		182,073		-	-
3526 Refurbishment of K-8 Science Kits		57,797		57,797		-	56,567
3528 Industry Certificates		113,319		113,319		-	6,610
3529 Career and Technology Education		367,709		367,709		-	108,047
3532 National Board Salary Supplement (No Carryover Provision)		2,755,516		2,755,516		-	-
3533 Teacher of the Year Awards (No Carryover Provision)		1,077		1,077		-	-
3538 Students At Risk of School Failure		1,000,407		1,000,407		-	1,267,901
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)		144,552		144,552		-	376,088
3550 Teacher Salary Increase (No Carryover Provision)		3,978,866		-		(3,978,866)	-
3555 Teacher Salary Fringe (No Carryover Provision)		644,360		-		(644,360)	-
3556 Adult Education		106,760		106,760		-	245,002
3557 Summer Reading Program		22,061		22,061		-	59,680
3558 Reading		77,291		77,291		-	78,358
3577 Teacher Supplies (No Carryover Provision)		369,600		369,600		-	-
3578 High Schools That Work/Making Middle Grades Work		43,368		43,368		-	-
3587 IDEA MOE Tier 1		609,820		609,820		-	-
3592 Work-Based Learning		33,790		33,790		-	-
3594 EEDA Supplemental Programs		224,695		224,695		-	-
3595 EEDA Supplies and Materials		-		-		-	36,513
3597 Aid to Districts		36,857		36,857		-	283,448
<b>Total</b>	\$	11,176,220	\$	6,552,994	\$	(4,623,226)	\$ 2,861,932

## 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 schedule 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.

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**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, 2018**

**Revenues**

**1000 Revenue from Local Sources**

1100 Taxes Levied/Assessed by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 26,110,033
1140 Penalties & Interest on Taxes (Independent)	59,797
1200 Revenue From Local Governmental Units Other Than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	271,497
1500 Earnings on Investments:	
1510 Interest on Investments	<u>82,772</u>

**Total Local Sources** 26,524,099

**3000 Revenue from State Sources**

3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	910,698
3830 Merchant's Inventory Tax	71,318
3840 Manufacturers Depreciation Reimbursement	61,359
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	<u>47,874</u>

**Total State Sources** 1,091,249

**4000 Revenue from Federal Sources**

4900 Other Federal Sources:	
4999 Revenue from Other Federal Sources	<u>481,010</u>

**Total Federal Sources** 481,010

**Total Revenues All Sources** 28,096,358

**Expenditures**

**500 Debt Service**

395 Other Professional and Technical Services	1,525
610 Redemption of Principal	9,868,000
620 Interest	<u>7,856,201</u>

**Total Debt Service** 17,725,726

**Total Expenditures** 17,725,726

**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, 2018**

**Other Financing Sources (Uses)**

Interfund Transfers, From (To) Other Funds:

424-710 Transfer to Capital Projects Fund	<u>\$ (9,819,000)</u>
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<b>Total Other Financing Sources (Uses)</b>	<u>(9,819,000)</u>
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<b>Excess/Deficiency of Revenues over Expenditures</b>	551,632
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<b>Fund Balance, Beginning of Year</b>	<u>5,451,624</u>
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<b>Fund Balance, Ending of Year</b>	<u><u>\$ 6,003,256</u></u>
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## CAPITAL PROJECTS FUND

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

The following individual fund schedule 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.

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**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, 2018**

**Revenues**

**1000 Revenue from Local Sources**

1500 Earnings on Investments:		
1510 Interest on Investments	\$	255,298
1900 Other Revenue from Local Sources:		
1990 Miscellaneous Local Revenue:		
1999 Revenue from Other Local Sources		100,000
<b>Total Local Sources</b>		355,298
<b>Total Revenues All Sources</b>		355,298

**Expenditures**

**200 Support Services**

230 General Administration Services		
232 Office of the Superintendent:		
400 Supplies and Materials		2,533
250 Finance and Operations Services		
253 Facilities Acquisition and Construction:		
300 Purchased Services		1,209,741
400 Supplies and Materials		386,201
500 Capital Outlay		
510 Land		889,579
520 Construction Services		6,775,227
530 Improvements Other Than Buildings		368,005
540 Equipment		240,939
545 Technology Equipment and Software		49,289
550 Vehicles		2,516
600 Other Objects		20,157
254 Operation and Maintenance of Plant:		
300 Purchased Services		3,388,668
400 Supplies and Materials		102,815
500 Capital Outlay		7,286
260 Central Support Services		
266 Technology and Data Processing Services:		
300 Purchased Services		8,613
400 Supplies and Materials		37,305
500 Capital Outlay		448,565
<b>Total Support Services</b>		13,937,439

**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, 2018**

<b>500 Debt Service</b>	
690 Other Objects (Includes Fees For Servicing Bonds)	\$ 46,541
<b>Total Debt Service</b>	<u>46,541</u>
<b>Total Expenditures</b>	<u>13,983,980</u>
<b>Other Financing Sources (Uses)</b>	
5110 Premium on Bonds Sold	90,377
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	5,000,000
5240 Transfer from Debt Service Fund	9,819,000
421-710 Transfer to Special Revenue Fund	<u>(312,232)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>14,597,145</u>
<b>Excess/Deficiency of Revenues over Expenditures</b>	968,463
<b>Fund Balance, Beginning of Year - as Restated</b>	<u>11,845,341</u>
<b>Fund Balance, Ending of Year</b>	<u><u>\$ 12,813,804</u></u>

# 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 schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various schedules are also mandated by the South Carolina Department of Education.

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**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 PROPRIETARY FUND TYPE - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)  
 FOR THE YEAR ENDED JUNE 30, 2018**

<b>Revenues</b>	<b>Food Service</b>	<b>After School Program</b>	<b>Totals</b>
<b>1000 Revenue from Local Sources</b>			
1300 Tuition:			
1310 From Patrons for Regular Day School	\$ -	\$ 1,492,087	\$ 1,492,087
1500 Earnings on Investments:			
1510 Interest on Investments	47,960	-	47,960
1600 Food Service:			
1610 Lunch Sales to Pupils	1,727,565	-	1,727,565
1620 Breakfast Sales to Pupils	92,170	-	92,170
1630 Special Sales to Pupils	1,381,511	-	1,381,511
1640 Lunch Sales to Adults	125,429	-	125,429
1650 Breakfast Sales to Adults	2,084	-	2,084
1660 Special Sales to Adults	73,507	-	73,507
1700 Pupil Activities:			
1790 Other Pupil Activity Income	279	243	522
1900 Other Revenue from Local Sources:			
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	221,374	-	221,374
<b>Total Local Sources</b>	<b>3,671,879</b>	<b>1,492,330</b>	<b>5,164,209</b>
<b>3000 Revenue from State Sources</b>			
3100 Restricted State Funding:			
3140 School Lunch			
3142 Program Aid	477	-	477
<b>Total State Sources</b>	<b>477</b>	<b>-</b>	<b>477</b>
<b>4000 Revenue from Federal Sources</b>			
4800 USDA Reimbursement:			
4810 School Lunch and After School Snacks Program	3,170,180	-	3,170,180
4830 School Breakfast Program	1,172,807	-	1,172,807
4880 Summer Feeding Programs (SFSP)	142,399	-	142,399
4990 Other Federal Revenue:			
4991 USDA Commodities (Food Distribution Program)	603,612	-	603,612
4999 Revenue from Other Federal Sources	211,699	-	211,699
<b>Total Federal Sources</b>	<b>5,300,697</b>	<b>-</b>	<b>5,300,697</b>
<b>Total Revenues All Sources</b>	<b>8,973,053</b>	<b>1,492,330</b>	<b>10,465,383</b>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 PROPRIETARY FUND TYPE - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)  
 FOR THE YEAR ENDED JUNE 30, 2018**

