

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF  
LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
FOR THE YEAR ENDED  
JUNE 30, 2006**

**PREPARED BY:**

**The Office of Fiscal Services  
Lexington County School District One**



**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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November 3, 2006

**To the Board of Trustees and Citizens of Lexington County School District One**

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 by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Lexington County School District One (the District) for the fiscal year ended June 30, 2006.

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, management of Lexington County School District One 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, Lexington County School District One's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The single audit section contains the schedule of expenditures of federal awards and the auditors' reports on the internal control structure and compliance with applicable laws and regulations.

Lexington County School District One's financial statements have been audited by Burkett, Burkett, & Burkett, C.P.A, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2006, 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 an unqualified opinion that Lexington County School District One's financial statements for the fiscal year ended June 30, 2006, 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 Lexington School District One 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 compliance section of this comprehensive annual financial report.

GAAP require 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 MD&A and should be read in conjunction with it. Lexington County School District One's MD&A can be found immediately following the report of the independent auditors.

### **Profile of Lexington County School District One**

Lexington County School District One is widely recognized as a leader in education. The District was established in 1952 by the consolidation of 23 existing school districts. The District is located in the central part of Lexington County, South Carolina (the County) that is located in the north central section of the State. The District is bounded on the north by Lake Murray and the Saluda River, on the east by Lexington County School Districts Nos. 2 and 4 of the County, on the south by the North Edisto River and on the west by Lexington County School District No. 3 of the County. The District encompasses a land area of approximately 360 square miles. The District lies within the Metropolitan Statistical Area ("MSA") of the City of Columbia, capital of the State of South Carolina.

Lexington County School District One is governed by a seven member Board of Trustees elected by the voters of the District. Board members are elected to four-year terms. Regular board meetings are held on the third Tuesday of each month and are open to the public. Guided by the policies of the Board of Trustees, the District provides a broad spectrum of elementary and secondary programs to meet the needs of its 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 below from the strategic plan, was developed by a committee of citizens and school district personnel; and was adopted by the Lexington County School District One Board of Trustees.

### **Mission**

The mission of Lexington County School District One — *where caring people, academics, the arts and athletics connect* — is to enable our students to be thinking, productive, responsible citizens in the global, competitive 21<sup>st</sup> century.

Therefore, we will work to create a high-performance learning culture that sets high expectations for every student and provides the environment, instruction and support necessary to ensure that our students are learning and meeting rigorous standards.

### **Vision**

Lexington County School District One graduates will be *self-directed, collaborative, creative and caring learners* who will flourish in the global, competitive 21<sup>st</sup> century.

Therefore, we will have a high-performance learning culture in which:

- Our students are engaged in high-quality learning.
- All stakeholders accept collective responsibility for the learning of our students.
- Each student receives the personal support necessary to reach his or her goals.
- All staff members are advocates for students and work to eliminate any barriers to learning.

Programs are currently offered to over 20,193 students, pre-kindergarten through grade 12, in seventeen primary, elementary and/or middle schools, four high schools, a technology center, and an alternative-learning center. A balanced literacy program is offered for students in all primary and elementary schools. This program ensures that all aspects of reading and writing receive appropriate emphasis and helps students become critical thinkers, independent problem solvers, self-monitors, self-evaluators, and goal setters. Active learning strategies in each of the core subject areas promote enhanced learning opportunities for all students. Academic advancement and enrichment are provided for academically gifted and talented students in grades three through five through “pullout classes” where thematic units of instruction are presented in an interdisciplinary approach, which emphasizes science, social studies and technology. Sixth grade gifted and talented students are served through a differentiated curriculum in social studies. An accelerated program for advanced students in mathematics and language arts is offered for students in grades five through seven. Pre-Algebra is offered in grade seven. Algebra I, English I, and Level I of foreign language courses are also offered to accelerated grade eight students. High schools offer a variety of high level and honors level courses in addition to Advanced Placement courses in Chemistry, Calculus AB and BC, Statistics, Computer Science, English, Biology, U.S. History, European History, Foreign Language, Studio Art, and Physics. An International Baccalaureate Program (IB) located at Lexington High School began in the 2006-2007 school year.

In addition to the regular curriculum offerings in the fine and performing arts (including the award-winning band and orchestra programs for which the District is so well known), a summer program for middle school students in the Tri-District Arts Consortium is held in cooperation with other area school districts. This program provides additional stimulation for artistically gifted and talented students in band, orchestra, vocal performance, drama, visual arts, dance and creative writing. After-school programs for students gifted in these areas are available through auditions in grades five through eight. A summer enrichment program, Summer Safari, with classes in the academics and the arts, is offered for students in kindergarten through grade five.

Child development classes provide pre-school educational experiences for four-year-old children who need an intervention program to prepare them for school. A full day program is available for all five-year-old kindergarten students. In grades kindergarten through twelve, academic assistance is provided to students who need more instruction or re-teaching of the basic skills areas of language, mathematics, science and social studies. Students in grades nine through twelve are offered a course recovery summer school program to make up for failed classes. Students in grades three through eight qualifying for academic assistance also receive additional assistance through before and after school programs and/or summer school programs offered at each school. Six schools in the district are identified as Title One and provide services for high percentages of at-risk students.

Special Education programs are provided for all students who meet the criteria for the thirteen recognized areas of disability with transportation provided where needed. Itinerant, resource, and self-contained models are utilized across Lexington County School District One. High schools also offer transition services, which provide an interface between school and post-secondary opportunities. Homebound instruction is provided for students who are unable to attend school due to documented medical concerns. An alternative learning center is also provided for middle and high school students who have displayed severe discipline problems.

Career and Technology courses are available to high school students at their home school and through the Lexington Technology Center where they may attend for one to two instructional blocks each day. Students may receive credit in various applied technology courses or may specialize in multiple course sequences in Business Education, Marketing Education, Health Occupations, or other occupational areas. High school courses are also offered through a Virtual School, LexOne.

The District is a leader in foreign language instruction. Students in grades two through six receive instruction in Spanish, French, or German in all elementary and middle schools. Students may choose to continue to study the same language in grade seven or explore another language. The exploratory program in grade seven provides students with introductory instruction in Latin, German, French, or Spanish. Grade eight students may enroll in high school credit foreign language courses. Partial immersion programs in Spanish or French in kindergarten began at three elementary schools in the 2006-2007 school year.

In addition to the previously noted programs and accomplishments, Lexington County School District One continues to offer extensive professional development related to interactive, hands-on teaching. Technology is infused into the instructional program in all schools (K-12).

The annual budget for the general fund serves as the foundation for the District's financial planning and control. All schools and departments of Lexington County School District One are required to submit requests for appropriation to the district's management by the last day of February each year. The District's management uses these requests as the starting point for developing a proposed budget. The District's management then presents this proposed budget to the Lexington County School District One Board of Trustees for study and review by April 30. The Board of Trustees is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the District's fiscal year. The appropriated budget is prepared by function (e.g., student instruction), object (e.g., supplies), school and department (e.g., Lexington High School). School principals may request transfers of appropriations within their school. Transfers of appropriations, however, require the special approval of the District's superintendent and must be reported to the District's Board of Trustees for their review and acceptance. Budget-to-actual comparisons are provided in this report for the general fund on page 39 as a part of the basic financial statements.

All funds and account groups of Lexington County School District One and its component units that are controlled by this governing body, and are considered to be the "reporting entity" are included in this report. The Lexington County School District No.1 Educational Foundation, Lexington One School Facilities, Corp. and Lexington School Facilities, Inc. are blended component units of the District's operations. Data from these units are combined with data of the District. The District does not have any primary units that are discretely presented. The Lexington County School District No. 1 Educational Foundation, Lexington One School Facilities, Corp. and Lexington School Facilities, Inc. are discussed further in the school district's MD&A.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Lexington County School District One operates.

**Local economy.** The District currently enjoys a favorable economic environment and local indicators point to continued stability. Lexington County School District One's location within the Columbia Metropolitan Statistical Area (the "Columbia MSA"), which consists of Richland County and Lexington County, and which had a 2000

population of 538,271 (the Columbia MSA has recently been expanded to include Calhoun, Fairfield, Kershaw, and Saluda Counties effective June of 2003), is economically significant. As a suburban school district near the state's capital City of Columbia, the largest city in the state, Lexington County School District One serves as a key residential community on and around the shores of Lake Murray that continues to attract upscale residential housing and associated commercial development.

Lexington County School District One had a population in calendar year 2000 of 87,547, a 65 percent increase over the 1990 population of 52,941. The estimated population of the District as of June 30, 2006 was 108,307. As the population continues to increase, the economy of the community continues to change from one traditionally based on agriculture and manufacturing to an economy based upon retail business, service businesses, manufacturing and, to a lesser extent, agriculture.

Located within the county are a number of major manufacturing enterprises that help to provide a stable economy for Lexington County School District One. The larger enterprises include Michelin North America, Inc., UPS, US Foodservice, Honeywell International, Inc., Harsco Track Tech, Columbia Farms, Inc., Cooper Tools, Union Switch & Signal, Inc., Pirelli Cable & Systems North America, Solectron, SMI Steele-South Carolina, SMI Joist South Carolina, and others.

From 2000 through 2005 Lexington County attracted capital investments totaling approximately \$784,238,948 that added 5,231 new employment opportunities. Based on current projections, long-term economic growth is expected to continue in Lexington County and Lexington County School District One. In fiscal year 2005-2006, Home Depot, 84 Lumber, Wal-Mart, and Target have either opened new or additional stores in the District or are building stores to open soon. This economic growth will continue to be under-girded by rapid residential growth and the demand for excellent educational services.

In 2004, the last year for which information was available, Lexington County's per capita personal income was \$31,282, ranking it third among the 46 counties in the state in per capita personal income. The state per capita income for this same period was \$27,185, and in the United States was \$33,050. The unemployment rate for Lexington County for June, 2006 was 5.1 percent, the fourth lowest in the state for that month. For fiscal year 2006, according to the South Carolina Employment Security Commission, Labor Market Information Division, the average unemployment rate in the county was 4.77 percent. The state and national unemployment rates for the same period were 6.68 percent and 4.83 percent, respectively. Lexington County's labor force has grown from 127,980 in June, 2005 to a labor force of 130,100 in June, 2006.



**Long-term financial planning.** As evidenced by the financial statements contained in this report, capital projects are one of the main areas of focus in financial planning. During the last fifteen years, Lexington County School District One has renovated its four oldest schools, built eight new schools and added a major addition to Lexington Middle School to address the rapid growth in student enrollment. The four oldest schools, Gilbert High School (now Gilbert Elementary), Pelion High School (now Pelion Middle School), Lexington Middle School, and Lexington Intermediate School were renovated at a total cost of \$5,170,643. The expansion of Lexington Middle School with a 43-classroom addition cost \$4,967,000. New schools built by the district include three new high schools (White Knoll High School, Pelion High School and Gilbert High School), two new middle schools (White Knoll Middle School and Gilbert Middle School) and four new elementary schools (Saxe Gotha Elementary School, Midway Elementary School, and Lake Murray Elementary School) at a total cost of \$93,306,672. In August 2002 a new Gilbert High School, costing \$19,927,239, was opened on a new 42-acre site located near the Town of Gilbert. Also, construction of a new 48-classroom addition at Lexington High School was completed and occupied with the opening of school in August 2004. Renovations to the rest of Lexington High School were completed in fiscal year 2004-2005 at a contracted cost of \$17,337,399. In March, 2006 a contract in the amount of \$13,150,885 was awarded for the construction of a competition gym and 2,000 seat auditorium at Lexington High School. These facilities are scheduled for completion during fiscal year 2006-2007.

In fiscal year 2002-2003, Lexington County School District One retained The Education Group, Inc., a private consulting firm, to complete a study of student growth and facility capacity within the district. After completion, that study was reviewed by a committee of approximately 55 citizens who recommended to the Lexington County School District One Board of Trustees a new five-year capital improvement plan for consideration. The plan, approved by the Board on February 17, 2004, called for a school bond referendum to help finance the construction of five new schools and renovations at all of the other schools in the District. Total projected cost of the plan from bond referendum funds was \$113,000,000 for new schools and classroom renovations and an additional \$5,000,000 for a new football stadium at White Knoll High School in addition to the renovations of the District's other three football stadiums. The plan, as recommended by the citizens committee, also recommended that a one-cent sales tax be approved as a credit against property taxes for citizens in Lexington County. Both the \$118,000,000 school bond question and the one-cent sales tax for property tax relief were included on the ballot in the November, 2004, General Election. The citizens of Lexington School District One approved the \$118,000,000 bond referendum with more than a two-thirds favorable vote. The one-cent sales tax to be credited against the property tax bills for citizens in Lexington County was also approved by an approximate two-thirds favorable vote.

The property tax relief legislation was expected to provide approximately \$25,000,000 in property tax relief to the citizens of Lexington County when fully implemented. Tax from the one-cent was implemented effective April, 2005, the second quarter of the

calendar year. In October 2005 when tax bills were prepared to be mailed to citizens of the county, two quarters of the tax totaling \$13,147,020.84 had been collected. From those collections the taxpayers of Lexington County School District One received a credit of \$96.10 per \$100,000 of property value on their property tax bills to offset property tax to be paid for school debt service. Tax collections through June 30, 2006 for the previous three quarters totaled \$25,838,147.04 and are estimated to be at least \$33,338,147.04 for the four quarters that were included on property tax bills sent to taxpayers in October 2006. For taxpayers of Lexington County School District One, the credit on their tax property tax bills for 2006 was \$226.89 per \$100,000 of property value. Tax collections since the one cent sales tax was imposed have exceeded the projections anticipated at the time the property tax relief legislation was passed. Proceeds from the one-cent sales tax are allocated to Lexington County citizens in each of the five school districts based on the average daily membership of each school district and the population of each school district.

The \$118,000,000 bond referendum and \$93,645,000 in installment revenue bonds financed through the District's constitutional debt limitation have been combined, as was planned, to provide funding for the District's five-year building plan projected to cost about \$212,000,000. Included in the plan was the construction of three new elementary schools and two new middle schools. Two of these schools, Pleasant Hill Elementary School and Pleasant Middle School, opened in the Lexington attendance area in August, 2006. Two more, Carolina Springs Elementary and Carolina Springs Middle School in the White Knoll attendance area, are scheduled to open in fiscal year 2007-2008. In fiscal year 2008-2009, two new elementary schools are planned for opening, one in the Pelion attendance area and one in the Lexington attendance area. The new school planned for fiscal year 2008-2009 in the Lexington attendance area was not included in the original building plan when the referendum was passed in 2004. Because of growth greater than projected in the Lexington attendance area, this elementary school was added by the Lexington County School District One Board of Trustees. Each elementary school will be designed to accommodate approximately 700 students and each middle school approximately 1,000 students. Renovations to the District's older schools include improving safety in the schools, updating technology, providing adequate classroom space, painting, carpeting, H/VAC, electrical, roofing, paving, parking, furniture, and site improvements.

