



Agenda

Board of Trustees

Regular Meeting

Location: Center for Advanced Technical Studies

Video Livestream: <https://lexrich5.rev.vbrick.com/#/webcasts/boardmeeting>

December 13, 2021

1. Call to order at 6:00 p.m.
2. Approval of the agenda
3. Enter Executive Session to consider the following:
 - a. Selected employment items (*Exhibit A*) (Action)
 - b. Selected employment items (*Exhibit B*) (Information Only)
 - c. Legal advice regarding a contractual matter
 - d. Legal update regarding C/A No. 2021-CP-40-03694
 - e. Legal update regarding Cognia matter
 - f. Legal advice regarding property at Harbison West Elementary (Exhibit C)
 - g. Update regarding Permanent Superintendent Search
4. Call to order at 7:00 p.m.
5. Welcoming remarks – Jan Hammond, Board Chair
6. Invocation – Matt Hogan, Board of Trustees
7. Pledge of Allegiance – Matt Hogan, Board of Trustees
8. School Board Spotlight
9. Superintendent's Report
 - a. COVID-19/Dashboard Update
 - b. Strategic Plan Update
 - c. Monthly Financial Reports (Exhibit D)
 - d. 2020-2021 Financial Audit Report (Exhibit E)
 - e. Teacher Support Pilot Program/Expectations Coaches
10. Approval of the minutes of the November 15, 2021 board meeting
11. Approval of the minutes of the December 6, 2021 special-called board meeting
12. Public Participation*

ACTION AGENDA

13. Action as Necessary or Appropriate on Matters Discussed in Executive Session
14. Approval of Appointment to Richland County Board of Assessment of Appeals (Exhibit F)
15. Approval of 2021-2022 through 2025-2026 Strategic Plan
16. Action as Appropriate on the Timeline of the Divestiture of the Old Chapin High School Property on Columbia Avenue in Chapin
17. Approval of 2021-2022 General Fund Budget Amendment (Exhibit G)
18. Approval of Adoption of the 2021 South Carolina Model School Procurement Code and Exemptions (Exhibit H)

DISCUSSION AGENDA

19. Discussion and First Reading of Proposed Revisions to Board Policy BCA "Board Member Code of Ethics" (Exhibit I)
20. Discussion and First Reading of Proposed Revisions to Board Policy BCB "Board Member Conflict of Interest" (Exhibit J)
21. Discussion and First Reading of Proposed Revisions to Board Policy DI/DIE "Fiscal Accounting/Audits" (Exhibit K)
22. Discussion and First Reading of Proposed Revisions to Board Policy FEE "Site Acquisition" (Exhibit L)
23. Adjourn

INFORMATION AGENDA

24. Emergency, Sole Source, and Minority Procurements (Exhibit M)
25. The next regular scheduled board meeting will be January 10, 2022, at the Center for Advanced Technical Studies.

* The Board welcomes and encourages public participation. However, the privilege of addressing the Board does not include the ability to make personal attacks on any Board Member, district employee, or other member of the public. We respectfully ask that you adhere to the procedures and the decorum provided in board policy BEDH "Public Participation at Meetings". Your comments should be limited to three minutes. Questions asked during public participation will be handled in accordance with board policy BEDH.

COVID-19 NOTICE: Due to state social distancing guidelines, seating capacity at our school board meeting will be limited. Mask use is encouraged. The district will live stream board meetings to provide virtual viewing options.



Minutes/November 15, 2021

The Board of Trustees of School District Five of Lexington and Richland Counties met at the Center for Advanced Technical Studies with the following members present:

Mrs. Rebecca Blackburn Hines
Mrs. Nikki Gardner, Secretary
Mrs. Jan Hammond, Chair
Mr. Matt Hogan
Mrs. Catherine Huddle
Mr. Ken Loveless, Vice Chair
Mrs. Tifani Moore
Dr. Akil Ross, Interim Superintendent

The following staff were in attendance:

Mr. Todd Bedenbaugh, Executive Director of Operations
Dr. Michael Harris, Chief Student Services and Planning Officer
Mrs. Anna Miller, Chief of Academics and Administration
Mrs. Marty Rawls, Chief Finance Officer
Mrs. Amanda Taylor, Director of Communications
Dr. Tamara Turner, Chief Human Resources Officer

A livestream video link was provided to the public as a viewing option for the October 25, 2021, board meeting.

Chair Hammond called the meeting to order and gave welcoming remarks. The Invocation and Pledge of Allegiance were led by Jan Hammond, chair, board of trustees.

The Board conducted the School Board Spotlight.

The Board conducted the Election of Officers.

During the Superintendent's Report, Dr. Ross presented updates on: 1st Jobs Initiative and Teacher Support Pilot Program. Also, during the Superintendent's Report, Dr. Michael Harris presented an update on Who are the Children? (45-Day Report); Mrs. Anna Miller presented an updated on How are the Children? (Academic Update); Mr. Vann Holden presented updates on the COVID-19 Dashboard and Strategic Plan; and Mrs. Marty Rawls presented monthly financial reports (Exhibit G).

During the public participation, Laura Carson spoke regarding \$50 Fridays; Bill Zobel spoke regarding the District/Spring Hill High School; Celise Zbytovski, Todd Grosh, Christa Sorrenti, Daniel Bourbon, Ernest Floyd, Renee Kelly, and Haley Griggs spoke regarding parents as primary stakeholders and Alan Wright spoke about CRT, vetting classroom materials and parents as primary stakeholders.

The Board presented for discussion the Angela Bain Consulting report.

The Board presented for discussion the Appointment of Richland County Board of Assessment of Appeals (Exhibit K).

The Board presented for discussion the Divestiture of the Old Chapin High School Property on Columbia Avenue in Chapin.

The Board presented for discussion the Facilities Committee Study – Phase II Building Program (Exhibit L).

The Board presented for discussion the Adoption of the 2021 South Carolina Model School Procurement Code (Exhibit M).

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

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of November 15, 2021

	B L A C K B U R N H I N E S	G A R D N E R	H A M M O N D	H O G A N	H U D D L E	L O V E L E S S	M O O R E
1. M. Gardner S. Hogan Approve the agenda							
2. M. Huddle S. Blackburn Hines I move that we amend the agenda to move item 3 (g) contractual matter regarding Angela Bain Consulting to the discussion agenda before item 16.	X	X	X	X	X	X	X
3. Vote on the original motion	X	X	X	X	X	X	X
4. M. Loveless S. Huddle I make the motion that we enter executive session to consider the following: a.) Selected employment items (<i>Exhibit A</i>) (Action); b.) Selected employment items (<i>Exhibit B</i>) (Information Only); c.) Receipt of legal advice on Latent Roof Defects; d.) Contractual Matter Architectural/Engineering Firm for Close-Out of Piney Woods Elementary School (<i>Exhibit C</i>); e.) Contractual Matter regarding Guaranteed Energy Savings Contractor (<i>Exhibit D</i>); f.) Contractual Matter regarding Procurement Auditor (<i>Exhibit E</i>); h.) Update on Permanent Superintendent Replacement Search.	X	X	X	X	X	X	X
5. Election of Board Officers. Hogan nominated Hammond as Chairman seconded by Huddle Huddle nominated Loveless as Vice Chairman seconded by Hogan	X X	X X	X X	X X	X X	X X	X X

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

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of November 15, 2021

	B L A C K B U R N H I N E S	G A R D N E R	H A M M O N D	H O G A N	H U D D L E	L O V E L E S S	M O O R E
Loveless nominated Gardner as Secretary seconded by Huddle	X	X	X	X	X	X	X
6. M. Huddle S. Moore I move that we approve the minutes of the November 15, 2021 board meeting.	X	X	X	X	X	X	X
7. M. Loveless S. Huddle I make the motion that we approve the items presented for selected employment items for action (Exhibit A).	X	X	X	X	X	X	X
8. M. Loveless S. Huddle I move that the Interim Superintendent direct the district's attorney to move forward with any legal remedies the district might have to correct at the contractor's expense Latent Roof Defects at the Chapin High School 2008 Bond Referendum Project. This motion is also intended to include any latent watertightness defects with components of wall and roof construction.	N	X	X	X	X	X	N
9. M. Huddle S. Gardner I move that Meade & Hunt be awarded as the qualified engineering and architectural firm to provide services as the district representatives for close-out of Piney Woods Elementary (Exhibit C).	N	X	X	X	X	AB	X

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

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of November 15, 2021

	B L A C K B U R N H I N E S	G A R D N E R	H A M M O N D	H O G A N	H U D D L E	L O V E L E S S	M O R E
<p>10. M. Loveless S. Gardner</p> <p>I move that the Interim Superintendent negotiate the contract for services of CMTA Energy Solutions as Guaranteed Energy Savings Contract as shown in (Exhibit D) provided that the projects be completed within the time limits set by the US Government for completion to gain ESSER funding.</p>	X	X	X	X	X	X	X
<p>11. M. Huddle S. Gardner</p> <p>I move that we contract with the Procurement Audit Firm that met the requirements of the RFP for the detailed Procurement Audit provided that the firm agrees to extend their South Carolina license to at least 12/31/22 (Exhibit E).</p>	N	X	X	X	X	X	N
<p>12. M. Hogan S. Huddle</p> <p>I move that the Board direct our attorney to contact Superintendent applicants A, B, and C to schedule interviews with the Board during the month of December.</p>	N	N	X	X	X	X	N
<p>13. M. Blackburn Hines S. Huddle</p> <p>I move that the Board of Trustees approve the recommended revisions of Board Policy IHAQ "Career/Transition to Work Education" (Exhibit I).</p>	X	X	X	X	X	X	X

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

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of November 15, 2021

	B L A C K B U R N H I N E S	G A R D N E R	H A M M O N D	H O G A N	H U D D L E	L O V E L E S S	M O O R E
14. M. Gardner S. Huddle I move that we approve the resolution to South Carolina School Boards Association concerning the National School Boards Association as seen in (Exhibit J).	X	X	X	X	X	X	X
15. M. Hogan S. Moore Adjourn at 10:23 p.m.	X	X	X	X	X	X	X

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



Minutes/December 6, 2021

The Board of Trustees of School District Five of Lexington and Richland Counties met at the District Administration Building with the following members present:

Mrs. Rebecca Blackburn Hines
Mrs. Nikki Gardner, Secretary
Mrs. Jan Hammond, Chair
Mr. Matt Hogan
Mrs. Catherine Huddle
Mr. Ken Loveless, Vice Chair
Mrs. Tifani Moore

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of December 6, 2021

	B L A C K B U R N H I N E S	G A R D N E R	H A M M O N D	H O G A N	H U D D L E	L O V E L E S S	M O O R E
1. M. Huddle S. Hogan Approve the agenda	X	X	X	X	X	X	X
2. M. Loveless S. Huddle Enter exective session to consider the following: a.) Superintendent applicant interviews	X	X	X	X	X	X	X
3. M. Hogan S. Blackburn Hines Adjourn	X	X	X	X	X	X	X

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



MEMORANDUM

To: Members of the Board of Trustees

Through: Dr. Akil E. Ross, Sr.
Superintendent

From: Marty Rawls,
Chief Finance Officer *Marty Rawls*

Date: December 3, 2021

Re: Monthly Financial Reports - October 2021

Attached for your information are the October 31, 2021 General Fund Monthly Revenue and Expenditure Reports.

MR

Attachment

LEXINGTON RICHLAND SCHOOL DISTRICT 5
GENERAL FUND
MONTHLY REVENUE SUMMARY
FOR THE PERIOD ENDING OCTOBER 31, 2021

	BUDGET	ACTUAL YEAR TO DATE	% Received
<u>LOCAL SOURCES</u>			
Property Taxes - Operations & Delinquent	71,535,771	6,329,955	8.85%
Property Taxes - Penalties & Interest	415,633	78,982	19.00%
Revenue in Lieu of Taxes (FILOT)	1,552,340	-	0.00%
Tuition - Out of District	5,000	2,651	53.02%
Rentals	120,000	7,480	6.23%
Medicaid	105,000	31,019	29.54%
Interest on Investments	350,000	14,966	4.28%
Other Local Revenue	240,000	159,780	66.58%
TOTAL - LOCAL SOURCES	74,323,744	6,624,833	8.91%
<u>STATE SOURCES</u>			
Education Finance Act (EFA)	42,751,929	14,162,644	33.13%
State Fringe Benefits	20,573,475	6,757,241	32.84%
Retiree Health Insurance	5,456,118	1,818,706	33.33%
State Aid to Classrooms - Teacher Salary	4,078,646	-	0.00%
Property Tax Relief - Tier I (1996: \$100,000)	10,580,071	-	0.00%
Homestead Exemption - Tier II (Seniors Age 65+)	1,758,200	-	0.00%
Homestead Exemption - Tier III - (Act 388)	32,534,571	3,504,187	10.77%
Merchant's Inventory Tax	213,955	53,489	25.00%
School Bus Drivers' Salaries/Fringes	1,403,932	184,081	13.11%
Manufacturer's Depr. Reimbursement & Motor Carrier	572,460	121,580	21.24%
PEBA Credits	1,190,410	-	0.00%
Other State Revenue	20,000	16,625	83.13%
TOTAL - STATE SOURCES	121,133,767	26,618,552	21.97%
<u>OTHER FINANCING SOURCES</u>			
E I A-Teacher Salary Supplement & Fringe	5,756,655	1,572,936	27.32%
Indirect Cost - Special Revenue Funds	480,000	15,418	3.21%
Sale of Fixed Assets	-	19,044	
TOTAL OTHER FINANCING SOURCES	6,236,655	1,607,399	25.77%
<u>OPERATIONAL BALANCE TRANSFER</u>			
TOTAL REVENUES THROUGH 10/31/2021	\$ 201,694,166	\$ 34,850,783	17.28%
TOTAL REVENUES THROUGH 10/31/2020 *	\$ 199,524,672	\$ 35,321,559	17.70%

* Use of \$3,000,000 from Fund Balance was approved for use in FY 2020-2021 on 12-14-2020

School District Five of Lexington and Richland

Board Report Revenue

Fiscal Year: 2021-2022

☐ Include pre encumbrance

☒ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

From Date: 7/1/2021

To Date: 10/31/2021

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.000.0111001.0000.000	Ad Valorem Taxes - Lexington	(\$39,338,263.00)	\$0.00	(\$39,338,263.00)	(\$607,616.05)	(\$607,616.05)	(\$38,730,646.95)	\$0.00	(\$38,730,646.95)	98.46%
100.000.0111002.0000.000	Ad Valorem Taxes - Richland	(\$15,842,356.00)	\$0.00	(\$15,842,356.00)	\$153,495.50	\$153,495.50	(\$15,995,851.50)	\$0.00	(\$15,995,851.50)	100.97%
100.000.0112001.0000.000	Vehicle Taxes - Lexington	(\$7,465,741.00)	\$0.00	(\$7,465,741.00)	(\$2,783,495.52)	(\$2,783,495.52)	(\$4,682,245.48)	\$0.00	(\$4,682,245.48)	62.72%
100.000.0112002.0000.000	Vehicle Taxes - Richland	(\$7,081,082.00)	\$0.00	(\$7,081,082.00)	(\$2,545,322.22)	(\$2,545,322.22)	(\$4,535,759.78)	\$0.00	(\$4,535,759.78)	64.05%
100.000.0113001.0000.000	Delinquent Taxes - Lexington	(\$963,839.00)	\$0.00	(\$963,839.00)	(\$264,967.58)	(\$264,967.58)	(\$698,871.42)	\$0.00	(\$698,871.42)	72.51%
100.000.0113002.0000.000	Delinquent Taxes - Richland	(\$844,490.00)	\$0.00	(\$844,490.00)	(\$282,049.61)	(\$282,049.61)	(\$562,440.39)	\$0.00	(\$562,440.39)	66.60%
100.000.0114001.0000.000	Penalties & Interest on Taxes - Lexington	(\$298,185.00)	\$0.00	(\$298,185.00)	(\$39,648.41)	(\$39,648.41)	(\$258,536.59)	\$0.00	(\$258,536.59)	86.70%
100.000.0114002.0000.000	Penalties & Interest on Taxes - Richland	(\$117,448.00)	\$0.00	(\$117,448.00)	(\$39,333.18)	(\$39,333.18)	(\$78,114.82)	\$0.00	(\$78,114.82)	66.51%
100.000.0115001.0000.000	Sales & Use Tax Credit - Lexington	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0115002.0000.000	Sales & Use Tax Credit - Richland	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0128001.0000.000	Revenue in Lieu of Taxes - Lexington	(\$1,552,340.00)	\$0.00	(\$1,552,340.00)	\$0.00	\$0.00	(\$1,552,340.00)	\$0.00	(\$1,552,340.00)	100.00%
100.000.0128002.0000.000	Revenue in Lieu of Taxes - Richland	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0131000.0000.000	Student Tuition Out of District	(\$5,000.00)	\$0.00	(\$5,000.00)	(\$2,651.00)	(\$2,651.00)	(\$2,349.00)	\$0.00	(\$2,349.00)	46.98%
100.000.0132000.0000.000	Tuition from Other LEAs for Regular Day School	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0151000.0000.000	Interest on Investments	(\$350,000.00)	\$0.00	(\$350,000.00)	(\$14,719.52)	(\$14,719.52)	(\$335,280.48)	\$0.00	(\$335,280.48)	95.79%
100.000.0151001.0000.000	Interest - Lexington	\$0.00	\$0.00	\$0.00	(\$246.08)	(\$246.08)	\$246.08	\$0.00	\$246.08	0.00%
100.000.0151002.0000.000	Interest - Richland County	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0174000.0000.000	Student Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0190000.0000.000	Other Revenues from Local Sources	\$0.00	\$0.00	\$0.00	(\$27,432.59)	(\$27,432.59)	\$27,432.59	\$0.00	\$27,432.59	0.00%
100.000.0191000.0000.000	Rentals	(\$120,000.00)	\$0.00	(\$120,000.00)	(\$7,480.00)	(\$7,480.00)	(\$112,520.00)	\$0.00	(\$112,520.00)	93.77%
100.000.0192000.0000.000	Private Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0193000.0000.000	Medicaid	(\$105,000.00)	\$0.00	(\$105,000.00)	(\$31,018.83)	(\$31,018.83)	(\$73,981.17)	\$0.00	(\$73,981.17)	70.46%
100.000.0195000.0000.000	Refund of Prior Year	(\$15,000.00)	\$0.00	(\$15,000.00)	(\$821.47)	(\$821.47)	(\$14,178.53)	\$0.00	(\$14,178.53)	94.52%
100.000.0196000.0000.000	Printing Revenue	\$0.00	\$0.00	\$0.00	(\$9,755.36)	(\$9,755.36)	\$9,755.36	\$0.00	\$9,755.36	0.00%
100.000.0199200.0000.000	E-Rate Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0199300.0000.000	Insurance Proceeds	(\$25,000.00)	\$0.00	(\$25,000.00)	(\$27,673.59)	(\$27,673.59)	\$2,673.59	\$0.00	\$2,673.59	-10.69%
100.000.0199400.0000.000	Receipt of Legal Settlements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0199900.0000.000	Other Local Revenue	(\$200,000.00)	\$0.00	(\$200,000.00)	(\$94,097.02)	(\$94,097.02)	(\$105,902.98)	\$0.00	(\$105,902.98)	52.95%
100.000.0199901.0000.000	Other Local Revenue - Lexington	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0199902.0000.000	Other Local Revenue - Richland	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0199990.0000.000	Operational Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0199999.0000.000	Operational Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0313100.0000.000	SP Contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0313200.0000.000	Home Schooling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

School District Five of Lexington and Richland

Board Report Revenue

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☒ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.000.0316000.0000.000	School Bus Driver Salary	(\$1,339,432.00)	\$0.00	(\$1,339,432.00)	(\$119,573.03)	(\$119,573.03)	(\$1,219,858.97)	\$0.00	(\$1,219,858.97)	91.07%
100.000.0316100.0000.000	EAA Bus Driver Salary and Fringe	\$0.00	\$0.00	\$0.00	(\$8.04)	(\$8.04)	\$8.04	\$0.00	\$8.04	0.00%
100.000.0316200.0000.000	Workers Compensation School Bus Drivers	(\$64,500.00)	\$0.00	(\$64,500.00)	(\$64,499.73)	(\$64,499.73)	(\$0.27)	\$0.00	(\$0.27)	0.00%
100.000.0318000.0000.000	State Fringe Benefits	(\$20,573,475.00)	\$0.00	(\$20,573,475.00)	(\$6,757,240.68)	(\$6,757,240.68)	(\$13,816,234.32)	\$0.00	(\$13,816,234.32)	67.16%
100.000.0318100.0000.000	Retiree Health Insurance	(\$5,456,118.00)	\$0.00	(\$5,456,118.00)	(\$1,818,705.84)	(\$1,818,705.84)	(\$3,637,412.16)	\$0.00	(\$3,637,412.16)	66.67%
100.000.0318600.0000.000	State Aid to Classroom - Teacher Salary	(\$4,078,646.00)	\$0.00	(\$4,078,646.00)	\$0.00	\$0.00	(\$4,078,646.00)	\$0.00	(\$4,078,646.00)	100.00%
100.000.0319900.0000.000	State Other Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0331000.0000.000	EFA Full Time Programs	(\$42,751,929.00)	\$0.00	(\$42,751,929.00)	\$0.00	\$0.00	(\$42,751,929.00)	\$0.00	(\$42,751,929.00)	100.00%
100.000.0331100.0000.000	EFA - Kindergarten	\$0.00	\$0.00	\$0.00	(\$586,441.08)	(\$586,441.08)	\$586,441.08	\$0.00	\$586,441.08	0.00%
100.000.0331200.0000.000	EFA - Primary	\$0.00	\$0.00	\$0.00	(\$1,753,549.52)	(\$1,753,549.52)	\$1,753,549.52	\$0.00	\$1,753,549.52	0.00%
100.000.0331300.0000.000	EFA - Elementary	\$0.00	\$0.00	\$0.00	(\$3,618,865.42)	(\$3,618,865.42)	\$3,618,865.42	\$0.00	\$3,618,865.42	0.00%
100.000.0331400.0000.000	EFA - High School	\$0.00	\$0.00	\$0.00	(\$965,807.44)	(\$965,807.44)	\$965,807.44	\$0.00	\$965,807.44	0.00%
100.000.0331500.0000.000	EFA - Trainable Mentally Handicapped	\$0.00	\$0.00	\$0.00	(\$22,174.24)	(\$22,174.24)	\$22,174.24	\$0.00	\$22,174.24	0.00%
100.000.0331600.0000.000	EFA - Speech Handicapped	\$0.00	\$0.00	\$0.00	(\$1,055,533.84)	(\$1,055,533.84)	\$1,055,533.84	\$0.00	\$1,055,533.84	0.00%
100.000.0331700.0000.000	EFA - Homebound	\$0.00	\$0.00	\$0.00	(\$5,415.68)	(\$5,415.68)	\$5,415.68	\$0.00	\$5,415.68	0.00%
100.000.0332100.0000.000	EFA - Emotionally Handicapped	\$0.00	\$0.00	\$0.00	(\$44,597.86)	(\$44,597.86)	\$44,597.86	\$0.00	\$44,597.86	0.00%
100.000.0332200.0000.000	EFA - Educable Mentally Handicapped	\$0.00	\$0.00	\$0.00	(\$21,004.16)	(\$21,004.16)	\$21,004.16	\$0.00	\$21,004.16	0.00%
100.000.0332300.0000.000	EFA - Learning Disabilities	\$0.00	\$0.00	\$0.00	(\$1,028,429.86)	(\$1,028,429.86)	\$1,028,429.86	\$0.00	\$1,028,429.86	0.00%
100.000.0332400.0000.000	EFA - Hearing Handicapped	\$0.00	\$0.00	\$0.00	(\$62,507.33)	(\$62,507.33)	\$62,507.33	\$0.00	\$62,507.33	0.00%
100.000.0332500.0000.000	EFA - Visually Handicapped	\$0.00	\$0.00	\$0.00	(\$29,725.52)	(\$29,725.52)	\$29,725.52	\$0.00	\$29,725.52	0.00%
100.000.0332600.0000.000	EFA - Orthopedically Handicapped	\$0.00	\$0.00	\$0.00	(\$17,231.72)	(\$17,231.72)	\$17,231.72	\$0.00	\$17,231.72	0.00%
100.000.0332700.0000.000	EFA - Vocational	\$0.00	\$0.00	\$0.00	(\$2,828,335.56)	(\$2,828,335.56)	\$2,828,335.56	\$0.00	\$2,828,335.56	0.00%
100.000.0333100.0000.000	EFA - Autism	\$0.00	\$0.00	\$0.00	(\$399,884.56)	(\$399,884.56)	\$399,884.56	\$0.00	\$399,884.56	0.00%
100.000.0333200.0000.000	EFA - Gifted and Talented Education Pupils	\$0.00	\$0.00	\$0.00	(\$428,548.68)	(\$428,548.68)	\$428,548.68	\$0.00	\$428,548.68	0.00%
100.000.0333400.0000.000	EFA - Limited English Proficiency	\$0.00	\$0.00	\$0.00	(\$56,126.16)	(\$56,126.16)	\$56,126.16	\$0.00	\$56,126.16	0.00%
100.000.0335100.0000.000	EFA - Academic Assistance	\$0.00	\$0.00	\$0.00	(\$430,601.13)	(\$430,601.13)	\$430,601.13	\$0.00	\$430,601.13	0.00%
100.000.0335200.0000.000	EFA - Pupils in Poverty	\$0.00	\$0.00	\$0.00	(\$917,462.72)	(\$917,462.72)	\$917,462.72	\$0.00	\$917,462.72	0.00%
100.000.0335300.0000.000	EFA - DUAL	\$0.00	\$0.00	\$0.00	(\$15,914.56)	(\$15,914.56)	\$15,914.56	\$0.00	\$15,914.56	0.00%
100.000.0337500.0000.000	EFA Education Foundation Supplement	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0339200.0000.000	EFA - NBC Excess EFA Formula	\$0.00	\$0.00	\$0.00	\$125,513.44	\$125,513.44	(\$125,513.44)	\$0.00	(\$125,513.44)	0.00%
100.000.0381000.0000.000	Local Property Tax Relief (Tier 1)	(\$10,580,071.00)	\$0.00	(\$10,580,071.00)	\$0.00	\$0.00	(\$10,580,071.00)	\$0.00	(\$10,580,071.00)	100.00%
100.000.0381002.0000.000	Local Property Tax Relief (Tier 1) - Richland	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0382000.0000.000	Homestead Exemption (Tier 2)	(\$1,758,200.00)	\$0.00	(\$1,758,200.00)	\$0.00	\$0.00	(\$1,758,200.00)	\$0.00	(\$1,758,200.00)	100.00%
100.000.0382002.0000.000	Homestead Exemption (Tier 2) - Richland	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

School District Five of Lexington and Richland

Board Report Revenue

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☒ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.000.0382500.0000.000	Property Tax Relief - Tier 3	(\$32,534,571.00)	\$0.00	(\$32,534,571.00)	(\$3,504,186.50)	(\$3,504,186.50)	(\$29,030,384.50)	\$0.00	(\$29,030,384.50)	89.23%
100.000.0383001.0000.000	Merchants Inventory Tax - Lexington	(\$194,013.00)	\$0.00	(\$194,013.00)	(\$49,220.20)	(\$49,220.20)	(\$144,792.80)	\$0.00	(\$144,792.80)	74.63%
100.000.0383002.0000.000	Merchants Inventory Tax - Richland	(\$19,942.00)	\$0.00	(\$19,942.00)	(\$4,268.58)	(\$4,268.58)	(\$15,673.42)	\$0.00	(\$15,673.42)	78.60%
100.000.0384001.0000.000	Manufacturers Depr. Reimbursement - Lexington	(\$296,231.00)	\$0.00	(\$296,231.00)	\$0.00	\$0.00	(\$296,231.00)	\$0.00	(\$296,231.00)	100.00%
100.000.0384002.0000.000	Manufacturers Depr. Reimbursement - Richland	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0389001.0000.000	Motor Carrier Vehicle Tax - Lexington	(\$211,525.00)	\$0.00	(\$211,525.00)	(\$83,792.67)	(\$83,792.67)	(\$127,732.33)	\$0.00	(\$127,732.33)	60.39%
100.000.0389002.0000.000	Motor Carrier Vehicle Tax - Richland	(\$64,704.00)	\$0.00	(\$64,704.00)	(\$37,787.66)	(\$37,787.66)	(\$26,916.34)	\$0.00	(\$26,916.34)	41.60%
100.000.0390000.0000.000	Other State Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0399000.0000.000	Revenue from Other State Sources	(\$20,000.00)	\$0.00	(\$20,000.00)	\$0.00	\$0.00	(\$20,000.00)	\$0.00	(\$20,000.00)	100.00%
100.000.0399200.0000.000	State Forest Commission Revenue	\$0.00	\$0.00	\$0.00	(\$16,625.34)	(\$16,625.34)	\$16,625.34	\$0.00	\$16,625.34	0.00%
100.000.0399300.0000.000	PEBA On-behalf Payments	(\$1,190,410.00)	\$0.00	(\$1,190,410.00)	\$0.00	\$0.00	(\$1,190,410.00)	\$0.00	(\$1,190,410.00)	100.00%
100.000.0399900.0000.000	Revenue from Other State Agency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0499000.0000.000	Other Federal Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0500000.0000.000	Other Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0520000.0000.000	Interfund Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0521000.0000.000	Transfer from General Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0522000.0000.000	Transfer from Special Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0523000.0000.000	Transfer from EIA	(\$5,756,655.00)	\$0.00	(\$5,756,655.00)	(\$1,572,936.47)	(\$1,572,936.47)	(\$4,183,718.53)	\$0.00	(\$4,183,718.53)	72.68%
100.000.0525000.0000.000	Transfer from Building Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0527000.0000.000	Transfer from Pupil Activity	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
100.000.0528000.0000.000	Transfer of Indirect Cost	(\$480,000.00)	\$0.00	(\$480,000.00)	(\$15,418.22)	(\$15,418.22)	(\$464,581.78)	\$0.00	(\$464,581.78)	96.79%
100.000.0530000.0000.000	Sale of Fixed Assets	\$0.00	\$0.00	\$0.00	(\$19,043.88)	(\$19,043.88)	\$19,043.88	\$0.00	\$19,043.88	0.00%
	FUND: General Fund - 100	(\$201,694,166.00)	\$0.00	(\$201,694,166.00)	(\$34,850,782.97)	(\$34,850,782.97)	(\$166,843,383.03)	\$0.00	(\$166,843,383.03)	82.72%
Grand Total:		(\$201,694,166.00)	\$0.00	(\$201,694,166.00)	(\$34,850,782.97)	(\$34,850,782.97)	(\$166,843,383.03)	\$0.00	(\$166,843,383.03)	82.72%

End of Report

LEXINGTON RICHLAND SCHOOL DISTRICT 5
GENERAL FUND
MONTHLY EXPENDITURE SUMMARY
FOR THE PERIOD ENDING OCTOBER 31, 2021

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL YEAR TO DATE	% Expended
SALARIES AND FRINGE				
Instructional	\$ 116,886,814	\$ 116,781,964	\$ 24,223,994	20.74%
Support & Community Services	61,900,092	61,891,979	17,555,536	28.36%
Subtotal	178,786,906	178,673,943	41,779,531	23.38%
CONTRACTUAL SERVICES & Oth. Obj.				
Instructional	2,376,900	2,376,629	180,935	7.61%
Support & Community Services	12,418,448	12,421,176	4,984,573	40.13%
Subtotal	14,795,348	14,797,805	5,165,508	34.91%
SUPPLIES AND MATERIALS				
Instructional	1,735,421	1,833,419	822,299	44.85%
Support & Community Services	6,001,209	6,017,744	2,254,848	37.47%
Subtotal	7,736,630	7,851,163	3,077,147	39.19%
EQUIPMENT				
Instructional	-	-	5,422	
Support & Community Services	87,385	87,385	50,632	57.94%
Subtotal	87,385	87,385	56,054	64.15%
TRANSFERS				
Pmts to Other Govt Entities-Per Proviso	20,000	20,000	15,809	79.05%
Food Service	267,897	267,897	-	0.00%
	287,897	287,897	15,809	5.49%
OPERATIONAL BALANCE				
TOTAL EXPENDITURES THROUGH 10/31/2021	\$ 201,694,166	\$ 201,698,193	\$ 50,094,047	24.84%
TOTAL EXPENDITURES THROUGH 10/31/2020	\$ 195,794,553	\$ 199,524,672	\$ 47,696,947	23.91%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.111.1000000.0000.000	Salaries	\$4,887,715.57	\$0.00	\$4,887,715.57	\$1,008,444.76	\$1,008,444.76	\$3,879,270.81	\$3,910,013.48	(\$30,742.67)	-0.63%
100.111.2000000.0000.000	Employee Benefits	\$2,150,602.43	\$0.00	\$2,150,602.43	\$487,793.37	\$487,793.37	\$1,662,809.06	\$1,635,553.54	\$27,255.52	1.27%
100.111.3000000.0000.000	Purchased Services	\$50,043.00	\$580.00	\$50,623.00	\$249.72	\$249.72	\$50,373.28	\$580.00	\$49,793.28	98.36%
100.111.4000000.0000.000	Supplies and Materials	\$53,655.00	(\$580.00)	\$53,075.00	\$36,516.11	\$36,516.11	\$16,558.89	(\$2,723.96)	\$19,282.85	36.33%
	FUNCTION: Kindergarten Programs - 111	\$7,142,016.00	\$0.00	\$7,142,016.00	\$1,533,003.96	\$1,533,003.96	\$5,609,012.04	\$5,543,423.06	\$65,588.98	0.92%
100.112.1000000.0000.000	Salaries	\$14,140,206.87	(\$11,500.00)	\$14,128,706.87	\$2,812,351.93	\$2,812,351.93	\$11,316,354.94	\$10,826,870.38	\$489,484.56	3.46%
100.112.2000000.0000.000	Employee Benefits	\$5,635,720.13	\$0.00	\$5,635,720.13	\$1,263,022.67	\$1,263,022.67	\$4,372,697.46	\$4,227,877.54	\$144,819.92	2.57%
100.112.3000000.0000.000	Purchased Services	\$123,241.00	\$0.00	\$123,241.00	\$1,879.39	\$1,879.39	\$121,361.61	\$0.00	\$121,361.61	98.48%
100.112.4000000.0000.000	Supplies and Materials	\$227,119.00	\$11,500.00	\$238,619.00	\$160,771.78	\$160,771.78	\$77,847.22	(\$2,980.35)	\$80,827.57	33.87%
	FUNCTION: Primary Programs - 112	\$20,126,287.00	\$0.00	\$20,126,287.00	\$4,238,025.77	\$4,238,025.77	\$15,888,261.23	\$15,051,767.57	\$836,493.66	4.16%
100.113.1000000.0000.000	Salaries	\$25,129,062.25	(\$34,225.00)	\$25,094,837.25	\$4,955,763.04	\$4,955,763.04	\$20,139,074.21	\$19,226,887.00	\$912,187.21	3.63%
100.113.2000000.0000.000	Employee Benefits	\$9,413,265.75	\$0.00	\$9,413,265.75	\$2,157,247.69	\$2,157,247.69	\$7,256,018.06	\$7,167,512.79	\$88,505.27	0.94%
100.113.3000000.0000.000	Purchased Services	\$382,151.00	\$0.00	\$382,151.00	\$2,830.50	\$2,830.50	\$379,320.50	\$69.50	\$379,251.00	99.24%
100.113.4000000.0000.000	Supplies and Materials	\$418,619.00	\$34,225.00	\$452,844.00	\$214,616.13	\$214,616.13	\$238,227.87	(\$6,272.39)	\$244,500.26	53.99%
	FUNCTION: Elementary Programs - 113	\$35,343,098.00	\$0.00	\$35,343,098.00	\$7,330,457.36	\$7,330,457.36	\$28,012,640.64	\$26,388,196.90	\$1,624,443.74	4.60%
100.114.1000000.0000.000	Salaries	\$20,518,117.46	(\$59,125.00)	\$20,458,992.46	\$3,987,314.66	\$3,987,314.66	\$16,471,677.80	\$15,194,379.81	\$1,277,297.99	6.24%
100.114.2000000.0000.000	Employee Benefits	\$7,218,176.54	\$0.00	\$7,218,176.54	\$1,679,112.05	\$1,679,112.05	\$5,539,064.49	\$5,577,252.96	(\$38,188.47)	-0.53%
100.114.3000000.0000.000	Purchased Services	\$350,103.00	\$0.00	\$350,103.00	\$24,933.12	\$24,933.12	\$325,169.88	\$21,192.35	\$303,977.53	86.83%
100.114.4000000.0000.000	Supplies and Materials	\$631,216.00	\$52,853.00	\$684,069.00	\$292,142.98	\$292,142.98	\$391,926.02	\$1,666.07	\$390,259.95	57.05%
100.114.5000000.0000.000	Capital Outlay	\$0.00	\$0.00	\$0.00	\$5,422.13	\$5,422.13	(\$5,422.13)	\$0.00	(\$5,422.13)	0.00%
100.114.6000000.0000.000	Other Objects	\$885.00	\$0.00	\$885.00	\$2,112.99	\$2,112.99	(\$1,227.99)	\$0.00	(\$1,227.99)	-138.76%
	FUNCTION: High School Programs - 114	\$28,718,498.00	(\$6,272.00)	\$28,712,226.00	\$5,991,037.93	\$5,991,037.93	\$22,721,188.07	\$20,794,491.19	\$1,926,696.88	6.71%
100.115.1000000.0000.000	Salaries	\$3,098,354.40	\$0.00	\$3,098,354.40	\$609,071.04	\$609,071.04	\$2,489,283.36	\$2,191,394.59	\$297,888.77	9.61%
100.115.2000000.0000.000	Employee Benefits	\$797,736.60	\$0.00	\$797,736.60	\$263,224.79	\$263,224.79	\$534,511.81	\$612,395.51	(\$77,883.70)	-9.76%
100.115.3000000.0000.000	Purchased Services	\$25,678.00	\$0.00	\$25,678.00	\$2,418.13	\$2,418.13	\$23,259.87	\$3,754.09	\$19,505.78	75.96%
100.115.4000000.0000.000	Supplies and Materials	\$112,500.00	\$0.00	\$112,500.00	\$28,270.34	\$28,270.34	\$84,229.66	(\$1,412.92)	\$85,642.58	76.13%
	INCTION: Career and Technology Education (Vocational) Prog - 115	\$4,034,269.00	\$0.00	\$4,034,269.00	\$902,984.30	\$902,984.30	\$3,131,284.70	\$2,806,131.27	\$325,153.43	8.06%
100.118.1000000.0000.000	Salaries	\$364,041.65	\$0.00	\$364,041.65	\$61,536.70	\$61,536.70	\$302,504.95	\$243,839.36	\$58,665.59	16.12%
100.118.2000000.0000.000	Employee Benefits	\$96,914.35	\$0.00	\$96,914.35	\$33,529.15	\$33,529.15	\$63,385.20	\$81,430.28	(\$18,045.08)	-18.62%
100.118.3000000.0000.000	Purchased Services	\$1,563.00	\$0.00	\$1,563.00	\$0.00	\$0.00	\$1,563.00	\$0.00	\$1,563.00	100.00%
100.118.4000000.0000.000	Supplies and Materials	\$0.00	\$0.00	\$0.00	\$400.00	\$400.00	(\$400.00)	\$2,072.14	(\$2,472.14)	0.00%
	FUNCTION: Montessori Programs - 118	\$462,519.00	\$0.00	\$462,519.00	\$95,465.85	\$95,465.85	\$367,053.15	\$327,341.78	\$39,711.37	8.59%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.121.1000000.0000.000	Salaries	\$1,751,079.10	\$0.00	\$1,751,079.10	\$412,313.33	\$412,313.33	\$1,338,765.77	\$1,660,599.52	(\$321,833.75)	-18.38%
100.121.2000000.0000.000	Employee Benefits	\$645,832.90	\$0.00	\$645,832.90	\$189,785.57	\$189,785.57	\$456,047.33	\$471,248.48	(\$15,201.15)	-2.35%
100.121.3000000.0000.000	Purchased Services	\$0.00	\$0.00	\$0.00	\$24,115.00	\$24,115.00	(\$24,115.00)	\$68,510.00	(\$92,625.00)	0.00%
100.121.4000000.0000.000	Supplies and Materials	\$3,093.00	\$0.00	\$3,093.00	\$15,893.63	\$15,893.63	(\$12,800.63)	(\$1,211.19)	(\$11,589.44)	-374.70%
FUNCTION: Educable Mentally Handicapped - 121		\$2,400,005.00	\$0.00	\$2,400,005.00	\$642,107.53	\$642,107.53	\$1,757,897.47	\$2,199,146.81	(\$441,249.34)	-18.39%
100.122.1000000.0000.000	Salaries	\$423,720.35	\$0.00	\$423,720.35	\$89,826.20	\$89,826.20	\$333,894.15	\$336,713.47	(\$2,819.32)	-0.67%
100.122.2000000.0000.000	Employee Benefits	\$184,440.90	\$0.00	\$184,440.90	\$39,168.55	\$39,168.55	\$145,272.35	\$138,570.21	\$6,702.14	3.63%
100.122.4000000.0000.000	Supplies and Materials	\$1,851.75	\$0.00	\$1,851.75	\$4,107.46	\$4,107.46	(\$2,255.71)	(\$1,331.72)	(\$923.99)	-49.90%
FUNCTION: Trainable Mentally Handicapped - 122		\$610,013.00	\$0.00	\$610,013.00	\$133,102.21	\$133,102.21	\$476,910.79	\$473,951.96	\$2,958.83	0.49%
100.123.3000000.0000.000	Purchased Services	\$130.00	\$0.00	\$130.00	\$0.00	\$0.00	\$130.00	\$0.00	\$130.00	100.00%
100.123.4000000.0000.000	Supplies and Materials	\$1,294.00	\$0.00	\$1,294.00	\$268.19	\$268.19	\$1,025.81	(\$197.80)	\$1,223.61	94.56%
FUNCTION: Orthopedically Handicapped - 123		\$1,424.00	\$0.00	\$1,424.00	\$268.19	\$268.19	\$1,155.81	(\$197.80)	\$1,353.61	95.06%
100.124.1000000.0000.000	Salaries	\$63,401.21	\$0.00	\$63,401.21	\$15,014.40	\$15,014.40	\$48,386.81	\$58,194.71	(\$9,807.90)	-15.47%
100.124.2000000.0000.000	Employee Benefits	\$24,017.04	\$0.00	\$24,017.04	\$5,877.15	\$5,877.15	\$18,139.89	\$19,455.27	(\$1,315.38)	-5.48%
100.124.4000000.0000.000	Supplies and Materials	\$1,674.75	\$0.00	\$1,674.75	\$163.75	\$163.75	\$1,511.00	\$0.00	\$1,511.00	90.22%
FUNCTION: Visually Handicapped - 124		\$89,093.00	\$0.00	\$89,093.00	\$21,055.30	\$21,055.30	\$68,037.70	\$77,649.98	(\$9,612.28)	-10.79%
100.125.1000000.0000.000	Salaries	\$337,932.31	\$0.00	\$337,932.31	\$48,186.65	\$48,186.65	\$289,745.66	\$187,969.25	\$101,776.41	30.12%
100.125.2000000.0000.000	Employee Benefits	\$94,620.69	\$0.00	\$94,620.69	\$19,335.00	\$19,335.00	\$75,285.69	\$48,096.20	\$27,189.49	28.74%
100.125.3000000.0000.000	Purchased Services	\$775.00	\$0.00	\$775.00	\$13,650.00	\$13,650.00	(\$12,875.00)	\$53,850.00	(\$66,725.00)	-8609.68%
100.125.4000000.0000.000	Supplies and Materials	\$3,563.00	\$0.00	\$3,563.00	\$569.27	\$569.27	\$2,993.73	\$0.00	\$2,993.73	84.02%
FUNCTION: Hearing Handicapped - 125		\$436,891.00	\$0.00	\$436,891.00	\$81,740.92	\$81,740.92	\$355,150.08	\$289,915.45	\$65,234.63	14.93%
100.126.1000000.0000.000	Salaries	\$2,041,688.23	\$0.00	\$2,041,688.23	\$347,928.34	\$347,928.34	\$1,693,759.89	\$1,358,587.84	\$335,172.05	16.42%
100.126.2000000.0000.000	Employee Benefits	\$721,993.77	\$0.00	\$721,993.77	\$148,896.90	\$148,896.90	\$573,096.87	\$522,173.30	\$50,923.57	7.05%
100.126.3000000.0000.000	Purchased Services	\$73,710.00	\$0.00	\$73,710.00	\$72,441.00	\$72,441.00	\$1,269.00	\$274,374.00	(\$273,105.00)	-370.51%
100.126.4000000.0000.000	Supplies and Materials	\$68,846.00	\$0.00	\$68,846.00	\$11,805.70	\$11,805.70	\$57,040.30	(\$1,141.99)	\$58,182.29	84.51%
FUNCTION: Speech Handicapped - 126		\$2,906,238.00	\$0.00	\$2,906,238.00	\$581,071.94	\$581,071.94	\$2,325,166.06	\$2,153,993.15	\$171,172.91	5.89%
100.127.1000000.0000.000	Salaries	\$4,483,782.29	\$0.00	\$4,483,782.29	\$812,294.27	\$812,294.27	\$3,671,488.02	\$3,231,110.81	\$440,377.21	9.82%
100.127.2000000.0000.000	Employee Benefits	\$1,691,134.71	\$0.00	\$1,691,134.71	\$354,735.17	\$354,735.17	\$1,336,399.54	\$1,246,693.48	\$89,706.06	5.30%
100.127.3000000.0000.000	Purchased Services	\$35,024.00	\$0.00	\$35,024.00	\$19,500.00	\$19,500.00	\$15,524.00	\$73,125.00	(\$57,601.00)	-164.46%
100.127.4000000.0000.000	Supplies and Materials	\$90,298.00	\$0.00	\$90,298.00	\$28,453.24	\$28,453.24	\$61,844.76	\$1,374.03	\$60,470.73	66.97%
FUNCTION: Learning Disabilities - 127		\$6,300,239.00	\$0.00	\$6,300,239.00	\$1,214,982.68	\$1,214,982.68	\$5,085,256.32	\$4,552,303.32	\$532,953.00	8.46%
100.128.1000000.0000.000	Salaries	\$730,708.88	\$0.00	\$730,708.88	\$130,374.43	\$130,374.43	\$600,334.45	\$503,724.80	\$96,609.65	13.22%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.128.2000000.0000.000	Employee Benefits	\$258,410.12	\$0.00	\$258,410.12	\$62,709.45	\$62,709.45	\$195,700.67	\$209,168.69	(\$13,468.02)	-5.21%
100.128.3000000.0000.000	Purchased Services	\$6,500.00	\$0.00	\$6,500.00	\$0.00	\$0.00	\$6,500.00	\$0.00	\$6,500.00	100.00%
100.128.4000000.0000.000	Supplies and Materials	\$2,118.00	\$0.00	\$2,118.00	\$1,755.91	\$1,755.91	\$362.09	\$0.00	\$362.09	17.10%
	FUNCTION: Emotionally Handicapped - 128	\$997,737.00	\$0.00	\$997,737.00	\$194,839.79	\$194,839.79	\$802,897.21	\$712,893.49	\$90,003.72	9.02%
100.129.1000000.0000.000	Salaries	\$789,476.68	\$0.00	\$789,476.68	\$136,544.50	\$136,544.50	\$652,932.18	\$441,353.30	\$211,578.88	26.80%
100.129.2000000.0000.000	Employee Benefits	\$204,212.32	\$0.00	\$204,212.32	\$60,342.52	\$60,342.52	\$143,869.80	\$142,257.69	\$1,612.11	0.79%
100.129.3000000.0000.000	Purchased Services	\$6,918.00	\$0.00	\$6,918.00	\$0.00	\$0.00	\$6,918.00	\$0.00	\$6,918.00	100.00%
100.129.4000000.0000.000	Supplies and Materials	\$0.00	\$0.00	\$0.00	\$1,400.00	\$1,400.00	(\$1,400.00)	\$0.00	(\$1,400.00)	0.00%
	FUNCTION: Coordinated Early Intervening Services (CEIS) - 129	\$1,000,607.00	\$0.00	\$1,000,607.00	\$198,287.02	\$198,287.02	\$802,319.98	\$583,610.99	\$218,708.99	21.86%
100.135.1000000.0000.000	Salaries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,300.00	(\$1,300.00)	0.00%
100.135.2000000.0000.000	Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105.30	(\$105.30)	0.00%
100.135.4000000.0000.000	Supplies and Materials	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	(\$100.00)	\$0.00	(\$100.00)	0.00%
	JUNCTION: Preschool Handicapped Speech (3 and 4 year olds) - 135	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	(\$100.00)	\$1,405.30	(\$1,505.30)	0.00%
100.136.1000000.0000.000	Salaries	\$50,997.12	\$0.00	\$50,997.12	\$1,110.30	\$1,110.30	\$49,886.82	\$4,319.14	\$45,567.68	89.35%
100.136.2000000.0000.000	Employee Benefits	\$950.88	\$0.00	\$950.88	\$518.40	\$518.40	\$432.48	\$889.02	(\$456.54)	-48.01%
100.136.4000000.0000.000	Supplies and Materials	\$400.00	\$0.00	\$400.00	\$100.00	\$100.00	\$300.00	\$0.00	\$300.00	75.00%
	FUNCTION: Preschool Handicapped Itinerant (3 and 4 yr olds) - 136	\$52,348.00	\$0.00	\$52,348.00	\$1,728.70	\$1,728.70	\$50,619.30	\$5,208.16	\$45,411.14	86.75%
100.137.1000000.0000.000	Salaries	\$1,197,264.93	\$0.00	\$1,197,264.93	\$206,271.86	\$206,271.86	\$990,993.07	\$870,865.57	\$120,127.50	10.03%
100.137.2000000.0000.000	Employee Benefits	\$469,208.07	\$0.00	\$469,208.07	\$93,873.86	\$93,873.86	\$375,334.21	\$358,671.16	\$16,663.05	3.55%
100.137.3000000.0000.000	Purchased Services	\$30,474.00	\$0.00	\$30,474.00	\$0.00	\$0.00	\$30,474.00	\$0.00	\$30,474.00	100.00%
100.137.4000000.0000.000	Supplies and Materials	\$540.00	\$0.00	\$540.00	\$1,794.60	\$1,794.60	(\$1,254.60)	\$0.00	(\$1,254.60)	-232.33%
	JUNCTION: Preschool Handicapped Self Contained (3 & 4 yr old) - 137	\$1,697,487.00	\$0.00	\$1,697,487.00	\$301,940.32	\$301,940.32	\$1,395,546.68	\$1,229,536.73	\$166,009.95	9.78%
100.138.1000000.0000.000	Salaries	\$6,505.88	\$0.00	\$6,505.88	\$486.60	\$486.60	\$6,019.28	\$1,899.08	\$4,120.20	63.33%
100.138.2000000.0000.000	Employee Benefits	\$777.12	\$0.00	\$777.12	\$201.90	\$201.90	\$575.22	\$758.34	(\$183.12)	-23.56%
	JUNCTION: Preschool Handicapped Homebased (3 & 4 yr olds) - 138	\$7,283.00	\$0.00	\$7,283.00	\$688.50	\$688.50	\$6,594.50	\$2,657.42	\$3,937.08	54.06%
100.139.1000000.0000.000	Salaries	\$1,080,205.77	\$0.00	\$1,080,205.77	\$241,997.48	\$241,997.48	\$838,208.29	\$900,349.65	(\$62,141.36)	-5.75%
100.139.2000000.0000.000	Employee Benefits	\$524,568.23	\$0.00	\$524,568.23	\$118,120.16	\$118,120.16	\$406,448.07	\$390,029.58	\$16,418.49	3.13%
100.139.3000000.0000.000	Purchased Services	\$18,147.00	\$0.00	\$18,147.00	\$4,372.34	\$4,372.34	\$13,774.66	\$0.00	\$13,774.66	75.91%
100.139.4000000.0000.000	Supplies and Materials	\$25,851.00	\$0.00	\$25,851.00	\$5,616.06	\$5,616.06	\$20,234.94	(\$909.12)	\$21,144.06	81.79%
100.139.6000000.0000.000	Other Objects	\$3,500.00	\$0.00	\$3,500.00	\$294.50	\$294.50	\$3,205.50	(\$69.00)	\$3,274.50	93.56%
	FUNCTION: Early Childhood Programs - 139	\$1,652,272.00	\$0.00	\$1,652,272.00	\$370,400.54	\$370,400.54	\$1,281,871.46	\$1,289,401.11	(\$7,529.65)	-0.46%
100.141.1000000.0000.000	Salaries	\$1,359,968.47	\$0.00	\$1,359,968.47	\$223,292.70	\$223,292.70	\$1,136,675.77	\$864,551.74	\$272,124.03	20.01%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.141.2000000.0000.000	Employee Benefits	\$548,011.53	\$0.00	\$548,011.53	\$95,153.85	\$95,153.85	\$452,857.68	\$367,420.31	\$85,437.37	15.59%
100.141.3000000.0000.000	Purchased Services	\$9,472.00	\$0.00	\$9,472.00	\$0.00	\$0.00	\$9,472.00	\$1,523.00	\$7,949.00	83.92%
100.141.4000000.0000.000	Supplies and Materials	\$12,725.00	\$0.00	\$12,725.00	\$2,701.52	\$2,701.52	\$10,023.48	\$25.00	\$9,998.48	78.57%
100.141.6000000.0000.000	Other Objects	\$0.00	\$0.00	\$0.00	\$175.50	\$175.50	(\$175.50)	\$0.00	(\$175.50)	0.00%
FUNCTION: Gifted and Talented Academic - 141		\$1,930,177.00	\$0.00	\$1,930,177.00	\$321,323.57	\$321,323.57	\$1,608,853.43	\$1,233,520.05	\$375,333.38	19.45%
100.143.1000000.0000.000	Salaries	\$363,375.17	\$0.00	\$363,375.17	\$50,792.92	\$50,792.92	\$312,582.25	\$196,032.80	\$116,549.45	32.07%
100.143.2000000.0000.000	Employee Benefits	\$85,229.83	\$0.00	\$85,229.83	\$20,527.12	\$20,527.12	\$64,702.71	\$62,941.79	\$1,760.92	2.07%
100.143.3000000.0000.000	Purchased Services	\$1,100.00	\$0.00	\$1,100.00	\$0.00	\$0.00	\$1,100.00	\$0.00	\$1,100.00	100.00%
100.143.4000000.0000.000	Supplies and Materials	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	(\$100.00)	\$0.00	(\$100.00)	0.00%
FUNCTION: Advanced Placement - 143		\$449,705.00	\$0.00	\$449,705.00	\$71,420.04	\$71,420.04	\$378,284.96	\$258,974.59	\$119,310.37	26.53%
100.144.3000000.0000.000	Purchased Services	\$8,300.00	\$0.00	\$8,300.00	\$0.00	\$0.00	\$8,300.00	\$0.00	\$8,300.00	100.00%
100.144.4000000.0000.000	Supplies and Materials	\$50,000.00	\$0.00	\$50,000.00	\$1,478.50	\$1,478.50	\$48,521.50	\$5,070.36	\$43,451.14	86.90%
100.144.6000000.0000.000	Other Objects	\$11,775.00	\$0.00	\$11,775.00	\$11,650.00	\$11,650.00	\$125.00	\$0.00	\$125.00	1.06%
FUNCTION: International Baccalaureate - 144		\$70,075.00	\$0.00	\$70,075.00	\$13,128.50	\$13,128.50	\$56,946.50	\$5,070.36	\$51,876.14	74.03%
100.145.1000000.0000.000	Salaries	\$71,289.00	\$0.00	\$71,289.00	\$8,511.75	\$8,511.75	\$62,777.25	\$6,861.00	\$55,916.25	78.44%
100.145.2000000.0000.000	Employee Benefits	\$22,189.00	\$0.00	\$22,189.00	\$3,592.83	\$3,592.83	\$18,596.17	\$2,735.51	\$15,860.66	71.48%
100.145.3000000.0000.000	Purchased Services	\$16,000.00	\$0.00	\$16,000.00	\$0.00	\$0.00	\$16,000.00	\$0.00	\$16,000.00	100.00%
FUNCTION: Homebound - 145		\$109,478.00	\$0.00	\$109,478.00	\$12,104.58	\$12,104.58	\$97,373.42	\$9,596.51	\$87,776.91	80.18%
100.148.1000000.0000.000	Salaries	\$171,636.77	\$0.00	\$171,636.77	\$33,404.39	\$33,404.39	\$138,232.38	\$125,690.33	\$12,542.05	7.31%
100.148.2000000.0000.000	Employee Benefits	\$57,476.23	\$0.00	\$57,476.23	\$13,661.98	\$13,661.98	\$43,814.25	\$45,698.12	(\$1,883.87)	-3.28%
100.148.3000000.0000.000	Purchased Services	\$7,000.00	\$0.00	\$7,000.00	\$45.00	\$45.00	\$6,955.00	\$155.00	\$6,800.00	97.14%
100.148.4000000.0000.000	Supplies and Materials	\$2,875.00	\$0.00	\$2,875.00	\$100.00	\$100.00	\$2,775.00	\$0.00	\$2,775.00	96.52%
FUNCTION: Gifted and Talented Artistic - 148		\$238,988.00	\$0.00	\$238,988.00	\$47,211.37	\$47,211.37	\$191,776.63	\$171,543.45	\$20,233.18	8.47%
100.149.1000000.0000.000	Salaries	\$527,143.98	\$0.00	\$527,143.98	\$173,296.58	\$173,296.58	\$353,847.40	\$468,655.76	(\$114,808.36)	-21.78%
100.149.2000000.0000.000	Employee Benefits	\$251,852.19	\$0.00	\$251,852.19	\$67,308.47	\$67,308.47	\$184,543.72	\$197,390.75	(\$12,847.03)	-5.10%
100.149.3000000.0000.000	Purchased Services	\$1,180,569.83	\$0.00	\$1,180,569.83	\$0.00	\$0.00	\$1,180,569.83	\$0.00	\$1,180,569.83	100.00%
100.149.4000000.0000.000	Supplies and Materials	\$3,500.00	\$0.00	\$3,500.00	\$900.00	\$900.00	\$2,600.00	\$0.00	\$2,600.00	74.29%
FUNCTION: Other Special Programs - 149		\$1,963,066.00	\$0.00	\$1,963,066.00	\$241,505.05	\$241,505.05	\$1,721,560.95	\$666,046.51	\$1,055,514.44	53.77%
100.161.1000000.0000.000	Salaries	\$694,849.13	\$0.00	\$694,849.13	\$155,535.56	\$155,535.56	\$539,313.57	\$578,747.86	(\$39,434.29)	-5.68%
100.161.2000000.0000.000	Employee Benefits	\$360,018.62	\$0.00	\$360,018.62	\$80,972.70	\$80,972.70	\$279,045.92	\$256,316.47	\$22,729.45	6.31%
100.161.3000000.0000.000	Purchased Services	\$8,550.00	\$0.00	\$8,550.00	\$0.00	\$0.00	\$8,550.00	\$0.00	\$8,550.00	100.00%
100.161.4000000.0000.000	Supplies and Materials	\$19,133.25	\$0.00	\$19,133.25	\$9,305.32	\$9,305.32	\$9,827.93	(\$962.43)	\$10,790.36	56.40%
FUNCTION: Other Exceptional Programs - 161		\$1,082,551.00	\$0.00	\$1,082,551.00	\$245,813.58	\$245,813.58	\$836,737.42	\$834,101.90	\$2,635.52	0.24%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.172.1000000.0000.000	Salaries	\$5,056.00	\$0.00	\$5,056.00	\$16,230.00	\$16,230.00	(\$11,174.00)	\$0.00	(\$11,174.00)	-221.00%
100.172.2000000.0000.000	Employee Benefits	\$1,573.00	\$0.00	\$1,573.00	\$3,045.91	\$3,045.91	(\$1,472.91)	\$0.00	(\$1,472.91)	-93.64%
	FUNCTION: Elementary Summer School - 172	\$6,629.00	\$0.00	\$6,629.00	\$19,275.91	\$19,275.91	(\$12,646.91)	\$0.00	(\$12,646.91)	-190.78%
100.173.1000000.0000.000	Salaries	\$21,521.00	\$0.00	\$21,521.00	\$126,540.00	\$126,540.00	(\$105,019.00)	\$0.00	(\$105,019.00)	-487.98%
100.173.2000000.0000.000	Employee Benefits	\$6,699.00	\$0.00	\$6,699.00	\$32,435.22	\$32,435.22	(\$25,736.22)	\$0.00	(\$25,736.22)	-384.18%
	FUNCTION: High School Summer School - 173	\$28,220.00	\$0.00	\$28,220.00	\$158,975.22	\$158,975.22	(\$130,755.22)	\$0.00	(\$130,755.22)	-463.34%
100.175.1000000.0000.000	Salaries	\$0.00	\$0.00	\$0.00	\$75.00	\$75.00	(\$75.00)	\$360.00	(\$435.00)	0.00%
100.175.2000000.0000.000	Employee Benefits	\$0.00	\$0.00	\$0.00	\$23.19	\$23.19	(\$23.19)	\$111.27	(\$134.46)	0.00%
	JUNCTION: Instructional Programs Beyond Regular School Day - 175	\$0.00	\$0.00	\$0.00	\$98.19	\$98.19	(\$98.19)	\$471.27	(\$569.46)	0.00%
100.181.1000000.0000.000	Salaries	\$116,351.46	\$0.00	\$116,351.46	\$38,847.36	\$38,847.36	\$77,504.10	\$78,694.64	(\$1,190.54)	-1.02%
100.181.2000000.0000.000	Employee Benefits	\$39,436.54	\$0.00	\$39,436.54	\$14,185.49	\$14,185.49	\$25,251.05	\$26,870.90	(\$1,619.85)	-4.11%
100.181.3000000.0000.000	Purchased Services	\$3,750.00	(\$500.00)	\$3,250.00	\$0.00	\$0.00	\$3,250.00	\$0.00	\$3,250.00	100.00%
100.181.4000000.0000.000	Supplies and Materials	\$575.00	\$0.00	\$575.00	\$0.00	\$0.00	\$575.00	\$0.00	\$575.00	100.00%
100.181.6000000.0000.000	Other Objects	\$691.00	(\$351.00)	\$340.00	\$0.00	\$0.00	\$340.00	\$0.00	\$340.00	100.00%
	FUNCTION: Adult Basic Education Programs - 181	\$160,804.00	(\$851.00)	\$159,953.00	\$53,032.85	\$53,032.85	\$106,920.15	\$105,565.54	\$1,354.61	0.85%
100.182.1000000.0000.000	Salaries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	(\$2,000.00)	0.00%
100.182.2000000.0000.000	Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$162.00	(\$162.00)	0.00%
100.182.3000000.0000.000	Purchased Services	\$50.00	\$0.00	\$50.00	\$0.00	\$0.00	\$50.00	\$0.00	\$50.00	100.00%
100.182.4000000.0000.000	Supplies and Materials	\$3,974.00	\$0.00	\$3,974.00	\$2,968.37	\$2,968.37	\$1,005.63	(\$246.77)	\$1,252.40	31.51%
	FUNCTION: Adult Secondary Education Programs - 182	\$4,024.00	\$0.00	\$4,024.00	\$2,968.37	\$2,968.37	\$1,055.63	\$1,915.23	(\$859.60)	-21.36%
100.188.1000000.0000.000	Salaries	\$56,745.83	\$0.00	\$56,745.83	\$16,147.11	\$16,147.11	\$40,598.72	\$49,591.59	(\$8,992.87)	-15.85%
100.188.2000000.0000.000	Employee Benefits	\$2,404.17	\$0.00	\$2,404.17	\$7,633.25	\$7,633.25	(\$5,229.08)	\$4,923.12	(\$10,152.20)	-422.27%
	FUNCTION: Parenting/Family Literacy - 188	\$59,150.00	\$0.00	\$59,150.00	\$23,780.36	\$23,780.36	\$35,369.64	\$54,514.71	(\$19,145.07)	-32.37%
100.190.1000000.0000.000	Salaries	\$734,231.79	\$0.00	\$734,231.79	\$144,567.14	\$144,567.14	\$589,664.65	\$510,986.41	\$78,678.24	10.72%
100.190.2000000.0000.000	Employee Benefits	\$162,912.21	\$0.00	\$162,912.21	\$43,889.04	\$43,889.04	\$119,023.17	\$118,545.85	\$477.32	0.29%
100.190.6000000.0000.000	Other Objects	\$20,800.00	\$0.00	\$20,800.00	\$267.34	\$267.34	\$20,532.66	\$8,920.00	\$11,612.66	55.83%
	FUNCTION: Instructional Pupil Activity - 190	\$917,944.00	\$0.00	\$917,944.00	\$188,723.52	\$188,723.52	\$729,220.48	\$638,452.26	\$90,768.22	9.89%
100.211.1000000.0000.000	Salaries	\$1,288,656.35	\$0.00	\$1,288,656.35	\$262,843.77	\$262,843.77	\$1,025,812.58	\$892,237.14	\$133,575.44	10.37%
100.211.2000000.0000.000	Employee Benefits	\$352,121.65	\$0.00	\$352,121.65	\$124,593.94	\$124,593.94	\$227,527.71	\$262,917.30	(\$35,389.59)	-10.05%
100.211.3000000.0000.000	Purchased Services	\$120,000.00	\$0.00	\$120,000.00	\$451.43	\$451.43	\$119,548.57	\$0.00	\$119,548.57	99.62%
100.211.4000000.0000.000	Supplies and Materials	\$16,110.00	\$0.00	\$16,110.00	\$23,492.00	\$23,492.00	(\$7,382.00)	\$0.00	(\$7,382.00)	-45.82%
	FUNCTION: Attendance and Social Work Services - 211	\$1,776,888.00	\$0.00	\$1,776,888.00	\$411,381.14	\$411,381.14	\$1,365,506.86	\$1,155,154.44	\$210,352.42	11.84%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.212.1000000.0000.000	Salaries	\$4,136,872.80	\$0.00	\$4,136,872.80	\$895,586.61	\$895,586.61	\$3,241,286.19	\$2,860,460.42	\$380,825.77	9.21%
100.212.2000000.0000.000	Employee Benefits	\$1,174,971.50	\$0.00	\$1,174,971.50	\$386,103.05	\$386,103.05	\$788,868.45	\$808,319.70	(\$19,451.25)	-1.66%
100.212.3000000.0000.000	Purchased Services	\$3,098.70	\$0.00	\$3,098.70	\$508.98	\$508.98	\$2,589.72	\$0.00	\$2,589.72	83.57%
100.212.4000000.0000.000	Supplies and Materials	\$25,041.00	\$0.00	\$25,041.00	\$10,318.89	\$10,318.89	\$14,722.11	(\$426.61)	\$15,148.72	60.50%
	FUNCTION: Guidance Services - 212	\$5,339,984.00	\$0.00	\$5,339,984.00	\$1,292,517.53	\$1,292,517.53	\$4,047,466.47	\$3,668,353.51	\$379,112.96	7.10%
100.213.1000000.0000.000	Salaries	\$2,072,056.38	\$0.00	\$2,072,056.38	\$452,893.42	\$452,893.42	\$1,619,162.96	\$1,732,853.43	(\$113,690.47)	-5.49%
100.213.2000000.0000.000	Employee Benefits	\$793,334.82	\$0.00	\$793,334.82	\$198,755.94	\$198,755.94	\$594,578.88	\$540,137.17	\$54,441.71	6.86%
100.213.3000000.0000.000	Purchased Services	\$55,531.80	\$0.00	\$55,531.80	\$35,000.00	\$35,000.00	\$20,531.80	\$105,000.00	(\$84,468.20)	-152.11%
100.213.4000000.0000.000	Supplies and Materials	\$26,916.00	\$0.00	\$26,916.00	\$9,511.54	\$9,511.54	\$17,404.46	(\$1,483.37)	\$18,887.83	70.17%
100.213.6000000.0000.000	Other Objects	\$116.00	\$0.00	\$116.00	\$0.00	\$0.00	\$116.00	\$0.00	\$116.00	100.00%
	FUNCTION: Health Services - 213	\$2,947,955.00	\$0.00	\$2,947,955.00	\$696,160.90	\$696,160.90	\$2,251,794.10	\$2,376,507.23	(\$124,713.13)	-4.23%
100.214.1000000.0000.000	Salaries	\$1,499,865.63	\$0.00	\$1,499,865.63	\$296,909.18	\$296,909.18	\$1,202,956.45	\$864,636.66	\$338,319.79	22.56%
100.214.2000000.0000.000	Employee Benefits	\$273,145.37	\$0.00	\$273,145.37	\$120,655.94	\$120,655.94	\$152,489.43	\$186,981.34	(\$34,491.91)	-12.63%
100.214.3000000.0000.000	Purchased Services	\$21,033.00	\$0.00	\$21,033.00	\$20,435.00	\$20,435.00	\$598.00	\$85,910.00	(\$85,312.00)	-405.61%
100.214.4000000.0000.000	Supplies and Materials	\$5,850.00	\$0.00	\$5,850.00	\$3,404.99	\$3,404.99	\$2,445.01	\$0.00	\$2,445.01	41.80%
	FUNCTION: Psychological Services - 214	\$1,799,894.00	\$0.00	\$1,799,894.00	\$441,405.11	\$441,405.11	\$1,358,488.89	\$1,137,528.00	\$220,960.89	12.28%
100.217.1000000.0000.000	Salaries	\$102,487.42	\$0.00	\$102,487.42	\$29,181.92	\$29,181.92	\$73,305.50	\$67,863.76	\$5,441.74	5.31%
100.217.2000000.0000.000	Employee Benefits	\$35,823.58	\$0.00	\$35,823.58	\$12,170.24	\$12,170.24	\$23,653.34	\$24,709.14	(\$1,055.80)	-2.95%
100.217.4000000.0000.000	Supplies and Materials	\$2,035.00	\$0.00	\$2,035.00	\$1,682.78	\$1,682.78	\$352.22	(\$106.53)	\$458.75	22.54%
	FUNCTION: Career Specialist Services - 217	\$140,346.00	\$0.00	\$140,346.00	\$43,034.94	\$43,034.94	\$97,311.06	\$92,466.37	\$4,844.69	3.45%
100.221.1000000.0000.000	Salaries	\$2,107,086.04	\$0.00	\$2,107,086.04	\$566,474.33	\$566,474.33	\$1,540,611.71	\$1,504,979.11	\$35,632.60	1.69%
100.221.2000000.0000.000	Employee Benefits	\$669,637.96	\$0.00	\$669,637.96	\$220,818.99	\$220,818.99	\$448,818.97	\$447,866.01	\$952.96	0.14%
100.221.3000000.0000.000	Purchased Services	\$552,432.50	\$500.00	\$552,932.50	\$530,237.27	\$530,237.27	\$22,695.23	\$4,708.74	\$17,986.49	3.25%
100.221.4000000.0000.000	Supplies and Materials	\$83,115.00	\$0.00	\$83,115.00	\$4,950.11	\$4,950.11	\$78,164.89	(\$1,398.95)	\$79,563.84	95.73%
100.221.6000000.0000.000	Other Objects	\$31,929.50	\$0.00	\$31,929.50	\$30,664.00	\$30,664.00	\$1,265.50	\$0.00	\$1,265.50	3.96%
	FUNCTION: Improvement of Instruction Curriculum Development - 221	\$3,444,201.00	\$500.00	\$3,444,701.00	\$1,353,144.70	\$1,353,144.70	\$2,091,556.30	\$1,956,154.91	\$135,401.39	3.93%
100.222.1000000.0000.000	Salaries	\$2,101,952.34	\$0.00	\$2,101,952.34	\$402,871.21	\$402,871.21	\$1,699,081.13	\$1,565,541.58	\$133,539.55	6.35%
100.222.2000000.0000.000	Employee Benefits	\$792,482.56	\$0.00	\$792,482.56	\$183,541.31	\$183,541.31	\$608,941.25	\$582,269.27	\$26,671.98	3.37%
100.222.3000000.0000.000	Purchased Services	\$3,005.10	\$0.00	\$3,005.10	\$0.00	\$0.00	\$3,005.10	\$0.00	\$3,005.10	100.00%
100.222.4000000.0000.000	Supplies and Materials	\$295,997.00	\$0.00	\$295,997.00	\$231,153.60	\$231,153.60	\$64,843.40	\$44,658.73	\$20,184.67	6.82%
100.222.6000000.0000.000	Other Objects	\$175.00	\$0.00	\$175.00	\$0.00	\$0.00	\$175.00	\$0.00	\$175.00	100.00%
	FUNCTION: Library and Media Services - 222	\$3,193,612.00	\$0.00	\$3,193,612.00	\$817,566.12	\$817,566.12	\$2,376,045.88	\$2,192,469.58	\$183,576.30	5.75%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.223.1000000.0000.000	Salaries	\$979,776.94	\$0.00	\$979,776.94	\$304,779.73	\$304,779.73	\$674,997.21	\$701,371.05	(\$26,373.84)	-2.69%
100.223.2000000.0000.000	Employee Benefits	\$324,049.06	\$0.00	\$324,049.06	\$118,399.77	\$118,399.77	\$205,649.29	\$230,551.13	(\$24,901.84)	-7.68%
100.223.3000000.0000.000	Purchased Services	\$6,198.00	\$0.00	\$6,198.00	\$163.63	\$163.63	\$6,034.37	\$0.00	\$6,034.37	97.36%
100.223.4000000.0000.000	Supplies and Materials	\$2,146.00	\$0.00	\$2,146.00	\$593.42	\$593.42	\$1,552.58	(\$82.43)	\$1,635.01	76.19%
100.223.6000000.0000.000	Other Objects	\$351.00	\$351.00	\$702.00	\$702.00	\$702.00	\$0.00	\$0.00	\$0.00	0.00%
FUNCTION: Supervision of Special Programs - 223		\$1,312,521.00	\$351.00	\$1,312,872.00	\$424,638.55	\$424,638.55	\$888,233.45	\$931,839.75	(\$43,606.30)	-3.32%
100.224.3000000.0000.000	Purchased Services	\$75,622.00	(\$973.08)	\$74,648.92	\$8,457.41	\$8,457.41	\$66,191.51	(\$648.00)	\$66,839.51	89.54%
100.224.4000000.0000.000	Supplies and Materials	\$10,342.00	\$0.00	\$10,342.00	\$2,769.68	\$2,769.68	\$7,572.32	(\$166.29)	\$7,738.61	74.83%
100.224.6000000.0000.000	Other Objects	\$351.00	\$0.00	\$351.00	\$0.00	\$0.00	\$351.00	\$0.00	\$351.00	100.00%
FUNCTION: Improvement of Instruction Inservice & Staff Train - 224		\$86,315.00	(\$973.08)	\$85,341.92	\$11,227.09	\$11,227.09	\$74,114.83	(\$814.29)	\$74,929.12	87.80%
100.231.1000000.0000.000	Salaries	\$79,624.33	\$0.00	\$79,624.33	\$16,820.25	\$16,820.25	\$62,804.08	\$39,384.00	\$23,420.08	29.41%
100.231.2000000.0000.000	Employee Benefits	\$10,752.67	\$0.00	\$10,752.67	\$5,199.62	\$5,199.62	\$5,553.05	\$5,109.24	\$443.81	4.13%
100.231.3000000.0000.000	Purchased Services	\$341,616.00	\$0.00	\$341,616.00	\$192,708.20	\$192,708.20	\$148,907.80	\$149,437.01	(\$529.21)	-0.15%
100.231.6000000.0000.000	Other Objects	\$549,204.00	\$0.00	\$549,204.00	\$584,104.00	\$584,104.00	(\$34,900.00)	\$0.50	(\$34,900.50)	-6.35%
FUNCTION: Board of Education - 231		\$981,197.00	\$0.00	\$981,197.00	\$798,832.07	\$798,832.07	\$182,364.93	\$193,930.75	(\$11,565.82)	-1.18%
100.232.1000000.0000.000	Salaries	\$280,826.93	\$0.00	\$280,826.93	\$247,653.35	\$247,653.35	\$33,173.58	\$56,716.21	(\$23,542.63)	-8.38%
100.232.2000000.0000.000	Employee Benefits	\$90,466.07	\$0.00	\$90,466.07	\$66,560.75	\$66,560.75	\$23,905.32	\$2,627.77	\$21,277.55	23.52%
100.232.3000000.0000.000	Purchased Services	\$39,150.00	\$0.00	\$39,150.00	\$8,927.36	\$8,927.36	\$30,222.64	\$1,913.84	\$28,308.80	72.31%
100.232.4000000.0000.000	Supplies and Materials	\$6,723.00	\$0.00	\$6,723.00	\$982.75	\$982.75	\$5,740.25	(\$186.90)	\$5,927.15	88.16%
100.232.6000000.0000.000	Other Objects	\$7,100.00	\$0.00	\$7,100.00	\$1,365.00	\$1,365.00	\$5,735.00	\$0.00	\$5,735.00	80.77%
FUNCTION: Office of Superintendent - 232		\$424,266.00	\$0.00	\$424,266.00	\$325,489.21	\$325,489.21	\$98,776.79	\$61,070.92	\$37,705.87	8.89%
100.233.1000000.0000.000	Salaries	\$11,974,653.54	(\$8,113.00)	\$11,966,540.54	\$3,390,107.69	\$3,390,107.69	\$8,576,432.85	\$8,191,139.02	\$385,293.83	3.22%
100.233.2000000.0000.000	Employee Benefits	\$4,115,432.46	\$0.00	\$4,115,432.46	\$1,412,940.93	\$1,412,940.93	\$2,702,491.53	\$2,661,076.15	\$41,415.38	1.01%
100.233.3000000.0000.000	Purchased Services	\$241,205.00	(\$2,305.00)	\$238,900.00	\$25,864.27	\$25,864.27	\$213,035.73	\$3,001.00	\$210,034.73	87.92%
100.233.4000000.0000.000	Supplies and Materials	\$234,948.00	\$16,535.00	\$251,483.00	\$151,076.44	\$151,076.44	\$100,406.56	\$8,724.29	\$91,682.27	36.46%
100.233.5000000.0000.000	Capital Outlay	\$3,700.00	\$0.00	\$3,700.00	\$0.00	\$0.00	\$3,700.00	\$0.00	\$3,700.00	100.00%
100.233.6000000.0000.000	Other Objects	\$23,502.00	(\$717.00)	\$22,785.00	\$15,220.00	\$15,220.00	\$7,565.00	(\$103.00)	\$7,668.00	33.65%
FUNCTION: School Administration - 233		\$16,593,441.00	\$5,400.00	\$16,598,841.00	\$4,995,209.33	\$4,995,209.33	\$11,603,631.67	\$10,863,837.46	\$739,794.21	4.46%
100.251.1000000.0000.000	Salaries	\$203,876.33	\$0.00	\$203,876.33	\$12,456.93	\$12,456.93	\$191,419.40	\$56,205.08	\$135,214.32	66.32%
100.251.2000000.0000.000	Employee Benefits	\$34,591.67	\$0.00	\$34,591.67	\$3,627.24	\$3,627.24	\$30,964.43	\$11,551.24	\$19,413.19	56.12%
100.251.3000000.0000.000	Purchased Services	\$326,600.00	\$0.00	\$326,600.00	\$56,463.82	\$56,463.82	\$270,136.18	\$208,797.24	\$61,338.94	18.78%
100.251.4000000.0000.000	Supplies and Materials	\$48,560.00	\$0.00	\$48,560.00	\$0.00	\$0.00	\$48,560.00	\$0.00	\$48,560.00	100.00%
FUNCTION: Student Transportation (Federal/District Mandated) - 251		\$613,628.00	\$0.00	\$613,628.00	\$72,547.99	\$72,547.99	\$541,080.01	\$276,553.56	\$264,526.45	43.11%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.252.1000000.0000.000	Salaries	\$1,129,240.76	\$0.00	\$1,129,240.76	\$301,940.17	\$301,940.17	\$827,300.59	\$649,529.20	\$177,771.39	15.74%
100.252.2000000.0000.000	Employee Benefits	\$340,595.24	\$0.00	\$340,595.24	\$125,329.83	\$125,329.83	\$215,265.41	\$216,507.19	(\$1,241.78)	-0.36%
100.252.3000000.0000.000	Purchased Services	\$187,895.00	\$0.00	\$187,895.00	\$28,371.40	\$28,371.40	\$159,523.60	\$11,851.22	\$147,672.38	78.59%
100.252.4000000.0000.000	Supplies and Materials	\$48,560.00	\$0.00	\$48,560.00	\$15,399.44	\$15,399.44	\$33,160.56	\$1,247.95	\$31,912.61	65.72%
100.252.6000000.0000.000	Other Objects	\$5,938.00	\$0.00	\$5,938.00	\$2,787.00	\$2,787.00	\$3,151.00	(\$1,550.00)	\$4,701.00	79.17%
	FUNCTION: Fiscal Services - 252	\$1,712,229.00	\$0.00	\$1,712,229.00	\$473,827.84	\$473,827.84	\$1,238,401.16	\$877,585.56	\$360,815.60	21.07%
100.253.1000000.0000.000	Salaries	\$0.00	\$0.00	\$0.00	\$561.74	\$561.74	(\$561.74)	\$0.00	(\$561.74)	0.00%
100.253.2000000.0000.000	Employee Benefits	\$0.00	\$0.00	\$0.00	\$173.64	\$173.64	(\$173.64)	\$0.00	(\$173.64)	0.00%
	FUNCTION: Facilities Acquisition and Construction - 253	\$0.00	\$0.00	\$0.00	\$735.38	\$735.38	(\$735.38)	\$0.00	(\$735.38)	0.00%
100.254.1000000.0000.000	Salaries	\$7,304,986.38	\$0.00	\$7,304,986.38	\$2,265,916.27	\$2,265,916.27	\$5,039,070.11	\$4,730,345.81	\$308,724.30	4.23%
100.254.2000000.0000.000	Employee Benefits	\$3,216,887.62	\$0.00	\$3,216,887.62	\$1,137,791.91	\$1,137,791.91	\$2,079,095.71	\$2,006,254.08	\$72,841.63	2.26%
100.254.3000000.0000.000	Purchased Services	\$4,770,129.00	\$5,000.00	\$4,775,129.00	\$1,715,501.10	\$1,715,501.10	\$3,059,627.90	\$1,899,852.68	\$1,159,775.22	24.29%
100.254.4000000.0000.000	Supplies and Materials	\$4,858,083.11	(\$5,000.00)	\$4,853,083.11	\$1,765,722.76	\$1,765,722.76	\$3,087,360.35	\$628,701.49	\$2,458,658.86	50.66%
100.254.5000000.0000.000	Capital Outlay	\$83,684.89	\$0.00	\$83,684.89	\$41,534.50	\$41,534.50	\$42,150.39	\$31,983.57	\$10,166.82	12.15%
100.254.6000000.0000.000	Other Objects	\$0.00	\$0.00	\$0.00	\$367.26	\$367.26	(\$367.26)	(\$175.50)	(\$191.76)	0.00%
	FUNCTION: Operation and Maintenance of Plant - 254	\$20,233,771.00	\$0.00	\$20,233,771.00	\$6,926,833.80	\$6,926,833.80	\$13,306,937.20	\$9,296,962.13	\$4,009,975.07	19.82%
100.255.1000000.0000.000	Salaries	\$4,286,899.77	\$0.00	\$4,286,899.77	\$993,311.49	\$993,311.49	\$3,293,588.28	\$2,972,174.48	\$321,413.80	7.50%
100.255.2000000.0000.000	Employee Benefits	\$1,436,086.23	\$0.00	\$1,436,086.23	\$455,291.39	\$455,291.39	\$980,794.84	\$1,040,119.56	(\$59,324.72)	-4.13%
100.255.3000000.0000.000	Purchased Services	\$162,000.00	\$0.00	\$162,000.00	\$41,306.23	\$41,306.23	\$120,693.77	\$69,187.82	\$51,505.95	31.79%
100.255.4000000.0000.000	Supplies and Materials	\$50,850.00	\$0.00	\$50,850.00	\$11,152.64	\$11,152.64	\$39,697.36	\$9,313.70	\$30,383.66	59.75%
100.255.6000000.0000.000	Other Objects	\$1,000.00	\$0.00	\$1,000.00	\$730.00	\$730.00	\$270.00	\$0.00	\$270.00	27.00%
	FUNCTION: Student Transportation (State Mandated) - 255	\$5,936,836.00	\$0.00	\$5,936,836.00	\$1,501,791.75	\$1,501,791.75	\$4,435,044.25	\$4,090,795.56	\$344,248.69	5.80%
100.256.1000000.0000.000	Salaries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$123,000.00	(\$123,000.00)	0.00%
100.256.2000000.0000.000	Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,440.00	(\$13,440.00)	0.00%
100.256.4000000.0000.000	Supplies and Materials	\$0.00	\$0.00	\$0.00	\$2,248.13	\$2,248.13	(\$2,248.13)	\$20,987.87	(\$23,236.00)	0.00%
	FUNCTION: Food Services - 256	\$0.00	\$0.00	\$0.00	\$2,248.13	\$2,248.13	(\$2,248.13)	\$157,427.87	(\$159,676.00)	0.00%
100.257.1000000.0000.000	Salaries	\$337,312.52	\$0.00	\$337,312.52	\$88,243.52	\$88,243.52	\$249,069.00	\$180,487.02	\$68,581.98	20.33%
100.257.2000000.0000.000	Employee Benefits	\$108,990.48	\$0.00	\$108,990.48	\$37,022.80	\$37,022.80	\$71,967.68	\$73,157.48	(\$1,189.80)	-1.09%
100.257.3000000.0000.000	Purchased Services	\$607,919.00	\$0.00	\$607,919.00	\$155,776.84	\$155,776.84	\$452,142.16	\$5,748.97	\$446,393.19	73.43%
100.257.4000000.0000.000	Supplies and Materials	\$40,609.00	\$0.00	\$40,609.00	\$4,286.95	\$4,286.95	\$36,322.05	\$635.99	\$35,686.06	87.88%
	FUNCTION: Internal Services - 257	\$1,094,831.00	\$0.00	\$1,094,831.00	\$285,330.11	\$285,330.11	\$809,500.89	\$260,029.46	\$549,471.43	50.19%
100.258.1000000.0000.000	Salaries	\$188,961.85	\$0.00	\$188,961.85	\$62,121.28	\$62,121.28	\$126,840.57	\$127,242.86	(\$402.29)	-0.21%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.258.2000000.0000.000	Employee Benefits	\$73,133.15	\$0.00	\$73,133.15	\$24,839.15	\$24,839.15	\$48,294.00	\$49,113.83	(\$819.83)	-1.12%
100.258.3000000.0000.000	Purchased Services	\$2,259,434.00	\$0.00	\$2,259,434.00	\$32,796.65	\$32,796.65	\$2,226,637.35	\$2,020,695.50	\$205,941.85	9.11%
100.258.4000000.0000.000	Supplies and Materials	\$16,000.00	\$973.08	\$16,973.08	\$1,982.59	\$1,982.59	\$14,990.49	\$16,475.08	(\$1,484.59)	-8.75%
100.258.5000000.0000.000	Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,641.91	(\$6,641.91)	0.00%
100.258.6000000.0000.000	Other Objects	\$410.00	\$0.00	\$410.00	\$0.00	\$0.00	\$410.00	\$0.00	\$410.00	100.00%
	FUNCTION: Security - 258	\$2,537,939.00	\$973.08	\$2,538,912.08	\$121,739.67	\$121,739.67	\$2,417,172.41	\$2,220,169.18	\$197,003.23	7.76%
100.262.1000000.0000.000	Salaries	\$802,220.49	\$0.00	\$802,220.49	\$262,766.45	\$262,766.45	\$539,454.04	\$511,544.40	\$27,909.64	3.48%
100.262.2000000.0000.000	Employee Benefits	\$294,695.51	\$0.00	\$294,695.51	\$102,258.64	\$102,258.64	\$192,436.87	\$198,057.99	(\$5,621.12)	-1.91%
100.262.3000000.0000.000	Purchased Services	\$35,050.00	\$0.00	\$35,050.00	\$0.00	\$0.00	\$35,050.00	\$0.00	\$35,050.00	100.00%
	FUNCTION: Planning - 262	\$1,131,966.00	\$0.00	\$1,131,966.00	\$365,025.09	\$365,025.09	\$766,940.91	\$709,602.39	\$57,338.52	5.07%
100.263.1000000.0000.000	Salaries	\$415,859.03	\$0.00	\$415,859.03	\$120,971.65	\$120,971.65	\$294,887.38	\$272,497.05	\$22,390.33	5.38%
100.263.2000000.0000.000	Employee Benefits	\$169,807.97	\$0.00	\$169,807.97	\$53,302.20	\$53,302.20	\$116,505.77	\$78,044.61	\$38,461.16	22.65%
100.263.3000000.0000.000	Purchased Services	\$166,397.00	\$0.00	\$166,397.00	\$70,065.43	\$70,065.43	\$96,331.57	(\$150.00)	\$96,481.57	57.98%
100.263.4000000.0000.000	Supplies and Materials	\$30,000.00	\$0.00	\$30,000.00	\$10,425.83	\$10,425.83	\$19,574.17	\$579.27	\$18,994.90	63.32%
100.263.6000000.0000.000	Other Objects	\$12,000.00	\$0.00	\$12,000.00	(\$11,527.82)	(\$11,527.82)	\$23,527.82	(\$224.55)	\$23,752.37	197.94%
	FUNCTION: Information Services - 263	\$794,064.00	\$0.00	\$794,064.00	\$243,237.29	\$243,237.29	\$550,826.71	\$350,746.38	\$200,080.33	25.20%
100.264.1000000.0000.000	Salaries	\$904,133.82	\$0.00	\$904,133.82	\$245,980.45	\$245,980.45	\$658,153.37	\$492,045.10	\$166,108.27	18.37%
100.264.2000000.0000.000	Employee Benefits	\$295,944.18	\$0.00	\$295,944.18	\$97,512.90	\$97,512.90	\$198,431.28	\$160,986.29	\$37,444.99	12.65%
100.264.3000000.0000.000	Purchased Services	\$34,700.00	\$0.00	\$34,700.00	\$10,568.71	\$10,568.71	\$24,131.29	\$6,818.59	\$17,312.70	49.89%
100.264.4000000.0000.000	Supplies and Materials	\$27,362.00	\$0.00	\$27,362.00	\$1,443.55	\$1,443.55	\$25,918.45	\$2,574.56	\$23,343.89	85.31%
100.264.6000000.0000.000	Other Objects	\$0.00	\$0.00	\$0.00	\$1,076.50	\$1,076.50	(\$1,076.50)	\$0.00	(\$1,076.50)	0.00%
	FUNCTION: Staff Services - 264	\$1,262,140.00	\$0.00	\$1,262,140.00	\$356,582.11	\$356,582.11	\$905,557.89	\$662,424.54	\$243,133.35	19.26%
100.266.1000000.0000.000	Salaries	\$1,814,856.31	\$0.00	\$1,814,856.31	\$564,751.43	\$564,751.43	\$1,250,104.88	\$1,106,173.01	\$143,931.87	7.93%
100.266.2000000.0000.000	Employee Benefits	\$673,066.19	\$0.00	\$673,066.19	\$226,071.45	\$226,071.45	\$446,994.74	\$409,723.44	\$37,271.30	5.54%
100.266.3000000.0000.000	Purchased Services	\$1,125,424.00	\$0.00	\$1,125,424.00	\$959,096.40	\$959,096.40	\$166,327.60	\$16,915.61	\$149,411.99	13.28%
100.266.4000000.0000.000	Supplies and Materials	\$144,468.00	\$0.00	\$144,468.00	\$1,849.71	\$1,849.71	\$142,618.29	\$1,917.46	\$140,700.83	97.39%
100.266.6000000.0000.000	Other Objects	\$175.50	\$0.00	\$175.50	\$175.50	\$175.50	\$0.00	\$0.00	\$0.00	0.00%
	FUNCTION: Technology and Data Processing Services - 266	\$3,757,990.00	\$0.00	\$3,757,990.00	\$1,751,944.49	\$1,751,944.49	\$2,006,045.51	\$1,534,729.52	\$471,315.99	12.54%
100.271.1000000.0000.000	Salaries	\$2,117,797.81	\$0.00	\$2,117,797.81	\$491,908.42	\$491,908.42	\$1,625,889.39	\$1,161,084.50	\$464,804.89	21.95%
100.271.2000000.0000.000	Employee Benefits	\$494,072.19	\$0.00	\$494,072.19	\$165,523.24	\$165,523.24	\$328,548.95	\$336,600.74	(\$8,051.79)	-1.63%
100.271.3000000.0000.000	Purchased Services	\$217,528.00	\$0.00	\$217,528.00	\$150,337.40	\$150,337.40	\$67,190.60	\$15,939.60	\$51,251.00	23.56%
100.271.4000000.0000.000	Supplies and Materials	\$21,644.00	\$0.00	\$21,644.00	\$400.00	\$400.00	\$21,244.00	\$0.00	\$21,244.00	98.15%
100.271.5000000.0000.000	Capital Outlay	\$0.00	\$0.00	\$0.00	\$9,097.01	\$9,097.01	(\$9,097.01)	\$0.00	(\$9,097.01)	0.00%