<b>Expenditures</b>	<u>Food Service</u>	<u>After School Program</u>	<u>Totals</u>
<b>100 Instruction</b>			
110 General Instruction			
112 Primary Programs:			
300 Purchased Services	\$ -	\$ 4,774	\$ 4,774
400 Supplies and Materials	-	86,446	86,446
113 Elementary Programs:			
100 Salaries	-	364	364
200 Employee Benefits	-	99	99
400 Supplies and Materials	-	4,202	4,202
130 Pre-School Programs			
139 Early Childhood Programs:			
100 Salaries	-	201,771	201,771
200 Employee Benefits	-	100,851	100,851
300 Purchased Services	-	2,240	2,240
400 Supplies and Materials	-	5,171	5,171
<b>Total Instruction</b>	<u>-</u>	<u>405,918</u>	<u>405,918</u>
<b>200 Support Services</b>			
220 Instructional Staff Services			
223 Supervision of Special Programs:			
300 Purchased Services	-	5,000	5,000
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	-	463	463
200 Employee Benefits	-	134	134
300 Purchased Services	-	37,845	37,845
400 Supplies and Materials	-	35,713	35,713
230 General Administration Services			
233 School Administration:			
100 Salaries	-	10,803	10,803
200 Employee Benefits	-	3,038	3,038
300 Purchased Services	-	4,830	4,830
400 Supplies and Materials	-	51,981	51,981
600 Other Objects	-	651	651
250 Finance and Operations Services			
253 Facilities Acquisition and Construction:			
500 Capital Outlay			
540 Equipment	-	14,825	14,825
254 Operation and Maintenance of Plant:			
300 Purchased Services	-	3,600	3,600
400 Supplies and Materials	-	2,035	2,035
256 Food Service:			
100 Salaries	2,629,176	-	2,629,176
200 Employee Benefits	1,168,730	-	1,168,730
300 Purchased Services	445,348	-	445,348
400 Supplies and Materials	4,281,500	-	4,281,500
500 Capital Outlay	327,212	-	327,212
600 Other Objects	17,651	-	17,651
258 Security:			
300 Purchased Services	-	180	180
<b>Total Support Services</b>	<u>8,869,617</u>	<u>171,098</u>	<u>9,040,715</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 PROPRIETARY FUND TYPE - FOOD SERVICE FUND AND AFTER SCHOOL PROGRAM  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Food Service</b>	<b>After School Program</b>	<b>Totals</b>
<b>300 Community Services</b>			
350 Custody and Care of Children Services:			
100 Salaries	\$ -	\$ 578,495	\$ 578,495
200 Employee Benefits	-	185,131	185,131
300 Purchased Services	-	81,866	81,866
400 Supplies and Materials	-	81,158	81,158
600 Other Objects	-	409	409
390 Other Community Services:			
100 Salaries	-	25,315	25,315
200 Employee Benefits	-	6,936	6,936
400 Supplies and Materials	-	1,079	1,079
<b>Total Community Services</b>	-	960,389	960,389
<b>Total Expenditures</b>	8,869,617	1,537,405	10,407,022
<b>Other Financing Sources (Uses)</b>			
5300 Sale of Capital Assets	(14,042)	-	(14,042)
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Exclude Indirect Costs)	239,431	-	239,431
<b>Total Other Financing Sources (Uses)</b>	225,389	-	225,389
<b>Excess/Deficiency of Revenues over Expenditures</b>	328,825	(45,075)	283,750
<b>Net Position (Deficit), Beginning of Year - as Restated</b>	(4,664,767)	(1,931,263)	(6,596,030)
<b>Net Position (Deficit), Ending of Year</b>	\$ (4,335,942)	\$ (1,976,338)	\$ (6,312,280)

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## 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 schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various schedules are also mandated by the South Carolina Department of Education.

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**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUND  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2018</b>
<b>Assets</b>				
Due From District	\$ 3,151,813	\$ 5,064,122	\$ 4,689,799	\$ 3,526,136
<b>Total Assets</b>	<u>\$ 3,151,813</u>	<u>\$ 5,064,122</u>	<u>\$ 4,689,799</u>	<u>\$ 3,526,136</u>
<b>Liabilities</b>				
Accounts Payable	\$ 5,002	\$ 43,949	\$ 5,002	\$ 43,949
Due to Pupil Activities	3,146,811	5,064,122	4,728,746	3,482,187
<b>Total Liabilities</b>	<u>\$ 3,151,813</u>	<u>\$ 5,108,071</u>	<u>\$ 4,733,748</u>	<u>\$ 3,526,136</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
 AMOUNTS DUE TO PUPIL ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Other Pupil Activity</u>	<u>Schools' Pupil Activity</u>	<u>Totals</u>
<b>Receipts</b>			
<b>1000 Receipts from Local Sources</b>			
1700 Pupil Activities:			
1740 Student Fees	\$ 229,217	\$ 498,321	\$ 727,538
1790 Other Pupil Activity Income	641,315	3,604,248	4,245,563
1900 Other Receipts from Local Sources:			
1990 Miscellaneous Local Receipts:			
1999 Receipts from Other Local Sources	38,855	125	38,980
<b>Total Local Sources</b>	<u>909,387</u>	<u>4,102,694</u>	<u>5,012,081</u>
<b>Total Receipts All Sources</b>	<u>909,387</u>	<u>4,102,694</u>	<u>5,012,081</u>
<b>Disbursements</b>			
<b>190 Instruction Pupil Activity</b>			
190 Instruction Pupil Activities:			
100 Salaries (optional)	-	2,919	2,919
200 Employee Benefits (optional)	-	793	793
660 Pupil Activity	-	13,067	13,067
<b>270 Support Services Pupil Activity</b>			
271 Pupil Services Activities:			
100 Salaries (optional)	205,915	95,149	301,064
200 Employee Benefits (optional)	55,084	24,105	79,189
300 Purchased Services (optional)	195	427,086	427,281
400 Supplies and Materials (optional)	-	251,949	251,949
500 Capital Outlay (optional)	44,920	21,188	66,108
600 Other Objects (optional)	-	209,761	209,761
660 Pupil Activity	329,122	2,995,452	3,324,574
<b>Total Disbursements</b>	<u>635,236</u>	<u>4,041,469</u>	<u>4,676,705</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 FIDUCIARY FUND - PUPIL ACTIVITY AGENCY FUNDS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
 AMOUNTS DUE TO PUPIL ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Other Pupil Activity</u>	<u>Schools' Pupil Activity</u>	<u>Totals</u>
<b>Other Financing Sources (Uses)</b>			
Interfund Transfers, From (To) Other Funds:			
5270 Transfer from Pupil Activity Fund	\$ 31,050	\$ 20,991	\$ 52,041
426-710 Transfer to Pupil Activity Fund	-	(52,041)	(52,041)
<b>Total Other Financing Sources (Uses)</b>	<u>31,050</u>	<u>(31,050)</u>	<u>-</u>
<b>Excess/Deficiency of Receipts over Disbursements</b>	305,201	30,175	335,376
<b>Due to Pupil Activities, Beginning of Year</b>	<u>913,122</u>	<u>2,233,689</u>	<u>3,146,811</u>
<b>Due to Pupil Activities, Ending of Year</b>	<u><u>\$ 1,218,323</u></u>	<u><u>\$ 2,263,864</u></u>	<u><u>\$ 3,482,187</u></u>

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, 2018

	Chapin Elementary	Ballentine Elementary	Chapin Middle	Chapin High	Crossroads Middle	Dutch Fork Elementary	Oak Pointe Elementary
<b>Receipts</b>							
<b>1000 Receipts from Local Sources</b>							
1700 Pupil Activities:							
1740 Student Fees	\$ 29	\$ 2,613	\$ 19,542	\$ 40,993	\$ 9,456	\$ 794	\$ 117
1790 Other Pupil Activity Income	39,469	104,579	173,653	327,334	228,120	30,353	95,368
1900 Other Receipts from Local Sources:							
1990 Miscellaneous Local Receipts:							
1999 Receipts from Other Local Sources	-	-	-	-	-	-	-
<b>Total Receipts from Local Sources</b>	<b>39,498</b>	<b>107,192</b>	<b>193,195</b>	<b>368,327</b>	<b>237,576</b>	<b>31,147</b>	<b>95,485</b>
<b>Disbursements</b>							
190 Instruction Pupil Activity							
190 Instruction Pupil Activities:							
100 Salaries (optional)	-	-	-	-	-	-	-
200 Employee Benefits (optional)	-	-	-	-	-	-	-
660 Pupil Activity	534	719	68	-	-	246	-
270 Support Services Pupil Activity							
271 Pupil Services Activities:							
100 Salaries (optional)	3,000	4,290	-	4,021	250	-	-
200 Employee Benefits (optional)	852	1,174	-	1,106	68	-	-
300 Purchased Services (optional)	-	-	-	-	-	-	-
400 Supplies and Materials (optional)	-	-	-	-	-	-	-
500 Capital Outlay (optional)	-	-	-	-	-	-	-
600 Other Objects (optional)	-	-	-	-	-	-	-
660 Pupil Activity	58,832	91,685	194,227	352,061	240,451	32,778	94,516
<b>Total Disbursements</b>	<b>63,218</b>	<b>97,868</b>	<b>194,295</b>	<b>357,188</b>	<b>240,769</b>	<b>33,024</b>	<b>94,516</b>

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, 2018

	Chapin Elementary	Ballentine Elementary	Chapin Middle	Chapin High	Crossroads Middle	Dutch Fork Elementary	Oak Pointe Elementary
<b>Other Financing Sources (Uses)</b>							
Interfund Transfers, From (To) Other Funds:							
5270 Transfer from Pupil Activity Fund	\$ 6,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
426-710 Transfer to Pupil Activity Fund	(6,070)	-	(2,284)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	(2,284)	-	-	-	-
<b>Excess/Deficiency of Receipts over Disbursements</b>	(23,720)	9,324	(3,384)	11,139	(3,193)	(1,877)	969
<b>Due to Pupil Activities, Beginning of Year</b>	75,904	63,213	88,152	273,727	84,059	44,236	34,689
<b>Due to Pupil Activities, Ending of Year</b>	\$ 52,184	\$ 72,537	\$ 84,768	\$ 284,866	\$ 80,866	\$ 42,359	\$ 35,658