In keeping with the District's five-year capital improvement plan, the Board approved on September 21, 2004, the purchase of 47.134 acres of land on Platt Springs Road for the construction of Carolina Springs Middle School in the White Knoll attendance area. The land was purchased at a cost of \$14,710 per acre with a total purchase price of \$693,341. On April 19, 2005, the Board approved the purchase of 40 acres of land on Platt Springs Road for the construction of Carolina Springs Elementary School in the White Knoll attendance area. The land, a combination of two parcels of .93 acres and 39.55 acres, was purchased for a total price of \$819,675. The Board has also purchase 28.582 acres of land at a cost of \$285,820 on Calks Ferry Road for a new elementary school and 37.888 acres of land on Old Cherokee Rd. at a cost of \$2,070,984 for the additional school planned in the Lexington attendance area.

On June 21, 2005, the Board approved a contract for the construction of a new 58 classroom middle school on Rawl Road at a contract cost of \$14,128,475. The Board also approved on July 26, 2005 a contract for the construction of a new 38 classroom elementary school on this same site at a contract cost of \$9,424,794. These schools, Pleasant Hill Middle and Pleasant Elementary, opened in fiscal year 2006-2007. They are the first two of five schools that were approved to be built as a part of the \$118,000,000 bond referendum approved by the public in November, 2004.

**Cash management policies and practices.** The District pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing and investing available cash balances. Cash temporarily idle during the year was invested in the South Carolina Local Government Investment Pool. The average yield on investments was 4.19 percent. Interest income was limited due to recent market trends. The amount of interest earned for the general fund was \$1,375,460.

At the end of each business day, collected balances in the District's operating bank accounts are deposited into a SWEEP account. These funds are invested in securities according to state law and under the terms of an overnight repurchase agreement.

**Risk management.** Lexington County School District One is a member of the South Carolina School Boards Insurance Trust. The insurance trust, administered by The South Carolina School Boards Association for member school districts in South Carolina who wish to join, provides a comprehensive risk management program that includes loss analysis, safety programs, policy design and coverage premiums, and advice to participating school districts on general risk issues. Settled claims resulting from these risks have not exceeded coverages in any previous policy years.

**Pension and other post employment benefits.** Lexington County School District One employees may elect to participate in the South Carolina Retirement System, which is a division of the South Carolina State Budget and Control Board. The Retirement System administers five public pension plans of which four are defined contribution plans and one is a defined benefit plan. Currently, the majority of the District's employees are participants in the defined benefit plan.

The Retirement System's defined benefit plan offers retirement and disability benefits, cost of living adjustments, life insurance and survivor benefits. The plan's provisions are established under Title 9 of the South Carolina Code of Laws. Comprehensive Annual Financial reports containing financial statements and required supplementary information for the System are issued and publicly available by request from the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

## **Awards and Acknowledgements**


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lexington County School District One for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2005. This was the eleventh consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

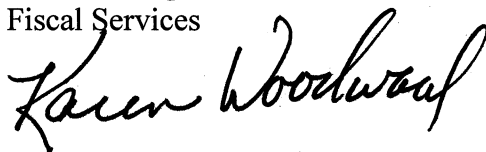
In addition, the District was also awarded The Association of School Business Officials International Certificate of Excellence in Financial Reporting for the comprehensive annual financial report for the fiscal year ended June 30, 2005. This award is the highest form of recognition in school financial reporting issued by the Association of School business Officials International (ASBO). Nationwide, approximately 300 school systems currently hold Certificates of Excellence that are present on a yearly basis. The District is pleased to be among this elite group. We believe our current CAFR continues to meet the Certificate of Excellence in Financial Reporting program's requirements and we are submitting it to the ASBO to determine its eligibility for the award.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Fiscal Services Department. We would like to express our appreciation to all members of the Department who assisted in the timely closing of the District's financial records and the preparation of this report. We also acknowledge and thank the other District departments for their assistance in the presentation and preparation of data for this report.

Respectfully submitted,

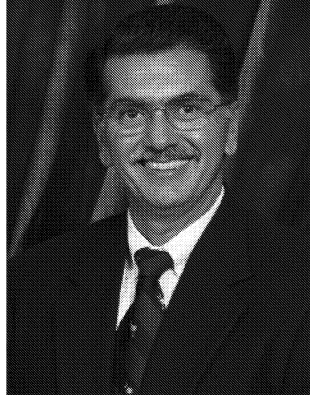


Karl E. Fulmer, Ed.D.  
Assistant Superintendent  
Fiscal Services



Karen C. Woodward, Ed.D.  
Superintendent

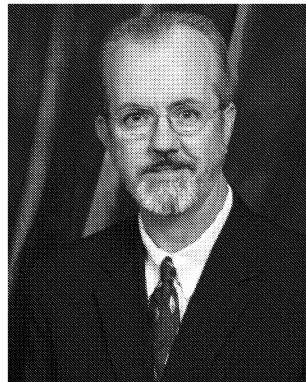
# Lexington One Board of Trustees



Albert "Bert" J. Dooley Jr.  
Chair



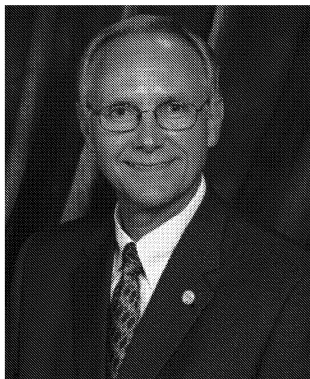
Kay P. Coker  
Vice Chair



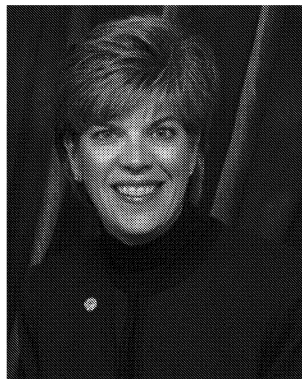
G. Edwin Harmon, Ph.D.



P. Ron Quinn



D.F. "Frank" Shumpert III  
Secretary



Cynthia S. Smith



Dr. Diane Summers

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LIST OF PRINCIPAL OFFICIALS  
FOR THE YEAR ENDED JUNE 30, 2006**

**Lexington County School District One Board of Trustees**

**Albert "Bert" J. Dooley, Jr., Chair**

**Kay P. Coker, Vice-Chair**

**D. F. "Frank" Shumpert, III, Secretary**

**G. Edwin Harmon, Ph.D, Member**

**P. Ron Quinn, Member**

**Cynthia S. Smith, Member**

**Dr. Diane Summers, Member**

**Lexington County School District One Senior Leadership Team**

**Karen C. Woodward, Ed.D., Superintendent**

**Joe Bedenbaugh, Assistant Superintendent for Administration**

**Wayne Brazell, Ph.D., Assistant Superintendent for Instructional Services**

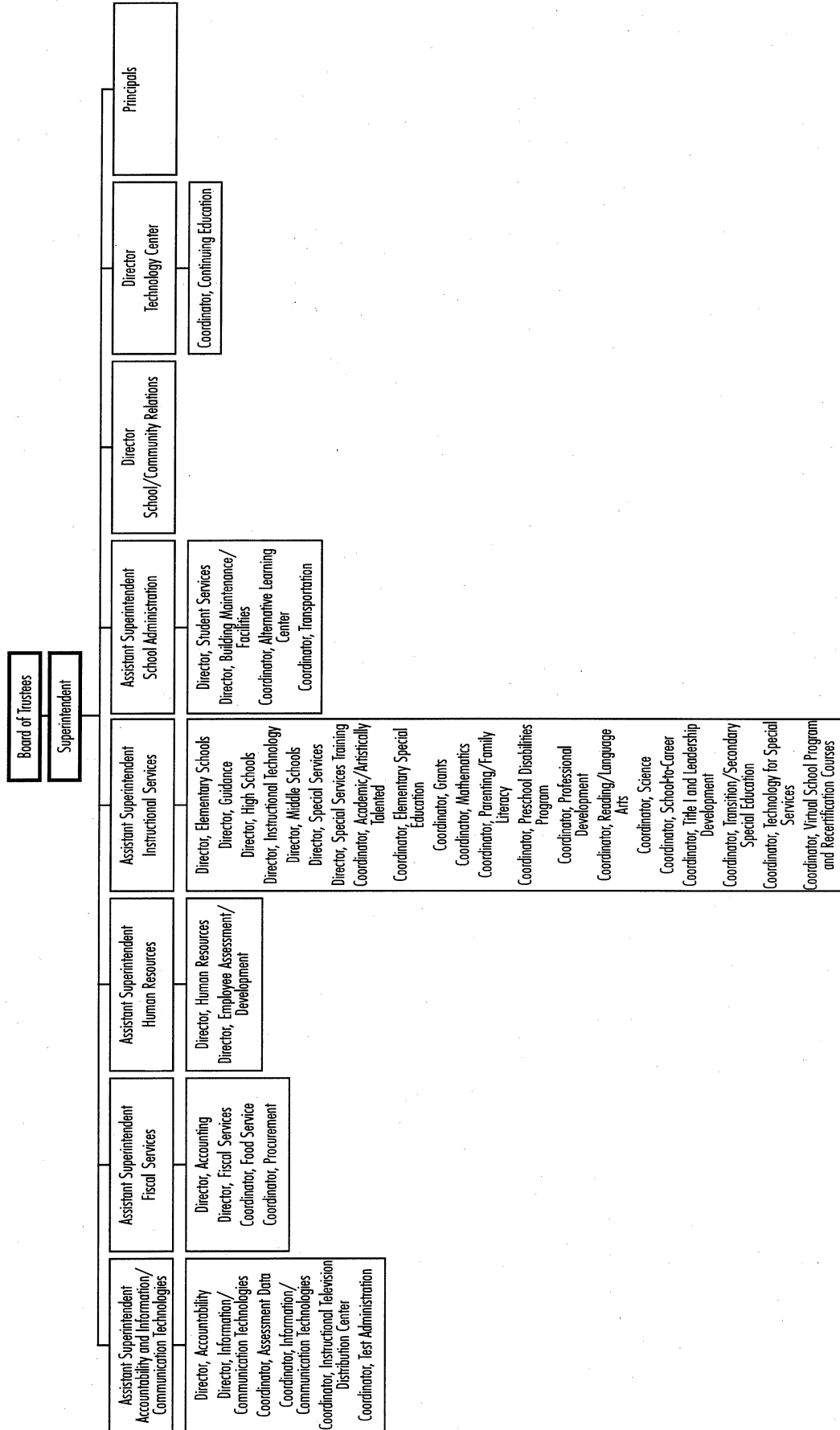
**Karl E. Fulmer, Ed.D., Assistant Superintendent for Fiscal Services**

**Jeffrey K. Platenberg, Assistant Superintendent for Accountability and  
Information/Communication Technologies**

**Mary Beth Hill, Director of School Community Relations**

**Mary Walker, Assistant Superintendent for Human Resources**

# Lexington County School District One Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lexington County  
School District One  
South Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Interim Executive Director

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**BURKETT,  
BURKETT & BURKETT**

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Lexington County School District One  
Lexington, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of Lexington County School District One, as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the Lexington County School District One, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2006, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**OFFICERS**

DONALD H. BURKETT, CPA  
WILSON H. BURKETT, CVA, CPA  
ROBERT L. CUMMINGS, JR., CPA  
HARVEY C. HEISE, CPA

**LEXINGTON OFFICE**

MARK J. HENDRIX, CPA  
EXECUTIVE VICE PRESIDENT

**CPAS**

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AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC  
ACCOUNTANTS

SC ASSOCIATION  
OF CERTIFIED PUBLIC  
ACCOUNTANTS



**ST. COLUMBIA OFFICE**

38 SUNSET BOULEVARD  
POST OFFICE BOX 2044  
ST. COLUMBIA, SC 29171  
803-794-3712  
FAX 803-739-4394  
TOLL FREE 800-896-9780



**OTHER OFFICES**

LEXINGTON  
ROCK HILL  
SUMTER

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America.

We have applied certain limited procedures, which consisted principally of inquiries management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Lexington County School District One. The combining and individual non-major fund financial statements and schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Burkett Burkett & Burkett**  
Certified Public Accountants, P.A.  
West Columbia, South Carolina

September 30, 2006

**Lexington County School District One  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006**

The management of Lexington County School District One presents to the readers of these financial statements this discussion and analysis of the District's financial activities for the fiscal year ended June 30, 2006. We encourage the reader to consider the information presented in this analysis in conjunction with additional information we have furnished in our letter of transmittal, in the financial statements and in the notes to these statements to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The District sold \$96,250,000 in general obligation bonds and \$18,495,000 in general obligation advanced refunding bonds. Further explanation of these issues can be found in the Long-term Debt section of this analysis and in the letter of transmittal.
- One of the District's component units, Lexington One School Facilities, Corp. sold \$93,645,000 in installment purchase revenue bonds. Further explanation can be found in the in the Long-term Debt section of this analysis and in the letter of transmittal.
- The assets of the Lexington County School District One exceeded its liabilities by \$124,903,252 at June 30, 2006. The assets for the District's governmental activities exceeded liabilities by \$121,037,169. Of this amount, \$1,061,246 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$157,435,877, an increase of \$127,252,886. Of this amount \$12,566,603 is available for spending at the government's discretion. The total increase in fund balance differs from the net change in fund balance of \$127,262,327 for governmental funds to due an unrealized loss on investment in the Permanent Fund of \$9,441.
- At the end of the current fiscal year, the general fund unreserved fund balance was \$12,348,217, or 9.62 % of total general fund expenditures.
- The District's governmental funds reported total revenues of \$176,918,733 and total expenditures of \$262,319,833. Of these amounts the District's general fund reported revenues of \$132,995,118 and expenditures of \$128,296,087. The District also reported transfers to and from other funds. For the general fund, \$4,024,613 was transferred in from other funds and \$8,275,302 was transferred out to other funds.
- The District's total net capital assets increased by \$58,960,952. This can be attributed to the purchase of land for a new Lexington area elementary school as well as the continuing construction and renovations projects at various sites in the District. A full discussion of these projects can be found in the Capital Assets section of this analysis.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Lexington County School District One's basic financial statements, which consist of three parts -- *government-wide financial statements, fund financial statements, and notes to the financial statements*. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's overall financial status, in a manner similar to a private-sector business. This includes two kinds of statements, the Statement of Net Assets and the Statement of Activities, which are described below.

The *Statement of Net Assets* presents information on all the District's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of 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, community services and intergovernmental activities. The District's food service operation is reported as a business-type activity.