School District Five of Lexington and Richland

Board Report Expenditures

Fiscal Year: 2021-2022

From Date: 7/1/2021

To Date: 10/31/2021

☐ Include pre encumbrance

☐ Print accounts with zero balance

☒ Filter Encumbrance Detail by Date Range

☐ Exclude inactive accounts with zero balance

Account Number	Description	Budget	Adjustments	GL Budget	Current	YTD	Balance	Encumbrance	Budget Bal	% Rem
100.271.6000000.0000.000	Other Objects	\$419,228.00	\$872.00	\$420,100.00	\$315,872.00	\$315,872.00	\$104,228.00	\$0.00	\$104,228.00	24.81%
	FUNCTION: Pupil Service Activities - 271	\$3,270,270.00	\$872.00	\$3,271,142.00	\$1,133,138.07	\$1,133,138.07	\$2,138,003.93	\$1,513,624.84	\$624,379.09	19.09%
100.390.3000000.0000.000	Purchased Services	\$15,000.00	\$0.00	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$0.00	\$15,000.00	100.00%
100.390.4000000.0000.000	Supplies and Materials	\$5,850.00	\$0.00	\$5,850.00	\$0.00	\$0.00	\$5,850.00	\$0.00	\$5,850.00	100.00%
	FUNCTION: Other Community Services - 390	\$20,850.00	\$0.00	\$20,850.00	\$0.00	\$0.00	\$20,850.00	\$0.00	\$20,850.00	100.00%
100.412.7000000.0000.000	Transfers	\$20,000.00	\$0.00	\$20,000.00	\$15,809.11	\$15,809.11	\$4,190.89	\$0.00	\$4,190.89	20.95%
	FUNCTION: Payments to Other Governmental Units - 412	\$20,000.00	\$0.00	\$20,000.00	\$15,809.11	\$15,809.11	\$4,190.89	\$0.00	\$4,190.89	20.95%
100.425.7000000.0000.000	Transfers	\$267,897.00	\$0.00	\$267,897.00	\$0.00	\$0.00	\$267,897.00	\$0.00	\$267,897.00	100.00%
	FUNCTION: Transfer to Food Service Fund - 425	\$267,897.00	\$0.00	\$267,897.00	\$0.00	\$0.00	\$267,897.00	\$0.00	\$267,897.00	100.00%
Grand Total:		\$201,694,166.00	\$0.00	\$201,694,166.00	\$50,094,047.44	\$50,094,047.44	\$151,600,118.56	\$135,041,749.85	\$16,558,368.71	8.21%

End of Report



MEMORANDUM

To: Members of the Board of Trustees

Through: Dr. Akil E. Ross, Sr.
Superintendent

From: Marty Rawls,
Chief Finance Officer 

Date: December 7, 2021

Re: **SUPERINTENDENT'S REPORT**
2020-2021 Annual Comprehensive Financial Report

Attached is the 2020-2021 Annual Comprehensive Financial Report to inform the Board members of the current financial reporting status. There will be a presentation at the meeting by a representative from the District's auditing firm.

A printed copy of the report will be provided to you at the meeting.

Attachment

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

Irmo, South Carolina



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Fiscal Year ended June 30, 2021

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

Irmo, South Carolina

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
Fiscal Year ended June 30, 2021



Prepared By
Office of Finance
School District Five of Lexington and Richland Counties

This page was intentionally left blank.

**DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	1
Letter of Transmittal from Administration	3-9
Administrative Table of Organization	10
Principal Officials	11
Certificate of Achievement for Excellence in Financial Reporting	12
Certificate of Excellence in Financial Reporting	13
FINANCIAL SECTION	14
Independent Auditor's Report	16-18
Management's Discussion and Analysis	19-25
Basic Financial Statements	27
<i>Government-Wide Financial Statements</i>	
Statement of Net Position (Deficit)	29
Statement of Activities	30
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds	31
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Deficit)	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	33
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	35
Statement of Net Position (Deficit) – Proprietary Fund Type – Enterprise Fund	36
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit) – Proprietary Fund Type – Enterprise Fund	37
Statement of Cash Flows – Proprietary Fund Type – Enterprise Fund	38
Notes to Basic Financial Statements	39 - 73

**DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

Page

Financial Section (Continued)

Required Supplementary Information	75
Schedule of the District's Proportionate Share of the Net Pension Liability – SCRS and PORS	77
Schedule of the District's Contributions – SCRS and PORS	78
Schedule of the District's Proportionate Share of the Net OPEB Liability – SCRHITF and SCLTDITF	79
Schedule of the District's Contributions – SCRHITF and SCLTDITF	80
Other Supplementary Information	81
GENERAL FUND	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	85-92
SPECIAL REVENUE FUNDS	93
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund – Special Projects Funds	95-99
Summary Schedule of Designated State Restricted Grants and Other Special Projects Programs – Special Revenue Fund – Special Projects Funds	100
Schedule of Revenues, Expenditures and Changes in Fund Balance – All Programs – Special Revenue Fund – Education Improvement Act	101-105
Summary Schedule By Program – Special Revenue Fund – Education Improvement Act	106
Schedule of Revenues, Expenditures and Changes in Fund Balance Special Revenue Fund - Food Service Fund	107-108
DEBT SERVICE FUND	109
Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund	111-112
CAPITAL PROJECTS FUND	113
Schedule of Revenues, Expenditures and Changes in Fund Balance – School Building Fund	115-116
ENTERPRISE FUND	117
Schedule of Revenues, Expenses, and Changes in Net Position (Deficit) – Proprietary Fund Type – After School Program	119-120
SOUTH CAROLINA STATE DEPARTMENT OF EDUCATION SCHEDULES	122
Location Reconciliation Schedule	124
Detailed Schedule of Due to State Department of Education/Federal Government	125

**DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
FISCAL YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

	Page
STATISTICAL SECTION (UNAUDITED)	126
Net Position by Component	128
Expenses, Program Revenues, and Net (Expense) Revenue	129
General Revenues and Total Change in Net Position	130
Fund Balances, Governmental Funds	131
Governmental Funds Revenues	132
Governmental Funds Expenditures by Function and Debt Service Ratios	133
Governmental Funds Other Financing Sources and Uses and Net Change in Fund Balances	134
Assessed Value and Estimated Value of Taxable Property	135-136
Direct and Overlapping Property Tax Rates	137-138
Principal Property Taxpayers	139-140
Property Tax Levies and Collections	141-142
Outstanding Debt by Type	143
Ratios of General Bonded Debt Outstanding	144
Direct and Overlapping Governmental Activities Debt	145
Legal Debt Margin Information	146
Demographic and Economic Statistics	147
Principal Employers	148-149
Full-Time Equivalents Personnel Allocations by Type	150
Operating Statistics	151
Teacher Base Salaries	152
School Building Information	153-155
SINGLE AUDIT SECTION	156
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 <i>Government Auditing Standards</i>	158-159
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	160-161
Schedule of Expenditures of Federal Awards	162-163
Schedule of Findings and Questioned Costs	164
Summary Schedule of Prior Audit Findings	165

INTRODUCTORY SECTION

This page was intentionally left blank.



November 29, 2021

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 Annual Comprehensive Financial Report (ACFR) of School District Five of Lexington and Richland Counties (the District) for the fiscal year ended June 30, 2021.

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 annual comprehensive 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 Burkett, Burkett & Burkett, Certified Public Accountants, P.A. 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, 2021, 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, 2021, 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 annual comprehensive 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, recently being named the #2 K-12 Public School District in the state by Niche. 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 thirteen elementary schools, two intermediate schools, three middle schools, four high schools, a career and technology center, and an alternative learning academy that serves 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 curricula with high expectations for learning that develop productive citizens who can solve problems and contribute to a global society.

In fiscal year 2020-2021, the District provided comprehensive educational services for 16,444 students grade 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 technical 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. The appropriated budget is prepared by function (e.g., student instruction), object (e.g., supplies), school and department (e.g., Irmo High School).

Budget-to-actual comparisons are provided in this report for the general fund as noted in the table of contents as required supplementary information. 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 two 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 2020 estimated populations of Richland County and Lexington County were 416,147 and 293,991, respectively. In 2018, the total population in School District Five of Lexington and Richland Counties was estimated at 100,406. The District is a suburban school district located near the City of Columbia, the State Capital.

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 Lexington Medical Center, Dominion Energy, Amazon.com, Inc., Michelin North America, Inc., United Parcel Service, Nephron Pharmaceuticals, Spectrum, HireRight, Walter P. Raul & Sons, Inc. Included among the larger corporate enterprises in Richland County are Prisma Health, BlueCross BlueShield of SC, AT&T South Carolina, Providence Health, TRANE – Columbia Center of Excellence, Colonial Life & Accident Insurance, Palmetto GBA, LLC, Westinghouse Electric Co. LLC, Allied Universal Security and Teleperformance (TPUSA).

Based on information from Lexington and Richland County, both counties continue to attract industry as well as residential developers. Factors that influence that growth are the central location in South Carolina and the access to transportation infrastructure. Based on this growth and the additional job opportunities, 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 2019, the last year available, was \$62,059 for Lexington County and \$52,905 for Richland County. Per capita personal income for 2019, the last year available, was \$47,992 for Lexington County and \$47,299 for Richland County. The state per capita income for this same period was \$52,360, and in the United States was \$66,060. As the economy has recovered from the COVID-19 shutdown, the unemployment rates have improved. The unemployment rate for Lexington County as of June 2021 was 3.5 percent and for Richland County was 4.6 percent. The state and national unemployment rates for the same period were 4.5 percent and 5.9 percent, respectively.

Long-term financial planning. Student enrollment in the District is recovering from the dip due to the COVID-19 virus. We are returning to our pre-pandemic enrollment levels and expect to see the growth continue as it was in 2019-2020. In order to accommodate future growth in the northwest portion of the District and to eliminate the use of portable classrooms at two elementary schools, the District opened a new elementary school, Piney Woods Elementary, in August of 2021. In order to accomplish this, on May 20, 2019 the Board of Trustees of the District approved a \$30 million bond issuance to be repaid in three years. These bonds are being financed with the addition of 20.6 mills of taxes added to the District's debt service levy, effective on property tax bills issued for calendar year 2019. The millage increase is within the limit of district bonded indebtedness as established in Article X of the South Carolina Constitution. In reviewing the District's debt liabilities for 2021-2022, the Board approved lowering the debt service levy to 69.5 mills. Richland and Lexington Counties continue to levy an additional one-cent tax which gives taxpayers a credit on their property tax bills.

During the 1977 session of the S. C. General Assembly, the State Legislature adopted an amendment, Section 59-71-155, Code of Laws of South Carolina 1976, as amended, which provides for the establishment of a mechanism for the timely advance of funds from the State's General Fund to pay directly to school district paying agents amounts needed for debt service on general obligation bonds.

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

As evidenced by the financial statements contained in this report, capital projects are one of the main areas of focus in financial planning. The District's oldest buildings were constructed in 1933, 1953, 1955 and 1964, and have undergone major renovations. Other facilities were constructed from 1966 through 2021. A complete listing of school sites with ages, square footage, capacity and enrollment can be found on Table 21 of the statistical section of this report as referenced in the table of contents.

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, now known as Cognia, 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 (Cognia) 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 multi-tiered system of supports (MTSS) 4K - 5th grade and Middle Level Intervention (MLI) 6th - 8th grade Programs; Positive Behavioral Interventions and Support (PBIS); iFive Technology Integration; Professional Learning Committees (PLCs); 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

- The district was recognized as a National Board Accomplished District by the National Board for Professional teaching Standards, a national nonprofit organization that certifies teachers based on a rigorous set of evaluations and standards. The program recognizes school districts across the country that have 20% or more of its teachers that have achieved National Board certification. There are 290 National Board Certified Teachers (NBCT) in School District Five.
- The district had 108 students named South Carolina Junior Scholars for the 2020-2021 school year. Developed by the South Carolina Department of Education during the 1985-1986 school year the SC Junior Scholars program is designed to identify eighth grade students with exceptional academic talent based on PSAT scores and other measures.
- A School District Five Teacher was selected as the 2022 South Carolina Teacher of the Year. Amy Carter receives a total of \$25,000 and is provided with a brand new BMW to use while serving for one year as a roving ambassador providing mentoring, attending speaking engagements, working with teacher cadets and teaching fellows, leading the State Teacher Forum, and serving as the state spokesperson for over 50,000 educators.
- Sixteen students from School District Five of Lexington and Richland Counties have been announced as semifinalists in the 2021-2022 National Merit Scholarship program. These academically talented high school students from the District 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 Principal, Dr. Gerald Gary, was named by the South Carolina Association of School Administrators (SCASA) as the 2021 South Carolina Secondary Level Principal of the Year. Under the leadership of Gary, Dutch Fork High School was named a Palmetto's Finest School in May 2020. Gary was also named South Carolina's 2017 Middle Level Principal of the Year by SC Association of School Administrators (SCASA).
- The District's SkillsUSA Chapter was named as a National Models of Excellence school for 2021 by SkillsUSA. The Center for Advanced Technical Studies (The Center) is one of 24 schools nationwide to receive this honor and the only school in South Carolina to receive it. This is the second year in a row that the SkillsUSA chapter at the The Center has been recognized for this honor.
- A School District Five junior was named the 2021 United States Senate Youth Program Scholarship winner by the South Carolina Department of Education. He was one of two delegates selected to represent South Carolina in the merit- based program that brings students together for an extensive week-long study of the federal government. Student delegates also receive a \$10,000 scholarship
- The District serves more than 2,500 students with disabilities annually, providing a variety of programs for K-12 students. The Department of Special Services provides leadership in the planning

and improvement of services for students with disabilities in the District. Award-winning initiatives for these students include Project SEARCH and BOOM (Building Occupational Opportunities in the Midlands). Project SEARCH is a business-led school-to-work transition model with demonstrated success in developing internships for students with intellectual and developmental disabilities who are in their last year of high school. The program helps lead the interns into integrated and competitive employment with prevailing wages. BOOM, (Building Occupational Opportunities in the Midlands), features students with disabilities from School District Five, Richland One and Richland Two in a semester-long course where they learn construction at Midlands Technical College's airport campus.

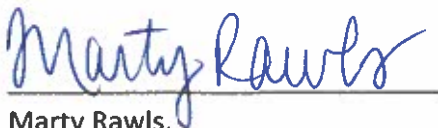
- The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to School District Five of Lexington and Richland Counties for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2020. This is the seventeenth 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 eighteenth 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. 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.

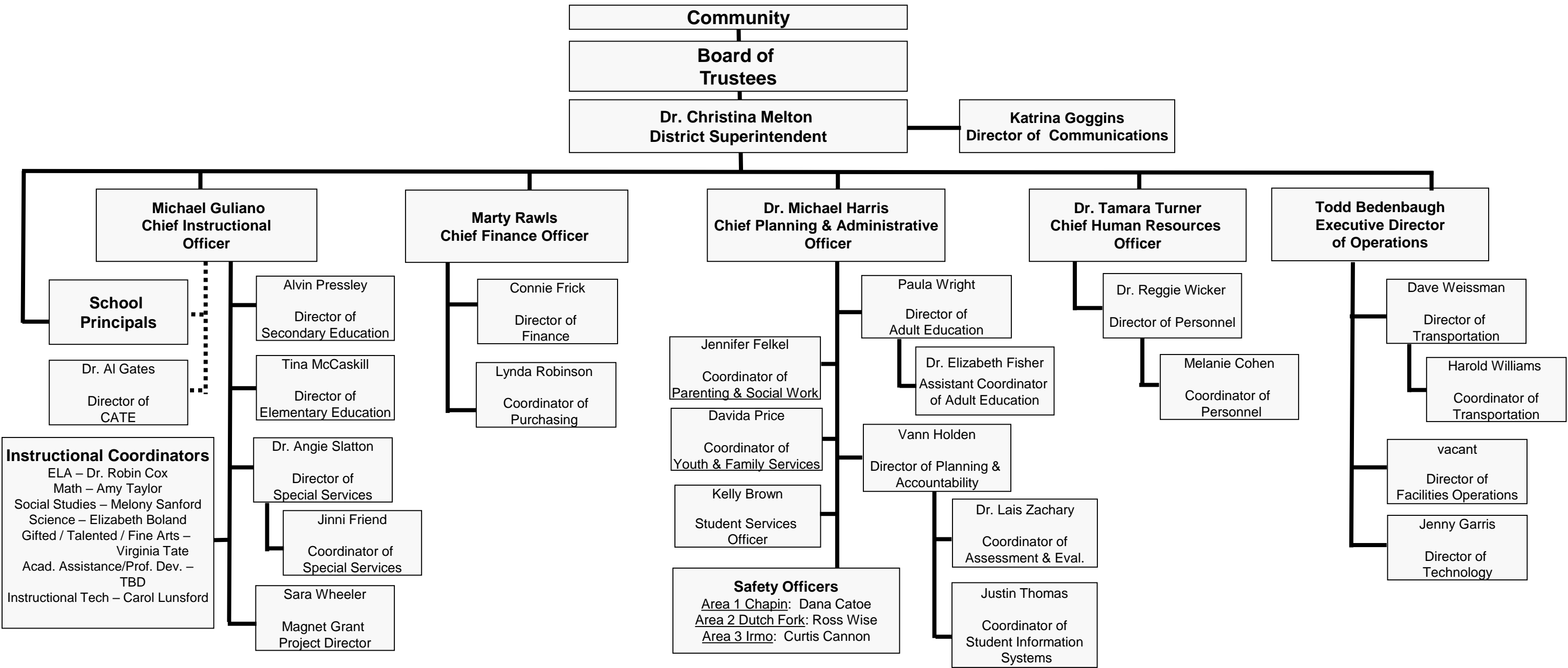
Respectfully submitted,



Marty Rawls,
Chief Finance Officer



Dr. Akil E. Ross, Sr.,
Interim Superintendent



SCHOOL DISTRICT FIVE OF LEXINGTON & RICHLAND COUNTIES
PRINCIPAL OFFICIALS

Year Ended June 30, 2021

MEMBERS OF THE BOARD OF TRUSTEES

Ms. Jan Hammond	Chairman
Mr. Ken Loveless	Vice Chairman
Ms. Nikki Gardner	Secretary
Ms. Rebecca Blackburn Hines	Board Member
Mr. Matt Hogan	Board Member
Ms. Catherine Huddle	Board Member
Mr. Ed White	Board Member

EXECUTIVE STAFF

Dr. Christina Melton	Superintendent
Ms. Katrina Goggins	Director of Communications
Dr. Michael Harris	Chief Planning & Administrative Officer
Dr. Tamara D. Turner	Chief Human Resources Officer
Mr. Michael Guliano	Chief Instructional Officer
Ms. Marty Rawls	Chief Financial Officer
Mr. Todd Bedenbaugh	Executive Director of Operations



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

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
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

FINANCIAL SECTION

This page was intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of School District Five of Lexington and Richland Counties ("the School District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, and each major fund of School District Five of Lexington and Richland Counties, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, supplementary information, 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 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 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 29, 2021 on our consideration of the School District's 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 the School District's internal control over financial reporting and compliance.



Burkett Burkett & Burkett
Certified Public Accountants, P.A.
West Columbia, South Carolina
November 29, 2021

School District Five of Lexington and Richland Counties
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2021

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, 2021. 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 2021 include:

- The District's total net position increased \$9,833,287 for the 2020-2021 fiscal year. Net position of governmental activities increased by \$9,862,374 and net position of business-type activities decreased by \$29,087. Total revenues were \$281,616,377 while total expenses were \$276,486,495.
- Total revenues increased \$9,373,883 (3.4%) from \$272,242,494 in fiscal year 2020 to \$281,616,377 in fiscal year 2021. Total expenses increased \$18,487,698 (7.2%), from \$257,998,797 in fiscal year 2020 to \$276,486,495 in fiscal year 2021.
- Governmental funds reported a total decrease of \$6,671,849 in the fund balance, which included a \$4,686,549 increase to the general fund, a \$222,930 increase to the special revenue-special project funds, a \$985,464 increase to the food service fund, a \$5,230,428 increase to the debt service fund, and a \$17,797,509 decrease to the capital projects fund.
- The General Fund total fund balance is \$51,205,387 as of June 30, 2021, an increase of 10.1% from June 30, 2020.
- Total revenue for the District's principal operating fund, the general fund, was \$194,993,617, with an additional \$6,177,484, consisting of transfers from the special revenue and EIA funds for teacher salary supplement increases and sale of capital assets. Total expenditures in the general fund were \$196,277,170 including \$119,119,737 for instruction, \$77,042,322 for support, \$36,899 for intergovernmental expenditures, and \$78,212 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, 2021

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 29-30 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 two categories: governmental funds and proprietary funds. In accordance with GASB 84, as of July 1, 2020, the student (pupil) activity fund has been reported in the Special Revenue Fund – Special Projects rather than classified as an agency fund.

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 31-35 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 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 36-38 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. The District had no Fiduciary Funds for the year ended June 30, 2021.

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 39-73 of this report.

School District Five of Lexington and Richland Counties
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2021

Other Information. The combining statements and individual fund financial schedules are included in the supplementary section. The pension and OPEB schedules 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 \$171,503,018, at the close of the most recent fiscal year.

The following table provides a summary of the District's net position for 2021 compared to 2020.

Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 130,597,928	\$ 136,493,207	\$ 356,262	\$ 365,677	\$ 130,954,190	\$ 136,858,884
Net Capital Assets	373,778,294	369,549,527	-	-	373,778,294	369,549,527
Total Assets	504,376,222	506,042,734	356,262	365,677	504,732,484	506,408,411
Deferred Outflows of Resources	98,093,233	52,167,519	359,960	313,026	98,453,193	52,480,545
Current and Other Liabilities	65,543,914	70,201,016	86	81	65,544,000	70,201,097
Long-term Liabilities	685,816,639	640,743,895	3,027,475	2,954,737	688,844,114	643,698,632
Total Liabilities	751,360,553	710,944,911	3,027,561	2,954,818	754,388,114	713,899,729
Deferred Inflows of Resources	20,135,988	26,154,802	164,593	170,730	20,300,581	26,325,532
Net Position						
Net Investment in Capital Assets						
Assets	210,468,717	198,474,597	-	-	210,468,717	198,474,597
Restricted	23,451,956	11,770,036	-	-	23,451,956	11,770,036
Unrestricted	(402,947,759)	(389,134,093)	(2,475,932)	(2,446,845)	(405,423,691)	(391,580,938)
Total Net Position	\$ (169,027,086)	\$ (178,889,460)	\$ (2,475,932)	\$ (2,446,845)	\$ (171,503,018)	\$ (181,336,305)

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 \$9,833,287 during 2020-2021. Significant current year transactions, such as the addition of \$21,695,126 in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less the additional accumulated depreciation of \$18,617,700 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, 2021

Government-wide Overall Financial Analysis (Continued)

The following table shows the changes in the District's net position for 2021 compared to 2020:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program Revenue:						
Charges for Services	\$ 755,618	\$ 2,568,627	\$ 277,899	\$ 797,358	\$ 1,033,517	\$ 3,365,985
Operating Grants	115,282,993	108,659,709	-	-	115,282,993	108,659,709
General Revenue:						
Ad Valorem Taxes and Fees	116,485,200	111,736,561	-	-	116,485,200	111,736,561
Unrestricted Grants	47,158,361	46,275,478	-	-	47,158,361	46,275,478
Investment Earnings & Disposals	176,054	1,510,401	-	-	176,054	1,510,401
Other General Revenue	1,480,252	631,132	-	63,228	1,480,252	694,360
Total Revenue	281,338,478	271,381,908	277,899	860,586	281,616,377	272,242,494
Instruction Services	144,866,989	134,277,651	-	-	144,866,989	134,277,651
Support Services	124,262,434	116,540,697	-	-	124,262,434	116,540,697
Community Services	56,171	24,515	-	-	56,171	24,515
Interest on Long-Term Debt	6,993,915	6,159,923	-	-	6,993,915	6,159,923
After School	-	-	306,986	996,011	306,986	996,011
Total Expenses	276,179,509	257,002,786	306,986	996,011	276,486,495	257,998,797
Increase (Decrease) in Net Position	5,158,969	14,379,122	(29,087)	(135,425)	5,129,882	14,243,697
Net Position , Beginning of Year	(178,889,460)	(193,268,582)	(2,446,845)	(2,311,420)	(181,336,305)	(195,580,002)
Cumulative Change in Accounting Principle - GASB #84	4,703,405	-	-	-	4,703,405	-
Net Position, End of Year	\$ (169,027,086)	\$ (178,889,460)	\$ (2,475,932)	\$ (2,446,845)	\$ (171,503,018)	\$ (181,336,305)

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

	Governmental Activities			
	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction Services	\$ 144,866,989	\$ 134,277,651	\$ (39,878,753)	\$ (33,423,766)
Support Services	124,262,434	116,540,697	(113,212,059)	(106,166,246)
Community Services	56,171	24,515	(56,171)	(24,515)
Interest (Long-Term Debt)	6,993,915	6,159,923	(6,993,915)	(6,159,923)
Totals	\$ 276,179,509	\$ 257,002,786	\$ (160,140,898)	\$ (145,774,450)

Business-Type Activities. Business-type activities include the District's after school programs. These programs had revenues of \$277,899, expenses of \$306,986. This resulted in net decrease of \$29,087.

School District Five of Lexington and Richland Counties
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2021

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, 2021, the District's governmental funds reported combined fund balances of \$87,168,241, a decrease of \$1,968,444 in comparison with the prior year. Approximately 40.7% of this amount (\$35,469,778) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable or restricted to indicate that it is 1) not in spendable form (\$5,137,669) or 2) restricted for particular purposes (\$35,756,079) or 3) assigned for a specific purpose (\$10,804,715).

The general fund is the principal operating fund of the District. The increase in fund balance in the general fund for the fiscal year was \$4,686,838. This increase is primarily due to increased property tax revenue. Both Lexington and Richland counties reassessed their properties in 2020. The growth in taxable values of property and high collection rates accounted for actual receipts of 4.9% over budgeted amounts in property tax revenue. After nonspendable fund balances for inventories and prepaid expenditures, and funds assigned for special purposes, the unassigned fund balance was \$35,469,778. The Board of Trustees has a policy to provide for sound fiscal management and stability. The policy requires that the District maintain an undesignated operating reserve fund of approximately 15 to 18 percent of the general fund budgeted expenditures.

The special revenue fund – special projects fund and special revenue fund – EIA funds are used to account for revenues derived from the state of South Carolina and the federal government and student activity funds. Other than student activity funds, the District's special revenue funds do not typically have fund balances as revenues should be expended, deferred, or returned to the grantor. The student activity funds carried a fund balance of \$4,926,335 which are shown as restricted in the District's financial statements. The net increase in fund balance is due to student activity funds being classified as special revenue instead of agency funds beginning with fiscal year 2021, due to the implementation of GASB No. 84.

The food service fund had a total fund balance of \$4,048,856, of which \$206,775 is non-spendable and \$3,842,081 is restricted.

The debt service fund had a total fund balance of \$15,030,658, all of which is restricted for the payment of debt service. This is an increase of \$5,230,428 from the prior year. The District maintains sufficient fund balance in the debt service fund to pay the ensuing six-month principal and interest payments on general obligation debt.

The capital projects fund showed a fund balance decrease of \$17,797,509. The ending balance is \$11,957,005. The change was attributable to the completion of capital 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 (after school programs) showed a decrease in net position of \$29,087.

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 2020-2021 fiscal year increased by 0.3% and 0.4% respectively. Revenue has a positive variance of \$4,666,035. Actual expenditures resulted in a negative variance of \$20,395.

School District Five of Lexington and Richland Counties
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had \$373,778,294 invested in a broad range of capital assets, including land, buildings, site improvements, furniture, equipment, vehicles, and library books. This represents a net increase of \$4,228,767 (1.1%) for the 2020 - 2021 fiscal year. For more detailed information on capital asset activity see Note 4 - Capital Assets.

Capital Assets

	Governmental Activities	
	2021	2020
Land	\$ 8,844,166	\$ 8,844,166
Buildings	487,960,646	479,157,379
Site Improvements	37,073,510	36,385,753
Furniture and Equipment	27,379,209	26,730,444
Construction in Progress	28,286,097	16,730,760
Total Before Accumulated Depreciation	589,543,628	567,848,502
Less: Accumulated Depreciation	215,765,334	198,298,975
Net Capital Assets	<u>\$ 373,778,294</u>	<u>\$ 369,549,527</u>

Debt Administration

As of June 30, 2021, the District had total outstanding long-term debt of \$168,546,000. The general obligation debt is backed by the full faith and credit of the District as well as the State of South Carolina. The District's total long-term debt as of June 30, 2021 and 2020 is as follows:

Long-Term Debt at June 30

	Governmental Activities	
	2021	2020
November 19, 2013 Issue	\$ 23,066,000	\$ 25,698,000
November 9, 2015 Issue	48,030,000	51,890,000
June 9, 2010 Issue	10,000,000	10,000,000
August 21, 2012 Issue	76,855,000	83,120,000
September 1, 2019 Issue	10,595,000	20,930,000
Lease Acquisition - April 3, 2017 Issue	-	487,441
Totals	<u>\$ 168,546,000</u>	<u>\$ 192,125,441</u>

School District Five of Lexington and Richland Counties
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2021

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, 2021, the District's debt capacity was approximately \$46,750,320. The District issued Series 2021A \$10,228,200 SCAGO general obligation bonds leaving the legal debt limit margin of \$25,927,120 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 67).

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 2021 - 2022. 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 2021-2022 fiscal year budget, the District focused on mental health services, security, maintaining quality instructional programs in the classrooms and pupil teacher ratios in all schools at the ratio set in Board Policy. The District's original general fund budget for fiscal year 2021-2022 was approved by the Board of Trustees on June 14, 2021 for \$201,694,166.

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.

This page was intentionally left blank.

BASIC FINANCIAL STATEMENTS

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

This page was intentionally left blank.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF NET POSITION (DEFICIT)
June 30, 2021

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash & Cash Equivalents	\$ 8,033,231	\$ -	\$ 8,033,231
Investments	61,545,053	-	61,545,053
Property Tax Receivable, Net	7,556,122	-	7,556,122
Accrued Interest	38,853	-	38,853
Internal Balances	(356,262)	356,262	-
Due From County Government	41,342,914	-	41,342,914
Prepaid Expenses	4,928,134	-	4,928,134
Inventories - Supply & Materials	209,535	-	209,535
Other Receivables	7,300,348	-	7,300,348
Noncurrent Assets:			
Capital Assets (Net of Accumulated Depreciation):			
Land	8,844,166	-	8,844,166
Buildings	306,416,183	-	306,416,183
Site Improvements	20,736,708	-	20,736,708
Machinery, Equipment and Vehicles	9,495,140	-	9,495,140
Construction in Progress	28,286,097	-	28,286,097
Total Assets	504,376,222	356,262	504,732,484
Deferred Outflows of Resources			
Net Pension Deferred Outflows	44,042,137	214,375	44,256,512
Net OPEB Deferred Outflows	53,649,068	145,585	53,794,653
Unamortized Loss on Refunding - Debt Defeasance	402,028	-	402,028
Total Deferred Outflows of Resources	98,093,233	359,960	98,453,193
Liabilities			
Accounts Payable and Other Liabilities	2,445,047	86	2,445,133
Accrued Salaries	13,464,733	-	13,464,733
Accrued Payroll Related Liabilities	3,942,730	-	3,942,730
Due to State Department of Education	26,783	-	26,783
Bonds Payable	10,228,200	-	10,228,200
Retainage Payable	96,796	-	96,796
Unearned Revenue	6,626,771	-	6,626,771
Arbitrage Rebate Liability	91,253	-	91,253
Accrued Interest Payable	1,949,335	-	1,949,335
Noncurrent Liabilities:			
Due within One Year	26,672,266	-	26,672,266
Due in More Than One Year	150,184,899	-	150,184,899
Net OPEB Liability	252,505,923	1,392,562	253,898,485
Net Pension Liability	283,125,817	1,634,913	284,760,730
Total Liabilities	751,360,553	3,027,561	754,388,114
Deferred Inflows of Resources			
Net Pension Deferred Inflows	2,571,173	38,074	2,609,247
Net OPEB Deferred Inflows	17,564,815	126,519	17,691,334
Total Deferred Inflows of Resources	20,135,988	164,593	20,300,581
Net Position (Deficit)			
Net Investment in Capital Assets	210,468,717	-	210,468,717
Restricted For:			
Special Revenue - Student Activities	4,926,335	-	4,926,335
Special Revenue - Food Service	4,048,856	-	4,048,856
Debt Service	14,476,765	-	14,476,765
Net Position (Deficit) - Unrestricted	(402,947,759)	(2,475,932)	(405,423,691)
Total Net Position (Deficit)	\$ (169,027,086)	\$ (2,475,932)	\$ (171,503,018)

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, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 144,866,989	\$ 4,149	\$ 104,984,087	\$ -	\$ (39,878,753)	\$ -	\$ (39,878,753)
Support Services	124,262,434	751,469	10,298,906	-	(113,212,059)	-	(113,212,059)
Community Services	56,171	-	-	-	(56,171)	-	(56,171)
Interest and Other Charges	6,993,915	-	-	-	(6,993,915)	-	(6,993,915)
Total Governmental Activities	276,179,509	755,618	115,282,993	-	(160,140,898)	-	(160,140,898)
Business-Type Activities:							
After School	306,986	277,899	-	-	-	(29,087)	(29,087)
Total Business-Type Activities	306,986	277,899	-	-	-	(29,087)	(29,087)
Total Primary Government	\$ 276,486,495	\$ 1,033,517	\$ 115,282,993	\$ -	(160,140,898)	(29,087)	(160,169,985)
General Revenues:							
Property Taxes Levied for:							
General Purposes					71,964,850	-	71,964,850
Debt Service					42,410,560	-	42,410,560
Payment in Lieu of Taxes					2,109,790	-	2,109,790
Unrestricted State Revenue in Lieu of Taxes					47,158,361	-	47,158,361
Unrestricted Investment Earnings					176,054	-	176,054
Miscellaneous					1,480,252	-	1,480,252
Total General Revenues					165,299,867	-	165,299,867
Change in Net Position					5,158,969	(29,087)	5,129,882
Net Position (Deficit) - Beginning					(178,889,460)	(2,446,845)	(181,336,305)
Cumulative Change in Accounting Principle - GASB #84					4,703,405	-	4,703,405
Net Position (Deficit) - Ending					\$ (169,027,086)	\$ (2,475,932)	\$ (171,503,018)

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, 2021

	Special Revenue Funds						Total Governmental Funds
	General	Special Projects	Education Improvement Act	Food Service	Debt Service	Capital Projects	
Assets							
Cash & Cash Equivalents	\$ 7,980,319	\$ -	\$ -	\$ 52,912	\$ -	\$ -	\$ 8,033,231
Investments	59,370,169	-	-	2,174,884	-	-	61,545,053
Property Tax Receivable, Net	5,854,474	-	-	-	1,701,648	-	7,556,122
Due From Other Funds	-	4,445,968	3,726,075	1,197,366	144,505	23,942,310	33,456,224
Due From County Government	26,801,820	-	-	-	14,541,094	-	41,342,914
Prepaid Items	4,928,134	-	-	-	-	-	4,928,134
Inventories - Supplies & Materials	2,760	-	-	206,775	-	-	209,535
Other Receivables	3,370,578	3,093,085	220,928	615,757	-	-	7,300,348
Total Assets	\$ 108,308,254	\$ 7,539,053	\$ 3,947,003	\$ 4,247,694	\$ 16,387,247	\$ 23,942,310	\$ 164,371,561
Liabilities, Deferred Inflows & Fund Balances							
Liabilities							
Accounts Payable	\$ 770,986	\$ 43,027	\$ 23,031	\$ 38,947	\$ -	\$ 1,569,056	\$ 2,445,047
Accrued Salaries	13,464,733	-	-	-	-	-	13,464,733
Accrued Payroll Related Liabilities	3,942,730	-	-	-	-	-	3,942,730
Due To Other Funds	33,812,486	-	-	-	-	-	33,812,486
Due To State Government	-	6,244	20,539	-	-	-	26,783
Bonds Payable	-	-	-	-	-	10,228,200	10,228,200
Retainage Payable	-	-	-	-	-	96,796	96,796
Unearned Revenue	-	2,563,447	3,903,433	159,891	-	-	6,626,771
Arbitrage Rebate Liability	-	-	-	-	-	91,253	91,253
Total Liabilities	51,990,935	2,612,718	3,947,003	198,838	-	11,985,305	70,734,799
Deferred Inflows							
Unavailable Tax Revenues	5,111,932	-	-	-	1,356,589	-	6,468,521
Total Deferred Inflows	5,111,932	-	-	-	1,356,589	-	6,468,521
Fund Balances							
Non-Spendable	4,930,894	-	-	206,775	-	-	5,137,669
Restricted	-	4,926,335	-	3,842,081	15,030,658	11,957,005	35,756,079
Assigned	10,804,715	-	-	-	-	-	10,804,715
Unassigned	35,469,778	-	-	-	-	-	35,469,778
Total Fund Balances	51,205,387	4,926,335	-	4,048,856	15,030,658	11,957,005	87,168,241
Total Liabilities, Deferred Inflows & Fund Balances	\$ 108,308,254	\$ 7,539,053	\$ 3,947,003	\$ 4,247,694	\$ 16,387,247	\$ 23,942,310	\$ 164,371,561

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2021

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

Total Governmental Fund Balances	\$	87,168,241
---	-----------	-------------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. *This is the amount that the cost of the assets exceeds the accumulated depreciation.*

Cost of Assets	\$ 589,543,628	
Accumulated Depreciation	<u>(215,765,334)</u>	373,778,294

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.	38,853
---	--------

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.	77,555,217
---	------------

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.	402,028
---	---------

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>	6,468,521
---	-----------

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Long-Term Debt	(168,546,000)	
Net Pension Liability	(283,125,817)	
Net OPEB Liability	(252,505,923)	
Bond Premiums, Net of Amortization	(7,122,610)	
Compensated Absences	(1,188,555)	
Accrued Interest Payable	<u>(1,949,335)</u>	<u>(714,438,240)</u>

Net Position (Deficit) of Governmental Activities	\$	<u>(169,027,086)</u>
--	-----------	-----------------------------

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, 2021

		Special Revenue					Total
	General	Special Projects	Education Improvement Act	Food Service	Debt Service	Capital Projects	Governmental Funds
Revenues							
Taxes Levied/Assessed by the LEA	\$ 71,285,133	\$ -	\$ -	\$ -	\$ 42,196,546	\$ -	\$ 113,481,679
Revenue From Local Governmental Units Other Than LEAs	1,724,029	-	-	-	385,761	-	2,109,790
Tuition	4,149	-	-	-	-	-	4,149
Earnings on Investments	81,438	-	-	5,094	19,057	70,465	176,054
Pupil Activities	-	2,261,951	-	-	-	-	2,261,951
Other Revenue from Local Sources	1,189,879	495,574	-	510,223	-	-	2,195,676
Total Local	74,284,628	2,757,525	-	515,317	42,601,364	70,465	120,229,299
State Sources	120,708,989	7,122,702	12,100,406	-	1,698,761	-	141,630,858
Federal Sources	-	9,163,005	-	8,676,210	745,375	-	18,584,590
Total Revenues	194,993,617	19,043,232	12,100,406	9,191,527	45,045,500	70,465	280,444,747
Expenditures							
Current:							
Instruction	119,119,737	8,133,176	5,096,118	-	-	-	132,349,031
Support Services	77,042,322	8,162,239	1,115,113	8,413,156	-	8,957,197	103,690,027
Community Services	-	56,171	-	-	-	-	56,171
Intergovernmental	36,899	1,913,699	-	-	-	-	1,950,598
Debt Service:							
Other Professional and Technical Services	-	-	-	-	1,750	-	1,750
Redemption of Principal	-	-	-	-	23,092,000	487,441	23,579,441
Interest	-	-	-	-	7,359,322	12,559	7,371,881
Other Objects	-	-	-	-	-	53,873	53,873
Capital Outlay	78,212	118,540	223,255	-	-	17,718,904	18,138,911
Total Expenditures	196,277,170	18,383,825	6,434,486	8,413,156	30,453,072	27,229,974	287,191,683
Excess of Revenues Over (Under) Expenditures	(1,283,553)	659,407	5,665,920	778,371	14,592,428	(27,159,509)	(6,746,936)
Other Financing Sources (Uses)							
Sale of Capital Assets	75,087	-	-	-	-	-	75,087
Transfers In	6,102,397	-	-	207,093	-	9,362,000	15,671,490
Transfers Out	(207,093)	(436,477)	(5,665,920)	-	(9,362,000)	-	(15,671,490)
Total Other Financing Sources (Uses)	5,970,391	(436,477)	(5,665,920)	207,093	(9,362,000)	9,362,000	75,087
Net Change in Fund Balances	4,686,838	222,930	-	985,464	5,230,428	(17,797,509)	(6,671,849)
Fund Balance, Beginning of Year	46,518,549	-	-	3,063,392	9,800,230	29,754,514	89,136,685
Cumulative Change in Accounting Principle - GASB #84	-	4,703,405	-	-	-	-	4,703,405
Fund Balance, Ending of Year	\$ 51,205,387	\$ 4,926,335	\$ -	\$ 4,048,856	\$ 15,030,658	\$ 11,957,005	\$ 87,168,241

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, 2021**

Amounts reported for the Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ (6,671,849)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. *This is the amount by which depreciation expense exceeded capital outlays in the current period.*

Depreciation Expense	\$ (18,617,700)	
Capital Outlay	22,846,467	4,228,767

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.*

Redemption of Principal	23,579,441	
Issuance of Long-Term Debt	-	23,579,441

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. *This is the change in loss on refunding bonds amortization and change in bond premium amortization.*

Change in Amortization of Loss on Refunding Bonds	(101,510)	
Change in Amortization of Bond Premiums	2,084,931	1,983,421

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.

893,731

The change in compensated absences reported in the statement of activities does not require the use of current financial resources, and therefore, is not reported as an expenditure/revenue in the governmental funds. *This is the amount that compensated absences at the end of the prior year exceeded the compensated absences at the end of the current year.*

Compensated Absences - End of Current Year	(1,188,555)	
Compensated Absences - End of Prior Year	1,296,878	108,323

Retirement and pension expense in the statement of activities is measured by the District's proportionate share of the SCRS and PORS 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.*

(19,288,544)

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.

325,679

Change in Net Position of Governmental Activities

\$ 5,158,969

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
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Local	\$ 70,619,600	\$ 70,619,600	\$ 74,284,628	\$ 3,665,028
State	121,045,056	119,707,982	120,708,989	1,001,007
Total Revenues	<u>191,664,656</u>	<u>190,327,582</u>	<u>194,993,617</u>	<u>4,666,035</u>
Expenditures				
Current:				
Instruction	120,249,361	118,655,614	119,137,778	(482,164)
Support Services	78,325,365	77,560,311	77,102,493	457,818
Community Services	20,850	20,850	-	20,850
Intergovernmental	20,000	20,000	36,899	(16,899)
Total Expenditures	<u>198,615,576</u>	<u>196,256,775</u>	<u>196,277,170</u>	<u>(20,395)</u>
Excess Revenues Over (Under) Expenditures	<u>(6,950,920)</u>	<u>(5,929,193)</u>	<u>(1,283,553)</u>	<u>4,645,640</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	75,087	75,087
Transfers from (to) Other Funds	5,929,193	5,929,193	5,895,304	(33,889)
Total Other Financing Sources (Uses)	<u>5,929,193</u>	<u>5,929,193</u>	<u>5,970,391</u>	<u>41,198</u>
Excess Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	<u>\$ (1,021,727)</u>	<u>\$ -</u>	<u>4,686,838</u>	<u>\$ 4,686,838</u>
Fund Balance, Beginning of Year			<u>46,518,549</u>	
Fund Balance, Ending of Year			<u>\$ 51,205,387</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 FUND
JUNE 30, 2021

Assets	<u>After School Program</u>
Current Assets:	
Due From Other Funds	\$ 356,262
Total Current Assets	<u>356,262</u>
Total Assets	<u>356,262</u>
 Deferred Outflows of Resources	
Net Pension Deferred Outflows	214,375
Net OPEB Deferred Outflows	145,585
Total Deferred Outflows of Resources	<u>359,960</u>
 Liabilities	
Current Liabilities:	
Accounts Payable	86
Total Current Liabilities	<u>86</u>
Noncurrent Liabilities:	
Net OPEB Liability	1,392,562
Net Pension Liability	1,634,913
Total Noncurrent Liabilities	<u>3,027,475</u>
Total Liabilities	<u>3,027,561</u>
 Deferred Inflows of Resources	
Net Pension Deferred Inflows	38,074
Net OPEB Deferred Inflows	126,519
Total Deferred Inflows of Resources	<u>164,593</u>
 Net Position (Deficit)	
Unrestricted	<u>(2,475,932)</u>
Total Net Position (Deficit)	<u>\$ (2,475,932)</u>

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

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT)
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>After School Program</u>
Operating Revenues	
Proceeds of Tuition	\$ 277,899
Total Operating Revenues	<u>277,899</u>
Operating Expenses	
Salaries and Employee Benefits	234,444
Purchased Services	14,048
Supplies and Materials	58,020
Other Operating Costs	474
Total Operating Expenses	<u>306,986</u>
Operating Income (Loss)	<u>(29,087)</u>
Change in Net Position	(29,087)
Net Position (Deficit), Beginning of Year	<u>(2,446,845)</u>
Net Position (Deficit), End of Year	<u><u>\$ (2,475,932)</u></u>

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

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>After School Program</u>
Cash Flows from Operation Activities	
Received from Patrons	\$ 277,899
Payments to Employees for Services	(214,777)
Payments to Suppliers for Goods and Services	(72,537)
	<hr/>
Net Cash Provided (Used) by Operating Activities	(9,415)
	<hr/>
Cash Flows from Noncapital Financing Activities	
Transfers from Other Funds	9,415
	<hr/>
Net Cash Provided (Used) by Noncapital Financing Activities	9,415
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	-
	<hr/>
Cash and Cash Equivalents - Beginning	-
	<hr/>
Cash and Cash Equivalents - Ending	\$ -
	<hr/> <hr/>
Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities	
Net Operating Income (Loss)	\$ (29,087)
	<hr/>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided	
(Used) by Operating Activities:	
Pension Expense	10,372
OPEB Expense	9,295
Changes in Assets and Liabilities:	
(Decrease) in Accounts Payable	5
	<hr/>
Total Adjustments	19,672
	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (9,415)
	<hr/> <hr/>

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

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 16,444 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, revenues, expenses and changes in net position and cash flows that replaces the fund-group perspective previously required.

Government-wide Statements: The statement of net position and the statement of activities display information about the District 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

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 and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All of the District's governmental and enterprise funds are reported as major funds.

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

Special Revenue Fund – Food Service Fund: The Food Service Fund accounts for the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received from (a) breakfast, lunch and other food sales and (b) the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

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:

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

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.

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, wherein 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

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 transfers between appropriation accounts and the Chief Financial Services Officer approves all transfers.

The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America and consistent with actual financial statement presentation to provide meaningful comparisons. The following procedures are used in establishing the general fund budget:

1. Prior to the May meeting of the Board, the Superintendent submits a budget for the operation of the entire school system of the District. This budget, at the discretion of the Board, is based upon proposed budgets submitted by the administrators and advisory board of the various schools of the District.
2. A public hearing is held before the 25th day of June to obtain taxpayer comments.
3. Following the public hearing and before July first of each year the Board takes final action on the budget.
4. Upon final action by the Board on the budget, the Chairman of the Board notifies the auditor and treasurer of the Counties of the amount of money required for the operation of the District during the next fiscal year. Upon receipt of this notice, the auditor levies taxes on all the taxable property of the Counties.
5. Formal budgetary integration is employed as a management control device during the year. Encumbrances are recorded at the time a good or service is ordered and the remaining budget appropriation is reduced by the same amount. When the good or service is received, the encumbrance is reversed in the budgetary accounts and an expenditure is recorded in the general ledger accounts. Encumbered appropriations lapse at year-end and all outstanding encumbrances are cancelled.

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

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

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

- a. Obligations 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**

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 Food Service 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, 2021.

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 historical cost if purchased or constructed. 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. Donated capital assets are recorded at acquisition value at the date of donation.

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**

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, and 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

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):

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 recognizes 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.

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund balances (continued)

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 when the District is legally or contractually obligated by external parties such as lenders, grantors or contributors or by laws or regulations to spend in accordance with the restrictions imposed.

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021, the carrying amount of the District's deposits and investments held by the various funds was as follows:

Fund Types

General Fund	\$ 67,350,488
Food Service Fund	<u>2,227,796</u>
	<u>\$ 69,578,284</u>
Cash on hand	\$ 92,680
Deposits	7,940,551
Investments	<u>61,545,053</u>
Carrying amount at June 30, 2021	<u>\$ 69,578,284</u>

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, 2021, the bank balance of the District's deposits totaled \$18,673,130 of which \$250,000 was insured by Federal Depository Insurance Corporation (FDIC) insurance and \$18,423,130 was secured by collateral held by the bank's trust department in the District's name.

Investments

Credit risk: The District adheres to the State of South Carolina's investment policy and invests in primarily Certificates of Deposit and U.S. Government-backed obligations. There are no investments in commercial paper or corporate bonds and equities. At June 30, 2021, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value Level</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
SC Local Government Investment Pool	N/A	Various	Unrated	<u>\$ 61,545,053</u>
Total Investments				<u>\$ 61,545,053</u>

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

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Investments (continued)

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 Annual Comprehensive Financial Report. At June 30, 2021, 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 31st. Liens are attached to the property at the time the taxes are levied, which usually occurs in November of each year. These taxes are due without penalty through January 15th. Penalties are added to taxes depending upon the date paid as follows:

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

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

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

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

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

NOTE 3 – RECEIVABLES (continued)

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	\$ 9,649,129
Less: Allowance for uncollectible amounts	<u>(2,093,007)</u>
Taxes receivable	<u>\$ 7,556,122</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$ 8,844,166	\$ -	\$ -	\$ 8,844,166
Construction-in-Progress	16,730,760	21,201,614	(9,646,277)	28,286,097
Total Capital Assets, Not being Depreciated	<u>25,574,926</u>	<u>21,201,614</u>	<u>(9,646,277)</u>	<u>37,130,263</u>
<u>Capital Assets, Being Depreciated:</u>				
Buildings	479,157,379	9,504,413	(701,146)	487,960,646
Site Improvements	36,385,753	876,645	(188,888)	37,073,510
Furniture and Equipment	26,730,444	1,267,233	(618,468)	27,379,209
Total Capital Assets, Being Depreciated	<u>542,273,576</u>	<u>11,648,291</u>	<u>(1,508,502)</u>	<u>552,413,365</u>
<u>Less Accumulated Depreciation For:</u>				
Buildings	(168,078,787)	(14,034,042)	568,366	(181,544,463)
Site Improvements	(14,304,185)	(2,101,640)	69,023	(16,336,802)
Furniture and Equipment	(15,916,003)	(2,482,018)	513,952	(17,884,069)
Total Accumulated Depreciation	<u>(198,298,975)</u>	<u>(18,617,700)</u>	<u>1,151,341</u>	<u>(215,765,334)</u>
Total Capital Assets, Being Depreciated, Net	<u>343,974,601</u>	<u>(6,969,409)</u>	<u>(357,161)</u>	<u>336,648,031</u>
Governmental Activities Capital Assets, Net	<u>\$ 369,549,527</u>	<u>\$ 14,232,205</u>	<u>\$ (10,003,438)</u>	<u>\$ 373,778,294</u>

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

NOTE 4 – CAPITAL ASSETS (continued)

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

Governmental Activities:	
Instruction	\$ -
Support	18,617,700
Total Depreciation –	
Governmental Activities	<u>\$ 18,617,700</u>

Construction Commitments: The District has active construction projects at June 30, 2021. At June 30, 2021, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Chapin Elementary School: Wheelchair Lift	\$ 18,263	\$ 125,014
Chapin High School: Athletic Training Room Renovation	137,005	266,511
Irmo High School: Baseball Backstop	66,637	53,416
Restroom Renovation, HVAC Fan Coil Replacement, West Wing Roof Replacement	447,590	1,297,762
Irmo Middle School: Gym (HVAC, Ceiling, Lights, Roof), Kitchen Roof	876,355	1,666,092
Piney Woods Elementary School	<u>26,130,543</u>	<u>1,954,204</u>
Total Government Activities	<u>\$ 27,676,393</u>	<u>\$ 5,362,999</u>

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

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 of the state of South Carolina, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the systems and the assets of the trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the South Carolina Retirement Systems (Systems).

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 an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 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 annual comprehensive 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 and other benefits for teachers and employees of the state, and political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third-party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- 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 and other benefits for police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

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

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, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider 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; be a coroner in a full-time permanent position; or to be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without legislative change in the Code of Laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. 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 at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

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

NOTE 5 – PENSION PLANS (continued)

Benefits (continued)

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

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. 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 85 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 85 percent. 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 85 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 85 percent.

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

NOTE 5 – PENSION PLANS (continued)

Contributions (continued)

Required employee contribution rates¹ are as follows:

	<u>7/1/20 to 6/30/21</u>	<u>7/1/19 to 6/30/20</u>
<u>SCRS</u>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<u>State ORP</u>		
Employee Class Three	9.00%	9.00%
<u>PORS</u>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows (based on retirement plan's fiscal year):

	<u>7/1/20 to 6/30/21</u>	<u>7/1/19 to 6/30/20</u>
<u>SCRS</u>		
Employer Class Two	15.41%	15.41%
Employer Class Three	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>State ORP</u>		
Employer Contribution ²	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>PORS</u>		
Employer Class Two	17.84%	17.84%
Employer Class Three	17.84%	17.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

² 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 District's contributions to the SCRS and PORS for their last four fiscal years were as follows:

SCRS	2021	2020	2019	2018
Employee Contributions	\$ 10,258,391	\$ 10,170,775	\$ 9,691,030	\$ 9,706,891
Employer Contributions	19,431,025	19,136,030	16,940,308	15,608,714
Employer Group Life Contributions	<u>197,865</u>	<u>194,317</u>	<u>184,215</u>	<u>182,212</u>
Totals	\$ 29,887,281	\$ 29,501,122	\$ 26,815,553	\$ 25,497,817

PORS	2021	2020	2019	2018
Employee Contributions	\$ 9,884	\$ 11,826	\$ 14,340	\$ 12,927
Employer Contributions	18,085	18,724	24,768	21,002
Employer Group Life Contributions	<u>203</u>	<u>419</u>	<u>588</u>	<u>530</u>
Totals	\$ 28,172	\$ 30,969	\$ 39,696	\$ 34,459

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

Eligible payrolls of the District covered under the Plans for the past four fiscal years were as follows:

Year ended June 30,	SCRS Payroll	State ORP Payroll	PORS Payroll	Total Payroll
2021	\$ 113,983,586	\$ 17,926,560	\$ 101,373	\$ 132,011,519
2020	113,008,610	15,536,052	104,955	128,649,617
2019	107,678,115	15,131,687	147,076	122,956,878
2018	\$ 107,854,375	\$ 13,620,002	\$ 132,586	\$ 121,606,963

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

At June 30, 2021, the District reported a liability of \$284,530,330 for its proportionate share of the net pension liability for SCRS and a liability of \$230,400 for its proportionate share of the net pension liability for PORS, for a total net pension liability of \$284,760,730. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2019, 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, 2020. 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. The net pension liability is generally liquidated by the general fund.

At the retirement plan's year end of June 30, 2020, the District's proportion was 1.113545% and 0.006948% for SCRS and PORS, respectively.

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)

For the year ended June 30, 2021, the District recognized pension expense of \$29,829,515, including \$29,800,929 for SCRS and \$28,586 for PORS, respectively. At June 30, 2021, 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>
SCRS		
Differences between expected and actual experience	\$ 3,283,103	\$ 1,075,930
Assumption changes	348,595	-
Net difference between projected and actual earnings on pension plan investments	20,929,591	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	-	1,467,277
District contributions subsequent to the measurement date	<u>19,628,890</u>	<u>-</u>
Total SCRS	<u>\$ 44,190,179</u>	<u>\$ 2,543,207</u>
PORS		
Differences between expected and actual experience	\$ 4,896	\$ 1,014
Assumption changes	2,812	-
Net difference between projected and actual earnings on pension plan investments	23,593	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	16,743	65,026
District contributions subsequent to the measurement date	<u>18,288</u>	<u>-</u>
Total PORS	<u>\$ 66,332</u>	<u>\$ 66,040</u>
Total SCRS and PORS	<u>\$ 44,256,511</u>	<u>\$ 2,609,247</u>

The amount of \$19,628,890 for SCRS and \$18,288 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, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will increase (decrease) pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2021	\$ 3,397,497	\$ 226	\$ 3,397,723
2022	6,030,628	(8,561)	6,022,067
2023	7,249,179	(12,152)	7,237,027
2024	<u>5,340,778</u>	<u>2,491</u>	<u>5,343,269</u>
Totals	<u>\$ 22,018,082</u>	<u>\$ (17,996)</u>	<u>\$ 22,000,086</u>

Actuarial Assumptions and Methods

Actuarial valuations of the 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 for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

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

NOTE 5 – PENSION PLANS (continued)

Actuarial Assumptions and Methods (continued)

The June 30, 2019, 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, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
¹ 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, 2019, TPL are as follows:

Former Job Class	Males	Females
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%

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, 2020, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability
SCRS	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	50.7%
PORS	8,046,386,629	4,730,174,642	3,316,211,987	58.8%

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

NOTE 5 – PENSION PLANS (continued)

Net Pension Liability (continued)

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 20-year capital market assumptions. The long-term expected rates of return 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 2020 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 below. 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.

<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>
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.23%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
GTAA/Risk Parity	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Diversified Credit	15.0%		
Mixed Credit	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Conservative Fixed Income	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Return	100.0%		5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			8.05%

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

NOTE 5 – PENSION PLANS (continued)

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.

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 look like 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:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 352,640,455	\$ 284,530,330	\$ 227,657,555
PORS	\$ 305,011	\$ 230,400	\$ 170,493

Additional Financial and Actuarial Information

Information contained in these Notes to the Basic Financial Statements was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available on the Systems' ACFR.

Payables to the Pension Plan

As of June 30, 2021, the District had \$3,386,167 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), 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.

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

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB 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 or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC, 29223.

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 that 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 non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The District's contractually required contribution rate for the year ended June 30, 2020 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums 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, 2020. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2020 totaled \$578,838,884. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$2,724,225.

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

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

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 were 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.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits' link on PEBA's website at 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. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the annual comprehensive financial report of the state.

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

At June 30, 2021, the District reported a liability of \$253,895,039 for its proportionate share of the net OPEB liability for SCRHITF and a liability of \$3,445 for its proportionate share of the net OPEB liability for SCLTDITF, for a total net OPEB liability of \$253,898,484. The net OPEB liability was measured as of June 30, 2020, 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, 2021, the District's proportion was 1.406508% for SCRHITF and 1.136292% for SCLTDITF. The net OPEB liability is generally liquidated by the general fund.

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, 2021, the District recognized OPEB expense of \$19,246,041, including \$19,153,626 for SCRHITF and \$92,415 for SCLTDITF, respectively. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
<u>SCRHITF</u>		
Differences between expected and actual experience	\$ 7,261,630	\$ 5,782,100
Changes in assumptions	37,782,750	10,111,398
Net difference between projected and actual investment experience	341,198	933,398
Changes in proportionate share and differences between District contributions and proportionate share of contributions	48,512	807,219
District contributions subsequent to the measurement date	8,250,720	-
Total SCRHITF	<u>\$ 53,684,810</u>	<u>\$ 17,634,115</u>
<u>SCLTDITF</u>		
Differences between expected and actual experience	\$ -	\$ 14,303
Changes in assumptions	14,438	1,720
Net difference between projected and actual investment experience	8,863	37,579
Changes in proportionate share and differences between District contributions and proportionate share of contributions	-	3,617
District contributions subsequent to the measurement date	86,542	-
Total SCLTDITF	<u>\$ 109,843</u>	<u>\$ 57,219</u>
Total SCRHITF and SCLTDITF	<u>\$ 53,794,653</u>	<u>\$ 17,691,334</u>

\$8,250,720 (SCRHITF) and \$86,542 (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, 2022.

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)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	SCRHITF	SCLTDITF	Total
2021	\$ 3,469,564	\$ (5,384)	\$ 3,464,180
2022	3,387,727	(7,865)	3,379,862
2023	3,258,046	(11,056)	3,246,990
2024	5,508,326	(7,572)	5,500,754
2025	6,226,248	(790)	6,225,458
Thereafter	5,950,064	(1,251)	5,948,813
Totals	\$ 27,799,975	\$ (33,918)	\$ 27,766,057

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.

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.

Additional information as of the latest actuarial valuation for

SCRHITF: Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation.
Single Discount Rate:	2.75% as of June 30, 2020
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 6.40% and gradually decreasing to an ultimate trend of 4.00% over a period of 15 years.
Aging Factors:	Based on plan specific experience.
Retiree Participation:	79% for retirees who are eligible for funded premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020; updates were also made to the healthcare trend rate assumption, including an adjustment to reflect the repeal of the "Cadillac Tax".

**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, 2019
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	3.00%, net of Plan investment expense; including inflation.
Single Discount Rate:	2.83% as of June 30, 2020
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.
Expenses:	Third party administrative expenses were included in the benefit projections.
Notes:	The discount rate changed from 3.04% as of June 30, 2019 to 2.83% as of June 30, 2020

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2019. Update procedures were used to roll forward the total OPEB liability to June 30, 2020.

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, 2020:

<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	\$ 19,703,745,672	\$ 1,652,299,185	\$ 18,051,446,487	8.39%
SCLTDITF	\$ 42,782,316	\$ 42,479,106	\$ 303,210	99.29%

**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 2.45% 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 2.83% 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 3.00% and a municipal bond rate of 2.45%. 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 2041. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2041, 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 represents 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 2018 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:

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND			
	<u>Target Asset Allocation</u>	<u>Arithmetic Real Rate of Return</u>	<u>Allocation- Weighted Long- Term Expected Real Rate of Return</u>
Asset Class			
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash equivalents	<u>20.00%</u>	0.35%	<u>0.07%</u>
Total	100.00%		0.55%
Expected Inflation			<u>2.25%</u>
Total Return			<u>2.80%</u>
Investment Return Assumption			<u>2.75%</u>

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

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Long-Term Expected Rate of Return (Continued)

<u>SOUTH CAROLINA LONG-TERM DISABILITY INSURANCE TRUST FUND</u>			
	<u>Target Asset Allocation</u>	<u>Arithmetic Real Rate of Return</u>	<u>Allocation- Weighted Long- Term Expected Real Rate of Return</u>
Asset Class			
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash equivalents	<u>20.00%</u>	0.35%	<u>0.07%</u>
Total	100.00%		0.83%
Expected Inflation			<u>2.25%</u>
Total Return			<u>3.08%</u>
Investment Return Assumption			<u>3.00%</u>

Sensitivity Analysis

The following table presents the District's SCRHITF net OPEB liability calculated using a Single Discount Rate of 2.45% as well as what the District's SCRHITF net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 1.45%	Current Discount Rate 2.45%	1% Increase 3.45%
SCRHITF Net OPEB Liability	\$ 302,947,746	\$ 253,895,039	\$ 214,698,258

Regarding the sensitivity of the District's SCRHITF net OPEB liability to changes in the healthcare cost trend rates, the following table presents the District's SCRHITF 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:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF Net OPEB Liability	\$ 205,503,664	\$ 253,895,039	\$ 317,446,842

The following table represents the District's SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 2.83%, as well as what the District's SCLTDITF's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 1.83%	Current Discount Rate 2.83%	1% Increase 3.83%
SCLTDITF Net OPEB Liability	\$ 20,301	\$ 3,445	\$ (13,293)

The District's SCLTDITF net OPEB liability is not affected by changes in the healthcare cost trend rates due to the method used to calculate benefit payments. Therefore, the sensitivity to changes in the healthcare cost trend rates have not been calculated.

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

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Additional Financial and Actuarial Information

Information in this note was compiled from the OPEB Trusts Funds audited financial statement for the fiscal year ended June 30, 2020, and the accounting and financial reporting actuarial valuation as of June 30, 2020. 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.