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, 2018

	Dutch Fork High	Dutch Fork Middle	H.E. Corley Elementary	Harbison West Elementary	Irmo Elementary	Irmo Middle	Irmo High
<b>Receipts</b>							
<b>1000 Receipts from Local Sources</b>							
1700 Pupil Activities:							
1740 Student Fees	\$ 41,403	\$ 24,802	\$ 1,608	\$ 2,852	\$ 35	\$ 9,309	\$ 38,278
1790 Other Pupil Activity Income	379,684	122,239	52,718	72,160	92,818	98,723	337,514
1900 Other Receipts from Local Sources:							
1990 Miscellaneous Local Receipts:	-	-	-	-	-	-	-
1999 Receipts from Other Local Sources	-	-	-	-	-	-	-
<b>Total Receipts from Local Sources</b>	<b>421,087</b>	<b>147,041</b>	<b>54,326</b>	<b>75,012</b>	<b>92,853</b>	<b>108,032</b>	<b>375,792</b>
<b>Disbursements</b>							
190 Instruction Pupil Activity							
190 Instruction Pupil Activities:							
100 Salaries (optional)	-	-	-	-	-	-	-
200 Employee Benefits (optional)	-	-	-	-	-	-	-
660 Pupil Activity	5,039	-	573	561	3,516	-	-
270 Support Services Pupil Activity							
271 Pupil Services Activities:							
100 Salaries (optional)	8,155	-	-	-	70	-	5,553
200 Employee Benefits (optional)	2,207	-	-	-	19	-	1,418
300 Purchased Services (optional)	-	-	-	-	-	-	-
400 Supplies and Materials (optional)	-	-	-	-	-	-	-
500 Capital Outlay (optional)	-	-	-	-	-	-	-
600 Other Objects (optional)	-	-	-	-	-	-	-
660 Pupil Activity	371,981	127,287	62,069	69,832	90,608	104,155	370,643
<b>Total Disbursements</b>	<b>387,382</b>	<b>127,287</b>	<b>62,642</b>	<b>70,393</b>	<b>94,213</b>	<b>104,155</b>	<b>377,614</b>

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, 2018

	Dutch Fork High	Dutch Fork Middle	H.E. Corley Elementary	Harbison West Elementary	Irmo Elementary	Irmo Middle	Irmo High
<b>Other Financing Sources (Uses)</b>							
Interfund Transfers, From (To) Other Funds:							
5270 Transfer from Pupil Activity Fund	\$ 5,853	\$ 2,284	\$ -	\$ -	\$ -	\$ -	\$ 3,648
426-710 Transfer to Pupil Activity Fund	(23,128)	(4,773)	-	(1,048)	-	-	2,813
<b>Total Other Financing Sources (Uses)</b>	<b>(17,275)</b>	<b>(2,489)</b>	<b>-</b>	<b>(1,048)</b>	<b>-</b>	<b>-</b>	<b>6,461</b>
<b>Excess/Deficiency of Receipts over Disbursements</b>	<b>16,430</b>	<b>17,265</b>	<b>(8,316)</b>	<b>3,571</b>	<b>(1,360)</b>	<b>3,877</b>	<b>4,639</b>
<b>Due to Pupil Activities, Beginning of Year</b>	<b>297,715</b>	<b>95,596</b>	<b>31,194</b>	<b>42,482</b>	<b>31,253</b>	<b>62,337</b>	<b>232,744</b>
<b>Due to Pupil Activities, Ending of Year</b>	<b>\$ 314,145</b>	<b>\$ 112,861</b>	<b>\$ 22,878</b>	<b>\$ 46,053</b>	<b>\$ 29,893</b>	<b>\$ 66,214</b>	<b>\$ 237,383</b>

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, 2018

	Chapin Intermediate	Lake Murray Elementary	Leaphart Elementary	Nursery Road Elementary	River Springs Elementary	Seven Oaks Elementary	Academy for Success
<b>Receipts</b>							
<b>1000 Receipts from Local Sources</b>							
1700 Pupil Activities:							
1740 Student Fees	\$ 17,742	\$ -	\$ 707	\$ 25	\$ 1,517	\$ 580	\$ -
1790 Other Pupil Activity Income	55,999	123,536	40,228	39,715	41,318	45,043	1,755
1900 Other Receipts from Local Sources:							
1990 Miscellaneous Local Receipts:							
1999 Receipts from Other Local Sources	-	-	-	-	-	-	-
<b>Total Receipts from Local Sources</b>	<b>73,741</b>	<b>123,536</b>	<b>40,935</b>	<b>39,740</b>	<b>42,835</b>	<b>45,623</b>	<b>1,755</b>
<b>Disbursements</b>							
190 Instruction Pupil Activity							
190 Instruction Pupil Activities:							
100 Salaries (optional)	-	-	-	-	-	-	-
200 Employee Benefits (optional)	-	-	-	-	-	-	-
660 Pupil Activity	-	1,804	-	-	-	-	-
270 Support Services Pupil Activity							
271 Pupil Services Activities:							
100 Salaries (optional)	-	17,473	154	-	-	-	-
200 Employee Benefits (optional)	-	4,785	45	-	-	-	-
300 Purchased Services (optional)	-	-	-	-	-	-	-
400 Supplies and Materials (optional)	-	-	-	-	-	-	-
500 Capital Outlay (optional)	-	-	-	-	-	-	-
600 Other Objects (optional)	-	-	-	-	-	-	-
660 Pupil Activity	80,890	138,035	43,134	37,896	36,978	41,761	2,386
<b>Total Disbursements</b>	<b>80,890</b>	<b>162,097</b>	<b>43,333</b>	<b>37,896</b>	<b>36,978</b>	<b>41,761</b>	<b>2,386</b>

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, 2018

	Chapin Intermediate	Lake Murray Elementary	Leaphart Elementary	Nursery Road Elementary	River Springs Elementary	Seven Oaks Elementary	Academy for Success
<b>Other Financing Sources (Uses)</b>							
Interfund Transfers, From (To) Other Funds:							
5270 Transfer from Pupil Activity Fund	\$ -	\$ -	\$ 5,914	\$ -	\$ -	\$ -	\$ -
426-710 Transfer to Pupil Activity Fund	-	-	(5,914)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-	-	-
<b>Excess/Deficiency of Receipts over Disbursements</b>	(7,149)	(38,561)	(2,398)	1,844	5,857	3,862	(631)
<b>Due to Pupil Activities, Beginning of Year</b>	64,224	289,456	37,430	13,168	11,225	44,245	3,858
<b>Due to Pupil Activities, Ending of Year</b>	\$ 57,075	\$ 250,895	\$ 35,032	\$ 15,012	\$ 17,082	\$ 48,107	\$ 3,227

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, 2018

	The Center	Adult Education	Spring Hill High	Technology Training Center	Athletics	Total
<b>Receipts</b>						
<b>1000 Receipts from Local Sources</b>						
1700 Pupil Activities:						
1740 Student Fees	\$ 84,658	\$ 4	\$ 37,854	\$ -	\$ 163,403	\$ 498,321
1790 Other Pupil Activity Income	55,203	29,620	223,074	-	794,025	3,604,248
1900 Other Receipts from Local Sources:						
1990 Miscellaneous Local Receipts:						
1999 Receipts from Other Local Sources	-	-	-	125	-	125
<b>Total Receipts from Local Sources</b>	<b>139,861</b>	<b>29,624</b>	<b>260,928</b>	<b>125</b>	<b>957,428</b>	<b>4,102,694</b>
<b>Disbursements</b>						
190 Instruction Pupil Activity						
190 Instruction Pupil Activities:						
100 Salaries (optional)	2,919	-	-	-	-	2,919
200 Employee Benefits (optional)	793	-	-	-	-	793
660 Pupil Activity	7	-	-	-	-	13,067
270 Support Services Pupil Activity						
271 Pupil Services Activities:						
100 Salaries (optional)	-	-	1,050	-	51,133	95,149
200 Employee Benefits (optional)	-	-	285	-	12,146	24,105
300 Purchased Services (optional)	-	-	-	-	427,086	427,086
400 Supplies and Materials (optional)	-	-	-	-	251,949	251,949
500 Capital Outlay (optional)	-	-	-	-	21,188	21,188
600 Other Objects (optional)	-	-	-	-	209,761	209,761
660 Pupil Activity	99,845	3,726	249,556	-	120	2,995,452
<b>Total Disbursements</b>	<b>103,564</b>	<b>3,726</b>	<b>250,891</b>	<b>-</b>	<b>973,383</b>	<b>4,041,469</b>

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, 2018

	The Center	Adult Education	Spring Hill High	Technology Training Center	Athletics	Total
<b>Other Financing Sources (Uses)</b>						
Interfund Transfers, From (To) Other Funds:						
5270 Transfer from Pupil Activity Fund	\$ 625	\$ -	\$ -	\$ -	\$ (3,403)	\$ 20,991
426-710 Transfer to Pupil Activity Fund	-	-	(9,187)	-	(2,450)	(52,041)
<b>Total Other Financing Sources (Uses)</b>	<u>625</u>	<u>-</u>	<u>(9,187)</u>	<u>-</u>	<u>(5,853)</u>	<u>(31,050)</u>
<b>Excess/Deficiency of Receipts over Disbursements</b>	36,922	25,898	850	125	(21,808)	30,175
<b>Due to Pupil Activities, Beginning of Year</b>	90,781	31,963	125,955	19,252	44,831	2,233,689
<b>Due to Pupil Activities, Ending of Year</b>	<u>\$ 127,703</u>	<u>\$ 57,861</u>	<u>\$ 126,805</u>	<u>\$ 19,377</u>	<u>\$ 23,023</u>	<u>\$ 2,263,864</u>

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**SUPPLEMENTARY SCHEDULES  
REQUIRED BY THE  
SOUTH CAROLINA STATE  
DEPARTMENT OF EDUCATION**