The government-wide financial statements include not only the District itself (known as the primary government), but also component units. The component units include Lexington County School District No. 1 Educational Foundation, Lexington School Facilities, Inc. (LSF, Inc.) and Lexington One School Facilities, Corp. (LOSF, Corp). All three are not-for-profit corporations for which the District is financially accountable. All three are considered "blended" component units and are reported as governmental activities of the district.

The government-wide financial statements can be found on pages 33-34 of this report.

**Fund financial statements.** The remaining basic financial statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide 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 requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 nine 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 projects fund, EIA fund, debt service fund - District, debt service fund – LOSF, Corp., capital projects fund – District and capital projects fund – LOSF, Corp., all of which are considered to be major funds. Information is also presented for the debt service fund – LSF, Inc., also a major fund, in the statement of revenues, expenditures, and changes in fund balances, but not in the governmental fund balance sheet since there was no beginning or ending assets, liabilities or fund balance to present. The District accounts for the Lexington County School District No. 1 Educational Foundation. This is considered a permanent fund and is a nonmajor fund. The individual fund data for it are provided in a separate column. The basic governmental fund financial statements can be found on pages 35-38 of this report.

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.

**Proprietary fund.** The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its food service operation. The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail; therefore, the proprietary fund financial statements provide more detailed information for the food service operation, which is

considered a major fund of the District. The basic proprietary fund financial statements can be found on pages 40-43 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the pupil activity of the schools and accounts for this activity in an agency fund. The basic fiduciary fund financial statements can be found on page 44 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to 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 45-69.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a comparison of the District's budget for the year and other supplementary information schedules required either by the State Department of Education, the certificate of achievement program of the Government Finance Officer's Association, or the certificate of excellence program of the Association of School Business Officials.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$124,903,252 at June 30, 2006

As follows, Table I provides a summary of the District's net assets for fiscal years 2005 and 2006 and Table II shows the changes in net assets for fiscal years 2005 and 2006.



**Table I**  
**Lexington County School District One**  
**Condensed Statement of Net Assets**

	Fiscal Year 2006			Fiscal Year 2005		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
<b>Assets</b>						
Current and other assets	\$ 189,665,271	\$ 3,505,572	\$ 193,170,843	\$ 62,973,867	\$ 2,209,021	\$ 65,182,888
Capital Assets	241,820,720	884,201	242,704,921	182,837,827	906,142	183,743,969
Total assets	431,485,991	4,389,773	435,875,764	245,811,694	3,115,163	248,926,857
<b>Liabilities</b>						
Long-term liabilities	274,171,294	-	274,171,294	121,422,625	-	121,422,625
Other liabilities	36,277,528	523,690	36,801,218	31,463,821	497,504	31,961,325
Total liabilities	310,448,822	523,690	310,972,512	152,886,446	497,504	153,383,950
<b>Net Assets</b>						
Invested in capital assets, net of related debt	112,247,430	884,201	113,131,631	62,381,545	906,142	63,287,687
Restricted Unrealized Holding Gain ( Loss)	7,737,934 (9,441)	- -	7,737,934 (9,441)	18,561,221 -	- -	18,561,221 -
Unrestricted	1,061,246	2,981,882	4,043,128	11,982,482	1,711,517	13,693,999
Total net assets	\$ 121,037,169	\$ 3,866,083	\$ 124,903,252	\$ 92,925,248	\$ 2,617,659	\$ 95,542,907

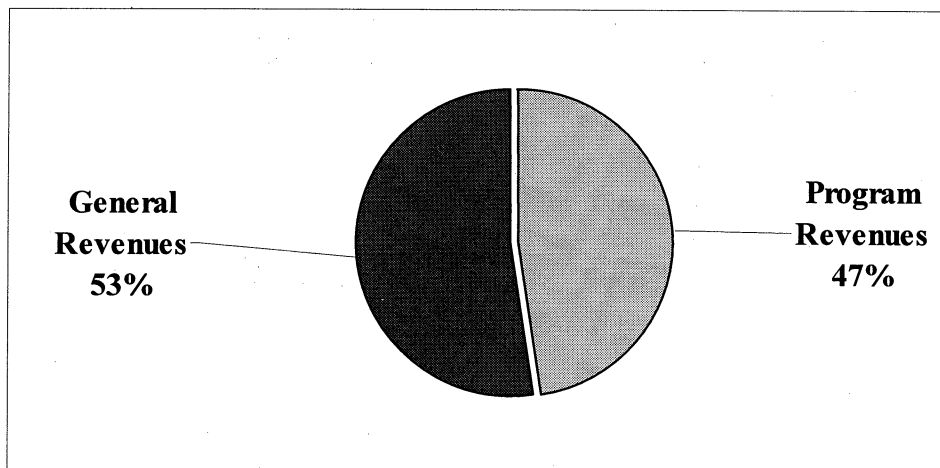
**Table II**  
**Lexington County School District One**  
**Change in Net Assets**

	Fiscal Year 2006			Fiscal Year 2005		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business- type Activities	Total
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 593,003	\$4,900,080	\$ 5,493,083	\$ 811,489	\$ 4,437,466	\$ 5,248,955
Operating grants & contributions	83,722,589	3,241,301	86,963,890	76,841,869	2,699,398	79,541,267
General Revenues:						
Property taxes	77,498,370	-	77,498,370	65,597,320	-	65,597,320
Federal & state aid	11,667,171	-	11,667,171	11,204,712	-	11,204,712
Other	4,433,544	7,484	4,441,028	928,642	3,216	931,858
<b>Total Revenues</b>	<b>177,914,677</b>	<b>8,148,865</b>	<b>186,063,542</b>	<b>155,384,032</b>	<b>7,140,080</b>	<b>162,524,112</b>
<b>Expenses</b>						
Instruction	90,651,437	-	90,651,437	96,689,095	-	96,689,095
Support Services	49,494,561	-	49,494,561	52,177,877	-	52,177,877
Community Services	226,864	-	226,864	164,612	-	164,612
Intergovernmental	80,953	-	80,953	283,767	-	283,767
Interest & other charges	8,774,520	-	8,774,520	4,098,653	-	4,098,653
Food Service	-	7,465,421	7,465,421	-	7,081,179	7,081,179
<b>Total Expenses</b>	<b>149,228,335</b>	<b>7,465,421</b>	<b>156,693,756</b>	<b>153,414,004</b>	<b>7,081,179</b>	<b>160,495,183</b>
Increase in net assets before transfers	28,686,342	683,444	29,369,786	1,970,028	58,901	2,028,929
Transfers	(564,980)	564,980	-	(309,987)	111,989	(197,998)
Increase in net assets	28,121,362	1,248,424	29,369,786	1,660,041	170,890	1,830,931
Net Assets, July 1	92,925,248	2,617,659	95,542,907	91,234,000	2,446,769	93,680,769
Prior Period Adjustment	-	-	-	31,207	-	31,207
Accumulated Other Comprehensive Income	(9,441)	-	(9,441)	-	-	-
<b>Net Assets, June 30</b>	<b>\$ 121,037,169</b>	<b>\$3,866,083</b>	<b>\$124,903,252</b>	<b>\$ 92,925,248</b>	<b>\$ 2,617,659</b>	<b>\$ 95,542,907</b>

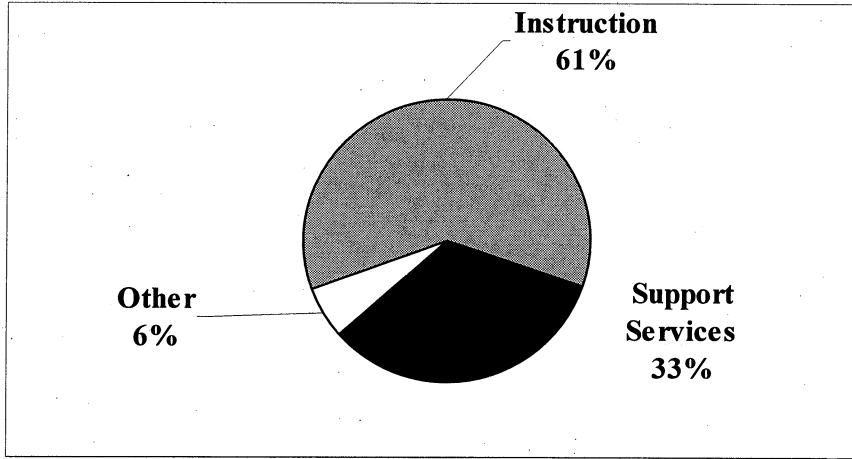
The District's expenses are primarily for instruction and support services that account for 61% and 33% of total governmental activities expenses, respectively. The instructional expenses predominantly account for salaries and benefits for teachers and instructional assistants. Support services expenses are mainly building renovations and additions, maintenance, utilities and pupil transportation salaries, benefits, contractual services and supplies.

**Governmental activities.** Governmental activities increased the District's net assets by 30.25%. Property taxes increased during the fiscal year due to an increase in assessed value as well as an increase in debt service millage. The District's capital improvements projects also contributed to this increase. State revenues increased as the State of South Carolina increased appropriations to school districts for the fiscal year. Tables III and IV that follow illustrate the District's Revenues by Source and Expenses by Function for fiscal year 2006.

**Table III  
Revenues by Source  
Governmental Activities**

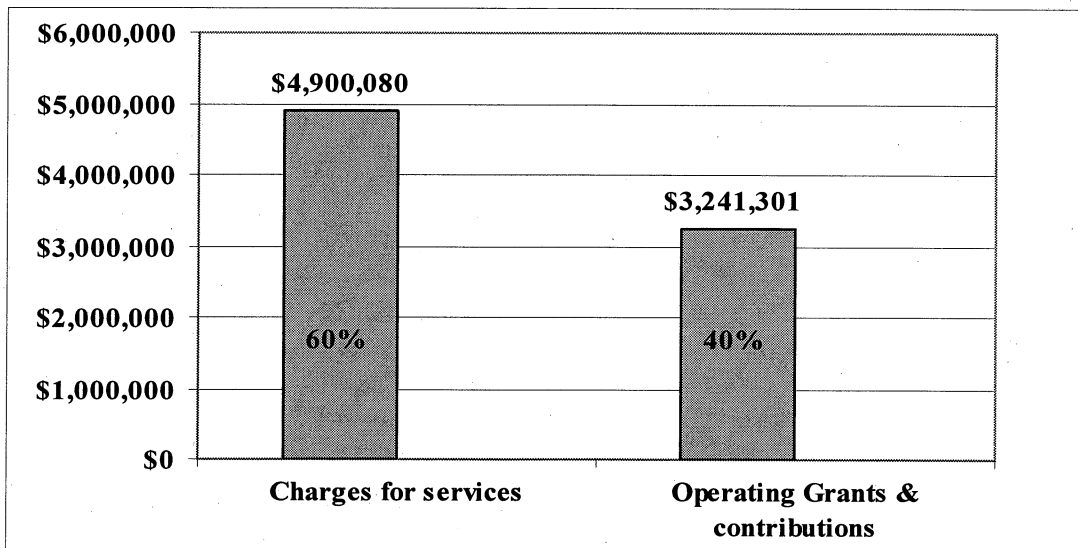


**Table IV  
Program Expenses by Function  
Governmental Activities**



**Business-type activities.** Business-type activities increased the District's net assets by \$1,248,424, or a 47.69% increase in the net assets for business-type activities. This is a result of an increase in student participation in the District's food service operation, an increase in USDA reimbursements and a one-time reduction in the amount of indirect costs paid to the District. The District's food service operation is the only business-type activity for the District. This operation receives no support from local tax revenues. Table V illustrates the program revenues by source for the food service operation.

**Table V  
Business-type Activities  
Program Revenues by Source**



**Overall Analysis.** Lexington County School District One continues to be one of the fastest growing school districts in the state of South Carolina. The District's tax base continues to grow. The District received more state funding as result of a better economic state outlook. The District continues to administer conservative budgeting practices and to address the needs of the growing student population by continually focusing on capital improvements plan and technology integration. With regards to the business-type activities, the District's Food Service program continues to improve participation with innovative marketing and creative point of sale techniques. The net assets of the district increased by \$29,360,345 or 30.73%. Therefore, the District's overall financial position has improved for the 2006 fiscal year.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds.** The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2006, the District's governmental funds reported a combined ending fund balance of \$157,435,877. The general fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance was \$12,348,217. The entire fund balance for the general fund was unreserved. The fund balance represents 9.62 % of total general fund expenditures.

The fund balance of the District's general fund increased by \$448,342 during the 2006 fiscal year. The key factors in this growth included:

- The District received \$803,671 more local revenue than budgeted and \$350,557 more state revenue than budgeted.
- District continued to be conservative in spending as evidenced by actual expenditures being less than budgeted by \$1,312,406.
- The District transferred \$3,000,000 to the capital projects fund to supplement funding of the capital projects plan.

The debt service fund-District had a total fund balance of \$6,128,655 all of which is reserved for the payment of debt service. The debt service millage increased by 17.2 mills to 59 mills.

The debt service fund-LOSF, Corp. had a total fund balance of \$6,377,322 all of which is reserved for payment of debt service related to the installment purchase revenue bonds.

The capital projects fund-District had a total fund balance of \$47,374,581 at June 30, 2006. The district's capital projects fund balance increased by \$30,721,437 from June 30, 2005. The issuance of \$96,250,000 in general obligation bonds for the District's on-going capital

projects plan is the sole reason for this increase. The expenditures for the fiscal year totaled \$49,354,721. It is anticipated that the remaining proceeds will be expended during fiscal year 2007.

The capital projects fund-LOSF, Corp. had a total fund balance of \$84,778,591. This is due to the issuance of \$93,645,000 in installment purchase revenue bonds to finance several of the projects which are part of the District's capital projects plan.

**Proprietary fund.** The District's only proprietary fund is the Food Service Fund. This program had increased net assets of \$1,248,424 for the fiscal year ended June 30, 2006. The District experienced an increase in student participation rates which resulted in increased sales and additional USDA reimbursements.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's general fund budget is prepared according to South Carolina law. The District did not amend the general fund budget for increases or decreases in total budget. A total of \$3,000,000 was transferred to the capital projects fund in anticipation of future capital improvement needs. Also, the District made minor categorical budget amendments during the year to ensure that expenditures were charged to the proper account codes as required by the South Carolina Department of Education.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The District's investment in capital assets at June 30, 2006 was \$241,820,720, net of accumulated depreciation. This investment in assets includes land, buildings, improvements other than buildings, construction in progress, and equipment. The total increase was \$58,982,893. The District is currently implementing its five year district-wide capital improvements plan with a projected cost of approximately \$212,000,000. Therefore, this fiscal year's increase can be attributed to the purchase of land for new schools in the Lexington and Gilbert areas, the additions and renovations projects at Lexington High School, Lexington Applied Technology Center, Oak Grove Elementary School, Pelion Middle School, Lexington Middle School, Pelion Elementary School, and Gilbert Elementary School, as well as the new buildings for the new Pleasant Hill Elementary and Middle Schools which opened in August 2006. Construction also began on two new schools in the White Knoll attendance area, Carolina Springs Elementary and Middle. These two schools are scheduled to open in August 2007. Preliminary design and construction work for the stadium projects of all four high schools also began during the fiscal year.