NOTE 7 – LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2021, was as follows:

	Amounts Outstanding June 30, 2020	Additions	Deductions	Amounts Outstanding June 30, 2021	Amounts Due in One Year
<u>Governmental Activities</u>					
Current Refunding General Obligation Bonds					
Series 2013A – Issued November 19, 2013	\$ 25,698,000	\$ -	\$ (2,632,000)	\$ 23,066,000	\$ 2,786,000
Series 2015B – Issued November 9, 2015	51,890,000	-	(3,860,000)	48,030,000	4,760,000
General Obligation Bonds:					
Series 2010A – Issued June 9, 2010	10,000,000	-	-	10,000,000	-
Series 2012B – Issued August 21, 2012	83,120,000	-	(6,265,000)	76,855,000	6,280,000
Series 2019B – Issued September 1, 2019	20,930,000	-	(10,335,000)	10,595,000	10,595,000
	191,638,000	-	(23,092,000)	168,546,000	24,421,000
Deferred Amounts:					
Unamortized Premium on Bonds	9,207,541	-	(2,084,931)	7,122,610	1,775,844
Total Bonds Payable	200,845,541	-	(25,176,931)	175,668,610	26,196,844
Net Acquisition Lease Purchase - Issued April 3, 2017	487,441	-	(487,441)	-	-
Compensated Absences	1,296,878	949,293	(1,057,616)	1,188,555	475,422
Long-Term Liabilities	\$ 202,629,860	\$ 949,293	\$ (26,721,988)	\$ 176,857,165	\$ 26,672,266

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

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, 2021 was \$136,273.

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, 2021 was \$265,755.

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. Items not meeting the requirement to be capitalized were \$1,317,094. An unspent balance of \$54,523 was applied towards the first debt service payment.

On September 4, 2019, the District issued Series 2019B, \$30,000,000 general obligation bonds (Bond Referendum debt). The net proceeds were \$31,673,774 after a bid premium of \$1,839,203 less costs of issuance of \$165,430. Principal payments are payable annually beginning on March 1, 2021, through March 1, 2022, ranging from \$9,070,000 to \$10,595,000. The bonds have an interest rate of 5.0 percent. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2021, through March 1, 2022. The proceeds will be used for purposes of funding capital projects approved in the Referendum, paying costs of issuance of the bonds, and such other lawful purposes as may be determined by the School District.

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

NOTE 7 – LONG-TERM OBLIGATIONS (continued)

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

The annual debt service requirements to maturity for the District's long-term general obligation bonds as of June 30, 2021 are as follows:

Year Ended June 30	Principal	Interest	Total
2022	\$ 24,421,000	\$ 6,166,133	\$ 30,587,133
2023	14,660,000	5,022,813	19,682,813
2024	15,206,000	4,487,139	19,693,139
2025	15,773,000	3,932,436	19,705,436
2026	16,289,000	3,357,782	19,646,782
2027 – 2031	71,402,000	8,786,835	80,188,835
2032	10,795,000	431,800	11,226,800
	\$ 168,546,000	\$ 32,184,938	\$ 200,730,938

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, 2020 assessed property valuation of \$584,379,004 (unaudited), the legal debt limit is \$46,750,320, with \$20,823,200 of applicable general obligation debt outstanding, leaving a legal debt margin of \$25,927,120 at June 30, 2021.

NOTE 8 – SHORT-TERM OBLIGATIONS

Summary of Changes in Short-term Debt: During the year ended June 30, 2021, the following transactions occurred in short-term liabilities:

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021
SCAGO – Series 2020A	\$ 9,362,000	\$ -	\$ (9,362,000)	\$ -
SCAGO – Series 2021A	-	10,228,200	-	10,228,200
	\$ 9,362,000	\$ 10,228,200	\$ (9,362,000)	\$ 10,228,200

Capital Projects Funds:

On April 22, 2021, the District issued Series 2021A, \$10,000,000 SCAGO general obligation bonds (8% debt) with an interest rate of 0.14 percent for the purpose of providing funds for capital improvements, equipment, and technology. The net proceeds were \$10,174,327 after bid premium of \$228,200 less cost of issuance of \$53,873. These bonds, including interest of \$240,000, are due March 1, 2022 and are scheduled to be repaid utilizing debt service fund property tax revenues.

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

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 Service</u>
Unexpended Carryover Amounts	\$ 2,563,447	\$ 3,903,433	\$ 159,891

NOTE 10 – INTERFUND TRANSACTIONS

Interfund transfers, receivables and payables for fiscal year 2021 consisted of the following:

Interfund Transfers:

<u>Fund Category</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 6,102,397	\$ 207,093
Special Revenue Funds	-	436,477
Combined EIA Funds	-	5,665,920
Food Service Fund	207,093	-
Debt Service Fund	-	9,362,000
Capital Projects Fund	9,362,000	-
Totals	<u><u>\$ 15,671,490</u></u>	<u><u>\$ 15,671,490</u></u>

Interfund Receivables and Payables:

<u>Fund Category</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 33,812,486
Special Revenue Funds	4,445,968	-
Combined EIA Funds	3,726,075	-
Food Service Fund	1,197,366	-
Debt Service Fund	144,505	-
Capital Projects Fund	23,942,310	-
Enterprise Fund – After School	356,262	-
Totals	<u><u>\$ 33,812,486</u></u>	<u><u>\$ 33,812,486</u></u>

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

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

NOTE 10 – INTERFUND TRANSACTIONS

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.

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, 2021, 2020, and 2019.

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have caused significant economic uncertainty and volatility in financial markets. The impact of COVID-19 continues to evolve rapidly, and the District is not able at this time to estimate its full impact on its financial statements.

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, 2021 were \$ 510,143. 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, 2021:

Year Ended June 30	Totals
2022	\$ 171,079
2023	40,880
2024	31,363
2025	31,363
2026	2,908
Total payments	<u>\$ 277,593</u>

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

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 Food Service – This amount represents the Food Service Fund balance that has been restricted due to contractual obligations for food service and is not an expendable, available resource.

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.

Restricted for Capital Projects – This amount represents the School Building Fund balance that has been restricted due to contractual obligations for approved building projects and is not an expendable, available resource.

Assigned – This represents the amount set aside by the District for special purposes. As of June 30, 2021, the District has set aside \$1,304,715 for start-up costs associated with Piney Woods Elementary School, \$3,000,000 as a one-time employee appreciation gift to be paid in fiscal year 2022, \$3,000,000 for “\$50 Fridays” to reward permanent staff for perfect attendance on a weekly basis, and \$3,500,000 for potential future capital needs. The total assigned fund balance as of June 30, 2021 is \$10,804,715.

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, 2021 is \$30,254,125 to \$36,304,950 based on the 2021/2022 general fund budget. The unassigned amount at June 30, 2021 is \$40,396,113.

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.

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

NOTE 15 – 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:

	Amount of Taxes Abated during the Fiscal Year	State of South Carolina Revenue Reimbursement Amount
County of Lexington:		
Fee-in-lieu of Taxes Program (FILOT)	\$ 137,907	\$ 59,535
Fee-in-lieu of Tax Infrastructure Program (FILOT & IP)	388,820	90,325
Fee-in-lieu of Tax, Special Source Revenue Credit and Infrastructure Program (FILOT & SSRC & IP)	1,196,055	-
	<u>\$ 1,722,782</u>	<u>\$ 149,860</u>

Richland County:

Richland County, South Carolina ("County") has developed a multicounty industrial or business park ("MCIP") and located certain taxpayers' property within the MCIP. The location of certain taxpayers within the MCIP has had the effect of abating District Five of Lexington & Richland Counties' ("School District") property tax revenues from those taxpayers because the County shares a portion of the property tax revenues generated from the MCIP with its partner county and distributes the property tax revenues generated from the MCIP pursuant to the agreement governing the MCIP.

For tax year 2020, the gross dollar amount by which the School District's property tax revenues were abated as a result of the MCIP agreement was \$16,139.

For tax year 2020, the gross dollar amount of property tax revenues the School District received as a result of the MCIP agreement was \$301,698.

NOTE 16 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 29, 2021, the date on which the financial statements were available to be issued.

On October 11, 2021, School District 5 of Lexington and Richland Counties Board approved a Resolution to refund the 2012B Callable bonds. These bonds are callable as of March 1, 2022.

On November 17, 2021, the District's financial advisor and bond counsel recommended awarding the bid to JP Morgan who provided the lowest True Interest Cost. The final sale resulted in \$9,154,225 of net present value debt services savings of the refunded bonds' par amount. This bond sale will close on December 15, 2021.

This page was intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page was intentionally left blank.

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

	2011*	2012*	2013*	2014*	2015	2016	2017	2018	2019	2020	2021
SCRS											
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	\$ 209,898,245	\$ 225,910,185	\$ 245,665,857	\$ 253,980,016	\$ 251,892,870	\$ 254,346,648	\$ 284,530,330
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	1.219156%	1.191165%	1.150129%	1.128218%	1.124180%	1.113887%	1.113545%
District's Covered Payroll	N/A	N/A	N/A	N/A	115,524,407	116,847,519	116,562,170	119,132,897	121,474,377	122,809,802	128,544,662
District's Proportionate Share of Net Pension Liability as a Percentage of Its Covered Payroll	N/A	N/A	N/A	N/A	181.69%	193.34%	210.76%	213.19%	207.36%	207.11%	221.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	59.90%	57.00%	52.90%	53.30%	54.10%	54.40%	50.71%
PORS											
District's Proportion of Net Pension Liability	N/A	N/A	N/A	N/A	\$ 130,009	\$ 153,589	\$ 179,709	\$ 246,533	\$ 271,422	\$ 290,606	\$ 230,400
District's Proportionate Share of Net Pension Liability	N/A	N/A	N/A	N/A	0.00679%	0.00705%	0.00709%	0.00900%	0.00958%	0.01014%	0.00695%
District's Covered Payroll	N/A	N/A	N/A	N/A	81,765	87,304	92,530	121,191	132,586	132,586	147,076
District's Proportionate Share of Net Pension Liability as a Percentage of Its Covered Payroll	N/A	N/A	N/A	N/A	159.00%	175.92%	194.22%	203.43%	204.71%	219.18%	156.65%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	67.50%	64.60%	60.40%	60.90%	61.73%	62.70%	58.79%

*** 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, 2020.

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

	2011*	2012*	2013*	2014	2015	2016	2017	2018	2019	2020	2021
SCRS											
Contractually Required Contribution	N/A	N/A	N/A	\$ 11,732,446	\$ 12,173,782	\$ 12,318,034	\$ 13,159,144	\$ 15,796,894	\$ 17,124,523	\$ 19,330,347	\$ 19,628,890
Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	(11,732,446)	(12,173,782)	(12,318,034)	(13,159,144)	(15,796,894)	(17,124,523)	(19,330,347)	(19,628,890)
Contribution Deficiency (Excess)	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	N/A	N/A	N/A	\$ 115,524,407	\$ 116,847,519	\$ 116,562,170	\$ 119,132,897	\$ 121,474,377	\$ 122,809,802	\$ 128,544,662	\$ 131,910,146
Contributions as a percentage of Covered Payroll	N/A	N/A	N/A	10.16%	10.42%	10.57%	11.05%	13.00%	13.94%	15.04%	14.88%
PORS											
Contractually Required Contribution	N/A	N/A	N/A	\$ 10,487	\$ 11,707	\$ 12,411	\$ 17,258	\$ 21,532	\$ 25,356	\$ 19,143	\$ 18,288
Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	(10,487)	(11,707)	(12,411)	(17,258)	(21,532)	(25,356)	(19,143)	(18,288)
Contribution Deficiency (Excess)	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	N/A	N/A	N/A	\$ 81,675	\$ 87,304	\$ 92,530	\$ 121,191	\$ 132,586	\$ 147,076	\$ 104,955	\$ 101,373
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	12.84%	13.41%	13.41%	14.24%	16.24%	17.24%	18.24%	18.04%

*** 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 - SCRHTF AND SCLTDITF
LAST TEN FISCAL YEARS

	2011*	2012*	2013*	2014*	2015*	2016*	2017	2018	2019	2020	2021
SCRHTF											
District's Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	\$ 204,609,880	\$ 191,545,927	\$ 199,825,937	\$ 212,592,153	\$ 253,895,039
District's Proportionate Share of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	1.414162%	1.414162%	1.410146%	1.405891%	1.406508%
District's Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	116,654,699	119,254,088	121,606,963	122,956,878	128,649,617
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	175.40%	160.62%	164.32%	172.90%	197.35%
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	7.60%	7.91%	8.44%	8.39%
SCLTDITF											
District's Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	\$ 7,908	\$ 20,655	\$ 35,205	\$ 22,487	\$ 3,445
District's Proportionate Share of Net OPEB Liability	N/A	N/A	N/A	N/A	N/A	N/A	1.13923%	1.13928%	1.15004%	1.14248%	1.13629%
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	95.29%	92.20%	95.17%	99.29%

*** 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, 2020.

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

	Fiscal Year										
	2011*	2012*	2013*	2014*	2015*	2016	2017	2018	2019	2020	2021
SCRHTF											
Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	\$ 6,217,696	\$ 6,356,243	\$ 6,688,383	\$ 7,438,891	\$ 8,103,101	\$ 8,250,720
Contributions in Relation to the											
Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	(6,356,243)	(6,688,383)	(7,438,891)	(8,103,101)	(8,250,720)
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	N/A	N/A	N/A	N/A	N/A	\$ 116,654,699	\$ 119,254,088	\$ 121,606,963	\$ 122,956,878	\$ 128,649,617	\$ 132,011,519
Contributions as a Percentage of											
Covered Payroll	N/A	N/A	N/A	N/A	N/A	5.33%	5.33%	5.50%	6.05%	6.30%	6.25%
SCLTDITF											
Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	\$ 81,595	\$ 82,467	\$ 83,627	\$ 84,174	\$ 85,857	\$ 86,542
Contributions in Relation to the											
Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	(82,467)	(83,627)	(84,174)	(85,857)	(86,542)
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll (1)											
Contributions as a Percentage of											
Covered Payroll (1)											

*** 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

(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

This page was intentionally left blank.

GENERAL FUND

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

The following Schedule of Revenues, Expenditures and Changes in Fund 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.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
1000 Revenues from Local Sources			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 67,831,628	\$ 70,870,120	\$ 3,038,492
1140 Penalties and Interest on Taxes (Independent)	415,632	415,013	(619)
1200 Revenue From Local Governmental Units Other Than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,552,340	1,724,029	171,689
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	5,000	4,149	(851)
1500 Earnings on Investments:			
1510 Interest on Investments	350,000	81,438	(268,562)
1900 Other Revenue from Local Sources:			
1910 Rentals	120,000	64,870	(55,130)
1930 Special Needs Transportation - Medicaid	105,000	213,756	108,756
1950 Refund of Prior Year's Expenditures	15,000	217,510	202,510
1960 Printing Revenue	-	20,428	20,428
1990 Miscellaneous Local Revenue:			
1992 Canteen Operations	-	286,253	286,253
1993 Receipt of Insurance Proceeds	25,000	190,228	165,228
1999 Revenue from Other Local Sources	200,000	196,834	(3,166)
Total Local Sources	<u>70,619,600</u>	<u>74,284,628</u>	<u>3,665,028</u>
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	2,540	2,540
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	1,213,333	1,339,503	126,170
3161 EAA Bus Driver Salary and Fringe	-	2,397	2,397
3162 Transportation Workers' Compensation	61,727	64,500	2,773
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	20,097,971	19,828,402	(269,569)
3181 Retiree Insurance (No Carryover Provision)	5,440,985	5,456,118	15,133
3186 State Aid to Classrooms - Teacher Salary Increase	4,124,175	4,087,263	(36,912)
3189 Teacher Step	-	923,743	923,743
3300 State Aid to Classrooms - Education Finance Act (EFA):			
3310 Full-Time Programs:			
3311 Kindergarten	1,730,583	1,732,733	2,150
3312 Primary	5,174,712	5,181,139	6,427
3313 Elementary	10,677,052	10,690,312	13,260
3314 High School	2,850,091	2,853,630	3,539
3315 Trainable Mentally Handicapped	65,436	65,517	81
3316 Speech Handicapped (Part-Time)	3,114,873	3,118,741	3,868
3317 Homebound	18,176	18,198	22
3320 Part-Time Programs:			
3321 Emotionally Handicapped	131,608	131,771	163
3322 Educable Mentally Handicapped	61,983	62,060	77
3323 Learning Disabilities	3,034,889	3,038,658	3,769
3324 Hearing Handicapped	184,459	184,688	229
3325 Visually Handicapped	87,720	87,829	109
3326 Orthopedically Handicapped	50,851	50,914	63
3327 Pre-Career and Career Technology	8,346,398	8,356,764	10,366

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
3300 Miscellaneous EFA Programs:			
3331 Autism	\$ 1,180,057	\$ 1,181,522	\$ 1,465
3332 High Achieving Students	1,264,644	1,266,215	1,571
3334 Limited English Proficiency	165,628	165,834	206
3351 Academic Assistance	1,270,701	1,272,279	1,578
3352 Pupils in Poverty	2,707,426	2,710,789	3,363
3353 Dual Credit Enrollment	46,964	47,022	58
3392 NBC Excess EFA Formula	125,358	125,513	155
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)	32,145,086	32,149,315	4,229
3830 Merchant's Inventory Tax	213,955	220,531	6,576
3840 Manufacturer's Depreciation Reimbursement	296,231	358,122	61,891
3890 Other State Property Tax Revenues (Includes Motor Carrier Tax)	276,229	393,361	117,132
3900 Other State Revenue:			
3992 State Forest Commission Revenues	20,000	12,385	(7,615)
3993 PEBA on-Behalf	1,190,410	1,190,410	-
Total State Sources	119,707,982	120,708,989	1,001,007
Total Revenues All Sources	190,327,582	194,993,617	4,666,035
Expenditures			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	4,621,322	4,902,855	(281,533)
200 Employee Benefits	2,196,181	2,273,891	(77,710)
300 Purchased Services	3,151	47,210	(44,059)
400 Supplies and Materials	60,143	77,332	(17,189)
112 Primary Programs:			
100 Salaries	13,033,021	13,187,591	(154,570)
200 Employee Benefits	5,836,559	5,738,389	98,170
300 Purchased Services	5,621	394,452	(388,831)
400 Supplies and Materials	297,344	300,669	(3,325)
113 Elementary Programs:			
100 Salaries	23,486,181	23,573,081	(86,900)
200 Employee Benefits	10,143,754	10,009,202	134,552
300 Purchased Services	16,725	764,167	(747,442)
400 Supplies and Materials	505,142	358,567	146,575
500 Capital Outlay	3,700	3,698	2
600 Other Objects	-	646	(646)
114 High School Programs:			
100 Salaries	18,935,753	18,734,018	201,735
200 Employee Benefits	7,970,052	7,804,216	165,836
300 Purchased Services	397,067	779,708	(382,641)
400 Supplies and Materials	746,342	500,534	245,808
500 Capital Outlay	-	5,929	(5,929)
600 Other Objects	885	835	50
115 Career and Technology Education Programs:			
100 Salaries	2,581,469	2,614,264	(32,795)
200 Employee Benefits	1,106,655	1,100,438	6,217
300 Purchased Services	10,600	37,277	(26,677)
400 Supplies and Materials	125,000	113,318	11,682
500 Capital Outlay	-	8,414	(8,414)
118 Montessori Programs:			
100 Salaries	217,960	306,239	(88,279)
200 Employee Benefits	120,104	153,898	(33,794)
300 Purchased Services	-	1,214	(1,214)

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	\$ 1,068,698	\$ 1,558,773	\$ (490,075)
200 Employee Benefits	493,032	680,173	(187,141)
300 Purchased Services	-	27,860	(27,860)
400 Supplies and Materials	2,854	29,985	(27,131)
122 Trainable Mentally Handicapped:			
100 Salaries	437,787	427,053	10,734
200 Employee Benefits	189,462	180,003	9,459
300 Purchased Services	-	5,147	(5,147)
400 Supplies and Materials	2,306	1,989	317
123 Orthopedically Handicapped:			
400 Supplies and Materials	1,659	620	1,039
124 Visually Handicapped:			
100 Salaries	114,615	62,285	52,330
200 Employee Benefits	45,942	23,478	22,464
400 Supplies and Materials	2,029	494	1,535
125 Hearing Handicapped:			
100 Salaries	288,135	238,619	49,516
200 Employee Benefits	117,329	92,729	24,600
300 Purchased Services	-	40,366	(40,366)
400 Supplies and Materials	3,761	810	2,951
126 Speech Handicapped:			
100 Salaries	1,799,201	1,835,538	(36,337)
200 Employee Benefits	798,401	781,115	17,286
300 Purchased Services	81,900	102,959	(21,059)
400 Supplies and Materials	81,935	38,936	42,999
127 Learning Disabilities:			
100 Salaries	4,458,434	4,230,070	228,364
200 Employee Benefits	1,957,410	1,810,061	147,349
300 Purchased Services	-	89,240	(89,240)
400 Supplies and Materials	100,218	104,091	(3,873)
128 Emotionally Handicapped:			
100 Salaries	804,642	657,576	147,066
200 Employee Benefits	367,464	297,239	70,225
300 Purchased Services	-	1,713	(1,713)
400 Supplies and Materials	3,724	4,773	(1,049)
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	794,680	696,423	98,257
200 Employee Benefits	331,494	295,117	36,377
300 Purchased Services	-	160	(160)
130 Pre-School Programs:			
135 Preschool Handicapped Speech (3- and 4-Yr. Olds):			
100 Salaries	-	1,000	(1,000)
200 Employee Benefits	-	1,100	(1,100)
400 Supplies and Materials	90	-	90
136 Preschool Handicapped Itinerant (3- and 4-Yr.-Olds):			
100 Salaries	8,195	24,346	(16,151)
200 Employee Benefits	3,582	7,894	(4,312)
300 Purchased Services	-	3,049	(3,049)
137 Pre-School Handicapped-Self-Contained (3- and 4-Yr. Olds):			
100 Salaries	1,122,415	1,113,383	9,032
200 Employee Benefits	502,762	494,875	7,887
300 Purchased Services	-	8,426	(8,426)
400 Supplies and Materials	540	537	3

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
138 Pre-School Handicapped-Homebased (3- and 4-Yr. Olds):			
100 Salaries	\$ 5,637	\$ 4,825	\$ 812
200 Employee Benefits	2,202	2,297	(95)
300 Purchased Services	-	2	(2)
139 Early Childhood Programs:			
100 Salaries	1,055,669	1,096,647	(40,978)
200 Employee Benefits	500,549	505,307	(4,758)
300 Purchased Services	18,224	22,535	(4,311)
400 Supplies and Materials	32,299	22,771	9,528
600 Other Objects	1,500	375	1,125
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	1,435,807	1,338,499	97,308
200 Employee Benefits	626,782	555,136	71,646
300 Purchased Services	1,388	3,081	(1,693)
400 Supplies and Materials	12,725	1,795	10,930
600 Other Objects	-	176	(176)
143 Advanced Placement:			
100 Salaries	322,988	308,467	14,521
200 Employee Benefits	132,363	126,700	5,663
300 Purchased Services	-	10,610	(10,610)
144 International Baccalaureate:			
300 Purchased Services	8,300	-	8,300
400 Supplies and Materials	50,000	11,280	38,720
600 Other Objects	11,775	11,749	26
145 Homebound:			
100 Salaries	193,937	98,803	95,134
200 Employee Benefits	49,433	33,764	15,669
300 Purchased Services	16,000	-	16,000
148 Gifted and Talented - Artistic:			
100 Salaries	149,649	160,408	(10,759)
200 Employee Benefits	59,311	63,073	(3,762)
300 Purchased Services	7,020	(1,022)	8,042
400 Supplies and Materials	2,875	91	2,784
149 Other Special Programs:			
100 Salaries	581,721	763,898	(182,177)
140 Terminal Leave	-	1,279,159	(1,279,159)
200 Employee Benefits	276,275	595,983	(319,708)
300 Purchased Services	2,320,870	52,466	2,268,404
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	805,158	689,171	115,987
200 Employee Benefits	397,622	344,114	53,508
300 Purchased Services	-	4,505	(4,505)
400 Supplies and Materials	25,549	12,573	12,976
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	40,000	16,966	23,034
200 Employee Benefits	12,052	5,170	6,882
300 Purchased Services	-	6,625	(6,625)
173 High School Summer School:			
100 Salaries	-	81,781	(81,781)
200 Employee Benefits	-	24,915	(24,915)
175 Instruction Programs Beyond Regular School Day:			
400 Supplies and Materials	-	132	(132)

**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, 2021**

	Final Budget	Actual	Variance Positive (Negative)
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	\$ 114,933	\$ 134,900	\$ (19,967)
200 Employee Benefits	39,666	45,988	(6,322)
300 Purchased Services	3,916	225	3,691
400 Supplies and Materials	575	370	205
600 Other Objects	351	451	(100)
182 Adult Secondary Education Programs:			
100 Salaries	-	2,000	(2,000)
200 Employee Benefits	-	166	(166)
300 Purchased Services	50	-	50
400 Supplies and Materials	3,974	3,681	293
183 Adult English Literacy:			
100 Salaries	-	6,210	(6,210)
200 Employee Benefits	-	1,632	(1,632)
188 Parenting/Family Literacy:			
100 Salaries	38,142	40,327	(2,185)
200 Employee Benefits	19,113	18,500	613
190 Instructional Pupil Activity:			
100 Salaries (optional)	655,488	663,454	(7,966)
200 Employee Benefits (optional)	197,499	197,536	(37)
660 Pupil Activity (optional)	20,800	5,454	15,346
Total Instruction	118,655,614	119,137,778	(482,164)
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	1,013,765	996,104	17,661
200 Employee Benefits	517,462	462,362	55,100
300 Purchased Services	120,000	4,983	115,017
400 Supplies and Materials	4,000	24,569	(20,569)
212 Guidance Services:			
100 Salaries	3,426,345	3,509,703	(83,358)
200 Employee Benefits	1,477,262	1,472,873	4,389
300 Purchased Services	2,240	22,148	(19,908)
400 Supplies and Materials	35,757	24,723	11,034
213 Health Services:			
100 Salaries	1,810,188	2,036,077	(225,889)
200 Employee Benefits	806,979	865,913	(58,934)
300 Purchased Services	1,430	39,361	(37,931)
400 Supplies and Materials	34,040	40,545	(6,505)
600 Other Objects	116	-	116
214 Psychological Services:			
100 Salaries	1,198,300	1,297,359	(99,059)
200 Employee Benefits	481,094	503,496	(22,402)
300 Purchased Services	6,000	7,453	(1,453)
400 Supplies and Materials	5,850	4,343	1,507
217 Career Specialist Services:			
100 Salaries	84,053	94,053	(10,000)
200 Employee Benefits	35,102	35,587	(485)
400 Supplies and Materials	1,035	775	260

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	\$ 1,876,358	\$ 1,987,156	\$ (110,798)
200 Employee Benefits	723,901	762,875	(38,974)
300 Purchased Services	607,203	490,367	116,836
400 Supplies and Materials	92,350	30,586	61,764
600 Other Objects	31,463	29,800	1,663
222 Library and Media Services:			
100 Salaries	1,866,810	1,891,644	(24,834)
200 Employee Benefits	895,072	833,107	61,965
300 Purchased Services	922	3,854	(2,932)
400 Supplies and Materials	339,669	327,333	12,336
600 Other Objects	175	175	-
223 Supervision of Special Programs:			
100 Salaries	895,459	921,480	(26,021)
200 Employee Benefits	339,722	344,709	(4,987)
300 Purchased Services	13,749	468	13,281
400 Supplies and Materials	2,146	1,332	814
600 Other Objects	280	4,880	(4,600)
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	1,957	9,470	(7,513)
200 Employee Benefits	590	21	569
300 Purchased Services	83,072	17,499	65,573
400 Supplies and Materials	14,180	9,916	4,264
600 Other Objects	351	-	351
230 General Administration Services:			
231 Board of Education:			
100 Salaries	59,076	59,076	-
200 Employee Benefits	17,682	17,796	(114)
300 Purchased Services	390,500	338,994	51,506
318 Audit Services	40,000	45,856	(5,856)
600 Other Objects	503,370	488,659	14,711
232 Office of the Superintendent:			
100 Salaries	269,673	286,353	(16,680)
200 Employee Benefits	96,066	95,420	646
300 Purchased Services	43,419	3,380	40,039
400 Supplies and Materials	6,723	6,348	375
600 Other Objects	7,100	2,409	4,691
233 School Administration:			
100 Salaries	10,914,968	11,272,231	(357,263)
200 Employee Benefits	4,578,151	4,601,779	(23,628)
300 Purchased Services	178,215	237,490	(59,275)
400 Supplies and Materials	293,998	308,096	(14,098)
500 Capital Outlay	3,700	16,909	(13,209)
600 Other Objects	21,336	17,033	4,303
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	101,161	74,173	26,988
200 Employee Benefits	57,295	38,297	18,998
300 Purchased Services	374,000	131,885	242,115
400 Supplies and Materials	-	92,798	(92,798)
252 Fiscal Services:			
100 Salaries	940,460	978,758	(38,298)
200 Employee Benefits	378,775	397,208	(18,433)
300 Purchased Services	202,691	76,070	126,621
400 Supplies and Materials	53,955	28,889	25,066
600 Other Objects	5,938	3,205	2,733

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, 2021

	Final Budget	Actual	Variance Positive (Negative)
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 6,948,455	\$ 6,818,905	\$ 129,550
200 Employee Benefits	3,389,377	3,270,235	119,142
300 Purchased Services	4,266,143	3,988,878	277,265
321 Public Utility Services (Excludes gas, oil, elec. & heating fuels)	799,000	848,674	(49,674)
400 Supplies and Materials	1,159,803	1,075,755	84,048
470 Energy (Includes gas, oil, elec. & heating fuels)	4,010,505	3,896,551	113,954
500 Capital Outlay	35,356	38,282	(2,926)
255 Student Transportation (State Mandated):			
100 Salaries	3,760,605	3,690,565	70,040
200 Employee Benefits	1,760,532	1,642,508	118,024
300 Purchased Services	177,130	95,439	81,691
400 Supplies and Materials	56,500	41,539	14,961
600 Other Objects	1,000	380	620
256 Food Services:			
100 Salaries	-	120,000	(120,000)
200 Employee Benefits	-	12,287	(12,287)
400 Supplies and Materials	-	22,072	(22,072)
257 Internal Services:			
100 Salaries	286,889	259,807	27,082
200 Employee Benefits	125,023	105,867	19,156
300 Purchased Services	657,465	520,934	136,531
400 Supplies and Materials	42,973	11,653	31,320
258 Security:			
100 Salaries	185,058	189,766	(4,708)
200 Employee Benefits	68,581	72,570	(3,989)
300 Purchased Services	1,964,725	1,812,406	152,319
400 Supplies and Materials	22,810	10,071	12,739
500 Capital Outlay	-	4,980	(4,980)
600 Other Objects	410	255	155
260 Central Support Services:			
262 Planning:			
100 Salaries	709,198	779,494	(70,296)
200 Employee Benefits	280,054	302,184	(22,130)
300 Purchased Services	-	65,677	(65,677)
263 Information Services:			
100 Salaries	409,480	417,977	(8,497)
200 Employee Benefits	173,241	171,098	2,143
300 Purchased Services	179,500	72,440	107,060
400 Supplies and Materials	30,000	18,066	11,934
600 Other Objects	12,000	12,032	(32)
264 Staff Services:			
100 Salaries	784,201	742,460	41,741
200 Employee Benefits	300,639	470,290	(169,651)
300 Purchased Services	28,743	29,871	(1,128)
400 Supplies and Materials	30,402	19,193	11,209
600 Other Objects	125	1,296	(1,171)
266 Technology and Data Processing Services:			
100 Salaries	1,743,554	1,790,123	(46,569)
200 Employee Benefits	699,846	700,283	(437)
300 Purchased Services	1,001,471	1,070,606	(69,135)
400 Supplies and Materials	160,519	17,503	143,016
600 Other Objects	-	176	(176)
270 Support Services - Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	1,670,263	1,889,123	(218,860)
200 Employee Benefits	593,849	626,091	(32,242)
300 Purchased Services	237,769	146,305	91,464
400 Supplies and Materials	(6,810)	10,921	(17,731)
660 Pupil Activity	419,228	470,694	(51,466)
Total Support Services	77,560,311	77,102,493	457,818

**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, 2021**

	Final Budget	Actual	Variance Positive (Negative)
300 Community Services:			
390 Other Community Services:			
300 Purchased Services	\$ 15,000	\$ -	\$ 15,000
400 Supplies and Materials	5,850	-	5,850
Total Community Services	<u>20,850</u>	<u>-</u>	<u>20,850</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units:			
720 Transits	<u>20,000</u>	<u>36,899</u>	<u>(16,899)</u>
Total Intergovernmental Expenditures	<u>20,000</u>	<u>36,899</u>	<u>(16,899)</u>
Total Expenditures	<u>196,256,775</u>	<u>196,277,170</u>	<u>(20,395)</u>
Other Financing Sources (Uses)			
5300 Sale of Fixed Assets	-	75,087	75,087
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	5,717,090	5,665,920	(51,170)
5280 Transfer from Other Funds Indirect Costs	480,000	436,477	(43,523)
425-710 Transfer to Food Service Fund	<u>(267,897)</u>	<u>(207,093)</u>	<u>60,804</u>
Total Other Financing Sources (Uses)	<u>5,929,193</u>	<u>5,970,391</u>	<u>41,198</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	4,686,838	<u>\$ 4,686,838</u>
Fund Balance, Beginning of Year		<u>46,518,549</u>	
Fund Balance, End of Year		<u>\$ 51,205,387</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.
3. The School Food Services 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.

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

This page was intentionally left blank.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	STUDENT ACTIVITY FUNDS (700s)	TOTAL
Revenues									
1000 Revenue from Local Sources									
1700 Pupil Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,040	\$ 4,040
1740 Student Fees	-	-	-	-	-	-	-	2,257,911	2,257,911
1790 Other Pupil Activity Income	-	-	-	-	-	-	-	-	-
1900 Other Revenue from Local Sources:									
1920 Contributions & Donations Private Sources	-	-	-	-	-	-	260,076	273	260,349
1930 Special Needs Transportation - Medicaid	-	-	-	-	-	-	235,225	-	235,225
Total Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,301</u>	<u>2,262,224</u>	<u>2,757,525</u>
3000 Revenue from State Sources									
3110 Occupation Education:									
3118 EEDA Career Specialists	-	-	-	-	-	670,325	-	-	670,325
3120 General Education:									
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	120,259	-	-	120,259
3130 Special Programs:									
3135 Reading Coaches	-	-	-	-	-	605,441	-	-	605,441
3136 Student Health and Fitness-Nurses	-	-	-	-	-	281,010	-	-	281,010
3155 DDS SNAP & E&T Program	-	-	-	-	-	2,909	-	-	2,909
3156 Adult Education	-	-	-	-	-	3,670	-	-	3,670
3190 Miscellaneous Restricted State Grants:									
3193 Education License Plates	-	-	-	-	-	2,618	-	-	2,618
3199 Other Restricted State Grants	-	-	-	-	-	-	21,013	-	21,013
3600 Education Lottery Act Revenue:									
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-	-	-	-	1,195	-	-	1,195
3699 Other State Lottery Programs	-	-	-	-	-	48	-	-	48
3900 Other State Revenue:									
3994 PEBA Nonemployer Contributions	-	-	-	-	-	1,875,729	-	-	1,875,729
3995 CRF Per Pupil Funding	-	-	-	-	-	-	3,538,485	-	3,538,485
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,563,204</u>	<u>3,559,498</u>	<u>-</u>	<u>7,122,702</u>
4000 Revenue from Federal Sources									
4100 Federally Impacted Areas									
4200 Occupational Education:									
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to State	-	-	-	164,165	-	-	-	-	164,165
4300 Elementary and Secondary Education Act of 1965 (ESEA):									
4310 Title I, Basic State Grant Programs (Carryover Provision)	1,943,831	-	-	-	-	-	332,093	-	2,275,924
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	29,163	-	29,163
4343 McKinney-Vento Education for Homeless Children and Youth Program	-	-	-	-	-	-	64,424	-	64,424
4351 Supporting Effective Instruction	-	-	-	-	-	-	208,030	-	208,030
4400 Adult Education:									
4410 Basic Adult Education	-	-	-	-	89,444	-	-	-	89,444
4430 State Literacy Resource	-	-	-	-	25,284	-	-	-	25,284
4500 Programs for Children with Disabilities:									
4510 Individuals with Disabilities Education Act (IDEA)	-	3,353,100	-	-	-	-	-	-	3,353,100
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-	176,365	-	-	-	-	-	176,365
4900 Other Federal Sources:									
4924 21st Century Community Learning Centers Program	-	-	-	-	-	-	13,089	-	13,089
4975 Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	-	-	-	-	-	-	50,000	-	50,000
4977 ESSER II	-	-	-	-	-	-	28,805	-	28,805
4990 Other Federal Revenue:									
4997 Title IV - SSAE	-	-	-	-	-	-	218,967	-	218,967
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	2,466,245	-	2,466,245
Total Federal Sources	<u>1,943,831</u>	<u>3,353,100</u>	<u>176,365</u>	<u>164,165</u>	<u>114,728</u>	<u>-</u>	<u>3,410,816</u>	<u>-</u>	<u>9,163,005</u>
Total Revenues All Sources	<u>1,943,831</u>	<u>3,353,100</u>	<u>176,365</u>	<u>164,165</u>	<u>114,728</u>	<u>3,563,204</u>	<u>7,465,615</u>	<u>2,262,224</u>	<u>19,043,232</u>

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	STUDENT ACTIVITY FUNDS (700s)	TOTAL
Expenditures									
100 Instruction									
110 General Instruction:									
111 Kindergarten Programs:									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,891	\$ 119,602	\$ -	\$ 135,493
200 Employee Benefits	-	-	-	-	-	6,262	37,434	-	43,696
300 Purchased Services	-	-	-	-	-	-	674	-	674
400 Supplies and Materials	-	-	-	-	-	-	4,778	-	4,778
112 Primary Programs:									
100 Salaries	968,274	-	-	-	-	36,163	635,190	-	1,639,627
200 Employee Benefits	401,723	-	-	-	-	12,583	209,539	-	623,845
300 Purchased Services	2,085	-	-	-	-	-	35,569	-	37,654
400 Supplies and Materials	188,809	-	-	-	-	-	114,055	-	302,864
113 Elementary Programs:									
100 Salaries	122,729	-	-	-	-	35,288	524,783	-	682,800
200 Employee Benefits	47,556	-	-	-	-	14,072	174,688	-	236,316
300 Purchased Services	-	-	-	-	-	-	8,228	-	8,228
400 Supplies and Materials	-	-	-	-	-	2,618	182,906	-	185,524
114 High School Programs:									
100 Salaries	-	-	-	-	-	-	328,721	-	328,721
200 Employee Benefits	-	-	-	-	-	-	35,046	-	35,046
400 Supplies and Materials	-	-	-	-	-	-	63,280	-	63,280
115 Career and Technology Education Programs:									
300 Purchased Services	-	-	-	24,250	-	-	-	-	24,250
400 Supplies and Materials	-	-	-	110,185	-	-	13,815	316	124,316
118 Montessori Programs:									
100 Salaries	-	-	-	-	-	-	87,509	-	87,509
200 Employee Benefits	-	-	-	-	-	-	33,872	-	33,872
300 Purchased Services	-	-	-	-	-	-	7,621	-	7,621
400 Supplies and Materials	-	-	-	-	-	-	23,971	-	23,971
120 Exceptional Programs:									
121 Educable Mentally Handicapped:									
100 Salaries	-	622,865	-	-	-	-	54,128	-	676,993
200 Employee Benefits	-	312,477	-	-	-	-	27,314	-	339,791
300 Purchased Services	-	2,613	-	-	-	-	-	-	2,613
400 Supplies and Materials	-	2,684	-	-	-	-	1,861	-	4,545
122 Trainable Mentally Handicapped:									
100 Salaries	-	100,708	-	-	-	-	-	-	100,708
200 Employee Benefits	-	51,850	-	-	-	-	-	-	51,850
124 Visually Handicapped:									
100 Salaries	-	193	-	-	-	-	2,093	-	2,286
200 Employee Benefits	-	58	-	-	-	-	631	-	689
300 Purchased Services	-	12,762	-	-	-	-	-	-	12,762
400 Supplies and Materials	-	2,177	-	-	-	-	-	-	2,177
125 Hearing Handicapped:									
100 Salaries	-	193	-	-	-	-	1,529	-	1,722
200 Employee Benefits	-	58	-	-	-	-	461	-	519
300 Purchased Services	-	6,362	-	-	-	-	578	-	6,940
400 Supplies and Materials	-	4,906	-	-	-	-	-	-	4,906
126 Speech Handicapped:									
100 Salaries	-	14,506	-	-	-	-	32,068	-	46,574
200 Employee Benefits	-	6,267	-	-	-	-	9,662	-	15,929
300 Purchased Services	-	832	-	-	-	-	2,304	-	3,136
400 Supplies and Materials	-	1,082	-	-	-	-	2,289	-	3,371
127 Learning Disabilities:									
100 Salaries	-	204,439	-	-	-	-	182,672	-	387,111
200 Employee Benefits	-	105,349	-	-	-	-	58,505	-	163,854
300 Purchased Services	-	311	-	-	-	-	-	-	311
400 Supplies and Materials	-	584	-	-	-	-	337	-	921
128 Emotionally Handicapped:									
100 Salaries	-	21,523	-	-	-	-	10,167	-	31,690
200 Employee Benefits	-	11,425	-	-	-	-	3,063	-	14,488
129 Coordinated Early Intervening Services (CEIS):									
100 Salaries	54,415	265,794	-	-	-	-	29,077	-	349,286
200 Employee Benefits	24,233	123,051	-	-	-	-	8,761	-	156,045

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	STUDENT ACTIVITY FUNDS (700s)	TOTAL
130 Preschool Programs:									
135 Preschool Handicapped Speech (3- and 4-Yr. Olds):									
100 Salaries	\$ -	\$ -	\$ 76,936	\$ -	\$ -	\$ -	\$ 1,715	\$ -	\$ 78,651
200 Employee Benefits	-	-	35,558	-	-	-	517	-	36,075
136 Preschool Handicapped Itinerant (3 & 4-Yr. Olds):									
100 Salaries	-	-	-	-	-	-	2,807	-	2,807
200 Employee Benefits	-	-	-	-	-	-	846	-	846
137 Preschool Handicapped Self-Contained (3- and 4-Yr. Olds):									
100 Salaries	-	247,288	28,701	-	-	-	13,450	-	289,439
200 Employee Benefits	-	143,648	18,051	-	-	-	4,052	-	165,751
300 Purchased Services	-	348	1,831	-	-	-	-	-	2,179
400 Supplies and Materials	-	-	5,967	-	-	-	-	-	5,967
139 Early Childhood Programs:									
100 Salaries	-	-	-	-	-	-	57,252	-	57,252
200 Employee Benefits	-	-	-	-	-	-	19,718	-	19,718
300 Purchased Services	-	-	-	-	-	-	6,484	-	6,484
400 Supplies and Materials	-	-	-	-	-	-	3,019	-	3,019
140 Special Programs:									
141 Gifted and Talented - Academic:									
100 Salaries	-	-	-	-	-	-	19,661	-	19,661
200 Employee Benefits	-	-	-	-	-	-	5,923	-	5,923
144 International Baccalaureate:									
100 Salaries	-	-	-	-	-	-	15,600	-	15,600
200 Employee Benefits	-	-	-	-	-	-	4,634	-	4,634
300 Purchased Services	-	-	-	-	-	-	2,213	-	2,213
400 Supplies and Materials	-	-	-	-	-	-	33,603	-	33,603
600 Other Objects	-	-	-	-	-	-	5,117	-	5,117
148 Gifted and Talented Artistic:									
100 Salaries	-	-	-	-	-	-	1,575	-	1,575
200 Employee Benefits	-	-	-	-	-	-	475	-	475
149 Other Special Programs:									
100 Salaries	-	10,543	-	-	-	-	5,344	-	15,887
200 Employee Benefits	-	5,071	-	-	-	-	1,610	-	6,681
400 Supplies and Materials	-	-	-	-	-	-	15,402	-	15,402
160 Other Exceptional Programs:									
161 Autism:									
100 Salaries	-	78,427	-	-	-	-	8,628	-	87,055
200 Employee Benefits	-	45,089	-	-	-	-	2,599	-	47,688
400 Supplies and Materials	-	428	-	-	-	-	-	-	428
170 Summer School Programs:									
175 Instructional Programs Beyond Regular School Day:									
100 Salaries	-	-	-	-	-	-	6,745	-	6,745
200 Employee Benefits	-	-	-	-	-	-	693	-	693
180 Adult/Continuing Education Programs:									
181 Adult Basic Education Programs:									
100 Salaries	-	-	-	-	22,254	-	-	-	22,254
200 Employee Benefits	-	-	-	-	6,178	1,339	-	-	7,517
182 Adult Secondary Education Programs:									
100 Salaries	-	-	-	-	23,650	-	-	-	23,650
200 Employee Benefits	-	-	-	-	7,363	-	-	-	7,363
400 Supplies and Materials	-	-	-	-	-	266	-	-	266
183 Adult English Literacy (ESL):									
100 Salaries	-	-	-	-	19,675	-	-	-	19,675
200 Employee Benefits	-	-	-	-	5,256	-	-	-	5,256
400 Supplies and Materials	-	-	-	-	352	-	-	-	352
188 Parenting/Family Literacy:									
100 Salaries	-	-	-	-	19,414	-	36,180	-	55,594
200 Employee Benefits	-	-	-	-	8,586	279	25,900	-	34,765
300 Purchased Services	-	-	-	-	-	-	1,027	-	1,027
400 Supplies and Materials	207	-	-	-	-	-	4,326	-	4,533
190 Instructional Pupil Activity:									
400 Supplies and Materials	-	-	-	-	-	-	-	1,134	1,134
600 Other Objects	-	-	-	-	-	-	-	920	920
Total Instruction	1,810,031	2,405,911	167,044	134,435	112,728	124,761	3,375,896	2,370	8,133,176

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	STUDENT ACTIVITY FUNDS (700s)	TOTAL
200 Support Services									
210 Pupil Services:									
211 Attendance and Social Work Services									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,526	\$ -	\$ 7,526
200 Employee Benefits	-	-	-	-	-	-	2,293	-	2,293
300 Purchased Services	-	-	-	-	-	-	5,245	-	5,245
400 Supplies and Materials	-	-	-	-	-	-	5,033	-	5,033
212 Guidance Services:									
100 Salaries	-	-	-	-	-	128,662	34,337	-	162,999
200 Employee Benefits	-	-	-	-	-	43,812	10,345	-	54,157
213 Health Services:									
100 Salaries	-	12,254	-	-	-	193,336	75,834	-	281,424
200 Employee Benefits	-	6,275	-	-	-	87,673	21,130	-	115,078
300 Purchased Services	-	2,259	-	-	-	-	2,540	-	4,799
400 Supplies and Materials	-	4,409	-	-	-	-	7,899	-	12,308
214 Psychological Services:									
100 Salaries	-	384,557	-	-	-	-	37,926	-	422,483
200 Employee Benefits	-	147,862	-	-	-	-	6,334	-	154,196
300 Purchased Services	-	2,597	-	-	-	-	-	-	2,597
400 Supplies and Materials	-	16,289	-	-	-	-	-	-	16,289
217 Career Specialist Services:									
100 Salaries	-	-	-	-	-	338,913	2,139	-	341,052
200 Employee Benefits	-	-	-	-	-	158,938	644	-	159,582
220 Instructional Staff Services:									
221 Improvement of Instruction - Curriculum Development:									
100 Salaries	-	23,829	-	-	-	423,800	54,110	-	501,739
200 Employee Benefits	-	10,803	-	-	-	181,641	18,418	-	210,862
300 Purchased Services	-	6,328	-	-	2,000	-	70,805	-	79,133
400 Supplies and Materials	-	6,046	-	-	-	661	7,216	-	13,923
600 Other Objects	-	-	-	-	-	-	13,070	-	13,070
222 Library and Media:									
100 Salaries	-	-	-	-	-	-	21,608	-	21,608
200 Employee Benefits	-	-	-	-	-	-	6,512	-	6,512
223 Supervision of Special Programs:									
100 Salaries	-	87,762	-	-	-	-	341,520	-	429,282
200 Employee Benefits	-	35,609	-	-	-	-	145,200	-	180,809
300 Purchased Services	-	8,390	-	-	-	-	365,158	-	373,548
400 Supplies and Materials	-	1,984	-	-	-	4,083	196,621	-	202,688
600 Other Objects	-	-	-	-	-	-	5,260	-	5,260
224 Improvement of Instruction Inservice and Staff Training:									
100 Salaries	-	-	-	-	-	-	127,677	-	127,677
200 Employee Benefits	-	-	-	-	-	-	41,177	-	41,177
300 Purchased Services	27,144	917	-	7,200	-	-	222,016	-	257,277
400 Supplies and Materials	-	6,058	-	-	-	-	93,935	-	99,993
600 Other Objects	-	-	-	-	-	-	222	-	222
230 General Administration Services:									
232 Office of the Superintendent:									
400 Supplies and Materials	-	-	-	-	-	-	1,142	-	1,142
233 School Administration:									
100 Salaries	-	-	-	-	-	-	113,582	-	113,582
200 Employee Benefits	-	-	-	-	-	-	50,776	-	50,776
300 Purchased Services	-	-	-	-	-	-	15,728	-	15,728
250 Finance and Operations Services:									
251 Student Transportation (Federal/District Mandated):									
100 Salaries	-	-	-	-	-	-	88,066	-	88,066
200 Employee Benefits	-	-	-	-	-	-	48,525	-	48,525
300 Purchased Services	-	5,843	-	-	-	-	60,218	-	66,061
500 Capital Outlay	-	-	-	-	-	-	67,506	-	67,506
253 Facilities Acquisition and Construction:									
540 Equipment	-	-	-	-	-	-	37,379	-	37,379
254 Operations and Maintenance of Plant:									
300 Purchased Services	-	-	-	-	-	-	18,919	-	18,919
400 Supplies and Materials	-	-	-	-	-	-	298,536	-	298,536
500 Capital Outlay	-	-	-	-	-	-	13,655	-	13,655

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects) (243)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	STUDENT ACTIVITY FUNDS (700s)	TOTAL
256 Food Services:									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11,104	\$ -	\$ 11,104
200 Employee Benefits	-	-	-	-	-	-	3,477	-	3,477
400 Supplies and Materials (Includes gas, oil, electricity, and other heating fuels)	-	-	-	-	-	-	9,591	-	9,591
258 Security:									
400 Supplies and Materials						1,195	-	-	1,195
260 Central Support Services*									
264 Staff Services:									
300 Purchased Services	-	-	-	-	-	-	3,609	-	3,609
266 Technology and Data Processing Services:									
300 Purchased Services	-	-	-	-	-	-	24,581	-	24,581
400 Supplies and Materials	-	-	-	-	-	-	1,029,597	-	1,029,597
270 Support Services Pupil Activity:									
271 Pupil Service Activities:									
100 Salaries	-	-	-	-	-	-	-	118,572	118,572
200 Employee Benefits	-	-	-	-	-	-	-	37,857	37,857
300 Purchased Services	-	-	-	22,530	-	-	3,918	265,670	292,118
400 Supplies and Materials	-	-	-	-	-	-	1,775	217,288	219,063
660 Pupil Activity	-	-	-	-	-	-	762	1,397,537	1,398,299
Total Support Services	27,144	770,071	-	29,730	2,000	1,562,714	3,852,196	2,036,924	8,280,779
300 Community Services									
360 Welfare Services:									
300 Purchased Services	-	-	-	-	-	-	44,493	-	44,493
400 Supplies and Materials	-	-	-	-	-	-	11,678	-	11,678
Total Community Services	-	-	-	-	-	-	56,171	-	56,171
400 Other Charges									
410 Intergovernmental Expenditures:									
411 Payments to the State Department of Education:									
720 Transits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	37,970	\$ -	\$ 37,970
419 Payments from PEBA Nonemployer Contributions:									
720 Transits	-	-	-	-	-	1,875,729	-	-	1,875,729
Total Intergovernmental Expenditures	-	-	-	-	-	1,875,729	37,970	-	1,913,699
Total Expenditures	1,837,175	3,175,982	167,044	164,165	114,728	3,563,204	7,322,233	2,039,294	18,383,825
Other Financing Sources (Uses):									
Interfund Transfer, From (To) Other Funds:									
431-791 Special Revenue Fund Indirect Costs	(106,656)	(177,118)	(9,321)	-	-	-	(143,382)	-	(436,477)
Total Other Financing Sources (Uses)	(106,656)	(177,118)	(9,321)	-	-	-	(143,382)	-	(436,477)
Excess/Deficiency of Revenues over Expenditures	-	-	-	-	-	-	-	222,930	222,930
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
Cumulative Change in Accounting Principle - GASB #84	-	-	-	-	-	-	-	4,703,405	4,703,405
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,926,335	\$ 4,926,335

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS AND OTHER SPECIAL PROJECTS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2021

District Subfund Code	District Revenue Code	Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
Other State Restricted Grants:							
919	3193	Education License Plates	\$ 2,618	\$ 2,618	\$ -	\$ -	\$ -
928	3118	EEDA Career Specialists	670,325	670,325	-	-	1,041,076
935	3135	Reading Coaches	605,441	605,441	-	-	561,649
936	3136	Student Health and Fitness	281,010	281,010	-	-	573,369
937	3127	Student Health and Fitness - PE Teachers	120,259	120,259	-	-	100,942
955	3155	DSS SNAP & E&T Program	2,909	2,909	-	-	8,117
956	3156	Adult Education	3,670	3,670	-	-	2,073
969	3699	Misc. Lottery	48	48	-	-	-
970	3670	School Safety Upgrades	1,195	1,195	-	-	-
994	3994	PEBA Nonemployer Contributions	1,875,729	1,875,729	-	-	-
			<u>\$ 3,563,204</u>	<u>\$ 3,563,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,287,226</u>
Other Special:							
210	4997	Title IV SSAE	\$ 218,967	\$ 207,319	\$ (11,648)	\$ -	\$ -
217	3995	Corona Relief	3,538,485	3,538,485	-	-	-
220	4975	ESSER Fund	50,000	50,000	-	-	-
224	4924	21st Century	13,089	13,089	-	-	-
225	4977	ESSER II Fund	28,805	28,805	-	-	-
232	4343	McKinney-Vento	64,424	62,714	(1,710)	-	-
237	4310	Title I - School Improvement	196,026	185,666	(10,360)	-	-
239	4310	Title I - School Improvement	136,067	128,876	(7,191)	-	-
264	4341	Title II - English Language Acquisition	29,163	28,541	(622)	-	-
267	4351	Supporting Effective Instruction	208,030	196,534	(11,496)	-	-
804	4999	Magnet School Grant - Discover Five	2,247,619	2,147,266	(100,353)	-	-
831	4999	CHS NJROTC	82,350	82,350	-	-	16,008
832	4999	IHS, DJHS AF ROTC	136,004	136,004	-	-	814
838	4999	Student Health Profiles YRBS/YTS Admin	272	272	-	-	328
868	1920	Lexington County First Steps	66,139	66,139	-	-	-
890	1930/3199	Medicaid	256,238	256,238	-	-	102,933
898	1920	Mini Grants	193,937	193,937	-	-	141,125
			<u>\$ 7,465,615</u>	<u>\$ 7,322,235</u>	<u>\$ (143,380)</u>	<u>\$ -</u>	<u>\$ 261,208</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues

3000 Revenue from State Sources

3500 Education Improvement Act:	
3502 ADEPT	\$ 6,369
3507 Aid to Districts - Technology	3,238
3509 Arts in Education	9,487
3518 Adoption List of Formative Assessment	82,785
3519 Grade 10 Assessments	108,016
3526 Refurbishment of Science Kits	60,837
3528 Industry Certifications/Credentials	115,984
3529 Career and Technology Education	436,713
3532 National Board Salary Supplement (No Carryover Provision)	2,484,134
3533 Teacher of the Year Awards	53,825
3538 Students at Risk of School Failure	1,373,762
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	379,567
3550 Teacher Salary Increase (No Carryover Provision)	4,557,067
3555 Teacher Salary Fringe (No Carryover Provision)	1,108,853
3556 Adult Education	212,183
3557 Summer Reading Program	59,033
3571 CSI and State Priority Schools	248,750
3577 Teacher Supplies (No Carryover Provision)	386,650
3594 EEDA Supplemental Programs	220,737
3595 EEDA - Supplies and Materials	29,474
3597 Aid to Districts	60,263
3599 Other EIA	102,679

Total State Sources	<u>12,100,406</u>
----------------------------	-------------------

Total Revenues All Sources	<u>12,100,406</u>
-----------------------------------	-------------------

Expenditures

100 Instruction:

110 General Instruction:

111 Kindergarten Programs:	
100 Salaries	97,250
200 Employee Benefits	28,405
400 Supplies and Materials	3,357
112 Primary Programs:	
100 Salaries	948,444
200 Employee Benefits	334,753
400 Supplies and Materials	224,400
113 Elementary Programs:	
100 Salaries	632,595
200 Employee Benefits	216,527
400 Supplies and Materials	17,956

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

114 High School Programs:		
100 Salaries	\$	590,597
200 Employee Benefits		162,127
115 Career and Technology Education Programs:		
100 Salaries		79,131
200 Employee Benefits		22,846
300 Purchased Services		104,207
400 Supplies and Materials		197,904
500 Capital Outlay		216,762
118 Montessori Programs:		
100 Salaries		7,500
200 Employee Benefits		2,197
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries		39,224
200 Employee Benefits		11,442
126 Speech Handicapped:		
100 Salaries		19,942
200 Employee Benefits		5,660
127 Learning Disabilities:		
100 Salaries		38,750
200 Employee Benefits		11,247
300 Purchased Services		-
129 Coordinated Early Intervening Services (CEIS):		
100 Salaries		40,313
200 Employee Benefits		11,751
130 Preschool Programs:		
137 Preschool Handicapped Self-Contained (3- and 4-Yr. Olds):		
100 Salaries		6,776
200 Employee Benefits		1,979
139 Early Childhood Programs:		
100 Salaries		228,174
200 Employee Benefits		100,432
400 Supplies and Materials		70,344
140 Special Programs:		
141 Gifted and Talented Academic:		
100 Salaries		46,250
200 Employee Benefits		13,533

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

143 Advanced Placement:		
100 Salaries	\$	13,903
200 Employee Benefits		4,079
149 Other Special Programs:		
100 Salaries		204
200 Employee Benefits		(135)
400 Supplies and Materials		386,650
170 Summer School Programs:		
175 Instructional Programs Beyond Regular School Day:		
100 Salaries		34,690
200 Employee Benefits		10,490
400 Supplies and Materials		2,952
180 Adult/Continuing Education Programs:		
181 Adult Education Basic Programs:		
100 Salaries		30,197
200 Employee Benefits		10,320
182 Adult Secondary Education Programs:		
100 Salaries		120,745
200 Employee Benefits		50,921
188 Parenting/Family Literacy:		
100 Salaries		84,575
200 Employee Benefits		27,886
300 Purchased Services		918
190 Instructional Pupil Activity:		
400 Supplies and Materials		1,710
Total Instruction		5,312,880

200 Supporting Services:

210 Pupil Services:		
211 Attendance and Social Work Services:		
100 Salaries		50,307
200 Employee Benefits		18,182
300 Purchased Services		12,925
400 Supplies and Materials		41,977
500 Capital Outlay		6,493
212 Guidance Services:		
100 Salaries		88,229
200 Employee Benefits		25,821
300 Purchased Services		2,097
400 Supplies and Materials		27,377
213 Health Services:		

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

100 Salaries	\$	2,412
200 Employee Benefits		746
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development:		
100 Salaries		207,699
200 Employee Benefits		74,589
300 Purchased Services		108,516
222 Library and Media Services:		
100 Salaries		38,194
200 Employee Benefits		11,200
223 Supervision of Special Programs:		
100 Salaries		21,550
200 Employee Benefits		6,410
300 Purchased Services		15,395
400 Supplies and Materials		1,660
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries		7,000
200 Employee Benefits		2,109
300 Purchased Services		180,981
400 Supplies and Materials		21,143
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
300 Purchased Services		24,738
254 Operation and Maintenance of Plant:		
300 Purchased Services		15,919
400 Supplies and Materials		2,151
260 Central Support Services:		
266 Technology & Data Processing Services		
300 Purchased Services		3,238
400 Supplies and Materials		102,679
270 Support Services - Pupil Activity:		
271 Pupil Service Activities:		
300 Purchased Services		(131)
Total Support Services		<u>1,121,606</u>
Total Expenditures		<u>6,434,486</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUNDS - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

420-710 Transfer to General Fund (Exclude Indirect Costs)	\$ (5,665,920)
---	----------------

Total Other Financing Sources (Uses)	(5,665,920)
---	-------------

Excess/Deficiency of Revenues over Expenditures	-
--	---

Fund Balance, Beginning of Year	-
--	---

Fund Balance, End of Year	\$ -
----------------------------------	------

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021

Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 6,369	\$ 6,369	\$ -	\$ -	\$ 10,599
3507 Aid to District Technology	3,238	3,238	-	-	-
3509 Arts in Education	9,487	9,487	-	-	-
3518 Adoption List of Formative Assessment	82,785	82,785	-	-	66,318
3519 Grade 10 Assessments	108,016	108,016	-	-	77,776
3526 Refurbishment of Science Kits	60,837	60,837	-	-	52,339
3528 Industry Certifications/Credentials	115,984	115,984	-	-	122,787
3529 Career and Technology Education	436,713	436,713	-	-	400,800
3532 National Board Salary Supplement (No Carryover Provision)	2,484,134	2,484,134	-	-	-
3533 Teacher of the Year Awards	53,825	53,825	-	-	-
3535 Reading Coaches	-	-	-	-	176,395
3538 Students at Risk of School Failure	1,373,762	1,373,762	-	-	1,141,790
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	379,567	379,567	-	-	463,067
3550 Teacher Salary Increase (No Carryover Provision)	4,557,067	-	-	(4,557,067)	-
3555 Teacher Salary Fringe (No Carryover Provision)	1,108,853	-	-	(1,108,853)	-
3556 Adult Education	212,183	212,183	-	-	-
3557 Summer Reading Program	59,033	59,033	-	-	179,519
3571 CSI and State Priority Schools	248,750	248,750	-	-	509,184
3577 Teacher Supplies (No Carryover Provision)	386,650	386,650	-	-	-
3594 EEDA Supplemental Programs	220,737	220,737	-	-	-
3395 EEDA Supplies and Materials	29,474	29,474	-	-	11,143
3597 Aid to Districts	60,263	60,263	-	-	596,956
3599 Other EIA	102,679	102,679	-	-	94,760
Total	\$ 12,100,406	\$ 6,434,486	\$ -	\$ (5,665,920)	\$ 3,903,433

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUND - FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Actual</u>
Revenues	
1000 Revenues from Local Sources	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 5,094
1600 Food Services:	
1610 Lunch Sales to Pupils	10,697
1620 Breakfast Sales to Pupils	2
1630 Special Sales to Pupils	320,381
1640 Lunch Sales to Adults	43,245
1650 Breakfast Sales to Adults	428
1660 Special Sales to Adults	25,593
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	<u>109,877</u>
Total Local Sources	<u>515,317</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	5,749,764
4830 School Breakfast Program (Carryover Provision)	2,270,809
4860 Fresh Fruit & Vegetable Program (FFVP) Carryover Provision	34,836
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	<u>620,801</u>
Total Federal Sources	<u>8,676,210</u>
Total Revenue - All Sources	<u>9,191,527</u>
Expenditures	
200 Support Services	
250 Finance and Operation Services:	
256 Food Services:	
100 Salaries	\$ 2,681,625
200 Employee Benefits	1,411,089
300 Purchased Services	134,142
400 Supplies and Materials	4,179,386
600 Other Objects	<u>6,914</u>
Total Support Services	<u>8,413,156</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SPECIAL REVENUE FUND - FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Actual</u>
Total Expenditures	<u>\$ 8,413,156</u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	<u>207,093</u>
Total Other Financing Sources (Uses)	<u>207,093</u>
Excess/(Deficiency) of Revenues Over Expenditures	985,464
Fund Balance - Beginning of Year	<u>3,063,392</u>
Fund Balance - End of Year	<u><u>\$ 4,048,856</u></u>

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.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues

1000 Revenue from Local Sources

1100 Taxes Levied/Assessed by the LEA:	
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 42,071,686
1140 Penalties & Interest on Taxes (Independent)	124,860
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	385,761
1500 Earnings on Investments:	
1510 Interest on Investments	19,057
Total Local Sources	42,601,364

3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	1,411,143
3830 Merchant's Inventory Tax	71,317
3840 Manufacturer's Depreciation Reimbursement	111,736
3890 Other State Property Tax Revenues (includes Motor Carrier Vehicle Tax)	104,565
Total State Sources	1,698,761

4000 Revenue from Federal Sources

4900 Other Federal Revenue:	
4999 Revenue from Other Federal Sources	745,375
Total Federal Sources	745,375

Total Revenues All Sources	45,045,500
-----------------------------------	-------------------

Expenditures

500 Debt Service

395 Other Professional and Technical Services	1,750
610 Redemption of Principal	23,092,000
620 Interest	7,359,322
Total Debt Service	30,453,072

Total Expenditures	30,453,072
---------------------------	-------------------

**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, 2021**

Other Financing Sources (Uses)

Interfund Transfers, From (To) Other Funds:

424-710 Transfer to Capital Projects Fund	<u>\$ (9,362,000)</u>
---	-----------------------

Total Other Financing Sources (Uses)	<u>(9,362,000)</u>
---	--------------------

Excess/Deficiency of Revenues over Expenditures	<u>5,230,428</u>
--	------------------

Fund Balance, Beginning of Year	<u>9,800,230</u>
--	------------------

Fund Balance, Ending of Year	<u><u>\$ 15,030,658</u></u>
-------------------------------------	-----------------------------

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 Department of Education. The account numbers shown on the schedule are also mandated by the South Carolina Department of Education.

This page was intentionally left blank.

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

Revenues

1000 Revenue from Local Sources

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 70,465

Total Local Sources	<u>70,465</u>
----------------------------	---------------

Total Revenues All Sources	<u>70,465</u>
-----------------------------------	---------------

Expenditures

200 Support Services

220 Instructional Staff Services:

221 Improvement of Instruction Curriculum Development:	
400 Supplies and Materials	8

250 Finance and Operations Services:

253 Facilities Acquisition and Construction:	
300 Purchased Services	551,216
400 Supplies and Materials	1,523
500 Capital Outlay	
520 Construction Services	15,425,664
530 Improvements Other Than Buildings	109,412
540 Equipment	874,389
550 Vehicles	144,958
600 Other Objects	(68,181)
254 Operations and Maintenance of Plant:	
300 Purchased Services	6,946,967
400 Supplies and Materials	71,312
500 Capital Outlay	29,525
600 Other Objects	(18,032)
256 Food Services:	
500 Capital Outlay	2,739

260 Central Support Services:

266 Technology and Data Processing Services:	
300 Purchased Services	475,850
400 Supplies and Materials	996,534
500 Capital Outlay	<u>1,132,217</u>

Total Support Services	<u>26,676,101</u>
-------------------------------	-------------------

**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, 2021**

500 Debt Service

610 Redemption of Principal	\$ 487,441
620 Interest	12,559
690 Other Objects (Including Fees For Servicing Bonds)	<u>53,873</u>

Total Debt Service	<u>553,873</u>
---------------------------	----------------

Total Expenditures	<u>27,229,974</u>
---------------------------	-------------------

Other Financing Sources (Uses):

Interfund Transfers, From (To) Other Funds:

5240 Transfer from Debt Service Fund	<u>9,362,000</u>
--------------------------------------	------------------

Total Other Financing Sources (Uses)	<u>9,362,000</u>
---	------------------

Excess/Deficiency of Revenues over Expenditures	(17,797,509)
--	--------------

Fund Balance, Beginning of Year	<u>29,754,514</u>
--	-------------------

Fund Balance, Ending of Year	<u><u>\$ 11,957,005</u></u>
-------------------------------------	-----------------------------

Note: This schedule is presented as prescribed by the South Carolina State Department of Education.

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.

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 Department of Education. The account numbers shown on various schedules are also mandated by the South Carolina Department of Education.

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
ENTERPRISE FUND - AFTERSCHOOL PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Actual</u>
Revenues	
1000 Revenues from Local Sources:	
1300 Tuition:	
1310 From Patrons for Regular Day School	\$ 277,899
Total Revenues from Local Sources	<u>277,899</u>
Total Revenue All Sources	<u>277,899</u>
Expenditures	
100 Instruction	
110 General Instruction:	
112 Primary Programs:	
300 Purchased Services	4,001
400 Supplies and Materials	18,978
130 Pre-School Programs:	
139 Early Childhood Programs:	
100 Salaries	76,744
200 Employee Benefits	42,873
Total Instruction	<u>142,596</u>
200 Support Services	
220 Instructional Staff Services:	
224 Improvement of Instruction Inservice and Staff Training:	
300 Purchased Services	2,785
400 Supplies and Materials	17,996
600 Other Objects	474
230 General Administrative Services:	
233 School Administration:	
100 Salaries	1,230
200 Employee Benefits	380
400 Supplies and Materials	2,461
250 Finance and Operation Services:	
254 Operation and Maintenance of Plant:	
300 Purchased Services	3,041
Total Support Services	<u>\$ 28,367</u>

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
ENTERPRISE FUND - AFTERSCHOOL PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Actual</u>
300 Community Services	
350 Custody and Care of Children Services:	
100 Salaries	\$ 74,729
200 Employee Benefits	38,488
300 Purchased Services	4,221
400 Supplies and Materials	<u>18,585</u>
Total Community Services	<u>136,023</u>
 Total Expenditures	 <u>306,986</u>
Excess/Deficiency of Revenues Over Expenditures	(29,087)
Total Net Position (Deficit) - Beginning of Year	<u>(2,446,845)</u>
Total Net Position (Deficit) - Ending of Year	<u><u>\$ (2,475,932)</u></u>

This page was intentionally left blank.

SUPPLEMENTARY SCHEDULES
REQUIRED BY THE
SOUTH CAROLINA STATE
DEPARTMENT OF EDUCATION

This page was intentionally left blank.

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
LOCATION RECONCILIATION SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

Location I.D.	Location Description	Education Level	Cost Type	Total Expenditures
000	Districtwide	Non-Schools	Central	\$ 73,606,198
038	Chapin High School	High School	School	14,830,375
039	Irmo High School	High School	School	17,278,531
040	Irmo Middle School	Middle School	School	11,949,541
041	Chapin Elementary School	Elementary School	School	8,630,935
042	Dutch Fork Elementary School	Elementary School	School	5,947,700
043	Irmo Elementary School	Elementary School	School	6,080,185
044	Leaphart Elementary School	Elementary School	School	6,049,664
045	Seven Oaks Elementary School	Elementary School	School	6,526,741
046	Crossroads Intermediate School	Intermediate School	School	7,627,750
047	Nursery Road Elementary School	Elementary School	School	7,585,660
048	Harbison West Elementary School	Elementary School	School	8,661,815
049	H.E. Corley Elementary School	Elementary School	School	8,196,850
050	Chapin Intermediate School	Intermediate School	School	7,383,762
051	Dutch Fork High School	High School	School	18,170,987
052	Lake Murray Elementary School	Elementary School	School	7,831,014
053	River Springs Elementary School	Elementary School	School	5,569,614
054	Dutch Fork Middle School	Middle School	School	9,453,186
055	Ballentine Elementary School	Elementary School	School	6,770,118
056	Oak Pointe Elementary School	Elementary School	School	6,991,588
057	Spring Hill High School	High School	School	10,198,276
058	Chapin Middle School	Middle School	School	8,637,654
059	New Elementary School #13	Elementary School	School	17,317,490
750	Academy For Success	Other Schools	School	1,890,506
995	Center for Advanced Technical Studies	Other Schools	School	4,312,529

Total Expenditures/Disbursements for All Funds

\$ 287,498,669

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

General Fund	\$ 196,277,170
Special Revenue Fund - Special Projects	18,383,825
Special Revenue Fund - EIA Fund	6,434,486
Special Revenue Fund - Food Service	8,413,156
Debt Service Fund	30,453,072
Capital Projects Fund	27,229,974
Proprietary Fund	306,986

Total Expenditures/Disbursements for All Funds

\$ 287,498,669

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2021**

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to SDE or Federal Government	Status of Amount Due To Grantors
National Board Salary Supplement	EIA	332/3532	Unexpended Funds	\$ 18,889	Outstanding
Teacher Supplies (No Carryover Provision)	EIA	377/3577	Unexpended Funds	1,650	Outstanding
IDEA	SRF	203/4510	Unexpended Funds	561	Outstanding
CRF Per Pupil Funding	SRF	217/3995	Unexpended Funds	5,683	Outstanding
				<u>\$ 26,783</u>	

STATISTICAL SECTION (Unaudited)

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

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time..... 128 – 134

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax..... 135 – 142

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. 143 – 146

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place..... 147 – 149

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs..... 150 – 155

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

This page was intentionally left blank.

TABLE 1

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

	2012	2013	2014	2015*	2016**	2017	2018***	2019****	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 175,518,572	\$ 174,275,981	\$ 174,598,030	\$ 171,553,790	\$ 150,048,473	\$ 152,302,772	\$ 163,073,794	\$ 183,790,644	\$ 198,474,597	\$ 210,468,717
Restricted	6,477,810	6,934,331	4,642,905	3,583,875	13,101,641	16,984,735	19,729,707	10,730,020	11,770,036	23,451,956
Unrestricted	27,967,938	29,979,061	29,050,873	(178,291,876)	(169,132,831)	(172,480,387)	(377,452,293)	(387,789,246)	(389,134,093)	(402,947,759)
Total governmental activities	<u>209,964,320</u>	<u>211,189,373</u>	<u>208,291,808</u>	<u>(3,154,211)</u>	<u>(5,982,717)</u>	<u>(3,192,880)</u>	<u>(194,648,792)</u>	<u>(193,268,582)</u>	<u>(178,889,460)</u>	<u>(169,027,086)</u>
Business-type activities:										
Net investment in capital assets	544,780	554,085	553,912	565,844	2,925,150	2,558,825	2,271,933	-	-	-
Unrestricted	2,569,413	2,311,351	1,860,712	1,890,783	(3,447,859)	(3,605,841)	(8,584,213)	(2,311,420)	(2,446,845)	(2,475,932)
Total business-type activities	<u>3,114,193</u>	<u>2,865,436</u>	<u>2,414,624</u>	<u>2,456,627</u>	<u>(522,709)</u>	<u>(1,047,016)</u>	<u>(6,312,280)</u>	<u>(2,311,420)</u>	<u>(2,446,845)</u>	<u>(2,475,932)</u>
Primary government										
Net investment in capital assets	176,063,352	174,830,066	175,151,942	172,119,634	152,973,623	154,861,597	165,345,727	183,790,644	198,474,597	210,468,717
Restricted	6,477,810	6,934,331	4,642,905	3,583,875	13,101,641	16,984,735	19,729,707	10,730,020	11,770,036	23,451,956
Unrestricted	30,537,351	32,290,412	30,911,585	(176,401,093)	(172,580,690)	(176,086,228)	(386,036,506)	(390,100,666)	(391,580,938)	(405,423,691)
Total primary government	<u>\$ 213,078,513</u>	<u>\$ 214,054,809</u>	<u>\$ 210,706,432</u>	<u>\$ (697,584)</u>	<u>\$ (6,505,426)</u>	<u>\$ (4,239,896)</u>	<u>\$ (200,961,072)</u>	<u>\$ (195,580,002)</u>	<u>\$ (181,336,305)</u>	<u>\$ (171,503,018)</u>

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.

*****The district reclassified the Food Service program from a business-type activity to a governmental-type entity effective for the 2018-19 fiscal year.

This reclassification is reflected in the financial statements.