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**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
LOCATION RECONCILIATION SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2018**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	Districtwide	Non-Schools	Central	\$ 56,893,956
038	Chapin High School	High School	School	13,545,738
039	Irmo High School	High School	School	16,460,956
040	Irmo Middle School	Middle School	School	8,991,059
041	Chapin Elementary School	Elementary School	School	7,203,751
042	Dutch Fork Elementary School	Elementary School	School	5,879,671
043	Irmo Elementary School	Elementary School	School	5,800,012
044	Leaphart Elementary School	Elementary School	School	5,327,653
045	Seven Oaks Elementary School	Elementary School	School	6,084,940
046	Crossroads Intermediate School	Intermediate School	School	7,847,550
047	Nursery Road Elementary School	Elementary School	School	6,620,927
048	Harbison West Elementary School	Elementary School	School	7,319,655
049	H.E. Corley Elementary School	Elementary School	School	7,175,934
050	Chapin Intermediate School	Intermediate School	School	6,873,570
051	Dutch Fork High School	High School	School	17,669,386
052	Lake Murray Elementary School	Elementary School	School	9,293,015
053	River Springs Elementary School	Elementary School	School	5,802,740
054	Dutch Fork Middle School	Middle School	School	8,572,286
055	Ballentine Elementary School	Elementary School	School	5,888,832
056	Oak Pointe Elementary School	Elementary School	School	6,587,461
057	Spring Hill High School	High School	School	9,408,965
058	Chapin Middle School	Middle School	School	14,923,295
750	Academy For Success	Other Schools	School	1,787,973
995	Center for Advanced Technical Studies	Other Schools	School	4,175,292

**Total Expenditures/Disbursements for All Funds**

**\$ 246,134,617**

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

General Fund	\$ 181,180,219
Special Revenue Fund - Special Projects	11,607,971
Special Revenue Fund - EIA Fund	6,552,994
Debt Service Fund	17,725,726
Capital Projects Fund	13,983,980
Proprietary Funds	10,407,022
Agency Fund - Pupil Activity	4,676,705

**Total Expenditures/Disbursements for All Funds**

**\$ 246,134,617**

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
 DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
 JUNE 30, 2018**

<b>Program</b>	<b>Project/Grant Number</b>	<b>Revenue &amp; Subfund Code</b>	<b>Description</b>	<b>Amount Due to SDE or Federal Government</b>	<b>Status of Amounts Due To Grantors</b>
Title III - Language Instruction for Limited English Proficient and Immigrant Students	H63010006717	264 / 4341	Overclaimed Cost	\$ 7,172	Outstanding
ADEPT	EIA	302 / 3502	Unexpended Funds	10,983	Outstanding
National Board Salary Supplement	EIA	332 / 3532	Unexpended Funds	15,632	Outstanding
EEDA Supplemental Programs	EIA	394 / 3594	Unexpended Funds	6,448	Outstanding
EEDA Supplies and Materials	EIA	395 / 3595	Unexpended Funds	60,977	Outstanding
EEDA Career Specialists	18EEDA	928 / 3118	Unexpended Funds	291,668	Outstanding
				<u>\$ 392,880</u>	

# 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.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. ....	149 – 155
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. ....	156 – 163
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. ....	164 – 167
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. ....	168 – 170
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. ....	171 – 176

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.

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TABLE 1

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

	2009	2010	2011	2012	2013	2014	2015*	2016**	2017	2018***
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 141,675,359	\$ 167,131,935	\$ 173,068,374	\$ 175,518,572	\$ 174,275,981	\$ 174,598,030	\$ 171,553,790	\$ 150,048,473	\$ 152,302,772	\$ 163,073,794
Restricted	20,717,142	4,787,501	752,378	6,477,810	6,934,331	4,642,905	3,583,875	13,101,641	16,984,735	19,729,707
Unrestricted	22,596,243	20,832,647	26,613,502	27,967,938	29,979,061	29,050,873	(178,291,876)	(169,132,831)	(172,480,387)	(377,452,293)
Total governmental activities	184,988,744	192,752,083	200,434,254	209,964,320	211,189,373	208,291,808	(3,154,211)	(5,982,717)	(3,192,880)	(194,648,792)
<b>Business-type activities:</b>										
Net investment in capital assets	949,845	768,077	590,670	544,780	554,085	553,912	565,844	2,925,150	2,558,825	2,271,933
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	781,989	1,302,017	2,080,461	2,569,413	2,311,351	1,860,712	1,890,783	(3,447,859)	(3,605,841)	(8,584,213)
Total business-type activities	1,731,844	2,070,094	2,671,131	3,114,193	2,865,436	2,414,624	2,456,627	(522,709)	(1,047,016)	(6,312,280)
<b>Primary government</b>										
Net investment in capital assets	142,625,204	167,900,012	173,659,044	176,063,352	174,830,066	175,151,942	172,119,634	152,973,623	154,861,597	165,345,727
Restricted	20,717,142	4,787,501	752,378	6,477,810	6,934,331	4,642,905	3,583,875	13,101,641	16,984,735	19,729,707
Unrestricted	23,378,242	22,134,664	28,693,963	30,537,351	32,290,412	30,911,585	(176,401,093)	(172,580,690)	(176,086,228)	(386,036,506)
Total primary government	\$ 186,720,588	\$ 194,822,177	\$ 203,105,385	\$ 213,078,513	\$ 214,054,809	\$ 210,706,432	\$ (697,584)	\$ (6,505,426)	\$ (4,239,896)	\$ (200,961,072)

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.

\*\*\*During fiscal year 2017-18, the District restated its net position for June 30, 2017 by increasing its cash balance of \$312,212 for an escrow account not reflect in the financials at year end. The prior year's expenditures were overstated by this amount and were subsequently expensed in the current fiscal year. The effect of this correction increased the net position of the District by \$312,232.

\*\*\*The district implemented GASB 75 effective July 1, 2017, resulting in a total net OPEB liability in the amount of \$204,617,788. The cumulative effect of the change in accounting principle decreased beginning net position by \$198,179,078.

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Government activities:										
Instruction	\$ 103,349,967	\$ 103,102,269	\$ 101,732,197	\$ 101,998,583	\$ 108,242,761	\$ 115,863,958	\$ 124,800,258	\$ 120,506,839	\$ 127,992,580	\$ 135,172,741
Support service	66,006,330	68,169,387	67,979,135	71,146,133	74,983,257	78,213,038	79,979,481	91,001,448	85,010,739	89,069,070
Community service	218,338	36,397	30,715	76,339	50,377	59,029	65,869	63,034	78,703	101,009
Intergovernmental	450,189	1,441,216	3,923,810	4,312,025	9,120,703	9,782,790	8,160,714	7,265,870	6,213,712	6,165,827
Depreciation - unallocated	170,023,824	172,749,269	173,666,857	177,533,080	192,397,098	203,918,815	212,866,322	218,837,191	219,295,734	230,509,647
Total governmental expenses	7,823,389	7,368,772	7,273,648	7,614,547	7,843,171	8,899,748	8,886,303	8,745,796	10,156,891	8,869,617
Business-type activities:	737,646	924,671	990,012	1,033,685	1,197,571	1,315,160	1,393,372	1,442,488	1,056,307	1,537,405
Food service	8,561,035	8,283,443	8,263,660	8,648,232	9,040,742	10,214,908	10,279,675	10,188,284	11,213,188	10,407,022
After school	178,584,859	181,042,712	181,929,517	186,181,312	201,437,840	214,133,723	223,175,997	229,025,475	230,508,932	240,915,669
Total business-type expenses	806,077	831,091	419,662	633,584	30,864	20,206	43,311	16,401	3,839	2,350
Total primary government expenses	456,325	408,865	178,779	263,966	19,428	13,365	9,912	13,263	2,863	1,845
<b>Program Revenues</b>										
Government activities:										
Charges for services	67,715,102	67,856,214	65,919,385	67,207,775	73,559,278	77,171,071	79,696,829	79,547,616	85,982,867	90,902,260
Instruction Services	68,977,504	70,089,653	66,517,826	68,105,325	73,609,570	77,204,642	79,750,077	79,577,289	85,989,591	90,906,457
Support Services										
Community Services										
Intergovernmental										
Operating grants and contributions										
Capital grants and contributions										
Total governmental revenues	5,579,912	5,469,608	5,443,817	5,327,592	5,278,078	5,535,223	5,550,294	5,147,509	5,158,902	4,884,353
Business-type activities:	2,852,827	3,115,745	3,346,582	3,654,464	3,534,109	3,866,388	4,309,458	4,869,015	5,201,429	5,509,028
Charges for services	8,432,739	8,585,353	8,790,399	8,982,056	8,812,187	9,401,611	9,859,752	10,016,524	10,360,331	10,403,381
Operating grants and contributions	77,410,243	78,685,006	75,308,225	77,087,381	82,421,757	86,606,253	89,609,829	89,593,813	96,359,922	101,309,638
Capital grants and contributions										
Total business-type revenues										
Total primary government revenues	\$ (101,174,616)	\$ (102,357,706)	\$ (106,621,292)	\$ (108,083,931)	\$ (119,016,083)	\$ (127,627,470)	\$ (133,566,168)	\$ (139,431,662)	\$ (134,149,010)	\$ (139,605,831)
<b>Net (Expense) Revenue</b>										
Total primary government net expense										