Table VI shows the District's capital assets, net of accumulated depreciation, as of June 30, 2005 and 2006:

**Table VI  
Capital Assets, net of accumulated depreciation**

	Governmental Activities		Business-type Activities		Total	
	FY 2006	FY 2005	FY 2006	FY 2005	FY 2006	FY 2005
Land	\$ 8,343,160	\$ 5,936,352	\$ -	\$ -	\$ 8,343,160	\$ 5,936,352
Buildings	144,021,004	147,378,728	-	-	144,021,004	147,378,728
Improvements	1,058,735	1,136,582	-	-	1,058,735	1,136,582
Equipment	4,122,954	3,534,188	884,201	906,142	5,007,155	4,440,330
Construction in progress	84,274,867	24,851,977	-	-	84,274,867	24,851,977
<b>Total</b>	<b>\$ 241,820,720</b>	<b>\$ 182,837,827</b>	<b>\$ 884,201</b>	<b>\$ 906,142</b>	<b>\$ 242,704,921</b>	<b>\$ 183,743,969</b>

Additional information on the District's capital assets can be found in Note 6 on pages 58-59 of this report.

**Long-term debt.** At June 30, 2006, the District had total general obligation debt outstanding of \$150,855,000. This is an increase of \$84,750,000 or 128.2% from the prior fiscal year. The general obligation bonds of the District's debt are backed by the full faith and credit of the District. The District also had total Certificates of Participation outstanding of \$15,290,000. This is a decrease of \$3,955,000 or 20.6% from the prior fiscal year. Due to the first time issuance of installment purchase revenue bonds by the District's component unit, LOSF, Corp., the District also shows outstanding debt of \$93,645,000 for this debt type. The District will annually sell general obligation bonds to make the installment payments on the LSF, Inc. debt. Table VII outlines the District's General Obligation Debt, Outstanding Certificates of Participation and Installment Purchase Revenue Bonds as of June 30, 2005 and 2006:

**Table VII  
Outstanding Debt**

	Governmental Activities		Increase (Decrease)	
	2006	2005	Total	Percent
General Obligation Bonds	\$ 150,855,000	\$ 66,105,000	\$ 84,750,000	128.2%
Certificates of Participation	15,290,000	19,245,000	(3,955,000)	-20.6%
Installment Purchase Bonds	93,645,000	-	93,645,000	N/A
<b>Total</b>	<b>\$ 259,790,000</b>	<b>\$ 85,350,000</b>	<b>\$ 174,440,000</b>	<b>204.4%</b>

State law limits the amount of general obligation debt a school district may issue to 8 percent of its total assessed valuation. However, the District is allowed by the law to exceed the legal debt limit of 8 percent if the citizens of the District approve such additional debt through a district-wide referendum. The 8 percent debt limit for the District at June 30, 2006 was \$26,247,912. Of that amount, \$15,850,000 has been issued leaving a legal debt margin of \$10,397,912.

The remaining general obligation debt outstanding represents debt authorized by a \$61,000,000 bond referendum approved by the voters on May 3, 1997 and an \$118,000,000 bond referendum approved by voters on November 2, 2004.

During fiscal year 2006 the district or its component unit issued the following debt:

- Series 2005A \$85,000,000 General Obligation Bonds and Series 2005B \$11,250,000 General Obligation Bonds. Both were issued to fund construction projects that are part of the \$118,000,000 million bond referendum.
- Series 2005C \$18,495,000 General Obligation Advanced Refunding Bonds issued to refund a portion of Series 1998 General Obligation Bonds which were originally issued as part a \$61,000,000 bond referendum.
- Series 2005 \$39,600,000 Installment Purchase Revenue Bonds and Series 2006 \$54,045,000 Installment Purchase Revenue Bonds. The bonds were issued to fund the construction of Carolina Springs Elementary and Middle Schools, a new elementary school, the additions at Pleasant Hill Elementary and Middle Schools, the renovations of Red Bank Elementary, Gilbert Primary, Lexington Intermediate and the stadium projects at each High School.

Additional information on the District's long-term debt can be found in note 9 on pages 64-66 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The average unemployment rate for Lexington County was 4.77% for the fiscal year ended June 30, 2006. The unemployment rate for June 2006 was 5.1% versus 4.9% for June 2005. Lexington County consistently has one of the lowest unemployment rates in the state of South Carolina. The average unemployment rate for the state and nation over the same fiscal year was 6.68% and 4.83%, respectively.

The District's general fund budget for fiscal year 2007 was approved by the Board of Trustees in June 2006. This budget was approved for \$148,170,078, an increase of \$10,265,935 or 7.4%, from the previous year.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Fiscal Services, Lexington County School District One, P. O. Box 1869, Lexington, South Carolina 29071.



# **BASIC FINANCIAL STATEMENTS**

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**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2006**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 61,518,427	\$ 55,612	\$ 61,574,039
Investments			
Unrestricted	26,884,483		26,884,483
Restricted	95,202,322		95,202,322
Accounts Receivable	31,242	6,952	38,194
Taxes Receivable	3,732,865		3,732,865
Prepaid Items	927,700		927,700
Inventories		120,638	120,638
Interest Receivable on Investment	16,502		16,502
Due from County Government	1,369,750		1,369,750
Due from Other Local Agencies	158,233		158,233
Due from State Dept. of Education	347,976		347,976
Due from Other State Agencies	15,224		15,224
Due from Federal Government	2,782,917		2,782,917
Internal Balances	(3,322,370)	3,322,370	-
Capital Assets:			
Land	8,343,160		8,343,160
Construction in Progress	84,274,867		84,274,867
Buildings	184,477,218		184,477,218
Improvements	1,855,036		1,855,036
Furniture and equipment	7,889,975	2,704,442	10,594,417
Less: Accumulated Depreciation	(45,019,536)	(1,820,241)	(46,839,777)
Total Capital Assets, Net of Depreciation	241,820,720	884,201	242,704,921
<b>TOTAL ASSETS</b>	<b>431,485,991</b>	<b>4,389,773</b>	<b>435,875,764</b>
<u>LIABILITIES</u>			
Accounts Payable	1,298,968	2,250	1,301,218
Payroll Withholdings	1,509,245		1,509,245
Accrued Salaries & Benefits	16,362,709	453,246	16,815,955
Unamortized Bond Premium, Net	3,829,193		3,829,193
Construction Contracts Payable	6,058,577		6,058,577
Construction Retainage Payable	2,493,816		2,493,816
Accrued Interest Payable	3,090,098		3,090,098
Due to Other Local Agencies	80,953		80,953
Due to State Dept. of Education	1,825		1,825
Unearned Revenue	1,552,144	68,194	1,620,338
Noncurrent Liabilities			
Due within One Year	14,520,000		14,520,000
Due in more than One Year	259,651,294		259,651,294
Total Liabilities	310,448,822	523,690	310,972,512
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	112,247,430	884,201	113,131,631
Restricted for:			
Endowment	219,566		219,566
Debt service	5,197,584		5,197,584
Capital projects	2,320,784		2,320,784
Unrealized Holding Gain (Loss) on Investments	(9,441)		(9,441)
Unrestricted	1,061,246	2,981,882	4,043,128
<b>Total Net Assets</b>	<b>\$ 121,037,169</b>	<b>\$ 3,866,083</b>	<b>\$ 124,903,252</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006**

Functions/Programs	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
<b>Primary government:</b>						
Governmental activities:						
Instruction	\$ 90,651,437	96,437	72,899,555	\$ (17,655,445)	\$	\$ (17,655,445)
Support services	49,494,561	173,571	10,823,034	(38,497,956)		(38,497,956)
Community services	226,864	3,183		(223,681)		(223,681)
Intergovernmental	80,953	319,812		238,859		238,859
Interest and other charges	8,774,520			(8,774,520)		(8,774,520)
<b>Total governmental activities</b>	<b>149,228,335</b>	<b>593,003</b>	<b>83,722,589</b>	<b>(64,912,743)</b>		<b>(64,912,743)</b>
Business-type activities:						
Food service	7,465,421	4,900,080	3,241,301		675,960	675,960
<b>Total business-type activities</b>	<b>7,465,421</b>	<b>4,900,080</b>	<b>3,241,301</b>		<b>675,960</b>	<b>675,960</b>
<b>Total primary government</b>	<b>\$ 156,693,756</b>	<b>\$ 5,493,083</b>	<b>\$ 86,963,890</b>	<b>\$ (64,912,743)</b>	<b>\$ 675,960</b>	<b>\$ (64,236,783)</b>
<b>General Revenues:</b>						
Property Taxes Levied for:						
General Purposes				\$ 58,611,209	\$	\$ 58,611,209
Debt Service				18,887,161		18,887,161
Federal and State Aid Not Restricted for Specific Purposes				11,667,171		11,667,171
Unrestricted Investment Earnings				4,175,207	7,484	4,182,691
Miscellaneous Revenue				258,337		258,337
Transfers				(564,980)	564,980	-
<b>Total General Revenues and Transfers</b>				<b>93,034,105</b>	<b>572,464</b>	<b>93,606,569</b>
Change in Net Assets				28,121,362	1,248,424	29,369,786
Net Assets, Beginning of Year				92,925,248	2,617,659	95,542,907
Accumulated Other Comprehensive Income				(9,441)	-	(9,441)
Net Assets, End of Year				\$ 121,037,169	\$ 3,866,083	\$ 124,903,252

The accompanying notes to financial statements are an integral part of this exhibit.

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 JUNE 30, 2006

	General	Special Revenue Special Projects	Special Revenue EIA	Debt Service - District	Debt Service - LOSIF, Corp.	Capital Projects - District	Capital Projects - LOSIF, Corp.	Permanent Fund	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 4,265,171	\$ -	\$ -	\$ 5,803,900	\$ 4,780	\$ 51,366,089	\$ -	\$ 78,487	\$ 61,518,427
Investments	26,884,483								26,884,483
Unrestricted									
Restricted									
Accounts Receivable	18,302	10,674		2,266	7,303,613		87,547,704	351,005	95,202,322
Taxes Receivable	2,960,114			772,751					31,242
Interest Receivable	1,002				15,500				3,732,865
Prepaid Items	927,700								16,502
Due from County Government	1,369,750								927,700
Due from Local Agencies	20,348	137,885							1,369,750
Due from State Dept of Education	307,684	25,000	15,292						158,233
Due from Other State Agencies	15,224	2,782,917							347,976
Due from Federal Government			1,416,507	115,353					15,224
Due from Other Funds						5,003,001			2,782,917
<b>TOTAL ASSETS</b>	<b>\$ 36,769,778</b>	<b>\$ 2,956,476</b>	<b>\$ 1,431,799</b>	<b>\$ 6,694,270</b>	<b>\$ 7,323,893</b>	<b>\$ 56,369,090</b>	<b>\$ 87,547,704</b>	<b>\$ 429,492</b>	<b>\$ 199,522,502</b>
<b>LIABILITIES</b>									
Accounts Payable	\$ 634,205	\$ 99,553	\$ 35,218	\$ -	\$ -	\$ 442,116	\$ 86,895	\$ 981	\$ 1,298,968
Payroll Withholdings	1,509,245								1,509,245
Accrued Salaries & Benefits	14,603,019	951,860	807,830						16,362,709
Construction Contracts Payable						6,058,577			6,058,577
Construction Retainage Payable						2,493,816			2,493,816
Due to Other Funds	5,327,524	900,918			946,571		2,682,218		9,857,231
Due to State Dept. of Education			1,825						1,825
Due to Other Local Agencies	42,025	80,953							80,953
Unearned Revenue	2,305,543	923,192	586,926						1,552,143
Deferred Property Taxes				565,615					2,871,158
<b>TOTAL LIABILITIES</b>	<b>\$ 24,421,561</b>	<b>\$ 2,956,476</b>	<b>\$ 1,431,799</b>	<b>\$ 565,615</b>	<b>\$ 946,571</b>	<b>\$ 8,994,509</b>	<b>\$ 2,769,113</b>	<b>\$ 981</b>	<b>\$ 42,086,625</b>
<b>FUND BALANCES</b>									
Reserved for:									
Endowment									
Debt Service				6,128,655	6,377,322			219,566	219,566
Capital Projects						47,374,581	84,778,591	(9,441)	12,505,977
Unrealized Holding Gain (Loss) on Investments									132,153,172
Unreserved	12,348,217	-	-	6,128,655				218,386	(9,441)
<b>TOTAL FUND BALANCES</b>	<b>\$ 12,348,217</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,128,655</b>	<b>\$ 6,377,322</b>	<b>\$ 47,374,581</b>	<b>\$ 84,778,591</b>	<b>\$ 428,511</b>	<b>\$ 157,435,877</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 36,769,778</b>	<b>\$ 2,956,476</b>	<b>\$ 1,431,799</b>	<b>\$ 6,694,270</b>	<b>\$ 7,323,893</b>	<b>\$ 56,369,090</b>	<b>\$ 87,547,704</b>	<b>\$ 429,492</b>	<b>\$ 199,522,502</b>

(Continued)

The accompanying notes to financial statements are an integral part of this exhibit.