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Government activities:										
Instruction	\$ 101,998,583	\$ 108,242,761	\$ 115,863,958	\$ 124,800,258	\$ 120,506,839	\$ 127,992,580	\$ 135,172,741	\$ 127,229,632	\$ 134,277,651	\$ 144,866,989
Support service	71,146,133	74,983,257	78,213,038	79,879,481	91,001,448	85,010,739	89,069,070	110,128,101	116,540,697	124,262,434
Community service	76,339	50,377	59,029	65,869	63,034	78,703	101,009	48,594	24,515	56,171
Interest and other charges	4,312,025	9,120,703	9,782,790	8,150,714	7,265,870	6,213,712	6,165,827	7,121,552	6,159,923	6,993,915
Total governmental expenses	<u>177,533,080</u>	<u>192,397,098</u>	<u>203,918,815</u>	<u>212,896,322</u>	<u>218,837,191</u>	<u>219,295,734</u>	<u>230,508,647</u>	<u>244,527,879</u>	<u>257,002,786</u>	<u>276,179,509</u>
Business-type activities:										
Food service	7,614,547	7,843,171	8,899,748	8,886,303	8,745,796	10,156,891	8,869,617	-	-	-
After school	1,033,685	1,197,571	1,315,160	1,393,372	1,442,488	1,056,307	1,537,405	1,477,717	996,011	306,986
Total business-type expenses	<u>8,648,232</u>	<u>9,040,742</u>	<u>10,214,908</u>	<u>10,279,675</u>	<u>10,188,284</u>	<u>11,213,198</u>	<u>10,407,022</u>	<u>1,477,717</u>	<u>996,011</u>	<u>306,986</u>
Total primary government expenses	<u>186,181,312</u>	<u>201,437,840</u>	<u>214,133,723</u>	<u>223,175,997</u>	<u>229,025,475</u>	<u>230,508,932</u>	<u>240,915,669</u>	<u>246,005,596</u>	<u>257,998,797</u>	<u>276,486,495</u>
Program Revenues										
Government activities:										
Charges for services										
Instruction Services	633,584	30,864	20,206	43,311	16,401	3,839	2,350	1,648	3,162	4,149
Support Services	263,966	19,428	13,365	9,912	13,263	2,863	1,845	3,405,782	2,565,465	751,469
Community Services	-	-	-	25	9	2	2	-	-	-
Operating grants and contributions	67,207,775	73,559,278	77,171,071	79,696,829	79,547,616	85,992,887	90,902,260	101,783,326	108,659,709	115,282,993
Total governmental revenues	<u>68,105,325</u>	<u>73,609,570</u>	<u>77,204,642</u>	<u>79,750,077</u>	<u>79,577,289</u>	<u>85,999,591</u>	<u>90,906,457</u>	<u>105,190,756</u>	<u>111,228,336</u>	<u>116,038,611</u>
Business-type activities:										
Charges for services	5,327,592	5,278,078	5,535,223	5,550,294	5,147,509	5,158,902	4,894,353	1,134,491	797,358	277,899
Operating grants and contributions	3,654,464	3,534,109	3,866,388	4,309,458	4,869,015	5,201,429	5,509,028	-	-	-
Total business-type revenues	<u>8,982,056</u>	<u>8,812,187</u>	<u>9,401,611</u>	<u>9,859,752</u>	<u>10,016,524</u>	<u>10,360,331</u>	<u>10,403,381</u>	<u>1,134,491</u>	<u>797,358</u>	<u>277,899</u>
Total primary government revenues	<u>77,087,381</u>	<u>82,421,757</u>	<u>86,606,253</u>	<u>89,609,829</u>	<u>89,593,813</u>	<u>96,359,922</u>	<u>101,309,838</u>	<u>106,325,247</u>	<u>112,025,694</u>	<u>116,316,510</u>
Net (Expense) Revenue										
Total primary government net expense	<u>\$ (109,093,931)</u>	<u>\$ (119,016,083)</u>	<u>\$ (127,527,470)</u>	<u>\$ (133,566,168)</u>	<u>\$ (139,431,662)</u>	<u>\$ (134,149,010)</u>	<u>\$ (139,605,831)</u>	<u>\$ (139,680,349)</u>	<u>\$ (145,973,103)</u>	<u>\$ (160,169,985)</u>

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Total primary government net expense	\$ (109,093,931)	\$ (119,016,083)	\$ (127,527,470)	\$ (133,566,168)	\$ (139,431,662)	\$ (134,149,010)	\$ (139,605,831)	\$ (139,680,349)	\$ (145,973,103)	\$ (160,169,985)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	51,096,858	51,408,125	54,408,077	58,538,094	62,449,554	64,236,308	66,740,797	68,468,602	70,383,209	71,964,850
Property taxes levied for debt service	23,732,876	23,899,135	24,390,363	24,426,849	24,441,196	25,665,085	26,280,631	27,027,998	39,318,096	42,410,560
Payment in lieu of taxes	1,085,626	1,030,578	1,294,119	1,208,483	1,165,976	1,625,146	1,781,093	1,763,289	2,035,256	2,109,790
Unrestricted state revenue in lieu of taxes	41,932,359	42,603,890	43,083,852	43,560,260	43,941,177	44,215,110	44,676,344	45,326,074	46,275,478	47,158,361
Investment earnings	354,198	501,042	395,295	227,716	182,439	421,937	790,998	1,552,620	1,510,401	176,054
Miscellaneous	856,805	430,263	485,910	1,271,689	306,876	190,291	433,678	914,692	631,132	1,480,252
Transfers						(267,897)	(239,431)			
Total governmental revenues	119,058,722	119,873,033	124,057,616	129,233,091	132,487,218	136,085,980	140,464,110	145,053,275	160,153,572	165,299,867
Business-type activities:										
Investment earnings	8,337	7,485	4,111	4,835	58,866	60,663	47,960	-	-	-
Miscellaneous	-	111,861	117,366	208,191	145,286	-	-	8,144	63,228	-
Transfers	-	-	-	-	-	267,897	239,431	-	-	-
Total business-type revenues	8,337	119,346	121,477	213,026	204,152	328,560	287,391	8,144	63,228	-
Total primary government	119,067,059	119,992,379	124,179,093	129,446,117	132,691,370	136,414,540	140,751,501	145,061,419	160,216,800	165,299,867
Change in Net Position										
Governmental activities	9,530,066	1,225,053	(2,897,565)	(4,375,080)	(6,772,684)	2,789,837	861,920	5,716,152	14,379,122	5,158,969
Business-type activities	443,062	(248,757)	(450,812)	42,003	32,392	(524,307)	283,750	(335,082)	(135,425)	(29,087)
Total primary government	\$ 9,973,128	\$ 976,296	\$ (3,348,377)	\$ (4,333,077)	\$ (6,740,292)	\$ 2,265,530	\$ 1,145,670	\$ 5,381,070	\$ 14,243,697	\$ 5,129,882

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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019****</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable for Inventory	\$ 159,516	\$ 9,083	\$ 12,574	\$ 12,574	\$ 12,574	\$ 4,751	\$ 4,934	\$ 5,400	\$ 3,645	\$ 2,760
Nonspendable for Prepaid Items	2,893,816	3,118,702	712,139	788,406	1,005,634	4,283,690	1,299,021	1,005,685	1,170,720	4,928,134
Assigned for Special Purposes	4,574,852	10,749,175	7,467,714	6,800,000	7,470,385	6,976,603	2,898,273	-	2,000,000	10,804,715
Unassigned	23,115,911	19,252,097	23,971,686	26,786,336	28,584,179	27,071,193	32,453,103	39,521,963	43,344,184	35,469,778
Total General Fund	<u>\$ 30,744,095</u>	<u>\$ 33,129,057</u>	<u>\$ 32,164,113</u>	<u>\$ 34,387,316</u>	<u>\$ 37,072,772</u>	<u>\$ 38,336,237</u>	<u>\$ 36,655,331</u>	<u>\$ 40,533,048</u>	<u>\$ 46,518,549</u>	<u>\$ 51,205,387</u>
All Other Governmental Funds										
Nonspendable for Inventory - Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,775
Restricted- Special Projects	-	-	-	-	-	-	-	2,996,925	3,063,392	\$ 4,926,335
Restricted- Food Service	-	-	-	-	-	-	-	-	-	3,842,081
Restricted- Debt Service	5,715,026	7,500,378	6,509,558	5,228,679	4,640,228	5,451,625	6,003,256	6,772,925	9,800,230	15,030,658
Restricted- Building Fund	-	-	-	-	8,461,413	11,533,110	12,813,804	13,184,023	29,754,514	11,957,005
Committed- Building Fund	45,581,375	93,048,799	39,182,854	15,301,929	-	-	-	-	-	-
Assigned for Special Purposes	-	-	218,930	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 51,296,401</u>	<u>\$ 100,549,177</u>	<u>\$ 45,911,342</u>	<u>\$ 20,530,608</u>	<u>\$ 13,101,641</u>	<u>\$ 16,984,735</u>	<u>\$ 18,817,060</u>	<u>\$ 22,953,873</u>	<u>\$ 42,618,136</u>	<u>\$ 35,962,854</u>

Source: Records maintained by the School District Finance Department

****The district reclassified the Food Service program from a business-type activity to a governmental-type entity effective for the 2018-19 fiscal year.
This reclassification is reflected in the financial statements.

TABLE 5

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Local sources	\$ 77,787,518	\$ 78,404,569	\$ 81,824,431	\$ 85,064,866	\$ 89,493,199	\$ 94,178,480	\$ 97,146,924	\$ 103,488,957	\$ 116,893,261	\$ 120,229,299
State sources	102,513,220	106,307,556	108,709,486	112,210,851	111,883,766	119,854,432	124,406,632	130,747,411	136,664,371	141,630,858
Federal sources	6,537,246	9,075,000	10,761,981	10,752,713	10,238,943	8,579,347	9,398,914	15,731,877	17,316,822	18,584,590
Total revenues	<u>\$ 186,837,984</u>	<u>\$ 193,787,125</u>	<u>\$ 201,295,898</u>	<u>\$ 208,028,430</u>	<u>\$ 211,615,908</u>	<u>\$ 222,612,259</u>	<u>\$ 230,952,470</u>	<u>\$ 249,968,245</u>	<u>\$ 270,874,454</u>	<u>\$ 280,444,747</u>

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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction	\$ 96,528,377	\$ 102,390,616	\$ 107,109,102	\$ 108,507,061	\$ 110,123,458	\$ 115,560,600	\$ 118,751,391	\$ 122,986,803	\$ 128,297,869	\$ 132,349,031
Support services	64,126,752	69,059,636	72,333,714	74,627,436	74,840,186	78,981,671	82,901,879	96,461,960	106,187,995	103,690,027
Community services	76,339	50,377	59,029	65,869	57,414	70,958	88,555	48,594	24,515	56,171
Intergovernmental	75,805	54,980	268,694	239,460	264,744	188,347	216,508	1,308,176	157,147	1,950,598
Capital outlay	60,084,729	89,416,159	59,355,151	29,533,420	14,269,756	7,368,065	10,821,297	4,828,207	13,304,795	18,138,911
Debt service										
Principal	2,455,000	2,225,000	47,959,000	8,770,000	77,284,000	9,426,467	10,319,626	11,239,805	21,288,198	23,579,441
Interest and other fees	4,336,154	8,347,424	10,025,119	9,195,781	9,024,963	8,083,082	7,952,641	7,517,895	7,857,656	7,427,504
Total expenditures	<u>\$ 227,683,156</u>	<u>\$ 271,544,192</u>	<u>\$ 297,109,809</u>	<u>\$ 230,939,027</u>	<u>\$ 285,864,521</u>	<u>\$ 219,679,190</u>	<u>\$ 231,051,897</u>	<u>\$ 244,391,440</u>	<u>\$ 277,118,175</u>	<u>\$ 287,191,683</u>
Debt service as a percentage of noncapital expenditures	<u>4.0%</u>	<u>5.7%</u>	<u>24.3%</u>	<u>9.0%</u>	<u>30.9%</u>	<u>8.4%</u>	<u>8.6%</u>	<u>8.1%</u>	<u>11.5%</u>	<u>11.7%</u>

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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Excess of revenues over (under) expenditures	<u>\$ (40,845,172)</u>	<u>\$ (77,757,067)</u>	<u>\$ (95,813,911)</u>	<u>\$ (22,910,597)</u>	<u>\$ (74,248,613)</u>	<u>\$ 2,933,069</u>	<u>\$ (99,427)</u>	<u>\$ 5,576,805</u>	<u>\$ (6,243,721)</u>	<u>\$ (6,746,936)</u>
Other Financing Sources (Uses)										
General long-term debt issued	-	-	-	-	-	-	-	-	30,000,000	-
Premiums on bonds sold	-	-	-	-	7,456,021	151,900	90,377	-	1,839,203	-
Sale of capital assets	2,995	33,072	8,140	1,966	24,081	32,493	86,663	61,393	54,282	75,087
Other Financing Sources	-	-	-	-	-	-	1,007	-	-	-
Lease Purchases	-	2,970,000	-	-	-	2,296,994	-	-	-	-
Proceeds from long-term notes	-	126,252,185	-	-	-	-	-	-	-	-
Issurance of Refunding Debt	-	-	40,444,000	-	62,025,000	-	-	-	-	-
Transfers in	20,613,737	19,573,565	17,297,379	16,637,903	15,631,908	19,721,195	20,112,694	16,036,450	19,371,684	15,671,490
Transfers out	(20,714,638)	(19,434,017)	(17,538,387)	(16,886,803)	(15,631,908)	(19,989,092)	(20,352,125)	(16,403,327)	(19,371,684)	(15,671,490)
Total other financing sources (uses)	<u>(97,906)</u>	<u>129,394,805</u>	<u>40,211,132</u>	<u>(246,934)</u>	<u>69,505,102</u>	<u>2,213,490</u>	<u>(61,384)</u>	<u>(305,484)</u>	<u>31,893,485</u>	<u>75,087</u>
Net change in fund balances	<u>\$ (40,943,078)</u>	<u>\$ 51,637,738</u>	<u>\$ (55,602,779)</u>	<u>\$ (23,157,531)</u>	<u>\$ (4,743,511)</u>	<u>\$ 5,146,559</u>	<u>\$ (160,811)</u>	<u>\$ 5,271,321</u>	<u>\$ 25,649,764</u>	<u>\$ (6,671,849)</u>

Source: Records maintained by the School District Finance Department

TABLE 8
Page 1 of 2

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

Lexington County:

Fiscal Year	Tax Year December 31	Real Property		Personal Property		Total		Total Direct Rate	Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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%
2019	2018	227,510,610	4,925,960,056	91,436,670	1,076,003,910	318,947,280	6,001,963,966	311.70	5.3%
2020	2019	234,169,700	5,056,062,299	91,000,200	1,102,158,240	325,169,900	6,158,220,539	332.30	5.3%
2021	2020	262,796,050	5,705,579,092	91,614,050	1,094,340,580	354,410,100	6,799,919,672	321.50	5.2%

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

Source: Lexington County Auditor's Office

TABLE 8
Page 2 of 2

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		
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%
2019	2018	163,927,800	3,689,939,590	42,934,050	580,609,937	206,861,850	4,270,549,527	309.40	4.8%
2020	2019	180,212,860	4,056,703,270	43,651,185	587,318,515	223,864,045	4,644,021,785	332.30	4.8%
2021	2020	184,298,220	4,148,925,979	45,670,684	612,945,482	229,968,904	4,761,871,461	321.50	4.8%

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

Source: Richland County Auditor's Office

TABLE 9
Page 1 of 2

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

Lexington County:

Fiscal Year	Tax Year December 31	District Direct Rates			Overlapping Rates							
		General Purposes	Capital Purposes	Total	Lexington County	Recreation District	Midlands Technical College	Riverbanks Zoo	Town Of Chapin	City Of Irmo	City Of Columbia	Irmo Fire District Bond
2012	2011	221.970	52.500	274.470	88.253	16.054	4.374	1.793	11.900	-	98.100	-
2013	2012	221.970	52.500	274.470	90.759	18.604	4.374	1.793	11.505	-	98.100	2.970
2014	2013	229.270	52.500	281.770	94.296	18.604	4.374	1.893	11.505	-	98.100	2.900
2015	2014	235.800	52.500	288.300	94.746	20.604	4.374	2.393	11.505	-	98.100	2.900
2016	2015	251.500	52.500	304.000	94.441	20.604	4.353	2.088	11.505	-	96.100	2.500
2017	2016	251.500	54.800	306.300	94.973	20.604	4.353	2.088	11.505	-	96.100	1.460
2018	2017	256.900	54.800	311.700	94.689	20.604	4.353	2.088	11.505	-	98.100	17.675
2019	2018	256.900	54.800	311.700	97.160	20.604	4.353	2.088	12.884	-	98.100	18.945
2020	2019	256.900	75.400	332.300	98.348	20.604	4.353	1.000	12.884	-	93.800	19.682
2021	2020	246.100	75.400	321.500	96.661	19.932	4.172	1.000	13.070	-	93.800	19.325

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

Source: Lexington County Auditor's Office

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

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

Richland County:

Fiscal Year	Tax Year December 31	District Direct Rates			Overlapping Rates					
		General Purposes	Capital Purposes	Total	Richland County	Recreation District	Midlands Technical College	Riverbanks Zoo	City Of Irmo	City Of Columbia
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
2019	2018	256.900	52.500	309.400	125.100	13.500	3.700	1.400	-	98.100
2020	2019	256.900	75.400	332.300	121.900	13.500	3.700	1.400	-	93.800
2021	2020	246.100	75.400	321.500	121.700	12.500	3.700	1.400	-	93.800

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.

TABLE 10
Page 1 of 2

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

	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
<u>Lexington Taxpayer:</u>						
Dominion Energy South Carolina	\$ 28,323,370	1	7.99%	\$ -		
Shaw Industries Group, Inc.	7,566,740	2	2.14%	6,521,220	2	2.26%
GGP Columbiana Trust	3,837,900	3	1.08%	2,988,360	4	1.04%
AT&T Mobility F/K/A Cingular	3,569,780	4	1.01%	4,101,970	3	1.42%
Blue Granite Water FKA	2,429,170	5	0.69%			0.00%
DDRTC Columbiana Station I, LLC	1,709,430	6	0.48%	1,459,650	5	0.51%
BVA Harbison Court LLC	1,642,500	7	0.46%			0.00%
North Lake Drive Apts, LLC	1,924,780	8	0.54%			0.00%
Mid-Carolina Electric Coop.	1,609,670	9	0.45%	1,380,100	9	0.48%
Columbiana Station (E & A) LLC	1,326,760	10	0.37%	1,128,950	8	0.39%
South Carolina Electric & Gas				24,197,410	1	8.39%
BVA Harbison Court LLC						0.00%
DDR MDT Harbison Court, LLC				1,194,710	6	0.41%
AVR Columbia LLC				1,485,000	7	0.52%
Wal-Mart Real Estate Business				921,490	10	0.32%
Total Assessed Value of Ten Principal Taxpayers	\$ 53,940,100		15.22%	\$ 45,378,860		15.74%
Total Assessed Value of Other Taxpayers	300,470,000		84.78%	242,901,795		84.26%
Total Assessed Value of All Taxpayers	<u>\$ 354,410,100</u>		<u>100.00%</u>	<u>\$ 288,280,655</u>		<u>100.00%</u>

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

TABLE 10
Page 2 of 2

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

	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
<u>Richland Taxpayer:</u>						
Dominion Energy South Carolina	\$ 3,775,650	1	1.64%			
Mid-Carolina Electric Coop.	2,446,600	2	1.06%	2,031,580	1	1.14%
AVR-Lake Murray, LLC	1,814,080	3	0.79%			
1600 Marina Road, LLC	1,306,260	4	0.57%			
Lake Murray Drive Apts LLC	1,106,800	5	0.48%			
Ballentine Crossing, LLC	1,094,360	6	0.48%			
Paces Brook Apartments LP	1,051,740	7	0.46%	782,980	6	0.44%
Crestmont Apartments, LLC	830,700	8	0.36%			
EEA Wellspring, LLC	753,750	9	0.33%			
SFR JV-1 Property LLC	681,090	10	0.30%			
Bellsouth Telecommunications, Inc.				1,054,890	3	0.59%
Harpaw LLC				822,700	5	0.46%
Franklin Pineridge Associates				644,020	7	0.36%
Century Heights Partners, LLC				840,510	4	0.47%
South Carolina Electric & Gas				1,916,860	2	1.07%
Southland Log Homes				.		-
Wal-Mart Real Estate Business				582,570	8	0.33%
LHC Realty Trust				445,520	9	0.25%
Home Depot USA Inc				429,690	10	0.24%
Total Assessed Value of Ten Principal Taxpayers	14,861,030		6.46%	9,551,320		5.34%
Total Assessed Value of Other Taxpayers	215,107,874		93.54%	169,354,580		94.66%
Total Assessed Value of All Taxpayers	<u>\$ 229,968,904</u>		<u>100.00%</u>	<u>\$ 178,905,900</u>		<u>100.00%</u>

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

TABLE 11
Page 1 of 2

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

Lexington County:

Fiscal Year	Tax Year December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	2011	113,740,321	111,549,859	98.07%	2,053,374	113,603,233	99.88%
2013	2012	116,612,365	114,123,980	97.87%	2,197,464	116,321,444	99.75%
2014	2013	121,418,747	118,742,250	97.80%	2,302,466	121,044,716	99.69%
2015	2014	126,081,192	123,390,291	97.87%	2,224,171	125,614,462	99.63%
2016	2015	129,203,098	126,511,241	97.92%	2,178,583	128,689,824	99.60%
2017	2016	133,388,986	130,885,264	98.12%	1,899,160	132,784,424	99.55%
2018	2017	137,496,484	134,889,253	98.10%	1,908,910	136,798,163	99.49%
2019	2018	142,316,606	138,964,787	97.64%	2,197,781	141,162,568	99.19%
2020	2019	152,036,533	147,886,907	97.27%	2,340,456	150,227,363	98.81%
2021	2020	163,133,181	158,400,532	97.10%	-	158,400,532	97.10%

Note: Levies and Collections updated for each fiscal year as of 6/30/21 per Lexington County Treasurer's Office.

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

TABLE 11
Page 2 of 2

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

Richland County:

Fiscal Year	Tax Year December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	2011	45,074,021	43,710,463	96.97%	897,219	44,607,682	98.97%
2013	2012	46,216,599	44,651,273	96.61%	1,018,066	45,669,339	98.82%
2014	2013	47,657,973	46,316,828	97.19%	562,370	46,879,198	98.37%
2015	2014	49,471,459	48,430,437	97.90%	952,197	49,382,634	99.82%
2016	2015	52,038,893	50,488,324	97.02%	638,950	51,127,274	98.25%
2017	2016	52,932,549	51,950,725	98.15%	452,004	52,402,729	99.00%
2018	2017	54,708,568	53,232,891	97.30%	1,019,431	54,252,322	99.17%
2019	2018	56,230,247	54,122,238	96.25%	513,750	54,635,988	97.16%
2020	2019	65,221,306	62,545,763	95.90%	556,426	63,102,189	96.75%
2021	2020	65,029,216	62,471,526	96.07%	-	62,471,526	96.07%

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

TABLE 12

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

Fiscal Year	Governmental Activities General Obligation Bonds	Lease Purchase	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
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	215,789,488	1,877,527	217,667,015	2.25%	4.96%	2,193
2018	204,253,408	1,425,901	205,679,309	2.05%	4.45%	2,048
2019	191,899,887	962,639	192,862,526	1.88%	not available	not available
2020	200,845,541	487,441	201,332,982	1.86%	not available	not available
2021	175,668,610	-	175,668,610	1.60%	not available	not available

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

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

* 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>
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	225,608,448	5,451,624	220,156,824	2.28%	2,218
2018	213,971,408	6,915,903 *	207,055,505	2.07%	2,062
2019	201,904,887	7,733,095 *	194,171,792	1.96%	Not available
2020	210,207,541	8,706,644 *	201,500,897	1.59%	Not available
2021	185,896,810	14,476,765 *	171,420,045	1.48%	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.

* Correction, GASB 34 adjustment

TABLE 14

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**
(unaudited)

	Debt Outstanding	Estimated Percentage Applicable To District	Estimated District Share of Direct and Overlapping Debt
<u>Direct:</u>			
School District Five of Lexington and Richland Counties	\$ 175,668,610	100.00%	\$ 175,668,610
Total direct debt	175,668,610		175,668,610
<u>Overlapping:</u>			
<u>Lexington County:</u>			
Lexington County	20,415,000	28.20%	5,757,030
Irmo-Chapin Recreation District	16,985,000	100.00%	16,985,000
Riverbanks Park District	29,311,000	18.20%	5,334,602
City of Columbia	138,034,319	4.10%	5,659,407
<u>Richland County:</u>			
Richland County	4,765,000	11.60%	552,740
Richland Co Recreation District	29,245,000	14.90%	4,357,505
Riverbanks Park District	29,311,000	18.20%	5,334,602
City of Columbia	138,034,319	4.10%	5,659,407
Total overlapping debt	406,100,638		49,640,293
Total direct and overlapping debt	\$ 581,769,248		\$ 225,308,903

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.

TABLE 15

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

Legal Debt Margin Calculation For Fiscal Year 2021

Assessed Value	\$ 584,379,004
Debt limit (8% of assessed value)	46,750,320
Debt applicable to limit*	20,823,200
Legal debt margin	\$ 25,927,120

	2012	2013	2014	2015	2016	2017	2019	2020	2021
Debt limit	\$ 37,374,924	\$ 38,052,768	\$ 38,787,248	\$ 38,378,592	\$ 38,642,874	\$ 39,657,136	\$ 42,064,730	\$ 43,922,716	\$ 46,750,321
Total net debt applicable to limit	15,183,300	-	-	-	9,550,000	9,819,000	10,005,000	30,292,000	20,823,200
Legal debt margin	\$ 22,191,624	\$ 38,052,768	\$ 38,787,248	\$ 38,378,592	\$ 29,092,874	\$ 29,838,136	\$ 32,059,730	\$ 13,630,716	\$ 25,927,121
Total net debt applicable to the limit as a percentage of debt limit	40.62%	0.00%	0.00%	0.00%	24.71%	24.76%	23.78%	68.97%	44.54%

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.

*Note: Debt applicable to limit of \$20,823,200 represents the District's short-term SCAGO general obligation bonds in the amount of \$10,228,200 and Regions general obligation bonds in the amount of \$10,595,000 payable as of June 30, 2021. All other long-term general obligation bonds are referendum debt and are not applicable to the legal debt margin calculation.

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

TABLE 16

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

<u>Fiscal Year</u>	<u>Calendar Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income Lexington County</u>	<u>Per Capita Personal Income Richland County</u>	<u>Unemployment Rate Lexington County</u>	<u>Unemployment Rate Richland County</u>
2012	2011	92,401	3,306,015	35,211	36,347	7.8%	9.2%
2013	2012	91,853	3,463,731	37,224	38,195	6.9%	8.4%
2014	2013	88,313	3,477,148	39,935	38,811	4.8%	6.0%
2015	2014	92,800	3,841,410	41,764	41,025	5.3%	6.4%
2016	2015	97,101	4,131,065	42,843	42,245	4.7%	5.6%
2017	2016	98,184	4,337,769	44,497	43,863	3.6%	4.2%
2018	2017	99,248	4,567,492	46,513	45,529	3.1%	3.7%
2019	2018	100,406	not available	47,992	47,299	3.0%	3.6%
2020	2019	not available	not available	not available	not available	6.5%	8.7%
2021	2020	not available	not available	not available	not available	3.5%	4.6%

Sources: South Carolina Revenue and Fiscal Affairs Office
South Carolina Employment Security Commission, Labor Market Information Division
Records maintained by the School District Finance Department
2011 Estimated Population from Proximity - Demographic - Economic 2010 Census
2012 & 2013 Estimated Population from Proximityone.com - ACS 2012 General Demographics
2012 Per Capita Personal Income - SC Department of Commerce Labor Profile

TABLE 17
Page 1 of 2

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

	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<u>Lexington Employer:</u>						
Lexington Medical Center	7,893	1	5.38%			
Dominion Energy (formerly SCANA)	3,066	2	2.09%	1,000	4	0.78%
Amazon.com	2,500	3	1.71%	1,000	4	0.78%
Michelin North America Inc.(US #5)	1,470	4	1.00%			
UPS	1,329	5	0.91%	1,425	3	1.12%
Nephron Pharmaceuticals	1,135	6	0.77%			
Spectrum	1,076	7	0.73%			
Michelin North America Inc.(US #7)	770	8	0.53%	1,835	2	1.44%
HireRight	700	9	0.48%			
Walter P. Rawl & Sons, Inc.	650	10	0.44%			
Flextronics				600	7	0.47%
Walmart Stores				2,010	1	1.58%
Allied Air Enterprises Inc.				500	10	0.39%
DHL Global Forwarding North America				519	9	0.41%
Prysmian Power Cables & Systems USA				650	6	0.51%
Harsco Track Technologies				560	8	0.44%
	<u>20,589</u>		<u>14.04%</u>	<u>10,099</u>		<u>7.92%</u>

2021 Top Employers from Central Alliance website at www.centralsc.org

2021 Total Employment from Bureau of Labor Statistics, SC Dept of Employment & Workforce

2012 Data from Department of Commerce

TABLE 17
Page 2 of 2

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

	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<u>Richland Employer:</u>						
Prisma Health Midlands	15,000	1	7.86%			
Blue Cross Blue Shield of SC	10,597	2	5.55%	6,900	1	3.95%
AT&T South Carolina	2,100	3	1.10%			
Providence Health	1,625	4	0.85%			
TRANE - Columbia Center of Excellence	1,345	5	0.70%			
Colonial Life & Accident Insurance	1,300	6	0.68%	1,100	7	0.63%
Palmetto GBA	1,300	6	0.68%	1,900	3	1.09%
Allied Universal Security	1,200	7	0.63%			
Westinghouse Electric Company	1,093	8	0.57%	1,300	6	0.74%
Teleperformance (TPUSA)	1,000	9	0.52%			
Wells Fargo Bank	800	10	0.42%			
First Citizens Bancorporation, Inc				1,588	4	0.91%
Verizon Communications				1,500	5	0.86%
Humana Military Healthcare/TriCare				2,210	2	1.27%
Computer Sciences Corp World Sourcing Services				1,100	8	0.63%
Wilbur Smith Associates				925	9	0.53%
International Paper				726	10	0.42%
	<u>37,360</u>		<u>19.56%</u>	<u>19,249</u>		<u>11.03%</u>

2021 Top Employers from Central Alliance website at www.centralsc.org

2021 Total Employment from Bureau of Labor Statistics, SC Dept of Employment & Workforce

2012 Data from Department of Commerce

TABLE 18

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
School Allocations:										
Teachers	1,175.52	1,203.55	1,245.00	1,271.00	1,261.31	1,274.40	1,270.60	1,264.93	1,284.99	1,308.52
Guidance	46.50	46.50	21.00	50.00	49.60	50.10	50.30	61.80	64.50	64.00
Media specialists	24.00	24.00	19.00	21.00	22.00	21.00	21.00	20.00	21.00	21.00
Psychologists and social workers	27.00	27.00	22.00	26.00	27.50	25.90	26.81	26.81	26.35	27.60
Speech therapists	31.00	31.00	32.00	28.00	30.20	31.30	32.30	32.30	34.30	33.50
Nurses, occupational and physical therapists	37.00	37.00	29.00	40.00	35.25	34.80	37.30	38.80	36.50	40.40
Secretaries, bookkeepers, and receptionists	113.00	116.00	139.00	151.00	130.00	127.00	132.50	126.00	127.33	132.00
Teacher assistants and media assistants	292.92	296.92	300.00	289.00	296.68	317.42	307.19	301.39	302.35	309.35
Food service personnel and cafeteria monitors	143.58	143.58	149.00	146.00	129.71	132.73	122.70	116.49	118.14	102.85
Custodians, maintenance and transportation	271.42	272.42	272.00	233.00	277.23	291.08	290.97	285.84	294.15	284.06
Technology services and other specialized	6.00	12.00	17.00	10.00	5.00	5.00	-	1.00	-	-
Principal/assistant and principal/coordinators	69.84	71.84	83.00	79.00	76.50	73.00	76.00	74.00	74.00	84.00
Total	2,237.78	2,281.81	2,328.00	2,344.00	2,340.98	2,383.73	2,367.67	2,349.36	2,383.61	2,407.28
District Office Allocations:										
Superintendent	2.00	2.00	2.00	2.00	2.00	2.00	4.00	3.00	2.00	2.00
Instruction	37.50	37.50	35.00	33.00	29.50	33.00	34.00	35.00	34.00	33.90
Human resources services	7.80	7.80	10.00	11.00	10.40	10.40	10.50	10.50	10.00	10.00
Financial services	30.00	30.00	33.00	15.00	30.73	17.00	17.00	17.00	18.00	17.00
Community services	4.73	5.73	10.00	26.00	25.75	27.75	28.18	26.75	28.50	29.25
Technology	15.00	15.00	28.00	18.00	18.00	22.00	23.00	24.00	25.00	25.00
Facilities/Maintenance	20.00	20.00	24.00	25.00	19.00	23.00	23.00	22.00	22.25	22.00
Total	117.03	118.03	142.00	130.00	135.38	135.15	139.68	138.25	139.75	139.15
Total	2,354.81	2,399.84	2,470.00	2,474.00	2,476.36	2,518.88	2,507.35	2,487.61	2,523.36	2,546.43

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
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%	1,271	13.2	35.7%
2019	16,899	220,805,533	13,066	8.20%	246,005,596	14,557	1.06%	1,265	13.4	37.4%
2020	16,976	234,667,526	13,823	5.80%	257,998,797	15,198	4.40%	1,285	13.2	42.1%
2021	16,444	238,045,827	14,476	4.72%	276,486,495	16,814	10.63%	1,309	12.6	100.0%

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>
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
2019	34,389	76,679	50,882
2020	38,746	79,746	53,329
2021	38,746	79,746	53,185

TABLE 21
Page 1 of 3

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>School</u>										
<u>Elementary</u>										
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	819	819	819	819	819	819	819	819	819	819
Enrollment	752	720	718	716	668	623	585	617	678	641
Chapin Elementary (1977)										
Square feet	131,950	131,950	131,950	131,950	131,950	131,950	131,950	131,950	131,950	131,950
Capacity	916	916	916	916	916	916	916	916	916	916
Enrollment	811	820	854	843	686	651	663	786	779	793
Dutch Fork Elementary (1953)										
Square feet	95,182	95,182	95,182	95,182	95,182	95,182	95,182	95,182	95,182	95,182
Capacity	657	657	657	657	657	657	657	657	657	657
Enrollment	519	514	511	504	498	506	462	495	481	443
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	733	733	733	733	733	733	733	733	733	733
Enrollment	514	511	467	486	486	495	476	479	505	460
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	710	710	710	710	710	710	710	710	710	710
Enrollment	502	479	487	518	559	592	579	551	543	503
Irmo Elementary (1933)										
Square feet	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000
Capacity	640	640	640	640	640	640	640	640	640	640
Enrollment	468	511	478	474	505	486	524	520	538	527
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	849	849	849	849	849	849	849	849	849	849
Enrollment	847	874	926	992	872	994	966	916	933	903
Leaphart Elementary (1975)										
Square feet	120,500	120,500	120,500	120,500	120,500	120,500	120,500	120,500	120,500	120,500
Capacity	814	814	814	814	814	814	814	814	814	814
Enrollment	430	429	452	432	435	427	459	461	465	424
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	777	777	777	777	777	777	777	777	777	777
Enrollment	519	491	477	454	401	418	421	419	416	397

TABLE 21
Page 2 of 3

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>School</u>										
<u>Elementary (Continued)</u>										
Oak Pointe Elementary (2007)										
Square feet	110,396	110,396	110,396	110,396	110,396	110,396	110,396	110,396	110,396	110,396
Capacity	756	756	756	756	756	756	756	756	756	756
Enrollment	647	645	627	636	635	615	615	573	557	523
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	925	925	925	925	925	925	925	925	925	925
Enrollment	641	633	598	568	556	541	520	489	479	443
Seven Oaks Elementary (1966)										
Square feet	103,756	103,756	103,756	103,756	103,756	103,756	103,756	103,756	103,756	103,756
Capacity	640	640	640	640	640	640	640	640	640	640
Enrollment	465	438	486	534	588	593	542	517	505	441
<u>Middle</u>										
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	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018
Enrollment	1,103	1,121	1,111	1,172	718	759	852	867	794	803
Chapin Middle (2015)										
Square feet					122,000	122,000	122,000	122,000	122,000	122,000
Capacity					1,200	1,200	1,200	1,200	1,200	1,200
Enrollment					808	866	842	903	1,008	976
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	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098
Enrollment	988	946	943	917	793	803	745	823	727	708
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	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149	1,149
Enrollment	1,054	1,045	1,092	1,089	1,061	1,034	1,067	1,031	1,017	971
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	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Enrollment	879	909	897	843	926	891	891	920	1,016	966

TABLE 21
Page 3 of 3

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>School</u>										
<u>High</u>										
Chapin High (1971)										
Square feet	187,288	187,288	252,288	375,500	375,500	375,500	375,500	375,500	375,500	375,500
Capacity	1,239	1,239	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,341	1,346	1,206	1,152	1,238	1,315	1,371	1,475	1,484	1,542
Dutch Fork High (1993)										
Square feet	316,788	316,788	316,788	368,788	368,788	368,788	368,788	368,788	368,788	368,788
Capacity	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207
Enrollment	2,031	2,097	1,894	1,833	1,766	1,708	1,754	1,698	1,684	1,641
Irmo High (1964)										
Square feet	343,121	343,121	343,121	396,121	396,121	396,121	396,121	396,121	396,121	396,121
Capacity	2,141	2,141	2,141	2,141	2,141	2,141	2,141	2,141	2,141	2,141
Enrollment	1,829	1,707	1,540	1,508	1,436	1,413	1,344	1,302	1,252	1,206
Center for Advanced Technical Studies (2012)										
Square feet		115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<1> Enrollment										
Spring Hill High School (2013)										
Square feet			287,000	287,000	287,000	287,000	287,000	287,000	287,000	287,000
Capacity			1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment			556	792	987	1,092	1,046	1,057	1,118	1,133
<u>Other</u>										
Academy for Success (1955)										
Square feet	20,961	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	127	95	0	0	0	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.

16,463 16,622 16,822 16,724 16,899 16,979 16,444

SINGLE AUDIT SECTION

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

This page was intentionally left blank.

**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 Board Chair 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, and each major fund of School District Five of Lexington and Richland Counties ("the School District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 29, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Burkett Burkett & Burkett
Certified Public Accountants, P.A.
West Columbia, South Carolina
November 29, 2021



Certified Public Accountants, P.A.

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

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

Report on Compliance for the Major Federal Program

We have audited School District Five of Lexington and Richland Counties ("the School District")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2021. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School District's major federal program 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 of 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the School District's internal control over compliance.

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

Our consideration of the 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.



Burkett Burkett & Burkett
Certified Public Accountants, P.A.
West Columbia, South Carolina
November 29, 2021

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

LEA Subfund Fund Code	Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Expenditures
U. S. Department of Education				
Pass-Through S.C. Department of Education:				
203	Handicapped Disabilities Act	84.027	H63010100920 & ESY	\$ 348,756
204	Handicapped Disabilities Act	84.027	H63010100921	2,816,479
204	Handicapped Disabilities Act	84.027	H63010100919	187,865
205	Special Education - Preschool Grants	84.173	H63010100820	11,510
206	Special Education - Preschool Grants	84.173	H63010100819	6,992
206	Special Education - Preschool Grants	84.173	H63010100821	157,863
	<i>Special Education (IDEA) Cluster</i>			<u>3,529,465</u>
201	Title I Regular	84.010	H63010100120	139,455
201	Title I Regular	84.010	H63010100121	1,804,376
237	Targeted School Improvement	84.010A	H63010100119	79,168
237	Targeted School Improvement	84.010A	H63010100120	116,858
238	Title I Comprehensive School Improvement	84.010A	H63010100119	37,794
239	Title I Comprehensive School Improvement	84.010A	H63010100120	98,273
	<i>Title I Part A Cluster</i>			<u>2,275,924</u>
210	Title IV SSAE	84.424A	H63010100319	46,282
210	Title IV SSAE	84.424A	H63010100320	138,954
210	Title IV SSAE	84.424A	H63010100321	33,731
207	Career and Technical Education - Basic Grants to States	84.048	H63010107121	53,348
207	Career and Technical Education - Basic Grants to States	84.048	H63010107120	110,817
224	21st Century Community Learning Centers	84.287	H63010006920	13,089
232	McKinney Vento Homeless Assistance	84.196A	H63010108921	21,659
232	McKinney Vento Homeless Assistance	84.196A	H63010108920	24,249
232	McKinney Vento Homeless Assistance	84.196A	H63010108919	18,516
243	Adult Education Federal Grant Program	84.002	H63010101021	55,666
243	Adult Education Federal Grant Program - Civics	84.002	H63010101021	25,284
243	Adult Education Federal Grant Program - Generational Family Services	84.002	H63010101021	30,000
243	Adult Education Federal Grant Program - Reverted	84.002	H63010101019	3,778
264	Title III - English Language Acquisition	84.365A	H63010006720	22,812
264	Title III - English Language Acquisition	84.365A	H63010006719	6,351
267	Title II Part A - Improving Teacher Quality	84.367	H63010006821	64,876
267	Title II Part A - Improving Teacher Quality	84.367	H63010006820	143,154
220	COVID-19 Education Stabilization Fund	84.425D	H63010497520	50,000
225	COVID-19 Education Stabilization Fund II	84.425D	H63010497522	28,805
				<u>891,371</u>
Direct Programs:				
804	MSAP Grant - Discover Five	84.165A	N/A	<u>2,247,619</u>
Total U. S. Department of Education				<u>8,944,379</u>
U. S. Department of Agriculture				
Child Nutrition Cluster:				
Pass-Through S.C. Department of Education:				
Non-Cash Assistance (Commodities):				
600	** National School Lunch Program	10.555	N/A	620,801
Cash Assistance				
600	** School Breakfast Program	10.553	N/A	2,270,809
600	** National School Lunch Program	10.555	N/A	<u>5,749,764</u>
	<i>Total Child Nutrition Cluster</i>			8,641,374
600	Fresh Fruit and Vegetable Program	10.582	N/A	<u>34,836</u>
Total U.S. Department of Agriculture				<u>8,676,210</u>

(Continued)

**SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

LEA Subfund Fund Code	Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Expenditures
U.S. Department of Defense				
	Direct Programs:			
831	Navy JROTC	12.000	N/A	82,350
832	Air Force JROTC	12.000	N/A	136,004
Total U.S. Department of Defense				<u>218,354</u>
U.S. Department of Health and Human Services				
	Pass-Through S.C. Department of Education:			
838	Youth Risk Behavior Surveys	93.079	N/A	272
Total U.S. Department of Health and Human Services				<u>272</u>
Total Federal Awards Expended				<u><u>\$ 17,839,215</u></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, 2020. 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:

Government Funds	<u>\$ 18,584,590</u>
Total Federal Assistance Per Financial Statements	18,584,590
Less: Federal Interest Subsidy - Debt Service Fund	<u>(745,375)</u>
Total Federal Assistance Per SEFA	<u><u>\$ 17,839,215</u></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, 2021**

Part I Summary of Auditor's Results

Financial Statements

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

Programs Tested as Major Programs:

Program: CFDA #

Child Nutrition Cluster 10.553, 10.555

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

Auditee Qualify as a 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

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 THE YEAR ENDED JUNE 30, 2021**

Part II Findings - Financial Statements Audit

None

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

None



Memorandum

To: Members of the Board of Trustees

From: Dr. Akil E. Ross, Sr.
Interim Superintendent

Date: December 9, 2021

Re: December 13, 2021 Board Meeting
Discussion Item
Appointment to Richland County Board of Assessment of Appeals

I recommend that Mr. Jeffrey Herring be appointed to serve as District Five of Lexington & Richland Counties appointee to the Richland County Board of Assessment Appeals. Mr. Herring has a wealth of experience and knowledge concerning District Five, our community, and the real estate market.

Mr. Herring has graciously agreed to serve. This position does not receive compensation except for travel reimbursement. Mr. Herring's professional vita is attached for your consideration.

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

AERsr:aw

Attachment - Resume/Mr. Jeffrey Herring

JEFFREY HERRING

129 Lakeport Dr Chapin, SC 29036 · 803-609-0919

Sherring317@msn.com

EXPERIENCE

MARCH 1992 – MAY 2002

**FINANCIAL REPRESENTATIVE, BRANCH MANAGER, CORPORATE TRAINER,
ECONOMIC ANALYST, AIG**

Worked on branch level lending, collections and business development until promoted. Lead trainer in Southeast for Branch Manager Trainees. Developed economic analysis for branch, region and companywide operations. Won BEST Operator for branch growth and ROI.

MAY 2002 – JUNE 2012

BRANCH MANAGER, DIRECTOR BRANCH OPERATIONS, ALLOUTH FCU

Managed branch operations, trained newly hired Managers. Promoted to analyze and write policies and procedures for branch operations. Corporate trainer for new procedures and technologies.

JUNE 2012 – PRESENT

CFO, SOVEREIGN CONSULTING

EDUCATION

DECEMBER 1991

BS ECONOMICS, UNIVERSITY OF SOUTH CAROLINA

Multiple semesters on President's List

SKILLS

- Real estate abstracting
- Financial Analyst
- Training
- Policy writing, analyst

PERSONAL

I have been married to my wife, Stephanie, for 27 years. We have 1 daughter, Lauren, that attends Spring Hill High School. I have lived in District 5 for 50 years.

**MEMORANDUM**

To: Members of the Board of Trustees

Through: Dr. Akil E. Ross, Sr.
Superintendent

From: Marty Rawls,
Chief Finance Officer *Marty Rawls*

Date: December 2, 2021

Re: **ACTION ITEM**
Approval of 2021-2022 General Fund Budget Amendment

Attached is a presentation providing information for the justification of a General Fund Budget Amendment. The increase is based on the 45th day ADM (Average Daily Membership) enrollment and the base student cost as finalized in the South Carolina Appropriations Act as ratified by the General Assembly on June 25, 2021. The School Board approved the 2nd reading of the District's current General Fund Budget on June 14, 2021.

This amendment allows for the available revenue to be allocated at 100% of the budgeted expenditures. The original budget included categories that were budgeted between 50%-75% of the anticipated expenditures for the year.

Recommendation: It is the recommendation of Administration to approve this amendment to the 2021-2022 General Fund Budget.

Attachment



MEMORANDUM

To: Members of the Board of Trustees

Through: Dr. Akil E. Ross, Sr.
Superintendent

From: Marty Rawls,
Chief Finance Officer *Marty Rawls*

Date: December 7, 2021

Re: **ACTION ITEM**
Approval of Adoption of the 2021 South Carolina Model School Procurement Code & Exemptions

Attached is the 2021 South Carolina Model School Procurement Code and Exemptions.

RECOMMENDATION

It is the recommendation of Administration to adopt the 2021 South Carolina Model School Procurement Code and Exemptions as presented.

Attachment



Marty Rawls <mrawls@lexrich5.org>

New Procurement Code

1 message

Lynda Robinson <lrobin@lexrich5.org>
To: Marty Rawls <mrawls@lexrich5.org>

Mon, Nov 8, 2021 at 4:35 PM

Marty,

It is my recommendation that we adopt the 2021 South Carolina Model School District Procurement code as written. The benefits of the Model Code include:

- Consistency for *all* funds (local, state, federal)
- Uniformity across state
- Aligns with federal regulations – 2 CFR Part 200
- Gives clear guidance or “rules”
- Provides basis for transparency

I have attached a draft copy of the exemptions for your review. Thanks!

--



Lynda Robinson

Coordinator of Purchasing

School District Five of Lexington & Richland
Counties

1020 Dutch Fork Road, Irmo, SC 29063

office: 803.476.8140

www.lexrich5.org

**Exemptions.docx**

25K

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES

DELBERT H. SINGLETON, JR.
DIVISION DIRECTOR
(803) 734-8018

JOHN ST. C. WHITE
MATERIALS MANAGEMENT OFFICER
(803) 737-0600
FAX: (803) 737-0639

HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

To: Superintendents of School Districts Affected by SC. Code § 11-35-5340

From: Delbert H. Singleton, Jr.
Director of the Division of Procurement Services
State Fiscal Accountability Authority

Re: 2021 Model School District Code

Date: 9/15/2021

Please find enclosed the final version of the 2021 South Carolina Model School District Procurement Code. All school districts subject to Section 11-35-5340 are encouraged to consider adopting this version.

This version amends and supersedes the 2011 Model School District Procurement Code (effective Aug. 15, 2011). Since the adoption of the 2011 Model Code, the General Assembly has made several changes to the South Carolina Consolidated Procurement Code and regulations, including significant changes in 2019 and 2020. To the extent those changes are relevant to school districts, the 2021 Model Code incorporates those changes. A redline comparison of the 2011 and 2021 Model Codes is found at the following link: <https://www.procurement.sc.gov/schoolscodes>. In updating the model code, the Division of Procurement Services has been guided by the regulations that authorize such a model code. To that end, this model code “is designed to serve and comply with the purpose and policies enumerated in Section 11-35-20 in the specific context of local school district operations, with due regard for minimizing administrative costs of compliance with the model code.”

As you are aware, a school district is largely exempt from the South Carolina Consolidated Procurement Code and regulations if this Division determines in writing that the school district’s code and regulations are “substantially similar” to South Carolina law as of the date of approval. This process is simple if a school district simply adopts the 2021 Model Code as written. If the school district, however, wants to make additional changes to the 2021 Model Code, this Division must use its judgment and determine whether those changes result in a code that is substantially similar to South Carolina law. Forms for submitting a code for approval are found at **Attachment A** to this document.

Finally, a school district may continue to operate under a previously approved code and is not required to adopt the 2021 Model Code. But if a school district wishes to amend a previously approved code, this Division will not approve of a partial amendment that adopts some recent changes in the law while ignoring others. A school district, in other words, must adopt all or none of the recent changes in the law.

SOUTH CAROLINA MODEL SCHOOL DISTRICT PROCUREMENT CODE

Current through the 2020 Regular Session of the South Carolina General Assembly. Current through State Register Volume 44, Issue No. 10 (October 23, 2020). Any changes approved by the General Assembly will be incorporated as soon as possible.

(Effective 9/15/2021)

WRITTEN DETERMINATION

OPINION OF SUBSTANTIAL SIMILARITY

Regulation 19-445.3000E provides that "[p]rior to publishing a model code, the Materials Management Officer must determine in writing that the model code is substantially similar to the provisions of the South Carolina Consolidated Procurement Code and these procurement regulations." In my opinion, this Model School District Procurement Code, dated 9/17/2021 is substantially similar to the provisions of the South Carolina Consolidated Procurement Code and regulations in effect on the date reflected below.



John St. C. White

Materials Management Officer

9/15/2021

Date

See attached Statement of Rights to Administrative Review.

STATEMENT OF RIGHT TO FURTHER ADMINISTRATIVE REVIEW

Written Determinations Appeal Notice (Revised May 2020)

The South Carolina Procurement Code, in Section 11-35-4410, subsection (1)(b), states:

- (1) Creation. There is hereby created the South Carolina Procurement Review Panel which shall be charged with the responsibility to review and determine de novo:
- (b) requests for review of other *written determinations*, decisions, *policies*, and *procedures* arising from or concerning the procurement of supplies, services, information technology, or construction procured in accordance with the provisions of this code and the ensuing regulations; except that a matter which could have been brought before the chief procurement officers in a timely and appropriate manner pursuant to Sections 11-35-4210, 11-35-4220, or 11-35-4230, but was not, must not be the subject of review under this paragraph. Requests for review pursuant to this paragraph must be submitted to the Procurement Review Panel in writing, setting forth the grounds, within fifteen days of the date of the written determinations, decisions, policies, and procedures.

(Emphasis added.) *See generally Protest of Three Rivers Solid Waste Authority by Chambers Development Co., Inc.*, Case Nos. 1996-4 & 1996-5, *Protest of Charleston County School District*, Case No. 1985-5, *Charleston County School Dist. v. Leatherman*, 295 S.C. 264, 368 S.E.2d 76 (Ct.App.1988).

Copies of the Panel's decisions and other additional information regarding the protest process is available on the internet at the following web site: <http://procurement.sc.gov>

FILING FEE: Pursuant to Proviso 111.1 of the 2020 General Appropriations Act, "[r]equests for administrative review before the South Carolina Procurement Review Panel shall be accompanied by a filing fee of two hundred and fifty dollars (\$250.00), payable to the SC Procurement Review Panel. The panel is authorized to charge the party requesting an administrative review under the South Carolina Code Sections 11-35-4210(6), 11-35-4220(5), 11-35-4230(6) and/or 11-35-4410.... Withdrawal of an appeal will result in the filing fee being forfeited to the panel. If a party desiring to file an appeal is unable to pay the filing fee because of financial hardship, the party shall submit a completed Request for Filing Fee Waiver form at the same time the request for review is filed. *[The Request for Filing Fee Waiver form is attached to this Decision.]* If the filing fee is not waived, the party must pay the filing fee within fifteen days of the date of receipt of the order denying waiver of the filing fee. Requests for administrative review will not be accepted unless accompanied by the filing fee or a completed Request for Filing Fee Waiver form at the time of filing." PLEASE MAKE YOUR CHECK PAYABLE TO THE "SC PROCUREMENT REVIEW PANEL."

LEGAL REPRESENTATION: In order to prosecute an appeal before the Panel, business entities organized and registered as corporations, limited liability companies, and limited partnerships must be represented by a lawyer. Failure to obtain counsel will result in dismissal of your appeal. *Protest of Lighting Services*, Case No. 2002-10 (Proc. Rev. Panel Nov. 6, 2002) and *Protest of The Kardon Corporation*, Case No. 2002-13 (Proc. Rev. Panel Jan. 31, 2003); and *Protest of PC&C Enterprises, LLC*, Case No. 2012-1 (Proc. Rev. Panel April 2, 2012).

TABLE OF CONTENTS

Article 1. General Provisions

Section 10. Citation.
Section 20. Purpose and policies.
Section 25. Supersession of conflicting laws.
Section 30. Obligation of good faith.
Section 40. Application of this Code.
Section 45. Payment for goods and services received by District.
Section 210. Determinations; exemption.
Section 310. Definitions.
Section 410. Public access to procurement information.
Section 450. Reporting purchases.

Article 3. Procurement Organization

Section 510. Centralization of materials management authority.
Section 540. Authority and duties of the Board.
Section 710. Exemptions.
Section 840. Delegation of authority
Section 1030. Procurement training and certification.
Section 1250. Authority to contract for auditing services.
Section 1260. Authority to contract for legal services.

Article 5. Source Selection and Contract Formation

Section 1410. Definitions of terms used in this article.
Section 1510. Methods of source selection.
Section 1520. Competitive sealed bidding.
Section 1524. Resident vendor preference.
Section 1525. Competitive fixed price bidding.
Section 1528. Competitive best value bidding.
Section 1529. Competitive online bidding.
Section 1530. Competitive sealed proposals.
Section 1540. Negotiations after unsuccessful competitive sealed bidding.
Section 1550. Small purchase procedures; when competitive bidding required.
Section 1560. Sole source procurement; public notice.
Section 1570. Emergency procurements; public notice.
Section 1575. Participation in auction or sale of supplies from bankruptcy.
Section 1710. Cancellation of invitation for bids or request for proposals.
Section 1810. Responsibility of bidders and offerors.
Section 1820. Prequalification of supplies and suppliers.
Section 1830. Cost or pricing data.
Section 2010. Types of contracts.
Section 2015. Effect of contract or amendment.
Section 2020. Approval of accounting system.
Section 2030. Multiterm contracts.
Section 2040. Inapplicable laws.
Section 2050. Void contract terms or conditions.
Section 2060. Material changes prohibited.

Section 2210. Right to inspect plant.
Section 2220. Right to audit records.
Section 2410. Finality of determinations.
Section 2420. Reporting of anticompetitive practices.
Section 2430. Retention of procurement records.
Section 2440. Records of procurement actions.

Article 7. Specifications

Section 2610. Definitions of terms used in this article.
Section 2710. Issuance of specifications; duties of the Board.
Section 2730. Assuring competition.
Section 2740. Relationship with using agencies.
Section 2750. Specifications prepared by architects and engineers.

Article 9. Construction, Architect-Engineer, Construction Management, and Land Surveying Services

Section 2910. Definitions of terms used in this article.
Section 3005. Project delivery methods authorized.
Section 3010. Choice of project delivery method.
Section 3015. Source selection methods assigned to project delivery methods.
Section 3020. Additional bidding procedures for construction procurement.
Section 3021. Subcontractor substitution.
Section 3023. Prequalification on District construction.
Section 3024. Additional procedures applicable to procurement of certain project delivery methods.
Section 3030. Bond and security.
Section 3035. Errors and omissions insurance.
Section 3037. Other forms of security.
Section 3040. Contract clauses and their administration.
Section 3050. Cost principles regulations for construction contractors.
Section 3070. Approval of architectural, engineering or construction changes which do not alter scope or intent or exceed approved budget.
Section 3210. Policy.
Section 3215. Preference for resident design service; definitions; exceptions.
Section 3220. Qualifications based selection procedures.
Section 3230. Exception for small architect engineer, construction management and land surveying services contract.
Section 3245. Architect, engineer, or construction manager; performance of other work.

Article 10. Indefinite Delivery Contracts

Section 3305. Establishment of indefinite quantity contracts.
Section 3310. Indefinite quantity contracts.

Article 11. Modifications and Termination of Contracts for Supplies and Services.

Section 3320. Task order contracts.
Section 3410. Contract clauses and their administration.

Article 13. Cost Principles

Section 3510. Cost principles required for supplies and services contracts.

Article 15. Supply Management

Section 3810. Regulations for sale, lease, transfer and disposal.

Section 3820. Allocation of proceeds for sale or disposal of surplus supplies.

Section 3830. Trade-in sales.

Section 3850. Sale of unserviceable supplies.

Article 17. Legal and Contractual Remedies

Section 4210. Right to protest; procedure; duty and authority to attempt to settle; administrative review; stay of procurement.

Section 4215. Posting of bond or irrevocable letter of credit.

Section 4220. Authority to debar or suspend.

Section 4230. Authority to resolve contract and breach of contract controversies.

Section 4310. Solicitations or awards in violation of the law.

Section 4315. Unauthorized award or modification of a contract.

Section 4320. Contract controversies.

Section 4330. Frivolous protests.

Section 4340. Rights and remedies.

Section 4410. Procurement Review Panel.

Section 4425. Final order not appealed.

Section 4430. Communication of panel members.

Article 19. Intergovernmental Relations

Article 21. Assistance to Minority Businesses

Section 5010. Definitions of terms used in this article.

Section 5210. Statement of policy and its implementation.

Section 5220. Duties of the chief procurement officer.

Section 5230. Regulations for negotiation with District minority firms.

Section 5240. Minority business enterprise (MBE) utilization plan.

Section 5250. Progress payments and letter of credit.

Article 23. Statewide Provisions

District Procurement Regulations

2000. District Procurement Regulations.

2005. Internal Procurement Procedures; Procurement Records.

2010. Disclosure of Procurement Information.

2015. Unauthorized or Illegal Procurements.

2017. Pre-solicitation Procedures.

2025. Authority to Contract for Certain Services; Definitions.

2027. Electronic Commerce.

2030. Competitive Sealed Bidding; The Invitation for Bids.

2040. Publication of District Business Opportunities.

2042. Pre Bid Conferences.

2045. Receipt, Safeguarding, and Disposition of Bids.

2050. Bid Opening.
2055. Bid Acceptance and Bid Evaluation.
2060. [Repealed]
2065. Rejection of Bids.
2070. Rejection of Individual Bids.
2075. All or None Qualifications.
2077. Bid Samples and Descriptive Literature.
2080. Bid Reductions.
2085. Correction or Withdrawal of Bids; Cancellation of Awards.
2090. Award.
2095. Competitive Sealed Proposals.
2097. Rejection of Proposals.
2098. Rejection of Individual Proposals.
2100. Small Purchases and Other Simplified Purchasing Procedures.
2105. Sole Source Procurements.
2110. Emergency Procurements.
2115. Information Technology Procurements.
2120. Cost or Pricing Data.
2122. Price Reasonableness.
2125. Responsibility of Bidders and Offerors.
2127. Organizational Conflicts of Interest
2130. Prequalification of Supplies and Suppliers.
2132. Prequalification for a Single Solicitation.
2135. Conditions for Use of Multi term Contracts.
2140. Specifications.
2141. Commercial Products.
2143. Contract clauses and administration.
2145. Construction, Architect Engineer, Construction Management, and Land Surveying Services.
2150. Surplus Property Management.
2152. Leases, Lease/Payment, Installment Purchase, and Rental of Personal Property.
2160. Assistance to Minority Businesses.
2165. Gifts
2180. Assignment, Novation, and Change of Name.
2200. Administrative Review Protective Orders.

District Internal Operating Procedures

Appendix I of the Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements. *See also* Competitive Sealed Proposals, Required Procedures and Guidance for Communications After Opening but Prior to Award (eff. Sept. 2021), *found at* <https://procurement.sc.gov>.

Chapter 3.5 of the Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements.

Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements, Chapters 9.3 and 9.4, Indefinite Quantity contracts for professional services; and Chapters 9.5 and 9.6, Task Order Contracts for construction services.

PROCUREMENT CODE & REGULATIONS
[NAME OF SCHOOL DISTRICT]

ARTICLE 1

GENERAL PROVISIONS

SECTION 10. Citation. (S.C. Code § 11-35-10)

(1) Adoption. This document is adopted pursuant to the mandate of Section 11-35-5340 of the South Carolina Code of Laws, is intended to have the force and effect of law, and shall be known and may be cited as the “[insert district name] Consolidated Procurement Code.” Section 11-35-5340 of the South Carolina Code of Laws provides as follows: " Irrespective of the source of funds, any school district whose budget of total expenditures, including debt service, exceeds seventy-five million dollars annually is subject to the provisions of Chapter 35, Title 11, and shall notify the Director of the Division of Procurement Services of the State Fiscal Accountability Authority of its expenditures within ninety days after the close of its fiscal year. However, if a District has its own procurement code which is, in the written opinion of the Division of Procurement Services of the State Fiscal Accountability Authority, substantially similar to the provisions of the South Carolina Consolidated Procurement Code, the District is exempt from the provisions of the South Carolina Consolidated Procurement Code except for a procurement audit which must be performed every three years by an audit firm approved by the Division of Procurement Services. Costs associated with the internal review and audits are the responsibility of the school district and will be paid to the entity performing the audit.”

[Model Comment:

1. This 2021 Model School District Code is the first revision of the 2011 Model School District Code. Although a few new statutes and regulations (e.g. competitive negotiations, S.C. Code § 11-35-1535 and Regulation 19-446.2099) were inappropriate for or not relevant to school districts and not included in this version, most of the statutory and regulatory amendments since 2011 have been tailored for school districts and incorporated into this 2021 version. A redline comparison between the 2011 and 2021 codes is found here: <https://www.procurement.sc.gov/schoolscodes>

2. Section 11-35-5340 provides for the Division of Procurement Services of the State Fiscal Accountability Authority to provide a written opinion. Regulation 19-445.3000(B), a regulation promulgated by the State Fiscal Accountability Authority, provides that "[t]he authority and responsibilities under Section 11-35-5340 [have been] delegated to the Materials Management Officer."

3. Section 11-35-5340 is implemented by a regulation, which reads as follows:

A. Application.

Under Section 11-35-5340, a school district is exempt from the South Carolina Consolidated Procurement Code (except for a procurement audit) if the District has its own procurement code which is, in the written opinion of the Division of Procurement Services of the State Fiscal Accountability Authority, substantially similar to the provisions of the Consolidated Procurement Code and regulations in effect at the time the opinion is issued.

B. Delegation.

The authority and responsibilities under Section 11-35-5340 are hereby delegated to the Materials Management Officer.

C. Substantially Similar.

To qualify for approval, a District code should largely mirror, but need not be identical to, the Consolidated Procurement Code. Because a District code needs only to be substantially similar to the consolidated procurement code and regulations, a District code may accommodate the differing context of school districts (e.g., differences between state government and local school district operations, including size, purchasing staff resources, volume and type of procurements, and structure of its governing body and executive hierarchy) as long as it preserves the sound procurement policies and practices underlying the rules found in the consolidated procurement code and regulations.

D. Definitions.

Covered District means a school district subject to the requirements of Section 11-35-5340. Model code means a model school district procurement code and any subsequent modifications to the model code, including

instructions regarding how each District may customize the model code to an individual District's organizational structure.

E. Guidelines; Model Code.

By requiring a written opinion, Section 11-35-5340 provides for an exercise of judgment. The best interest of the state is served by exercising this judgment in a consistent manner. Accordingly, the Materials Management Office may publish guidance regarding its exercise of this judgment, including publication of a model code. In developing a model code, the Materials Management Officer should consult with all covered Districts and the State Department of Education. Any model should be designed to serve and comply with the purposes and policies enumerated in Section 11-35-20 in the specific context of local school district operations, with due regard for minimizing administrative costs of compliance with the model code. Prior to publishing a model code, the Materials Management Officer must determine in writing that the model code is substantially similar to the provisions of the South Carolina Consolidated Procurement Code and these procurement regulations. Any school district may adopt the model code.

F. Duration of Written Opinion.

A written opinion issued pursuant to Section 11-35-5340 remains valid for a covered District's procurement code until the covered District seeks and receives a written opinion for modifications to its procurement code.

G. Effect of Adoption.

A procurement code adopted by a school district in accordance with all applicable law shall have the full force and effect of law

23 S.C. Code Ann. Regs. 19-445.3000.]

(2) **Prior District Rules Superseded.** This code and the accompanying procurement regulations supersede all other prior codes, regulations, ordinances, policies, procedures, or other rules of this District regarding procurement. To the extent of any conflict, this code and the accompanying procurement regulations take precedence over any other codes, regulations, ordinances, policies, procedures, or other rules of this District.

(3) **Approval of Code.** By letter dated [enter date], the District received a written opinion from the Division of Procurement Services to the effect that this code and the accompanying procurement regulations are substantially similar to the provisions of the South Carolina Consolidated Procurement Code and the regulations promulgated thereunder, as required by Section 11-35-5340 and Regulation 19-445.3000 of the South Carolina Code of Laws and Regulations.

(4) **Updating of Code.** The Board intends that this code be updated in conjunction with changes to the South Carolina Consolidated Procurement Code and the regulations promulgated thereunder; accordingly, whenever the South Carolina Consolidated Procurement Code or the regulations promulgated thereunder are updated, the Superintendent shall submit conforming updates for approval to both Division of Procurement Services and the Board of Trustees of the District.

[Model Comments:

1. *Function of Comments.* Commentary has been added throughout this document to provide cross references with other laws and to provide assorted helpful information. Model Comments are not intended to be part of the code or regulation, but rather, are offered only as guidance. These comments will appear in brackets after the section to which they apply.

2. *Public Notice.* This code adopts South Carolina Business Opportunities (SCBO) as the standard method of providing public notice regarding contract opportunities; use of SCBO is mandatory. Publication of a notice in SCBO is free for school districts. Likewise, SCBO is free for vendors. In addition to publishing notices in SCBO, the District may elect to also publish notices in any other periodical or publication it deems appropriate.

3. *Cross Reference to State Code.* This code adopts a numbering system that closely parallels the numbering system used in the South Carolina Consolidated Procurement Code and the State Fiscal Accountability Authority's Procurement Regulations. This numbering system is maintained in order to promote consolidating, clarifying, and modernizing the law of procurement in this state, one of the General Assembly's expressly stated goals for the Procurement Code. § 11-35-20(d). As a resource, the Division of Procurement Services has a document showing exactly how the model school code differs from the state code. That document is available at the following link: <https://www.procurement.sc.gov/schoolscodes>

4. *Interplay of Code & Regulations:* Rather than adopt a model code that integrates the code and regulations into one seamless document, this office has chosen to maintain the distinction between a code and separate regulations. Under state law, statutes and regulations have important differences from one another, and the only way to maintain these differences is to maintain the distinction by keeping the two separate. Nevertheless, to help explain the interplay of the two, please see the Official Comment to Section 540. Finally, R.2000A provides that (a) to the extent there is conflict

between the code and regulations, the code take precedence, and (b) the regulations herein have the same relationship to the District's code as regulations promulgated under the administrative procedures act have to statutes enacted by the General Assembly.

5. Organization Structure & Assignment of Authority: In the state code, responsibilities and authority are assigned either to specific officials or to an entity in general. For example, the State Fiscal Accountability Authority must grant exemptions, while an agency head can approve sole source awards. This dispersion of authority is carefully crafted to maintain the integrity of the procurement process and to limit the use of methods that should be used rarely rather than routinely. Some of these roles have no ready parallel at the District level. Nevertheless, it is important to assign such authority in a manner that fosters both integrity and the use of sound procurement practices. In drafting this model, Division of Procurement Services has used its best efforts to assign responsibility and authority in a manner that facilitates the purpose behind the structure established by the state code. In order to understand Division of Procurement Services' approach to this critical issue, please review Attachment B and refer to it as you review this model.

6. Resources: To assist those seeking additional guidance regarding various procurement issues, the Division of Procurement Services will post a document showing the differences between the latest version of this model school code and the South Carolina Consolidated Procurement Code. You can find Division of Procurement Services' website by clicking on www.procurement.sc.gov

SECTION 20. Purpose and policies. (S.C. Code § 11-35-20)

(1) This code must be construed and applied to promote underlying purposes and policies.

(2) The underlying purposes and policies of this code are:

(a) to provide increased economy in District procurement activities and to maximize to the fullest extent practicable the purchasing values of funds while ensuring that procurements are the most advantageous to the District and in compliance with the provisions of the Ethics Government Accountability and Campaign Reform Act;

(b) to foster effective broad-based competition for public procurement within the free enterprise system;

(c) to develop procurement capability responsive to appropriate user needs;

(d) to consolidate, clarify, and modernize the law governing procurement in this District and permit the continued development of explicit and thoroughly considered procurement policies and practices;

(e) to require the adoption of competitive procurement laws and practices by units of the District;

(f) to ensure the fair and equitable treatment of all persons who deal with the procurement system which will promote increased public confidence in the procedures followed in public procurement;

(g) to provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process;

(h) to develop an efficient and effective means of delegating roles and responsibilities to the District officials; and

(i) to promote consistency, certainty, and efficiency, it is the intent of the District to have this code interpreted as consistently as possible with official interpretations of parallel provisions of the South Carolina Consolidated Procurement Code.

SECTION 25. Supersession of conflicting laws. (S.C. Code § 11-35-25)

If this code applies to a procurement, the provisions of this code supersede all laws or parts of laws in conflict with it to the extent of the conflict including, but not limited to, the principles of law and equity, the common law, and the Uniform Commercial Code of this State.

SECTION 30. Obligation of good faith. (S.C. Code § 11-35-30)

Every contract or duty within this code imposes an obligation of good faith in its negotiation, performance or enforcement. "Good faith" means honesty in fact in the conduct or transaction concerned and the observance of reasonable commercial standards of fair dealing.

SECTION 40. Application of this Code. (S.C. Code § 11-35-40)

(1) General Application. This code applies only to contracts solicited or entered into after the effective date of this code unless the parties agree to its application to a contract entered into prior to its effective date.

(2) Application to District Procurement. This code applies to every procurement or expenditure of funds by this District under contract irrespective of the source of the funds, including federal assistance monies, except as specified in Section 40(3) (Compliance with Federal Requirements) and except that this code does not apply to gifts, to the issuance of grants, or to contracts between public procurement units, except as provided in Article 19 (Intergovernmental Relations). Notwithstanding the foregoing, the provisions of Article 23 (Statewide Provisions) apply as provided therein. It also shall apply to the disposal of District supplies as provided in Article 15 (Supply Management).

[Model Comment:

1. The last sentence of Section 11-35-40 was added by Section 5 of 2007 Act No. 110. That sentence inapplicable to school districts, so it is omitted.

2. By its terms, this code is inapplicable to contracts between the District and other public procurement units, except as provided in Article 19 (Intergovernmental Relations). However, as emphasized by Section 11-35-4810(2), if the District wants to participate in a cooperative procurement conducted by another public procurement unit, the procurement must comply with this code and all its procedures. An intergovernmental contract, however, cannot be used to circumvent the code's requirements. See § 11-35-4880]

(3) Compliance with Federal Requirements. Where a procurement involves the expenditure of federal assistance, grant, or contract funds, the District also shall comply with federal laws (including authorized regulations) as are mandatorily applicable and which are not presently reflected in this code; however, failure to comply with the foregoing is not subject to review under Article 17. Notwithstanding, where federal assistance, grant, or contract funds are used in a procurement by the District, this code, including any requirements that are more restrictive than federal requirements, must be followed, except to the extent such action would render the District ineligible to receive federal funds whose receipt is conditioned on compliance with mandatorily applicable federal law. In those circumstances, the solicitation must identify and explain the impact of such federal laws on the procurement process, including any required deviation from this code.

(4) The acquisition of a facility or capital improvement by a foundation or eleemosynary organization on behalf of or for the use of the District which involves the use of public funds in the acquisition, financing, construction, or current or subsequent leasing of the facility or capital improvement is subject to the provisions of this code in the same manner as the District. The definition and application of the terms "acquisition," "financing," "construction," and "leasing" are governed by generally accepted accounting principles.

[Model Comment: Paragraph (5) of Section 11-35-40 was added by 2008 Act No. 208, which regarded the use of the Educational Broadband Service spectrum. In light of this Act's purposes and its specific application to Greenville Technical College and Trident Technical College, this paragraph is deleted as inapplicable to school districts.]

SECTION 45. Payment for goods and services received by District. (S.C. Code § 11-35-45)

(A) The District is responsible for the payment of all supplies, services, or information technology within thirty work days after the acceptance of the goods or services and proper invoice, whichever is received later, and shall pay an amount not to exceed fifteen percent per annum, as established by the South Carolina Comptroller General for state agencies, on any unpaid balance which exceeds the thirty work-day period, if the vendor specifies on the statement or the invoice submitted to the District that a late penalty is applicable if not paid within thirty work days after the acceptance of goods or services.

(B) The thirty-day period shall not begin until the District certifies its satisfaction with the received goods or services and proper invoice.

[Model Comment:

1. Reference is made to the South Carolina Comptroller General (CG) because, in the opinion of this office, allowing Districts to establish their own interest rate is not substantially similar to the Consolidated Procurement Code. On March 28, 1994, the CG set the interest rate at 6.25%. As of September 2020, that rate has not been changed. The current interest rate, and the CG's rules regarding application of this section to state agencies, is posted at the following URL provided below.

2. The CG exempts some late payments from application of this section by effectively establishing an interest rate of zero. For additional information regarding application of this section, see the "Disbursement Regulations" on the CG's website.

SECTION 210. Determinations; exemption. (S.C. Code § 11-35-210)

Written determinations expressly required by the code or regulations must be retained in an official contract file of the District. These determinations must be documented in sufficient detail to satisfy the requirements of audit as provided in Section 11-35-1230.

[Model Comment: Section 11-35-1230 has no application to school districts. The applicable audit requirement appears in Section 11-35-5340.]

SECTION 310. Definitions. (S.C. Code § 11-35-310)

Unless the context clearly indicates otherwise:

"Information Technology (IT)" means information resources, telecommunications, and information services:

(a) "Information resources" means any equipment including interconnected systems or subsystems of equipment that is used in the automatic acquisition, creation, conversion, duplication, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the using agency.

(i) "Information resources" includes, but is not limited to, computers, ancillary equipment, including imaging peripherals, input, output, and storage devices and devices necessary for security and surveillance, peripheral equipment designed to be controlled by the central processing unit of a computer, databases, software, firmware, middleware, and application and application development software; whether owned, leased, licensed, or accessed as a service; and routine maintenance and support.

(ii) "Database" means a collection of recorded information in a form capable of, and for the purpose of, being stored in, processed, and operated on by a computer.

(iii) "Software" means computer programs that comprise a series of instructions, rules, routines, or statements, regardless of the media in which recorded, that allow or cause a computer to perform a specific operation or series of operations.

(iv) For purposes of this definition, equipment is used by a District if the equipment is used by the District directly or is used by a contractor under a contract with the District that requires its use.

(b) "Telecommunications" means voice, data, message, and video transmissions, and includes the transmission and switching facilities of public telecommunications systems, as well as operating and network software.

(c) "Information Services" means services provided by a contractor associated with any aspect of information resources or telecommunications, except that information services does not include information resources or telecommunications.

"Board" means the Board of [Education / Trustees] of [the] School District [No. __] of [Name] County.

"Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity.

"Business day" means a day that is neither a Saturday, Sunday, nor a state or federal holiday.

"Change order" means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

"Chief Business Official" means a District employee, above the level of procurement officer and reporting directly to the superintendent, designated in writing by the Superintendent as having primary management responsibility for District business operations or finance. Unless otherwise provided by the Superintendent, the "Chief Business Official" shall also serve as the "Chief Procurement Officer." The name and official District title of the person currently serving as the District's chief business official must be published in the internal procurement procedures issued pursuant to Section 540.

[Model Comment: (1) In order to accommodate Districts with limited staff, the person appointed as the CBO also serves as the CPO, by default. The preference is to separate these functions by having the Superintendent appoint different people to each. The intent is to elevate the role of the CBO to a person at least one step removed from the purchasing office, hopefully more. (2) Unlike the CPO, the CBO is not authorized to delegate authority to others. If the same person serves both functions, responsibilities assigned to the CBO may not be delegated. Those assigned to the CPO may be delegated. (3) The wording of this definition is critical and should not be modified. It is carefully tied to numerous decisions regarding how best to adapt the Consolidated Procurement Code to the school district context.]

"Chief procurement officer" means a District employee, above the level of procurement officer, designated in writing by the Superintendent as having primary management responsibility for supervising procurement or disposal by the District. The Superintendent may provide for the division or sharing of duties and powers assigned by this code to the chief procurement officer to more than one person. Unless otherwise designated in writing by the Superintendent, the chief business official serves as the chief procurement officer. The name and official District title of the person currently serving as the District's chief procurement officer must be published in the internal procurement procedures issued pursuant to Section 540.

[Model Comment: (1) This CPO must be a person above the level of procurement officer and below the level of superintendent. Preferably someone outside the procurement office. By default, the person serving as the CPO is also the CBO. While this approach may be necessary for smaller Districts, it tends to undermine the level of independence the code envisions for a CPO. (2) The District should identify the District's position title for the person serving as the chief procurement officer in its published internal procurement procedures. See § 540(2). (3) Subject to the organizational relationship outlined in Comment No. 1 above, a District may elect to have more than one chief procurement officer. For example, a District may have one chief procurement officer for supplies and services, one for construction related services, and another for disposal of surplus property.]

"Construction" means the process of building, altering, repairing, remodeling, improving, or demolishing a public infrastructure facility, including any public structure, public building, or other public improvements of any kind to real property. It does not include the routine operation, routine repair, or routine maintenance of an existing public infrastructure facility, including structures, buildings, or real property.

[Model Comment: For a discussion of "routine operation, routine repair, or routine maintenance" and how to determine whether an acquisition is one for construction, you may wish to consult with the OSE Manual.]

"Contract" means all types of agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, information technology, or construction.

"Contract modification" means a written order signed by the procurement officer, directing the contractor to make changes which the changes clause of the contract authorizes the procurement officer to order without the consent of the contractor.

"Contractor" means any person having a contract with the District.

"Cost effectiveness" means the ability of a particular product or service to efficiently provide goods or services to the District. In determining the cost effectiveness of a particular product or service, the

procurement officer shall list the relevant factors in the bid notice or solicitation and use only those listed relevant factors in determining the award.

“Data” means recorded information, regardless of form or characteristics.

“Days” means calendar days. In computing any period of time prescribed or allowed by this code or the regulations, or by any order of the Procurement Review Panel, the day of the act, event, or default from which the designated period of time begins to run is not to be included. The last day of the period computed is to be included, unless it is a Saturday, Sunday, or a legal holiday for the District or federal holiday, in which event the period runs to the end of the next day which is neither a Saturday, Sunday, nor such holiday.

“Debarment” means the disqualification of a person to receive invitations for bids, or requests for proposals, or the award of a contract by the District, for a specified period of time commensurate with the seriousness of the offense or the failure or inadequacy of performance.

“Designee” means a duly authorized representative of a person with formal responsibilities under the code.

“District” means [insert full name of school district].

“Employee” means an individual drawing a salary from the District, whether elected or not, and any nonsalaried individual performing personal services for the District.

“Grant” means the furnishing by the District, State or the United States government of assistance, whether financial or otherwise, to a person to support a program authorized by law. It does not include an award, the primary purpose of which is to procure specified end products, whether in the form of supplies, services, information technology, or construction. A contract resulting from such an award must not be considered a grant but a procurement contract.

“Invitation for bids” means a written or published solicitation issued by an authorized procurement officer for bids to contract for the procurement or disposal of District supplies, services, information technology, or construction, which will ordinarily result in the award of the contract to the responsible bidder making the lowest responsive bid.

“Person” means any business, individual, union, committee, club, other organization, or group of individuals.

“Procurement” means buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, information technology, or construction. It also includes all functions that pertain to the obtaining of any supply, service, information technology, or construction, including description of requirements, selection, and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

“Procurement officer” means any person duly authorized by the District, in accordance with procedures prescribed by regulation, to enter into and administer contracts and make written determinations and findings with respect thereto. The term also includes an authorized representative of the governmental body within the scope of his authority.

“Public funds” means any money or property owned by the State or a political subdivision thereof, regardless of form and whether in specie or otherwise.

“Real property” means any land, all things growing on or attached thereto, and all improvements made thereto including buildings and structures located thereon.

“Request for proposals (RFP)” means a written or published solicitation issued by an authorized procurement officer for proposals to provide supplies, services, information technology, or construction which ordinarily result in the award of the contract to the responsible offeror making the proposal determined to be most advantageous to the District. The award of the contract must be made on the basis of evaluation factors that must be stated in the RFP.

“Services” means the furnishing of labor, time, or effort by a contractor not required to deliver a specific end product, other than reports which are merely incidental to required performance. This term includes consultant services other than architectural, engineering, land surveying, construction management, and related services. This term does not include employment agreements or information services as defined above.

“Subcontractor” means any person having a contract to perform work or render service to a prime contractor as a part of the prime contractor’s agreement with the District.

“Supplies” means all personal property including, but not limited to, equipment, materials, printing, and insurance.