Source: Records maintained by the School District Finance Department

TABLE 3

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net (Expense)/Revenue</b>										
Total primary government net expense	\$ (101,174,616)	\$ (102,357,706)	\$ (106,621,292)	\$ (109,093,931)	\$ (119,016,083)	\$ (127,527,470)	\$ (133,566,168)	\$ (139,431,662)	\$ (134,149,010)	\$ (139,605,831)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	46,528,039	46,196,847	48,181,527	51,096,858	51,408,125	54,408,077	58,538,094	62,449,554	64,236,308	66,740,797
Property taxes levied for debt service	20,065,446	22,254,816	23,391,210	23,732,876	23,899,135	24,390,363	24,426,849	24,441,196	25,665,085	26,280,631
Payment in lieu of taxes	81,018	145,151	562,911	1,085,626	1,030,578	1,294,119	1,208,483	1,165,976	1,625,146	1,781,093
Unrestricted state revenue in lieu of taxes	40,385,037	41,212,780	41,501,416	41,932,359	42,603,890	43,083,852	43,560,260	43,941,177	44,215,110	44,676,344
Investment earnings	385,519	374,660	454,666	354,198	501,042	385,295	227,716	182,439	421,937	790,998
Miscellaneous	65,448	272,639	806,241	856,805	430,263	485,910	1,271,689	306,876	190,291	433,678
Transfers									(267,897)	(239,431)
Total governmental revenues	107,510,507	110,456,893	114,897,971	119,058,722	119,873,033	124,057,616	129,233,091	132,487,218	136,085,960	140,484,110
Business-type activities:										
Investment earnings	6,299	2,402	6,529	8,337	7,485	4,111	4,835	58,866	60,663	47,960
Miscellaneous	-	-	-	-	111,861	117,366	208,191	145,286	-	-
Transfers									267,897	239,431
Total business-type revenues	6,299	2,402	6,529	8,337	119,346	121,477	213,026	204,152	328,560	287,391
Total primary government	107,516,806	110,459,295	114,904,500	119,067,059	119,992,379	124,179,093	129,446,117	132,691,370	136,414,540	140,751,501
<b>Change in Net Position</b>										
Governmental activities	6,139,853	7,763,339	7,682,171	9,530,066	1,225,053	(2,897,565)	(4,375,080)	(6,772,684)	2,789,837	861,920
Business-type activities	202,337	338,250	601,037	443,062	(248,757)	(450,812)	42,003	32,392	(524,307)	283,750
Total primary government	\$ 6,342,190	\$ 8,101,589	\$ 8,283,208	\$ 9,973,128	\$ 976,296	\$ (3,348,377)	\$ (4,333,077)	\$ (6,740,292)	\$ 2,265,530	\$ 1,145,670

Source: Records maintained by the School District Finance Department

TABLE 4

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

(modified accrual basis of accounting - unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable for Inventory	\$ -	\$ -	\$ 269,657	\$ 159,516	\$ 9,083	\$ 12,574	\$ 12,574	\$ 12,574	\$ 4,751	\$ 4,934
Nonspendable for Prepaid Items	-	-	2,871,605	2,893,816	3,118,702	712,139	788,406	1,005,634	4,283,690	1,299,021
Assigned for Special Purposes	-	-	6,183,579	4,574,852	10,749,175	7,467,714	6,800,000	7,470,385	6,976,603	2,898,273
Unassigned	-	-	15,321,244	23,115,911	19,252,097	23,971,686	26,786,336	28,584,179	27,071,193	32,453,103
Reserved	3,470,904	5,701,580	-	-	-	-	-	-	-	-
Unreserved	21,492,632	17,375,197	-	-	-	-	-	-	-	-
Total General Fund	\$ 24,963,536	\$ 23,076,777	\$ 24,646,085	\$ 30,744,095	\$ 33,129,057	\$ 32,164,113	\$ 34,387,316	\$ 37,072,772	\$ 38,336,237	\$ 36,655,331
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	\$ 5,451,625	\$ 6,003,256
Restricted- Building Fund	-	-	66,486,908	-	-	-	-	8,461,413	11,533,110	12,813,804
Committed- Building Fund	-	-	27,123,803	45,581,375	93,048,799	39,182,854	15,301,929	-	-	-
Reserved	1,895,195	4,787,501	-	-	-	-	-	-	-	-
Building Fund-Special Purposes	500,000	179,892	-	-	-	218,930	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Building Fund	18,321,947	45,122,925	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 20,717,142	\$ 50,090,318	\$ 98,337,489	\$ 51,296,401	\$ 100,549,177	\$ 45,911,342	\$ 20,530,608	\$ 13,101,641	\$ 16,984,735	\$ 18,817,060

Source: Records maintained by the School District Finance Department

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

TABLE 5

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

(modified accrual basis of accounting - unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Local sources	\$ 68,243,166	\$ 69,969,985	\$ 73,973,918	\$ 77,787,518	\$ 78,404,569	\$ 81,824,431	\$ 85,064,866	\$ 89,493,199	\$ 94,178,480	\$ 97,146,924
State sources	101,518,072	98,319,597	95,162,865	102,513,220	106,307,556	108,709,486	112,210,851	111,883,766	119,854,432	124,406,632
Federal sources	6,489,250	11,697,077	12,201,783	6,537,246	9,075,000	10,761,981	10,752,713	10,238,943	8,579,347	9,398,914
Total revenues	\$ 176,250,488	\$ 179,986,659	\$ 181,338,566	\$ 186,837,984	\$ 193,787,125	\$ 201,295,898	\$ 208,028,430	\$ 211,615,908	\$ 222,612,259	\$ 230,952,470

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction	\$ 98,020,654	\$ 97,736,125	\$ 96,341,961	\$ 96,528,377	\$ 102,390,616	\$ 107,109,102	\$ 108,507,061	\$ 110,123,458	\$ 115,560,600	\$ 118,751,391
Support services	69,354,122	69,803,600	66,389,110	64,126,752	69,059,636	72,333,714	74,627,436	74,840,186	78,981,671	82,901,879
Community services	-	34,673	30,715	76,339	50,377	59,029	65,869	57,414	70,958	88,555
Intergovernmental	218,338	148,738	205,507	75,805	54,980	268,694	239,460	264,744	188,347	216,508
Capital outlay	9,170,097	14,746,208	35,938,160	60,084,729	89,416,159	59,355,151	29,533,420	14,269,756	7,368,065	10,821,297
Debt service										
Principal	23,190,000	18,740,000	21,655,000	2,455,000	2,225,000	47,959,000	8,770,000	77,284,000	9,426,467	10,319,626
Interest and other fees	688,565	1,327,433	3,241,569	4,336,154	8,347,424	10,025,119	9,195,781	9,024,963	8,083,082	7,952,641
Total expenditures	\$ 200,621,776	\$ 202,536,777	\$ 223,802,022	\$ 227,683,156	\$ 271,544,192	\$ 297,109,809	\$ 230,939,027	\$ 285,864,521	\$ 219,679,190	\$ 231,051,897
Debt service as a percentage of noncapital expenditures	14.2%	12.0%	15.3%	4.0%	5.7%	24.3%	9.0%	30.9%	8.4%	8.6%

Source: Records maintained by the School District Finance Department

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

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Excess of revenues over (under) expenditures</b>	\$ (24,371,288)	\$ (22,550,118)	\$ (42,463,456)	\$ (40,845,172)	\$ (77,757,067)	\$ (95,813,911)	\$ (22,910,597)	\$ (74,248,613)	\$ 2,933,069	\$ (89,427)
<b>Other Financing Sources (Uses)</b>										
General long-term debt issued	37,565,000	50,000,000	91,500,000	-	-	-	-	-	-	-
Premiums on bonds sold	492,497	79,577	840,815	-	-	-	-	7,456,021	151,900	90,377
Sale of capital assets	1,381	896	6,889	2,995	33,072	8,140	1,966	24,081	32,493	86,663
Other Financing Sources	-	-	-	-	-	-	-	-	-	1,007
Lease Purchases	-	-	-	-	2,970,000	-	-	-	2,296,994	-
Proceeds from long-term notes	-	-	-	-	126,252,185	-	-	-	-	-
Insurance of Refunding Debt	-	-	-	-	-	40,444,000	-	62,025,000	-	-
Transfers in	3,281,338	3,328,018	3,553,508	20,613,737	19,573,565	17,297,379	16,637,903	15,631,908	19,721,195	20,112,694
Transfers out	(3,605,672)	(3,371,956)	(3,621,277)	(20,714,638)	(19,434,017)	(17,538,387)	(16,886,803)	(15,631,908)	(19,989,092)	(20,352,125)
Total other financing sources (uses)	37,734,544	50,036,535	92,279,935	(97,906)	129,394,805	40,211,132	(246,934)	69,505,102	2,213,490	(61,384)
<b>Net change in fund balances</b>	\$ 13,363,256	\$ 27,486,417	\$ 49,816,479	\$ (40,943,078)	\$ 51,637,738	\$ (55,602,779)	\$ (23,157,531)	\$ (4,743,511)	\$ 5,146,559	\$ (160,811)

Source: Records maintained by the School District Finance Department

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

Lexington County:

Fiscal Year	Tax Year December 31	Real Property		Personal Property		Total		Ratio Of	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Total Direct Rate	Total Assessed Value To Total Estimated Actual Value
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%
2017	2016	217,167,910	4,690,040,315	84,769,970	983,252,760	301,937,880	5,673,293,075	306.30	5.3%
2018	2017	222,507,660	4,804,084,343	90,539,510	1,076,360,040	313,047,170	5,880,444,383	311.70	5.3%