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 JUNE 30, 2006

Total Fund Balances - Governmental Funds	\$ 157,435,877
Amounts reported for governmental activities in the statement of net assets are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$286,840,256 and accumulated depreciation is \$45,019,536.	241,820,720
Property Taxes Receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the governmental funds.	
Deferred Property Taxes at year-end consist of:	
General Fund	2,305,543
Debt Service Fund	<u>565,614</u>
	2,871,157
Accrued interest on bonds payable in governmental funds is not due and payable in the current period and is, therefore, not reported as a liability in the funds.	(3,090,098)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term liabilities at year-end consist of:	
Bonds Payable	244,500,000
Premium on Bond Issuance	3,829,193
Certificate of Participation	15,290,000
Compensated Absences	<u>(278,000,487)</u>
Total Net Assets - Governmental Funds	<u>\$ 121,037,169</u>

The accompanying notes to financial statements are an integral part of this exhibit.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006**

	General	Special Revenue Special Projects	Special Revenue EIA	Debt Service - District	Debt Service - LSF, Inc.	Debt Service - LOSF, Corp.	Capital Projects - District	Capital Projects - LOSF, Corp.	Permanent Fund	Total Governmental Funds
<b>REVENUES</b>										
Local Sources	\$ 60,499,049	\$ 536,339	\$	\$ 18,341,924	\$	\$ 127,315	\$ 2,546,165	\$ 24,072	\$ 217,446	\$ 82,292,310
Intergovernmental		123,715								123,715
State Sources	72,496,069	1,783,750	11,240,348	712,143			337,251			86,569,561
Federal Sources		7,933,147								7,933,147
<b>TOTAL REVENUES</b>	<u>132,995,118</u>	<u>10,376,951</u>	<u>11,240,348</u>	<u>19,054,067</u>	<u>-</u>	<u>127,315</u>	<u>2,883,416</u>	<u>24,072</u>	<u>217,446</u>	<u>176,918,733</u>
<b>EXPENDITURES</b>										
Current:										
Instruction	81,458,781	6,773,068	6,424,976							94,656,825
Support services	46,837,306	3,054,815	934,354							50,826,475
Community services		48,189							178,675	226,864
Intergovernmental		80,953								80,953
Debt service										
Redemption of Principal										
Interest										
Other Objects (Fees for Servicing Bonds)					3,955,000					3,955,000
Capital outlay		188,371	152,632	52,495,000	688,650	1,020,256	49,354,721	3,174,564		7,101,121
				105,307	2,000					107,307
<b>TOTAL EXPENDITURES</b>	<u>128,296,087</u>	<u>10,145,396</u>	<u>7,511,962</u>	<u>57,992,522</u>	<u>4,645,650</u>	<u>1,020,256</u>	<u>49,354,721</u>	<u>3,174,564</u>	<u>178,675</u>	<u>262,319,833</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>4,699,031</u>	<u>231,555</u>	<u>3,728,386</u>	<u>(38,938,455)</u>	<u>(4,645,650)</u>	<u>(892,941)</u>	<u>(46,471,305)</u>	<u>(3,150,492)</u>	<u>38,771</u>	<u>(85,401,100)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Gain on Sale of Investments									29,235	29,235
Premium on Bonds Sold				1,054,010			739,843	3,015,319		4,809,172
Issuance of General Obligation Bonds				18,495,000			96,250,000			96,250,000
Refunding Debt Issuance										
Issuance of Installment Purchase Revenue Bonds										
Transfers:										
Transfers from other funds	4,024,613	38,297	(3,728,386)	22,797,101	4,645,650	7,270,263	3,000,000	86,374,737		18,495,000
Transfers to other funds	(8,275,302)	(269,852)					(22,797,101)			93,645,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(4,250,689)</u>	<u>(231,555)</u>	<u>(3,728,386)</u>	<u>42,346,111</u>	<u>4,645,650</u>	<u>7,270,263</u>	<u>77,192,742</u>	<u>89,390,056</u>	<u>29,235</u>	<u>212,663,427</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>448,342</u>	<u>-</u>	<u>-</u>	<u>3,407,656</u>	<u>-</u>	<u>6,377,322</u>	<u>30,721,437</u>	<u>86,239,564</u>	<u>68,006</u>	<u>127,262,327</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>11,899,875</u>	<u>-</u>	<u>-</u>	<u>2,720,999</u>	<u>-</u>	<u>-</u>	<u>16,653,144</u>	<u>(1,460,973)</u>	<u>369,946</u>	<u>30,182,991</u>
<b>Accumulated Other Comprehensive Income</b>										
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 12,348,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,128,655</u>	<u>\$ -</u>	<u>\$ 6,377,322</u>	<u>\$ 47,374,581</u>	<u>\$ 84,778,591</u>	<u>\$ 428,511</u>	<u>\$ 157,435,877</u>

(Continued)

The accompanying notes to financial statements are an integral part of this exhibit.

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

Total net change in fund balance - governmental funds	\$ 127,262,327
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Property tax revenues not considered current financial resources are deferred in the governmental funds but are not in the statement of activities. Deferred taxes receivable increased by \$20,097 over the year ended June 30, 2005.	20,096
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capitalized outlays of \$63,006,753 exceeded depreciation expense and noncapital expenditures of \$4,010,591.	58,996,162
Proceeds from the disposal of assets are reported as revenues in the governmental funds. However, in the Government-wide statements, the proceeds are offset by any remaining uncapitalized amount. The amount that net book value exceeded proceeds was \$13,269.	(13,269)
Repayment of long-term liabilities, such as Bonds and Notes Payable and Capital Leases is an expenditure in the governmental funds, but merely reduces liabilities in the statement of net assets.	56,450,000
Bond proceeds provide current financial resources in governmental funds, but issuing debt increases liabilities in the statement of net assets.	(208,390,000)
Bond premiums are reported as other financing sources in governmental funds. However, in the statement of net assets, these receipts are recognized as income over the terms of the associated bonds.	(4,034,751)
Amortization of bond premiums as income over the terms of the associated bonds. The amount recognized as income for the year ended June 30, 2006 is \$205,558.	205,558
Interest on long-term debt in the statement of activities differs from the governmental funds because governmental funds recognize interest expense only when it is paid. In the statement of net assets, interest expense is recognized as it accrues.	(1,566,092)
The cost of compensated employee absences is recognized in the governmental funds only when actually paid in cash. However, in the statement of net assets, the expense is recorded when the employees earn the benefits. The total liability for compensated absences increased by \$808,669 during this fiscal year.	(808,669)
Change in Net Assets of Governmental Activities	\$ 28,121,362

The accompanying notes to financial statements are an integral part of this exhibit.



**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GENERAL FUND  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006**

	Original Budget	Revised Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Local Sources	\$ 59,695,378	\$ 59,695,378	\$ 60,499,049	\$ 803,671
State Sources	72,145,512	72,145,512	72,496,069	350,557
<b>TOTAL REVENUES</b>	<b>131,840,890</b>	<b>131,840,890</b>	<b>132,995,118</b>	<b>1,154,228</b>
<b>EXPENDITURES</b>				
Current				
Instruction	83,808,209	81,934,556	81,449,931	484,625
Supporting Services	48,246,184	47,315,254	46,519,225	796,029
Capital Outlay	319,100	358,683	326,931	31,752
<b>TOTAL EXPENDITURES</b>	<b>132,373,493</b>	<b>129,608,493</b>	<b>128,296,087</b>	<b>1,312,406</b>
<b>EXCESS (DEFICIENCIES) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(532,603)</b>	<b>2,232,397</b>	<b>4,699,031</b>	<b>2,466,634</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (to) from Other Funds				
Transfers from Other Funds	4,063,253	4,063,253	4,024,613	(38,640)
Transfers to Other Funds	(5,530,650)	(8,295,650)	(8,275,302)	20,348
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,467,397)</b>	<b>(4,232,397)</b>	<b>(4,250,689)</b>	<b>(18,292)</b>
<b>EXCESS (DEFICIENCIES) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>448,342</b>	<b>2,448,342</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>11,899,875</b>	<b>11,899,875</b>	<b>11,899,875</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 9,899,875</b>	<b>\$ 9,899,875</b>	<b>\$ 12,348,217</b>	<b>\$ 2,448,342</b>

The accompanying notes to financial statements are an integral part of this exhibit.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS -**  
**PROPRIETARY FUND**  
**JUNE 30, 2006**

**ASSETS**

## Current assets:

Cash and Cash Equivalents	\$ 55,612
Accounts Receivable	6,952
Due from Other Funds	3,322,370
Inventories	<u>120,638</u>

Total current assets	<u>3,505,572</u>
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## Noncurrent assets:

Equipment	2,704,442
Less accumulated depreciation	<u>(1,820,241)</u>

Total noncurrent assets	<u>884,201</u>
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Total assets	<u>4,389,773</u>
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**LIABILITIES**

## Current liabilities:

Accounts Payable	2,250
Accrued Liabilities	453,246
Deferred revenue	<u>68,194</u>
Total current liabilities	<u>523,690</u>

Total liabilities	<u>523,690</u>
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**NET ASSETS**

Invested in Capital Assets	884,201
Unrestricted	<u>2,981,882</u>

Total net assets	<u>\$ 3,866,083</u>
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The accompanying notes to financial statements are an integral part of this exhibit.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS - PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2006**

<b>OPERATING REVENUES</b>	
Proceeds from Sales of Meals	\$ <u>4,900,080</u>
<b>TOTAL OPERATING REVENUES</b>	<u>4,900,080</u>
<b>OPERATING EXPENSES</b>	
Food Costs (Includes Commodities Used)	3,543,121
Salaries and Benefits	3,272,770
Depreciation	138,116
Supplies	388,424
Other	<u>122,990</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>7,465,421</u>
<b>OPERATING LOSS</b>	<u>(2,565,341)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	7,484
USDA reimbursements	2,902,796
Commodities received from USDA	331,063
Other federal and state aid	<u>7,442</u>
<b>TOTAL NONOPERATING REVENUES</b>	<u>3,248,785</u>
<b>INCOME BEFORE OPERATING TRANSFERS</b>	683,444
<b>TRANSFERS</b>	
Transfers In	591,355
Transfers Out	<u>(26,375)</u>
<b>TOTAL TRANSFERS</b>	564,980
<b>CHANGE IN NET ASSETS</b>	1,248,424
<b>TOTAL NET ASSETS - JULY 1, 2005</b>	<u>2,617,659</u>
<b>TOTAL NET ASSETS - JUNE 30, 2006</b>	<u>\$ <u>3,866,083</u></u>

The accompanying notes to financial statement are an integral part of this exhibit.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2006**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Patrons	\$	3,548,839
Cash Paid to Suppliers for Goods and Services		(4,001,721)
Cash Paid to Employees for Services		<u>(3,250,301)</u>
Net Cash Used by Operating Activities		<u>(3,703,183)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Other Federal/State Aid Received		3,241,301
Net Transfers In(Out) from Other Funds		<u>564,980</u>
Net Cash Provided by Noncapital Financing Activities		<u>3,806,281</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchase of Capital Assets		<u>(116,176)</u>
Net Cash Provided by Capital and Related Financing Activities		<u>(116,176)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Investments		<u>7,484</u>
Net Cash Provided by Investing Activities		<u>7,484</u>

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(5,594)</b>
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<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>		<b><u>61,206</u></b>
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<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$</b>	<b><u><u>55,612</u></u></b>
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(Continued)

The accompanying notes to financial statements are an integral part of this exhibit.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2006**

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**RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY  
OPERATING ACTIVITIES**

<b>Operating Loss</b>	\$	(2,565,341)
<b>Adjustment to Reconcile Operating Loss to Net Cash</b>		
<b>Provided by Operating Activities:</b>		
Depreciation Expense		138,116
Increase in Accounts Receivable		(1,352,722)
Increase in amounts due from County government		(1,251)
Decrease in Inventories		51,828
Decrease in Accounts Payable		986
Decrease in Accrued Salaries & Benefits		22,469
Decrease in Deferred Revenue		2,732
		<hr/>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	\$	<u><u>(3,703,183)</u></u>
<b>NON CASH TRANSACTIONS:</b>		
Commodities Received from USDA	\$	331,063

The accompanying notes to financial statements are an integral part of this exhibit.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-  
AGENCY FUND  
JUNE 30, 2006**

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**ASSETS**

Cash on Deposit	\$ <u>1,743,151</u>
Total Assets	\$ <u><u>1,743,151</u></u>

**LIABILITIES**

Due to Student Organizations	\$ <u>1,743,151</u>
Total Liabilities	\$ <u><u>1,743,151</u></u>

The accompanying notes to financial statements are an integral part of this exhibit.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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**1. Summary of Significant Accounting Policies**

Lexington County School District One operates nineteen public schools, one alternative learning center and one applied technology center in a portion of Lexington County, South Carolina and encompasses the towns of Lexington, Gilbert and Pelion. The District provides a broad range of general and specialized elementary and secondary educational services and derives its local revenue from the tax base in these areas. In addition, the District receives funding from the State of South Carolina and the United States Federal Government and must comply with the related requirements of these funding source entities. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. In addition, the District applies all FASB Statements and Interpretations issued after November 30, 1989 except for those that conflict with or contradict GASB pronouncements in accounting and reporting for its operations.

**Reporting Entity**

These financial statements present the District and its component units, entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the District's operations and so data from these units are combined with data of the primary government.

**Blended Component Units:**

**1. Lexington School Facilities, Inc. (LSF, Inc.) and Lexington One School Facilities, Corp. (LOSF, Corp.)** are both not-for-profit 501(c)(3) organizations incorporated for the specific charitable purpose of serving as "support organizations" for capital projects of the School District. LSF, Inc. and LOSF, Corp. board members are appointed by the Lexington County School District One Board of Trustees. Because LSF, Inc. and LOSF, Corp. exclusively benefit the School District, their financial information is blended with that of the School District in these financial statements. Separate LSF, Inc. and LOSF, Corp. financial information is included in individual columns throughout the financial statements. Separate financial statements for LSF, Inc. and LOSF, Corp. are not issued.

In prior years, LSF, Inc. issued certificates of participation to finance various capital projects of the District. The certificates of participation are secured by lease agreements with the District and will be retired through lease payments from the District. The lease agreements constitute the imposition of a financial burden on the District and provide services entirely to the District. The substance of the leases is that of a capital lease agreement. The assets and debt are accounted for as though they are assets and debt of the lessee (the District).

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**Summary of Significant Accounting Policies (Cont'd)**  
**Blended Component Units (Cont'd)**

In the current year, LOSF, Corp. issued installment purchase revenue bonds to finance various capital projects of the District. The installment purchase revenue bonds are secured by lease agreements with the District and will be retired through lease payments from the District. The lease agreements constitute the imposition of a financial burden on the District and provide services entirely to the District. The substance of the leases is that of a capital lease agreement. The assets and debt are accounted for as though they are assets and debt of the lessee (the District). The reportable activity for fiscal year 2006 is the debt retirement for the Certificates of Participation and the issuance of the Installment Purchase Revenue bonds.

**2. Lexington County School District No. 1 Educational Foundation** is a not-for-profit 501(c)(3) organization incorporated for the purpose of promoting educational and charitable endeavors, including: (i) the improvement and enrichment of the quality of education in Lexington School District No. 1; (ii) the increase of community support for and involvement in the District; and (iii) the provision of college financial assistance, grants and scholarships to graduates of the District. Lexington County School District One Board of Trustees approves all appointments of the members of the Foundation's Board of Directors, which is the governing authority for the Foundation. As a result of the aforementioned, Lexington County School District One has the ability to significantly influence the operations of the Foundation. Separate Foundation financial information is included in individual columns throughout the financial statements.

**Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, the interfund services provided and used are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.



**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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**1. Summary of Significant Accounting Policies (Cont'd)**  
**Basis of Presentation Cont'd)**  
**Governmental Fund Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District has the following major funds and fund types:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in proprietary and agency funds) are accounted for through governmental funds. The District has the following major and nonmajor governmental fund types:

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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1. **Summary of Significant Accounting Policies (Cont'd)**  
**Basis of Presentation (Cont'd)**

General Fund, a major fund - The General Fund is the primary operating fund of the District. It accounts for all revenues and expenditures of the District except those required to be accounted for in other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any fund balance is considered a resource available for use.