“State” means state government.

“State Engineer” means the person holding the position as head of the state engineer’s office.

"Superintendent" means the District's chief executive official, usually known as the Superintendent.

“Suspension” means the disqualification of a person to receive invitations for bids, requests for proposals, or the award of a contract by the District, for a temporary period pending the completion of an investigation and any legal proceedings that may ensue because a person is suspected upon probable cause of engaging in criminal, fraudulent, or seriously improper conduct or failure or inadequacy of performance which may lead to debarment.

[Drafting Note: The definition of "Term Contract" has no application to school districts.]

SECTION 410. Public access to procurement information. (S.C. Code § 11-35-410)

(A) Procurement information must be a public record to the extent required by Chapter 4, Title 30 (The Freedom of Information Act), except as otherwise provided by this code, and with the exception that, pursuant to the authority granted by Section 11-35-5340 of the South Carolina Code of Laws, commercial or financial information obtained in response to a request for proposals or any type of bid solicitation that is privileged and confidential need not be disclosed.

[Model Comment: (1) The South Carolina Freedom of Information Act applies to school districts. (2) The added language reflects the argument that the District code, as a document expressly sanctioned by state law, can be read as an extra "exemption" from the disclosure obligation of FOIA, just as Section 11-35-410 creates an exemption. See D.W. Flowe & Sons, Inc. v. Christopher Const. Co., 327 S.C. 17, 482 S.E.2d 558 (1997), overruled on other grounds by Evins v. Richland County Historic Preservation Comm’n, 341 S.C. 15, 532 S.E.2d 876 (2000)]

(B) Privileged and confidential information is information in specific detail not customarily released to the general public, the release of which might cause harm to the competitive position of the party supplying the information. Examples of this type of information include:

- (1) customer lists;
- (2) design recommendations and identification of prospective problem areas under an RFP;
- (3) design concepts, including methods and procedures;
- (4) biographical data on key employees of the bidder.

(C) For all documents submitted in response or with regard to a solicitation or other request, the documents need not be disclosed if an award is not made.

(D) For all documents submitted in response or with regard to any solicitation or other request, the person submitting the documents shall comply with instructions provided in the solicitation for marking information exempt from public disclosure. Information not marked as required by the applicable instructions may be disclosed to the public.

[Model Comment: Division of Procurement Services has published a standard set of bidding instructions for state agencies regarding how offerors should mark their bids and offers. Those instructions are available at www.procurement.sc.gov.]

(E) The District, with the approval of the chief procurement officer, may keep portions of a solicitation confidential and release the information to prospective offerors only upon execution of a nondisclosure agreement, provided the information is otherwise exempted from disclosure by law.

(F) If requested in writing before a final award by an actual bidder, offeror, contractor, or subcontractor with regard to a specific intended award or award of a contract, the procurement officer shall, within five days of the receipt of any such request, make documents directly connected to the procurement activity and not otherwise exempt from disclosure available for inspection at an office of the responsible procurement officer. Without otherwise limiting any other exemptions granted by law, and except as provided herein,

documents of and documents incidental to proposed contractual arrangements, including those used for contract negotiations, are not exempt from disclosure after the date notice of intent to award is posted, unless the notice is subsequently canceled.

[Model Comment: Obliging procurement officers to respond to document requests within five days helps to ameliorate the consequences of the short deadlines in Section 4210 and helps ensure that an interested party may review relevant materials in a timely matter. This section also provides that the FOIA exemption dealing with proposed contractual relations does not apply after the date of the notice of intent to award is posted, unless the notice is subsequently cancelled.]

SECTION 450. Reporting purchases. (S.C. Code § 11-35-450)

(A) The purchase of furniture, floor coverings, wall coverings, or other decorative or ornamental items by the District must be reported to the Board before the purchase, when the cost of the furniture, covering, or item exceeds one thousand dollars and it is to be used in:

- (1) an office or adjoining reception area utilized by the Superintendent or assistant Superintendent; or
- (2) a board room or a conference room used as a board room.

(B) The reports required in subsection (A) must include the item to be purchased and its price. Upon receiving the reports, the Board formally shall approve or disapprove the purchase.

ARTICLE 3.

PROCUREMENT ORGANIZATION

SECTION 510. Centralization of materials management authority. (S.C. Code § 11-35-510)

Except as otherwise provided herein, all rights, powers, duties, and authority of the District relating to the procurement of supplies, services, information technology, and construction and to the management, control, warehousing, sale and disposal of supplies, construction, information technology, and services, regardless of source of funding, are hereby delegated to the chief procurement officer by the Board.

SECTION 540. Authority and duties of the board. (S.C. Code § 11-35-540)

(1) Regulations. The District's procurement regulations, which are adopted in conjunction with this code, are binding in all procurements made by the District; provided, however, that the code takes precedence over the regulations to the extent of any conflict between them. The procurement regulations shall have the same relationship to this code as regulations promulgated under the administrative procedures act have to statutes enacted by the General Assembly.

[Model Comment: South Carolina courts have explained the relationship between statutes and regulations as follows: Regulations authorized by the legislature have the force of law. Faile v. S.C. Employment Security Commission, 230 S.E.2d 219 (S.C. 1976). However, a regulation may not alter or add to a statute. U.S. Outdoor Advertising, Inc. v. South Carolina Dept. of Transp., 481 S.E.2d 112, 113 (S.C. 1997). As stated by our Supreme Court in 1943, "a rule cannot be made by an administrative body which would materially alter or add to the law; a rule to be valid may only implement the law." Banks v. Batesburg Hauling Co., 24 S.E.2d 496, 499 (S.C. 1943).]

(2) Approval of Procurement Procedures. The District shall develop internal procurement procedures consistent with this code and the procurement regulations; except, that the procurement procedures must be approved in writing by the Superintendent.

[Model Comment: The following list identifies most of the items that must appear in such procedures:

- ☐ § 310 – the name and official District title of the people that serve as CBO and CPO
- ☐ § 710 – exemptions granted by the Board

- § 1520(3) – identify newspaper of general circulation (if elected by District's board)
- § 3030(1)(a) – extra circumstances requiring bid security
- R. 2145 – forms: contract, bond, letters of credit, guarantees
- R. 2145(K)(5) – guidelines for proposal development docs]

(3) The board shall consider and decide matters of policy within the provisions of this code including those referred to it by the chief procurement officers. The board has the power to audit and monitor the implementation of its regulations and the requirements of this code.

SECTION 710. Exemptions. (S.C. Code § 11-35-710)

The Board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this code. Exemptions granted by the Board shall appear in any internal operating protocols or procedures adopted pursuant to Section 540.

[Model Comment:

(1) At the state level, exemptions granted by the State Fiscal Accountability Authority do not form part of the Consolidated Procurement Code. Similarly, exemptions granted by a school board may not be included in the District's procurement code. A District may wish to include such exemptions in the District's internal operating protocols or procedures adopted pursuant to Section 540.

(2) Any exemption from a District's procurement code must be approved by the Board through an act of equal dignity. Such exemptions cannot be approved simply by including them in the procedures adopted under Section 540.

(3) Pursuant to Section 11-35-710, the Division of Procurement Services must approve the District's procurement code as substantially similar to the Consolidated Procurement Code. Given this limitation, Division of Procurement Services cannot approve exemptions other than those appearing in Section 11-35-710 of the Consolidated Procurement Code. Accordingly, Districts are encouraged to adopt the Section 710 as it appears in this model. However, Division of Procurement Services will approve a version of Section 710 that mirrors Section 11-35-710.

(4) Division of Procurement Services will not offer a written opinion approving or disapproving a school board's exemptions. The determination of which procurements should be exempt belongs to the elected officials. See, generally, Glasscock Company, Inc. v. Sumter County, 361 S.C. 483, 604 S.E.2d 718 (Ct. App. 2004) (rejecting argument that 11-35-50 (now 11-35-5320) prevents local government from exercising the flexibility provided to the state by section 11-35-710). Caveat: Division of Procurement Services advises school districts to avoid granting excessive or overly broad exemptions. At some point, exemptions could so undermine the purposes of the law as to be inconsistent with the General Assembly's mandates in Sections 11-35-5320 and 11-35-5340. As part of its approval process, Division of Procurement Services offers no official opinion as to individual exemptions.

(5) Since 1981, the South Carolina Budget & Control Board and the State Fiscal Accountability Authority have granted a number of exemptions for state agencies. A comprehensive list of the currently available exemptions is available at the following URL: www.procurement.sc.gov]

SECTION 840. Delegation of authority. (S.C. Code § 11-35-840)

Subject to this code and the regulations, the chief procurement officers may delegate authority to designees. A delegation of authority by the chief procurement officers must be in writing and available upon request by the public to the chief procurement officer.

[Model Comment: The Consolidated Procurement Code creates three chief procurement officers with broad, statewide authority. These officials work for an agency other than the using agency, giving them both a high level of independence and substantial authority. School districts have no easy parallel to the state's CPOs. At best, their powers can be divided between different school officials, such as the District superintendent, the school board, and the school's procurement staff. Accordingly, this provision is drafted to apply only to a CPO.]

SECTION 1030. Procurement training and certification. (S.C. Code § 11-35-1030)

The chief procurement officers develop a system of training for procurement in accordance with regulations. The training must encompass the latest techniques and methods of public procurement. If considered appropriate by the chief procurement officers, the training must include a requirement for the certification of the procurement officer of the District.

SECTION 1250. Authority to contract for auditing services. (S.C. Code § 11-35-1250)

No contract for auditing or accounting services shall be awarded without the approval of the Board.

[Alternative Text: In the alternative, Districts may specify the Superintendent as the official appropriate to approve such contracts. If the District uses alternative language, the alternative text must also be used for R. 2025(E).]

SECTION 1260. Authority to contract for legal services. (S.C. Code § 11-35-1260)

No contract for the services of attorneys shall be awarded without the approval of the Board.

[Alternative Text: In the alternative, Districts may specify the Superintendent as the official appropriate to approve such contracts. If the District uses alternative language, the alternative text must also be used for R. 2025D.]

ARTICLE 5.

SOURCE SELECTION AND CONTRACT FORMATION

SECTION 1410. Definitions of terms used in this article. (S.C. Code § 11-35-1410)

Unless the context clearly indicates otherwise:

- (1) "'Commercial product" means supplies, other than printing, or information resources:
 - (a) that is of a type customarily used by the general public and that has been sold, leased, or licensed to the general public;
 - (b) that would satisfy the criteria in subitem (a) were it not for modifications of a type customarily available in the commercial marketplace, or minor modifications made to meet state requirements; or
 - (c) that is a combination of products meeting the requirements of subitem (a) or (b) that are of a type customarily combined and sold in combination to the general public.
- (2) "Commercially available off-the-shelf product" means supplies, other than printing, or information resources: that is a commercial product, as defined herein, that is sold in substantial quantities in the commercial marketplace; and is offered to the State, without modification, in the same form in which it is sold in the commercial marketplace. It does not include agricultural products, petroleum products, and other items customarily sold in bulk.
- (3) "Cost-reimbursement contract" means a contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions of this code, and paid a fee, if any.
- (4) "Established catalog price" means the price included in a catalog, price list, schedule, or other form that:
 - (a) is regularly maintained by a manufacturer or vendor of an item;
 - (b) is either published or otherwise available for inspection by customers;
 - (c) states prices at which sales are currently or were last made to a significant number of buyers constituting the general buying public for the supplies, services, or information technology involved.
- (5) "Invitation for bids" means all documents, whether attached or incorporated by reference, utilized for soliciting bids in accordance with the procedures set forth in Section 1520.
- (6) "Purchase description" means specifications or other document describing the supplies, services, information technology, or construction to be procured.
- (7) "Request for proposals" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals.

(8) "Responsible bidder or offeror" means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability which will assure good faith performance which may be substantiated by past performance.

(9) "Responsive bidder or offeror" means a person who has submitted a bid or proposal which conforms in all material aspects to the invitation for bids or request for proposals.

SECTION 1510. Methods of source selection. (S.C. Code § 11-35-1510)

Unless otherwise provided by law, all District contracts must be awarded by competitive sealed bidding, pursuant to Section 1520, except as provided in:

- (1) Section 1250 (Authority to Contract for Auditing Services);
- (2) Section 1260 (Authority to Contract for Legal Services);
- (3) Section 1525 (Fixed Priced Bidding);
- (4) Section 1528 (Competitive Best Value Bidding);
- (5) Section 1529 (Competitive Online Bidding);
- (6) Section 1530 (Competitive Sealed Proposals);
- (7) Section 1540 (Negotiations After Unsuccessful Competitive Sealed Bidding);
- (8) Section 1550 (Small Purchases);
- (9) Section 1560 (Sole Source Procurements);
- (10) Section 1570 (Emergency Procurements);
- (11) Section 1575 (Participation in Auction or Bankruptcy Sale);
- (12) (Reserved)
- (13) Section 3015 (Source Selection Methods Assigned to Project Delivery Methods);
- (14) Section 3220 (Architect Engineer, Construction Management and Land Surveying Services Procurement Procedures); and
- (15) Section 3230 (Exception for Small Architect-Engineer and Land Surveying Services Contracts).

SECTION 1520. Competitive sealed bidding. (S.C. Code § 11-35-1520)

(1) Condition for Use. Contracts must be awarded by competitive sealed bidding except as otherwise provided in Section 1510.

(2) Invitation for Bids. An invitation for bids must be issued in an efficient and economical manner and must include specifications and all contractual terms and conditions applicable to the procurement.

(3) Notice. Adequate notice of the invitation for bids must be given at a reasonable time before the date set forth in it for the opening of bids. The notice must include publications in "South Carolina Business Opportunities." Governmental bodies may charge vendors the cost incurred for copying and mailing bid or proposal documents requested in response to a procurement.

[Alternative Text: Districts are advised that, except for some procurements for COTS or construction, the Consolidated Procurement Code requires advertisement in South Carolina Business Opportunities for all procurements valued above \$25,000. See S.C. Code § 11-35-1550. Nevertheless, if requested, Division of Procurement Services will approve the following language in lieu of the second sentence above:]

"The notice must include publications in the newspaper of general circulation, as selected by the Board and identified in the District's internal procurement procedures (§ 540) and should include publications in 'South Carolina Business Opportunities.' For a procurement with a total potential value over two hundred and fifty thousand dollars, the notice must include publications in 'South Carolina Business Opportunities.' The District may give additional or wider public notice in any other media."

If the District uses the alternative language, the alternative text for R. 2040 must also be used.]

[Model Comment: Cross reference Section 1550 and Section 3020.]

(4) Receipt and Safeguarding of Bids. All bids, including modifications, received before the time of opening must be kept secure and unopened, except as provided by regulation.

(5) Bid Opening. Bids must be opened publicly in the presence of one or more witnesses, at the time and place designated in the invitation for bids and in the manner prescribed by regulation. The amount of each bid, and other relevant information as may be specified by regulation, together with the name of each bidder, must be tabulated. The tabulation must be open to public inspection at that time.

(6) Bid Acceptance and Bid Evaluation. Bids must be accepted unconditionally without alteration or correction, except as otherwise authorized in this code. The invitation for bids must set forth the evaluation criteria to be used. Criteria must not be used in bid evaluation that are not in the invitation for bids. Bids must be evaluated based on the requirements in the invitation for bids and in accordance with the regulations.

(7) Correction or Withdrawal of Bids; Cancellation of Awards. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation and re-award of awards or contracts, after award but before performance, may be permitted in accordance with regulations. After bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of the District or fair competition must not be permitted. After opening, bids must not be corrected or withdrawn except in accordance with the provisions of this code and the regulations. Except as otherwise provided by regulation, all decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts, after award but before performance, must be supported by a written determination of appropriateness made by the chief business official.

[Model Comment: (1) The authority granted in this paragraph must be exercised in compliance with Regulation 2085. (2) The authority to cancel awards or contracts after award but prior to performance is tantamount to revoking a contract and should not be used as a normal administrative solution to defective procurement practices. After opening, the correction or withdrawal of bids can undermine the integrity of the procurement process. Given these concerns, such authority should be exercised by an official one step removed from procurement. Accordingly, this section places the final authority over these actions with the chief business official.]

(8) Reserved.

[Model Comment: "Discussions" with bidders is no longer part of Section 1520. In the past, this section was often applied inconsistently, and this inconsistent application frustrated the purpose of this Code when it was used to allow non-responsive bidders to cure their bids through discussions.]

(9) Tie Bids. If two or more bidders are tied in price while otherwise meeting all of the required conditions, awards are determined in the following order of priority:

(a) If there is a South Carolina firm tied with an out-of-state firm, the award must be made automatically to the South Carolina firm.

(b) Tie bids involving South Carolina produced or manufactured products, when known, and items produced or manufactured out of the State must be resolved in favor of the South Carolina commodity.

(c) Tie bids involving a business certified by the South Carolina Office of Small and Minority Business Assistance as a Minority Business Enterprise must be resolved in favor of the Minority Business Enterprise.

(d) Tie bids involving South Carolina firms must be resolved in favor of the South Carolina firm located in the District.

(e) In all other situations in which bids are tied, the award must be made to the tied bidder offering the quickest delivery time, or if the tied bidders have offered the same delivery time, the tie must be resolved by the flip of a coin witnessed by the procurement officer. All responding vendors must be invited to attend.

(10) Award. Unless there is a compelling reason to reject bids as prescribed by regulation, notice of an award or an intended award of a contract to the lowest responsive and responsible bidders whose bid meets the requirements set forth in the invitation for bids must be given by posting the notice on the date and at a location specified in the invitation for bids. For contracts with a total or potential value in excess of one hundred thousand dollars, notice of an intended award of a contract must be given by posting the notice for

seven business days before entering into a contract and must be sent electronically to all bidders responding to the solicitation on the same day that the notice is posted in accordance with this section. The posting date shall appear on the face of all these notices. If a change to the posting date is necessary, notice of the revised posting date must be given by posting the notice for three business days at the location identified in the solicitation and must be sent electronically to all bidders responding to the solicitation on the same day that the notice is posted in accordance with this section. The invitation for bids and a notice of award or notice of intent to award must contain a statement of a bidder's right to protest pursuant to Section 4210(1). When only one response is received, the notice of intent to award and the delay of award may be waived.

[Model Comment: Regarding reject of bids or proposals, cross reference Regulation 2065 and 2097.]

(11) Request for Qualifications.

(a) Before soliciting bids, the procurement officer, may issue a request for qualifications from prospective bidders. The request must contain, at a minimum, a description of the scope of work to be solicited by the invitation for bids, the deadline for submission of information, and how prospective bidders may apply for consideration. The request must require information concerning the prospective bidders' product specifications, qualifications, experience, and ability to perform the requirements of the contract. Adequate public notice of the request for qualifications must be given in the manner provided in Section 1520(3).

(b) After receipt of the responses to the request for qualifications from prospective bidders, the rank of the prospective bidders must be determined in writing from most qualified to least qualified on the basis of the information provided. Bids then must be solicited from at least the top two prospective bidders by means of an invitation for bids. The determination regarding how many bids to solicit is not subject to review under Article 17.

(12) (Reserved)

(13) Minor Informalities and Irregularities in Bids. A minor informality or irregularity is one which is merely a matter of form or is some immaterial variation from the exact requirements of the invitation for bids having no effect or merely a trivial or negligible effect on total bid price, quality, quantity, or delivery of the supplies or performance of the contract, and the correction or waiver of which would not be prejudicial to bidders. The procurement officer shall either give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid or waive any such deficiency when it is to the advantage of the District. Such communication or determination shall be in writing. Examples of minor informalities or irregularities include, but are not limited to:

(a) failure of a bidder to return the number of copies of signed bids required by the solicitation;

(b) failure of a bidder to furnish the required information concerning the number of the bidder's employees or failure to make a representation concerning its size;

(c) failure of a bidder to sign its bid, but only if the firm submitting the bid has formally adopted or authorized the execution of documents by typewritten, printed, or rubber stamped signature and submits evidence of that authorization, and the bid carries that signature or the unsigned bid is accompanied by other material indicating the bidder's intention to be bound by the unsigned document, such as the submission of a bid guarantee with the bid or a letter signed by the bidder with the bid referring to and identifying the bid itself;

(d) failure of a bidder to acknowledge receipt of an amendment to a solicitation, but only if:

(i) the bid received indicates in some way that the bidder received the amendment, such as where the amendment added another item to the solicitation and the bidder submitted a bid, on it, if the bidder states under oath that it received the amendment before bidding and that the bidder will stand by its bid price; or

(ii) the amendment has no effect on price or quantity or merely a trivial or negligible effect on quality or delivery, and is not prejudicial to bidders, such as an amendment correcting a typographical mistake in the name of the District;

(e) failure of a bidder to furnish an affidavit concerning affiliates;

(f) failure of a bidder to execute the certifications with respect to equal opportunity and affirmative action programs;

(g) failure of a bidder to furnish cut sheets or product literature;

(h) failure of a bidder to furnish certificates of insurance;

(i) failure of a bidder to furnish financial statements;

(j) failure of a bidder to furnish references;

(k) failure of a bidder to furnish its bidder number; and

(l) notwithstanding Title 40 of the South Carolina Code of Laws, the failure of a bidder to indicate his contractor's license number or other evidence of licensure, except that a contract must not be awarded to the bidder unless and until the bidder is properly licensed under the laws of South Carolina.

SECTION 1524. Resident vendor preference. (S.C. Code § 11-35-1524)

(A) For purposes of this section:

(1) 'End product' means the tangible product described in the solicitation including all component parts and in final form and ready for the District's intended use.

(2) 'Grown' means to produce, cultivate, raise, or harvest timber, agricultural produce, or livestock on the land, or to cultivate, raise, catch, or harvest products or food from the water which results in an end product that is locally derived from the product cultivated, raised, caught, or harvested.

(3) 'Labor cost' means salary and fringe benefits.

(4) 'Made' means to assemble, fabricate, or process component parts into an end product, the value of which, assembly, fabrication, or processing is a substantial portion of the price of the end product.

(5) 'Manufactured' means to make or process raw materials into an end product.

(6) 'Office' means a nonmobile place for the regular transaction of business or performance of a particular service which has been operated as such by the bidder for at least one year before the bid opening and during that year the place has been staffed for at least fifty weeks by at least two employees for at least thirty five hours a week each.

(7) 'Services' means services as defined by Section 310 and also includes services as defined in the definition of Information Technology.

(8) 'South Carolina end product' means an end product made, manufactured, or grown in South Carolina.

(9) 'United States end product' means an end product made, manufactured, or grown in the United States of America.

(B)(1) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease by seven percent the price of any offer for a South Carolina end product.

(2) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease by two percent the price of any offer for a United States end product. This preference does not apply to an item to which the South Carolina end product preference has been applied.

(3) Whether award is to be made by item or lot, the preferences must be applied to the price of each line item of end product. A preference must not be applied to an item for which a bidder does not qualify.

(4) If a contract is awarded to a bidder that received the award as a result of the South Carolina end product or United States end product preference, the contractor may not substitute a nonqualifying end product for a qualified end product. A substitution in violation of this item is grounds for debarment pursuant to Section 4220. If a contractor violates this provision, the District may terminate the contract for cause and, in addition, the contractor shall pay to the District an amount equal to twice the difference between the price paid by the District and the bidder's evaluated price for a substituted item.

(5) If a bidder is requesting this preference, the bidder, upon request of the procurement officer, must provide documentation that establishes the bidder's qualifications for the preference. Bidder's failure to provide this information promptly is grounds to deny the preference and for enforcement pursuant to subsection (E)(6).

(C)(1) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease a bidder's price by seven percent if the bidder maintains an office in this State and either: (i) maintains at a location in South Carolina at the time of the bid an inventory of expendable items which are representative of the general type of commodities on which the award will be made and which have a minimum total value, based on the bid price, equal to the lesser of fifty thousand dollars or the annual amount of the contract; (ii) is a manufacturer headquartered and having an annual payroll of at least one million dollars in South Carolina and the end product is made or processed from raw materials into a finished end product by that manufacturer or its affiliate (as defined in Section 1563 of the Internal Revenue Code); or (iii) at the time of bidding, directly employs or has a documented commitment with individuals domiciled in South Carolina that will perform services expressly required by the solicitation and the total direct labor cost to bidder for those individuals to provide those services exceeds fifty percent of the bidder's total bid price.

(2) Whether award is to be made by item or lot, the preferences must be applied to the price of each line item of end product or work, as applicable. A preference must not be applied to an item for which a bidder does not qualify.

(3) If a bidder is requesting this preference, the bidder, upon request by the procurement officer, must provide documentation that establishes the bidder's qualifications for the preference and, for the preference claimed pursuant to subsection (C)(1)(iii), must identify the persons domiciled in South Carolina that will perform the services involved in the procurement upon which bidder relies in qualifying for the preference, the services those individuals are to perform, and documentation of the bidder's labor cost for each person identified. Bidder's failure to provide this information promptly is grounds to deny the preference and for enforcement under subsection (E)(6) below.

(D)(1) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease a bidder's price by two percent if:

(a) the bidder has a documented commitment from a single proposed first tier subcontractor to perform some portion of the services expressly required by the solicitation; and

(b) at the time of the bidding, the subcontractor directly employs or has a documented commitment with individuals domiciled in South Carolina that will perform services expressly required by the solicitation and the total direct labor cost to the subcontractor for those individuals to provide those services exceeds twenty percent of bidder's total bid price.

(2) When evaluating pricing for purposes of making an award determination, the procurement officer shall decrease a bidder's price by four percent if:

(a) the bidder has a documented commitment from a single proposed first tier subcontractor to perform some portion of the services expressly required by the solicitation; and

(b) at the time of the bidding, the subcontractor directly employs or has a documented commitment with individuals domiciled in South Carolina that will perform services expressly required by the solicitation and the total direct labor cost to the subcontractor for those individuals to provide those services exceeds forty percent of bidder's total bid price.

(3) Whether award is to be made by item or lot, the preferences must be applied to the price of each line item of work. A preference must not be applied to an item for which a bidder does not qualify.

(4) Subject to other limits in this section, an offeror may benefit from applying for more than one of, or from multiple applications of, the preferences allowed by items (1) and (2).

(5)(a) In its bid, a bidder requesting any of the preferences allowed by items (1) and (2) must identify the subcontractor to perform the work, the work the subcontractor is to perform, and the bidder's factual basis for concluding that the subcontractor's work constitutes the required percentage of the work to be performed in the procurement.

(b) If a bidder is requesting a preference allowed by items (1) or (2), upon request by the procurement officer, the bidder shall identify the persons domiciled in South Carolina that are to perform the services involved in the procurement upon which the bidder relies in qualifying for the preference, the services those individuals are to perform, the employer of those persons, the bidder's relationship with the employer, and documentation of the subcontractor's labor cost for each person identified. Bidder's failure

to provide this information promptly will be grounds to deny the preference and for enforcement pursuant to subsection (E)(6) below.

(c) If a contract is awarded to a bidder that received the award as a result of a preference allowed by items (1) or (2), the contractor may not substitute any business for the subcontractor on which the bidder relied to qualify for the preference, unless first approved in writing by the procurement officer. A substitution in violation of this subitem is grounds for debarment pursuant to Section 11-35-4220. If a contractor violates this provision, the procurement officer may terminate the contract for cause. If the contract is not terminated, the procurement officer may require the contractor to pay the State an amount equal to twice the difference between the price paid by the State and the price offered by the next lowest bidder, unless the substituted subcontractor qualifies for the preference.

(E)(1) A business is not entitled to any preferences unless the business, to the extent required by law, has:

(a) paid all taxes assessed by the State; and

(b) registered with the South Carolina Secretary of State and the South Carolina Department of Revenue.

(2) The preferences provided in subsections (B) and (C)(1)(i) and (ii) do not apply to a single unit of an item with a price in excess of fifty thousand dollars or a single award with a total potential value in excess of five hundred thousand dollars.

(3) The preferences provided in subsections (C)(1)(iii) and (D) do not apply to a bid for an item of work by the bidder if the annual price of the bidder's work exceeds fifty thousand dollars or the total potential price of the bidder's work exceeds five hundred thousand dollars.

(4) A solicitation must provide potential bidders an opportunity to request the preferences that apply to a procurement. By submitting a bid and requesting that a preference be applied to that bid, a business certifies that its bid qualifies for the preference for that procurement. For purposes of applying this section, a bidder is not qualified for a preference unless the bidder makes a request for the preference as required in the solicitation. If a solicitation specifies which preferences, if any, apply to a procurement, the applicability of preferences to that procurement is conclusively determined by the solicitation unless the solicitation document is timely protested as provided in Section 4210. If two or more bidders are tied after the application of the preferences allowed by this section, the tie must be resolved as provided in Section 1520(9). Price adjustments required by this section for purposes of evaluation and application of the preferences do not change the actual price offered by the bidder.

(5) This section does not apply to an acquisition of motor vehicles as defined in Section 56-15-10 of the South Carolina Code of Laws or an acquisition of supplies or services relating to construction. This section does not apply to a procurement conducted pursuant to Section 1550(2)(a) or (b), Section 1530, or Article 9 of this code.

[Model Comment: In addition to the exclusions provided here, see 1529(4), which provides that the preferences do not apply to reverse auctions.]

(6) Pursuant to Section 4220, a business may be debarred if: (i) the business certified that it qualified for a preference, (ii) the business is not qualified for the preference claimed, and (iii) the certification was made in bad faith or under false pretenses. If a contractor has invalidly certified that a preference is applicable, the chief business official may terminate the contract for cause, and the chief business official may require the contractor to pay the District an amount equal to twice the difference between the price paid by the District and the price offered by the next lowest bidder.

(7) The sum of all preferences allowed by items (D)(1) and (D)(2), when applied to the price of a line item of work, may not exceed six percent unless the bidder maintains an office in this State. Under no circumstances may the cumulative preferences applied to the price of a line item exceed ten percent.

(8) As used in items (C)(1)(iii), (D)(1)(b), and (D)(2)(b), the term 'documented commitment' means a written commitment by the bidder to employ directly an individual, and by the individual to be employed by the bidder, both contingent on the bidder receiving the award.

(9) The remedies available in this section are cumulative of and in addition to all other remedies available at law and equity.

SECTION 1525. Competitive fixed price bidding. (S.C. Code § 11-35-1525)

(1) Conditions for Use. When the District determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by competitive fixed price bidding subject to the provisions of Section 1520 and the regulations, unless otherwise provided for in this section.

(2) Fixed Price Bidding. The purpose of fixed price bidding is to provide multiple sources of supply for specific services, supplies, or information technology based on a preset maximum price which the District will pay for such services, supplies, or information technology.

(3) Public Notice. Adequate public notice of the solicitation shall be given in the same manner as provided in Section 1520(3).

(4) Pricing. The District shall establish, before issuance of the fixed price bid, a maximum amount the District will pay for the services, supplies, or information technology desired.

(5) Evaluation. Vendors' responses to the fixed price bid will be reviewed to determine if they are responsive and responsible.

(6) Reserved.

(7) Award. Award must be made to all responsive and responsible bidders to the District's request for competitive fixed price bidding. The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.

(8) Bids Received After Award. As provided in the solicitation, bidders not responding to the initial fixed price bid may be added to the awarded vendors' list provided the bidder furnishes evidence of responsibility and responsiveness to the District's original fixed price bid as required by the solicitation.

[Model Comment: The deletion of Section 1525(9) may not be interpreted as an indication that the failure of a specific offeror to receive business is grounds for a dispute. See Editor's Note to § 11-35-1525(9) of the South Carolina Procurement Code, Act 41 of 2019.]

SECTION 1528. Competitive best value bidding. (S.C. Code § 11-35-1528)

(1) Conditions for Use. When the District determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by competitive best value bidding subject to the provisions of Section 1520 and the regulations, unless otherwise provided for in this section.

(2) Best Value Bidding. The purpose of best value bidding is to allow factors other than price to be considered in the determination of award for specific supplies, services, or information technology based on pre-determined criteria identified by the District.

(3) Public Notice. Adequate public notice of the request for the solicitation shall be given in the same manner as provided in Section 1520(3).

(4) Bid Opening. At bid opening, the only information that will be released is the names of the participating bidders. Price information will be provided after the ranking of bidders and the issuance of award.

(5) Evaluation Factors. The best value bid must state the factors to be used in determination of award and the numerical weighting for each factor. Price must be a factor in determination of award and cannot be weighted at less than sixty percent. Best value bid evaluation factors may include, but are not limited to, any of the following:

- (a) operational costs the District would incur if the bid is accepted;
- (b) quality of the product or service or its technical competency;

- (c) reliability of delivery and implementation schedules;
 - (d) maximum facilitation of data exchange and systems integration;
 - (e) warranties, guarantees, and return policy;
 - (f) vendor financial stability;
 - (g) consistency of the proposed solution with the District's planning documents and announced strategic program direction;
 - (h) quality and effectiveness of business solution and approach;
 - (i) industry and program experience;
 - (j) prior record of vendor performance;
 - (k) vendor expertise with engagement of similar scope and complexity;
 - (l) extent and quality of the proposed participation and acceptance by all user groups;
 - (m) proven development methodologies and tools; and
 - (n) innovative use of current technologies and quality results.
- (6) Clarification of Responsive Bid. The procurement officer may ask a responsive bidder to clarify an ambiguity in its bid; however, no material modification of the bid is allowed.

[Model Comment: Cross reference Regulation 2080.]

(7) Selection and Ranking. Bids shall be evaluated by using only the criteria and weightings stated in the invitation for best value bids. All evaluation factors, other than price, will be considered independent of and prior to determining the effect of price on the score for each participating bidder. Once the evaluation is complete, all responsive bidders must be ranked from most advantageous to least advantageous to the District, considering only the evaluation factors stated in the invitation for best value bids.

(8) Award. Award must be made to the responsive and responsible bidder whose bid is determined, in writing, to be most advantageous to the District, taking into consideration all evaluation factors set forth in the best value bid. The contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.

SECTION 1529. Competitive online bidding. (S.C. Code § 11-35-1529)

(1) Conditions for Use. When the District determines in writing that on-line bidding is more advantageous than competitive sealed bidding, a contract may be entered into by competitive on-line bidding, subject to the provisions of Section 1520 and the regulations, unless otherwise provided in this section.

(2) Public Notice. Adequate public notice of the request for the solicitation must be given in the same manner as provided in Section 1520(3).

(3) Bidding Process. The solicitation must designate both an Opening Date and Time and a Closing Date and Time. The Closing Date and Time need not be a fixed point in time, but may remain dependent on a variable specified in the solicitation. At the Opening Date and Time, the District must begin accepting real-time electronic bids. The solicitation must remain open until the Closing Date and Time. Before the Opening Date and Time, the District shall require bidders to register, shall register only responsible bidders, and, as a part of that registration, require bidders to agree to any terms, conditions, or other requirements of the solicitation. If less than two bidders are registered, the solicitation must be canceled. Following receipt of the first bid after the Opening Date and Time, the lowest bid price must be posted electronically to the Internet and updated on a real-time basis. At any time before the Closing Date and Time, a bidder may lower the price of its bid, except that after Opening Date and Time, a bidder may not lower its price unless that price is below the then lowest bid. Bid prices may not be increased after Opening Date and Time. Except for bid prices, bids may be modified only as otherwise allowed by this code. A bid may be withdrawn only in compliance with Section 1520. If a bid is withdrawn, a later bid submitted by the same bidder may not be for a higher price. If the lowest responsive bid is withdrawn after the Closing Date and Time, the District may cancel the solicitation in accordance with this code or reopen electronic bidding to all pre-existing bidders by giving notice to all pre-existing bidders of both the new Opening Date and Time

and the new Closing Date and Time. Notice that electronic bidding will be reopened must be given as specified in the solicitation.

(4) Receipt and Safeguarding of Bids. Other than price, any information provided to the District by a bidder must be safeguarded as required by Section 1520(4).

(5) Provisions Not to Apply. Section 1524 (Resident Vendor Preference) and paragraph (5) (Bid Opening) of Section 1520 (Competitive Sealed Bidding) do not apply to solicitations issued pursuant to this section.

SECTION 1530. Competitive sealed proposals. (S.C. Code § 11-35-1530)

(1) Conditions for Use.

(a) If a District determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by competitive sealed proposals subject to the provisions of Section 1520 and the regulations, unless otherwise provided in this section.

(b) The regulations may provide that it is either not practicable or not advantageous to the District to procure specified types of supplies, services, information technology, or construction by competitive sealed bidding.

(2) Public Notice. Adequate public notice of the request for proposals must be given in the same manner as provided in Section 1520(3).

(3) Receipt of Proposals. Proposals must be opened publicly in accordance with regulations. A tabulation of proposals must be prepared in accordance with regulations promulgated by the board and must be open for public inspection after contract award.

(4) Request for Qualifications.

(a) Before soliciting proposals, the procurement officer may issue a request for qualifications from prospective offerors. The request must contain at a minimum a description of the scope of the work to be solicited by the request for proposals and must state the deadline for submission of information and how prospective offerors may apply for consideration. The request must require information only on their qualifications, experience, and ability to perform the requirements of the contract.

(b) After receipt of the responses to the request for qualifications from prospective offerors, rank of the prospective offerors must be determined in writing from most qualified to least qualified on the basis of the information provided. Proposals then must be solicited from at least the top two prospective offerors by means of a request for proposals. The determination regarding how many proposals to solicit is not subject to review pursuant to Article 17.

(5) Evaluation Factors. The request for proposals must state the relative importance of the factors to be considered in evaluating proposals but may not require a numerical weighting for each factor. Price may, but need not, be an evaluation factor.

(6) Discussion with Offerors. As provided in the request for proposals, and under regulations, discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors must be accorded fair and equal treatment with respect to any opportunity for discussions. In conducting discussions, there must be no disclosure of confidential information derived from proposals submitted by competing offerors. The board shall promulgate regulations governing discussions.

[Model Comment: (1) Cross reference Regulation 2095(I). (2) Communications pursuant to this subsection (6) must be conducted in accordance with the guidance appearing in the District's internal operating procedures. See attached.]

[Alternative Text: The Division of Procurement Services will not provide an affirmative written opinion for a school's code that contains [1] subsection (6) above and [2] R. 2095I unless it includes the following document, which is incorporated by reference into the District's internal operating procedures: Competitive Sealed Proposals, Required Procedures and Guidance for Communications After Opening but Prior to

Award (eff. Sept. 2021), found at <https://procurement.sc.gov>. In the alternative, a District may elect to mark both 1530(6) and R. 2195I as "[reserved]". {Also see note to R. 2095(J)(b).}

(7) Selection and Ranking. Proposals must be evaluated using only the criteria stated in the request for proposals and there must be adherence to weightings that have been assigned previously. Once evaluation is complete, all responsive offerors must be ranked from most advantageous to least advantageous to the District, considering only the evaluation factors stated in the request for proposals.

(8) Negotiations. After proposals have been ranked pursuant to Section 1530(7), the procurement officer, in his sole discretion and not subject to review under Article 17, may proceed in any of the manners indicated below, except that in no case may confidential information derived from proposals and negotiations submitted by competing offerors be disclosed:

(a) negotiate with the highest ranking offeror on price, on matters affecting the scope of the contract, so long as the changes are within the general scope of the request for proposals, or on both. If a satisfactory contract cannot be negotiated with the highest ranking offeror, negotiations may be conducted, in the sole discretion of the procurement officer, with the second, and then the third, and so on, ranked offerors to the level of ranking determined by the procurement officer in his sole discretion;

(b) during the negotiation process as outlined in item (a) above, if the procurement officer is unsuccessful in his first round of negotiations, he may reopen negotiations with any offeror with whom he previously negotiated; or

(c) before or after negotiations pursuant to Section 1530(8), the procurement officer may make changes to the request for proposals within the general scope of the request for proposals and may provide all responsive offerors an opportunity to submit their best and final offers, which must be reevaluated and ranked pursuant to Section 1530(7).

(9) Award. Award must be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the District, taking into consideration the evaluation factors set forth in the request for proposals, unless the procurement officer determines to utilize one of the options provided in Section 1530(8). The award of the contract must be made on the basis of evaluation factors that must be stated in the RFP. The contract file must contain the basis on which the award is made and must be sufficient to satisfy external audit. Procedures and requirements for the notification of intent to award the contract must be the same as those provided in Section 1520(10).

[Model Comment: Division of Procurement Services's three chief procurement officers have jointly issued guidance to assist procurement officers in conducting negotiations and in requesting best-and-final offers. Issued as Competitive Sealed Proposals, Required Procedures and Guidance for Communications After Opening but Prior to Award (eff. Sept. 2021), found at <https://procurement.sc.gov>]

SECTION 1540. Negotiations after unsuccessful competitive sealed bidding. (S.C. Code § 11-35-1540)

When bids received pursuant to an invitation for bids under Section 1520 are considered unreasonable by the District, or are not independently reached in open competition, or the low bid exceeds available funds as certified by the appropriate fiscal officer, and it is determined in writing by the chief business official, that time or other circumstances will not permit the delay required to resolicit competitive sealed bids, a contract may be negotiated pursuant to this section, provided that:

(1) each responsible bidder who submitted a bid under the original solicitation is notified of the determination and is given reasonable opportunity to negotiate;

(2) the negotiated price is lower than the lowest rejected bid by any responsible and responsive bidder under the original solicitation;

(3) the negotiated price is the lowest negotiated price offered by any responsible and responsive offeror.

[Model Comment: Contrast with negotiations under 3020(d).]

SECTION 1550. Small purchase procedures; when competitive bidding required. (S.C. Code § 11-35-1550)

(1) Authority. The following small purchase procedures may be utilized only in conducting procurements that are up to the amounts specified herein. Procurement requirements must not be artificially divided by governmental bodies so as to constitute a small purchase pursuant to this section.

(2) Competition and Price Reasonableness.

(a) No Competition. Small purchases not exceeding ten thousand dollars may be accomplished without securing competitive quotations if the prices are considered reasonable. The purchasing office must annotate the purchase requisition: "Price is fair and reasonable" and sign. The purchases must be distributed equitably among qualified suppliers. When practical, a quotation must be solicited from other than the previous supplier before placing a repeat order. The administrative cost of verifying the reasonableness of the price of purchase "not in excess of" may more than offset potential savings in detecting instances of overpricing. Action to verify the reasonableness of the price need be taken only when the procurement officer of the governmental body suspects that the price may not be reasonable, comparison to previous price paid, or personal knowledge of the item involved.

[Model Comment: The 2021 Code increases this limit from \$2,500 to \$10,000]

(b) Three Written Quotes. Written request for written quotes from a minimum of three qualified sources of supply may be made and, unless adequate public notice is provided in the South Carolina Business Opportunities, documentation of at least three bona fide, responsive, and responsible quotes must be attached to the purchase requisition for a small purchase not in excess of twenty-five thousand dollars, or for a small purchase of commercially available off-the-shelf products not in excess of one hundred thousand dollars, or for a small purchase of construction not in excess of one hundred thousand dollars. The award must be made to the lowest responsive and responsible sources. The request for quotes must include a purchase description. Requests must be distributed equitably among qualified supplies unless advertised as provided above.

[Model Comment: (1) The 2021 Code increases the limit from \$10,000 to \$25,000 and requires that non-advertised purchases not exceeding \$25,000 (or \$100,000 for COTS or construction) must have three documented bona-fide written, responsive, and responsible quotes; see R.2141 (Commercial products)]

(c) Advertised Small Purchase. Written solicitation of written quotes, bids, or proposals may be made for a small purchase, other than a small purchase of construction, not in excess of one hundred thousand dollars. The procurement must be advertised at least once in the South Carolina Business Opportunities publication. A copy of the written solicitation and written quotes must be attached to the purchase requisition. The award must be made to the lowest responsive and responsible source or, when a request for proposal process is used, the highest ranking offeror.

[Model Comment: The 2021 Code increases this advertisement limit from \$50,000 to \$100,000]

[Districts are advised that, except for some procurements for COTS or construction, the Consolidated Procurement Code requires advertisement in South Carolina Business Opportunities for all procurements valued above \$25,000. Nevertheless, if requested, Division of Procurement Services will approve the following language in lieu of the second sentence above:]

"The procurement must be advertised at least once in a newspaper of general circulation in the District."

[If the District uses the alternative language, the newspaper to be used must be specified in R. 2040.]

(3) Advertising Threshold. Except for procurements of either commercially available off-the-shelf products or construction, if conducted pursuant to item (2)(b), all competitive procurements above twenty-five thousand dollars must be advertised at least once in the South Carolina Business Opportunities publication. The District may charge vendors the cost incurred for copying and mailing bid or proposal documents requested in response to a procurement.

[Alternative Text: Districts are advised that, except for some procurements for COTS or construction, the Consolidated Procurement Code requires advertisement in South Carolina Business Opportunities for all procurements valued above \$25,000. Nevertheless, if requested, Division of Procurement Services will approve the following language in lieu of the first sentence above:]

"All competitive procurements above twenty-five thousand dollars must be advertised at least once in a newspaper of general circulation in the District."

[If the District uses the alternative language, the newspaper to be used must be specified in R. 2040.]

[Model Comment: (1) See R.2100 (small purchases), R.2141 (commercial products); (2) Small purchase limits greater than those currently provided in Section 11-35-1550 will not be considered substantially similar. See Charleston County School District v. Leatherman, 368 S.E.2d 76 (S.C. Ct. App. 1988).]

SECTION 1560. Sole source procurement; public notice. (S.C. Code § 11-35-1560)

(A) A contract may be awarded for a supply, service, information technology, or construction item without competition if, under regulations, the Superintendent, or a designee above the level of the procurement officer, determines in writing that there is only one source for the required supply, service, information technology, or construction item. Except for contracts with a total potential value of fifty thousand dollars or less, adequate public notice of the intent to award without competition must be posted in South Carolina Business Opportunities, except that public notice is not required if the Superintendent, after consultation with the Board, determines in writing that award without such notice is in the interest of the District. Notice must contain a statement of the right to protest under Section 4210(1) and must be posted at least five business days before entering a contract. For contracts with a total potential value greater than two hundred fifty thousand dollars, such notice must be posted at least ten business days before entering a contract.

[Model Comment: The 2021 Code requires that, unless exempted in writing by the Superintendent after consultation with the Board, sole-source procurements greater than \$50,000 require five business days of public notice before entering a contract. For how this relates to protest deadlines, see new Section 4210(1)(c).]

(B) Written documentation must include the determination and basis for the proposed sole source procurement. A delegation of authority by the Superintendent with respect to sole source determinations must be submitted in writing to the chief procurement officer. In cases of reasonable doubt, competition must be solicited. Any decision by a District that a procurement be restricted to one potential vendor must be accompanied by a thorough, detailed explanation as to why no other will be suitable or acceptable to meet the need.

SECTION 1570. Emergency procurements; public notice. (S.C. Code § 11-35-1570)

(A) Notwithstanding any other provision of this code, the Superintendent or a designee may award or authorize others to award emergency contracts only when there exists an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions as defined in regulations; and provided, that such emergency procurements shall be made with as much competition as is practicable

under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

(B) When a contract entered pursuant to subsection (A) has a total or potential value in excess of fifty thousand dollars, notice of the award must be posted in South Carolina Business Opportunities (SCBO) as soon as practicable thereafter. The posted notice must contain a statement of the right to protest under Section 4210(1).

[Model Comment: The 2021 Code requires that notice of emergency procurements greater than \$50,000 must be posted in SCBO as soon as practicable thereafter. For how this relates to protest deadlines, see new Section 4210(1)(c).]

SECTION 1575. Participation in auction or sale of supplies from bankruptcy. (S.C. Code § 11-35-1575)

A District having knowledge of either an auction or a sale of supplies from a bankruptcy may elect to participate. The District shall (a) survey the needed items being offered to ascertain their condition and usefulness, (b) determine a fair market value for new like items through informal quotes, (c) determine the fair market value from similar items considering age and useful life, and (d) estimated repair cost and delivery cost, if any, of the desired items. Using this information, the District shall determine the maximum price that it can pay for each item desired. At the auction or sale, the District shall not exceed the maximum price so determined.

SECTION 1710. Cancellation of invitation for bids or request for proposals. (S.C. Code § 11-35-1710)

Any solicitation under this code may be cancelled, or any or all bids or proposals may be rejected in whole or part as may be specified in the solicitation, when it is in the best interest of the District. The reasons for rejection, supported with documentation sufficient to satisfy external audit, shall be made a part of the contract file.

[Model Comment: Consider this provision in conjunction with Section 1520(7) and Regulations 2065 and 2095.]

SECTION 1810. Responsibility of bidders and offerors. (S.C. Code § 11-35-1810)

(1) Determination of Responsibility. Responsibility of the bidder or offeror shall be ascertained for each contract let by the District based upon full disclosure to the procurement officer concerning capacity to meet the terms of the contracts and based upon past record of performance for similar contracts. The regulations establish standards of responsibility that shall be enforced in all District contracts.

(2) Determination of Nonresponsibility. A written determination of nonresponsibility of a bidder or offeror shall be made in accordance with regulations. The unreasonable failure of a bidder or offeror to supply information promptly in connection with an inquiry with respect to responsibility may be grounds for a determination of nonresponsibility with respect to such bidder or offeror.

(3) Right of Nondisclosure. Except as otherwise provided by law, information furnished by a bidder or offeror pursuant to this section shall not be disclosed outside of the offices of the District without prior written consent by the bidder or offeror.

(4) Public procurement units, as defined in Section 11-35-4610 of the South Carolina Code of Laws, may provide information to one another relating to the responsibility or prior performance of a bidder or offeror or provide any other information about a bidder or offeror that is otherwise related to procurement. Any person affiliated with a public procurement unit in an official capacity, who provides such information in good faith, is immune from civil and criminal liability which might otherwise result by reason of his actions. In all such civil or criminal proceedings, good faith is a rebuttable presumption.

SECTION 1820. Prequalification of supplies and suppliers. (S.C. Code § 11-35-1820)

The regulations may provide for prequalification of suppliers or supplies.

SECTION 1830. Cost or pricing data. (S.C. Code § 11-35-1830)

(1) Contractor Certification. A contractor shall, except as provided in subsection (3) of this section, submit cost or pricing data and shall certify that, to the best of his knowledge and belief, the cost or pricing data submitted is accurate, complete, and current as of mutually determined specified date prior to the date of:

(a) the pricing of any contract awarded by competitive sealed proposals pursuant to Section 1530 or pursuant to the sole source procurement authority as provided in Section 1560 where the total contract price exceeds an amount established by regulations; or

(b) the pricing of any change order or contract modification which exceeds an amount established by regulations.

(2) Price Adjustment. Any contract, change order or contract modification under which a certificate is required shall contain a provision that the price to the District, including profit or fee, shall be adjusted to exclude any significant sums by which the District finds that such price was increased because the contractor furnished cost or pricing data was inaccurate, incomplete, or not current as of the date agreed upon between parties.

(3) Cost or Pricing Data Not Required. The requirements of this section shall not apply to contracts:

(a) where the contract price is based on adequate price competition;

(b) where the contract price is based on established catalog prices or market prices;

(c) where contract prices are set by law or regulations; or

(d) where it is determined in writing in accordance with regulations that the requirements of this section may be waived and the reasons for such waiver are stated in writing.

[Model Comment: Consider this provision in conjunction with Regulation 2120.]

SECTION 2010. Types of contracts. (S.C. Code § 11-35-2010)

Subject to the limitations of this section, any type of contract that will promote the best interests of the District may be used, except that the use of a cost-plus-a-percentage-of-cost contract must be approved by the Superintendent. A cost-reimbursement contract, including a cost-plus-a-percentage-of-cost contract, may be used only when a determination sufficient for external audit is prepared showing that the contract is likely to be less costly to the District than any other type or that it is impracticable to obtain the supplies, services, information technology, or construction required except under that contract.

SECTION 2015. Effect of contract or amendment. (S.C. Code § 11-35-2015)

A contract or amendment thereto, including, but not limited to, a change order or contract modification, is not effective against the District unless the contract or amendment is in writing and signed by an officer having actual authority to bind the District.

SECTION 2020. Approval of accounting system. (S.C. Code § 11-35-2020)

The chief procurement officer may require that:

(1) the proposed contractor's accounting system shall permit timely development of all necessary cost data in the form required by the specific contract type contemplated;

(2) the proposed contractor's accounting system is adequate to allocate costs in accordance with generally accepted accounting principles.

SECTION 2030. Multiterm contracts. (S.C. Code § 11-35-2030)

(1) Specified Period. Unless otherwise provided by law, a contract for supplies, services, or information technology must not be entered into for any a period of more than one year unless approved in a manner prescribed by regulation. The term of the contract and conditions of renewal or extension must be included in the solicitation and funds must be available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods must be subject to the availability and appropriation of funds for them.

(2) Determination Prior to Use. Before the utilization of a multiterm contract, it must be determined in writing by the District that:

(a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and

(b) such a contract serves the interest of the District by encouraging effective competition or otherwise promoting economies in District procurement.

(3) Cancellation Due to Unavailability of Funds in Succeeding Fiscal Periods. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract must be canceled.

(4) Maximum Duration. The maximum potential duration for a contract is five years. A maximum potential duration of up to seven years may be approved by the Superintendent.

(5) Approval. Every type of contract with a maximum potential duration exceeding seven years must be approved by the board. For competitive procurements, approval of the maximum potential duration must be granted before solicitation.

SECTION 2040. Inapplicable laws. (S.C. Code § 11-35-2040)

The following laws are inapplicable to contracts solely for the procurement of commercially available off-the-shelf products pursuant to Section 1550:

(1) Chapter 14, Title 8, Unauthorized Aliens and Public Employment;

(2) Section 11-9-105, Contracts for Legal or Consultant Services;

(3) Section 11-35-5300, Prohibition of Contracting with Discriminatory Business;

(4) Chapter 57, Title 11, Iran Divestment Act;

(5) Chapter 107, Title 44, Drug-Free Workplace Act; and

(6) any other provision of law identified by regulations that sets forth policies, procedures, or requirements that impact the procurement of commercially available off-the-shelf products by the District, except for a provision of law that: (i) provides for criminal or civil penalties; (ii) appears in Article 17 of this code; or (iii) specifically refers to this section and provides that, notwithstanding this section, it is applicable to contracts for the procurement of commercially available off-the-shelf products.

SECTION 2050. Void contract terms or conditions. (S.C. Code § 11-35-2050)

Any term or condition in any contract entered into by the District that requires the District to defend, indemnify, or hold harmless another person, must be void ab initio, unless such term is expressly authorized by law. All contracts must be governed by South Carolina law. Without limiting the applicability of Section 4230, the exclusive venue for any dispute arising out of or related to any contract is in South Carolina. Any contract containing any terms or conditions inconsistent with any of the foregoing are otherwise enforceable as if it did not contain such term or condition.

[Model Comment: (1) This section is new for the 2021 Code and mirrors S.C. Code Ann. § 11-35-2050; (2) See R.2143. (3) For the enforceability of a District's Code, see D.W. Flowe & Sons, Inc. v. Christopher Const. Co., 327 S.C. 17, 482 S.E.2d 558 (1997), overruled on other grounds by Evins v. Richland County Historic Preservation Comm'n, 341 S.C. 15, 532 S.E.2d 876 (2000)]

SECTION 2060. Material changes prohibited. (S.C. Code § 11-35-2060)

A change order or a contract modification may not alter a contract in a manner or degree inconsistent with the underlying purposes and policies of this code or the regulations.

[Model Comment: Cross reference Regulation 2143.]

SECTION 2210. Right to inspect plant. (S.C. Code § 11-35-2210)

The chief procurement officer or his designee is authorized, at reasonable times, to inspect the part of the plant or place of business of a contractor or subcontractor which is related to the performance of a contract awarded or to be awarded by the District.

SECTION 2220. Right to audit records. (S.C. Code § 11-35-2220)

(1) Audit of Cost or Pricing Data. All District contracts shall contain a clause setting forth the District's right at reasonable times and places to audit the books and records of any contractor or subcontractor who has submitted cost or pricing data pursuant to Section 1830 to the extent that such books and records relate to such cost or pricing data. The contract shall further set forth that the contractor or subcontractor who receives a contract, change order, or contract modification for which cost or pricing data is required, shall maintain such books and records that relate to such cost or pricing data for three years from the date of final payment under the contract, unless a shorter period is otherwise authorized in writing by the chief procurement officer; provided, however, that such records shall be retained for additional periods of time beyond this three-year period upon request of the chief procurement officer.

(2) Contract Audit. The District shall be entitled to audit the books and records of a contractor or any subcontractor under any negotiated contract or subcontract other than a firm fixed price contract to the extent that such books and records relate to the performance of such contract or subcontract. Such books and records shall be maintained by the contractor for a period of three years from the date of final payment under the prime contract and by the subcontractor for a period of three years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing by the chief procurement officer.

SECTION 2410. Finality of determinations. (S.C. Code § 11-35-2410)

(A) The determinations required by the following sections and related regulations are final and conclusive, unless clearly erroneous, arbitrary, capricious, or contrary to law: Section 1520(7) (Competitive Sealed Bidding: Correction or Withdrawal of Bids; Cancellation of Awards), Section 1520(11) (Competitive Sealed Bidding: Request for Qualifications), Section 1525(1) (Competitive Fixed Price Bidding: Conditions for Use), Section 1528(1) (Competitive Best Value Bidding: Conditions for Use), Section 1528(8) (Competitive Best Value Bidding: Award), Section 1529(1) (Competitive Online Bidding: Conditions for Use), Section 1530(1) (Competitive Sealed Proposals, Conditions for Use), Section 1530(4) (Competitive Sealed Proposals: Request for Qualifications), Section 1530(7) (Competitive Sealed Proposals, Selection and Ranking of Prospective Offerors), Section 1530(9) (Competitive Sealed Proposals Award), Section 1540 (Negotiations After Unsuccessful Competitive Sealed Bidding), Section 1560 (Sole Source Procurement), Section 1570 (Emergency Procurement), Section 1710 (Cancellation of Invitation for Bids or Requests for Proposals), Section 1810 (Responsibility of Bidders and Offerors), Section 1830(3) (Cost or Pricing Data, Cost or Pricing Data Not Required), Section 2010 (Types and Forms of Contracts), Section 2020 (Approval of Accounting System), Section 2030(2) (Multiterm Contracts, Determination Prior to Use), Section 3010(1) (Choice of Project Delivery Method), Section 3020(d) (Construction Procurement Procedures: Negotiations After Unsuccessful Competitive Sealed Bidding), Section 3023 (Prequalification on District Construction), Section 3220(5) (Procurement Procedure, Selection and

Ranking of the Three Most Qualified), Section 4210(7) (Stay of Procurement During Protests, Decision to Proceed), and Section 4810 (Cooperative Use of Supplies, Services, or Information Technology).

(B) The chief business official shall review samples of the determinations periodically, and issue reports and recommendations on the appropriateness of the determinations made.

SECTION 2420. Reporting of anticompetitive practices; privileged communications. (S.C. Code § 11-35-2420)

(A) When any information or allegations concerning anticompetitive practices among any bidders or offerors, come to the attention of any employee of the District, immediate notice of the relevant facts shall be transmitted to the Office of the Attorney General.

(B) Communications to the Office of the Attorney General and any testimony relating to the matters described in Section 2420(A) are privileged and may not be disclosed without prior approval of the Office of the Attorney General. A person required or permitted to report pursuant to Section 2420(A) or who participates in an investigation or judicial proceedings resulting from the report, acting in good faith, is immune from civil and criminal liability which might otherwise result by reason of these actions. In all such civil or criminal proceedings, good faith is a rebuttable presumption.

SECTION 2430. Retention of procurement records. (S.C. Code § 11-35-2430)

All procurement records shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the Department of Archives and History after consultation with the Attorney General. All retained documents shall be made available to the Attorney General or a designee upon request and proper receipt therefor.

[Model Comment: Cross reference should be made to Regulations promulgated by the South Carolina Department of Archives and History, e.g., Regulations 12-902.15, .17 - .21, .25, & .27, which appear in Volume 23 of the South Carolina Code of Laws.]

SECTION 2440. Records of procurement actions. (S.C. Code § 11-35-2440)

(1)(a) Contents of Records. The chief procurement officer shall submit semi-annually a record listing all contracts made pursuant to Section 1560 (Sole Source Procurement) or Section 1570 (Emergency Procurements) to the Superintendent. The record must contain:

- (i) each contractor's name;
- (ii) the amount and type of each contract;
- (iii) a listing of supplies, services, information technology, or construction procured under each contract.

(b) The chief procurement officer shall maintain these records for five years.

(2) Publication of Records. A copy of the record must be submitted to the board on an annual basis and must be available for public inspection.

[Model Comment: Regulation 2015 contains an additional reporting requirement.]

ARTICLE 7.

SPECIFICATIONS

SECTION 2610. Definitions of terms used in this article. (S.C. Code § 11-35-2610)

As used in this article, the term “specifications” means any technical or purchase description or other description of the physical or functional characteristics, or of the nature of a supply, service, or construction item. It may also include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

[Model Comment: Read this section in conjunction with Regulation 2140.]

SECTION 2710. Issuance of specifications; duties of the Board. (S.C. Code § 11-35-2710)

The regulations may govern the preparation, maintenance, and content of specifications for supplies, services, information technology, and construction required by the District.

[Model Comment: Read this section in conjunction with Regulation 2140.]

SECTION 2730. Assuring competition. (S.C. Code § 11-35-2730)

All specifications shall be drafted so as to assure cost effective procurement of the District’s actual needs and shall not be unduly restrictive.

[Model Comment: Read this section in conjunction with Regulation 2140.]

SECTION 2740. Relationship with using agencies. (S.C. Code § 11-35-2740)

Specifications shall be drawn in such a manner as to ensure maximally cost effective procurement, consistent with regulations.

[Model Comment: Read this section in conjunction with Regulation 2140.]

SECTION 2750. Specifications prepared by architects and engineers. (S.C. Code § 11-35-2750)

The requirements of this article regarding the nonrestrictiveness of specifications apply to each solicitation and include, among other things, all specifications prepared by architects, engineers, designers, draftsmen, and land surveyors for District contracts.

ARTICLE 9.

CONSTRUCTION, ARCHITECT-ENGINEER, CONSTRUCTION MANAGEMENT, AND LAND SURVEYING SERVICES

[Model Comment: Article 9 of the Model School Code parallels Article 9 of the Consolidated Procurement Code, which is adapted in large part from Article 5 of the ABA's 2000 Model Procurement Code for State and Local Governments (hereinafter "MPC"). The General Assembly adopted many of construction related provisions of the ABA's Model Code when it enacted 2008 Act 174. In doing so, the General Assembly stated that "the relevant official comments to the [ABA] model code, and the construction given to the [ABA] model code, should be examined as persuasive authority for interpreting and construing the new code provisions created by this act." Accordingly, a number of the following Model Comments include quotes from the ABA's Official Comments.]

SECTION 2910. Definitions of terms used in this article. (S.C. Code § 11-35-2910)

(1) “Architect-engineer and land surveying services” are those professional services associated with the practice of architecture, professional engineering, land surveying, landscape architecture, and interior design pertaining to construction, as defined by the laws of this State, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform, including

studies, investigations, surveys, evaluations, consultations, planning, programming conceptual designs, plans and specifications, cost estimates, inspections, shop drawing reviews, sample recommendations, preparation of operating and maintenance manuals, and other related services.

(2) "Construction manager agent" means a business that has been awarded a separate contract with the District to provide construction management services but not construction.

(3) "Construction manager at-risk" means a business that has been awarded a separate contract with the District to provide both construction management services and construction using the construction management at-risk project delivery method. A contract with a construction manager at-risk may be executed before completion of design.

(4) "Construction management services" are those professional services associated with contract administration, project management, and other specified services provided in connection with the administration of a project delivery method defined in Section 3005 (Project Delivery Methods Authorized).

(5) "Construction management at-risk" means a project delivery method in which the District awards separate contracts, one for architectural and engineering services to design an infrastructure facility and the second to a construction manager at-risk for both construction of the infrastructure facility according to the design and construction management services.

(6) "Design-bid-build" means a project delivery method in which the District sequentially awards separate contracts, the first for architectural and engineering services to design an infrastructure facility and the second for construction of the infrastructure facility according to the design.

(7) "Design-build" means a project delivery method in which the District enters into a single contract for design and construction of an infrastructure facility.

(8) "Design-build-finance-operate-maintain" means a project delivery method in which the District enters into a single contract for design, construction, finance, maintenance, and operation of an infrastructure facility over a contractually defined period. Money appropriated by the District is not used to pay for a part of the services provided by the contractor during the contract period.

(9) "Design-build-operate-maintain" means a project delivery method in which the District enters into a single contract for design, construction, maintenance, and operation of an infrastructure facility over a contractually defined period. All or a portion of the money required to pay for the services provided by the contractor during the contract period are either appropriated by the District before the award of the contract or secured by the District through fare, toll, or user charges.

(10) "Design requirements" means the written description of the infrastructure facility to be procured pursuant to this article, including:

(a) required features, functions, characteristics, qualities, and properties that are required by the District;

(b) the anticipated schedule, including start, duration, and completion; and

(c) estimated budgets as applicable to the specific procurement, for design, construction, operation, and maintenance. The design requirements may, but need not, include drawings and other documents illustrating the scale and relationship of the features, functions, and characteristics of the project.

[Model Comment: (1) Read in conjunction with Regulation 2145K(2). (2) The following official comments to the Model Procurement Code provide insight into the role of design requirements. MPC '5-101, cmt.2. ("Government prepares a functional description that sets forth only the essential features of each project, including anticipated schedule, and estimated budget for design, construction, operation, and maintenance. . . . If the design requirements go beyond functional description into particular design, construction, finance, or operational requirements, the scope and the intensity of this competition is compromised, to the detriment of both government and offerors. For example, "design-build" competitions in which major design decisions are already set forth in the design requirements -- known in the industry as "detail-build" -- are not likely to produce innovation in the integration of design and construction. "Detail-build" procurements split the professional design function between government and the contractor, an allocation that leads to confusion and disputes over liability for design, for construction results, and for performance problems. The Code encourages government: (1) to prepare design requirements for each project before a procurement method is selected; and (2) to procure the design function from a single entity."); MPC, opening commentary ("The starting gate for these competitions is the statement of "design requirements" in the RFP, which establishes a common minimum

threshold of owner requirements in these competitions. The finish gate is the submission of "proposal development documents" by offerors in response to the RFP.".)]

(11) "Independent peer reviewer services" are additional architectural and engineering services that a District shall acquire in design-build, design-build-operate-maintain, or design-build-finance-operate-maintain procurements. The function of the independent peer reviewer is to confirm that the key elements of the professional engineering and architectural design provided by the contractor are in conformance with the applicable standard of care. If a District elects not to contract with the independent peer reviewer proposed by the successful offeror, the independent peer reviewer must be selected through competitive sealed proposals.

[Model Comment: Read in conjunction with Section 3024(3)(b) and Regulation 2145(A)(7). (2) The following official comments to the Model Procurement Code provide insight into the role of an independent peer reviewer: MPC ' 5-204(3), cmt. ("The Independent Peer Reviewer provides an independent professional peer review of key elements of the design of major public facilities. The Independent Peer Reviewer's function is not to conduct a second design alongside the designers of record. The Independent Peer Reviewer's purpose is to provide the government with independent professional advice and assurance that key design elements of the project are consistent with the functional description in the Request for Proposals and with the common law standard of professional care. The Independent Peer Reviewer's contractual relationship and professional obligation is to the [State]. By requiring that the offeror recommend an appropriate Independent Peer Reviewer (upon which the offeror is evaluated), the professional quality of the Independent Peer Reviewer is assured to be high."); MPC ' 5-101(7), cmt. 2 ("(3) The independent peer reviewer function is applied to these types of procurements because these project delivery methods typically include contract periods for operations and maintenance of between 15 and 25 years. In design-build operate maintain and design build finance operate maintain procurements, a high portion of the contract price is devoted to operation, maintenance, and (in the case of design build finance operate maintain) to financing concerns. The government has heightened, but practical, interests: (a) to ensure that initial design is consistent with the applicable standard of care; (b) to preserve the government's investment in the project during the contract period; and (c) to provide increased flexibility in the event a termination for convenience or for default is in the government's interest. An independent, contemporaneous, peer review by a highly qualified professional designer will help to ensure that the contractor's design comports with good engineering and architectural practice at the time the services are rendered.".)]

(12) "Infrastructure facility" means a building; structure; or networks of buildings, structures, pipes, controls, and equipment, or portion thereof, that provide transportation, utilities, public education, or public safety services. Included are government office buildings; public schools; courthouses; jails; prisons; water treatment plants, distribution systems, and pumping stations; wastewater treatment plants, collection systems, and pumping stations; solid waste disposal plants, incinerators, landfills, and related facilities; public roads and streets; highways; public parking facilities; public transportation systems, terminals, and rolling stock; rail, air, and water port structures, terminals, and equipment.

(13) "Operations and maintenance" means a project delivery method in which the District enters into a single contract for the routine operation, routine repair, and routine maintenance of an infrastructure facility.

(14) "Proposal development documents" means drawings and other design-related documents that are sufficient to fix and describe the size and character of an infrastructure facility as to architectural, structural, mechanical and electrical systems, materials, and such other elements as may be appropriate to the applicable project delivery method.

[Model Comment: Read in conjunction with Regulation 2145(K)(3).]

SECTION 3005. Project delivery methods authorized. (S.C. Code § 11-35-3005)

(1) The following project delivery methods are authorized for procurements relating to infrastructure facilities:

- (a) design-bid-build;
- (b) construction management at-risk;
- (c) operations and maintenance;
- (d) design-build;

- (e) design-build-operate-maintain; and
- (f) design-build-finance-operate-maintain.
- (2) In addition to those methods identified in item (1), the regulations may:
 - (a) approve as an alternate project delivery method any combination of design, construction, finance, and services for operations and maintenance of an infrastructure facility; and
 - (b) allow or require the District to follow any of the additional procedures established by Section 11-35-3024.
- (3) Participation in a report or study that is later used in the preparation of design requirements for a project does not disqualify a firm from participating as a member of a proposing team in a construction management at-risk, design-build, design-build-operate-maintain, or design-build-finance-operate-maintain procurement unless the participation provides the business with a substantial competitive advantage.

SECTION 3010. Choice of project delivery method. (S.C. Code § 11-35-3010)

The project delivery method used for a District construction project must be that method which is most advantageous to the District and results in the most timely, economical, and successful completion of the construction project. The District shall select, in accordance with regulations, the appropriate project delivery method for a particular project and shall state in writing the facts and considerations leading to the selection of that particular method.

SECTION 3015. Source selection methods assigned to project delivery methods. (S.C. Code § 11-35-3015)

(1) Scope. This section specifies the source selection methods applicable to procurements for the project delivery methods identified in Section 3005 (Project delivery methods authorized), except as provided in Sections 1550 (Small Purchases), 1560 (Sole Source Procurement), 1570 (Emergency Procurements), 3230 (Exception for small architect-engineer, and land surveying services contract), 3310 (Indefinite quantity contracts for architectural-engineering, and land surveying services), and 3320 (Indefinite quantity contracts for construction).

(2) Design-bid-build:

(a) Design. Architect-engineer, construction management, and land surveying services. The qualifications based selection process in Section 3220 (Qualifications Based Selection Procedures) must be used to procure architect-engineer, construction management, and land surveying services, unless those services are acquired in conjunction with construction using one of the project delivery methods provided in Section 3015 (3), (5), (6), (7), and (8).

(b) Construction. Competitive sealed bidding, as provided in Section 1520 (Competitive Sealed Bidding), must be used to procure construction in design-bid-build procurements.

(3) Construction Management at-risk. Contracts for construction management at-risk must be procured as provided in either Section 1520 (Competitive Sealed Bidding) or Section 1530 (Competitive Sealed Proposals).

(4) Operations and Maintenance. Contracts for operations and maintenance must be procured as set forth in Section 1510 (Methods of Source Selection).

(5) Design-build. Contracts for design-build must be procured by competitive sealed proposals, as provided in Section 1530 (Competitive Sealed Proposals), except that the regulations may describe the circumstances under which a particular design-build procurement does not require the submission of proposal development documents as required in Section 3024(2)(b).

[Model Comment: Despite this authority, the regulations do not allow design-build solicitations that do not require submission of proposal development documents. Stated differently, a design-build procurement cannot be evaluated on qualifications alone.]

(6) Design-build-operate-maintain. Contracts for design-build-operate-maintain must be procured by competitive sealed proposals, as provided in Section 1530 (Competitive Sealed Proposals).

(7) Design-build-finance-operate-maintain. Contracts for design-build-finance-operate-maintain must be procured by competitive sealed proposals, as provided in Section 1530 (Competitive Sealed Proposals).

(8) Other. Contracts for an alternate project delivery method approved pursuant to Section 3005(2) must be procured by a source selection method provided in Section 1510, as specified by the authority approving the alternative project delivery method.

SECTION 3020. Additional bidding procedures for construction procurement. (S.C. Code § 11-35-3020)

Exceptions in Competitive Sealed Bidding Procedures. The process of competitive sealed bidding as required by Section 3015(2)(b) must be performed in accordance with the procedures outlined in Article 5 of this code subject to the following exceptions:

(a) Invitation for Bids. The District is responsible for developing a formal invitation for bids for each construction project. The invitation must include, but not be limited to, all contractual terms and conditions applicable to the procurement. A copy of each invitation for bids must be advertised formally in South Carolina Business Opportunities.

(b) Bid Acceptance. Instead of Section 1520(6), the following provision applies. Bids must be accepted unconditionally without alteration or correction, except as otherwise authorized in this code. The District's invitation for bids must set forth all requirements of the bid including, but not limited to:

(i) The District, in consultation with the architect-engineer assigned to the project, shall identify by license classification or subclassification in the invitation for bids all subcontractors who are expected to perform work for the prime contractor to or about the construction when those subcontractors' contracts are each expected to exceed three percent of the prime contractor's total base bid. In addition, the District, in consultation with the architect-engineer assigned to the project, may identify by license classification or subclassification in the invitation for bids a subcontractor who is expected to perform work which is vital to the project. The determination of which subcontractors are included in the list provided in the invitation for bids is not protestable pursuant to Section 4210 or another provision of this code. A bidder in response to an invitation for bids shall clearly identify in his bid only those subcontractors to perform the work as identified in the invitation for bids. If the bidder determines to use his own employees to perform a portion of the work for which he would otherwise be required to list a subcontractor and if the bidder is qualified to perform that work under the terms of the invitation for bids, the bidder shall list himself in the appropriate place in his bid and not subcontract that work except with the approval of the District for good cause shown.

(ii) Failure to complete the list provided in the invitation for bids renders the bidder's bid unresponsive.

(iii) The District shall send all responsive bidders a copy of the bid tabulation within ten working days following the bid opening.

(c) Instead of Section 1520(10), the following provisions apply:

(i) Unless there is a compelling reason to reject bids as prescribed by regulation, notice of an intended award of a contract to the lowest responsive and responsible bidder whose bid meets the requirements set forth in the invitation for bids must be given by posting the notice at a location that is specified in the invitation for bids. The invitation for bids and the posted notice must contain a statement of the bidder's right to protest pursuant to Section 4210(1) and the date and location of posting must be announced at bid opening. In addition to posting notice, the District promptly shall send all responsive bidders a copy of the notice of intended award and of the bid tabulation. The mailed notice must indicate the posting date and must contain a statement of the bidder's right to protest pursuant to Section 4210(1).

(ii) After five business days' notice is given, the District may enter into a contract with the bidder named in the notice in accordance with the provisions of this code and of the bid solicited. The procurement officer must comply with Section 1810.

(iii) If, at bid opening, only one bid is received and determined to be responsive and responsible and within the District's construction budget, award may be made without the five-day waiting period.

(d) Negotiations after Unsuccessful Competitive Sealed Bidding. Instead of Section 1540, the following provisions apply:

(i) If bids received pursuant to an invitation for bids exceed available funds, and it is determined in writing by the District that circumstances do not permit the delay required to resolicit competitive sealed bids, and the base bid, less deductive alternates, does not exceed available funds by an amount greater than ten percent of the construction budget established for that portion of the work, a contract may be negotiated pursuant to this section with the lowest responsible and responsive bidder. The District may change the scope of the work to reduce the price to be within the established construction budget but may not reduce the price below the established construction budget more than ten percent without a written request by the chief business official based on the interest of the District.

SECTION 3021. Subcontractor substitution. (S.C. Code § 11-35-3021)

(1) After notice of an award or intended award has been given, whichever is earlier, the prospective contractor identified in the notice may not substitute a business as subcontractor in place of a subcontractor listed in the prospective contractor's bid or proposal, except for one or more of the following reasons:

(a) upon a showing satisfactory to the District by the prospective contractor that:

- (i) the listed subcontractor is not financially responsible;
 - (ii) the listed subcontractor's scope of work did not include a portion of the work required in the plans and specifications, and the exclusion is not clearly set forth in the subcontractor's original bid;
 - (iii) the listed subcontractor was listed as a result of an inadvertent clerical error, but only if that request is made within four working days of opening;
 - (iv) the listed subcontractor failed or refused to submit a performance and payment bond when requested by the prospective contractor after the subcontractor had represented to the prospective contractor that the subcontractor could obtain a performance and payment bond; and
 - (v) the listed subcontractor must be licensed and did not have the license at the time required by law;
- (b) if the listed subcontractor fails or refuses to perform his subcontract;
- (c) if the work of the listed subcontractor is found by the District to be substantially unsatisfactory;
- (d) upon mutual agreement of the contractor and subcontractor; and
- (e) with the consent of the District for good cause shown.

(2) The request for substitution must be made to the District in writing. This written request does not give rise to a private right of action against the prospective contractor in the absence of actual malice.

(3) If substitution is allowed, the prospective contractor, before obtaining prices from another subcontractor, must attempt in good faith to negotiate a subcontract with at least one subcontractor whose bid was received before the submission of the prospective contractor's offer. This section does not affect a contractor's ability to request withdrawal of a bid in accordance with the provisions of this code and the regulations.

(4) This section applies to a procurement conducted using the source selection methods authorized by Section 3015(2)(b), (3), (5), (6), (7), and (8).

SECTION 3023. Prequalification on District construction. (S.C. Code § 11-35-3023)

In accordance with this section, the applicable section of Article 5, and procedures published by the State Engineer, a District may limit participation in a solicitation for construction to only those businesses, including potential subcontractors, that are prequalified. The prequalification process may be used only with the approval of the Superintendent.

If businesses are prequalified, the District must issue a request for qualifications. Adequate public notice of the request for qualifications must be given in the manner provided in Section 1520(3). The request must contain, at a minimum, a description of the general scope of work to be acquired, the deadline for

submission of information, and how businesses may apply for consideration. The evaluation criteria must include, but not be limited to, prior performance, recent past references on all aspects of performance, financial stability, and experience on similar construction projects. Using only the criteria stated in the request for qualifications, businesses must be ranked from most qualified to least qualified. The basis for the ranking must be determined in writing. If fewer than two businesses are prequalified, the prequalification process must be canceled.

[Model Comment: Read in conjunction with Section 3024(2)(c)(i), Regulation 2132, and Regulation 2145. Pre-qualification must be conducted in accordance with the guidance appearing in the District's internal operating procedures. See attached. Note: The Superintendent grants any approval required by reference to "OSE" or the "State Engineer".]