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

Source: Lexington County Auditor's Office

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

Richland County:

Fiscal Year	Tax Year December 31	Real Property		Personal Property		Total		Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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%
2017	2016	151,399,200	3,421,280,693	42,377,120	580,420,150	193,776,320	4,001,700,843	304.00	4.8%
2018	2017	158,606,520	3,571,114,660	41,670,560	567,519,999	200,277,080	4,138,634,659	309.40	4.8%

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

Source: Richland County Auditor's Office

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

Fiscal Year	Tax Year December 31	District Direct Rates			Overlapping Rates										
		General Purposes	Capital Purposes	Total	Midlands					Lexington County					
					Technical College	Recreation District	Riverbanks Zoo	Town Of Chapin	City Of Irmo	City Of Columbia	Irmo Fire District Bond				
2009	2008	212,500	49,000	261,500	1,888	18,577	11,900	-	-	106,300	-	-	-	-	-
2010	2009	212,500	52,500	265,000	1,788	18,577	11,900	-	-	106,300	-	-	-	-	-
2011	2010	213,800	52,500	266,300	1,775	17,270	11,900	-	-	98,100	-	-	-	-	-
2012	2011	221,970	52,500	274,470	1,793	16,054	11,900	-	-	98,100	-	-	-	-	-
2013	2012	221,970	52,500	274,470	1,793	18,604	11,505	-	-	98,100	-	-	-	-	2,970
2014	2013	229,270	52,500	281,770	1,893	18,604	11,505	-	-	98,100	-	-	-	-	2,900
2015	2014	235,800	52,500	288,300	2,393	20,604	11,505	-	-	98,100	-	-	-	-	2,900
2016	2015	251,500	52,500	304,000	2,088	20,604	11,505	-	-	96,100	-	-	-	-	2,500
2017	2016	251,500	54,800	306,300	2,088	20,604	11,505	-	-	96,100	-	-	-	-	1,460
2018	2017	256,900	54,800	311,700	2,088	20,604	11,505	-	-	98,100	-	-	-	-	17,675

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)

Fiscal Year	Tax Year December 31	District Direct Rates			Overlapping Rates						
		General Purposes	Capital Purposes	Total	Midlands						
					Richland County	Recreation District	Technical College	Riverbanks Zoo	City Of Irmo	City Of Columbia	
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
2017	2016	251,500	52,500	304,000	121,600	12,800	3,500	1,400	-	-	96,100
2018	2017	256,900	52,500	309,400	121,300	13,100	3,600	1,400	-	-	98,100

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

Source: Richland County Auditor's Office

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

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

Lexington Taxpayer:	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
South Carolina Electric & Gas	\$ 30,158,190	1	9.63%	\$ 21,470,520	1	8.21%
Shaw Industries Group, Inc.	7,032,210	2	2.25%	3,158,590	4	1.21%
GGP Columbiana Trust	3,423,650	3	1.09%	2,987,720	3	1.14%
AT&T Mobility F/K/A Cingular	3,690,500	4	1.18%	3,999,810	2	1.53%
DDRTC Columbiana Station I, LLC	1,496,830	5	0.48%	1,448,850	5	0.55%
North Lake Drive Apts, LLC	1,673,720	6	0.53%			
Mid-Carolina Electric COOP, Inc	1,590,700	7	0.51%	1,318,450	8	0.50%
BRE DDR Harbison Court LLC	1,290,790	8	0.41%			
Columbiana Station (E & A) LLC	1,153,700	9	0.37%	1,043,190	10	0.40%
Carolina Water Service	1,168,260	10	0.37%			
HUB Properties				1,617,950	6	0.62%
BellSouth Telecommunications				1,043,190	9	0.40%
Wal-Mart Real Estate Business						
DDR MDT Harbison Court, LLC				1,070,870	7	0.41%
Total Assessed Value of Ten Principal Taxpayers	\$ 52,678,550		16.83%	\$ 39,159,140		14.98%
Total Assessed Value of Other Taxpayers	260,368,620		83.17%	222,251,590		85.02%
Total Assessed Value of All Taxpayers	\$ 313,047,170		100.00%	\$ 261,410,730		100.00%

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

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

Richland Taxpayer:	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
South Carolina Electric & Gas	\$ 2,638,600	1	1.32%	\$ 1,295,740	3	0.80%
Mid-Carolina Electric Coop.	2,430,130	2	1.21%	1,963,090	1	1.22%
AVR-Lake Murray, LLC	1,978,350	3	0.99%			
1600 Marina Road, LLC	1,227,830	4	0.61%			
Ballentine Crossing, LLC	1,087,370	5	0.54%			
AVR-Lake Murray, LLC	966,590	6	0.48%			
Crestmont Apartments, LLC	840,630	7	0.42%			
Paces Brook Gardens Associates	782,990	8	0.39%	861,520	6	0.53%
EEA Wellspring, LLC	726,750	9	0.36%			
Bellsouth Telecommunications, Inc.	710,640	10	0.35%			
Columbia MSA Limited Partnership				1,620,040	2	1.00%
Century Heights Partners, LLC				1,214,600	4	0.75%
Harpaw LLC				930,940	5	0.58%
Southland Log Homes	-			786,600	7	0.49%
NGC Harbison, LLC	-			716,660	8	0.44%
Franklin Pineridge Associates	-			677,800	9	0.42%
Total Assessed Value of Ten Principal Taxpayers	13,389,880		6.69%	560,020	10	0.35%
Total Assessed Value of Other Taxpayers	186,887,200		93.31%	10,627,010		6.58%
Total Assessed Value of All Taxpayers	\$ 200,277,080		100.00%	150,758,216		93.42%
				\$ 161,385,226		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		Collections in Subsequent Years	Total Collections to Date	
			Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	99,655,543	97,016,034	97.35%	2,527,773	99,543,807	99.89%
2010	2009	101,239,128	98,883,830	97.67%	2,225,762	101,109,592	99.87%
2011	2010	109,169,679	106,425,326	97.49%	2,622,760	109,048,086	99.89%
2012	2011	113,758,191	111,549,859	98.06%	2,050,838	113,600,697	99.86%
2013	2012	116,664,502	114,123,980	97.82%	2,208,354	116,332,334	99.72%
2014	2013	121,479,796	118,742,250	97.75%	2,304,788	121,047,038	99.64%
2015	2014	126,396,905	123,390,291	97.62%	2,152,935	125,543,226	99.32%
2016	2015	129,853,797	126,511,241	97.43%	2,155,894	128,667,135	99.09%
2017	2016	134,143,103	130,885,264	97.57%	1,913,804	132,799,068	99.00%
2018	2017	138,683,386	134,889,253	97.26%	-	134,889,253	97.26%

Note: Levies and Collections updated for each fiscal year as of 6/30/18 per Lexington County Treasurer's Office.

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

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

Richland County:

Fiscal Year	Tax Year December 31	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
			Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2008	40,526,957	39,133,834	96.56%	679,297	39,813,131	98.24%
2010	2009	41,710,253	40,089,788	96.11%	893,708	40,983,496	98.26%
2011	2010	42,650,504	41,368,546	96.99%	794,581	42,163,127	98.86%
2012	2011	45,074,021	43,710,463	96.97%	894,828	44,605,291	98.96%
2013	2012	46,216,599	44,651,273	96.61%	1,018,293	45,669,566	98.82%
2014	2013	47,657,973	46,316,828	97.19%	563,081	46,879,909	98.37%
2015	2014	49,471,459	48,430,437	97.90%	951,883	49,382,320	99.82%
2016	2015	52,038,893	50,488,324	97.02%	652,359	51,140,683	98.27%
2017	2016	52,932,549	51,950,725	98.15%	397,240	52,347,965	98.90%
2018	2017	54,708,568	53,232,891	97.30%	-	53,232,891	97.30%

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

TABLE 12

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

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Lease Purchase				
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%	6.17%	2,554
2016	236,098,370		236,098,370	2.50%	5.72%	2,431
2017	225,608,488	1,877,527	227,486,015	2.35%	not available	not available
2018	213,971,408	1,425,901	215,397,309	2.15%	not available	not available

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

Fiscal years ended June 30, 2018 and 2017 includes short-term general obligation bonds that were outstanding at year-end of \$9,718,000 and \$9,819,000, respectively.