Special Revenue Funds - Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specific purposes. The District has two Special Revenue Funds:

1. The Special Projects Fund, a major fund, is used to account for financial resources provided by federal, state, and local projects and grants. Budgets are prepared on a per project basis, generally with approval of the funding source. These budgets are not a part of the formal budget process approved by the board of trustees.

2. The Education Improvement Act (EIA) Fund, a major fund, is used to account for the revenue from the South Carolina Education Improvement Act of 1984, which is legally required by the state to be accounted for as a specific revenue source. Budgets are prepared on a per project basis. These budgets are not a part of the formal budget process approved by the board of trustees.

Debt Service Fund — District, a major fund is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs for the District.

Debt Service Fund — LSF, Inc., a major fund is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs for Lexington School Facilities, Inc.

Debt Service Fund — LOSF, Corp., a major fund is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs for Lexington One School Facilities, Corp.

Capital Projects Fund — District, a major fund, is used to account for financial resources to be site acquisitions, construction of major capital facilities, equipment and renovation of major capital facilities except for those financed in the enterprise fund that was funded by the issuance of general obligation bonds.

Capital Projects Fund — LOSF, Corp., a major fund, is used to account for financial resources to be site acquisitions, construction of major capital facilities, equipment and renovation of major capital facilities except for those financed in the enterprise fund that were financed by the issuance of Installment Purchase Revenue bonds.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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**1. Summary of Significant Accounting Policies (Cont'd)**  
**Basis of Presentation (Cont'd)**

Permanent Fund — Lexington County School District One Foundation, a major fund, is used to account for financial resources endowed to the School District in trust, by private donors, who have placed various restrictions on the donated resources and its earnings.

Proprietary funds are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. Proprietary types include the following fund:

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the District has decided that periodic determination of revenues earned, expenses incurred, and net income is necessary for management accountability. The District's Food Service Fund meets the stipulations of an enterprise fund. The Food Service Fund is also used to account for the United States Department of Agriculture (USDA) sponsored school breakfast and lunch programs. The operating revenues of the Proprietary fund represents sale of meals. The operating expenses of the proprietary fund represent the cost of production of the meals sold. Nonoperating revenues represent investment income and federal and state aid.

Fiduciary funds are used to account for assets held by the government in a trustee capacity or as an agent on behalf of others, and include trust funds and agency funds. Fiduciary fund types include:

Agency Fund, an unbudgeted fund, accounts for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity and do not include revenues and expenditures for general operation of the District. The Agency Fund is not included in the government wide financial statements.

**Assets, Liabilities, and Fund Equity**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with original maturities of three months or less and investments of the cash management pool to be cash equivalents.

**Investments**

The District's cash deposits and investment policy is designed to operate within existing statutes that authorize the District to invest in the following:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and loan associations to the extent that the same are insured by an agency of the federal government;

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**1. Summary of Significant Accounting Policies (Cont'd)  
Assets, Liabilities, and Fund Equity (Cont'd)  
Investments (Cont'd)**

4. Certificates of deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally secured by securities of the type described in 1 and 2 above, held by a third party as escrow agent, or custodian of a market value, not less than the amount of the certificates of funds in deposit accounts so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
5. Collateralized repurchase agreements when collateralized by securities as set forth in 1 and 2 above and held by the District or a third party as escrow agent or custodian; and,
6. South Carolina Pooled Investment Fund established and maintained by the State Treasurer.

Investments are stated at fair value, which is the same as the value of the pool shares for investments in the South Carolina Pooled Investment Fund.

The Permanent Fund - The Lexington County School District One Educational Foundation handles and is responsible for the investment of voluntary contributions and financial gifts given to it by private individuals or companies to benefit the district. The Foundation does not handle any public funds received by the District. The Foundation has developed its own investment guidelines that are broader in scope than the state mandated guidelines above. Investments in the Foundation's portfolio are reviewed regularly by its board of directors. Investments of the Foundation are recorded at fair value.

**Receivables and Payables**

Transactions between funds that represent reimbursement arrangements outstanding at the end of the year are referred to "due from other funds" or "due to other funds" on the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

**Inventories**

Under the system of accounting for inventory, materials and supplies are carried in an inventory account at cost on the first-in, first-out method of accounting and are subsequently charged to expense when used. Inventories consist of purchased food, supplies, commodities received from the United States Department of Agriculture as of June 30, but not consumed. The value of unused

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006**

**1. Summary of Significant Accounting Policies (Cont'd)  
Assets, Liabilities, and Fund Equity (Cont'd)**

commodities on hand at year-end is recorded at market value as provided by the United States Department of Agriculture. In accordance with the State of South Carolina food service accounting guidelines, this amount is included as deferred revenue until the commodities are used.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported in both the business-type activities column of the government-wide statement of net assets and in the respective fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The district maintains a capitalization threshold of \$5,000 for furniture and equipment, vehicles and textbooks, and \$50,000 land, buildings and improvements thereto. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset's life are not capitalized.

In the enterprise fund, assets acquired or constructed by grants and share revenues externally restricted for capital acquisitions and construction are reported as revenue in the period received in accordance with Governmental Accounting Standards Board Statement No. 33, (*Accounting and Financial Reporting for Nonexchange Transactions*). In earlier years, these assets were accounted for as contributed capital.

In connection with the adoption of GASB No.34, (*Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*) the balance of contributed capital has been combined with retained earnings to comprise the net assets of the enterprise fund.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate fixed asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 years	N/A
Buildings and Improvements	25-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	8 years	N/A

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**1. Summary of Significant Accounting Policies (Cont'd)  
Assets, Liabilities, and Fund Equity (Cont'd)**

Compensated Absences

It is the District's policy to permit certain qualified employees to accumulate earned but unused annual leave. A maximum accrual of 90 or 135 days is allowed at the employee's option. Employees are paid for their accumulated days over their chosen maximum amount at the District's substitute rate of pay.

All full-time employees who separate from employment or retire from the District may receive payment for accumulated but unused annual leave which has been earned while employed in the District up to  $66 \frac{2}{3}$  percent of 135 day maximum, i.e., 90 days in the following manner.

A person with up to a maximum of 135 days of annual leave earned while employed in the District may receive payment for  $66 \frac{2}{3}$  percent of those days, i.e., payment for no more than 90 days, upon separation from employment.

The daily rate is based on the current year's salary schedule.

Once an employee elects to receive his/her leave payment, he/she will not be able to transfer any annual leave days for which payment is received to another school district or eligible state agency.

In his/her lifetime, no employee will receive payment for more than  $66 \frac{2}{3}$  percent of 135 days of annual leave, i.e., 90 days, which has been earned and accumulated while in the employ of the District.

If an employee receives payment for days of annual leave earned and accumulated while in the employ of the District in an amount less than the maximum of 90 days, the employee may receive additional payments for leave accumulated to the extent that the payment does not exceed the lifetime aggregate maximum total of 90 days.

The District computes its compensated absences liability based on the employees employed by the District at year end. The District takes the employee's accumulated leave days and multiplies two-thirds of those days by the employee's daily rate of compensation. The entire compensated absences liability is reported on the government-wide financial statements. No liability has been recorded in the governmental fund financial statements, since compensated absences would only be reported in the governmental funds if they were still outstanding following an employee's resignation or retirement. The District intends to fund the liability from future operations with assets that do not represent expendable available financial resources.

Accrued Liabilities and Long-term Obligation

All payables, accrued liabilities and long-term obligations are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, contractually required pension

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**1. Summary of Significant Accounting Policies (Cont'd)  
Assets, Liabilities, and Fund Equity (Cont'd)  
Accrued Liabilities and Long-term Obligation (Cont'd)**

contributions and special termination benefits, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current expendable, available, financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements until due.

For governmental funds, bond premiums and discounts, as well as issuance costs, recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from actual net proceeds received, are reported as debt service expenditures.

**Fund Balances, Equity and Net Assets**

In the fund financial statements, the District reserves those portions of fund balance which are legally segregated for a specific purpose or which do not represent available, expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations of fund balance represent tentative management plans that are to change.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, that has not been spent, is included in the same net assets component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Accounting Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United State of America requires the District's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent asses and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**1. Summary of Significant Accounting Policies (Cont'd)  
Budgetary Information**

The Board of Trustees adopts a legal annual appropriated budget for the general fund revenues and expenditures on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America each fiscal year. The budget is prepared, controlled, and amended at the revenue and expenditure object level. The District's superintendent may authorize line item transfers in the general fund budget that are subject to final review by the Board. Revisions to the budget were made throughout the year at the legal level of budgetary control. During the fiscal year, no additional appropriations to the general fund budget were adopted. Unexpended appropriations lapse at fiscal year end. Special Revenue Fund budgets are developed and controlled in conformance with the specific requirements of each grant or funding agency. These budgets are not legally adopted by the School Board. Both General and Special

Revenue Fund budgets are used as a management control device during the year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. In the fall of the preceding year, the District begins its budget process for the next succeeding fiscal year beginning on July 1.
2. After the District's budget committee reviews all requests and allocation requirements and related revenue, it presents a tentative proposed budget to the Superintendent for review and adjustment.
3. The superintendent then presents a proposed budget to the board of trustees which reviews it in a series of workshops and makes any additions or deletions it deems necessary.
4. Prior to July 1, the budget is legally enacted through passage of a resolution by the board.

**Encumbrances**

The appropriations of the general fund of the District lapse at June 30 each year and the outstanding purchase orders, contracts, and other commitments must be renewed. Therefore, there are no reservations of the fund balances at year-end for encumbrances.



**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**2. Cash and Investments**

Cash and Investments

At June 30, 2006 the carrying amount of the District's deposits and amounts on deposit with the Lexington County Treasurer and investments held by the various funds was as follows:

<u>Fund Types</u>	<u>Deposits</u>	<u>Investments</u>	<u>Lexington County Treasurer</u>	<u>Total</u>
General Fund	\$ 3,810,483	\$ 27,338,959	\$	\$ 31,149,442
Debt Service funds			5,803,900	5,803,900
Capital Projects Fund		51,366,089		51,366,089
Permanent Fund	78,487	351,005		429,492
Enterprise Fund	55,612			55,612
Government-wide carrying amount at June 30, 2006	3,944,582	79,056,053	5,803,900	88,804,535
Agency Fund	1,743,364			1,743,364
Total Carrying amount at June 30, 2006	<u>\$ 5,687,946</u>	<u>\$ 79,056,053</u>	<u>\$ 5,803,900</u>	<u>\$ 90,547,899</u>

**Custodial Credit Risk for Deposits:** A custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The school District does not have a deposit policy for custodial credit risk but follow the investment policy statues of the State of South Carolina. As of June 30, 2006 the bank balances were \$ 10,883,905 for deposits with \$10,590,327 exposed to custodial credit risk as it was uninsured and collateralized with securities held by the pledging bank's agent but not in the government's name.

The District invests through the SC Local Government Investment Pool, which was established by the State Treasurer pursuant to South Carolina law. The pool is a 2a-7-like pool that is not registered with the Securities and Exchange Commission as an investment company. The pool has a formal policy that it will operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The fair value of the District's investment in the SC Local Government Investment Pool is the same as the value of the pool shares. Amounts on deposit with the Lexington County Treasurer are not categorized since they cannot be identified by securities that exist in physical or book entry form. These amounts are subject to the same investment authorizations as the District by state law. The carrying value of these investments approximates the fair values. The Lexington County Treasurer is responsible for maintaining these investments in accordance with state law.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**2. Cash and Investments (Cont'd)**

The Lexington School District One Educational Foundation handles funds raised or donated to the District. These funds cannot be used for general operating expenses or to replace public funds. The Foundation, through its board of directors, sets its own investment policies for funds given to it. These investments are not subject to categorization.

As of June 30, 2006, the School District had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Held by Lexington County Treasurer	Unrated	\$ 2,570,239
SC Local Government Investment Pool	Unrated	4,265,171
Lexington County School District One Foundation	Unrated	<u>429,492</u>
<b>Total Investments</b>		<b>\$ <u>7,264,902</u></b>

**Custodial Credit Risk for Investments:** A custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The School District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2006, none of the School District's investments were exposed to custodial credit risk.

**3. Property Taxes and Other Receivables**

The County of Lexington, South Carolina is responsible for collecting and distributing property taxes in accordance with enabling state legislation. Property taxes attach as an enforceable lien on property as of March 15. Property taxes are levied and billed on November 1 based on an assessed value of approximately \$ 317.6 million at tax rates of 213.1 mills for the general fund and 59.0 mills for the debt service fund. These taxes are due and payable without penalty through January 15 of the next year. Penalties are added to taxes when paid after January 15 depending on the period of time the tax is delinquent.

Taxes receivable include an allowance for uncollectibles of \$1,474,885 at June 30, 2006. Allowances for uncollectibles were not necessary for the other receivable accounts.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2006, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006**

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Delinquent Property Taxes	\$ 2,305,543	\$ -	\$ 565,615	\$ 2,871,158
Unearned Revenue	42,025	1,205,144	-	1,247,169
Total	<u>\$ 2,347,568</u>	<u>\$ 1,205,144</u>	<u>\$ 565,615</u>	<u>\$ 4,118,327</u>

**4. Due from County Treasurer**

This represents the amount due from the Lexington County Treasurer for amounts property taxes and property tax relief distributions that had been collected at June 30, had not been remitted to the School District.