[Drafting Note: In order to acquire an affirmative written opinion for a school's code, the following document must be incorporated by reference into the District's internal operating procedures: Chapter 3.5 of the Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements.]

SECTION 3024. Additional procedures applicable to procurement of certain project delivery methods. (S.C. Code § 11-35-3024)

(1) Applicability. In addition to the requirements of Section 1530 (Competitive Sealed Proposals), the procedures in this section apply as provided in items (2), (3), and (4) below.

[Model Comment: Read in conjunction with Regulation 2145(K)(1).]

(2) Content of Request for Proposals. A Request for Proposals for design-build, design-build-operate-maintain, or design-build-finance-operate-maintain:

(a) must include design requirements;

[Model Comment: Read in conjunction with Section 2910(10).]

(b) must solicit proposal development documents; and

[Model Comment: Read in conjunction with Section 2910(14).]

(c) may, if the District determines that the cost of preparing proposals is high in view of the size, estimated price, and complexity of the procurement:

(i) prequalify offerors in accordance with Section 3023 by issuing a request for qualifications in advance of the request for proposals;

(ii) select, pursuant to procedures designated in the State of South Carolina's Manual for Planning and Execution of State Permanent Improvements, a short list of responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award before discussions and evaluations pursuant to Section 1530, if the number of proposals to be short-listed is stated in the Request for Proposals and prompt public notice is given to all offerors as to which proposals have been short-listed; or

[Model Comment: According to Section 3023(A) above, the determination regarding how many offers to prequalify is not subject to protest. No aspect of the short list process is insulated from protest. Given the option of prequalification under paragraph (i) above, Division of Procurement Services anticipates little if any need for the type of short listing authorized by this paragraph. Accordingly, the Model retains the reference to state level guidance on this process.]

(iii) pay stipends to unsuccessful offerors, if the amount of the stipends and the terms under which stipends are paid are stated in the Request for Proposals.

(3) Evaluation Factors. A Request for Proposals for design-build, design-build-operate-maintain, or design-build-finance-operate-maintain must:

(a) state the relative importance of (i) demonstrated compliance with the design requirements, (ii) offeror qualifications, (iii) financial capacity, (iv) project schedule, (v) price, or life-cycle price for design-build-operate-maintain and design-build-finance-operate-maintain procurements, and (vi) other factors, if any; and

[Model Comment: Read in conjunction with Regulation 2145K(4).]

(b) require each offeror to identify an Independent Peer Reviewer whose competence and qualifications to provide that service must be an additional evaluation factor in the award of the contract.

[Model Comment: Read in conjunction with Section 2910(111) and Regulation 2145(A)(7).]

SECTION 3030. Bond and security. (S.C. Code § 11-35-3030)

(1) Bid Security.

(a) Requirement for Bid Security. Bid security is required for all competitive sealed bidding for construction contracts in a design-bid-build procurement in excess of one hundred thousand dollars and other contracts as may be prescribed by the District's internal procurement procedures (Section 540). Bid security is a bond provided by a surety company meeting the criteria established by the regulations or otherwise supplied in a form that may be established by regulation.

(b) Amount of Bid Security. Bid security must be in an amount equal to at least five percent of the amount of the bid at a minimum.

(c) Rejection of Bids for Noncompliance with Bid Security Requirements. When the invitation for bids requires security, noncompliance requires that the bid be rejected except that a bidder who fails to provide bid security in the proper amount or a bid bond with the proper rating must be given one working day from bid opening to cure the deficiencies. If the bidder is unable to cure these deficiencies within one working day of bid opening, his bid must be rejected.

(d) Withdrawal of Bids. After the bids are opened, they must be irrevocable for the period specified in the invitation for bids. If a bidder is permitted to withdraw its bid in accordance with regulations, action must not be had against the bidder or the bid security.

(2) Contract Performance Payment Bonds.

(a) When Required-Amounts. Contracts for construction must require the following bonds or security:

(i) a performance bond satisfactory to the District, executed by a surety company meeting the criteria established by the regulations, or otherwise secured in a manner satisfactory to the District, in an amount equal to one hundred percent of the portion of the contract price that does not include the cost of operation, maintenance, and finance;

(ii) a payment bond satisfactory to the District, executed by a surety company meeting the criteria established by the regulations, or otherwise secured in a manner satisfactory to the District, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the construction work provided for in the contract. The bond must be in an amount equal to one hundred percent of the portion of the contract price that does not include the cost of operation, maintenance, and finance;

[Model Comment: (1) The District's internal procurement procedures (§ 540) may wish to address the impact on the District of the Subcontractors' and Suppliers' Payment Protection Act, appearing in Title 29, Chapter 6, Article 3 of the South Carolina Code of Laws. (2) The Office of State Engineer includes in the OSE Manual a guide entitled: Bid, Payment, and Performance Bonds, What they are, How they work, and a Checklist of what you need (December 2009).]

(iii) in the case of a construction contract valued at fifty thousand dollars or less, the District may waive the requirements of subitems (i) and (ii) above, if the District has protected itself;

(iv) in the case of a construction manager at-risk contract, the solicitation may provide that bonds or security are not required during the project's preconstruction or design phase, if construction does not

commence until the requirements of subitems (i) and (ii) above have been satisfied. Additionally, the solicitation may provide that bonds or security as described in subitems (i) and (ii) above may be furnished for one or more designated portions of the project, in an amount equal to one hundred percent of the value of the construction of each designated portion, and also may prescribe the time of delivery of the bonds or security. In no event may construction of any portion of the work commence until the appropriate bonds or security have been delivered to the District;

(v) in the case of a design-build, design-build-operate-maintain, or design-build-finance-operate-maintain contract, the solicitation may provide that bonds or security as described in subitems (i) and (ii) above may be furnished for one or more designated portions of the project, in an amount equal to one hundred percent of the value of the design and construction of each designated portion, and also may prescribe the time of delivery of the bonds or security. In no event may design or construction of any portion of the work commence until the appropriate bonds or security have been delivered to the District.

(b) Authority to Require Additional Bonds. Item (2) does not limit the authority of the District to require a performance bond or other security in addition to these bonds, or in circumstances other than specified in subitem (a) of that item in accordance with regulations.

(c) Suits on Payment Bonds-Right to Institute, Where and When Brought. Section 11-35-3030(2)(c)-(d) of the South Carolina Code of Laws, as amended, provides for legal actions on payment bonds.

[Model Comment: Districts may wish to consider the following legal authorities: (1) D.W. Flowe & Sons, Inc. v. Christopher Constr. Co., 326 S.C. 17, 482 S.E.2d 558 (1997) overruled on other grounds by Evins v. Richland County Historic Preservation Comm'n, 341 S.C. 15, 532 S.E.2d 876 (2000), and (2) S.C. Code Ann. § 11-1-120]

(3) Bonds Forms and Copies.

(a) Bonds Forms. The regulations specify the form of the bonds required by this section.

(b) Certified Copies of Bonds. A person may request and obtain from the District a certified copy of a bond upon payment of the cost of reproduction of the bond and postage, if any. A certified copy of a bond is prima facie evidence of the contents, execution, and delivery of the original.

(4) Retention.

(a) Maximum amount to be withheld. In a contract or subcontract for construction which provides for progress payments in installments based upon an estimated percentage of completion, with a percentage of the contract's proceeds to be retained by the District or general contractor pending completion of the contract or subcontract, the retained amount of each progress payment or installment must be no more than three and one-half percent.

(b) Release of Retained Funds. When the work to be performed on a District construction project or pursuant to a District construction contract is to be performed by multiple prime contractors or by a prime contractor and multiple subcontractors, the work contracted to be done by each individual contractor or subcontractor is considered a separate division of the contract for the purpose of retention. As each division of the contract is certified as having been completed, that portion of the retained funds which is allocable to the completed division of the contract must be released forthwith to the prime contractor, who, within ten days of its receipt, shall release to the subcontractor responsible for the completed work the full amount of retention previously withheld from him by the prime contractor.

(5) Bonds for Bid Security and Contract Performance. The requirement of a bond for bid security on a construction contract, pursuant to subsection (1), and a construction contract performance bond, pursuant to subsection (2), may not include a requirement that the surety bond be furnished by a particular surety company or through a particular agent or broker.

SECTION 3035. Errors and omissions insurance. (S.C. Code § 11-35-3035)

Regulations shall specify when a District shall require offerors to provide appropriate errors and omissions insurance to cover architectural and engineering services under the project delivery methods set forth in Section 3005(1)(a), (d), (e), and (f).

SECTION 3037. Other forms of security. (S.C. Code § 11-35-3037)

The District may require one or more of the following forms of security to assure the timely, faithful, and uninterrupted provision of operations and maintenance services procured separately or as one element of another project delivery method:

(a) operations period surety bonds that secure the performance of the contractor's operations and maintenance obligations;

(b) letters of credit in an amount appropriate to cover the cost to the District of preventing infrastructure service interruptions for a period up to twelve months; and

(c) appropriate written guarantees from the contractor, or depending upon the circumstances, from a parent corporation, to secure the recovery of procurement costs to the District if the contractor defaults in performance.

SECTION 3040. Contract clauses and their administration. (S.C. Code § 11-35-3040)

(1) Contract Clauses. District construction contracts and subcontracts may include clauses providing for adjustments in prices, time of performance, and other appropriate contract provisions including, but not limited to:

(a) the unilateral right of a District to order in writing:

(i) all changes in the work within the general scope of the contract; and

(ii) all changes in the time of performance of the contract which do not alter the general scope of the contract work;

(b) variations occurring between estimated quantities of work in the contract and actual quantities;

(c) suspension of work ordered by the District;

(d) site conditions differing from those indicated in the contract or ordinarily encountered.

(2) Price Adjustments.

(a) Adjustments in price pursuant to clauses promulgated by regulation must be computed and documented with a written determination. The price adjustment agreed upon must approximate the actual cost to the contractor and all costs incurred by the contractor must be justifiably compared with prevailing industry standards, including reasonable profit. Costs must be properly itemized and supported by substantiating data sufficient to permit evaluation before commencement of the pertinent performance or as soon after that as practicable, and must be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the contractor:

(i) by unit prices specified in the contract or subsequently agreed upon;

(ii) by the costs attributable to the events or situations under those clauses with adjustment of profits or fee, all as specified in the contract or subsequently agreed upon;

(iii) by agreement on a fixed price adjustment;

(iv) in another manner as the contracting parties may mutually agree; or

(v) in the absence of agreement by the parties, through unilateral determination by the District of the costs attributable to the events or situations under those clauses, with adjustment of profit or fee, all as computed by the District in accordance with applicable sections of the regulations and subject to the provisions of Article 17 of this code.

(b) A contractor is required to submit cost or pricing data if an adjustment in contract price is subject to the provisions of Section 1830.

(3) Additional Contract Clauses. The construction contracts and subcontracts may include clauses providing for appropriate remedies that cover as a minimum:

(a) specified excuses for delay or nonperformance;

- (b) termination of the contract for default;
- (c) termination of the contract in whole or in part for the convenience of the District.
- (4) Modification of Required Clauses. The chief procurement officer may vary the clauses promulgated by regulation for inclusion in a particular construction contract if the variations are supported by a written determination that states the circumstances justifying the variations, if notice of a material variation is stated in the invitation for bids.

SECTION 3050. Cost principles regulations for construction contractors. (S.C. Code § 11-35-3050)

The regulations may set forth cost principles which shall be used to determine the allowability of incurred costs for the purpose of reimbursing costs under provisions in construction contracts which provide for the reimbursement of costs.

SECTION 3070. Approval of architectural, engineering, or construction changes which do not alter general scope or intent or exceed approved budget. (S.C. Code § 11-35-3070)

A District may approve and pay for amendments to architectural/engineering contracts and change orders to construction contracts which do not alter the general scope or intent of the project and which do not exceed the previously approved project budget.

SECTION 3210. Policy. (S.C. Code § 11-35-3210)

Policy. It is the policy of this District to announce publicly all requirements for architect-engineer, construction management, and land surveying services and to negotiate contracts for such services on the basis of demonstrated competence and qualification for the particular type of services required and at fair and reasonable prices.

[Model Comment: Sections 1520 and 1550 are inapplicable to construction related professional design services. This provision requires public notice of all A/E, CM, and land surveying contracts, except as otherwise allowed by Section 3230. Consistent with Section 3220 and R. 2145D, advertisement must be in South Carolina Business Opportunities.]

SECTION 3215. Preference for resident design service; definitions; exceptions. (S.C. Code § 11-35-3215)

(A) As used in this section:

(1) ‘Design services’ means architect engineer, construction management, or land surveying services as defined in Section 2910 and awarded pursuant to Section 3220.

(2) ‘Resident’ means a business that employs, either directly or through consultants, an adequate number of persons domiciled in South Carolina to perform a majority of the design services involved in the procurement.

(B) A business responding to an invitation involving design services shall submit a certification with its response stating whether the business is a resident for purposes of the procurement. Submission of a certification under false pretenses is grounds for suspension or debarment.

(C) An award to a nonresident of a contract involving design services must be supported by a written determination explaining why the award was made to the selected firm.

(D) In an evaluation conducted pursuant to Section 3220, a resident firm must be ranked higher than a nonresident firm if the District's selection committee finds the two firms otherwise equally qualified.

(E) This section does not apply to a procurement if either the procurement does not involve construction or the design services are a minor accompaniment to a contract for nondesign services.

SECTION 3220. Qualifications based selection procedures. (S.C. Code § 11-35-3220)

(1) District Selection Committee. A District shall establish its own architect-engineer, construction management, and land surveying services selection committee, referred to as the District selection committee, which must be composed of those individuals the Superintendent determines to be qualified to make an informed decision as to the most competent and qualified firm for the proposed project. The Superintendent or his qualified responsible designee shall sit as a permanent member of the District selection committee for the purpose of coordinating and accounting for the committee's work.

(2)(a) Advertisement of Project Description. The District selection committee is responsible for:

- (i) developing a description of the proposed project;
- (ii) enumerating all required professional services for that project; and
- (iii) preparing a formal invitation to firms for submission of information.

(b) The invitation must include, but not be limited to, the project title, the general scope of work, a description of all professional services required for that project, the submission deadline, and how interested firms may apply for consideration. The invitation must be advertised formally in South Carolina Business Opportunities.

(3) Response to Invitation. The date for submission of information from interested persons or firms in response to an invitation must not be less than fifteen days after publication of the invitation. Interested architect-engineer, construction management, and land surveying persons or firms shall respond to the invitation with the submission of a current and accurate Federal Standard Form 330, Architect-Engineer and Related Services Questionnaire, and Federal Standard Form 255, Architect-Engineer and Related Services Questionnaire for Specific Project, or their successor forms or similar information as may be prescribed by regulation, and other information that the particular invitation may require.

(4) Interviews with Interested Firms. Following receipt of information from all interested persons and firms, the District selection committee shall hold interviews with at least three persons or firms who respond to the committee's advertisement and who are considered most qualified on the basis of information available before the interviews. A list of firms selected for interview must be sent to all firms that submitted information in response to the advertisement, before the date selected for the interviews. If less than three persons or firms respond to the advertisement, the committee shall hold interviews with those that did respond. The District selection committee's determination as to which are to be interviewed must be in writing and based upon its review and evaluation of all submitted materials. The written report of the committee must list specifically the names of all persons and firms that responded to the advertisement and enumerate the reasons of the committee for selecting those to be interviewed. The purpose of the interviews is to provide the further information that may be required by the District selection committee to fully acquaint itself with the relative qualifications of the several interested firms.

(5) Selection and Ranking of the Three Most Qualified.

(a) The District selection committee shall evaluate each of the persons or firms interviewed in view of their:

- (i) past performance;
- (ii) the ability of professional personnel;
- (iii) demonstrated ability to meet time and budget requirements;
- (iv) location and knowledge of the locality of the project if the application of this criterion leaves an appropriate number of qualified firms, given the nature and size of the project;
- (v) recent, current, and projected workloads of the firms;
- (vi) creativity and insight related to the project;
- (vii) related experience on similar projects;
- (viii) volume of work awarded by the District to the person or firm during the previous five years, with the objective of effectuating an equitable distribution of contracts by the District among qualified firms including Minority Business Enterprises certified by the South Carolina Office of Small and Minority Business Assistance and firms that have not had previous District work; and

[Alternative Text: In lieu of the phrase "certified by the South Carolina Office of Small and Minority Business Assistance," Districts may use the phrase "certified in accordance with Article 21 of this code."]

(ix) any other special qualification required pursuant to the solicitation of the District.

(b) Based upon these evaluations, the District selection committee shall select the three persons or firms that, in its judgment, are the best qualified, ranking the three in priority order. The District selection committee's report ranking the three chosen persons or firms must be in writing and include data substantiating its determinations.

(6) Notice of Selection and Ranking. When it is determined by the District that the ranking report is final, written notification of the highest ranked person or firm must be sent immediately to all firms interviewed.

(7) Negotiation of Contract. The Board of the District or its designee shall negotiate a contract for services with the most qualified person or firm at a compensation that is fair and reasonable to the District. If the Board of the District or its designee is unable to negotiate a satisfactory contract with this person or firm, negotiations must be terminated formally. Negotiations must commence in the same manner with the second and then the third most qualified until a satisfactory contract is negotiated. If an agreement is not reached with one of the three, additional persons or firms in order of their competence and qualifications must be selected after consultation with the District selection committee, and negotiations must be continued in the same manner until agreement is reached.

[Model Comments: The State Engineer's Manual has forms for complying with this provision that may be of assistance.]

SECTION 3230. Exception for small architect-engineer, construction management and land surveying services contract. (S.C. Code § 11-35-3230)

(1) Procurement Procedures for Certain Contracts. A District securing architect-engineer, construction management, or land surveying services which are estimated not to exceed fifty thousand dollars may award contracts by direct negotiation and selection, taking into account:

- (a) the nature of the project;
- (b) the proximity of the architect-engineer or land surveying services to the project;
- (c) the capability of the architect, engineer, or land surveyor to produce the required service within a reasonable time;
- (d) past performance; and
- (e) ability to meet project budget requirements.

(2) Maximum Value of Small Contracts with One Person or Firm. The total value of contracts awarded to a single architectural engineering, construction management, or land surveying firm by a single District pursuant to subsection (1) may not exceed one hundred fifty thousand dollars in a twenty-four-month period. Persons or firms seeking to render professional services pursuant to this section shall furnish the District with whom the firm is negotiating a list of professional services, including fees paid for them, performed for the District during the fiscal year immediately preceding the fiscal year in which the negotiations are occurring and during the fiscal year in which the negotiations are occurring.

(3) Reserved.

(4) Splitting of Larger Projects Prohibited. A District may not break a project into small projects for the purpose of circumventing the provisions of Section 3220 and this section.

(5) When negotiating a contract pursuant to this section, a District may not negotiate with a firm unless any unsuccessful negotiations with a different firm have been concluded in writing. Once negotiations with a firm have been concluded, negotiations may not be reopened.

SECTION 3245. Architect, engineer, or construction manager; performance of other work. (S.C. Code § 11-35-3245)

(a) An architect or engineer performing design work, or a construction manager performing construction management services, both as described in Section 2910(1) and (3), under a contract awarded pursuant to

the provisions of Section 3220 or Section 3230, may not perform other work, by later amendment or separate contract award, on that project as a contractor or subcontractor either directly or through a business in which he or his architectural engineering or construction management firm has greater than a five percent interest.

(b) For purposes of this section, safety compliance and other incidental construction support activities performed by the construction manager are not considered work performed as a contractor or subcontractor. If the construction manager performs or is responsible for safety compliance and other incidental construction support activities, and these support activities are in noncompliance with the provisions of Section 41-15-210, then the construction management firm is subject to all applicable fines and penalties.

(c) This section applies only to procurements for construction using the design-bid-build project delivery method.

ARTICLE 10.

INDEFINITE DELIVERY CONTRACTS

SECTION 3305. Establishment of indefinite quantity contracts. (S.C. Code § 11-35-3305)

With the approval of the chief procurement officer, and in accordance with any applicable regulations, a procurement officer may establish contracts providing for an indefinite quantity, within state maximum or minimum limits, of specified supplies, service, or information technology, to be furnished during a fixed period, and that provide for the issuance of orders for delivery or performance of individual requirements during the period of the contract. The chief procurement officer may establish the contracts on behalf of or for use by any District.

SECTION 3310. Indefinite quantity contracts. (S.C. Code § 11-35-3310)

(1) General Applicability. Indefinite quantity contracts may be awarded on an as-needed basis for architectural-engineering and land-surveying services pursuant to Section 3220.

(2) Architectural-Engineering and Land-Surveying Services. When architectural-engineering and land-surveying services contracts are awarded, each contract must be limited to a total expenditure of three hundred thousand dollars for a two-year period with individual project expenditures not to exceed one hundred thousand dollars.

(3) Small Indefinite Quantity Contracts. Small indefinite quantity contracts for architectural-engineering and land-surveying services may be procured as provided in Section 3230. A contract established under this section must be subject to Section 3230, and any applicable regulations.

ARTICLE 11.

MODIFICATIONS AND TERMINATION OF CONTRACTS FOR SUPPLIES AND SERVICES

SECTION 3320. Task order contracts. (S.C. Code § 11-35-3320)

(A) The term "task order contract" means a contract that does not procure or specify a firm quantity of services, other than a minimum or maximum quantity, and that provides for the issuance of task orders for the performance of tasks during the period of the contract. Subject to the requirements of this section and other applicable law, a District may enter into task order contracts to acquire construction services when the exact time or exact quantities of future tasks are not known at the time of contract award.

(B) At any given time, a District may enter into task order contracts with four businesses for each geographic area for each licensing classification and subclassification for construction. Licensing classification and subclassification has the meaning provided by Chapter 11, Title 40. Except as otherwise

provided in this section, a task order contract for construction must be procured as provided in Section 1530, not including paragraph (4) (Request for Qualifications) or paragraph (8) (Negotiations). All evaluations must be conducted by a panel composed of at least three members. Except as provided by regulation, award must be made to the four responsible offerors whose proposals are determined in writing to be the most advantageous to the District, taking into consideration the evaluation factors set forth in the request for proposals. The contract file must contain the basis on which the awards will be made and must be sufficient to satisfy external audit. Procedures and requirements for the notification of intent to award the contracts must be the same as those provided in Section 1520(1) (Award). Section 3023 does not apply to contracts awarded pursuant to this section.

(C) Limitations on task order contracts.

(1) A task order contract awarded for geographic area may not be used to perform services at a different geographic area.

(2) A task order contract may not exceed five years, including extensions.

(3) Total expenditures pursuant to all task order contracts for construction resulting from a single solicitation may not exceed four million dollars.

(4) The total construction cost of a single project performed using multiple task orders or task orders in combination with other types of contracts may not exceed five hundred thousand dollars. Projects may not be divided artificially to avoid this limitation.

(5) A single project must not be performed using task order contracts for construction in combination with contracts awarded pursuant to Section 1550. Standards for determining whether work constitutes a single project must be established in the State Engineer's Manual for Planning and Execution of State Permanent Improvements.

(D) Limitations on task orders.

(1) A task order must clearly specify all tasks to be performed or property to be delivered under the order so the full price for the performance of the work can be established when the order is placed. All task orders must be issued on a fixed-price basis.

(2) A quote request for construction must be provided to all task order contractors. A task order for construction may not be issued unless the District receives at least two responsive, bona fide, fixed-price quotes. Any award must be issued to the contractor submitting the lowest responsive quote.

(3) All task orders must be issued within the period of the contract and must be within the scope and maximum value of the contract.

(4) A task order for construction may not be less than ninety thousand dollars and may not exceed three hundred fifty thousand dollars. Work may not be aggregated or divided artificially in order to avoid these limits.

(E) Any solicitation for a task order contract must include the following:

(1) the period of the contract, including the number of options to extend the contract and the period for which the contract may be extended under each option, if any;

(2) the maximum dollar value of the services to be procured under the contract;

(3) the minimum and maximum dollar value of the services to be procured under a single task order;

(4) a description that reasonably describes the licensing classification and the general scope, nature, complexity, and purposes of the services to be procured under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer;

(5) the procedures that the governmental body will use for requesting fixed price quotes and for issuing orders, a restriction on communications between contractors regarding pending quote requests, and a requirement that all contractors must respond to all quote requests;

(6) the geographic area to which the task order contract applies. Ordinarily, a geographically contiguous area should not be subdivided; and

(7) the number of task order contracts to be awarded.

(F) Every award of a task order contract is subject to procedures or guidelines established in the Manual for Planning and Execution of State Permanent Improvements.

(G) Administrative review under Article 17 is not available for the award of an individual task order, except for a protest of the award of a task order on the ground that the order increases the scope, period, or maximum value of the task order contract under which the order is issued.

SECTION 3410. Contract clauses and their administration. (S.C. Code § 11-35-3410)

(1) Contract Clauses. The regulations may require the inclusion in supplies, services, and information technology contracts of clauses providing for adjustments in prices, time of performance, or other contract provisions, as appropriate, and covering the following subjects:

(a) the unilateral right of a District to order in writing changes in the work within the general scope of the contract and temporary stopping of the work or delaying performance; and

(b) variations occurring between estimated quantities of work in a contract and actual quantities.

(2)(a) Price Adjustments. Adjustments in price pursuant to clauses promulgated under subsection (1) of this section shall be computed and documented with a written determination. The price adjustment agreed upon shall approximate the actual cost to the contractor, and all costs incurred by the contractor shall be justifiable compared with prevailing industry standards, including a reasonable profit. Costs shall be properly itemized and supported by substantiating data sufficient to permit evaluation before commencement of the pertinent performance or as soon thereafter as practicable, and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the contractor:

(i) by unit prices specified in the contract or subsequently agreed upon;

(ii) by the costs attributable to the events or situations under such clauses with adjustment for profit or fee, all specified in the contract or subsequently agreed upon;

(iii) by agreement on a fixed price adjustment;

(iv) by rates determined by the Public Service Commission and set forth in the applicable tariffs;

(v) in such other manner as the contracting parties may mutually agree; or

(vi) in the absence of agreement by the parties, through unilateral determination by the District of the costs attributable to the events or situations under such clauses, with adjustment of profit or fee, all as computed by the District in accordance with applicable sections of the regulations issued under Article 13 of this code and subject to the provisions of Article 17 of this code.

(b) A contractor shall be required to submit cost or pricing data if any adjustment in contract price is subject to the provisions of Section 1830.

(3) Additional Contract Clauses. The regulations may require the inclusion in District supplies, services, and information technology contracts of clauses providing for appropriate remedies and covering the following subjects:

(a) specified excuses for delay or nonperformance;

(b) termination of the contract for default; and

(c) termination of the contract in whole or in part for the convenience of the District.

(4) Modification of Clauses. The chief procurement officer may vary the clauses promulgated by regulation for inclusion in any particular District contract; provided, that any variations are supported by a written determination that states the circumstances justifying such variations; and provided, further, that notice of any such material variations shall be stated in the invitation for bids or request for proposals.

ARTICLE 13.

COST PRINCIPLES

SECTION 3510. Cost principles required for supplies and services contracts. (S.C. Code § 11-35-3510)

The regulations may set forth cost principles that must be used to determine the allowability of incurred costs for the purpose of reimbursing costs under provisions in supplies, services, and information technology contracts that provide for the reimbursement of costs.

ARTICLE 15.

SUPPLY MANAGEMENT

SECTION 3810. Regulations for sale, lease, transfer and disposal. (S.C. Code § 11-35-3810)

Subject to existing provisions of law, the regulations shall govern:

- (1) the sale, lease, or disposal of surplus supplies by public auction, competitive sealed bidding, or other appropriate methods designated by such regulations;
- (2) the transfer of excess supplies between schools and departments.

SECTION 3820. Allocation of proceeds for sale or disposal of surplus supplies. (S.C. Code § 11-35-3820)

Except as provided in Section 3830 and the regulations pursuant thereto, the sale of all District-owned supplies, or personal property not in actual public use must be conducted and directed by the chief procurement officer. The sales must be held at such places and in a manner as in the judgment of the chief procurement officer is most advantageous to the District. Unless otherwise determined, sales must be by either public auction or competitive sealed bid to the highest bidder.

SECTION 3830. Trade-in sales. (S.C. Code § 11-35-3830)

(1) Trade-in Value. Unless otherwise provided by law, the District may trade-in personal property, the trade-in value of which may be applied to the procurement or lease of like items. The trade-in value of such personal property shall not exceed an amount as specified in regulations.

(2) Approval of Trade-In Sales. When the trade-in value of personal property of a District exceeds the specified amount, the chief business official shall have the authority to determine whether:

(a) the subject personal property shall be traded in and the value applied to the purchase of new like items; or

(b) the property shall be classified as surplus and sold in accordance with the provisions of Section 3820. The chief business official's determination shall be in writing and be subject to the provisions of this code.

[Model Comment: Above a certain dollar threshold, the state's Surplus Property Office uses its expertise to assist agencies in deciding whether the best economic decision is to trade in surplus property or to sell it. School District's have no parallel to the state's Surplus Property Office. Accordingly, the chief business official is identified as the appropriate level official to provide this oversight function.]

SECTION 3850. Sale of unserviceable supplies. (S.C. Code § 11-35-3850)

The District may sell any supplies owned by it after the supplies have become entirely unserviceable and can properly be classified as “junk”, in accordance with procedures established by the District. All sales of unserviceable supplies by the District must be made in public to the highest bidder, after advertising for fifteen days.

ARTICLE 17.

LEGAL AND CONTRACTUAL REMEDIES

SECTION 4210. Right to protest; procedure; duty and authority to attempt to settle; administrative review; stay of procurement. (S.C. Code § 11-35-4210)

(1) Right to Protest.

(a) A prospective bidder, offeror, contractor, or subcontractor who is aggrieved in connection with a solicitation shall protest to the chief business official in the manner stated in subsection (2) within fifteen days of the date of issuance of the Invitation For Bids or Requests for Proposals or other solicitation documents, whichever is applicable, or any amendment to it, if the amendment is at issue. An Invitation for Bids or Requests for Proposals or other solicitation document, not including an amendment to it, is considered to have been issued on the date required notice of the issuance is given in accordance with this code.

(b) Any actual bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract shall notify the chief business official in writing of its intent to protest within seven business days of the date that award or notification of intent to award, whichever is earlier, is posted and sent in accordance with this code. Any actual bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract and has timely notified the chief business official of its intent to protest, may protest to the chief business official in the manner stated in subsection (2) within fifteen days of the date award or notification of intent to award, whichever is earlier, is posted and sent in accordance with this code; except that a matter that could have been raised pursuant to subitem (a) as a protest of the solicitation may not be raised as a protest of the award or intended award of a contract.

[Model Comment: For protests to awards or intended awards, a protestor must now file an intent to protest within 7 business days. The actual protest must be filed within 15 calendar days of the award or intended award.]

(c) Any actual or prospective bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract pursuant to Section 1560 or Section 1570 shall notify the chief business official in writing of its intent to protest within five business days of the date that award or notification of intent to award, whichever is earlier, is posted in accordance with this code. Any actual or prospective bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of such a contract and has timely notified the chief business official of its intent to protest, may protest to the chief business official in the manner stated in subsection (2) within fifteen days of the date award or notification of intent to award, whichever is earlier, is posted in accordance with this code; except that a matter that could have been raised pursuant to subitem (a) as a protest of the solicitation may not be raised as a protest of the award or intended award of a contract.

[Model Comment: Subsection (c) concerns protests to awards or intended awards pursuant to Section 1560 (sole source) or Section 1570 (emergency). It is almost identical to subsection (b), except a protestor must file an intent to protest within five business days of the award or intended award.]

(d) The rights and remedies granted by subsection (1) and Section 4410(1)(b) are not available for contracts with an actual or potential value of up to fifty thousand dollars.

(2) Protest Procedure. A protest pursuant to subsection (1) must be in writing, filed with the chief business official, and set forth the grounds of the protest and the relief requested with enough particularity to give notice of the issues to be decided. The protest must be received by the chief business official within the time provided in subsection (1).

(3) Duty and Authority to Attempt to Settle Protests. Before commencement of an administrative review as provided in subsection (4), the chief business official or his designee may attempt to settle by mutual agreement a protest of an aggrieved bidder, offeror, contractor, or subcontractor, actual or prospective, concerning the solicitation or award of the contract. The chief business official has the authority to approve any settlement reached by mutual agreement.

[Model Comment: A settlement may not authorize action that would otherwise be improper and may not be used to circumvent the code's requirements.]

(4) Administrative Review and Decision. If in the opinion of the chief business official, after reasonable attempt, a protest cannot be settled by mutual agreement, the chief business official shall conduct promptly an administrative review. The chief business official shall commence the administrative review no later than fifteen business days after the deadline for receipt of a protest has expired and shall issue a decision in writing within ten days of completion of the review. The decision must state the reasons for the action taken.

(5) Notice of Decision. A copy of the decision under subsection (4) along with a statement of appeal rights pursuant to Section 4210(6) must be mailed or otherwise furnished immediately to the protestant and other party intervening. The chief business official also shall post a copy of the decision at a date and place communicated to all parties participating in the administrative review, and the posted decision must indicate the date of posting on its face and must be accompanied by a statement of the right to appeal provided in Section 4210(6).

(6) Finality of Decision. A decision pursuant to subsection (4) is final and conclusive, unless fraudulent or unless a person adversely affected by the decision requests a further administrative review by the Procurement Review Panel pursuant to Section 4410(1) within ten days of posting of the decision in accordance with subsection (5). The request for review must be directed to the chief business official, who shall forward the request to the panel **or to the Procurement Review Panel**, and must be in writing, setting forth the reasons for disagreement with the decision of the chief business official. The person also may request a hearing before the Procurement Review Panel.

[Drafting Note: Districts are encouraged to delete the text highlighted in yellow. Because a district may not have a standing procurement review panel, the removal of this language ensures that a full time employee always exists to receive an appeal.]

(7) Automatic Stay of Procurement During Protests. In the event of a timely protest pursuant to subsection (1), the District shall not proceed further with the solicitation or award of the contract until ten days after a decision is posted by the chief business official, or, in the event of timely appeal to the Procurement Review Panel, until a decision is rendered by the panel except that solicitation or award of a protested contract is not stayed if the chief business official, after written approval of the Superintendent, makes a written determination that the solicitation or award of the contract without further delay is necessary to protect the interest of the District.

[Model Comment: Lifting the automatic stay is an extraordinary measure that should be used only rarely, and only when doing so is necessary to protect the best interest of the district, including the district's interest in an open and competitive procurement process. Because a written determination to lift a stay directly impacts the rights of a protestant, districts are reminded that all entities involved in the protest should receive immediate notice of such a determination.]

(8) Notice of Chief Business Official Address. Notice of the address of the chief business official must be included in every notice of an intended award and in every invitation for bids, request for proposals, or other type solicitation.

SECTION 4215. Posting of bond or irrevocable letter of credit. (S.C. Code § 11-35-4215)

The Board may request that the chief business official require any bidder or offeror who files an action protesting the intended award or award of a contract solicited under Article 5 of this code and valued at one million dollars or more to post with the chief business official a bond or irrevocable letter of credit payable to the District in an amount equal to one percent of the total potential value of the contract as determined

by the chief business official. The chief business official's decision to require a bond or irrevocable letter of credit is not appealable under Article 17. The bond or irrevocable letter of credit shall be conditioned upon the payment of all reasonable reimbursement costs which may be adjudged against the bidder or offeror filing the protest in the administrative hearing in which the action is brought and in any subsequent appellate court proceeding. For protests of intended award or award of a contract of the District's request for sole source or emergency procurements, the bond or irrevocable letter of credit shall be in an amount equal to one percent of the District's estimate of the contract amount for the sole source or emergency procurement requested. In lieu of a bond or irrevocable letter of credit, the chief business official may accept a cashier's check or money order in the amount of the bond or irrevocable letter of credit. If, after completion of the administrative hearing process and any appellate court proceedings, the District prevails, it may request that the Procurement Review Panel allow it to recover all reasonable reimbursement costs and charges associated with the protest which shall be included in the final order or judgment, excluding attorney's fees. Upon payment of such costs and charges by the bidder or offeror protesting the intended award or award of a contract, the bond, irrevocable letter of credit, cashier's check, or money order shall be returned to the bidder or offeror. Failure to pay such costs and charges by the bidder or offeror protesting the intended award or award of a contract shall result in the forfeiture of the bond, irrevocable letter of credit, cashier's check, or money order to the extent necessary to cover the payment of all reasonable reimbursement costs adjudged against the protesting bidder or offeror. If the bidder or offeror prevails in the protest, the cost of providing the bond, irrevocable letter of credit or cashier's check may be sought from the District requesting the bond or irrevocable letter of credit; provided that in no event may the amount recovered exceed fifteen thousand dollars.

SECTION 4220. Authority to debar or suspend. (S.C. Code § 11-35-4220)

(1) Authority. After reasonable notice to the person or firm involved, and a reasonable opportunity for that person or firm to be heard, the chief business official has the authority to debar a person for cause from consideration for award of contracts or subcontracts. The chief business official has authority to suspend a person or firm from consideration for award of contracts or subcontracts during an investigation if there is probable cause for debarment. The period of debarment or suspension is as prescribed by the chief business official.

[Model Comment: "Suspension" is defined in Section 310 and includes a probable-cause standard..]

- (2) Causes for Debarment or Suspension. The causes for debarment shall include, but not be limited to:
- (a) conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
 - (b) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or another offense indicating a lack of business integrity or professional honesty which currently, seriously, and directly affects responsibility as a District contractor;
 - (c) conviction under state or federal antitrust laws arising out of the submission of bids or proposals;
 - (d) violation of contract provisions, as set forth below, of a character regarded by the chief business official to be so serious as to justify debarment action:
 - (i) deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - (ii) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; except, that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor must not be considered a basis for debarment;
 - (e) violation of an order of a chief business official or the Procurement Review Panel;

(f) violation of the Ethics, Government Accountability, and Campaign Reform Act of 1991, as amended, as determined by the State Ethics Commission, as an incident to obtaining or attempting to obtain a public contract or subcontract, or in the performance of the contract, or subcontract; and

(g) any other cause the chief business official determines to be so serious and compelling as to affect responsibility as a District contractor or subcontractor, including debarment by another governmental entity for any cause listed in this subsection.

(3) Decision. The chief business official shall issue a written decision to debar or suspend within ten days of the completion of his administrative review of the matter. The decision must state the action taken, the specific reasons for it, and the period of debarment or suspension, if any.

(4) Notice of Decision. A copy of the decision pursuant to subsection (3) and a statement of appeal rights pursuant to Section 4220(5) must be mailed or otherwise furnished immediately to the debarred or suspended person and any other party intervening. The chief business official also shall post a copy of the decision at a time and place communicated to all parties participating in the administrative review and the posted decision must indicate the date of posting on its face and shall be accompanied by a statement of the right to appeal provided in Section 4220(5).

(5) Finality of Decision. A decision pursuant to subsection (3) is final and conclusive, unless fraudulent or unless the debarred or suspended person requests further administrative review by the Procurement Review Panel pursuant to Section 4410(1), within ten days of the posting of the decision in accordance with Section 4220(4). The request for review must be directed to the chief business official, who shall forward the request to the panel, **or to the Procurement Review Panel**, and must be in writing, setting forth the reasons why the person disagrees with the decision of the chief business official. The person also may request a hearing before the Procurement Review Panel.

[Drafting Note: Districts are encouraged to delete the text highlighted in yellow. Because a district may not have a standing procurement review panel, the removal of this language ensures that a full time employee always exists to receive an appeal.]

(6) Debarment constitutes debarment of all divisions or other organizational elements of the contractor, unless the debarment decision is limited by its terms to specific divisions, organization elements, or commodities. The debarring official may extend the debarment decision to include any principals and affiliates of the contractor if they are specifically named and given written notice of the proposed debarment and an opportunity to respond. For purposes of this section, business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, either one controls or has the power to control the other, or a third party controls or has the power to control both. Indications of control include, but are not limited to, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or a business entity organized following the debarment, suspension, or proposed debarment of a contractor which has the same or similar management, ownership, or principal employees as the contractor that was debarred, suspended, or proposed for debarment. For purposes of this section, the term "principals" means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity including, but not limited to, a general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions.

(7)(a) The fraudulent, criminal, or other seriously improper conduct of any officer, director, shareholder, partner, employee, or other individual associated with a contractor may be imputed to the contractor when the conduct occurred in connection with the individual's performance of duties for or on behalf of the contractor, or with the contractor's knowledge, approval, or acquiescence. The contractor's acceptance of the benefits derived from the conduct is evidence of such knowledge, approval, or acquiescence.

(b) The fraudulent, criminal, or other seriously improper conduct of a contractor may be imputed to any officer, director, shareholder, partner, employee, or other individual associated with the contractor who participated in, knew of, or had reason to know of the contractor's conduct.

(c) The fraudulent, criminal, or other seriously improper conduct of one contractor participating in a joint venture or similar arrangement may be imputed to other participating contractors if the conduct occurred for or on behalf of the joint venture or similar arrangement, or with the knowledge, approval, or acquiescence of these contractors. Acceptance of the benefits derived from the conduct is evidence of such knowledge, approval, or acquiescence.

(8) The chief business official shall maintain and update a list of debarred and suspended persons and shall make the list publicly available.

SECTION 4230. Authority to resolve contract and breach of contract controversies. (S.C. Code § 11-35-4230)

(1) Applicability. This section applies to controversies between a District and a contractor or subcontractor, when the subcontractor is the real party in interest, which arise under or by virtue of a contract between them including, but not limited to, controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or rescission. The procedure set forth in this section constitutes the exclusive means of resolving a controversy between a District and a contractor or subcontractor, when the subcontractor is the real party in interest, concerning a contract solicited and awarded pursuant to the provisions of this code.

(2) Request for Resolution; Time for Filing. Either the District or the contractor or subcontractor, when the subcontractor is the real party in interest, may initiate resolution proceedings before the chief business official by submitting a request for resolution to the chief business official in writing setting forth the specific nature of the controversy and the specific relief requested with enough particularity to give notice of every issue to be decided. A request for resolution of contract controversy must be filed within one year after the date the contractor last performs work under the contract or within one year after the claim accrues, whichever is later; except that in the case of latent defects a request for resolution of a contract controversy must be filed within three years of the date the requesting party first knows or should know of the grounds giving rise to the request for resolution.

[Model Comment: In Act 41 of 2019, the General Assembly amended § 11-35-4230 to transform the one-year deadline from a statute of repose to a statute of limitations. This was done to ameliorate the harsh result that can happen if a claim, such as one for indemnification, accrues more than one year after the contractor last performs work under the contract. See, e.g., Appeal by University of South Carolina v. Loveless Commercial Contracting, Inc., Panel Case No. 2018-1, which was decided under former state law. The 2021 Model Code adopts this change.]

(3) Duty and Authority to Attempt to Settle Contract Controversies. Before commencement of an administrative review as provided in subsection (4), the chief business official or his designee shall attempt to settle by mutual agreement a contract controversy brought pursuant to this section. The chief business official has the authority to approve any settlement reached by mutual agreement.

(4) Administrative Review and Decision. If, in the opinion of the chief business official, after reasonable attempt, a contract controversy cannot be settled by mutual agreement, the chief business official promptly shall conduct an administrative review and issue a decision in writing within ten days of completion of the review. The decision must state the reasons for the action taken.

(5) Notice of Decision. A copy of the decision pursuant to subsection (4) and a statement of appeal rights under Section 4230(6) must be mailed or otherwise furnished immediately to all parties participating in the administrative review proceedings. The chief business official also shall post a copy of the decision at a time and place communicated to all parties participating in the administrative review, and the posted decision must indicate the date of posting on its face and must be accompanied by a statement of the right to appeal provided in Section 4230(6).

(6) Finality of Decision. A decision pursuant to subsection (4) is final and conclusive, unless fraudulent or unless a person adversely affected requests a further administrative review by the Procurement Review Panel pursuant to Section 4410(1) within ten days of the posting of the decision in accordance with Section 4230(5). The request for review must be directed to the chief business official, who shall forward the

request to the panel, **or to the Procurement Review Panel**, and must be in writing setting forth the reasons why the person disagrees with the decision of the chief business official. The person also may request a hearing before the Procurement Review Panel.

[Drafting Note: Districts are encouraged to delete the text highlighted in yellow. Because a district may not have a standing procurement review panel, the removal of this language ensures that a full time employee always exists to receive an appeal.]

SECTION 4310. Solicitations or awards in violation of the law. (S.C. Code § 11-35-4310)

(1) Applicability. The provisions of this section apply where it is determined by either the chief business official or the Procurement Review Panel, upon administrative review, that a solicitation or award of a contract is in violation of the law. The remedies set forth herein may be granted by either the chief business official after review under Section 4210 or by the Procurement Review Panel after review under Section 4410(1).

(2) Remedies Prior to Award. If, prior to award of a contract, it is determined that a solicitation or proposed award of a contract is in violation of law, then the solicitation or proposed award may be:

- (a) canceled;
- (b) revised to comply with the law and rebid; or
- (c) awarded in a manner that complies with the provisions of this code.

(3) Remedies After Award. If, after an award of a contract, it is determined that the solicitation or award is in violation of law:

- (a) the contract may be ratified and affirmed, provided it is in the best interests of the District; or
- (b) the contract may be terminated and the payment of such damages, if any, as may be provided in the contract, may be awarded.

(4) Entitlement to Costs. In addition to or in lieu of any other relief, when a protest submitted under Section 4210 is sustained, and it is determined that the protesting bidder or offeror should have been awarded the contract under the solicitation but is not, then the protesting bidder or offeror may request and be awarded a reasonable reimbursement amount, including reimbursement of its reasonable bid preparation costs.

SECTION 4315. Unauthorized award or modification of a contract. (S.C. Code § 11-35-4315)

The regulations may provide for appropriate action where it is discovered either: (a) that a person lacking actual authority has made an unauthorized award or modification of a contract, or (b) that a contract award or modification is otherwise in violation of the code or regulations.

[Model Comment: See R.2015]

SECTION 4320. Contract controversies. (S.C. Code § 11-35-4320)

Remedies available in a contract controversy brought under the provisions of Section 4230. The chief business official or the Procurement Review Panel, in the case of review under Section 4410(1), may award such relief as is necessary to resolve the controversy as allowed by the terms of the contract or by applicable law.

SECTION 4330. Frivolous protests. (S.C. Code § 11-35-4330)

(1) Signature on Protest Constitutes Certificate. The signature of an attorney or party on a request for review, protest, motion, or other document constitutes a certificate by the signer that the signer has read the document, to the best of his knowledge, information, and belief formed after reasonable inquiry it is well

grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law, and it is not interposed for an improper purpose, such as to harass, limit competition, or to cause unnecessary delay or needless increase in the cost of the procurement or of the litigation.

(2) Sanctions for Violations. If a request for review, protest, pleading, motion, or other document that is filed with the chief business official or the Procurement Review Panel is signed in violation of this subsection, the Procurement Review Panel, upon motion or upon its own initiative, may impose upon the person who signed it, a represented party, or both, an appropriate sanction that may include an order to pay to the other party or parties the amount of the reasonable expenses incurred because of the filing of the protest, pleading, motion, or other paper, including a reasonable attorney's fee.

(3) Filing. A motion regarding a matter that is not otherwise before the panel may not be filed until after a final decision has been issued by the chief business official. A motion for sanctions pursuant to this section must be filed with the panel no later than fifteen days after the later of either the filing of a request for review, protest, motion, or other document signed in violation of this section, or the issuance of an order that addresses the request for review, protest, motion, or other document that is the subject of the motion for sanctions.

SECTION 4340. Rights and remedies. (S.C. Code § 11-35-4340)

There is no remedy against the District other than those provided in this chapter in any case involving a procurement subject to this code. The rights and remedies granted in this article are to the exclusion of all other rights and remedies against the District for matters arising out of or related to this code.

SECTION 4410. Procurement Review Panel. (S.C. Code § 11-35-4410)

(1) Creation. There is created the District's Procurement Review Panel which is charged with the responsibility to review and determine de novo:

(a) requests for review of written determinations of the chief business officials pursuant to Sections 4210(6), 4220(5), and 4230(6); and

(b) requests for review of other written determinations, decisions, policies, and procedures arising from or concerning the procurement of supplies, services, information technology, or construction procured in accordance with the provisions of this code and the regulations; except that a matter which could have been brought before the chief business officials in a timely and appropriate manner pursuant to Sections 4210, 4220, or 4230, but was not, must not be the subject of review under this paragraph. Requests for review pursuant to this paragraph must be submitted to the **chief business official Procurement Review Panel** in writing, setting forth the grounds, within fifteen days of the date of the written determinations, decisions, policies, and procedures.

[Drafting Note: Districts are encouraged to make the changes highlighted in yellow. Because a district may not have a standing procurement review panel, this change ensures that a full time employee always exists to receive an request for review.]

(2) Membership.

(a) The Panel must be composed of a member of the Board appointed by the Board, who will chair the Panel. In addition, four persons shall be appointed, one each, by the Chair of the Board, the Vice-Chair of the Board, the Superintendent, and the chief business official. These four persons should be members of the community who are well-respected representatives of several of the professions and businesses affected by this code, including, but not limited to (1) goods and services, (2) information technology, (3) procurements (4) construction; (5) architecture, engineering, construction management, and land surveying. Each of these persons shall serve a one-year term running from July 1 through June 30 annually. These persons shall recuse themselves in any matter in which they have an actual or apparent conflict of interest.

(b) When a vacancy is created, the official responsible for originally appointing the member vacating his or her seat shall appoint the successor to complete the term of service.

(c) Members may be reappointed to succeed themselves.

[Alternative Language: Your district must have a board or panel that will provide quasi-judicial administrative reviews of certain procurement related disputes, such as protests, contract disputes, and debarment actions. In order to minimize the work load on school board members, and to avoid any appearances of impropriety, we recommend the approach above. However, the following alternative is available. We will consider a unique alternative; however, the process must be limited to two levels (i.e., CBO and Panel) and the second level (i.e., Panel) must have an odd number of members.]

"The Board shall serve as the District Procurement Review Panel."

(3) Chairperson and Meetings. The panel shall meet as often as necessary to afford a swift resolution of the controversies submitted to it. In the case of a tie vote, the decision of the chief business official is final.

(4) Jurisdiction. (a) The Procurement Review Panel is vested with the authority to:

(i) establish its own rules and procedures for the conduct of its business and the holding of its hearings;

(ii) issue subpoenas;

(iii) interview any person it considers necessary; and

(iv) record all determinations.

(b) A party aggrieved by a subpoena issued pursuant to this provision shall apply to the panel for relief.

(5) Procedure. Within fifteen days of receiving a grievance filed pursuant to Section 4210(6), 4220(5), 4230(6), or 4410(1)(b), the chairman shall either convene the review panel to conduct an administrative review or schedule a hearing to facilitate its administrative review. Except for grievances filed pursuant to Section 4230(6), the review panel shall record its determination within ten working days and communicate its decision to those involved in the determination. In matters designated by the review panel as complex, the review panel shall record its determination within thirty days.

(6) Finality. Notwithstanding another provision of law, including the Administrative Procedures Act, the decision of the Procurement Review Panel is final as to administrative review and may be appealed only to the court of appeals pursuant to Section 1-23-380, and the filing of an appeal does not stay a decision of the panel.

SECTION 4425. Final order not appealed. (S.C. Code § 11-35-4425)

If a final order of the chief business official or the Procurement Review Panel is not appealed in accordance with the provisions of this code, upon request by a party to the proceedings, the chief business official or Procurement Review Panel may file a certified copy of the final ruling with a clerk of the circuit court, or a court of competent jurisdiction, as requested. After filing, the certified ruling has the same effect as a judgment of the court where filed and may be recorded, enforced, or satisfied in the same manner as a judgment of that court.

SECTION 4430. Communication of panel members. (S.C. Code § 11-35-4430)

Unless required for the disposition of ex parte matters authorized by law, members or employees of the panel assigned to render a decision or to make findings of fact and conclusions of law in a matter pending before the panel shall not communicate, directly or indirectly, in connection with any issue of fact, with any person or party, nor, in connection with any issue of law, with any party or his representative, except upon notice and opportunity for all parties to participate. A panel member: (a) may communicate with other members of the panel, and (b) may have the aid and advice of one or more personal assistants.

ARTICLE 19.

INTERGOVERNMENTAL RELATIONS

[Model Comment: (1) Consistent with Section 40(2), Article 19 of the South Carolina Consolidated Procurement Code applies, by its own terms, to all political subdivisions, including school districts. (2) Section 11-35-4810 provides the authority for Districts to participate in statewide term contracts established by the Division of Procurement Services of the State Fiscal Accountability Authority. (3) A District is not authorized to participate in a cooperative purchase unless the acquisition is conducted in accordance with the District's procurement code. (4) Please refer to Section 40, Model Comment No. 2.]

The District shall comply with Article 19 of Title 11, Chapter 35 of the South Carolina Code of Laws.

ARTICLE 21.

ASSISTANCE TO MINORITY BUSINESSES

[Model Comment: (1) Section 11-35-5340 provides for certain school Districts to adopt a procurement code substantially similar to the Consolidated Procurement Code. In the opinion of Division of Procurement Services, a district's procurement code is substantially similar to the Consolidated Procurement Code if it relies on the Governor's Office of Small and Minority Business Assistance to certify businesses as minority firms. The Consolidated Procurement Code envisions a single, central state office that will be responsible for certifying businesses as minority firms and for assisting the Department of Revenue in carrying out the intent of Article 21 of the Procurement Code. Likewise, it provides, both in the Procurement Code and in Title 12, for a tax credit. Given this statutory intent, the tax implications, and the importance of uniform application of the minority firm standards, the Division of Procurement Services finds that individual Districts need not establish their own separate minority business assistance office in order to comply with Section 11-35-5340. Given the inability of Districts to grant tax credits against state income tax laws, Division of Procurement Services find that individual Districts need not adopt portions of the Procurement Code directed towards such credits. Accordingly, this model is drafted to exclude those portions of the Consolidated Procurement Code and the Procurement Regulations that create OSMBA, establish the standards for certification, and provide for a tax credit. Provisions directly applicable to a state agency, including a state CPO, have been left in and modified to apply to the District directly. (2) Division of Procurement Services will not provide an affirmative written opinion for a District's code if it substitutes a District MBE certification process for the process managed by OSMBA, unless OSMBA certifies in writing to Division of Procurement Services that the District's certification process is substantially similar to OSMBA's. Division of Procurement Services strongly recommends against this approach.]

SUBARTICLE 1.

DEFINITIONS AND CERTIFICATION

SECTION 5010. Definitions of terms used in this article. (S.C. Code § 11-35-5010)

[Alternative Text: In the alternative, Districts may establish their own process for approving minority business enterprises. If a District submits a letter from OSMBA approving its process as substantially similar to the process followed by OSMBA, MMO will work with the District to adapt Article 12 and Regulation 19-445.2160.]

The definitions appearing in Section 11-35-5010 and Regulation 19-445.2160(A) of the South Carolina Code of Laws, as amended, shall apply to Article 21 of this code. On the date of this code's adoption, Section 11-35-5010 provided as follows:

(1) "Minority person" for the purpose of this article, means a United States citizen who is economically and socially disadvantaged.

(a) "Socially disadvantaged individuals" means those individuals who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of a certain group, without regard to their individual qualities. Such groups include, but are not limited to, Black Americans, Hispanic Americans, Native Americans (including American Indians, Eskimos, Aleuts and Native Hawaiians), Asian Pacific Americans, and other minorities to be designated by the board or designated agency.

(b) "Economically disadvantaged individuals" means those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

(2) A "socially and economically disadvantaged small business" means any small business concern which:

(a) is at least fifty-one percent owned by one or more citizens of the United States who are determined to be socially and economically disadvantaged.

(b) in the case of a concern which is a corporation, fifty-one percent of all classes of voting stock of such corporation must be owned by an individual determined to be socially and economically disadvantaged.

(c) in the case of a concern which is a partnership, fifty-one percent of the partnership interest must be owned by an individual or individuals determined to be socially and economically disadvantaged and whose management and daily business operations are controlled by individuals determined to be socially and economically disadvantaged. Such individuals must be involved in the daily management and operations of the business concerned.

SUBARTICLE 3.

ASSISTANCE TO MINORITY BUSINESSES

SECTION 5210. Statement of policy and its implementation. (S.C. Code § 11-35-5210)

(1) Statement of Policy. As provided in Section 11-35-5210 of the South Carolina Code of Laws, the South Carolina General Assembly has declared that business firms owned and operated by minority persons have been historically restricted from full participation in our free enterprise system to a degree disproportionate to other businesses. The General Assembly believes that it is in the state's best interest to assist minority-owned businesses to develop fully as a part of the state's policies and programs which are designed to promote balanced economic and community growth throughout the State. The General Assembly, therefore, wishes to ensure that those businesses owned and operated by minorities are afforded the opportunity to fully participate in the overall procurement process of the State. The General Assembly, therefore, takes this leadership role in setting procedures that will result in awarding contracts and subcontracts to minority business firms in order to enhance minority capital ownership, overall state economic development and reduce dependency on the part of minorities.

(2) Implementation. Chief procurement officer shall implement the policy set forth in subsection (1) of this section in accordance with the provisions of Section 5220.

SECTION 5220. Duties of the chief procurement officer. (S.C. Code § 11-35-5220)

(1) Assistance from the Chief Procurement Officer. The chief procurement officer shall provide appropriate staffs to assist minority businesses with the procurement procedures developed pursuant to this code.

(2) Special Publications. The chief procurement officer in cooperation with other appropriate private and District agencies may issue supplementary instructions designed to assist minority businesses with the District procurement procedures.

(3) Source Lists. Chief procurement officer shall maintain special source lists of minority business firms detailing the products and services which they provide. These lists shall be made available to District purchasing personnel.

(4) Solicitation Mailing Lists. The chief procurement officer shall include and identify minority business on the District's bidders' list and shall ensure that these firms are solicited on an equal basis within nonminority firms.

(5) Training Programs. The chief procurement officer shall work with appropriate District offices and minority groups in conducting seminars to assist minority business owners in learning how to do business with the District.

(6) Fee Waivers. Upon request by an MBE certified by the Small and Minority Business Assistance Office, user or subscription fees for services provided by the chief procurement officer may be waived for an MBE.

SECTION 5230. Regulations for negotiation with District minority firms. (S.C. Code § 11-35-5230)

(A) The regulations may designate such procurement contracts as may be appropriate for negotiation with certified, South Carolina-based minority firms, as defined by this subarticle. Among the criteria that shall be used to determine such designations are:

- (1) The total dollar value of procurement in South Carolina.
- (2) The availability of South Carolina-based minority firms.
- (3) The potential for breaking the contracts into smaller units, where necessary, to accommodate such firms.

(4) Ensuring that the District shall not be required to sacrifice quality of goods or services.

(5) Ensuring that the price has been determined to be fair and reasonable, and competitive both to the District and to the contractor.

(B)(1) [deleted]

[Drafting Note: The Department of Revenue's position is that the tax credit provided by Section 11-35-5230 (and the parallel provision in Section 12-6-3350) is available only for contractors that have a contract with the State. Contracts with a political subdivision do not qualify. Accordingly, subsection (B)(1) has been deleted as inapplicable. For questions on this matter, please contact the Department of Revenue directly.]

(2) [reserved]

(3) Any firm desiring to be certified as a minority firm shall make application to the Small and Minority Business Assistance Office (SMBAO) as defined by Section 11-35-5270 of the South Carolina Code of Laws, on such forms as may be prescribed by that office.

(4) [reserved]

SECTION 5240. Minority business enterprise (MBE) utilization plan. (S.C. Code § 11-35-5240)

(1) To emphasize the use of minority small businesses, the District shall develop a Minority Business Enterprise (MBE) Utilization Plan. The MBE Utilization Plan must include, but not be limited to:

- (a) the name of the District;
- (b) a policy statement expressing a commitment by the District to use MBEs in all aspects of procurement;
- (c) the name of the coordinator responsible for monitoring the MBE Utilization Plan;
- (d) goals that include expending with Minority Business Enterprises certified by the Office of Small and Minority Business Assistance an amount equal to ten percent of the District's total dollar amount of funds expended;

[Model Comment: Due to the number of inquiries regarding the ten percent goal, Division of Procurement Services includes this comment here to make clear that changes to this goal will not be approved.]

(e) solicitation of certified minority vendors, a current list of which must be supplied by the Office of Small and Minority Business Assistance, in each commodity category for which the minority vendor is qualified. The current listing of qualified minority vendors must be made available by the Office of Small and Minority Business Assistance on a timely basis;

(f) procedures to be used when it is necessary to divide total project requirements into smaller tasks which will permit increased MBE participation;

(g) procedures to be used when the District subcontracts the scope of service to another District; the responsible District may set goals for the subcontractor in accordance with the MBE goal and the responsible District may allow the subcontractor to present a MBE Utilization Plan detailing its procedure to obtain minority business enterprise participation.

(2) MBE utilization plans must be submitted to the Board for approval no later than the first Board meeting on or after July thirtieth, annually. Upon petition by the District, the Board may authorize an MBE utilization plan that establishes a goal of less than ten percent of the District's total dollar amount of funds expended. Progress reports must be submitted to the Board no later than thirty days after the end of each six-month fiscal period and contain the following information:

(a) number of minority firms solicited;

(b) number of minority bids received;

(c) total dollar amount of funds expended on contracts awarded to minority firms certified pursuant to Section 11-35-5230 of the South Carolina Code of Laws; and

(d) total dollar amount of funds expended.

(3) For purposes of this section, and notwithstanding the Administrative Procedures Act, the Board shall establish a definition for the phrase "total dollar amount of funds expended".

SECTION 5250. Progress payments and letters of credit. (S.C. Code § 11-35-5250)

(1) Progress Payments. The chief procurement officers may make special provisions for progress payments and letters of credit, as deemed reasonable to assist minority businesses to carry out the terms of a District contract pursuant to regulations.

(2) Letter of Contract Award. When a minority business firm certified by the Department of Revenue receives a contract with the District, the chief procurement officer shall furnish a letter, upon request, stating the dollar value and duration of, and other information about the contract, which may be used by the minority firm in negotiating lines of credit with lending institutions.

ARTICLE 23.

STATEWIDE PROVISIONS

[Model Comment: (1) With the exception of Section 11-35-5340, Article 23 of the South Carolina Consolidated Procurement Code, applies directly to all political subdivisions by its own terms. (2) Section 11-35-5340 applies only to so-called "large" school districts. This section was formerly codified as Section 11-35-70. (3) Generally, see Section 10, which includes the full text of Section 11-35-5340].

The District shall comply with Article 23 of Title 11, Chapter 35 of the South Carolina Code of Laws, as applicable.

District Procurement Regulations

2000. District Procurement Regulations.

A. General.

These Regulations establish policies, procedures, and guidelines relating to the procurement, management, control, and disposal of supplies, services, information technology, and construction, as applicable. These Regulations are designed to achieve maximum practicable uniformity in purchasing throughout the District. Hence, implementation of this code shall be consistent with these Regulations. Nothing contained in these Rules and Regulations shall be construed to waive any rights, remedies or defenses the District might have under any laws of the State of South Carolina. The "[insert district name] Consolidated Procurement Code takes precedence over these regulations to the extent of any conflict between them. The procurement regulations shall have the same relationship to the District's Code as regulations promulgated under the administrative procedures act have to statutes enacted by the General Assembly.

[Model Comment: As noted in the model comment 4 to Section 40(4), this office has kept the regulations separate from the code rather than integrating them into a seamless document. Under state law, statutes and regulations have important differences from one another, and the only way to maintain these differences is to maintain the distinction by keeping the two separate.]

B. Organizational Authority.

The Chief Procurement Officer acting on behalf of the Board shall have the responsibility to audit and monitor the implementation of these Regulations and requirements of the South Carolina Consolidated Procurement Code. In accordance with Section 510 of the code, all rights, powers, duties and authority relating to the procurement of supplies, services, and information technology and to the management, control, warehousing, sale and disposal of supplies, construction, information technology, and services now vested in or exercised by the District under the provisions of law relating thereto, and regardless of source funding, are hereby delegated to the chief procurement officer by the Board. The chief business official shall be responsible for developing such organizational structure as necessary to implement the provisions of the District's Code and these Regulations.

C. Duty to Report Violations

The District shall comply in good faith with all applicable requirements of the consolidated procurement code and these procurement regulations. When any information or allegations concerning improper or illegal conduct regarding a procurement governed by this code comes to the attention of any employee of the District, immediate notice of the relevant facts shall be transmitted to the chief business official.

D. Application of the District's Procurement Code.

(1) [Reserved]

(2) Multiple Instruments Not Determinative. The application of this code does not depend on whether the parties memorialize the overall transaction into one or more contractual instruments. This code should be construed liberally to carry out its purposes. (Section 20) Accordingly, when multiple written agreements are part of an overall transaction to accomplish an overall purpose, the documents will be considered together for purposes of determining whether this code applies, even if the instruments have not been executed simultaneously or the parties are not the same.

(3) Revenue generating contracts. This code "applies to every procurement . . . by this District under contract . . ." (Section 40(2)) "The term 'contract' means "all types of agreements, regardless of what they may be called, for the procurement . . . of . . . supplies, services, information technology, or construction." (Section 310) In pertinent part, the term "procurement" is defined as "buying, purchasing, renting, leasing, or otherwise acquiring any . . . construction." (Section 310) Accordingly, this code applies even though the District does not make a payment of money. Without limitation, examples of such contracts include

revenue-generating contracts, concession agreements, and contracts structured as a design-build-finance-operate-maintain project. (Section 2910(8))

(4) **Financed Construction.** This code “applies to every procurement . . . by this District under contract. . . .” (Section 40(2)) The term “contract” means “all types of agreements, regardless of what they may be called, for the procurement . . . of . . . construction.” (Section 310) In pertinent part, the term “procurement” is defined as “buying, purchasing, renting, leasing, or otherwise acquiring any . . . construction.” (Section 310) The term “construction” is defined as “the process of building . . . any . . . public improvements of any kind to real property.” (Section 310) Read together, and absent an applicable exclusion (e.g., gifts) or exemption (e.g., Section 710), this code applies to every acquisition of the process of improving real property by the District, whether or not the acquisition involves an expenditure of money. Such acquisitions may be memorialized in a number of related agreements and, without limitation, may be structured as an in-kind exchange, lease-purchase, lease with purchase option, lease-lease-back, sale-lease-back, installment-purchase, or so-called public-private-partnership.

(5) **Acquisition involving an interest in real property.** Generally, this code does not apply to an acquisition solely of an interest in real property. For example, this code does not apply to an acquisition of land, even though it includes pre-existing improvements and fixtures (i.e., not built-to-suit), nor does it apply to an acquisition of a leasehold estate, even though it includes complementary subordinate supplies, services, information technology, or construction (e.g., landlord-performed tenant improvements for a lease not-to-own, building security, janitorial services). In contrast, this code does apply to an acquisition of an interest in real property if the transaction also involves a substantial acquisition of supplies, services, information technology, or construction. For example, and without limitation, this code would apply to an acquisition of food services, even though it involved the agency leasing its land to the contractor. As another example, as discussed in Regulation 2000D(4), a lease-purchase of custom-built, new construction must be acquired pursuant to this code. While not necessarily conclusive, the primary objective of the transaction may be determinative.

E. Notice.

(1) When adequate public notice is required by Article 5, the notice must contain sufficient information to allow a prospective offeror to make an informed business judgment as to whether she should compete (or would have competed) for the contract. At minimum the notice must contain the following information, as applicable:

- (a) a description of the item(s) to be acquired;
- (b) how to obtain a copy of the solicitation document or the anticipated contract;
- (c) when and where responses are due; and
- (d) the place of performance or delivery.

(2) In addition to the information above, the notices required by Section 1560 and Section 1570 must include the contract dollar amount of the proposed contract.

2005. Internal Procurement Procedures; Procurement Records.

A. Procedures Manual.

The District shall develop and maintain an internal procurement procedures manual. The Superintendent shall be responsible for the following:

Determine that written internal procurement procedures as submitted (a) are consistent with the District's code and regulations, (b) are consistent with any policies or procedures established by the Board, and (c) establish a clear means by which vendors can identify the District's procurement officers and the limits of their authority.

B. Procurement Records.

Each District must maintain procurement files sufficient to satisfy the requirements of external audit.

2010. Disclosure of Procurement Information.

A. Reserved.

B. Prior to the issuance of an award or notification of intent to award, whichever is earlier, District personnel involved in an acquisition shall forward or refer all requests for information regarding the procurement to the responsible procurement officer. The procurement officer will respond to the request.

C. Prior to the issuance of an award or notification of intent to award, whichever is earlier, District personnel involved in an acquisition shall not engage in conduct that knowingly furnishes source selection information to anyone other than the responsible procurement officer, unless otherwise authorized in writing by the responsible procurement officer. "Source selection information" means any of the following information that is related to or involved in the evaluation of an offer (e.g., bid or proposal) to enter into a procurement contract, if that information has not been previously made available to the public or disclosed publicly: (1) Proposed costs or prices submitted in response to an agency solicitation, or lists of those proposed costs or prices, (2) source selection plans, (3) technical evaluation plans, (4) technical evaluations of proposals, (5) cost or price evaluations of proposals, (6) information regarding which proposals are determined to be reasonably susceptible of being selected for award, (7) rankings of responses, proposals, or competitors, (8) reports, evaluations of source selection committees or evaluations panels, (9) other information based on a case-by-case determination by the procurement officer that its disclosure would jeopardize the integrity or successful completion of the procurement to which the information relates.

D. In procurements conducted pursuant to Section 1530, personnel with access to proposal information shall not disclose either the number of offerors or their identity prior to the issuance of an award or notification of intent to award, whichever is earlier, except as otherwise required by law.

E. Prior to the issuance of an award or notification of intent to award, whichever is earlier, the procurement officer shall not release to any individual information obtained in response to an RFP, without first obtaining from that individual a written agreement, in a form approved by the chief procurement officer, regarding restrictions on the use and disclosure of such information. Such agreements are binding and enforceable. Before allowing any individual to perform any role in discussions, negotiations, evaluation, or the source selection decision in a procurement conducted pursuant to Section 1530, the responsible procurement officer must obtain from that individual, in a form approved by the chief business official, a written acknowledgement of compliance and an agreement to comply with rules designed to protect the integrity of the procurement process.

F. The release of a proposal to non-District personnel for evaluation does not constitute public disclosure or a release of information for purposes of the Freedom of Information Act.

G. Except as prohibited by law, and subject to Regulation 2200, District contracts may include clauses restricting the District's release of documents and information received from a contractor if those documents are exempt from disclosure under applicable law.

H. Non-Public Solicitations. In accordance with Section 410(F), information that forms a part of a specific solicitation need not be publicly available if (a) the information is otherwise exempt from disclosure by law (e.g., Chapter 4, Title 30 (The Freedom of Information Act)), (b) the information is available to any prospective offeror that has executed a nondisclosure agreement (NDA), and (c) the chief business official has approved the use and terms of an NDA for the solicitation at issue. Prior to use in a specific solicitation, the terms of a proposed NDA must be published in the solicitation unless otherwise approved by the CBO. When requesting approval from the chief procurement officer, the District must identify the information to be released pursuant to the NDA, explain the reason for the request, cite the legal basis for not making the information publicly available, and provide any other information requested by the CBO. If the District declines a person's request to enter an NDA and acquire the information thereto, it must immediately notify the CBO. Consistent with Regulation 2030, the applicable solicitation should instruct bidders how to comply with the NDA when submitting their offer. Information to be released pursuant to the NDA may also be released in accordance with Regulation 2200 (Administrative Review Protective Orders).

2015. Unauthorized or Illegal Procurements.

A. Decision to Ratify or Declare Void

(1) Upon discovering after award either (a) that a District employee lacking actual authority has made an unauthorized award or modification of a contract or (b) that a contract award or modification is otherwise in violation of this code or these regulations, the appropriate official, as defined in section G below, must decide to either ratify the contract in accordance with this regulation or acknowledge and declare the contract null and void. If ratified, the contract may be continued or terminated. The contract may be ratified only if ratification is in the interest of the District.

(2) The factors pertinent in determining the District's interest include, but are not limited to: (a) the seriousness of the procurement deficiency; (b) the degree of prejudice to the integrity of the competitive procurement system; (c) the good faith of the District officials and contractors involved; (d) the extent of performance; (e) the costs to the District in either terminating the contract or declaring it null and void, if any; (f) the urgency of the acquisition; and (g) the impact on the District's mission.

B. Decision to Continue or Terminate Contract. If a contract is ratified, the appropriate official must decide to either (1) continue the contract, or (2) terminate the contract and proceed as provided in section C below. A contract award or modification that is in violation of this code or these regulations may be continued only if the appropriate official determines an urgent and compelling need exists that cannot otherwise be met without undue burden on the District. If no such urgent and compelling need exists, the ratified contract must be terminated and the District shall proceed as provided in section C below. A contract that was ratified solely because a District employee lacking actual authority made an unauthorized award or modification, as described in item A(1)(a) above, does not require an urgent and compelling need to support its continuation.

C. Settlement of Terminated Contracts. If a contract is terminated as allowed by this regulation, the District shall, as appropriate and by agreement with the supplier, return any supplies delivered for a refund at no cost to the District or at a minimal restocking charge. If a contract is terminated and a termination claim is made, settlement shall be made in accordance with the contract. If there are no applicable termination provisions in the contract, settlement shall be made on the basis of actual costs directly or indirectly allocable to the contract through the time of termination. Such costs shall be established in accordance with generally accepted accounting principles. Profit shall be proportionate only to the performance completed up to the time of termination and shall be based on projected gain or loss on the contract as though performance were completed. Anticipated profits are not allowed.

D. Settlement of Void Contracts. If a contract is acknowledged as null and void pursuant to section A above, the District shall endeavor to return those supplies delivered under the contract that have not been used or distributed, and no further payments shall be made under the contract. In addition, the District is entitled to recover the greater of (1) the difference between payments made under the contract and the contractor's actual costs up until the contract was declared null and void, or (2) the difference between payments under the contract and the value to the District of the supplies, services, information technology, or construction it obtained under the contract.

E. Bad Faith. Notwithstanding section D above, the District is entitled to recover all amounts paid if the appropriate official determines that the recipient of the contract acted in bad faith. Bad faith shall not be assumed. Without limitation, specific findings showing deception, dishonesty, reckless disregard of clearly applicable laws or regulations, or deliberate breach of contract scope limits, support a finding of bad faith.

F. District's Remedies Not Limited. Regardless of its ratification of a contract, the District shall be entitled to any damages it can prove under any theory including but not limited to contract and tort.

G. Appropriate Official. The appropriate official to make the decisions authorized by sections A, B, and E above, or the determination addressed in item H(2) below, is the Superintendent, or a designee above the level of the person responsible for the person committing or authorizing the act. If a contract award or modification is made in violation of this code or these regulations, and the value of the contract exceeds one hundred thousand dollars, the Board must concur in the written determination before any further action is taken, unless the contract is declared null and void. In all circumstances, the Board must concur in any determination finding bad faith.

H. Determinations.

(1) All decisions authorized by sections A, B, and E above shall be supported by a written determination of appropriateness conforming to the requirements of Section 210.

(2) The written determination must include the facts and circumstances surrounding the improper act, what corrective action is being taken to prevent recurrence, and the action taken against the individual committing the act.

(3) In most circumstances, the decisions authorized by sections A, B, and E above are unnecessary for a contract that has been completely performed. Accordingly, the determination in those instances maybe limited to the information required by subsection H(2).

J. Miscellaneous.

(1) In the context of an administrative review conducted under Article 17, sections G, H, and I above are inapplicable, and the appropriate official to make the decision authorized by sections A, B, and E is the chief business official or the Procurement Review Panel, as applicable.

(2) This Regulation does not apply to a determination pursuant to Regulation 2085C.

[Model Comment: See Section 4315]

2017. Pre-solicitation Procedures.

A. General.

(1) This regulation prescribes best practices for pre-solicitation activities in acquisitions of supplies, services, or information technology, including acquisition planning, market research, and exchanges with industry. Nothing in section A, B, or C of this regulation shall provide an independent basis for administrative review pursuant to Article 17.

(2) The District shall perform acquisition planning and conduct market research for all acquisitions of supplies, services, or information technology. The extent of planning and research will vary, depending on such factors as estimated dollar value, complexity, and past experience, as well as the nature of the supplies, services or information technology to be acquired.

(3) Except for procurements conducted pursuant to Section 1550, no solicitation for offers shall proceed until the District has certified in writing that it has complied with this regulation.

(4) The District must document its acquisition planning and market research in sufficient detail to satisfy the requirements of an audit. This documentation shall be made a part of the procurement file.

(5) [Reserved]

(6) The District shall provide guidance which shall be followed by the District in conducting acquisition planning and market research, including considerations pertinent to determining the adequacy of planning and research activities.

B. Acquisition Planning.

(1) The purpose of acquisition planning is to ensure that the using agency meets its needs in the most effective, economical, and timely manner. The planning should promote and provide for:

- (a) Clearly defining the agency's needs;
- (b) Acquisition of commercially available items to the maximum extent practicable;
- (c) Full and open competition to the maximum extent practicable, with due regard to the nature of the supplies, services, or information technology to be acquired;
- (d) Selection of appropriate source selection method and contract type; and
- (e) Appropriate consideration of the use of term contracts to fulfill the requirement, before awarding new contracts.

(2) Acquisition planning should begin as soon as the agency need is identified, preferably well in advance of when contract award or order placement is necessary. Agency staff should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally impedes advantageous outcomes, restricts competition, and increases prices.

(3) Acquisition planning shall integrate the efforts of all personnel responsible for significant aspects of the acquisition. If and as commensurate with the value and complexity of the acquisition, the agency

shall form a team consisting of all those who will be responsible for significant aspects of the acquisition, such as procurement, fiscal, legal, and technical personnel. If contract performance is to be in a designated operational area, the agency should also consider including operations staff or “end users,” as appropriate.

C. Market Research.

(1) Acquisitions begin with a description of the District’s needs stated in terms sufficient to allow conduct of market research. Districts shall conduct market research appropriate to the circumstances to arrive at the most suitable approach to acquiring supplies, services, and information technology. Districts should conduct market research when planning a new acquisition, or for a new type of supplies, services, or information technology; before requisitioning an acquisition; and on an ongoing basis (to the maximum extent practicable), to effectively identify the capabilities of small businesses, new entrants into government contracting, and new commercially available items, for meeting the District’s requirements.

(2) Districts should use the results of market research to determine if sources capable of satisfying the District’s requirements exist; determine if commercially available items exist that meet the District’s requirements; and determine the practices of firms engaged in producing, distributing, and supporting the supplies, services or information technology to be acquired, such as type of contract, type and relationship of businesses involved in such contracts (e.g., subcontractors, suppliers, distributors, integrators) and, common industry contract terms or specifications, including without limitation, terms for contract duration, payment, warranties, maintenance and packaging, marking, and any other contract terms relevant to the proposed acquisition..