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)

**TABLE 13**

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
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%	2,373
2016	236,098,370	4,640,228	231,458,142	2.45%	2,357
2017	225,608,488	5,451,624	220,156,864	2.28%	Not available
2018	213,971,408	6,003,256	207,968,152	2.08%	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, 2018**  
(unaudited)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable To District</u>	<u>Estimated District Share of Direct and Overlapping Debt</u>
<u>Direct:</u>			
School District Five of Lexington and Richland Counties	\$ 215,397,309	100.00%	\$ 215,397,309
Total direct debt	<u>215,397,309</u>		<u>215,397,309</u>
<u>Overlapping:</u>			
<u>Lexington County:</u>			
Lexington County	34,834,906	28.20%	9,823,443
Irmo-Chapin Recreation District	20,895,000	100.00%	20,895,000
Riverbanks Park District	30,475,000	18.20%	5,546,450
City of Columbia	25,345,000	4.10%	1,039,145
<u>Richland County:</u>			
Richland County	21,315,280	11.60%	2,472,572
Richland Co Recreation District	34,640,000	14.90%	5,161,360
Riverbanks Park District	30,475,000	18.20%	5,546,450
City of Columbia	<u>25,345,000</u>	4.10%	<u>1,039,145</u>
Total overlapping debt	<u>223,325,186</u>		<u>51,523,566</u>
Total direct and overlapping debt	<u>\$ 438,722,495</u>		<u>\$ 266,920,875</u>

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

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

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

**Legal Debt Margin Calculation For Fiscal Year 2018**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value										\$ 513,324,250
Debt limit (8% of assessed value)										41,065,940
Debt applicable to limit										9,718,000
Legal debt margin										\$ 31,347,940
Debt limit	\$ 33,823,676	\$ 37,200,913	\$ 36,464,287	\$ 37,374,924	\$ 38,052,768	\$ 38,787,248	\$ 38,378,592	\$ 38,642,874	\$ 39,657,136	\$ 41,065,940
Total net debt applicable to limit	28,600,000	9,860,000	2,330,000	15,183,300	-	-	-	9,550,000	9,819,000	9,718,000
Legal debt margin	\$ 5,223,676	\$ 27,340,913	\$ 34,134,287	\$ 22,191,624	\$ 38,052,768	\$ 38,787,248	\$ 38,378,592	\$ 29,092,874	\$ 29,838,136	\$ 31,347,940
Total net debt applicable to the limit as a percentage of debt limit	84.56%	26.50%	6.39%	40.62%	0.00%	0.00%	0.00%	24.71%	24.76%	23.66%

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		Unemployment Rate
				Lexington County	Richland County	
2009	2008	88,081	3,242,306	36,797	36,824	8.8%
2010	2009	89,578	3,228,167	35,773	36,302	8.4%
2011	2010	91,018	3,172,978	34,456	35,266	8.1%
2012	2011	92,401	3,306,015	35,211	36,347	7.8%
2013	2012	91,853	3,463,731	37,224	38,195	6.9%
2014	2013	88,313	3,477,148	39,935	38,811	4.8%
2015	2014	92,800	3,841,410	41,764	41,025	5.3%
2016	2015	97,101	4,131,065	42,843	42,245	4.7%
2017	2016	98,184	not available	not available	not available	3.6%
2018	2017	not available	not available	not available	not available	3.1%

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)**

Lexington Employer:	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lexington Medical Center	6,450	1	4.53%			
SCANA	3,066	2	2.15%			
Amazon.com	6,450	3	4.53%			
Michelin North America Inc.	1,550	4	1.09%	1,650	1	1.72%
UPS	968	5	0.68%			
Walter P. Rawl & Sons, Inc.	900	6	0.63%			
Akebono Brake Corporation	766	7	0.54%			
House of Raeford	714	8	0.50%			
General Information Services (GIS)	700	9	0.49%			
Nephron Pharmaceuticals	640	10	0.45%			
CMC Steel / CMC Joist				625	2	0.65%
Soletron				550	3	0.57%
Calltech Communication				500	4	0.52%
Cooper Tools				500	4	0.52%
Union Switch & Signal, Inc.				500	4	0.52%
Shaw Industries				400	7	0.42%
Pirelli Cables & Systems				375	8	0.39%
PBR Columbia LLC				250	9	0.26%
Carolina Culinary Foods				250	9	0.26%
	<u>22,204</u>		<u>15.58%</u>	<u>5,600</u>		<u>5.84%</u>

2018 Top Employers from Central Alliance website at [www.centralsc.org](http://www.centralsc.org)  
 2018 Total Employment from Bureau of Labor Statistics, SC Dept of Employment & Workforce  
 2009 Data from Department of Commerce

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

	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Richland Employer:						
Palmetto Health Alliance	15,000	1	7.84%			
Blue Cross Blue Shield of SC	10,500	2	5.49%			
AT&T South Carolina	2,100	3	1.10%			
Providence Health	1,625	4	0.85%			
Palmetto GBA	1,300	5	0.68%			
Westinghouse Electric Company	1,200	6	0.63%	1,200	1	0.58%
Colonial Life & Accident Insurance	1,200	6	0.63%			
Allied Universal Security	1,200	6	0.63%			
Verizon Communications	1,000	9	0.52%			
Teleperformance (TPUSA)	850	10	0.44%			
CSC Corporation				1,100	2	0.53%
Bose Corp.				960	3	0.46%
International Paper				726	4	0.35%
Schneider Electric / Square D				565	5	0.27%
FN Manufacturing				550	6	0.27%
The State Newspaper				500	7	0.24%
Siemens Diesel Systems Technology				450	8	0.22%
SYSCO Corporation				400	9	0.19%
Consolidated Systems, Inc.				399	10	0.19%
	<u>20,975</u>		<u>10.97%</u>	<u>6,850</u>		<u>3.31%</u>

2018 Top Employers from Central Alliance website at [www.centralsc.org](http://www.centralsc.org)  
 2018 Total Employment from Bureau of Labor Statistics, SC Dept of Employment & Workforce  
 2009 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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>School Allocations:</b>										
Teachers	1,298.74	1,212.42	1,190.02	1,175.52	1,203.55	1,245.00	1,271.00	1,261.31	1,274.40	1,270.60
Guidance	51.00	48.50	46.50	46.50	46.50	21.00	50.00	49.60	50.10	50.30
Media specialists	25.00	24.00	24.00	24.00	24.00	19.00	21.00	22.00	21.00	21.00
Psychologists and social workers	27.30	25.00	27.00	27.00	27.00	22.00	26.00	27.50	25.90	26.81
Speech therapists	27.50	29.80	31.00	31.00	31.00	32.00	28.00	30.20	31.30	32.30
Nurses, occupational and physical therapists	31.80	38.50	37.00	37.00	37.00	29.00	40.00	35.25	34.80	37.30
Secretaries, bookkeepers, and receptionists	119.75	112.00	113.00	113.00	116.00	139.00	151.00	130.00	127.00	132.50
Teacher assistants and media assistants	333.13	330.12	296.92	292.92	296.92	300.00	289.00	296.68	317.42	307.19
Food service personnel and cafeteria monitors	171.33	143.26	143.58	143.58	143.58	149.00	146.00	129.71	132.73	122.70
Custodians, maintenance and transportation	288.10	263.85	271.42	271.42	272.42	272.00	233.00	277.23	291.08	290.97
Technology services and other specialized	12.00	6.00	6.00	6.00	12.00	17.00	10.00	5.00	5.00	-
Principal/assistant and principal/coordinators	67.43	70.00	71.00	69.84	71.84	83.00	79.00	76.50	73.00	76.00
<b>Total</b>	<b>2,453.08</b>	<b>2,303.45</b>	<b>2,257.44</b>	<b>2,237.78</b>	<b>2,281.81</b>	<b>2,328.00</b>	<b>2,344.00</b>	<b>2,340.98</b>	<b>2,383.73</b>	<b>2,367.67</b>
<b>District Office Allocations:</b>										
Superintendent	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	4.00
Instruction	38.80	36.28	37.50	37.50	37.50	35.00	33.00	29.50	33.00	34.00
Human resources services	9.27	9.30	7.80	7.80	7.80	10.00	11.00	10.40	10.40	10.50
Financial services	21.00	30.00	30.00	30.00	30.00	33.00	15.00	30.73	17.00	17.00
Community Services	4.73	4.73	4.73	4.73	5.73	10.00	26.00	25.75	27.75	28.18
Technology	17.00	14.50	15.00	15.00	15.00	28.00	18.00	18.00	22.00	23.00
Facilities/Maintenance	43.03	19.00	20.00	20.00	20.00	24.00	25.00	19.00	23.00	23.00
<b>Total</b>	<b>135.83</b>	<b>115.81</b>	<b>117.03</b>	<b>117.03</b>	<b>118.03</b>	<b>142.00</b>	<b>130.00</b>	<b>135.38</b>	<b>135.15</b>	<b>139.68</b>
<b>Total</b>	<b>2,588.91</b>	<b>2,419.26</b>	<b>2,374.47</b>	<b>2,354.81</b>	<b>2,399.84</b>	<b>2,470.00</b>	<b>2,474.00</b>	<b>2,476.36</b>	<b>2,518.88</b>	<b>2,507.35</b>

Source: Records maintained by the School District Human Resources Department

TABLE 19

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

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced -Price Meals
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%
2017	16,822	194,801,576	11,580	3.89%	230,508,932	13,703	-0.55%	1,274	13.2	30.1%
2018	16,724	201,958,333	12,076	4.28%	240,915,669	14,405	5.13%	1,268	13.2	35.7%

Source: Records maintained by the School District Finance Department

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

Expenses are total expenses from Statement of Activities.