**5. Due from State Dept. of Education and Federal Government**

This represents amounts due for state and federal revenues that had been earned as of June 30, but had not yet been received.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**6. Capital Assets**

A summary of changes in capital assets for the District is as follows:

**Governmental Activities**

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2006</u>
<b>Non-depreciable Assets:</b>				
Land	\$ 5,936,352	\$ 2,406,808	\$	\$ 8,343,160
Construction in Process	24,851,977	59,422,890		84,274,867
Total Non-depreciable	<u>30,788,329</u>	<u>61,829,698</u>	<u>-</u>	<u>92,618,027</u>
 <b>Depreciable Assets:</b>				
Buildings	184,477,218			184,477,218
Improvements	1,855,036			1,855,036
Equipment	6,809,748	1,177,055	(96,828)	7,889,975
Total Depreciable Assets	<u>193,142,002</u>	<u>1,177,055</u>	<u>(96,828)</u>	<u>194,222,229</u>
 Less Accumulated Depreciation for:				
Buildings	(37,098,490)	(3,357,724)		(40,456,214)
Improvements	(718,454)	(77,847)		(796,301)
Equipment	(3,275,560)	(575,020)	83,559	(3,767,021)
Total Accumulated Depreciation	<u>41,092,504</u>	<u>(4,010,591)</u>	<u>83,559</u>	<u>45,019,536</u>
Net Depreciable Capital Assets	<u>152,049,498</u>	<u>(2,833,536)</u>	<u>(13,269)</u>	<u>149,202,693</u>
Governmental Activities Capital Assets, Net	<u>\$ 182,837,827</u>	<u>\$ 58,996,162</u>	<u>\$ (13,269)</u>	<u>\$ 241,820,720</u>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**6. Capital Assets (Cont'd)**

**Business Type Activities**

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2006</u>
Equipment	\$ 2,588,267	\$ 116,175	\$	\$ 2,704,442
Less Accumulated Depreciation	<u>(1,682,125)</u>	<u>(138,116)</u>	<u></u>	<u>(1,820,241)</u>
Business-type Activities Capital Assets, Net	<u>\$ 906,142</u>	<u>\$ (21,941)</u>	<u>\$ -</u>	<u>\$ 884,201</u>

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

**Governmental Activities:**

Instruction	\$ 3,007,943
Supporting Services	<u>1,002,648</u>
Total Depreciation Expense – governmental activities	<u>\$ 4,010,591</u>

**Business-type Activities:**

Food Service	\$ 138,116
Total Depreciation Expense – Business type activities	<u>\$ 138,116</u>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**7. Interfund Receivables and Payables**

Interfund balances at June 30, 2006 consisted of the following individual fund receivables and payables:

<b>Fund</b>	<b>Receivables</b>	<b>Payables</b>
<b>General Fund:</b>		
Due from Special Revenue – Special Projects	\$ 900,918	\$
Due from Capital Projects – LOSF, Corp.	2,682,218	
Due from Debt Service – LOSF, Corp.	946,571	
Due to Special Revenue - EIA		1,416,507
Due to Debt Service - District		115,353
Due to Capital Projects - District		5,003,001
Due to Proprietary Fund		3,322,370
	4,529,707	9,857,231
<b>Total – General Fund</b>		
 <b>Special Revenue – Special Projects</b>		
Due to General Fund		900,918
 <b>Special Revenue – EIA</b>		
Due from General Fund	1,416,507	
 <b>Debt Service – District</b>		
Due from General Fund.	115,353	
 <b>Debt Service – LOSF, Corp.</b>		
Due to Capital Projects – LOSF, Corp.		946,571
 <b>Capital Projects – District</b>		
Due from General Fund	5,003,001	
 <b>Capital Projects – LOSF, Corp.</b>		
Due to Debt Service – LOSF, Corp.		2,682,218
 <b>Proprietary Fund – Food Service</b>		
Due From General Fund	3,322,370	
 <b>Totals</b>	\$ 14,386,938	\$ 14,386,938

The General Fund receivables are a result of the General Fund financing salaries and other expenditures for Special Revenue Funds, Capital Projects – LOSF, Corp and Debt Service – LOSF, Corp. The General Fund payable to Special Revenue – EIA is a result of the deferred revenue and accrued salaries and related costs in the EIA special revenue that will be paid after June 30, 2006.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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**7. Interfund Receivables and Payables (Cont'd)**

The payable to Debt Service – District is a result of expenditures incurred by the Debt Service fund that will be reimbursed by the General Fund in the subsequent year. The amounts payable to Capital Projects – District and Proprietary funds are a result of cash for these funds being held in the general fund.

The Special Revenue – Special Projects payable to the General Fund is a result of payments made by the General Fund for Special Revenue salaries and other expenditures for which the related reimbursements have not been received.

The Special Revenue-EIA receivable is due to the cash for deferred revenue and accrued salaries and related costs that will be paid after June 30, 2006 being held in the General Fund.

The Debt Service – District receivable from the General Fund is due to expenditures made by Debt Service. These expenditures will be reimbursed by the General Fund in the subsequent fiscal year.

The Debt Service – LOSF, Corp. payable to the Capital Projects – LOSF, Corp. is a result of capitalized interest that has matured.

The Capital Projects – District receivable from the General Fund represents cash held in the General Fund for capital projects expenditures.

The Capital Projects – LOSF, Corp. receivable from the Debt Service –LOSF, Corp. is a result of capitalized interest that has matured. The payable to General Fund is a result of expenditures financed by the General Fund. Reimbursement to the General Fund will occur in the subsequent fiscal year.

The Propriety Fund receivable from the General Fund is a result of cash for this fund being held in the General Fund.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**8. Transfers To and From**

Transfers between the various funds of the District are as follows:

<b>Fund</b>	<b>Transfers To</b>	<b>Transfers From</b>
<b>General Fund:</b>		
Special Revenue – Special Projects	\$ 269,852	\$ 38,297
Special Revenue – EIA	3,728,386	
Enterprise Fund – Food Service	26,375	591,355
Debt Service Fund – LSF, Inc.		4,645,650
Capital Projects Fund – District		3,000,000
<b>Total General Fund</b>	<b>4,024,613</b>	<b>8,275,302</b>
<b>Special Revenue – Special Projects</b>		
General Fund	38,297	269,852
<b>Special Revenue – EIA</b>		
General Fund		3,728,386
<b>Debt Service Fund – District</b>		
Capital Projects Fund – District	22,797,101	
<b>Debt Service Fund – LSF, Inc.</b>		
General Fund	4,645,650	
<b>Capital Projects Fund – District</b>		
General Fund	3,000,000	
Debt Service Fund – District		22,797,101
<b>Enterprise Fund – Food Service</b>		
General Fund	591,355	26,375
 <b>Total All Funds</b>	<b>\$ 35,097,016</b>	<b>\$ 35,097,016</b>

Interfund transfers include funding allowed for indirect costs, required matches, and supplemental funding. The transfers for the year ended June 30, 2006, consisted of the following:

**General Fund:**

Transfers from:

Funds are transferred to the General Fund from Special Revenues and Propriety funds to cover EIA teacher salary supplement and indirect costs.



**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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**8. Transfers To and From(Cont'd)**  
**General Fund: (Cont'd)**

Transfers to:

Funds are transferred from the General Fund into Special Revenue – Special Projects to fund the District's Virtual School program. Funds are transferred to Debt Service LSF for the annual Certificates of Participation's principal, interest and trustee fees. The millage for these payments is levied and funds budgeted in the general fund. Funds were transferred to the Capital Projects – District fund in order to supplement the District's capital projects program. The transfer to Proprietary Funds represents an annual transfer made to fund benefits for food service employees.

**Special Revenue – Special Projects:**

Transfers to:

Funds are transferred to the Special Revenue account to supplement the District's Virtual School Program.

Transfers from:

Funds are transferred to the General Fund to cover indirect costs.

**Special Revenue – EIA:**

Transfers from:

Funds are transferred from Special Revenue – EIA to General to cover the cost of the EIA teacher salary supplement. These expenditures are made in the general fund.

**Debt Service – District:**

Transfers to:

Funds are transferred to the Debt Service – District from the Capital Projects – District account to pay the cost of the BAN that matured in the current year.

**Debt Service – LSF, Inc.:**

Transfers to:

Funds are transferred to the Debt Service – LSF, Inc. from the General Fund to pay the principal, interest and trust fees for the District's Certificates of Participation.

**Capital Projects - District:**

Transfers to:

Funds are transferred to the Capital Projects – District from the General Fund to supplement the District's capital projects program.

Transfers from:

Funds are transferred from the Capital Projects – District to the Debt Service – District fund to pay the cost of the BAN that matured in the current year.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**8. Transfers In and Out(Cont'd)**

**Proprietary Fund:**

Transfers to:

Funds are transferred to the Proprietary Fund from the General Fund to pay the fringe benefits costs of the food service employees.

Transfers from:

Funds are transferred from the Proprietary Fund to the General Fund for indirect costs.

**9. Long-Term Obligations**

Summary of Changes in Long-Term Debt Obligations:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>
General Obligations:				
Cert. of Participation	\$ 19,245,000	\$	\$ 3,955,000	\$ 15,290,000
Installment Purchase -				
Revenue Bonds		93,645,000		93,645,000
Gen. Obligation Bonds	66,105,000	114,745,000	29,995,000	150,855,000
Total	<u>85,350,000</u>	<u>208,390,000</u>	<u>33,950,000</u>	<u>259,790,000</u>
Compensated Absences	13,572,625	4,005,004	3,196,335	14,381,294
Total	<u>\$ 98,922,625</u>	<u>\$ 212,395,004</u>	<u>\$ 37,146,335</u>	<u>\$ 274,171,294</u>

General Obligations

General obligations at June 30, 2006 consist of obligations under certificates of participation, installment purchase revenue bonds and general obligations bonds payable. Lexington School Facilities, Inc. issued various series of Certificates of Participation to finance various capital projects that have been completed in the District. The certificates evidence proportionate interest of the registered owners thereof in certain rental payments (the "base rent") to be made by Lexington School District One under the terms of the various leases pertaining to each series of certificates. The base rent is equal to the principal and interest payments on the obligation. The certificates are payable solely from the rent to be paid by the District to a trustee. The District is not a party to the certificates. Continuance of the lease agreements and the obligation of the District to make Lease rent payments for each fiscal year is subject to and dependent upon lawful appropriations being made by the district for that purpose. The certificates, the lease agreement and the obligation to make base rent payments do not represent or constitute a debt of, or a pledge of the faith and credit of the taxing power of the District; however, chances of non-appropriation are remote.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**9. Long-Term Obligations (Cont'd)  
General Obligations (Cont'd)**

Lexington One School Facilities, Corp. issued various Installment Purchase Revenue Bonds to finance various capital projects that have not been completed in the District. The District is not a party to these bonds. The obligation to make installment payments does not represent or constitute a debt of, or a pledge of the faith and credit of the taxing power of the District; however, chances of non-appropriation are remote.

The annual requirements to amortize the Certificates of Participation outstanding at June 30, 2006, including interest payments of \$ 1,503,553 are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$ 4,070,000	\$ 573,500	\$ 4,643,500
2008	4,205,000	435,593	4,640,593
2009	3,840,000	290,750	4,130,750
2010	1,940,000	143,805	2,083,805
2011	1,235,000	59,905	1,294,905
Total	<u>\$ 15,290,000</u>	<u>\$ 1,503,553</u>	<u>\$ 16,793,553</u>

The annual requirements to amortize the General Obligation Bonds outstanding at June 30, 2006, including interest payments of \$ 81,578,695 are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$ 9,150,000	\$ 6,356,031	\$ 15,506,031
2008	8,030,000	6,020,244	14,050,244
2009	6,110,000	5,733,338	11,843,338
2010	5,320,000	5,538,425	10,858,425
2011	5,180,000	5,364,144	10,544,144
2012-2016	30,050,000	23,711,894	53,761,894
2017-2021	33,470,000	17,148,294	50,618,294
2022-2026	31,710,000	8,963,025	40,673,025
2027-2031	21,835,000	2,743,300	24,578,300
Total	<u>\$ 150,855,000</u>	<u>\$ 81,578,695</u>	<u>\$ 232,433,695</u>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**9. Long-Term Obligations (Cont'd)**

The annual requirements to amortize the Installment Purchase Revenue Bonds at June 30, 2006, including interest payments of \$ 81,578,695 are as follows:

<b>Fiscal Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2007	\$ 1,300,000	\$ 4,742,763	\$ 4,742,763
2008	1,285,000	4,716,763	6,016,763
2009	1,845,000	4,658,638	5,943,638
2010	1,845,000	4,580,388	6,425,388
2011	2,450,000	4,473,013	6,923,013
2012-2016	14,250,000	20,348,813	34,598,813
2017-2021	18,325,000	16,268,575	34,593,575
2022-2026	23,660,000	10,939,369	34,599,369
2027-2031	30,530,000	4,057,175	34,587,175
Total	<u>\$ 93,645,000</u>	<u>\$ 74,785,497</u>	<u>\$ 168,430,497</u>

The District has satisfied all sinking fund requirements. There is an annual tax millage, currently 59.0 mills, to repay this General Obligation debt. Details on the Bonds Payable and Certificates of Participation are presented as schedules.

**Bonds Issued**

The District issued \$114,745,000 of General Obligation Bonds and \$93,645,000 Installment Purchase Revenue Bonds were issued by LOSF, Corp. to finance construction projects

**Defeased Debt Outstanding**

At June 30, 2006, the District had defeased outstanding general obligation bonds and certificates of participation that would otherwise be included in General Long-Term Obligations totaling \$47,240,000.

**Compensated Absences**

The District estimates that the compensated absences amount to be considered as the current portion due within one year to be \$3.2 million.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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**10. Employee Retirement System**

Lexington County School District One contributes to the South Carolina Retirement System. The South Carolina Retirement System is a cost-sharing multi-employer defined pension plan administered by the Retirement Division of the State Budget and Control Board. The South Carolina Retirement System offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, P0 Box 11960, Columbia, SC 29211-1960.

Both employees and employers are required to contribute to the Plan under authority of Title 9 of the S.C. Code of Laws. Plan members are required to contribute 6% of their annual compensation and the District is required to contribute at an actuarially determined rate. The current rate is 7.70% of the total member's annual compensation; included is the cost to provide group life insurance benefits for the plan participants at the rate of .15%. The rates have remained consistent for the past three years.

The District's contributions to the Plan for the years ending June 30, 2006, 2005, and 2004 were \$7,697,690, \$7,144,598 and \$6,396,717, and, respectively. The District's contributions are at the actuarially required contribution rates.

**Post-Employment Benefits**

By Federal law (Public Law 99-272, Title X) the District is required to offer a continuation of health coverage at group rates to employees and their dependents whose coverage would otherwise end. Depending on the circumstances of the employee's coverage loss, the employee or dependent can extend the health care plan benefits for 18 months to three years. The plan costs are paid by the employee or dependents based on 100% (Cobra) premium rates. Retired employees are eligible for health insurance coverage under a state plan whereby the retiree continues to be responsible for their portion of insurance premiums. Pursuant to the state plan, the District pays 3.25% of payroll covered by the S.C. Retirement System to fund retiree health insurance. The District paid \$ 3,249,025 on covered payroll for the year ended June 30, 2006. The District has no other financial or administrative responsibility for retiree health care costs.

**11. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates with other school districts in the South Carolina School Boards Insurance Trust/Workers' Compensation Trust Fund (SCSBIT/WCTF).

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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**11. Risk Management(Cont'd)**

The SCBIT/WCTF is a public entity risk pool currently operating as a common risk management and insurance program for 91 member school districts. The District pays an annual premium for worker's compensation insurance coverage based upon the total payroll of the District each plan year. The SCBIT/WCTF is self-sustaining through member premium and deficiencies can be charged back to the member districts should a fund deficit arise.

The District participates in the South Carolina Boards Insurance Trust Fund for all other risks of loss. The District's insurance coverage for all types of risk has not been significantly reduced from coverage in the prior year. The amounts of any District settlement have exceeded the insurance coverage for the previous three fiscal years.