D. Exchanges with industry before receipt of proposals.

(1) Exchanges of information among all interested parties, from the earliest identification of a requirement through receipt of proposals, are encouraged. Any exchange of information must be consistent with Regulation 2010, Disclosure of Procurement Information. Interested parties include potential offerors, end users, District acquisition and supporting personnel, and others involved in the conduct or outcome of the acquisition. The purpose of exchanging information is to improve the understanding of District requirements and industry capabilities, thereby allowing potential offerors to judge whether or how they can satisfy the District’s requirements, and enhancing the District’s ability to obtain quality supplies, services, information technology, and construction, at reasonable prices, and increase efficiency in proposal preparation, proposal evaluation, negotiation, and contract award.

(2) Districts are encouraged to promote early exchanges of information about future acquisitions. An early exchange of information among industry and the responsible procurement officer, and other participants in the acquisition process can identify and resolve concerns regarding the acquisition strategy, including proposed contract type, terms and conditions, and acquisition planning schedules; the feasibility of the requirement, including performance requirements, statements of work, and data requirements; the suitability of the proposal instructions and evaluation criteria; the availability of reference documents; and any other industry concerns or questions.

(3) Techniques to promote early exchanges of information include industry conferences; public hearings; market research, as described in section C above; presolicitation notices; draft RFPs; requests for information (RFIs); presolicitation conferences; and site visits. They may also include one-on-one meetings with potential offerors. In conducting exchanges, the District should take measures to comply with Chapter 13, Title 8 of the South Carolina Code (Ethics, Government Accountability and Campaign Reform Act); Regulation 2010 (Disclosure of Procurement Information); Regulation 2127 (Organizational Conflicts of Interest); and Regulation 2165 (Gifts). However, any such meetings that are substantially involved with potential specifications or contract terms and conditions must comply with the restrictions on disclosure of information in subsection D(6) below.

(4) To encourage industry response, the District may publish notice of its plans to conduct pre-solicitation exchanges in South Carolina Business Opportunities and other publications likely to reach potential offerors.

(5) RFIs may be used when the District does not presently intend to award a contract, but wants to obtain price, delivery, other market information, or capabilities for planning purposes. Responses to these

notices are not offers and cannot be accepted by the District to form a binding contract. There is no required format for RFIs.

(6) General information about agency mission needs and future requirements may be disclosed at any time. In addition to the controls in Regulation 2010, the responsible procurement officer must control any exchange with potential offerors after release of the solicitation. When specific information about a proposed acquisition that would be necessary or advantageous for the preparation of proposals is disclosed to one or more potential offerors, that information must be made available to the public as soon as practicable, but no later than the next general release of information, in order to avoid creating an unfair competitive advantage. When conducting a presolicitation conference, materials distributed at the conference should be made available to all potential offerors, upon request.

2025. Authority to Contract for Certain Services; Definitions.

A. Consultant Services.

(1) For the purposes of these Regulations, consultant services shall be defined as follows: An individual, partnership, corporation or any other legally established organization performing consulting services for or providing consulting advice to the District over whom the District has the right of control as to the result to be accomplished but not as to the details and means by which that result is to be accomplished.

(2) Services which fall within this definition shall be procured in accordance with the code and these Regulations.

B. Employee Services.

(1) For the purposes of these Regulations, employee services shall be defined as follows: An individual performing services directly for the District over whom the District has the right of control not only as to the result to be accomplished by the work but also as to the details and means by which that work is to be accomplished.

(2) Services which fall within this definition shall be procured in accordance with District personnel policies and procedures.

C. Employment Services.

(1) For the purposes of these Regulations, employment services shall be defined as follows: An individual performing services indirectly for the District whose services are obtained through a private employment agency. The employee employer relationship exists between the private employment agency and its employee. The District will contract with the private employment agency for the services of its employees.

(2) Services which fall within this definition shall be procured in accordance with the code and these Regulations.

D. Legal Services.

Prior to the award of any District contract for the services of attorneys, approval for such services shall be obtained from the [specify Board or appropriate official] .

E. Auditing Services.

Prior to the award of any District contract for auditing or accounting services, approval for such services shall be obtained from the [specify Board or appropriate official].

2027. Electronic Commerce.

A. "Electronic commerce" means electronic techniques for accomplishing business transactions including electronic mail or messaging, World Wide Web technology, electronic bulletin boards, purchase cards, electronic funds transfer, and electronic data interchange.

B. General.

(1) The District may use electronic commerce whenever practicable or cost-effective. The use of terms commonly associated with paper transactions (e.g., "copy," "document," "page," "printed," "sealed

envelope,” and “stamped”) shall not be interpreted to restrict the use of electronic commerce. The responsible procurement officer may supplement electronic transactions by using other media to meet the requirements of any contract action governed by the District’s Procurement Code (e.g., transmit hard copy of drawings).

(2) Districts may exercise broad discretion in selecting the information technology that will be used in conducting electronic commerce. However, the Superintendent shall ensure that systems, technologies, procedures, and processes used by the District to conduct electronic commerce—

- (a) Are implemented uniformly throughout the District, to the maximum extent practicable;
- (b) Are implemented only after considering the full or partial use of existing infrastructures;
- (c) Facilitate access to District acquisition opportunities by as many persons as practicable, including small businesses, minority business enterprises, and socially and economically disadvantaged small businesses;
- (d) Include a means of providing widespread public notice of acquisition opportunities and a means of responding to notices or solicitations electronically;
- (e) Comply with applicable standards that broaden interoperability and ease the electronic interchange of information; and
- (f) Are capable of ensuring authentication and confidentiality commensurate with the risk and magnitude of the harm from loss, misuse, or unauthorized access to or modification of the information.

(3) [Deleted]

(4) Consistent with provisions of the Uniform Electronic Transactions Act, Sections 26-6-10, et seq., Districts may accept electronic signatures and records in connection with District contracts.

C. Submission of Offers by Electronic Commerce. Subject to all other applicable regulations (e.g., Regulations 2045 and 2050), the responsible procurement officer may authorize use of electronic commerce for submission of bids and proposals. If electronic submissions are authorized, the solicitation shall specify the electronic commerce method(s) that offerors may use. Offers submitted by electronic commerce shall be considered only if the electronic commerce method was specifically stipulated or permitted by the solicitation.

2030. Competitive Sealed Bidding—The Invitation for Bids.

A. The invitation for bids shall be used to initiate a competitive sealed bid procurement and shall include the following, as applicable:

- (1) instructions and information to bidders concerning the bid submission requirements, including the time and date set for receipt of bids, the individual to whom the bid is to be submitted, the address of the office to which bids are to be delivered, the maximum time for bid acceptance by the District, and any other special information;
- (2) the purchase description, evaluation factors, delivery or performance schedule, and such inspection and acceptance requirements as are not included in the purchase description;
- (3) the contract terms and conditions, including warranty and bonding or other security requirements, as applicable; and
- (4) Instructions to bidders on how to visibly mark information which they consider to be exempt from public disclosure.

B. Adequate notice of the invitation for bids must be given at a reasonable time before the date set forth in it for the opening of bids. Accordingly, bidding time will be set to provide bidders a reasonable time to prepare their bids. Without limiting the foregoing requirements, the date of opening may not be less than seven (7) days after notice of the solicitation is provided as required by Section 1520(3), unless a shorter time is deemed necessary for a particular procurement as determined in writing by the chief business official or his designee.

2040. Publication of District Business Opportunities.

As used in this code and these regulations “South Carolina Business Opportunities” means the periodical published by the Materials Management Office pursuant to Regulation 19-445.2040 of the South Carolina Code of Laws.

[Alternative Language: (1) If the District elects to rely on advertisement in a newspaper of general circulation, the language above must be designated as paragraph A and the following language must be included as paragraph B: "When the Code or these regulations require notice in a newspaper of general circulation in the District, the advertisement or notice shall be published in the single newspaper identified in the District's internal procurement procedures (Section 540)." Absent this requirement, those interested in doing business with the District would not have a single source to which they could turn.]

2042. Pre-Bid Conferences.

A. Pre-bid conferences may be conducted. The conference should be held long enough after the Invitation for Bids has been issued to allow bidders to become familiar with it, but sufficiently before bid opening to allow consideration of the conference results in preparing their bids. Notice of the conference must be included in the notice of the solicitation required by Articles 5 or 9 of this code.

B. Nothing stated at the pre-bid conference shall change the Invitation for Bids unless a change is made by written amendment. A potential bidder’s failure to attend an advertised pre-bid conference will not excuse its responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the District.

C. Pre-bid conferences may not be made mandatory absent a written determination by the Superintendent or his designee that the unique nature of the procurement justifies a mandatory pre-bid conference and that a mandatory pre-bid conference will not unduly restrict competition.

D. To minimize the time and expense imposed on industry by pre-bid conferences, the procurement officer should arrange for attendance by electronic means to the maximum extent practicable.

2045. Receipt, Safeguarding, and Disposition of Bids.

A. Procedures Prior to Bid Opening.

All bids (including modifications) received prior to the time of opening shall be kept secure and, except as provided in subsection B below, unopened. Necessary precautions shall be taken to ensure the security of the bid. Prior to bid opening, information concerning the identity and number of bids received shall be made available only to the District employees, and then only on a “need to know” basis. When bid samples are submitted, they shall be handled with sufficient care to prevent disclosure of characteristics before bid opening.

B. Unidentified Bids.

Unidentified bids may be opened solely for the purpose of identification, and then only by an official specifically designated for this purpose by the Chief Procurement Officer, the procurement officer of the District, or a designee of either officer. If a sealed bid is opened by mistake, the person who opens the bid will immediately write his signature and position on the envelope and deliver it to the aforesaid official. This official shall immediately write on the envelope an explanation of the opening, the date and time opened, the invitation for bids’ number, and his signature, and then shall immediately reseal the envelope.

C. When bids or proposals are rejected, or a solicitation cancelled after bids or proposals are received, the bids or proposals which have been opened shall be retained in the procurement file or, if unopened, otherwise disposed of. Unopened bids or proposals are not considered to be public information under Chapter 4 of Title 30 (Freedom of Information Act).

2050. Bid Opening.

A. Procedures.

The procurement officer of the District or his designee shall decide when the time set for bid opening has arrived, and shall so declare to those present. In the presence of one or more District witnesses, he shall then personally and publicly open all bids received prior to that time, and read aloud so much thereof as is practicable, including prices, to those persons present and have the bids recorded. The amount of each bid and such other relevant information, together with the name of each bidder, shall be tabulated and certified in writing as true and accurate by both the person opening the bids and the witness. The tabulation shall be open to public inspection.

B. If it becomes necessary to postpone a bid opening, the procurement officer shall issue the appropriate amendments to the solicitation postponing or rescheduling the bid opening. When the District is closed due to force majeure, bid opening will be postponed to the same time on the next official business day.

C. Disclosure of Bid Information.

Only the information disclosed by the procurement officer of the District or his designee at bid opening is considered to be public information under the Freedom of Information Act, Chapter 4 of Title 30, until after the issuance of an award or notification of intent to award, whichever is earlier.

2055. Bid Acceptance and Bid Evaluation.

When necessary for the best interest of the District, bid criteria to determine acceptability may include inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be measurable costs to include, but not be limited to, discounts, transportation costs, total or life cycle costs.

2060. Repealed.

2065. Rejection of Bids.

A. Unless there is a compelling reason to reject one or more bids, award will be made to the lowest responsible and responsive bidder. Every effort shall be made to anticipate changes in a requirement prior to the date of opening and to notify all prospective bidders of any resulting modification or cancellation, thereby permitting bidders to change their bids and preventing the unnecessary exposure of bid prices. As a general rule after opening, an invitation for bids should not be canceled and readvertised due solely to increased quantities of the items being procured; award should be made on the initial invitation for bids and the additional quantity required should be treated as a new procurement.

B. Cancellation of Bids Prior to Award.

(1) When it is determined prior to the issuance of an award or notification of intent to award, whichever is earlier, but after opening, that the requirements relating to the availability and identification of specifications have not been met, the invitation for bids shall be cancelled. Invitations for bids may be cancelled after opening, but prior to award, when such action is consistent with subsection A above and the procurement officer determines in writing that:

- (a) inadequate or ambiguous specifications were cited in the invitation;
- (b) specifications have been revised;
- (c) the supplies, services, information technology, or construction being procured are no longer required;
- (d) the invitation did not provide for consideration of all factors of cost to the District, such as cost of transporting District furnished property to bidders' plants;
- (e) bids received indicate that the needs of the District can be satisfied by a less expensive article differing from that on which the bids were invited;
- (f) all otherwise acceptable bids received are at unreasonable prices;
- (g) the bids were not independently arrived at in open competition, were collusive, or were submitted in bad faith; or
- (h) for other reasons, cancellation is clearly in the best interest of the District.

(2) Determinations to cancel invitations for bids shall state the reasons therefor.

C. Extension of Bid Acceptance Period.

Should administrative difficulties be encountered after bid opening which may delay award beyond bidders' acceptance periods, the several lowest bidders should be requested, before expiration of their bids, to extend the bid acceptance period (with consent of sureties, if any) in order to avoid the need for re-advertisement.

2070. Rejection of Individual Bids.

A. General Application.

Any bid which fails to conform to the essential requirements of the invitation for bids shall be rejected.

B. Alternate Bids.

Any bid which does not conform to the specifications contained or referenced in the invitation for bids may be rejected unless the invitation authorized the submission of alternate bids and the supplies offered as alternates meet the requirements specified in the invitation.

C. Any bid which fails to conform to the delivery schedule, to permissible alternates thereto stated in the invitation for bids, or to other material requirements of the solicitation may be rejected as nonresponsive.

D. Modification of Requirements by Bidder.

(1) Ordinarily a bid should be rejected when the bidder attempts to impose conditions which would modify requirements of the invitation for bids or limit his liability to the District, since to allow the bidder to impose such conditions would be prejudicial to other bidders. For example, bids should be rejected in which the bidder:

(a) attempts to protect himself against future changes in conditions, such as increased costs, if total possible cost to the District cannot be determined;

(b) fails to state a price and in lieu thereof states that price shall be "price in effect at time of delivery;"

(c) states a price but qualified such price as being subject to "price in effect at time of delivery;"

(d) when not authorized by the invitation, conditions or qualifies his bid by stipulating that his bid is to be considered only if, prior to date of award, bidder receives (or does not receive) award under a separate procurement;

(e) requires the District to determine that the bidder's product meets District specifications; or

(f) limits the rights of the District under any contract clause.

(2) Bidders may be requested to delete objectionable conditions from their bid provided that these conditions do not go to the substance, as distinguished from the form, of the bid or work an injustice on other bidders. Bidder should be permitted the opportunity to furnish other information called for by the Invitation for Bids and not supplied due to oversight, so long as it does not affect responsiveness.

E. Price Unreasonableness.

Any bid may be rejected if the responsible procurement officer determines in writing that it is unreasonable as to price.

F. Bid Security Requirement.

When a bid security is required and a bidder fails to furnish it in accordance with the requirements of the invitation for bids, the bid shall be rejected.

G. Exceptions to Rejection Procedures.

Any bid received after the procurement officer or his designee has declared that the time set for bid opening has arrived, shall be rejected unless the bid had been delivered to the location specified in the solicitation or the governmental bodies' mail room which services that location prior to the bid opening.

2075. All or None Qualifications.

Unless the invitation for bids so provides, a bid is not rendered nonresponsive by the fact that the bidder specifies that award will be accepted only on all, or a specified group, of the items included in the invitation

for bids. However, bidders shall not be permitted to withdraw or modify “all or none” qualifications after bid opening since such qualification is substantive and affects the rights of the other bidders.

2077. Bid Samples and Descriptive Literature.

A. “Descriptive literature” means information available in the ordinary course of business which shows the characteristics, construction, or operation of an item which enables the District to consider whether the item meets its needs.

B. “Bid sample” means a sample to be furnished by a bidder to show the characteristics of the item offered in the bid.

C. Bid samples or descriptive literature may be required when it is necessary to evaluate required characteristics of the items bid.

D. The Invitation for Bids shall state that bid samples or descriptive literature should not be submitted unless expressly requested and that, regardless of any attempt by a bidder to condition the bid, unsolicited bid samples or descriptive literature which are submitted at the bidder’s risk will not be examined or tested, and will not be deemed to vary any of the provisions of the Invitation for Bids.

2080. Bid Reductions.

The responsible procurement officer may accept a voluntary reduction in price from a low bidder after bid opening but prior to award; provided that such reduction is not conditioned on, nor results in, the modification or deletion of any conditions contained in the invitation for bids.

2085. Correction or Withdrawal of Bids; Cancellation of Awards.

A. General Procedure.

(1) A bidder or offeror must submit in writing a request to either correct or withdraw a bid to the procurement officer. Each written request must document the fact that the bidder’s or offeror’s mistake is clearly an error that will cause him substantial loss. All decisions to permit the correction or withdrawal of bids shall be supported by a written determination of appropriateness made by the chief business official.

[Model Comment: (1) The authority granted in this paragraph must be exercised in compliance with Section 1520(7). (2) After opening, the correction or withdrawal of bids can undermine the integrity of the procurement process. Given this concern, such authority should be exercised by an official one step removed from procurement. Accordingly, this section places the final authority over these actions with the chief business official.]

(2) Confirmation of Bid. When the responsible procurement officer knows or has reason to conclude that a mistake may have been made, the procurement officer should request the bidder to confirm the bid. Situations in which confirmation should be requested include obvious, apparent errors on the face of the bid or a bid unreasonably lower than the other bids submitted. Consistent with Regulations 2010, 2050C, and 2095C, the responsible procurement officer should only disclose information that is publicly available when confirming a bid. If the bidder asserts a mistake, the bid may be corrected or withdrawn only if allowed by regulation (e.g., Regulation 2085A and B and Regulation 2095I(2)(d)).

B. Correction Creates Low Bid.

To maintain the integrity of the competitive sealed bidding system, a bidder shall not be permitted to correct a bid mistake after bid opening that would cause such bidder to have the low bid unless the mistake is clearly evident from examining the bid document; for example, extension of unit prices or errors in addition.

C. Cancellation Of Award Prior To Performance.

After an award or notification of intent to award, whichever is earlier, has been issued but before performance has begun, the award or contract may be canceled and either re-awarded or a new solicitation issued or the existing solicitation canceled, if the chief business official determines in writing that:

(1) Inadequate or ambiguous specifications were cited in the invitation;

- (2) Specifications have been revised;
- (3) The supplies, services, information technology, or construction being procured are no longer required;
- (4) The invitation did not provide for consideration of all factors of cost to the District, such as cost of transporting District furnished property to bidders' plants;
- (5) Bids received indicate that the needs of the District can be satisfied by a less expensive article differing from that on which the bids were invited;
- (6) The bids were not independently arrived at in open competition, were collusive, or were submitted in bad faith;
- (7) Administrative error of the District discovered prior to performance, or
- (8) For other reasons, cancellation is clearly in the best interest of the District.

[Model Comment: (1) The authority to cancel awards or contracts after award but prior to performance is tantamount to revoking a contract. Because it takes place after offers have been received, it can have an unfair impact on the participating offerors if further competition is planned. In addition, this process takes place after the participating offerors have expended resources, sometimes considerable resources, in submitting an offer. Accordingly, this process should not be used as a normal administrative solution to defective procurement practices. Rather, it should be reserved for extraordinary circumstances. (2) The authority granted in this paragraph must be exercised in compliance with Section 1520(7). (3) To address questions asked, this provision is unrelated to contract administration actions such as a termination due to default or a termination for convenience.]

2090. Award.

A. Application.

The contract shall be awarded to the lowest responsible and responsive bidder(s) whose bid meets the requirements and criteria set forth in the invitation for bids.

B. The procurement officer shall issue the notice of intent to award or award on the date specified in the solicitation, unless the procurement officer determines, and gives notice, that a longer review time is necessary. The procurement officer shall give notice of the revised posting date in accordance with Section 1520(10).

2095. Competitive Sealed Proposals.

A. Request for Proposals.

The provisions of Regulations 2030B and 2040 shall apply to implement the requirements of Section 1530 (2), Public Notice.

B. Receipt, Safeguarding, and Disposition of Proposals.

The provisions of Regulation 2045 shall apply to competitive sealed proposals.

C. Receipt of Proposals.

The provisions of Regulation 2050(B) shall apply to competitive sealed proposals. For the purposes of implementing Section 1530(3), Receipt of Proposals, the following requirements shall be followed:

(1) Proposals shall be opened publicly by the procurement officer or his designee in the presence of one or more witnesses at the time and place designated in the request for proposals. Proposals and modifications shall be time-stamped upon receipt and held in a secure place until the established due date. After the date established for receipt of proposals, a Register of Proposals shall be prepared which shall include for all proposals the name of each offeror, the number of modifications received, if any, and a description sufficient to identify the item offered. The Register of Proposals shall be certified in writing as true and accurate by both the person opening the proposals and the witness. The Register of Proposals shall be open to public inspection only after the issuance of an award or notification of intent to award, whichever is earlier. Proposals and modifications shall be shown only to District personnel having a legitimate interest in them and then only on a "need to know" basis. Contents and the identity of competing offers shall not be disclosed during the process of opening by District personnel.

(2) As provided by the solicitation, offerors must visibly mark all information in their proposals that they consider to be exempt from public disclosure.

D. [Repealed]

E. Clarifications and Minor Informalities in Proposals.

The provisions of Section 1520(13) shall apply to competitive sealed proposals.

F. Specified Types of Construction.

Consistent with Section 48-52-670, which allows the use of competitive sealed proposals, it is generally not practicable or advantageous to the District to procure guaranteed energy, water, or wastewater savings contracts by competitive sealed bidding.

G. Procedures for Competitive Sealed Proposals.

[Model Comment: State regulation 19-445.2095(G), which is the state parallel to this paragraph, authorizes the state CPOs to issue procedures which must be followed by all state agencies using the competitive sealed proposal method of acquisition. Pursuant to this authority, the CPOs have issued mandatory procedures entitled "Competitive Sealed Proposals, Required Procedures and Guidance for Communications After Opening but Prior to Award" (eff. Sept. 2021), found at <https://procurement.sc.gov>. Division of Procurement Services believes these procedures reflect the agency's best interpretation of how these rules should be applied. While they are not mandatory for school districts, they are highly recommended.]

H. Other Applicable Provisions.

The provisions of the following Regulations shall apply to competitive sealed proposals:

- (1) Regulation 2042, Pre-Bid Conferences,
- (2) Regulation 2060, Telegraphic and Electronic Bids,
- (3) Regulation 2075, All or None Qualifications,
- (4) Regulation 2085, Correction or Withdrawal of Bids; Cancellation of Awards, and Cancellation of Awards Prior to Performance.

I. Discussions with Offerors

(1) Classifying Proposals.

For the purpose of conducting discussions under Section 1530(6) and item (2) below, proposals shall be initially classified in writing as:

- (a) acceptable (i.e., reasonably susceptible of being selected for award);
- (b) potentially acceptable (i.e., reasonably susceptible of being made acceptable through discussions); or
- (c) unacceptable.

(2) Conduct of Discussions.

If discussions are conducted, the procurement officer shall exchange information with all offerors who submit proposals classified as acceptable or potentially acceptable. The content and extent of each exchange is a matter of the procurement officer's judgment, based on the particular facts of each acquisition. In conducting discussions, the procurement officer shall:

- (a) Control all exchanges;
- (b) Advise in writing every offeror of all deficiencies in its proposal, if any, that will result in rejection as non-responsive;
- (c) Attempt in writing to resolve uncertainties concerning the cost or price, technical proposal, and other terms and conditions of the proposal, if any;
- (d) Resolve in writing suspected mistakes, if any, by calling them to the offeror's attention.
- (e) Provide the offeror a reasonable opportunity to submit any cost or price, technical, or other revisions to its proposal, but only to the extent such revisions are necessary to resolve any matter raised by the procurement officer during discussions under items (2)(b) through (2)(d) above.

(3) Limitations. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. Ordinarily, discussions are conducted prior to final ranking. Discussions may not be conducted unless the solicitation alerts offerors to the possibility of such an

exchange, including the possibility of limited proposal revisions for those proposals reasonably susceptible of being selected for award.

J. Rejection of Individual Proposals.

(1) Proposals need not be unconditionally accepted without alteration or correction, and to the extent otherwise allowed by law, the District's stated requirements may be clarified after proposals are submitted. This flexibility must be considered in determining whether reasons exist for rejecting all or any part of a proposal. Reasons for rejecting proposals include but are not limited to:

- (a) the business that submitted the proposal is nonresponsible as determined under Section 1810;
- (b) the proposal ultimately (that is, after an opportunity, if any is offered, has passed for altering or clarifying the proposal) fails to meet the announced requirements of the District in some material respect; or
- (c) the proposed price is clearly unreasonable.

(2) The reasons for cancellation or rejection shall be made a part of the procurement file and shall be available for public inspection.

[Model Comment: Division of Procurement Services' three chief procurement officers have jointly issued guidance to assist procurement officers in conducting discussions pursuant to this Regulation 2095(I). See Competitive Sealed Proposals, Required Procedures and Guidance for Communications After Opening but Prior to Award (eff. Sept. 2021), found at <https://procurement.sc.gov>.]

K. Negotiations.

(1) Prior to initiating negotiations under Section 1530(8), the District must document its negotiation objectives.

(2) The responsible procurement officer must participate in, control, and document all negotiations.

L. Delay in Posting Notice of Intent to Award or Award.

Regulation 2090B shall apply to competitive sealed proposals.

2097. Rejection of Proposals.

A. Unless there is a compelling reason to reject one or more proposals, award will be made to the highest ranked responsible offeror or otherwise as allowed by Section 1530. Every effort shall be made to anticipate changes in a requirement prior to the date of opening and to notify all prospective offerors of any resulting modification or cancellation.

B. Cancellation of Solicitation Prior to Award.

(1) When it is determined prior to the issuance of an award or notification of intent to award, whichever is earlier, but after opening, that the requirements relating to the availability and identification of specifications have not been met, the request for proposals shall be cancelled. A request for proposals may be cancelled after opening, but prior the issuance of an award or notification of intent to award, whichever is earlier, when such action is consistent with subsection A above and the procurement officer determines in writing that:

- (a) inadequate or ambiguous specifications were cited in the solicitation;
- (b) specifications have been revised;
- (c) the supplies, services, information technology, or construction being procured are no longer required;
- (d) the solicitation did not provide for consideration of all factors of cost to the District, such as cost of transporting District furnished property to bidders' plants;
- (e) proposals received indicate that the needs of the District can be satisfied by a less expensive article differing from that on which the proposals were requested;
- (f) all otherwise acceptable proposals received are at unreasonable prices;
- (g) the proposals were not independently arrived at in open competition, were collusive, or were submitted in bad faith; or

(h) for other reasons, cancellation is clearly in the best interest of the District.

(2) Determinations to cancel a request for proposals shall state the reasons therefor.

C. Extension of Bid Acceptance Period.

Should administrative difficulties be encountered after opening which may delay award beyond offeror's acceptance periods, the relevant offerors should be requested, before expiration of their offers, to extend the acceptance period (with consent of sureties, if any).

2098. Rejection of Individual Proposals.

A. Proposals need not be unconditionally accepted without alteration or correction, and to the extent otherwise allowed by law, the District's stated requirements may be clarified after proposals are submitted. This flexibility must be considered in determining whether reasons exist for rejecting all or any part of a proposal.

B. Reasons for rejecting proposals include but are not limited to:

(1) the business that submitted the proposal is nonresponsible as determined under Section 1810;

(2) the proposal ultimately (that is, after an opportunity, if any is offered, has passed for altering or clarifying the proposal) fails to meet the announced requirements of the District in some material respect; or

(3) the proposed price is unreasonable.

C. The reasons for rejection shall be made a part of the procurement file and shall be available for public inspection.

D. Exceptions to Rejection Procedures.

Any proposal received after the procurement officer of the District or his designee has declared that the time set for opening has arrived, shall be rejected unless the proposal had been delivered to the location specified in the solicitation or the District's mail room which services that location prior to the bid opening.

2100. Small Purchases and Other Simplified Purchasing Procedures.

A. Authority.

(1) A District may make small purchases not exceeding the limits prescribed in Section 1550 in accordance with the procedures in that section and herein.

(2) These simplified acquisition procedures shall not be used for items available under mandatory state term contracts (see R.19-445-2020B(1) of the South Carolina Code of Laws).

(3) [Reserved]

(4) When required, adequate public notice must comply with Regulation 2000F.

(5) Section 4210(1)(d) makes the protest process inapplicable to contracts with an actual or potential value of up to \$50,000. Because the protest process applies to all small purchases in excess of \$50,000, notice of an award must be communicated to all bidders on the same date award is made and must be documented in the procurement file. Any method of communication may be used.

B. Purchases pursuant to Section 1550(2)(b) (Three Written Quotes).

(1) If a District does not receive responsive quotes from at least three responsible bidders, adequate public notice must be given and documented with the purchase requisition. So-called "no bids" are not bona fide and do not count as one of the three.

(2) Requests for quotes must be distributed equitably among qualified suppliers, unless adequate public notice is given in South Carolina Business Opportunities.

C. Purchases pursuant to Section 1550(2)(c) (Advertised Small Purchase) may be made by giving adequate public notice in South Carolina Business Opportunities and:

(1) issuing a written solicitation for written quotes, as described in Section 1550(2)(c);

(2) soliciting bids in accordance with Section 1520, Competitive Sealed Bidding, Section 1525, Competitive Fixed Price Bidding, or Section 1528, Competitive Best Value Bidding; or

(3) soliciting proposals in accordance with Section 1530, Competitive Sealed Proposals.

D. When conducting a small purchase over twenty-five thousand dollars for which adequate public notice is required, potential offerors must be provided reasonable time to prepare their bids, no less than seven (7) days after such notice is provided, unless a shorter time is deemed necessary for a particular procurement as determined in writing by the chief business official.

E. Establishment of Blanket Purchase Agreements.

(1) General. A blanket purchase agreement is a simplified method of filling repetitive needs for small quantities of miscellaneous supplies, services, or information technology by establishing "charge accounts" with qualified sources of supply. Blanket purchase agreements are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents.

(2) Alternate Sources. To the extent practicable, blanket purchase agreements for items of the same type should be placed concurrently with more than one supplier. All competitive sources shall be given an equal opportunity to furnish supplies, services, or information technology under such agreements.

(3) Terms and Conditions. Blanket purchase agreements shall contain the following provisions:

(a) Description of agreement. A statement that the supplier shall furnish supplies, services, or information technology, described therein in general terms, if and when requested by the Procurement Officer, or his authorized representative, during a specified period and within a stipulated aggregate amount, if any. Blanket purchase agreements may encompass all items that the supplier is in a position to furnish.

(b) Extent of obligation. A statement that the District is obligated only to the extent of authorized calls actually placed against the blanket purchase agreement.

(c) Notice of individuals authorized to place calls and dollar limitations. A provision that a list of names of individuals authorized to place calls under the agreement, identified by organizational component, and the dollar limitation per call for each individual shall be furnished to the supplier by the Procurement Officer.

(d) Delivery tickets. A requirement that all shipments under the agreement, except subscriptions and other charges for newspapers, magazines, or other periodicals, shall be accompanied by delivery tickets or sales slips which shall contain the following minimum information:

(1) name of supplier;

(2) blanket purchase agreement number;

(3) date of call;

(4) call number;

(5) itemized list of supplies, services, or information technology furnished;

(6) quantity, unit price, and extension of each item less applicable discounts (unit price and extensions need not be shown when incompatible with the use of automated systems, provided that the invoice is itemized to show this information); and

(7) date of delivery or shipment.

(e) Invoices one of the following statements:

(1) A summary invoice shall be submitted at least monthly or upon expiration of the blanket purchase agreement, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets covered therein, stating their total dollar value, and supported by receipted copies of the delivery tickets; or

(2) An itemized invoice shall be submitted at least monthly or upon expiration of the blanket purchase agreement, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. Such invoices need not be supported by copies of delivery tickets;

(3) When billing procedures provide for an individual invoice for each delivery, these invoices shall be accumulated provided that a consolidated payment will be made for each specified period; and the period of any discounts will commence on final date of billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever is later. This procedure should not be used if the accumulation of the individual invoices materially increases the administrative costs of this purchase method.

F. Competition Under Blanket Purchase Agreement.

Calls against blanket purchase agreements shall be placed after prices are obtained. When concurrent agreements for similar items are in effect, calls shall be equitably distributed. In those instances where there is an insufficient number of BPAs for any given class of supplies, services, or information technology to assure adequate competition, the individual placing the order shall solicit quotations from other sources.

G. Calls Against Blanket Purchase Agreement.

Calls against blanket purchase agreements generally will be made orally, except that informal correspondence may be used when ordering against agreements outside the local trade area. Written calls may be executed. Documentation of calls shall be limited to essential information. Forms may be developed for this purpose locally and be compatible with the Comptroller General's Office STARS system.

H. Receipt and Acceptance of Supplies or Services.

Acceptance of supplies, services, or information technology shall be indicated by signature and date on the appropriate form by the authorized District representative after verification and notation of any exceptions.

I. Review Procedures.

The District shall review blanket purchase agreement files at least semiannually to assure that authorized procedures are being followed. Blanket purchase agreements shall be issued for a period of no longer than 12 months.

2105. Sole Source Procurements.

A. Application.

The provisions of this Regulation shall apply to all sole source procurements unless emergency conditions exist as defined in Regulation 2110.

B. Exceptions.

Sole source procurement is not permissible unless there is only a single supplier. The following are examples of circumstances which could necessitate sole source procurement:

- (1) where the compatibility of equipment, accessories, or replacement parts is the paramount consideration;
- (2) where a sole supplier's item is needed for trial use or testing;
- (3) [Repealed]
- (4) [Repealed]
- (5) where the item is one of a kind; and
- (6) [Repealed]

C. Written Determination. (1) The written determination to conduct a procurement as a sole source shall be made by the Superintendent or designee above the level of the procurement officer. Any delegation of authority by the Superintendent with respect to sole source determinations shall be submitted in writing to the chief procurement officer. (2) The written determination must include a purchase description that states the District's actual needs, which shall not be unduly restrictive. In cases of reasonable doubt, competition should be solicited. The determination must contain sufficient factual grounds and reasoning to provide an informed, objective explanation for the decision and must be accompanied by market research that supports the decision. The determination must be authorized prior to contract execution.

D. Notice.

(1) Compliance with the notice requirements in Section 1560(A) must be documented in the procurement file.

(2) The public notice required by Section 1560(A) must include the written determination required by Section C(2) above or instructions how to obtain the written determination immediately upon request.

E. Other Applicable Provisions.

Sole source procurements must comply with all applicable statutes and regulations, including without limitation, Sections 30 (Obligation of good faith), 210 (Determinations), 410 (Public access to procurement information), 1810 (Responsibility of bidders and offerors), 1830 (Cost or pricing data), 2010 (Types of contracts), 2030 (Multiterm contracts), 1610 (Change order or contract modification), 2440 (Records of

procurement actions), 2730 (Assuring competition), and 4230 (Authority to resolve contract and breach of contract controversies).

2110. Emergency Procurements.

A. Application.

The provisions of this Regulation apply to every procurement made under emergency conditions that will not permit other source selection methods to be used.

B. Definition.

An emergency condition is a situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, fire loss, or such other reason as may be proclaimed by the Superintendent or a designee. The existence of such conditions must create an immediate and serious need for supplies, services, information technology, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten:

- (1) the functioning of District government;
- (2) the preservation or protection of property; or
- (3) the health or safety of any person.

C. Limitations.

Emergency procurement shall be limited to those supplies, services, information technology, or construction items necessary to meet the emergency.

D. Conditions.

The District may make emergency procurements when an emergency condition arises and the need cannot be met through normal procurement methods, provided that whenever practical, approval by the Superintendent or his designee shall be obtained prior to the procurement.

E. Selection of Method of Procurement.

The procedure used shall be selected to assure that the required supplies, services, information technology, or construction items are procured in time to meet the emergency. Given this constraint, such competition as is practicable shall be obtained.

F. Notice.

Compliance with the notice requirements in Section 1570(B) must be documented in the procurement file.

G. Written Determination.

The Superintendent or a designee shall make a written determination stating the basis for an emergency procurement and for the selection of the particular contractor. The determination must contain sufficient factual grounds and reasoning to provide an informed, objective explanation for the decision.

2115. Information Technology Procurements.

The District, whether using District appropriations or other funds, shall rent, purchase, or lease any information technology, or software, or contract for consulting or other services in the field of information technology only in accordance with these Regulations.

2120. Cost or Pricing Data.

A. Definitions

(1) Adequate Price Competition. Price competition exists if competitive sealed proposals are solicited, at least two responsive and responsible offerors independently compete for a contract, and price is a substantial factor in the evaluation. If the foregoing conditions are met, price competition shall be presumed to be "adequate" unless the procurement officer determines in writing that such competition is not adequate.

(2) Commercial product has the meaning stated in Section 1410(1).

(3) Established catalog price has the meaning stated in Section 1410.

(4) Established Market Price means a current price, established in the usual and ordinary course of trade between buyers and sellers, which can be substantiated from sources which are independent of the manufacturer or supplier and may be an indication of the reasonableness of price.

(5) Prices Set by Law or Regulation. The price of a supply or service is set by law or regulation if some governmental body establishes the price that the offeror or contractor may charge the District and other customers.

B. Thresholds

(1) Section 1830(1)(a) applies where the total contract price exceeds five hundred thousand dollars.

(2) Section 1830(1)(b) applies where the pricing of any change order, contract modification, or termination settlement exceeds five hundred thousand dollars, unless the procurement officer determines in writing that such information is necessary to determine that the pricing is reasonable. Price adjustment amounts shall consider both increases and decreases (e.g., a \$150,000 modification resulting from a reduction of \$350,000 and an increase of \$200,000 is a pricing adjustment exceeding \$500,000.). This requirement does not apply when unrelated and separately priced changes for which cost or pricing data would not otherwise be required are included for administrative convenience in the same modification.

(3) Ordinarily, cost and pricing data should not be required for the acquisition of any item that meets the definition of commercial product, including any modification that does not change the item from a commercial product to a non-commercial product. The contractor may be required to submit cost or pricing data for commercial products or COTS only if the purchase or modification exceeds the thresholds established in this section and the procurement officer determines in writing that no other basis exists to establish price reasonableness.

C. Conditions of Waiver

The requirements of Section 1830 may be waived if the Superintendent determines in writing that the price can be determined to be fair and reasonable without submission of cost or pricing data.

D. Refusal to Submit Data

A refusal by the offeror to supply the requested information may be grounds to disqualify the offeror or to defer award pending further review and analysis.

2122. Price Reasonableness.

A. General. The objective of offer analysis is to ensure that the final contract price is fair and reasonable. The procurement officer is responsible for evaluating the reasonableness of the offered prices. Normally, competition establishes price reasonableness. Therefore, when contracting on a firm-fixed-price basis, comparison of the proposed prices will usually satisfy the requirement to perform a price analysis, and a cost analysis need not be performed. In limited situations, a cost analysis (see subsection B(2)) may be appropriate to establish reasonableness of the otherwise successful offeror's price. The analytical techniques and procedures described in this regulation may be used, singly or in combination with others, to ensure that the final price is fair and reasonable. In addition, they should be used to analyze cost or pricing data required by Section 1830. The complexity and circumstances of each acquisition should determine the appropriate level of detail for the analysis. The Board or designee may develop and issue procedures which shall be followed by all schools in the District conducting offer analysis. The responsible procurement officer may request the advice and assistance of other experts to ensure that an appropriate analysis is performed.

B. Analytical techniques include, but are not limited to, the following:

(1) Price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. Examples of price analysis criteria include but are not limited to: (a) price submissions of prospective bidders or offerors in the current procurement; (b) prior price quotations and contract prices charged by the bidder, offeror, or contractor; (c) prices published in catalogues or price lists; (d) prices available on the open market; and (e) in-house estimates of cost. The responsible procurement officer may use various price analysis techniques and procedures to ensure a fair and reasonable price.

(2) Cost analysis is the review and evaluation of any separate cost elements and profit or fee in an offeror's or contractor's proposal, as needed to determine a fair and reasonable price, and the application of judgment to determine how well the proposed costs represent what the cost of the contract should be, assuming reasonable economy and efficiency. Cost analysis includes the appropriate verification of cost or pricing data, and the use of this data to evaluate: (a) specific elements of costs; (b) the necessity for certain costs; (c) the reasonableness of amounts estimated for the necessary costs; (d) the reasonableness of allowances for contingencies; (e) the basis used for allocation of indirect costs; (f) the appropriateness of allocations of particular indirect costs to the proposed contract; and (g) the reasonableness of the total cost or price. The responsible procurement officer may use various cost analysis techniques and procedures to ensure a fair and reasonable price, given the circumstances of the acquisition.

C. Unbalanced pricing. All offers with separately priced line items or subline items shall be analyzed to determine if the prices are unbalanced. Unbalanced pricing exists when, despite an acceptable total evaluated price, the price of one or more line items is significantly over or understated as indicated by the application of cost or price analysis techniques. If the responsible procurement officer determines that unbalanced pricing may increase performance risk (e.g., it is so unbalanced as to be tantamount to allowing an advance payment) or could result in payment of unreasonably high prices, she may conclude that the offer is unreasonable as to price.

2125. Responsibility of Bidders and Offerors.

A. District Standards of Responsibility.

Factors to be considered in determining whether the District standards of responsibility have been met include whether a prospective contractor has:

(1) available the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;

(2) a satisfactory record of performance;

(3) a satisfactory record of integrity;

(4) qualified legally to contract with the District; and

(5) supplied all necessary information in connection with the inquiry concerning responsibility.

B. Obtaining Information; Duty of Contractor to Supply Information.

At any time prior to award, the prospective contractor shall supply information requested by the procurement officer concerning the responsibility of such contractor. If such contractor fails to supply the requested information, the procurement officer shall base the determination of responsibility upon any available information or may find the prospective contractor non responsible if such failure is unreasonable. In determining responsibility, the procurement officer may obtain and rely on any sources of information, including but not limited to the prospective contractor; knowledge of personnel within the District; commercial sources of supplier information; suppliers, subcontractors, and customers of the prospective contractor; financial institutions; government agencies; and business and trade associations.

C. Demonstration of Responsibility.

The prospective contractor may demonstrate the availability of necessary financing, equipment, facilities, expertise, and personnel by submitting upon request:

(1) evidence that such contractor possesses such necessary items;

(2) acceptable plans to subcontract for such necessary items; or

(3) a documented commitment from, or explicit arrangement with, a satisfactory source to provide the necessary items.

D. Duty Concerning Responsibility.

(1) Before awarding a contract or issuing a notification of intent to award, whichever is earlier, the procurement officer must be satisfied that the prospective contractor is responsible. The determination is not limited to circumstances existing at the time of opening.

(2) Consistent with Section 1529(3), the procurement officer must determine responsibility of bidders in competitive on-line bidding before bidding begins.

E. Written Determination of Nonresponsibility.

If a bidder or offeror who otherwise would have been awarded a contract is found nonresponsible, a written determination of nonresponsibility setting forth the basis of the finding shall be prepared by the procurement officer. A copy of the determination shall be sent promptly to the nonresponsible bidder or offeror. The final determination shall be made part of the procurement file.

F. Special Standards of Responsibility

When it is necessary for a particular acquisition or class of acquisitions, the procurement officer may develop, with the assistance of appropriate specialists, special standards of responsibility. Special standards may be particularly desirable when experience has demonstrated that unusual expertise or specialized facilities are needed for adequate contract performance. The special standards shall be set forth in the solicitation (and so identified) and shall apply to all offerors. A valid special standard of responsibility must be specific, objective and mandatory.

G. Subcontractor responsibility.

(1) Generally, prospective prime contractors are responsible for determining the responsibility of their prospective subcontractors. Determinations of prospective subcontractor responsibility may affect the procurement officer's determination of the prospective prime contractor's responsibility. A prospective contractor may be required to provide written evidence of a proposed subcontractor's responsibility.

(2) When it is in the District's interest to do so, the procurement officer may directly determine a prospective subcontractor's responsibility (e.g., when the prospective contract involves medical supplies, urgent requirements, or substantial subcontracting). In this case, the same standards used to determine a prime contractor's responsibility shall be used by the procurement officer to determine subcontractor responsibility.

2127. Organizational Conflicts of Interest.

A. General.

(1) "Organizational conflict of interest" occurs when, because of other activities or relationships with the District or with other businesses:

- (a) a business is unable or potentially unable to render impartial assistance or advice to the District, or
- (b) the business' objectivity in performing the contract work is or might be otherwise impaired, or
- (c) a business has an unfair competitive advantage.

(2) This regulation applies to acquisitions of supplies, services and information technology, except for acquisitions made pursuant to Section 1550. Unless the procurement uses a project delivery method identified in Section 3005(1)(e), 1(f), or (2)(a), this regulation does not apply to acquisitions under Article 9 (Construction, Architect-Engineer, Construction Management, and Land Surveying Services).

(3) The general rules in sections B (Providing systems engineering and technical direction), C (Preparing specifications or work statements), and D (Providing evaluation of offers) below prescribe limitations on contracting as the means of avoiding organizational conflicts of interest that might otherwise exist in the stated situations. Conflicts may arise in situations not expressly covered in sections B, C, and D. Each individual contracting situation should be examined on the basis of its particular facts and the nature of the proposed contract. The exercise of common sense, good judgment, and sound discretion is required in both the decision on whether a significant potential conflict exists and, if it does, the development of an appropriate means for resolving it. The two underlying principles are

- (a) Preventing the existence of conflicting roles that might bias a contractor's judgment; and
- (b) Preventing unfair competitive advantage. Without limitation, an unfair competitive advantage exists where a business competing for award of a District contract possesses (i) proprietary information that was obtained from the District without authorization; or (ii) source selection information (Regulation

2010C) that is relevant to the contract but is not available to all competitors, and such information would assist that business in obtaining the contract.

(4) The terms “contractor” and “subcontractor” are defined by Section 310.

B. Providing systems engineering and technical direction.

(1) A business shall not be awarded a contract to supply a system or any of its major components, or be a subcontractor or consultant, if that business, as a contractor, provided or provides a combination of substantially all of the following activities:

- (a) determining specifications or developing work statements,
- (b) determining parameters,
- (c) identifying and resolving interface problems,
- (d) developing test requirements,
- (e) evaluating test data,
- (f) supervising design,
- (g) directing other contractors’ operations, and
- (h) resolving technical controversies.

(2) This section B does not prohibit a contractor providing systems engineering and technical direction, from developing or producing a system if the entire effort is conducted under a single contract.

C. Preparing specifications or work statements.

(1) If a contractor prepares and furnishes specifications for a specific acquisition of tangible supplies or information resources, or their components, that contractor shall not be allowed to furnish these items, either as a contractor or as a subcontractor at any tier, for a reasonable period of time including, at least, the duration of the initial contract for purchase of the items.

(2) If a contractor prepares, or assists in preparing, a work statement to be used in a specific acquisition of a system or services—or provides material leading directly, predictably, and without delay to such a work statement—that contractor may not supply the system, major components of the system, or the services, either as a contractor or as a subcontractor at any tier, unless (a) the acquisition is a sole source under Regulation 2105; (b) it has participated in the development and design work; or (c) more than one contractor has been involved in preparing the work statement.

D. Providing evaluation of offers. If a contractor evaluates or supports the evaluation of a bid or proposal for a contract with the District, that contractor and its affiliates are barred from performing under that contract as either a contractor or as a subcontractor at any tier.

E. Procurement Officer Responsibilities.

(1) The responsible procurement officer shall (a) analyze planned acquisitions in order to identify and evaluate potential organizational conflicts of interest as early in the acquisition process as possible; and (b) review plans to avoid, neutralize, or mitigate significant potential conflicts before contract award.

(2) The responsible procurement officer shall determine whether the apparent successful offeror has an organizational conflict of interest. The responsible procurement officer shall award the contract to the apparent successful offeror unless (i) a conflict of interest is determined to exist that cannot be avoided or mitigated, or (ii) the conflict is not waived as provided in section F. Before determining to withhold award based on conflict of interest considerations, the procurement officer shall notify the contractor, provide the reasons therefor, and allow the contractor a reasonable opportunity to respond.

F. Waiver. With respect to the award of an individual contract, the District may waive an organizational conflict of interest by determining that the application of these rules in a particular situation would not be in the District’s interest. A determination to waive a conflict of interest must be in writing, shall set forth the extent of the conflict, and requires approval by the Superintendent or designee above the level of the District’s senior procurement official. If a waiver involves an acquisition with a value that exceeds one million dollars, the Board must concur in the waiver and the written determination must be published with the notice of intent to award. Any report required by Regulation 2020A(2) must include every waiver addressing a procurement during the audit period.

2130. Prequalification of Supplies and Suppliers.

A. Qualified Products Lists.

A qualified products list may be developed with the approval of the Chief Procurement Officer or the procurement officer of the District authorized to develop qualified products lists, when testing or examination of the supplies or construction items prior to issuance of the solicitation is desirable or necessary in order to best satisfy District requirements. The procedures for the inclusion of a product on the qualified products list ("QPL") must be available to prospective vendors for consideration of their product to the list.

B. Prospective suppliers may be prequalified, and distribution of the solicitation may be limited to prequalified suppliers. Suppliers who meet the prequalification standards at any time shall be added to the prequalified list for subsequent solicitations. The fact that a prospective supplier has been prequalified does not necessarily represent a finding of responsibility.

2132. Prequalification for a Single Solicitation.

A. Application.

The pre-qualification process shall not be used to unduly limit competition. Any mandatory minimum requirements shall comply with Section 2730. In a competitive bid, the pre-qualification process is not intended to eliminate bidders capable of completing the work being procured. Before a request for qualifications may be issued pursuant to Section 1520(11) or 1530(4), the chief business official or designee shall prepare a written justification stating the necessity for pre-qualifying offerors. Prior to issuance of the solicitation, each potential offeror seeking qualification must be promptly informed as to whether qualification is attained and, in the event qualification is not attained, is promptly furnished specific information why qualification was not attained.

B. Receipt and Safeguarding of Responses.

Prior to opening submittals received in response to a request for prequalification, the provisions of Regulation 2045 shall apply to the receipt and safeguarding of all such submittals received.

2135. Conditions for Use of Multi-term Contracts.

A. General.

A multi-term contract is a contract for the acquisition of supplies, services, or information technology for more than one year. A contract is not a multi-term contract if no single term exceeds one year and each term beyond the first requires the District to exercise an option to extend or renew. A multi-term contract is appropriate when it is in the best interest of the District to obtain uninterrupted services for a period in excess of one year, where the performance of such services involves high start up costs, or when a changeover of service contracts involves high phase in/phase out costs during a transition period. The multi-term method of contracting is also appropriate when special production of definite quantities of supplies for more than one year is necessary to best meet District needs but funds are available only for the initial fiscal period. Special production refers to production for contract performance when it requires alteration in the contractor's facilities or operations involving high start up costs.

B. Objective.

The objective of the multi-term contract is to promote economy and efficiency in procurement by obtaining the benefits of sustained volume production and consequent low prices, and by increasing competitive participation in procurements which involve special production with consequent high start-up costs and in the procurement of services which involve high start-up costs or high phase-in/phase-out costs during changeover of service contracts.

C. Exceptions.

This Regulation 2135 applies only to contracts for supplies, services, or information technology and does not apply to contracts for construction.

D. Conditions for Use.

(1) A multi-term contract may be used if, prior to issuance of the solicitation, the Procurement Officer determines in writing that:

(a) Special production of definite quantities or the furnishing of long term services are required to meet District needs; or

(b) a multi-term contract will serve the best interests of the District by encouraging effective competition or otherwise promoting economies in District procurement.

(2) The following factors are among those relevant to such a determination:

(a) firms which are not willing or able to compete because of high start up costs or capital investment in facility expansion will be encouraged to participate in the competition when they are assured of recouping such costs during the period of contract performance;

(b) lower production cost because of larger quantity or service requirements, and substantial continuity of production or performance over a longer period of time, can be expected to result in lower unit prices;

(c) stabilization of the contractor's work force over a longer period of time may promote economy and consistent quality;

(d) the cost and burden of contract solicitation, award, and administration of the procurement may be reduced.

(3) The determination must contain sufficient factual grounds and reasoning to provide an informed, objective explanation for the decision.

E. Solicitation.

The solicitation shall state:

(1) the estimated amount of supplies or services required for the proposed contract period;

(2) that a unit price shall be given for each supply or service, and that such unit prices shall be the same throughout the contract (except to the extent price adjustments may be provided in the solicitation and resulting contract);

(3) that the multi-term contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the first; however, this does not affect either the District's rights or the contractor's rights under any termination clause in the contract;

(4) that the procurement officer must notify the contractor on a timely basis that the funds are, or are not, available for the continuation of the contract for each succeeding fiscal period;

(5) whether bidders or offerors may submit prices for:

(a) the first fiscal period only;

(b) the entire time of performance only; or

(c) both the first fiscal period and the entire time of performance;

(6) that a multi-term contract may be awarded and how award will be determined including, if prices for the first fiscal period and entire time of performance are submitted, how such prices will be compared; and,

(7) that, in the event of cancellation as provided in (E) (3) of this subsection, the contractor will be reimbursed the unamortized, reasonably incurred, nonrecurring costs.

F. Award.

Award shall be made as stated in the solicitation and permitted under the source selection method utilized. Care should be taken when evaluating multi-term prices against prices for the first fiscal period that award on the basis of prices for the first period does not permit the successful bidder or offeror to "buy in", that is give such bidder or offeror an undue competitive advantage in subsequent procurements.

G. Maximum Contract Periods

Every contract with a total potential duration in excess of five years must be approved as required by Section 2030(4) or Section 2030(5). No solicitation shall be issued for a contract with a total potential duration in excess of five years, nor shall any contract with a total potential duration in excess of five years be awarded pursuant to Section 1560, until such approval is granted.

2140. Specifications.

A. Definitions.

(1) “Brand Name Specification” means a specification limited to one or more items by manufacturers’ names or catalogue number.

(2) “Brand Name or Equal Specification” means a specification which uses one or more manufacturer’s names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet District requirements, and which provides for the submission of equivalent products.

(3) “Qualified Products List” means an approved list of supplies, services, information technology, or construction items described by model or catalogue number, which, prior to competitive solicitation, the District has determined will meet the applicable specification requirements.

(4) “Specification” means any description of the physical, functional, or performance characteristics, or of the nature of a supply, service, information technology, or construction item. A specification includes, as appropriate, requirements for inspecting, testing, or preparing a supply, service or construction item for delivery. Unless the context requires otherwise, the terms “specification” and “purchase description” are used interchangeably throughout the Regulations.

(5) “Specification for a Common or General Use Item” means a specification which has been developed and approved for repeated use in procurements.

B. Issuance of Specifications.

The purpose of a specification is to serve as a basis for obtaining a supply, service, information technology, or construction item adequate and suitable for the District’s needs in a cost effective manner, taking into account, to the extent practicable, the cost of ownership and operation as well as initial acquisition costs. It is the policy of the District that specifications permit maximum practicable competition consistent with this purpose. Specification shall be drafted with the objective of clearly describing the District’s requirements. All specifications shall be written in a non restrictive manner as to describe the requirements to be met.

C. Use of Functional or Performance Descriptions.

(1) Specifications shall, to the extent practicable, emphasize functional or performance criteria while limiting design or other detailed physical descriptions to those necessary to meet the needs of the District. To facilitate the use of such criteria, using agencies shall endeavor to include as a part of their purchase requisitions the principal functional or performance needs to be met. It is recognized, however, that the preference for use of functional or performance specifications is primarily applicable to the procurement of supplies, services, and information technology. Such preference is often not practicable in construction, apart from the procurement of supply type items for a construction project.

(2) Brand Name or Equal Specifications.

(a) Brand name or equal specifications shall include a description of the particular design, functional, or performance characteristics which are required.

(b) Where a brand name or equal specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.

D. Preference for Commercially Available Products.

It is the general policy of this District to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided, to the extent practicable.

2141. Commercial Products.

A. Definitions.

(1) Commercial product has the meaning stated in Section 1410 and does not include printing or insurance.

(2) Commercially available off-the-shelf product (“COTS”) has the meaning stated in Section 1410 and does not include printing or insurance.

B. General.

The District shall conduct market research to determine whether commercial products or COTS are available that could meet the District’s requirements, and should endeavor to acquire commercial products or COTS when they are available to meet District needs (see Regulation 2140D (Preference for commercially available products)).

C. Price reasonableness.

(1) An advantage of COTS is that a competitive market, evidenced by substantial commercial sales, helps to determine price reasonableness. Substantial sales of a COTS product may establish catalog prices (see Section 1410) and market prices. Market prices are current prices that are established in the usual and ordinary course of trade between buyers and sellers (see Regulation 2120A(3)). A characteristic of both catalog prices and market prices is that they can be substantiated from sources independent of the offeror—for example, through market research.

(2) “Items customarily sold in bulk” means products that are loaded and carried in bulk without mark or count. COTS does not include bulk materials, like fuel and grain, because the prices for those items fluctuate, making it difficult or impossible to rely on short-term pricing to establish price reasonableness for purchase contracts that may be for a longer term.

D. Purchase description or specification.

The District’s purchase description must contain sufficient detail for potential offerors of commercial products or COTS to know which products may be suitable. Generally, a District’s specification for COTS should describe the type of product to be acquired and explain how the District intends to use the product in terms of function to be performed, performance requirement or physical characteristics. Describing the District’s needs in these terms allows offerors to propose products that will best meet the District’s needs.

E. Simplified purchasing procedures for COTS.

(1) Section 1550(2)(b) authorizes the use of simplified procedures for the acquisition of supplies and information resources in amounts up to \$100,000, if the responsible procurement officer reasonably expects, based on the nature of the supplies or information resources sought, and on market research, that offers will include only COTS. The purpose of these simplified procedures is to vest procurement officers with additional procedural discretion and flexibility, so that COTS acquisitions in this dollar range may be solicited, offered, evaluated, and awarded in a simplified manner that maximizes efficiency and economy and minimizes burden and administrative costs for both the District and industry (see Regulation 2100).

(2) The procurement officer should be aware of customary commercial terms and conditions when pricing COTS. COTS prices are affected by factors that include, but are not limited to, speed of delivery, length and extent of warranty, limitations of seller’s liability, quantities ordered, length of the performance period, and specific performance requirements. The procurement officer should review the District’s standard contract terms and conditions, along with commercial terms appropriate for the acquisition of the particular item. The procurement officer should consider avoiding terms inconsistent with commercial practice, unless those terms are required by law (see Regulation 2143) or are essential to the District’s requirements.

(3) Section 2040 provides that COTS purchases made using any of the simplified procedures of Section 1550 are exempt from a number of statutory provisions that vendors have complained are overly burdensome. The procurement officer should consider Section 2040 and Regulation 2143 when preparing the solicitation or written request for quotes.

(4) Regulation 2120B(3) prohibits requiring cost or pricing data when acquiring a commercial product, including COTS, unless the purchase or modification exceeds the thresholds established in that section and the procurement officer determines in writing that no other basis exists to establish price reasonableness.

2143. Contract clauses and administration.

A. Contracts formed pursuant to the District's code are deemed to incorporate all applicable provisions thereof and the ensuing regulations.

B. Prohibited Terms. Unless otherwise specifically provided by or authorized by law, if a contract contains any of the following terms, the term shall be void, and the contract is otherwise enforceable as if it did not contain such term or condition:

(1) Terms (a) subjecting the District to the jurisdiction of the courts of other states; or (b) requiring the District to bring or defend a legal claim in a venue outside this State. (Sections 2050 and 4230)

(2) Terms limiting the time in which the District may bring a legal claim under the contract to a period shorter than that provided in South Carolina law. (Sections 4230(2) and 15-3-140)

(3) Terms imposing a payment obligation, including a rate of interest for late payments, inconsistent with the terms of Section 45.

(4) Terms that require the District to defend, indemnify, or hold harmless another person. (Section 2050)

(5) Terms requiring that the contract be governed or interpreted by other than South Carolina law. (Section 2050)

C. A material change is a change order or contract modification that is beyond the general scope of the original contract, such that the subject of the modification should be competitively procured absent a valid sole-source justification. Material changes are inconsistent with the underlying purposes and policies of this code.

[Model Comment: (1) For the enforceability of a District's Code, see D.W. Flowe & Sons, Inc. v. Christopher Const. Co., 327 S.C. 17, 482 S.E.2d 558 (1997), overruled on other grounds by Evins v. Richland County Historic Preservation Comm'n, 341 S.C. 15, 532 S.E.2d 876 (2000). (2) See Section 40 for determining whether contracts are "formed pursuant to the District's code."]

2145. Construction, Architect Engineer, Construction Management, and Land Surveying Services.

A. Definitions

(1) Designer, as used in these regulations, means a person who has been awarded, through the qualifications-based process set forth in Section 3220, a contract with the District for the design of any infrastructure facility using the design-bid-build project delivery method defined in Section 2910(6).

(2) Builder, as used in these regulations, means a person who has been awarded, through competitive sealed bidding, a separate contract with the District to construct (alter, repair, improve, or demolish) any infrastructure facility using the design-bid-build project delivery method defined in Section 2910(6).

(3) Design-Builder, as used in these regulations, means a person who has been awarded a contract with the District for the design and construction of any infrastructure facility using the design-build project delivery method defined in Section 2910(7).

(4) DBO Producer, as used in these regulations, means a person who has been awarded a contract with the District for the design, construction, operation, and maintenance of any infrastructure facility using the design-build-operate-maintain project delivery method defined in Section 2910(9).

(5) DBFO Producer, as used in these regulations, means a person who has been awarded a contract with the District for the design, construction, finance, operation, and maintenance of any infrastructure facility using the design-build-finance-operate-maintain project delivery method defined in Section 2910(8).

(6) Guaranteed Maximum Price (GMP) means a price for all costs for the construction and completion of the project, or designated portion thereof, including all construction management services and all mobilization, general conditions, profit and overhead costs of any nature, and where the total contract amount, including the contractor's fee and general conditions, will not exceed a guaranteed maximum amount.

(7) Independent Peer Reviewer means a person who has been awarded a contract with the District for an independent, contemporaneous, peer review of the design services provided to the District by a DBO or

DBFO Producer. In the event the District does not elect to contract with the Independent Peer Reviewer proposed by the successful DBO or DBFO Producer, the Independent Peer Reviewer shall be selected as provided in Section 2910(11).

(8) Operator, as used in these regulations, means a person who has been awarded, through competitive sealed bidding, a separate contract with the District for the routine operation, routine repair, and routine maintenance (Operation and Maintenance) of any infrastructure facility, as defined in Section 2910(13).

B. Choice of Project Delivery Method.

(1) This Subsection contains provisions applicable to the selection of the appropriate project delivery method for constructing infrastructure facilities, that is, the method of configuring and administering construction projects which is most advantageous to the District and will result in the most timely, economical, and otherwise successful completion of the infrastructure facility. The District shall have sufficient flexibility in formulating the project delivery approach on a particular project to fulfill the District's needs. Before choosing the project delivery method, a careful assessment must be made of requirements the project must satisfy and those other characteristics that would be in the best interest of the District.

(2) Selecting An Appropriate Project Delivery Method.

In selecting an appropriate project delivery method for each of the District's Infrastructure Facilities, the District should consider the results achieved on similar projects in the past and the methods used. Consideration should be given to all authorized project delivery methods, the comparative advantages and disadvantages of each, and how these methods may be appropriately configured and applied to fulfill District requirements. Additional factors to consider include:

(a) the extent to which the District's design requirements for the Infrastructure Facility are known, stable, and established in writing;

(b) the extent to which qualified and experienced District personnel are available to the District to provide the decision-making and administrative services required by the project delivery method selected;

(c) the extent to which decision-making and administrative services may be appropriately assigned to designers, builders, construction-managers at-risk, design-builders, DBO producers, DBFO producers, peer reviewers, or operators, as appropriate to the project delivery method;

(d) the extent to which outside consultants, including construction manager agent, may be able to assist the District with decision-making and administrative contributions required by the project delivery method;

(e) the District's projected cash flow for the Infrastructure Facility to be acquired (both sources and uses of the funds necessary to support design, construction, operations, maintenance, repairs, and demolition over the facility life cycle);

(f) the type of infrastructure facility or service to be acquired - for example, public buildings, schools, water distribution, wastewater collection, highway, bridge, or specialty structure, together with possible sources of funding for the infrastructure facility - for example, state or federal grants, federal loans, local tax appropriations, special purpose bonds, general obligation bonds, user fees, or tolls;

(g) the required delivery date of the infrastructure facility to be constructed;

(h) the location of the infrastructure facility to be constructed;

(i) the size, scope, complexity, and technological difficulty of the infrastructure facility to be constructed;

(j) the District's current and projected sources and uses of public funds that are currently generally available (and will be available in the future) to support operation, maintenance, repair, rehabilitation, replacement, and demolition of existing and planned infrastructure facilities;

(3) Except for guaranteed energy, water, or wastewater savings contracts (Section 48-52-670), design-bid-build (acquired using competitive sealed bidding) is hereby designated as an appropriate project delivery method for any infrastructure facility and may be used by any District without further project specific justification.

(4) District Determination.

The Superintendent shall make a written determination. The determination shall describe the project delivery method (Section 3005), source selection method (Section 3015 and 1510), any additional procurement procedures (3023 and 3024(2)(c)), and types of performance security (Sections 3030 and 3037) selected and set forth the facts and considerations leading to those selections. This determination shall demonstrate either reliance on paragraph (3) above, or that the considerations identified in paragraphs (1) and (2) above, as well as the requirements and financing of the project, were all considered in making the selection. Any determination to use a project delivery method other than design-bid-build must explain why the use of design-bid-build is not practical or advantageous to the District. Any determination to use any of the additional procedures allowed by Section 3024(2)(c) must explain why the use of such procedures are in the best interests of the District. Any request to use the prequalification process in a design-bid-build procurement must be in writing and must set forth facts sufficient to support a finding that pre-qualification is appropriate and that the construction involved is unique in nature, over ten million dollars in value, or involves special circumstances.

C. Bonds and Security.

(1) Bid Security. Bid Security required by Section 3030 shall be a certified cashier's check or a bond, in a form to be specified in the District's internal procurement procedures (Section 540), provided by a surety company licensed in South Carolina with an "A" minimum rating of performance as stated in the most current publication of "Best Key Rating Guide, Property Liability", which company shows a financial strength rating of at least five (5) times that portion of the contract price that does not include operations, maintenance, and finance. In the case of a construction contract under \$100,000, the District may, upon written justification, allow the use of a "B+" rated bond when bid security is required. Each bond shall be accompanied by a "Power of Attorney" authorizing the attorney in fact to bind the surety.

(2) Contract Performance and Payment Bonds. Unless waived pursuant to Section 3030(2)(iii), the contractor shall provide a certified cashier's check in the full amount of the Performance and Payment Bonds or may provide, and pay for the cost of, Performance and Payment Bonds in a form to be specified in the District's internal procurement procedures (Section 540). Each bond shall be issued by a Surety Company licensed in South Carolina with an "A" minimum rating of performance as stated in the most current publication of "Best Key Rating Guide, Property Liability", which company shows a financial strength rating of at least five (5) times that portion of the contract price that does not include operations, maintenance, and finance. Where the District requires a payment bond for construction of \$50,000 or less, the bond must be issued by a surety meeting the requirements of Section 29-6-270. Each bond shall be accompanied by a "Power of Attorney" authorizing the attorney in fact to bind the surety.

D. Architect Engineer, Construction Management and Land Surveying Services Procurement.

(1) The Advertisement of Project Description

The provisions of Regulation 2040 shall apply to implement the requirements of Section 3220(2), Advertisement of Project Description.

E. Contract Forms.

(1) Pursuant to Section 2010(2), the following contract forms shall be used as applicable, as amended by the District and as provided in the District's internal procurement procedures (Section 540). Subject to the foregoing:

(a) If the District conducts a competitive sealed bid to acquire construction independent of architect-engineer or construction management services, the District may use a document in the form of AIA Document A701.

(b) If the District acquires architect-engineer services independent of construction, the District may use a document in the form of AIA Document B151.

(c) If the District acquires construction independent of architect-engineer or construction management services, the District may use documents in the form of AIA Document A101 and A201. Other contract forms may be used as are approved by the chief business official.

(d) If the District acquires architect-engineer services, construction management services, and construction on the same project, each under separate contract, the District may use documents in the form of AIA Documents A101/CMA, A201/CMA, B141/CMA, and B801/CMA. This paragraph does not apply if

the District acquires both construction and construction management services from the same business under the same contract.

(2) The District may supplement the contract forms identified in paragraph (1).

(3) Paragraph (1) does not apply to a contract entered into pursuant to Sections 11-35-1530, 11-35-1550, 11-35-3230, or 11-35-3310.

(4) For any contract forms specified herein, the District's internal procurement procedures (Section 540) may specify the appropriate edition or, if applicable, replacement form.

(5) For any contract forms not specified herein or otherwise required by law, the District's internal procurement procedures (Section 540) may, without limitation, require the use of any appropriate contract document, standard industry contract form, standard state amendments to such documents or forms, or publish state specific contract forms. Absent contrary instructions, the District may use a contract written for an individual project.

(6) Construction under Section 1550 and 1530 may be in a format and description of services approved by the chief business official.

F. Reserved.

G. Prequalifying Construction Bidders.

The State Engineer's Office has developed procedures for a prequalification process and these procedures are included in the District's internal procurement procedures (Section 540). The provisions of Regulation 2132 shall apply to implement Section 3023.

H. With regard to Section 3310, the District will establish working procedures for indefinite quantity contracts for professional services, and shall include them in the District's internal procurement procedures (Section 540).

[Drafting Note: In order to acquire an affirmative written opinion for a school's code, it must include the following document, which is incorporated by reference into the District's internal operating procedures: Indefinite Delivery Contracts: *Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements*, Chapters 9.3 and 9.4, Indefinite Quantity contracts for professional services, and Chapters 9.5 and 9.6, Task Order Contracts for construction services, as published by the South Carolina Office of the State Engineer.].

I. Construction Procurement-The Invitation for Bids.

The provisions of Regulation 2040 shall apply to implement the requirements of Section 3020(a), Invitation for Bids. The provisions of Regulation 2090(B) shall not apply to implement the requirements of code Section 3020.

J. Participation in Prior Reports or Studies.

(1) Before awarding a contract for a report or study that could subsequently be used in the creation of design requirements for an infrastructure facility or service, the procurement officer should address, to the extent practical, the contractor's ability to compete for follow-on work.

(2) Before issuing a request for proposals for an infrastructure facility or service, the procurement officer should take reasonable steps to determine if prior participation in a report or study could provide a firm with a substantial competitive advantage, and, if so, the procurement officer should take appropriate steps to eliminate or mitigate that advantage.

(3) In complying with items (1) and (2) above, the procurement officer shall consider the requirements of Section 3245.

K. Additional Procedures for Design-Build; Design-Build-Operate-Maintain; and Design-Build-Finance-Operate-Maintain.

(1) Content of Request for Proposals. Each request for proposals (RFP) issued by the District for design-build, design-build-operate-maintain, or design-build-finance-operate-maintain services shall contain a cover sheet that: (a) confirms that design requirements are included in the RFP, (b) confirms that proposal development documents are solicited in each offeror's response to the RFP, and (c) states the District's determination for that procurement (i) whether offerors must have been prequalified through a

previous request for qualifications; (ii) whether the District will select a short list of responsible offerors prior to discussions and evaluations (along with the number of proposals that will be short-listed); and (iii) whether the District will pay stipends to unsuccessful offerors (along with the amount of such stipends and the terms under which stipends will be paid).

(2) Purpose of Design Requirements. The purpose and intent of including design requirements in the RFP is to provide prospective and actual offerors a common, and transparent, written description of the starting point for the competition and to provide the District with the benefit of having responses from competitors that meet the same RFP requirements. In order to be effective, the District must first come to understand and then to communicate its basic requirements for the infrastructure facility to those who are considering whether they will participate in the procurement competition.

(3) Purpose of Requirement for Proposal Development Documents. The purpose and intent of including the requirement for submittal of proposal development documents in each RFP for design-build, design-build-operate-maintain, or design-build-finance-operate-maintain is to provide actual offerors with a common, and transparent, written description of the finish point for the competition. To be responsive, each offeror must submit drawings and other design related documents that are sufficient to fix and describe the size and character of the infrastructure facility to be acquired, including price (or life-cycle price for design-build-operate-maintain and design-build-finance-operate-maintain procurements).

(4) Content of Request for Proposals: Evaluation Factors. Each request for proposals for design-build, design-build-operate-maintain, or design-build-finance-operate-maintain shall state the relative importance of (1) demonstrated compliance with the design requirements, (2) offeror qualifications, (3) financial capacity, (4) project schedule, (5) price (or life-cycle price for design-build-operate-maintain and design-build-finance-operate-maintain procurements), and (6) other factors, if any by listing the required factors in descending order of importance (without numerical weighting), or by listing each factor along with a numerical weight to be associated with that factor in the District's evaluation. Subfactors, if any, must be stated in the RFP and listed, pursuant to the requirements of this Regulation, either in descending order, or with numerical weighting assigned to each subfactor. The purpose and intent of disclosing the relative importance of factors (and subfactors) is to provide transparency to prospective and actual competitors from the date the RFP is first published.

(5) The District's internal procurement procedures (Section 540) must include guidelines for the proper drafting of design requirements, proposal development documents, and requests for proposals.

L. Errors and Omissions Insurance.

(1) For design services in design-bid-build procurements. A District shall include in the solicitation such requirements as the procurement officer deems appropriate for errors and omissions insurance (commonly called "professional liability insurance" in trade usage) coverage of architectural and engineering services in the solicitation for design services in design-bid-build procurements.

(2) For design services to be provided as part of design-build procurements. A District shall include in the solicitation for design-build such requirements as the procurement officer deems appropriate for errors and omissions insurance coverage of architectural and engineering services to be provided as part of such procurements. Prior to award, the Superintendent, or his delegee, shall review and approve the errors and omissions insurance coverage for all design-build contracts in excess of \$25,000,000.

(3) For design services to be provided as part of design-build-operate-maintain and design-build-finance-operate-maintain procurements. A District shall include in the solicitation for design-build-operate-maintain and design-build-finance-operate-maintain such requirements as the procurement officer deems appropriate for errors and omissions insurance coverage of architectural and engineering services to be provided as part of such procurements. Prior to award, the Superintendent, or his delegee, shall review and approve the errors and omissions insurance coverage for all design-build-operate-maintain and design-build-finance-operate-maintain contracts in excess of \$25,000,000.

(4) For Construction Management (Agency) services. A District shall include in the solicitation for construction management agency services such requirements as the procurement officer deems appropriate for errors and omissions insurance coverage.

(5) Errors and omissions (or professional liability) insurance coverage for construction management services is typically not required when the District is conducting a construction management at-risk procurement.

M. Other Security; Operations Period Performance Bonds.

(1) Purpose.

To assure the timely, faithful, and uninterrupted provision of operations and maintenance services procured separately, or as one element of design-build-operate-maintain or design-build-finance-operate-maintain services, the District shall identify, in the solicitation, one or more of the other forms of security identified in Section 3037 that shall be furnished to the District by the offerors (or bidders) in order to be considered to be responsive.

(2) Operations Period Performance Bonds.

(a) If required in a solicitation for operation and maintenance, design-build-operate-maintain, or design-build-finance-operate-maintain, each offeror shall demonstrate in its offer that it is prepared to provide, and upon award of the contract, to maintain in effect an operations period performance bond that secures the timely, faithful, and uninterrupted performance of operations and maintenance services required under the contract, in the amount of 100% of that portion of the contract price that includes the cost of such operation and maintenance services during the period covered by the bond. In those procurements in which the contract period for operation and maintenance is longer than 5 years, the procurement officer may accept an operations period performance bond of five years' duration, provided that such bond is renewable by the contractor every five (5) years during the contract, and provided further, that the contractor has made a firm contractual commitment to maintain such bond in full force and effect throughout the contract term.

(b) The operations period performance bond shall be delivered by the contractor to the District at the same time the contract is executed. If a contractor fails to deliver the required bond, the contractor's bid (or offer) shall be rejected, its bid security shall be enforced, award of the contract shall be made to the next ranked bidder (or offeror), or the contractor shall be declared to be in default, as otherwise provided by these regulations.

(c) Operations period performance bond shall be in a form to be specified in the District's internal procurement procedures (Section 540). Each bond shall be issued by a Surety Company licensed in South Carolina with an "A" minimum rating of performance as stated in the most current publication of "Best Key Rating Guide, Property Liability", which company shows a financial strength rating of at least five (5) times the bond amount.

(3) Letters of Credit to Cover Interruptions in Operation.

(a) If required in a solicitation for operation and maintenance, design-build-operate-maintain, or design-build-finance-operate-maintain, each offeror shall demonstrate in its offer that it is prepared to post, and upon award of the contract shall post, and in each succeeding year adjust and maintain in place, an irrevocable letter of credit with a banking institution in this State that secures the timely, faithful, and uninterrupted performance of operations and maintenance services required under the contract, in an amount established under the contract that is sufficient to cover 100% of the cost of performing such operation and maintenance services during the next 12 months.

(b) The letter of credit required under this Section shall be posted by the contractor at the same time the contract is executed, and thereafter, shall be annually adjusted in amount and maintained by the contractor. If an offeror or bidder fails to demonstrate in its offer that it is prepared to post the required letter of credit, the bid (or offer) shall be rejected, the bid security shall be enforced, and award of the contract shall be made to the next ranked bidder (or offeror), as otherwise provided by these regulations. If the contractor fails to place and maintain the required letter of credit, the contractor shall be declared to be in default, as otherwise provided by these regulations.

(c) If required by the solicitation, letters of credit shall be in a form to be specified in the District's internal procurement procedures (Section 540).

(4) Guarantees.

(a) If required in a solicitation for operation and maintenance, design-build-operate-maintain, or design-build-finance-operate-maintain, the contractor and affiliated organizations (including parent

corporations) shall provide a written guarantee that secures the timely, faithful, and uninterrupted performance of operations and maintenance services required under the contract, in an amount established under the contract that is sufficient to cover 100% of the cost of performing such operation and maintenance services during the contract period.

(b) The written guarantee required under this Section shall be submitted by each offeror at the time the proposal is submitted. If the contractor fails to submit the required guarantee, the contractor's bid (or offer) shall be rejected, its bid security shall be enforced, and award of the contract shall be made to the next ranked bidder (or offeror) as otherwise provided by these regulations.

(c) If required by the solicitation, guarantees shall be in a form to be specified in the District's internal procurement procedures (Section 540).

N. Construction Management At-Risk.

(1) Absent the approval required by Section 2010, a contract with a construction manager at-risk may not involve cost reimbursement.

(2) Prior to contracting for a GMP, all construction management services provided by a construction manager at-risk must be paid as a fee based on either a fixed rate, fixed amount, or fixed formula.

(3) As required by Section 3030(2)(a)(iv), construction may not commence until the bonding requirements of Section 3030(2)(a) have been satisfied. Subject to the foregoing, bonding may be provided and construction may commence for a designated portion of the construction.