N/A = Not available

**TABLE 20**

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

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Statewide Average Salary</u>
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
2017	33,715	75,175	50,050
2018	33,715	75,175	50,182

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>School</b>										
<b>Elementary</b>										
Ballentine Elementary (2002)										
Square feet	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731	106,731
Capacity	800	819	819	819	819	819	819	819	819	819
Enrollment	771	737	742	752	720	718	716	668	623	585
Chapin Elementary (1977)										
Square feet	108,900	118,900	131,950	131,950	131,950	131,950	131,950	131,950	131,950	131,950
Capacity	850	916	916	916	916	916	916	916	916	916
Enrollment	807	822	794	811	820	854	843	686	651	663
Dutch Fork Elementary (1953)										
Square feet	103,522	95,182	95,182	95,182	95,182	95,182	95,182	95,182	95,182	95,182
Capacity	750	657	657	657	657	657	657	657	657	657
Enrollment	563	537	541	519	514	511	504	498	506	462
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	733	733	733	733	733	733	733	733	733
Enrollment	517	498	522	514	511	467	486	486	495	476
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	710	710	710	710	710	710	710	710	710
Enrollment	368	394	486	502	479	487	518	559	592	579
Irmo Elementary (1933)										
Square feet	86,674	85,674	85,674	121,000	121,000	121,000	121,000	121,000	121,000	121,000
Capacity	550	584	584	640	640	640	640	640	640	640
Enrollment	505	479	509	468	511	478	474	505	486	524
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	849	849	849	849	849	849	849	849	849
Enrollment	853	862	866	847	874	926	992	872	994	966
Leaphart Elementary (1975)										
Square feet	95,300	108,300	120,500	120,500	120,500	120,500	120,500	120,500	120,500	120,500
Capacity	725	814	814	814	814	814	814	814	814	814
Enrollment	486	466	433	430	429	452	432	435	427	459
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	777	777	777	777	777	777	777	777	777
Enrollment	521	492	499	519	491	477	454	401	418	421

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>School</b>										
<b>Elementary (Continued)</b>										
Oak Pointe Elementary (2007)										
Square feet	110,390	110,396	110,396	110,396	110,396	110,396	110,396	110,396	110,396	110,396
Capacity	825	756	756	756	756	756	756	756	756	756
Enrollment	630	634	671	647	645	627	636	635	615	615
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	925	925	925	925	925	925	925	925	925
Enrollment	642	677	654	641	633	598	568	556	541	520
Seven Oaks Elementary (1966)										
Square feet	72,756	72,756	72,756	103,756	103,756	103,756	103,756	103,756	103,756	103,756
Capacity	550	570	570	640	640	640	640	640	640	640
Enrollment	510	484	475	465	438	486	534	588	593	542
<b>Middle</b>										
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	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018
Enrollment	975	996	1,030	1,103	1,121	1,111	1,172	718	759	852
Chapin Middle (2015)										
Square feet								122,000	122,000	122,000
Capacity								1,200	1,200	1,200
Enrollment								808	866	842
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	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098
Enrollment	955	966	917	988	946	943	917	793	803	745
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	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149
Enrollment	1,039	1,049	1,100	1,054	1,045	1,092	1,089	1,061	1,034	1,067
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	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Enrollment	925	896	880	879	909	897	843	926	891	891

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>School High</b>										
Chapin High (1971)										
Square feet	187,288	187,288	187,288	187,288	187,288	252,288	375,500	375,500	375,500	375,500
Capacity	1,150	1,239	1,239	1,239	1,239	1,700	1,700	1,700	1,700	1,700
Enrollment	1,242	1,286	1,302	1,341	1,346	1,206	1,152	1,238	1,315	1,371
Dutch Fork High (1993)										
Square feet	316,788	316,788	316,788	316,788	316,788	316,788	368,788	368,788	368,788	368,788
Capacity	2,000	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207
Enrollment	2,088	2,068	2,031	2,031	2,097	1,894	1,833	1,766	1,708	1,754
Irmo High (1964)										
Square feet	343,121	343,121	343,121	343,121	343,121	343,121	396,121	396,121	396,121	396,121
Capacity	2,000	2,141	2,141	2,141	2,141	2,141	2,141	2,141	2,141	2,141
Enrollment	2,029	1,983	1,915	1,829	1,707	1,540	1,508	1,436	1,413	1,344
Center for Advanced Technical Studies (2012)										
Square feet										
Capacity										
<1> Enrollment										
Spring Hill High School (2013)										
Square feet										
Capacity										
Enrollment										
<b>Other</b>										
Academy for Success (1955)										
Square feet	26,005	20,961	20,961	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	138	127	127	127	95	0	0	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 Chapin 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.

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**PARTNERS**

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1906–1968

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## 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, 2018, 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 30, 2018.

### 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. 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 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.

**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**

(continued)

**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*.

**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 30, 2018

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## 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, 2018. School District Five of Lexington and Richland Counties’ major federal programs are identified in the summary of auditors’ 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.

#### Auditors’ 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.

#### 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, 2018.

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

**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 30, 2018

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

LEA Subfund Code	Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Expenditures
<b>U.S. Department of Education</b>				
Pass-Through S.C. Department of Education:				
203	Handicapped Disabilities Act	84.027	H63010100916 & ESY	\$ 6,561
203	Handicapped Disabilities Act	84.027	H63010100918	2,122,820
204	Handicapped Disabilities Act	84.027	H63010100917	1,189,742
204	Handicapped Disabilities Act	84.027	H63010100916	9,492
205	Special Education - Preschool Grants	84.173	H63010100818	86,319
206	Special Education - Preschool Grants <i>Special Education (IDEA) Cluster</i>	84.173	H63010100817	<u>84,548</u>
				<u>3,499,482</u>
201	Title I Grant Regular	84.010	H63010100118	1,670,024
201	Title I Mini Grant	84.010	H63010100117	45,887
202	Title I Carryover from Prior Year	84.010	H63010100117	420,468
237	Title I School Improvement	84.010A	H63010100117	65,000
207	Career and Technical Education - Basic Grants to States	84.048	H63010107118	204,889
224	21st Century Community Learning Centers	84.287	H63010006918	225,161
224	21st Century Community Learning Centers	84.287	H63010006917	125,204
232	McKinney-Vento Homeless Assistance	84.196	H63010108918	41,035
232	McKinney-Vento Homeless Assistance	84.196	H63010108917	26,066
232	McKinney-Vento Homeless Assistance	84.196	H63010108916	16,862
243	Adult Education	84.002	H63010101018	110,298
243	Adult Education - Reverted Funds School District	84.002	H63010101017	26,708
264	Title II - English Language Acquisition	84.365A	H63010006718	7,545
264	Title II - English Language Acquisition	84.365A	H63010006717	33,291
267	Title II Part A - Improving Teacher Quality	84.367	H63010006818	238,414
267	Title II Part A - Improving Teacher Quality	84.367	H63010006817	109,607
Direct Programs:				
803	** MSAP Grant - Project Access	84.165A	N/A	506,627
804	** MSAP Grant - Discover Five	84.165A	N/A	<u>1,308,004</u>
<b>Total U.S. Department of Education</b>				<u>8,680,572</u>
<b>U.S. Department of Agriculture</b>				
Child Nutrition Cluster:				
Pass-Through S.C. Department of Education:				
Non-Cash Assistance (Commodities):				
600	** National School Lunch Program	10.555	N/A	603,612
Cash Assistance:				
600	** School Breakfast Program	10.553	N/A	1,172,807
600	** School Lunch Program	10.555	N/A	3,170,180
Pass-Through S.C. Department of Social Services:				
600	** Summer Feeding Program	10.559	N/A	<u>142,399</u>
<i>Total Child Nutrition Cluster</i>				<u>5,088,998</u>
Pass-Through S.C. Department of Social Services:				
600	Supper Program	10.558	N/A	<u>211,699</u>
<b>Total U.S. Department of Agriculture</b>				<u>5,300,697</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

LEA Subfund Code	Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Expenditures
<b>U.S. Department of Defense</b>				
	Direct Programs:			
831	Navy JROTC	12.000	N/A	\$ 85,490
832	Air Force JROTC	12.000	N/A	<u>151,842</u>
<b>Total U.S. Department of Defense</b>				<u>237,332</u>
<b>Total Federal Awards Expended</b>				<u>\$ 14,218,601</u>

\*\*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, 2018. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget's (OMB) Uniform Guidance. 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	\$ 9,398,914
Enterprise Funds	<u>5,300,697</u>
Total Federal Assistance per Financial Statements	14,699,611
Less: Federal Interest Subsidy - Debt Service Fund	<u>(481,010)</u>
Total Federal Assistance per SEFA	<u>\$ 14,218,601</u>

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, 2018**

**Part I Summary of Auditors' Results:**

**Financial Statements**

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified?  Yes  No

Significant Deficiencies Identified That Are Not  
Considered To Be Material Weaknesses  Yes  None Reported

Noncompliance Material to Financial Statements Noted  Yes  No

**Federal Awards**

Internal Control Over Major Federal Programs:

Material Weakness(es) Identified?  Yes  No

Significant Deficiencies Identified That Are Not  
Considered To Be Material Weaknesses  Yes  None Reported

Type of Auditors' Report Issued on Compliance for Major  
Federal Programs: Unmodified

Programs Tested as Major Programs:

<u>Program:</u>	<u>CFDA #:</u>
Child Nutrition Cluster	10.555, 10.553, 10.559
MSAP Grants - Discover Five/Project Access	84.165A

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \$750,000

Auditee Qualify as Low-Risk Auditee?  Yes  No

Any Audit Findings Disclosed That are Required To Be  
Reported in Accordance With Government Auditing  
Standards 2 CFR 200.516(a)  Yes  No

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

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**Part II Findings - Financial Statements Audit**

None

**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, 2018**

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**Part II Findings - Financial Statements Audit**

**Material Weaknesses**

**Finding 2017-1 Material Audit Adjustments**

**Condition:** The District's unadjusted financial statements reported material misstatements in the General Fund, Special Revenue – Special Projects Fund, School Building Fund, and Debt Service Governmental Funds. 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.

**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.

**Current Status:** Not sustained in current year.

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

None