(4) In a construction management at-risk project, construction may not commence for any portion of the construction until after the District and the construction manager at risk contract for a fixed price or a GMP regarding that portion of the construction. Prior to executing a contract for a fixed price or a GMP, a District shall comply with Section 1830 and Regulation 2120, if applicable. For purposes of Section 1830(3)(a), adequate price competition exists for all components of the construction work awarded by a construction manager at-risk on the basis of competitive bids.

(5) When seeking competitive sealed proposals in a construction management at-risk procurement, the solicitation shall include a preliminary budget, and if applicable, completed programming and the conceptual design. The solicitation shall request information concerning the prospective offeror's qualifications, experience, and ability to perform the requirements of the contract, including but not limited to, experience on projects of similar size and complexity, and history of on-time, on-budget, on-schedule construction. The offeror's proposed fee may be a factor in determining the award.

(6) After all preconstruction services and final construction drawings have been completed, or prior thereto upon written determination by the procurement officer, a District must negotiate with and contract for a GMP with a construction manager at-risk. If negotiations are unsuccessful, the District may issue an invitation for bids, as allowed by this code, for the remaining construction.

(7) A District shall have the right at any time, and for three years following final payment, to audit the construction manager at-risk to disallow and to recover costs not properly charged to the project. Any costs incurred above the GMP shall be paid for by the construction manager at-risk.

(8) A construction manager at-risk may not self-perform any construction work for which subcontractor bids are invited, unless no acceptable bids are received or a subcontractor fails to perform. Ordinarily, the contract with a construction manager at-risk should require the construction manager at-risk to invite bids for all major components of the construction work. Section 4210 does not apply to any subcontractor bid process conducted by a construction manager at-risk.

2150. Surplus Property Management.

A. Definition, Authority and Mission.

(1) Definition.

Surplus property is all District-owned supplies and equipment, not in actual public use, with remaining useful life and available for disposal. This definition and the regulations exclude the disposal of solid and hazardous wastes as defined by any federal, state or local statutes and regulations.

B. [Reserved]

C. Transfer of Surplus Property to Governmental Bodies, Political Subdivisions, and Eligible Nonprofit Health or Education Institutions.

(1) Eligibility.

The District may relocate surplus property to eligible Donees which includes governmental bodies, political subdivisions and nonprofit health and educational institutions.

The term governmental bodies means any State government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency government corporation, or other establishment or official of the executive, judicial, or legislative branches of the State. The term political subdivisions includes counties, municipalities, school districts or public service or special purpose districts. The term eligible nonprofit health or educational institutions means tax-exempt entities, duly incorporated as such by the State. The chief procurement officer shall be responsible for determining an applicant's eligibility prior to any transfer of property.

The chief procurement officer will maintain sufficient records to support the eligibility status of these entities.

(2) Determination of Sale Price.

The sale price for all items will be established by the chief procurement officer or the chief procurement officer's designee. The chief procurement officer or the chief procurement officer's designee shall have the final authority to accept or reject bids received via public sale. The following categories and methods will be used:

(a) Vehicles: NADA loan value shall be used for the sale price. In certain instances, the most recent public sale figures shall be the basis for a sale price.

(b) Boats, motors, heavy equipment, farm equipment, airplanes and other items with an acquisition cost in excess of \$5,000: The sale price shall be set from the most recent public sale figures and/or any other method necessary to establish a reasonable value.

(c) Miscellaneous items with an acquisition cost of \$5,000 or less such as office furniture and machines, shop equipment, cafeteria equipment, etc.: A sale price will be assessed based on current market conditions.

(3) Terms and Conditions on Property Transferred from Warehouse.

For any purchases made under this subsection, the purchasing entity will certify that all items acquired will be for the sole benefit of the buying institution and that no personal use will be involved. This certification will be formalized by the agreement signed at the time eligibility is established. The following terms and conditions will be set forth therein:

(1) Property must be placed into public use within one (1) year of acquisition and remain in use one (1) year from the date placed into actual use.

(2) Property which becomes unusable may be disposed of prior to the one-year limitation with the approval of the chief procurement officer.

A utilization visit may be made by authorized personnel of the chief procurement officer. All vehicles and property with an acquisition cost in excess of \$5,000 require a utilization review during the twelve-month period from date of transfer to ensure the property is in public use.

(A) Any misuse of property will be reported in writing to the chief procurement officer by the utilization staff of the chief procurement officer. The chief procurement officer shall have the authority to suspend all further purchases until a determination can be made under Subsection B. If warranted, the matter shall be referred to the proper law enforcement authority for full investigation.

(B) Upon determination that misuse of property has occurred, purchasing privileges will be terminated and not restored until the buying governmental body, political subdivision, or nonprofit health or educational institution pays to the District the fair market value of the item(s) misused or returns the misused property to the District.

(4) Disposition Cycles for Surplus Property.

An appropriate cycle methodology as determined in the chief procurement officer's sole discretion shall be used for the disposal process of surplus property. Governmental bodies, political subdivisions and nonprofit

health and educational institutions, and any other qualifying donees will be given priority over the general public to acquire the property.

Special items and heavy equipment, will generally follow the same disposal procedures as other property.

D. Public Sale of Surplus Property.

(1) Public Sale Cycle.

Upon completion of the Donee sales cycle, the remaining items shall be made available to the public. Donees and the general public may purchase in this period, but without priority. This period has no minimum or maximum length and is determined by warehouse space and scheduled incoming property. There will also be times when property will not be made available for a Public Cycle Sale.

(2) Final Disposition by Competitive Public Sale.

When surplus property is sold via the competitive sealed bid process, notification of such sale shall be given through a Notice of Sale to be posted at the District office at least fifteen (15) days prior to the bid opening date. The sale shall also be announced through advertisement in newspapers of general circulation, the South Carolina Business Opportunities publication and such electronic or other media as deemed appropriate by the chief procurement officer. The Notice of Sale shall list the supplies or property offered for sale; designate the location and how property may be inspected; and state the terms and conditions of sale and instructions to bidders including the place, date, and time set for bid opening. Bids shall be opened publicly.

Award shall be made in accordance with the provisions set forth in the Notice of Sale and to the highest responsive and responsible bidder provided that the price offered by such bidder is deemed reasonable by the chief procurement officer or his designee. Where such price is not deemed reasonable, the bids may be rejected in whole, or in part, and the sale negotiated beginning with the highest bidder provided the negotiated sale price is higher than the highest responsive and responsible bid. In the event of a tie bid the award will be made in accordance with the tie bid procedure set forth in Section 1520(9).

Property may also be sold at a public auction by an experienced auctioneer. The Notice of Sale shall include, at a minimum, all terms and conditions of the sale and a statement clarifying the authority of the chief procurement officer, or his designee, to reject any and all bids. These auctions will be advertised in a newspaper of general circulation or on the radio, or both.

(3) Other Means of Disposal.

Some types and classes of items can be sold or disposed of more economically by some other means of disposal including barter, appraisal, electric commerce and web based sales. In such cases, and also where the nature of the supply or unusual circumstances necessitate its sale to be restricted or controlled, the Superintendent may employ such other means provided the Superintendent makes a written determination that such procedure is advantageous to the District.

(4) Designation of Surplus Property.

Upon written determination by the Superintendent that surplus property items are needed to comply with programs authorized by the legislature or by executive order of the governor exercising his statutory authority, the Superintendent may designate surplus property items for disposal in order to comply with the program requirements. The Superintendent will develop and implement internal guidelines and procedures for the disposal of surplus property items designated as necessary to comply with the program requirements established by the legislature or the governor.

All items sold by the District to governmental bodies, political subdivisions and nonprofit health or educational institutions shall be recorded on a Bill of Sale and all required information shall be listed on the document. The Bill of Sale must be signed by the signatory authority of the governmental body, political subdivision or nonprofit health or educational institution as defined in Subsection C, Item 1 of these regulations. At the time of sale, the eligible entity shall receive a copy of the Bill of Sale.

(5) Invoicing.

Invoices shall be generated and mailed to the acquiring agency. All cash and accounts receivable transaction records shall be properly maintained. All transfers of funds to various accounts will be performed in accordance with these regulations.

(6) Property sold to the public shall be paid for in full at the time of purchase.

Transactions shall be documented by a Bill of Sale enumerating all conditions of the sale i.e., “as is, where is,” etc. and must be signed by the purchaser. Personal checks with proper identification, certified checks, or money orders made payable to the State of South Carolina or cash or credit cards shall be accepted as a form of payment. A copy of the Bill of Sale shall be presented to the purchaser as a receipt.

G. Trade In Sales.

The District may trade in personal property, whose original unit purchase price did not exceed \$5,000, the trade in value of which must be applied to the purchase of new items. When the original unit purchase price exceeds \$5,000, the governmental body shall refer the matter to the chief business official, or his designee, for disposition.

The chief business official, or his designee, shall have the authority to determine whether the property shall be traded in and the value applied to the purchase of new like items or classified as surplus and sold in accordance with the provisions of Section 3820. When the original purchase price exceeds \$100,000, the chief business official shall make a written determination as to its reasonableness and document such trade-in transaction.

H. Definition of Junk.

Junk is District-owned supplies and equipment having no remaining useful life in public service and the cost to repair or to refurbish the property exceeds the value of like used equipment, or the cost of transporting the property for sale exceeds the likely recovery from a sale. Property that may be recycled is not considered junk. The classification of property as junk is at the sole discretion of the chief business official.

I. Unauthorized Disposal.

(1) The ratification of an act of unauthorized and/or improper disposal of District property by any persons without the requisite authority to do so by an appointment or delegation under this code rests with the Superintendent.

(2) Corrective Action and Liability.

In all cases, the Superintendent shall prepare a written determination describing the facts and circumstances surrounding the act, corrective action being taken to prevent recurrence, and action taken against the individual committing the act and shall report the matter in writing to the Board within ten (10) days after the determination.

J. Authority to Debar or Suspend.

The procedures and policies set forth in Section 4220 of this code shall apply to the disposal of District property. The authority to debar a person from participation in the public sales of District-owned property shall rest with the chief business official.

2152. Leases, Lease/Payment, Installment Purchase, and Rental of Personal Property.

A. Justification. A District proposing to enter into an agreement other than an outright purchase is responsible for the justification of such action. Lease, lease/purchase, installment purchase, or rental agreements are subject to the procedures of this code and regulations.

B. Procedures. Upon written justification by the procurement officer of the District of such alternate method, the following procedures will be followed:

(1) A Standard Equipment Agreement will be used in all cases unless modifications are approved by the chief business official. A District may enter into an agreement for the rental of equipment without using the Standard Equipment Agreement when the agreement has a total potential value of fifteen thousand dollars or less or the agreement does not exceed ninety days in duration.

[Model Comment: State agencies use the South Carolina Standard Equipment Agreement, which is available at www.procurement.sc.gov.]

(2) Installment purchases will require a written determination of appropriateness.

(3) All lease/purchase and installment sales contracts must contain an explicitly stated rate of interest to be incurred by the District under the contract.

2160. Assistance to Minority Businesses.

Regulation 19-445.2160 of the South Carolina Code of Laws, as amended, shall apply to Article 21 of this Code. On the date of this code's adoption, Regulation 19-445.2160 provided as follows:

A. Definitions

(1) "Minority Person" means a United States citizen who is economically and socially disadvantaged.

(2) "Socially disadvantaged individuals" means those individuals who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of a certain group without regard to their individual qualities. Such groups include, but are not limited to, Black Americans, Hispanic Americans, Native Americans (including American Indians, Eskimos, Aleuts and Native Hawaiians), Asian Pacific Americans, Women and other minorities to be designated by the South Carolina Budget and Control Board or designated agency.

(3) "Economically disadvantaged individuals" means those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

(4) "A socially and economically, disadvantaged small business" means any small independent business concern which:

(a) At a minimum is fifty one (51) percent owned by one or more citizens of the United States who are determined to be socially and economically disadvantaged and who also exercise control over the business per 49 CFR Part 26, Subpart D (2006), as amended.

(b) In the case of a corporation, at a minimum, fifty-one (51) percent of all classes of voting stock of such corporation must be owned by an individual or individuals determined to be socially and economically disadvantaged who also exercise control over the business.

(c) In the case of a partnership, at a minimum, fifty-one (51) percent of the partnership interest must be owned by an individual or individuals determined to be socially and economically disadvantaged who also exercise control over the business.

(5) "Small Business" means a for-profit concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 C.F.R. Section 121 (1996), as amended. Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(6) "Minority Business Enterprise" is a business which has been certified as a socially and economically disadvantaged small business.

(7) "OSMBA" means the Office of Small and Minority Business Assistance.

B. Certification as a Minority Business Enterprise (MBE)

(1) A South Carolina business seeking certification as a Minority Business Enterprise must submit to OSMBA an application and any supporting documentation as may be required.

(2) Certification Process. The Certification Board within OSMBA will determine if the business is controlled and operated by socially and economically disadvantaged individuals. Upon recommendation of the Certification Board, OSMBA will certify the business as a socially and economically disadvantaged small business and issue a Certification as authorized by Section 11-35-5270 of the Procurement Code. Firms may re-apply to OSMBA one year after denied certification. Certifications are valid for five years. Firms may apply for re-certification by submitting an application and required supporting documents of eligibility.

C. Certification Board/Procedures

(1) The certification board, as defined below, is responsible for reviewing files and applications in order to determine whether a business should be recommended for approval or disapproval by the Director of the OSMBA (hereinafter referred to as the Director) as a certified business in compliance with Article 21.

(2) The certification board shall include three (3) members of the Office in which the OSMBA is located and is chaired by a member selected by the Director. The board will meet at the request of the Director.

(3) Applications for certification must be addressed to the Director. Upon receipt, OSMBA shall conduct an investigation of the applicant and provide the results to the Certification Board. Failure to furnish requested information will be grounds for denial or revocation of certification.

D. Eligibility

In order for a firm to be certified, the business must have an office in South Carolina, duly registered and licensed as a South Carolina business, it must be found to be a small independent business owned and controlled by a person or persons who are socially and economically disadvantaged. The following factors will be considered in determining whether the applicant is eligible for certification:

(1) Small Business

The business must meet the definition of small business contained in Subsection A hereof.

(2) Independent Business

a. Recognition of the business as a separate entity for tax or corporate purposes is not necessarily sufficient for certification under Article 21. In determining whether an applicant for certification is an independent business, OSMBA shall consider all relevant factors, including the date the business was established, the adequacy of its resources, and relationships with other businesses.

b. A joint venture is eligible if one of the certified business partners of the joint venture meets the standards of a socially and economically disadvantaged small business and this partner's share in the ownership, control and management responsibilities, risks and profits of the joint venture is at least 51 percent, and this partner is also responsible for a clearly defined portion of the work to be performed.

(3) Ownership and Control

a. The business must be 51 percent owned by socially and economically disadvantaged persons. The OSMBA will examine closely any recent transfers of ownership interests to insure that such transfers are not to be made for the sole purpose of obtaining certification.

b. Ownership shall be real, substantial and continuing and shall go beyond the pro forma structure of the firm as reflected in its ownership documents. The minority owners shall enjoy the customary incidents of ownership and shall share in the risks and profits commensurate with their ownership interests, as demonstrated by an examination of the substance rather than form of ownership arrangements.

c. The contribution of capital or expertise by the minority or women owners to acquire their interest in the business shall be real and substantial. Examples of insufficient contributions include gifts, inheritance, a promise to contribute capital, a note payable to the business or its owners who are not socially disadvantaged and economically disadvantaged, or the participation as an employee, rather than as a manager.

d. The minority owners must have management responsibilities and capabilities including the ability to hire and fire personnel at the highest level and to exercise financial control. A previous and/or continuing employer-employee relationship between or among present owners is carefully reviewed.

e. Where the actual management of the firm is contracted out to individuals other than the owner, those persons who have the ultimate power to hire and fire the managers can, for the purpose of this part, be considered as controlling the business.

f. Any relationship between a business that is applying for certification under Article 21 and a business which is not certified will be carefully reviewed to determine if there are conflicts with the ownership and control requirement of this section.

g. All securities which constitute ownership and/or control of a business for purposes of establishing it as a Minority shall be held directly by minorities. No securities held in trust, or by any guardian for a minor, shall be considered in determining ownership or control.

(4) Socially Disadvantaged

The only factor to be considered in determining whether a firm is socially disadvantaged is membership in a minority group which is listed in Subsection A hereof. Membership shall be established on the basis of the individual's claim that he or she is a member of one of the minority groups included in the definition of socially disadvantaged in Subsection A above and is so regarded by that particular group.

(5) Economically Disadvantaged

a. OSMBA will make a determination of whether a firm is socially disadvantaged before proceeding to make a determination of economic disadvantage. If OSMBA determines that the business owner is not socially disadvantaged, it is not necessary to make the economically disadvantaged determination.

b. OSMBA may consider as evidence of the business owner's economic disadvantage the following: unequal access to credit or capital; acquisition of credit under unfavorable circumstances; difficulty in meeting requirements to receive government contracts; discrimination by potential clients; exclusion from business or professional organizations; and other similar factors which have restricted the owner's business development.

c. In determining the degree of diminished credit and capital opportunities of a socially disadvantaged individual, consideration will be given to both the disadvantaged individual and the business with which he or she is affiliated.

d. In considering the economic disadvantages of businesses and owners, OSMBA will make a comparative judgement about relative disadvantage. The test is not absolute deprivation, but rather whether the individuals and businesses owned by such individuals are disadvantaged in this respect.

e. It is the responsibility of an applicant business and its owner(s) to provide information to OSMBA about its economic situation when it seeks certification. OSMBA will be making a judgement about whether the applicant business and its socially disadvantaged owner(s) are in a more difficult economic situation than most businesses (including established businesses) and owners who are not socially disadvantaged. OSMBA is not required to make a detailed, point-to-point, accountant like comparison of the businesses involved.

E. Decertification

OSMBA reserves the right to cancel a certification at any time if a business becomes ineligible after certification. OSMBA will take action to ensure that only firms meeting the eligibility requirements stated herein qualify for certification. OSMBA will also review the eligibility of businesses with existing certifications to ensure that they remain eligible. A business organization's, ownership or control can change over time resulting in a once eligible business becoming ineligible. Certified businesses must notify OSMBA, in writing within 30 days, of changes in organization, ownership or control. When OSMBA determines that an existing business may no longer be eligible, it will file a Complaint with the Certification Board, and send a copy of the Complaint by certified mail to the business. Upon receipt of such a complaint, the Certification Board shall conduct a hearing in accordance with the procedures set forth in the Administrative Procedures Act (Section 1-23-310, et seq., Code of Laws of South Carolina, 1976, as amended).

2165. Gifts

A. Policy

It is the policy of the District that a District should not accept or solicit a gift, directly or indirectly, from a donor if the District has reason to believe the donor has or is seeking to obtain contractual or other business or financial relationships with the District.

B. Future Contracts with Donors

Prior to accepting a gift, care should be taken to determine whether acceptance of the gift will provide the donor, directly or indirectly, an undue competitive advantage in subsequent procurements.

C. Definition

For purposes of this Regulation 2165, the term “donor” means the business donating the gift and all divisions or other organizational elements of the business and any principals and affiliates of the business. For purposes of this Regulation, business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, either one controls or has the power to control the other, or a third party controls or has the power to control both. Indications of control include, but are not limited to, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or a business entity organized subsequent to the gift which has the same or similar management, ownership, or principal employees as the business that made the gift. For purposes of this section, the term ‘principals’ means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity including, but not limited to, a general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions.

2180. Assignment, Novation, and Change of Name.

A. “Novation agreement” is a contractual amendment by which the District recognizes a successor in interest to a District contract as provided in this regulation. The successor in interest assumes all the obligations under the contract and the transferor, when still in existence, typically guarantees the performance of the contract by the transferee.

B. No Assignment.

No District contract is transferable, or otherwise assignable, without the written consent of the chief business official; provided, however, that a contractor may assign monies receivable under a contract after due notice from the contractor to the District.

C. Recognition of a Successor in Interest; Novation.

When in the best interest of the District, a successor in interest may be recognized in a novation agreement in which the transferor and the transferee shall agree that:

- (1) the transferee assumes all of the transferor’s obligations;
- (2) the transferor waives all rights under the contract as against the District; and
- (3) unless the transferor guarantees performance of the contract by the transferee, the transferee shall, if required, furnish a satisfactory performance bond.

D. Change of Name.

When a contractor requests to change the name in which it holds a contract with the District, the procurement officer responsible for the contract may, upon receipt of a document indicating such change of name (for example, an amendment to the articles of incorporation of the corporation), enter into an agreement with the requesting contractor to effect such a change of name. The agreement changing the name shall specifically indicate that no other terms and conditions of the contract are thereby changed.

2200. Administrative Review Protective Orders.

A. At the request of any party or on its own initiative, the chief business official or the Procurement Review Panel may issue a protective order controlling the treatment of protected information for purposes of a protest or other proceeding currently pending before it. Such information may include any information exempt from public disclosure by law, such as information exempt from disclosure under Sections 410 and 30-4-40. The protective order shall establish procedures for application for access to protected information and for identification and safeguarding of that information. Because a protective order serves to facilitate the pursuit of a protest or other administrative proceeding by a protester through counsel, it is the responsibility of protester’s counsel to request that a protective order be issued and to submit timely applications for admission under that order. Protected information received by a person pursuant to a protective order issued under this regulation shall be released only pursuant to and in compliance with the protective order.

B. A protective order may not prohibit a public body from releasing information which the public body must release under applicable law. A protective order may not require the release of any public record that a public body is prohibited from releasing by law. Issuance of a protective order does not preclude a party from asserting any legally cognizable privilege to withhold any document or information.

C. Before being permitted to view any protected information, counsel and any consultants retained by counsel who will review or utilize any protected information must file an application for access in accordance with the conditions of the protective order. To be entitled to access, an applicant must establish that the applicant is not involved in competitive decision-making for any firm that could gain a competitive advantage from access to the protected information and that there will be no significant risk of inadvertent disclosure of protected information. A consultant will not be permitted access to protected information if he or she is employed by a party to the action or is working under a contract to a party. Objections to granting an applicant access to protected information must be in writing and filed within two business days after the person receives a copy of the application for access.

D. Any violation of the terms of a protective order may result in the imposition of such sanctions as the chief business official or Procurement Review Panel, as applicable, deems appropriate, including referral to appropriate bar associations or other disciplinary bodies and restricting the individual's practice before the chief business official or Panel. A business aggrieved by violation of a protective order may seek enforcement of such order in any available judicial or administrative forum.

[Model Comment: The state's three chief procurement officers have a form protective order available for use.]

PROCUREMENT CODE & REGULATIONS
[NAME OF SCHOOL DISTRICT]

District Internal Operating Procedures

The following documents, as updated, are incorporated by reference into the District's Internal Operating Procedures:

- *Guidance & Best Practices for Permissible Communications in a Competitive Sealed Proposal After Opening but Prior to Award: Appendix I of the Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements.* (See also Competitive Sealed Proposals, Required Procedures and Guidance for Communications After Opening but Prior to Award (eff. Sept. 2021), found at <https://procurement.sc.gov>.)
- *Pre-Qualification: Chapter 3.5 of the Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements.* (The Superintendent grants any approval required by reference to "OSE" or the "State Engineer".)
- *Indefinite Delivery Contracts: Office of State Engineer's 2020 Manual for Planning and Execution of State Permanent Improvements, Chapter 9.3 and 9.4, Indefinite Quantity contracts for professional services, and Chapter 9.5 and 9.6, Task Order Contracts for construction services.* (The Superintendent grants any approval required by reference to "OSE" or the "State Engineer".)

Attachment - A -

South Carolina Model School District Procurement Code

FORMS for SUBMITTING YOUR CODE FOR REVIEW

INSTRUCTIONS FOR SUBMITTING A DISTRICT CODE & REGULATIONS FOR REVIEW

- ☐ Submit draft district document by email to [\[PUT NAME HERE\]](#).
- ☐ Submit request letter. See accompanying forms.
- ☐ Submit your document in Microsoft Word format. If your school district does not have Microsoft Word, please contact the Division of Procurement Services before working on your document.
- ☐ Show all changes. See options below.

Options

The law mandates that your code be "substantially similar" to the state procurement laws and that you have a written opinion from Division of Procurement Services to that effect. The law also allows Division of Procurement Services to publish a "model" school district code, which Division of Procurement Services has concluded is substantially similar to the state procurement laws. In order to prepare such an opinion, Division of Procurement Services must receive documentation from the school district that shows *exactly* how the District's Code compares to state law. You may do this in any of the following three ways. Without this information, Division of Procurement Services will not review your code.

1. Submit your proposed code as a set of modifications to Division of Procurement Services' model school district procurement code. A copy is available in MSWord format at [www.procurement.sc.gov]. See note below.

2. Submit your proposed code as a set of modifications to the state procurement laws. For everyone's convenience, Division of Procurement Services has combined the Consolidated Procurement Code and the state procurement regulations into one Microsoft Word document and posted it here [www.procurement.sc.gov]. See note below.

Note: Please note that these documents have been password protected. Specifically, they have been set to track all changes you make to the document. Deletions will be shown as ~~stricken~~ text. Additions will be shown as underlined text. This makes your job easier and allows the Division of Procurement Services to readily track your changes. Please do not substantially reorder the contents. If you relocate significant text, please make notes regarding where the text has been moved.

3. Submit your proposed code with very detailed cross references to the state procurement laws, along with detailed explanations of the differences. Even with the most detailed notes, this approach is very labor intensive and will take substantially longer to review. We will attempt to accommodate your needs, but the Division of Procurement Services will not spend days dissecting your document to determine where you extracted your language.

FORM LETTER & CERTIFICATION REQUESTING WRITTEN OPINION

[date]

[name of Materials Management Officer]
Procurement Services Divisions
State Fiscal Accountability Authority
1201 Main Street, Suite 600
Columbia, SC 29201

Re: Request for Opinion Letter

Dear [name of Materials Management Officer]

[school district's name] has prepared its own procurement code and regulations which are, in our opinion, substantially similar to the provisions of the South Carolina Consolidated Procurement Code and regulations. I am writing to request that your office review these documents and provide us a written opinion pursuant to Section 11-35-5340 of the South Carolina Code of Laws.

In preparing our procurement code and regulations, we used the [select one of the following: "South Carolina Model School District Procurement Code" or "South Carolina Consolidated Procurement Code and the state procurement regulations"] as our base document. To facilitate your review, we are providing you with materials that identify what changes we have made to the base document.

On behalf of the District, I certify to you that every change to the base document has been shown. I understand your office will rely on this representation in its review and that the validity of your written opinion is dependent on the accuracy of this certification.

Once we have received your affirmative written opinion, the procurement code and regulations will be submitted to the [name of school board] for adoption. Please let us know when we can expect to hear from you so that we may schedule this matter for a board meeting.

If you have any questions regarding this matter, please contact [name of district contact person].

Sincerely,

[name]

cc:

[name of district contact person]

MODEL APPROVAL LETTER

[address]

Re: Opinion Letter for [school district's name]

Dear [name of Superintendent submitting code]:

I am writing in response to your request dated [January 1, 2021] for a written opinion regarding your district's proposed procurement code and regulations.

In the opinion of the Division of Procurement Services of the State Fiscal Accountability Authority, the procurement code and regulations we received are substantially similar to the provisions of the South Carolina Consolidated Procurement Code and regulations in effect on the date of this letter. A copy of the approved document is enclosed. In providing this opinion, we have relied on the certification provide in your letter. The validity of our opinion is dependent on the accuracy of your certification.

This opinion is issued pursuant to South Carolina Code of Laws, Section 11-35-5340 and Regulation 19-445.3000, copies of which are enclosed for your convenience. This written opinion remains valid until the district seeks and receives a written opinion from this office for modifications to its procurement code and regulations. This opinion does not extend to or endorse any exemptions granted by the District's board or provided for in the District's internal operating procedures. As reflected in Section 710 of your procurement code, the District's Board has exclusive authority and responsibility regarding exemptions. See, generally, Glasscock Company, Inc. v. Sumter County, 361 S.C. 483, 604 S.E.2d 718 (Ct. App. 2004).

Sincerely,

[name of audit manager], Manager
Audit and Certification

cc:

[school district superintendent]

[name of materials management officer], Materials Management Officer

MODEL DISAPPROVAL LETTER - REVIEW TERMINATED

[address]

Re: Opinion Letter for [school district's name]

Dear [name of school official]:

I am writing in response to your request dated [January 1, 2021] for a written opinion regarding your District's proposed procurement code and regulations.

To review school district procurement codes promptly and efficiently, this Division must rely on the District to identify, in detail, how its proposed code compares to either the model school code or the current state procurement laws. In your letter, dated [January 1, 2021], you acknowledged your understanding that we would rely on these representations. In addition, you certified that every change was shown.

As the enclosed summary reflects, we have found numerous, material differences that were not identified. Accordingly, we have terminated our review. Please work with your staff to address this defect and resubmit a version that accurately shows all changes to your selected base document, along with a current certification.

Sincerely,

[name of audit manager], Manager
Audit and Certification

cc:

[school district superintendent]

[name of materials management officer], Materials Management Officer

MODEL DISAPPROVAL LETTER - NEGATIVE OPINION

[address]

Re: Opinion Letter for [school district's name]

Dear [name of school official]:

I am writing in response to your request dated [January 1, 2021] for a written opinion regarding your District's proposed procurement code and regulations.

In the opinion of the Division of Procurement Services of the State Fiscal Accountability Authority, the procurement code and regulations we received are not substantially similar to the provisions of the South Carolina Consolidated Procurement Code and regulations in effect on the date of this letter. Our reasons for this conclusion are outlined in the enclosed attachment.

This opinion is issued pursuant to South Carolina Code of Laws, Section 11-35-5340 and Regulation 19-445.3000, copies of which are enclosed for your convenience. Your right to appeal this decision is governed by Section 11-35-4410(1)(b). *See, generally, Protest of Charleston County School District*, Case No. 1985-5 (S.C. Proc. Rev. Panel), *Charleston County School Dist. v. Leatherman*, 295 S.C. 264, 368 S.E.2d 76 (Ct.App.1988).

Sincerely,

[name of audit manager], Manager
Audit and Certification

cc:

[school district superintendent]

[name of materials management officer], Materials Management Officer

Attachment - B -

South Carolina Model School District Procurement Code

**ORGANIZATIONAL STRUCTURE
&
ASSIGNMENT OF AUTHORITY SUMMARY**

Officials

Board = School Board

Superintendent

CBO = Chief Business Official

CPO = Chief Procurement Officer

PO = Procurement Officer

Notes

Superintendents have a role limited to those items specifically requiring their action.

CBO must be designated in writing by superintendent, must have primary management responsibility for District business operations and finance, must report directly to the superintendent, and may not delegate his authority to anyone (except as expressly provided in the section granting the authority, e.g., 4210(3)). By default, CBO is also CPO.

CPO must be designated in writing by superintendent and must have primary management responsibility for supervising procurement or disposal by district. Multiple CPOs may be identified, e.g., facilities director, IT director, surplus property director, and goods and services agent. Can delegate most authority. Some authority can be delegated only to a person above the level of PO.

PO is the person that issues solicitations, makes written determinations regarding the process, awards and administers contracts.

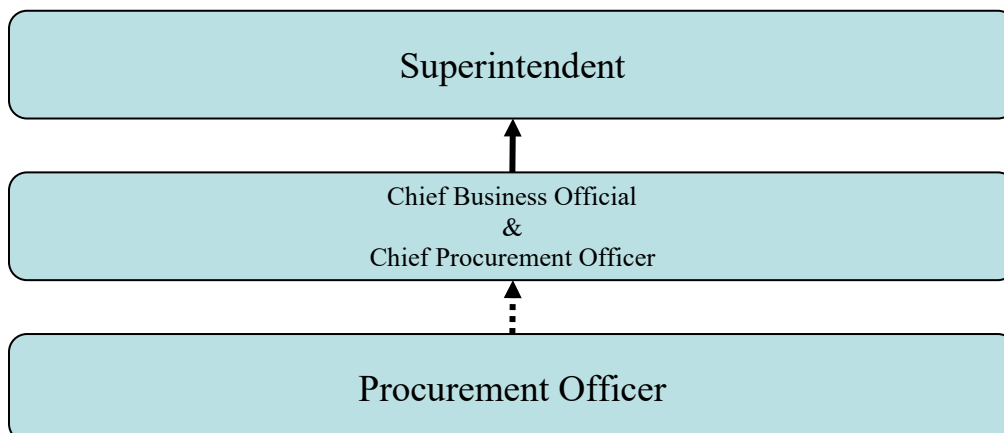
Chart Key

Arrows reflect a bottom-up flow of organizational responsibility.

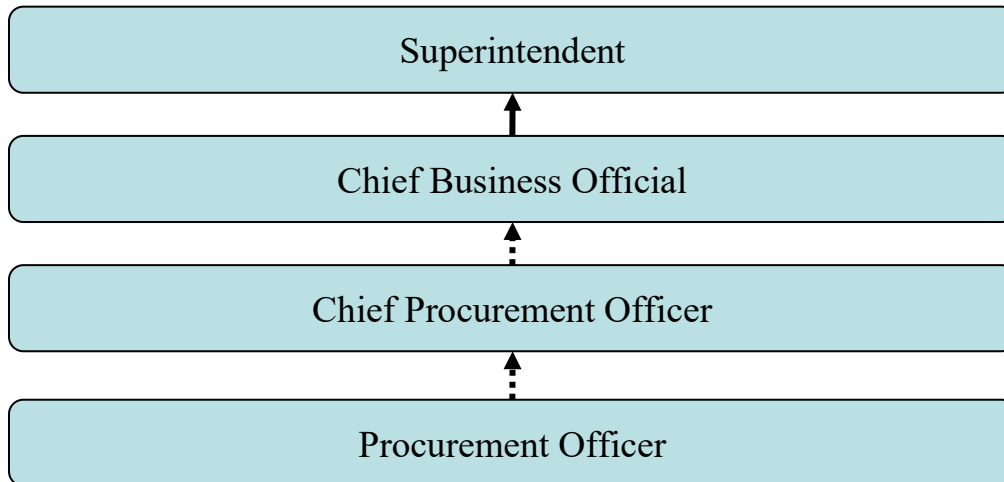
Solid arrows reflect a direct relationship with no other person between the positions at each end of the arrow.

Dotted arrows reflect the flow of organizational authority, but the relationship may be direct or indirect, i.e., there may be one or more people between the two positions shown.

Option #1 – CBO & CPO Same Official



Option #2 – CBO & CPO Different Officials



Summary of Special Responsibilities by Position

Board

- ☐ Approve contracts for auditing or accounting – 1250; R.2025
- ☐ Approve contracts for legal services – 1250; R.2025
- ☐ Approves newspaper of general circulation – 1520(3) (alternative text only)
- ☐ Approve contracts over 7 years - 2030
- ☐ Request CPO to require protest bond – 4215
- ☐ Ratification over \$100,000 – R.2015(G)
- ☐ Ensures suitability of systems, technologies, procedures, and processes for electronic commerce – R.2027
- ☐ Develop offer analysis procedures for District – R.2122(A)
- ☐ Waive conflicts of interest in acquisitions exceeding \$1,000,000 – R.2127(F)

Superintendent

Items marked with an asterisk may be delegated

- ☐ Approve Internal Procurement Procedures - 540(2)
- ☐ Approve contracts for auditing or accounting – 1250; R.2025 (alternative text; default to Board)
- ☐ Approve contracts for legal services – 1250; R.2025 (alternative text; default to Board)
- ☐ *Sole source approval – 1560; R.2105
- ☐ *Emergency approval – 1570; R.2110
- ☐ Approve cost-plus-a-percentage-of-cost contracts – 2010
- ☐ Approve contracts over 5 years – 2030
- ☐ Approve use of prequalification in construction (other than design-bid-build) – 3023
- ☐ Appoint A/E Selection Committee – 3220
- ☐ *Member of A/E Selection Committee – 3220
- ☐ List of Stay Consultation with CBO – 4210(7)
- ☐ Review internal operating procedures manual – R.2005(A)
- ☐ *Ratification up to \$100,000 – R.2015(G)
- ☐ *Pre-bid Conf – R.2042(C)
- ☐ Waiver of cost information – R.2120(C).

- *Prequalification – R.2132
- Project Delivery Method Determination – R.2145(B)(4)
- *E&O Coverage Review over \$25,000,000 – R.2145(L)
- Approving other (non-competitive) means of disposal – R.2150(D)(3)
- Ratify unauthorized disposal – R. 2150(I)
- *Waive conflicts of interest in acquisitions that do not exceed \$1,000,000 – R.2127(F)

Chief Business Official

- Approves cancellations after award – 1520(7); R.2085(c)
- Approves correction or withdrawal of bids – 1520(8); R.2085
- Termination of contract for invalid preference certification – 1524(6)
- Approves negotiation after unsuccessful sealed bidding – 1540
- Reviews samples of written determinations – 2410(B)
- Approves negotiation after unsuccessful sealed bidding in construction – 3020(d)
- Approve trade-in sales above \$5,000 – 3830(2); R.2150(G)
- Protests – 4210
- Protest Settlement Process and Approvals – 4210(3) (delegable)
- Debarments – 4220
- Contract controversies – 4230
- Develop organizational structure for procurement – R.2000(B)(1)
- Approve form to acknowledge by persons conducting procurements under Section 1530 – R.2010(E)
- Approve use and terms of a Nondisclosure Agreement (NDA) – R.2010(H)
- Shorten Bidding Time – R.2030 (B); R.2100(D)
- Approve procurement official to conduct discussions – R.2095(I)(4)
- Bond Rating – R.2145(c)(2)
- Specify appropriate contract forms for design-bid-build – R.2145(E)(1)(c)
- Specify appropriate contract forms for small purchases and competitive sealed proposals – R.2145(E)(6)
- Approve alternations to Standard Equipment Agreement – R.2152
- Approve contract transfers / assignments – R.2180

Chief Procurement Officer

- Approval of protective orders – 410(E)
- All contracting authority, pursuant to delegation from Board by 540; R.2000(B)
- Maintains all sole source delegations – 1560(B)
- Approval of accounting systems – 2020
- Inspect Plants (or designee) – 2210
- Duration contractor's maintain records – 2220
- Submit semi-annually sole source & emergency reports to Superintendent – 2440
- Approve variation of clauses by regulation – 3040(4)
- Approve establishment of contracts providing for indefinite quantity – 3305
- Approve variation of construction clauses by regulation – 3410(4)
- Control over surplus sales – 3820
- MBE responsibilities of State CPO – 5210
- Submits semi-annual listing of ratification decisions – R.2015(B)

SCHOOL DISTRICT FIVE OF LEXINGTON AND RICHLAND COUNTIES

CODE EXEMPTIONS

1. **COPYRIGHTED EDUCATIONAL MATERIALS** to include, but not be limited to:
 - a. Books, dictionaries, textbooks, newspapers, diplomas
 - b. Professional journals, technical pamphlets, periodicals, subscriptions
 - c. Educational films, filmstrips, slides and transparencies
 - d. Video tapes, cassettes, DVDs
 - e. Standardized test, testing materials, and services to score the tests

2. **COPYRIGHTED TECHNOLOGY MATERIALS** to include, but not be limited to:
 - a. Computer assisted instructional materials, software, interactive video programs and other related materials made available by information technology that can only be obtained from the company providing the information or service
 - b. CD-ROM documents, data bases
 - c. Site Licenses, maintenance contracts, upgrades, renewals and related materials for District-adopted software ~~District adopted instructional software, including site licenses, or other support services or related information/materials~~ only available or provided by the software provider
 - d. License agreements/renewals for computer software after such software has been competitively bid as required by the Code and additional software features/options that are only available by the software provider

3. **MEDICAL AND RELATED SERVICES** to include, but not be limited to:
 - a. Licensed/certified medical doctors, physicians, nurses, psychiatrists, psychologists, behaviorists, counselors, dentists, optometrists, etc.
 - b. Hospital and clinical services, occupational and physical therapy
 - c. Mental health organizations and services
 - d. Long-term care medical or educational organizations and treatments programs
 - e. Speech, language and related services, audiologist
 - f. Vaccines

4. **GOVERNMENTAL SERVICES** to include, but not be limited to:
 - a. Services and supplies provided by the Federal government, State agencies, county, city or special purpose districts
 - b. Payments of taxes, social security, annuities, etc.
 - c. School Resource Officer services

5. **EDUCATIONAL SERVICES** to include, but not be limited to:
 - a. Contractual and cooperative agreements for provision of services to students
 - b. Tuitions paid to institutions of higher learning
 - c. Evaluation services and expenses of visiting committees such as Southern Association of Colleges and Schools
 - d. Consultants for evaluation of academic programs
 - e. Professional artist services, including dancers, writers, poets, theatre groups, craftsmen, folk artists, or other such services
6. **POLICY AND LEGAL SERVICES** to include, but not be limited to:
 - a. Attorney services (subject to Board approval), court recorders, expert witness services, bond rating services and costs associated with issuance or refinancing of bonds
 - b. Certified Public Accountants (subject to Board approval)
 - c. Legislative consultant (subject to Board approval)
 - d. Financial advisors, investment management, brokerage services (subject to Board approval)
 - e. Insurance coverage, both primary and reinsurance
 - f. Other professional services obtained on a fee basis (subject to Board approval)
7. **STAFF DEVELOPMENT** to include, but not be limited to:
 - a. Training provided by consultants, certified teachers/trainers or District personnel
 - b. Training materials secured or prepared for instructional purposes
 - c. Workshop, conference, and seminar registration
 - d. Instructional training seminars or staff development offered by the District to district employees and those contractual services necessary to provide the services for the seminar.
8. **STUDENT SERVICES** to include, but not be limited to:
 - a. Electronic and printed exams, tests, testing materials, including scoring services and materials
 - b. Canine drug and/or weapon detection services and related support services
 - c. Homebound services and home visits
 - d. Instruction provided by certified teachers, interpreter services, English tutors
 - e. Interpreters, interpreter services, tutors
 - e-f. State-adopted Science kits and refurbishments
9. **UTILITIES & ENERGY EXPENSES** to include, but not be limited to:
 - a. Fuel, propane, natural gas
 - b. Oil company credit card purchases of gas, oil or fluids
 - c. Electric/power services
 - d. Water/sewer, gas, cable TV, and related services and costs

10. **COMMUNICATION EXPENSES** to include, but not be limited to:
 - a. Local & long distance telecommunication services
 - b. Telecommunication equipment, upgrades, maintenance & repair contracts
 - c. Lease of imbedded telephone systems
11. **REFUNDS** to include, but not be limited to:
 - a. Refunds of health insurance, earnest monies, bid securities, or other funds temporarily entrusted to the District
12. **ONE-OF-A-KIND ITEMS** to include, but not be limited to:
 - a. Paintings, sculptures, antiques, art reproductions, historical artifacts, other rare items
 - b. Scientific specimens, skeletal and taxidermy mounts, models, fossils, minerals, rocks, etc.
13. **EMERGENCY REPAIRS** to include, but not be limited to:
 - a. Repairs to life safety, fire, security systems, and public address systems
 - b. Repairs to buses or other vehicles while transporting students or staff on District sponsored trips
14. **ITEMS PURCHASED FOR RESALE.**
15. **MAIL AND DELIVERY SERVICES, POSTAGE AND POST OFFICE BOXES.**
16. **PERISHABLE FOODS.**
17. **TRAVEL EXPENSES FOR STAFF & STUDENTS** to include, but not be limited to.
 - a. Airline, car rental, bus, train, parking, taxis, etc.
 - b. Hotel accommodations
 - c. Meals/allowances
 - d. Conference/seminar and other registrations/fees
 - e. Admission costs/fees
18. **PROFESSIONAL DUES & MEMBERSHIPS.**
19. **PROPERTY SERVICES** to include, but not be limited to:
 - a. Appraisals and related services
 - b. Leasing of public parking lots, lecture halls, theaters, arenas, athletic facilities, recreational areas, etc. for District sponsored events

20. **ADVERTISING**

- a. Local newspapers, professional journals, publications, radio, television, etc.

21. **PUPIL ACTIVITY FUNDS.**

22. **PROFESSIONAL ARTISTS.**

23. **CLERGY SERVICES.**

24. **GRANT SPECIFIED EQUIPMENT AND SERVICES:**

- a. Purchase of grant specified and approved equipment, subcontracts and consultants required for the successful completion of the grant project and where competitive bidding is not required or practical (subject to Chief Procurement Officer approval)

25. **CONFIDENTIAL GOODS AND SERVICES:**

- a. Goods and services of a confidential/sensitive nature that would cause injury to students, staff and/or the District if procured through public solicitation (subject to Superintendent approval)

26. **COOPERATIVE PURCHASE WITH PUBLIC PROCUREMENT UNITS:**

- a. Procurements by the District through a cooperative purchase where the public procurement unit or external procurement activity administering the cooperative purchase complied with the requirements ~~Office of General Services of the State Budget and Control Board~~ of the Division of Procurement Services of the State Fiscal Accountability Authority.

27. **BUDGET AND CONTROL BOARD EXEMPTIONS:**

- a. The District also adopts the exemptions granted by the State ~~Budget and Control Board~~ Fiscal Accountability Authority, both present and future.

Policy

DISCUSSION AND FIRST READING – DECEMBER 13, 2021

BCA – BOARD MEMBER CODE OF ETHICS

Issued 1/06

Purpose: **The Board and its members will conduct themselves lawfully with integrity and high ethical standards in order to model the behaviors expected of staff and students and to build public confidence and credibility. To establish the basic structure for ethical board conduct. The public schools play a vital and important role in our state and country by providing the basic foundation for democratic living and for sustaining the American way of life. Therefore, school board membership represents a challenging responsibility.** This code of ethics is adopted by the board as a guide to its members as they strive to render effective and efficient service to their community.

A board member should honor the critical responsibilities that his/her membership demands by doing the following:

- thinking always in terms of "children first"
- understanding that the basic function of a school board is policymaking, not administration, and by accepting the responsibility of learning to discriminate intelligently between these two functions
- accepting the responsibility along with his/her fellow board members of ensuring that optimal facilities and resources are provided for the proper functioning of schools
- refusing to play politics in either the traditional partisan or any petty sense
- representing, at all times, the entire school district
- accepting the responsibility of becoming well informed concerning the duties of board members and the proper functions of public schools
- recognizing responsibility as a state official to seek the improvement of education throughout the state

A board member should respect his/her relationships with other members of the board by doing the following:

- recognizing that authority rests only with the board in official meetings and that the individual member has no legal status to bind the board outside of such meetings
- recognizing the integrity of his/her predecessors and associates and the merit of their work
- refusing to make statements or promises as to how he/she will vote on any matter **in which the board is presiding in a quasi-judicial capacity and in which the matter** should properly come before the board as a whole
- making decisions only after all facts bearing on a question have been presented and discussed
- respecting the opinion of others and graciously conforming to the principle of majority rule
- refusing to participate in irregular meetings such as secret or "star chamber" meetings which are not official and which all members do not have the opportunity to attend
- maintaining the confidentiality of matters discussed in executive session

A board member should maintain desirable relations with the superintendent of schools and his/her staff by doing the following:

- striving to procure, when a vacancy exists, the best professional leader available for the head administrative post
-
- giving the superintendent full administrative authority for properly discharging his/her professional duties and holding him/her responsible for acceptable results
- acting only upon the recommendation of the superintendent in matters of employment or dismissal of school personnel
- having the superintendent or his designee present at all meetings of the board except when his/her contract and salary are under consideration
- referring all complaints to the superintendent and discussing them only at a regular meeting if a failure to arrive at an administrative solution occurs
- striving to provide adequate safeguards around the superintendent and other staff members to the end that they can live happily and comfortably in the community and discharge their educational functions on a thoroughly professional basis
- presenting personal criticisms of any employee directly to the superintendent

Adopted 2/24/69; Revised 1/9/06

Legal references:

School board members are under the jurisdiction of the " Ethics, Government Accountability and Campaign Reform Act," Section 8-13-100, et seq., S.C. Code, and are subject to rules of conduct of the statute.

School District Five of Lexington and Richland Counties

Policy BCA Board Member Code of Ethics

Issued 1/06

Purpose: To establish the basic structure for ethical board conduct.

The public schools play a vital and important role in our state and country by providing the basic foundation for democratic living and for sustaining the American way of life. Therefore, school board membership represents a challenging responsibility. This code of ethics is adopted by the board as a guide to its members as they strive to render effective and efficient service to their community.

A board member should honor the critical responsibilities that his/her membership demands by doing the following:

- thinking always in terms of "children first"
- understanding that the basic function of a school board is policymaking, not administration, and by accepting the responsibility of learning to discriminate intelligently between these two functions
- accepting the responsibility along with his/her fellow board members of ensuring that optimal facilities and resources are provided for the proper functioning of schools
- refusing to play politics in either the traditional partisan or any petty sense
- representing, at all times, the entire school district
- accepting the responsibility of becoming well informed concerning the duties of board members and the proper functions of public schools
- recognizing responsibility as a state official to seek the improvement of education throughout the state

A board member should respect his/her relationships with other members of the board by doing the following:

- recognizing that authority rests only with the board in official meetings and that the individual member has no legal status to bind the board outside of such meetings
- recognizing the integrity of his/her predecessors and associates and the merit of their work
- refusing to make statements or promises as to how he/she will vote on any matter which should properly come before the board as a whole
- making decisions only after all facts bearing on a question have been presented and discussed
- respecting the opinion of others and graciously conforming to the principle of majority rule
- refusing to participate in irregular meetings such as secret or "star chamber" meetings which are not official and which all members do not have the opportunity to attend
- maintaining the confidentiality of matters discussed in executive session

A board member should maintain desirable relations with the superintendent of schools and his/her staff by doing the following:

- striving to procure, when a vacancy exists, the best professional leader available for the head administrative post
- giving the superintendent full administrative authority for properly discharging his/her professional duties and holding him/her responsible for acceptable results
- acting only upon the recommendation of the superintendent in matters of employment or dismissal of school personnel
- having the superintendent present at all meetings of the board except when his/her contract and salary are under consideration
- referring all complaints to the superintendent and discussing them only at a regular meeting if a failure to arrive at an administrative solution occurs
- striving to provide adequate safeguards around the superintendent and other staff members to the end that they can live happily and comfortably in the community and discharge their educational functions on a thoroughly professional basis

- presenting personal criticisms of any employee directly to the superintendent

Adopted 2/24/69; Revised 1/9/06

Legal references:

School board members are under the jurisdiction of the " Ethics, Government Accountability and Campaign Reform Act," Section 8-13-100, *et seq.*, S.C. Code, and are subject to rules of conduct of the statute.

School District Five of Lexington and Richland Counties

Policy

DISCUSSION AND FIRST READING – DECEMBER 13, 2021

BCB - BOARD MEMBER CONFLICT OF INTEREST

Issued 12/09

~~Purpose: To establish the basic structure for determining board member conflict of interest.~~

~~A trustee may provide services or sell products to the district where he/she is a board member provided all transactions are in accordance with the State Ethics Act (see policy BCA).~~

Board members are required to disclose any potential conflict of interest to the board. A board member with a personal or private interest in a matter proposed or pending before the board will disclose such interest to the board, will not deliberate on the matter, will not vote on the matter, and will not attempt to influence other members of the board regarding the matter.

If, in the discharge of official responsibilities, the board member is required to take action or make a decision which affects his/her economic interest or the economic interest of a family member or an individual **or business** with whom he/she is associated, the board member must prepare a written statement outlining the conflict and give it to the chairman of the board. ~~The board member must also be excused from deliberating or voting on the matter.~~ The minutes of the meeting should reflect the disqualification and reasons for it.

The board member may vote on matters where he/she has no greater interest than does any other member of the board. For example, a board member may vote on a budget that includes salaries of all **employees staff members**, even if the board member has a family member employed by the district. However, the board member may not vote on the contract of the family member.

The **S.C. Ethics, Government Accountability, and Campaign Reform Act ("Ethics Act")** provides that a public official may not have an economic interest in a contract with the district if the official is authorized to perform an official function relating to the contract. The law defines official function to include accepting bids and awarding contracts.

A board member may provide services or sell products to the district in which he/she serves, provided all transactions are in accordance with the State Ethics Act and the board member is excluded from deliberating or voting on the matter.

A board member may not participate in an action relating to the discipline of his/her family member.

~~A board member may not receive pay as a teacher of a public school that is located in the same school district where such person is a trustee.~~

~~A board member will not be employed by the district. This does not apply to a board member's service as a trustee.~~

Nepotism

~~South Carolina law Section 59-25-10 provides that~~ no board member's immediate family member **of a board member** will be newly employed as a teacher **or as an administrator without the written consent approval of the board.**

PAGE 2 - BCB - BOARD MEMBER CONFLICT OF INTEREST

~~No employee who is an immediate family member (spouse, parent, child, sibling) of a board member/superintendent is eligible for position promotion during the tenure of such board member/superintendent.~~

When a board member's **immediate** family member is being recommended for any position in the district, the board member will disclose this to the other board members and recuse him/herself from the vote to hire that employee.

~~An individual who is a candidate for employment in the district will, upon offer of employment, disclose that he/she has an immediate family member who is an employee of the district.~~

~~The district will not place an employee in a position wherein an employee will exercise direct administrative or supervisory authority over a member of his/her immediate family. Supervisory authority includes principal and assistant principal in a school.~~ Neither a board member nor an employee may participate in an action relating to the discipline of his/her **immediate** family member. This rule applies to all levels and categories of certified, administrative and support staff employees in the school district.

~~This prohibition of employment and/or promotion does not apply to individuals employed and/or promoted prior to the passage of this policy.~~

This does not apply to teachers or administrators employed before his/her family member became a member of the board.

"Family Member" for purposes of this policy means an individual who is a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent or grandchild.

Employment and Volunteering Prohibited

A board member may not receive pay as a teacher of a public school, or otherwise be employed, in the same district where he/she serves. This includes employment handled through third party entities such as temporary agencies that place substitute teachers. A board member is not permitted to serve in a ~~volunteer~~ position in the district ~~whereas~~ he/she would have responsibility for a curricular, co-curricular, extracurricular program or activity, or students and would report directly to the superintendent, principal, athletic director, or other school administrator.

Other Conflicts of Interest

In carrying out his/her duties, a board member will not do the following:

- perform an official act which directly and substantially confers an economic benefit on a business or other undertaking in which he/she has a substantial financial interest or in which he/she is engaged as a counsel, consultant, representative, or agent
- accept a gift of substantial value, or substantial economic benefit tantamount to a gift of substantial value, as a payment or reward for official action taken or advice and assistance given
- disclose or use confidential information acquired in the course of official duties for personal financial gain, which includes, but is not limited to, economic gain for family members, associates, or business interests
- employ or promote a family member to a position which the board member supervises or manages (i.e. superintendent)

PAGE 3 - BCB - BOARD MEMBER CONFLICT OF INTEREST

- participate in an action relating to the discipline of a family member
- accept anything of value for speaking before a public or private group as a board member
- neglect to annually submit a statement of economic interest to the South Carolina Ethics Commission
- special treatment should not be considered for family members of a board member in any school or personnel matter

It will not be considered a breach of ethics for a board member to receive the following:

- an occasional non-pecuniary gift which is insignificant in value
- a non-pecuniary award publicly presented in recognition of public service
- payment or reimbursement for actual and necessary expenditures for travel and subsistence for attendance at a speaking engagement, convention, or other meeting at which he/she is scheduled to participate
- a benefit as an indirect consequence of transacting district business

Each board member will be knowledgeable of and comply with these and all other applicable provisions of the S.C. Ethics, Government Accountability, and Campaign Reform Act.

Adopted 8/1/73; Revised 11/16/81, 4/6/92, 1/9/06, 12/14/09, ^

Legal References:

A. S.C. Constitution:

1. Article XVII, Section 1A - Dual office holding prohibited.

B. S.C. Code of Laws, 1976, as amended:

1. Section 8-13-100, *et seq.* - **Ethics, Government Accountability, and Campaign Reform Act.**
2. Section 59-19-300 - Prohibits receiving pay as teacher in same district where serving on board.
3. Section 59-25-10 - Prohibits board from employing members of immediate family as a teacher, with exceptions.
4. Section 59-31-590 - Prohibits service as agent of school book publisher.
5. Section 59-69-260 - Authorizes board members to provide services or sell products to the district so long as these transactions are in accordance with state ethical provision of law.

C. Attorney General's Opinion:

1. **Op. S.C. Att'y Gen., 2016 WL 386066 (January 5, 2016) A master-servant conflict would arise if a board member were to serve as the head or assistant coach, even on a volunteer basis, and as a trustee of the board in the same district.**

Policy BCB Board Member Conflict of Interest

Issued 12/09

Purpose: To establish the basic structure for determining board member conflict of interest.

A trustee may provide services or sell products to the district where he/she is a board member provided all transactions are in accordance with the State Ethics Act (see policy [BCA](#)).

If, in the discharge of official responsibilities, the board member is required to take an action or make a decision which affects his/her economic interest or the economic interest of a member of his/her immediate family or an individual with whom he/she is associated, the board member must prepare a written statement outlining the conflict and give it to the chairman of the board. The board member must also be excused from deliberating or voting on the matter. The minutes of the meeting should reflect the disqualification and reasons for it.

The board member may vote on matters where he/she has no greater interest than does any other member of the class to which the board member belongs. For example, a board member may vote on a budget that includes salaries of all employees, even if the board member has a family member employed by the district. However, the board member may not vote on the contract of the family member.

The State Ethics Act provides that a public official may not have an economic interest in a contract with the district if the official is authorized to perform an official function relating to the contract. The law defines official function to include accepting bids and awarding contracts.

A board member may not participate in an action relating to the discipline of his/her family member.

A board member may not receive pay as a teacher of a public school that is located in the same school district where such person is a trustee.

A board member will not be employed by the district. This does not apply to a board member's service as a trustee.

Nepotism

South Carolina law [Section 59-25-10](#) provides that no board member's immediate family member may be employed as a teacher without the written consent of the board of trustees.

No employee who is an immediate family member (spouse, parent, child, sibling) of a board member/superintendent is eligible for position promotion during the tenure of such board member/superintendent.

When a board member's immediate family member is being recommended for any position in the district, the board member will disclose this to the other board members and recuse him/herself from the vote to hire that employee.

An individual who is a candidate for employment in the district will, upon offer of employment, disclose that he/she has an immediate family member who is an employee of the district.

The district will not place an employee in a position wherein an employee will exercise **direct** administrative or supervisory authority over a member of his/her immediate family. Supervisory authority includes principal and assistant principal in a school. Neither a board member nor an employee may participate in an action relating to the discipline of his/her immediate family member. This rule applies to all levels and categories of certified, administrative and support staff employees in the school district.



This prohibition of employment and/or promotion does not apply to individuals employed and/or promoted prior to the passage of this policy.

Adopted 8/1/73; Revised 11/16/81, 4/6/92, 1/9/06, 12/14/09

Legal references:

S.C. Constitution:

[Article XVII](#), Section 1A - Dual office holding prohibited.

S.C. Code, 1976, as amended:

[Section 8-13](#)-100, *et seq.* - State Ethics Act.

[Section 59-19](#)-300 - Prohibits receiving pay as teacher in same district where serving on board.

[Section 59-25](#)-10 - Prohibits board from employing members of immediate family, with exceptions.

[Section 59-31](#)-590 - Prohibits service as agent of school book publisher.

[Section 59-69](#)-260 - Authorizes board member to provide services or sell products to the district...so long as these transactions are in accordance with state ethical provision of law.

School District Five of Lexington and Richland Counties

DISCUSSION AND FIRST READING – DECEMBER 13, 2021

DI/DIE - Fiscal Accounting/Audits

Issued 6/07

Purpose: To establish the basic structure for accounting for and reporting of the district's financial resources.

The district accounting system will provide an accurate record of financial transactions. The superintendent will maintain accounting procedures adequate to properly record all financial transactions in accordance with the **Financial Accounting Handbook** developed by the South Carolina State Department of Education.

The superintendent is ultimately responsible for receiving and properly accounting for all funds of the district.

The superintendent will present the board with monthly financial statements of revenue and expenditures including budgeted amounts which reflect the financial operations of the district.

In accordance with state law and regulation, all financial records and program funds of the district will be audited following the close of each fiscal year.

The board will contract with an independent certified public accountant to conduct **an the annual financial audit and a purchasing audit to be conducted a minimum of every three years, covering the preceding years. The financial audits and purchasing audits will comply with all state laws and regulation audit standards.**

In addition, purchasing audits will require the auditing of all payments of more than \$50,000 total in any year to any vendor to ensure the Procurement Code was followed with respect to contracting and payments.. This includes payments of all types, regardless of the funds used for such payments and regardless whether purchase orders were used. These requirements will be included in all Requests for Proposals and all proposed contracts for Purchasing Audit Services.

The district will forward a copy of appropriate audited financial statements to the state department and other state or federal agencies as required by applicable state law or regulations. **The full audit reports, including all notes and schedules as provided to the district, will be provided to the board at the first regularly-scheduled board meeting after receipt of the final audit results. The administration will recommend to the board any policy, process or procedure changes necessary to remediate any deficiencies found as a result of audits.**

An internal financial review of accounting procedures and expenditure records will be conducted for all schools on a two-year cycle by the finance office.

Adopted 2/24/69; Revised 3/29/81, 4/28/86, 6/25/07

Legal references:

S.C. Code, 1976, as amended:

[Section 59-17-100](#) - Districts to provide state department of education with copies of audit reports. [Section 59-13-60](#) - Spending priority; audits; reports; Education Finance Review Committee. [Section 59-20-60](#) - Audit requirements of the Education Finance Act. [Section 59-20-80](#) - School budgets will be made public; itemization of salaries.

State Board of Education Regulations:

[R-43-172](#) - Accounting and reporting.
[R-43-231](#) - Defined program grades K-five.
[R-43-234](#) - Defined program, grades 9-12.

Policy DI/DIE Fiscal Accounting/Audits

Issued 6/07

Purpose: To establish the basic structure for accounting for and reporting of the district's financial resources.

The district accounting system will provide an accurate record of financial transactions. The superintendent will maintain accounting procedures adequate to properly record all financial transactions in accordance with the **Financial Accounting Handbook** developed by the South Carolina State Department of Education.

The superintendent is ultimately responsible for receiving and properly accounting for all funds of the district.

The superintendent will present the board with monthly financial statements of revenue and expenditures including budgeted amounts which reflect the financial operations of the district.

In accordance with state law and regulation, all financial records and program funds of the district will be audited following the close of each fiscal year.

The board will contract with an independent certified public accountant to conduct the annual audit. The district will forward a copy of appropriate audited financial statements to the state department and other state or federal agencies as required by applicable state law or regulations.

An internal financial review of accounting procedures and expenditure records will be conducted for all schools on a two-year cycle by the finance office.

Adopted 2/24/69; Revised 3/29/81, 4/28/86, 6/25/07

Legal references:

S.C. Code, 1976, as amended:

[Section 59-17-100](#) - Districts to provide state department of education with copies of audit reports.

[Section 59-13-60](#) - Spending priority; audits; reports; Education Finance Review Committee.

[Section 59-20-60](#) - Audit requirements of the Education Finance Act.

[Section 59-20-80](#) - School budgets will be made public; itemization of salaries.

State Board of Education Regulations:

[R-43-172](#) - Accounting and reporting.

[R-43-231](#) - Defined program grades K-five.

[R-43-234](#) - Defined program, grades 9-12.

School District Five of Lexington and Richland Counties

*Policy***DISCUSSION AND FIRST READING – DECEMBER 13, 2021****FEE - Site Acquisition**

Issued 2/14

Purpose: To establish the basic structure for the acquisition of sites for school construction.

The board believes it is appropriate and necessary to identify and acquire land in a formalized manner to assure the most advantageous pieces of real estate are obtained for School District Five of Lexington and Richland Counties.

The board will charge the district administration to begin the selection process. The district administration will do the following.

- Establish parameters for selection.
 - Analyze attendance zones, **existing capacity, and forecasted enrollment** to determine general location boundaries.
 - Determine range of acreage requirements (typically based on state guidelines)

The board believes that properly located schools lie within reasonable travel distance of the neighborhoods they serve. The district administration will do the following.

- Identify and evaluate potential sites.
 - Collect preliminary data on each potential site that includes the following items (these items should be readily available and at little or no cost).
 - location (address, city, zip code, county)
 - tax map, block and lot number
 - current ownership
 - size and shape (get recorded plat from county)
 - percentage wooded
 - accessibility
 - road frontage
 - topography variation estimate
 - any improvements (size, age and condition)
 - photographs at street level and aerial photos (to include a copy of the US Geological -Survey (USGS) topographic map of the site)
 - Natural Resources Conservation Service (NRCS) soils survey map
 - water and sewer provider and proximity to site
 - asking price for whole tract
 - asking price for subdivision of parts of tract
 - most recent traffic count of cars per day on each road that the property fronts

- flood zone determination (obtain from the district insurance agent)
- copy of the current zoning map and applicable zoning text
- historical environmental reports from seller, if available
- Retain a licensed Realtor **approved by the board** to represent the district as a buyer, if necessary.
- Eliminate unsuitable sites leaving ~~three two~~ to ~~four-five~~ final sites.
- **Following the elimination of unsuitable sites, the Superintendent is authorized to exercise options as needed to protect the district's financial interest in any of the final sites to be brought to the board.**
- Perform technical evaluation and comparative analysis (~~two~~ three to ~~four~~ five sites). Consider the following.
 - development cost (on and off site costs), **including sewer and water**
 - ~~political implications~~
 - campus safety
 - **Community input and concerns**
 - environmentally ~~sensitive~~ conditions (if any)
 - letter from the applicable zoning authority that the intended use is permitted, out right, without special exception and, if not, procedure necessary for obtaining approval
 - highway department immediate and future plans for changes/ improvements near the prospective site
 - **Zoning and all county and municipality laws and restrictions, including but not limited to required set-backs and road access**

Difficulties of site acquisition, problems arising from land use, residential development and the configuration of city boundaries make the precise spacing of school facilities difficult if not impossible. However, the board will make the most appropriate site selection based on general location, usability and price. District administration will do the following.

- Perform final site selection.
 - Provide site recommendation to board, **including the preliminary technical evaluation above and any and all concerns known to the district, Realtor and seller.**
 - Obtain "contingent" board approval **for a** "Letter of Intent to Purchase" sent to the seller. This is to be followed by a "Purchase and Sale Agreement" (consider requesting a "First Right of Refusal" on contiguous land owned by the seller. Also, request that cost of plat and topographic survey be credited towards the purchase price at closing). **All such agreements must include a clause allowing the district to cancel the sale, with full refund of all monies paid to the seller and Realtor, if at any point prior to construction, all necessary permits to construct a school, including but not limited to zoning, water and sewer or road access are not received by the district.**

- Perform "contingent" technical evaluation.

--With board approval, contract with a board approved licensed engineer or architect Professional, to provide a final recommendation regarding the site evaluation, including any and all issues which may arise with the proposed site.

-- Obtain plat and all available topographic survey information. Request copy from seller of previous plat if available.

-- Obtain title search (request copies of seller's policy and provide to the attorney performing title work).

-- Perform wetlands assessment.

-- Perform geotechnical testing to determine soil suitability and for soil management purposes.

-- Phase I Environmental Study

--- Request copy(s) of any environmental surveys that may have been previously performed for the site.

--- *If a* suitable site assessment is not available, select an environmental firm for the district and perform a Phase I environmental study.

--- *In the event the* Phase I report indicates any areas of concern that require sub-surface investigation (Phase II and/or Phase III), get written authorization from the seller with the proposed scope of work from the environmental engineer attached before work is done.

--- After receiving a clean environmental report, hire a South Carolina State Certified General Real Estate Appraiser to represent the district. Request the selected appraiser provide a full, self-contained narrative appraisal report (be sure to specify the number of original reports needed in the final engagement letter). Provide the appraiser with all previously collected data on the selected site and other third party reports and plat.

--- Obtain department of education approval.

--- Obtain "final" board approval.

Just prior to acquisition of the land, add the proposed site to the district's commercial general liability policy.

Because population and enrollment forecasts change over time, sewer and water permits are not indefinite and zoning, transportation and other applicable requirements can change, the district will not purchase land unless a specific need for replacement or expansion in a particular enrollment zone has been approved by the board as part of the Five-Year Master Facilities Plan per policy FB.

The district administration will purchase the approved site.

~~Whenever possible, the board will acquire school sites long before they are needed. Such a policy will permit a better choice of site at acreage rather than lot prices and will reduce the need for costly demolition of residential or other structures.~~

Adopted 5/19/03; Revised 2/10/14

Policy FEE Site Acquisition

Issued 2/14

Purpose: To establish the basic structure for the acquisition of sites for school construction.

The board believes it is appropriate and necessary to identify and acquire land in a formalized manner to assure the most advantageous pieces of real estate are obtained for School District Five of Lexington and Richland Counties.

The board will charge the district administration to begin the selection process. The district administration will do the following.

- Establish parameters for selection.
 - Analyze attendance zones to determine general location boundaries.
 - Determine range of acreage requirements (typically based on state guidelines).

The board believes that properly located schools lie within reasonable travel distance of the neighborhoods they serve. The district administration will do the following.

- Identify and evaluate potential sites.
 - Collect preliminary data on each potential site that includes the following items (these items should be readily available and at little or no cost).
 - location (address, city, zip code, county)
 - tax map, block and lot number
 - current ownership
 - size and shape (get recorded plat from county)
 - percentage wooded
 - accessibility
 - road frontage
 - topography variation estimate
 - any improvements (size, age and condition)
 - photographs at street level and aerial photos (to include a copy of the US Geological - Survey (USGS) topographic map of the site)
 - Natural Resources Conservation Service (NRCS) soils survey map
 - water and sewer provider and proximity to site
 - asking price for whole tract
 - asking price for subdivision of parts of tract

- most recent traffic count of cars per day on each road that the property fronts
- flood zone determination (obtain from the district insurance agent)
- copy of the current zoning map and applicable zoning text
- historical environmental reports from seller, if available
- Retain a realtor to represent the district as a buyer, if necessary.
- Eliminate unsuitable sites leaving two to four final sites.
- Perform technical evaluation and comparative analysis (two to four sites). Consider the following.
 - development cost (on and off site costs)
 - political implications
 - campus safety
 - environmentally sensitive conditions (if any)
 - letter from the applicable zoning authority that the intended use is permitted, out right, without special exception and, if not, procedure necessary for obtaining approval
 - highway department immediate and future plans for changes/ improvements near the prospective site

Difficulties of site acquisition, problems arising from land use, residential development and the configuration of city boundaries make the precise spacing of school facilities difficult if not impossible. However, the board will make the most appropriate site selection based on general location, usability and price. District administration will do the following.

- Perform final site selection.
 - Provide site recommendation to board.
 - Obtain "contingent" board approval.
 - Have "Letter of Intent to Purchase" sent to the seller. This is to be followed by a "Purchase and Sale Agreement" (consider requesting a "First Right of Refusal" on contiguous land owned by the seller. Also, request that cost of plat and topographic survey be credited towards the purchase price at closing).
 - Perform "contingent" technical evaluation.
 - Obtain plat and all available topographic survey information. Request copy from seller of previous plat if available.
 - Obtain title search (request copies of seller's policy and provide to the attorney performing title work).
 - Perform wetlands assessment.
 - Perform geotechnical testing to determine soil suitability and for soil management purposes.

-- Phase I Environmental Study

- Request copy(s) of any environmental surveys that may have been previously performed for the site.
- If a suitable site assessment is not available, select an environmental firm for the district and perform a Phase I environmental study.
- In the event the Phase I report indicates any areas of concern that require sub-surface investigation (Phase II and/or Phase III), get written authorization from the seller with the proposed scope of work from the environmental engineer attached before work is done.
- After receiving a clean environmental report, hire a South Carolina State Certified General Real Estate Appraiser to represent the district. Request the selected appraiser provide a full, self-contained narrative appraisal report (be sure to specify the number of original reports needed in the final engagement letter). Provide the appraiser with all previously collected data on the selected site and other third party reports and plat.
- Obtain department of education approval.
- Obtain "final" board approval.

Just prior to acquisition of the land, add the proposed site to the district's commercial general liability policy.

The district administration will purchase the approved site.

Whenever possible, the board will acquire school sites long before they are needed. Such a policy will permit a better choice of site at acreage rather than lot prices and will reduce the need for costly demolition of residential or other structures.

Adopted 5/19/03; Revised 2/10/14

School District Five of Lexington and Richland Counties



MEMORANDUM

To: Members of the Board of Trustees

Through: Dr. Akil E. Ross, Sr.
Superintendent

From: Marty Rawls, Chief Finance Officer 

Date: December 6, 2021

Re: December 13, 2021 Board Meeting
INFORMATION ONLY
FY 2020-2021 Emergency Procurements
FY 2020-2021 Sole Source Procurements
FY 2020-2021 Report of Minority Business Expenditures

Pursuant to Section 2440.3 of the Procurement Code of School District Five of Lexington and Richland Counties, the FY 2020-2021 reports of Emergency and Sole Source Procurements is provided for your information.

Also provided for your information is the FY 2020-2021 Report of Minority Business Expenditures pursuant to Section 5260.1 of the Code.

Attachment



Amee White <awhite@lexrich5.org>

Emergency, Sole Source, Minority Vendor Reports Exhibit

1 message

Marty Rawls <mrawls@lexrich5.org>
To: Amee White <awhite@lexrich5.org>

Thu, Dec 2, 2021 at 2:11 PM

Please see the attached exhibit for item 26 on the December 13, 2021 Board Meeting agenda.



Marty Rawls

Chief Financial Officer

School District Five of Lexington & Richland Counties

office: 803.476.8130

www.lexrich5.org



Pursuing Excellence for Tomorrow's Challenges

 **Exhibit.pdf**
2149K

School District Five of Lexington and Richland Counties
Report of Minority Business Expenditures
FY 2020-2021

<u>SC Certified Minority Vendors</u>	<u>Total Expenditures</u>
Alphavets	12,506.16
AOS Specialty Contractors, Inc.	8,603.50
C C & I Services, LLC	7,547.20
Chao and Associates	10,325.00
Chief Services and Security Solutions	9,306.72
Crossroads Environmental, LLC	3,978.35
DMS Printing and Promotional	395.28
Glory Painting Company, LLC	99,085.50
Lorick Office	6,959.76
Musical Innovations, LLC	23,850.51
Quintech Solutions, Inc.	237,289.86
Shred With Us, LLC	2,545.38
Total	422,393.22

Minority Vendors used by Thompson Turner

SC Certified

Childs Elite	21,400.00
Rabon Enterprises	9,500.00
Total	30,900.00

Minority Vendors used by Contract Construction

SC Certified

Middleton's Painting	\$144,757.50
Total	\$144,757.50

Non-SC Certified Minority Vendors

Thompson & Little, Inc.	9,374.25
Total	9,374.25

School District Five of Lexington and Richland Counties
Sole Source Procurements
FY 2020 - 2021

<u>Vendor</u>	<u>Description</u>	<u>Total Amount</u>
CSX	Annual fee to maintain RR crossing at the IHS practice field	\$5,722.39
Palmetto Controls, Inc.	Services to proprietary HVAC control systems	\$49,258.02
Mobile Communications	SEON cameras and equipment for state buses	\$112,156.00
Rock Communication, LLC	Authorized local dealer for the purchase and repair of Kenwood land/mobile radios for state buses	\$8,562.02
Austin Drilling	Test and repair irrigation pump and motor if needed at CMS to avoid voiding the warranty on other new parts.	\$8,749.00
EduTek Solutions, LLC	Powerschool integrated 1 to 1 Plus Software for technology asset management, device assignments and help desks.	\$16,767.00
Rock Communication, LLC	Radio Tower Fees	\$23,220.00
Project Lead The Way Inc	Customized new Principles of Biomed curriculum	\$6,667.00
Project Lead The Way Inc	Customized new Computer Science & Engineering curriculum	\$6,047.75
Project Lead The Way Inc	Customized new Principles of Biomedical Sciences curriculum	\$4,250.00
Phillips Corpration	Only authorized seller of HAAS CNC and training software in region	\$41,738.75
Palmetto Controls, Inc.	Integrate exterior lighting system into existing energy maintenance system at CHS	\$12,610.00
PASCO	Replacement parts for proprietary PASCO lab equipment	\$7,005.89

Total \$302,753.82

School District Five of Lexington and Richland Counties

Minority Vendor Utilization

FY 2020 - 2021

Section 11-35-5240 includes goals for spending with Minority Businesses of at least 10% of the District's total dollar amount of funds expended. "Total dollar amount of **funds** expended" is defined as the total dollar amount in which the District has discretion or influence in the selection of a private vendor. Following the State's guidance, expenditures in general ledger accounts for the following charges are excluded from the total dollar amount of funds expended.

Payroll	Dues and Memberships
Fringe	Insurance
Travel (Travel agency expenditures are included)	Medical Services-Professionals
Library Books	Medical Services-Institutions
Textbooks	Tuition
Postage	Fuel/Transportation
Utilities	Interest
Communication Services - Telephone	Payments to Governmental Entities
Cell Phone Service	Audit Fees
Freight, Express, Delivery	Data Processing Services
Motor Vehicles	Interest
Land	Petty Cash

Also, excluded are:

Payments to public entities,
Payments to vendors on Statewide and District contracts,
Payments to vendors based on a Sole Source justification,
Payments to vendors based on an Emergency justification,
Payments to vendors exceeding \$10,000 that have been competitively solicited or quotes were solicited.

In FY 2020 - 2021, the District's minority business utilization rate was 5.7%. The total dollar amount of funds expended was \$7,825,761.22 and minority vendor expenditures were \$442,393.22.

School District Five of Lexington and Richland Counties
Emergency Procurements
FY 2020 - 2021

<u>Vendor</u>	<u>Description</u>	<u>Total Amount</u>
Amplified IT, LLC	Subscription needed to effectively conduct live instruction and virtual meetings	\$46,353.60
The Fitts Company Inc	Custom desk shields needed districtwide before schools opening	\$12,784.76
Macgruder Window Coverings, Inc.	Curtains needed districtwide before schools open	\$12,961.07
Screencastify	Unlimited licence for video lesson planning,etc. needed before schools	\$15,750.00
Summit Lockers Inc.	Additional desktop shields needed	\$15,487.00
Trane U.S. Inc.	HVAC system down at IES needed replacement	\$12,800.00
Trane U.S. Inc.	HVAC system down at IHS & rental needed until replacement arrives	\$15,919.20
United Chemical & Supply	Biotab7 disinfectant needed to sanitize schools before opening	\$65,864.06
Interstate Solutions, Inc.	Electrostatic sprayers needed to sanitize schools more thrououghly and in less time	\$3,816.72
Thyssenkrupp Elevator Corp	Repair of elevator with CLC Upgrade at CHS	\$12,350.00
P&S Construction Co. Inc.	Repair of waterline at CMS	\$3,352.58
Troxell Communications, Inc.	Chromebook cases for elementary virtual students. Current contract vendor lead time is at least 6 months for delivery. Troxell can deliver in 4-6 weeks.	\$126,977.77
Sunbelt Rentals	Portable spot coolers at DFES for down HVAC unit	\$10,882.72

Total **\$355,299.48**