**12. Contingent Liabilities**

Litigation

Various claims and lawsuits are pending against the District. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District

Grants

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**13. Commitments**

The District has seven ongoing construction projects: additional classrooms (Oak Grove Elementary School and Pleasant Hill Elementary School), two new schools (Carolina Springs Middle School and Carolina Springs Elementary), and additions and renovations (Pelion Middle School, Lexington Middle School and the Lexington Technology Center). The District has entered into various contracts for these construction projects totaling \$58.7 million of which \$12.8 million had been expended as of June 30, 2006.

Additionally the District has seven ongoing design projects as of June 30, 2006. Three of these projects are for additions and renovations (Gilbert Elementary, Red Bank Elementary and Gilbert Primary) and four of the projects are for stadiums (Lexington High School, White Knoll High School, Gilbert High School and Pelion High School). It is anticipated that the design will be completed in the current school year with construction bids and construction to begin upon design completion. These projects have an anticipated cost of \$ 30.7 million when completed.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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**14. Subsequent Events**

On September 7, 2006, the District entered into a lease-purchase contract for the acquisition of information technology equipment. The principal amount of the contract will be \$1,327,721.52, and the interest rate applicable thereto will be 4.37%. The contract will be payable by equal annual installments of principal and interest in the amount of \$360,000 due on March 1 in the years 2007 through 2010, inclusive.

On October 5, 2006, the District issued \$1,910,000 general obligation bonds, Series 2006, for the purpose of providing funds with which to make payments of the acquisition price due under agreements with Lexington One School Facilities Corporation entered into as of December 1, 2005 and June 1, 2006, respectively. The Series 2006 general obligation bond bears interest at the rate of 4.53% and is due as to principal and interest on March 1, 2007.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	Revised Budget	Actual	Variance- Positive (Negative)
<b>REVENUES:</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes:			
1100 Tax Refunds	\$ (5,000)	\$ (145)	\$ 4,855
1111 Ad Valorem Taxes	41,264,193	42,641,783	1,377,590
1112 Vehicle Taxes	13,462,595	11,994,650	(1,467,945)
1113 Current Taxes - Penalty	90,800	99,937	9,137
1140 Delinquent Taxes	2,111,989	2,047,021	(64,968)
1200 Revenue from Local Governmental Units Other Than LEAs:			
1280 Revenue in Lieu of Taxes	2,100,000	1,827,964	(272,036)
1300 Tuition:			
1310 From Patrons for Regular Day School	45,801	25,582	(20,219)
1320 From Other LEAs for Regular Day School	40,000	45,137	5,137
1500 Earnings on Investments:			
1510 Interest on Investments	351,000	1,375,460	1,024,460
1700 Pupil Activities:			
1740 Student Fees	44,000	25,718	(18,282)
1900 Other Revenue from Local Sources:			
1910 Rentals	144,000	173,095	29,095
1950 Refund of Prior Year's Expenditures	1,500	476	(1,024)
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds	13,700	77,834	64,134
1994 Legal Settlements		1,330	1,330
1990 Other Local Revenue	30,800	42,148	11,348
1999 Other Local		121,059	121,059
<b>Total Local Sources</b>	<b>59,695,378</b>	<b>60,499,049</b>	<b>803,671</b>
<b>3000 Revenue from State Sources</b>			
3130 Special Programs:			
3131 HDP Trans. And Facilities		139,575	139,575
3132 Home Schooling		103,035	103,035
3160 School Bus Driver's Salary	1,228,501	1,403,488	174,987
3161 EAA Bus Driver		11,350	11,350
3162 Transport Workers Comp		82,048	82,048
3180 Fringe Benefits Employer Contributions	13,520,069	13,419,532	(100,537)
3181 Retiree Insurance	1,551,169	2,025,296	474,127
3199 Other Restricted State Grants		1,750	1,750
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	2,932,836	2,989,086	56,250
3312 Primary	8,578,768	8,439,191	(139,577)
3313 Elementary	12,306,112	12,122,321	(183,791)
3314 High School	5,452,222	5,014,244	(437,978)
3315 Trainable Mentally Handicapped	200,593	178,245	(22,348)
3316 Speech Handicapped (Part-time Program)	4,744,708	4,715,971	(28,737)
3317 Homebound	155,844	184,619	28,775

(Continued)

SCHEDULE 1  
(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006

	Revised Budget	Actual	Variance- Positive (Negative)
<b>REVENUES (continued):</b>			
<b>3000 Revenue from State Sources (continued)</b>			
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 342,189	\$ 319,659	\$ (22,530)
3322 Educable Mentally Handicapped	272,504	250,317	(22,187)
3323 Learning Disabilities	2,721,371	3,177,817	456,446
3324 Hearing Handicapped	138,274	178,965	40,691
3325 Visually Handicapped	90,594	125,261	34,667
3326 Orthopedically Handicapped	185,454	78,967	(106,487)
3327 Vocational	6,899,939	6,704,219	(195,720)
3330 Other EFA Programs:			
3331 Autism	166,883	213,336	46,453
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief	8,055,568	8,055,569	1
3820 Homestead Exemption	2,034,492	1,957,813	(76,679)
3830 Merchant's Inventory Tax	243,386	243,386	-
3840 Manufacturers Depreciation Reimbursement	175,198	200,860	25,662
3890 Other State Property Tax Revenues	148,838	160,149	11,311
<b>Total State Sources</b>	<u>72,145,512</u>	<u>72,496,069</u>	<u>350,557</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>131,840,890</u>	<u>132,995,118</u>	<u>1,154,228</u>
<b>EXPENDITURES</b>			
<b>100 INSTRUCTION</b>			
<b>110 General Instruction</b>			
111 Kindergarten Programs:			
100 Salaries	3,974,697	3,953,696	21,001
200 Employee Benefits	1,202,603	1,192,492	10,111
300 Purchased Services	1,943	1,943	-
400 Supplies and Materials	157,813	120,928	36,885
	<u>5,337,056</u>	<u>5,269,059</u>	<u>67,997</u>
112 Primary Programs:			
100 Salaries	11,510,909	11,490,626	20,283
200 Employee Benefits	3,130,396	3,129,618	778
300 Purchased Services	20,535	20,281	254
400 Supplies and Materials	286,849	246,238	40,611
	<u>14,948,689</u>	<u>14,886,763</u>	<u>61,926</u>
113 Elementary Programs:			
100 Salaries	20,363,806	20,319,291	44,515
200 Employee Benefits	5,332,319	5,303,627	28,692
300 Purchased Services	87,219	68,901	18,318
400 Supplies and Materials	1,626,497	2,061,549	(435,052)
500 Capital Outlay	36,850	8,850	28,000
	<u>27,446,691</u>	<u>27,762,218</u>	<u>(315,527)</u>

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006

EXPENDITURES (continued)	Revised Budget	Actual	Variance- Positive (Negative)
<b>100 INSTRUCTION (continued)</b>			
110 General Instruction (continued)			
114 High School Programs:			
100 Salaries	\$ 14,904,052	\$ 14,814,170	\$ 89,882
200 Employee Benefits	4,022,205	3,963,596	58,609
300 Purchased Services	122,436	120,247	2,189
400 Supplies and Materials	865,617	865,158	459
	<u>19,914,310</u>	<u>19,763,171</u>	<u>151,139</u>
115 Vocational Programs:			
100 Salaries	2,870,341	2,797,491	72,850
200 Employee Benefits	769,208	738,208	31,000
300 Purchased Services	47,695	45,230	2,465
400 Supplies and Materials	161,296	151,406	9,890
	<u>3,848,540</u>	<u>3,732,335</u>	<u>116,205</u>
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries	828,587	758,734	69,853
200 Employee Benefits	247,638	219,656	27,982
	<u>1,076,225</u>	<u>978,390</u>	<u>97,835</u>
122 Trainable Mentally Handicapped:			
100 Salaries	520,523	520,268	255
200 Employee Benefits	147,249	146,975	274
	<u>667,772</u>	<u>667,243</u>	<u>529</u>
123 Orthopedically Handicapped:			
100 Salaries	119,187	119,024	163
200 Employee Benefits	32,101	31,655	446
	<u>151,288</u>	<u>150,679</u>	<u>609</u>
124 Visually Handicapped:			
100 Salaries	155,664	115,660	40,004
200 Employee Benefits	34,982	27,110	7,872
	<u>190,646</u>	<u>142,770</u>	<u>47,876</u>
125 Hearing Handicapped:			
100 Salaries	139,357	116,822	22,535
200 Employee Benefits	40,654	30,453	10,201
	<u>180,011</u>	<u>147,275</u>	<u>32,736</u>
126 Speech Handicapped:			
100 Salaries	1,504,845	1,503,832	1,013
200 Employee Benefits	404,840	395,552	9,288
	<u>1,909,685</u>	<u>1,899,384</u>	<u>10,301</u>
127 Learning Disabilities:			
100 Salaries	2,268,702	2,264,392	4,310
200 Employee Benefits	604,593	601,776	2,817
300 Purchased Services	500	328	172
	<u>2,873,795</u>	<u>2,866,496</u>	<u>7,299</u>
128 Emotionally Handicapped:			
100 Salaries	404,706	352,156	52,550
200 Employee Benefits	126,951	112,000	14,951
300 Purchased Services	36,000	35,870	130
	<u>567,657</u>	<u>500,026</u>	<u>67,631</u>

(Continued)

SCHEDULE 1  
(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006

	Revised Budget	Actual	Variance- Positive (Negative)
<b>EXPENDITURES (continued)</b>			
<b>100 INSTRUCTION (continued)</b>			
130 Pre-School Programs			
133 Preschool Handicapped Self-contained (5 Yr. Olds):			
100 Salaries	\$ 35,000	\$ 34,493	\$ 507
200 Employee Benefits	11,000	10,264	736
	<u>46,000</u>	<u>44,757</u>	<u>1,243</u>
137 Preschool Handicapped Self-contained (3&4 Yr. Olds):			
100 Salaries	189,890	140,437	49,453
200 Employee Benefits	73,974	45,079	28,895
	<u>263,864</u>	<u>185,516</u>	<u>78,348</u>
139 Early Childhood Development:			
100 Salaries	108,965	70,966	37,999
200 Employee Benefits	25,886	19,422	6,464
	<u>134,851</u>	<u>90,388</u>	<u>44,463</u>
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries	467,047	466,212	835
200 Employee Benefits	125,342	124,443	899
300 Purchased Services	16,260	8,918	7,342
400 Supplies and Materials	43,670	29,801	13,869
600 Other Objects	51,155	50,896	259
	<u>703,474</u>	<u>680,270</u>	<u>23,204</u>
145 Homebound:			
100 Salaries	248,508	248,246	262
200 Employee Benefits	52,930	52,705	225
300 Purchased Services	27,000	26,827	173
	<u>328,438</u>	<u>327,778</u>	<u>660</u>
149 Other Special Programs:			
100 Salaries	910,707	908,923	1,784
200 Employee Benefits	110,581	98,254	12,327
	<u>1,021,288</u>	<u>1,007,177</u>	<u>14,111</u>
160 Other Exceptional Programs			
161 Autism:			
100 Salaries	220,000	218,448	1,552
200 Employee Benefits	79,000	77,297	1,703
	<u>299,000</u>	<u>295,745</u>	<u>3,255</u>
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs:			
100 Salaries	750	750	-
200 Employee Benefits	139	57	82
	<u>889</u>	<u>807</u>	<u>82</u>
182 Adult Secondary Education Programs:			
100 Salaries	4,500	4,500	-
200 Employee Benefits	837	803	34
	<u>5,337</u>	<u>5,303</u>	<u>34</u>

(Continued)

SCHEDULE 1  
(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006

	Revised Budget	Actual	Variance- Positive (Negative)
<b>EXPENDITURES (continued)</b>			
<b>100 INSTRUCTION (continued)</b>			
180 Adult/Continuing Educational Programs (continued)			
185 Vocational Adult Education Programs:			
100 Salaries	\$ 4,000	\$ 4,000	\$ -
200 Employee Benefits	744	510	234
	<u>4,744</u>	<u>4,510</u>	<u>234</u>
188 Parenting/Family Literacy:			
100 Salaries	40,358	40,331	27
200 Employee Benefits	10,798	10,390	408
	<u>51,156</u>	<u>50,721</u>	<u>435</u>
<b>TOTAL INSTRUCTION</b>	<u>81,971,406</u>	<u>81,458,781</u>	<u>512,625</u>
<b>200 SUPPORT SERVICES</b>			
210 Pupil Services			
211 Attendance and Social Work Services:			
100 Salaries	768,648	720,456	48,192
200 Employee Benefits	222,936	196,819	26,117
300 Purchased Services	2,500	1,256	1,244
400 Supplies and Materials	4,242	4,199	43
600 Other Objects	500	25	475
	<u>998,826</u>	<u>922,755</u>	<u>76,071</u>
212 Guidance Services:			
100 Salaries	2,761,043	2,754,828	6,215
200 Employee Benefits	715,626	711,239	4,387
300 Purchased Services	3,669	2,081	1,588
400 Supplies and Materials	23,307	20,043	3,264
	<u>3,503,645</u>	<u>3,488,191</u>	<u>15,454</u>
213 Health Services:			
100 Salaries	1,100,749	1,100,412	337
200 Employee Benefits	317,739	316,865	874
300 Purchased Services	2,390	2,374	16
400 Supplies and Materials	41,252	31,939	9,313
	<u>1,462,130</u>	<u>1,451,590</u>	<u>10,540</u>
214 Psychological Services:			
100 Salaries	310,197	308,842	1,355
200 Employee Benefits	77,284	75,730	1,554
	<u>387,481</u>	<u>384,572</u>	<u>2,909</u>
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	2,934,788	2,883,215	51,573
200 Employee Benefits	760,538	738,566	21,972
300 Purchased Services	2,661	2,431	230
400 Supplies and Materials	3,404	3,207	197
600 Other Objects	18,800	18,716	84
	<u>3,720,191</u>	<u>3,646,135</u>	<u>74,056</u>

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006

	Revised Budget	Actual	Variance- Positive (Negative)
<b>EXPENDITURES (continued)</b>			
<b>200 SUPPORT SERVICES (continued)</b>			
220 Instructional Staff Services (continued)			
222 Library and Media Services:			
100 Salaries	\$ 1,506,133	\$ 1,475,690	\$ 30,443
200 Employee Benefits	415,599	392,915	22,684
300 Purchased Services	17,239	14,934	2,305
400 Supplies and Materials	405,766	393,378	12,388
	<u>2,344,737</u>	<u>2,276,917</u>	<u>67,820</u>
224 Improvement of Instruction - Inservice and Staff Training:			
100 Salaries	427,306	414,990	12,316
200 Employee Benefits	102,152	101,088	1,064
300 Purchased Services	409,919	379,392	30,527
400 Supplies and Materials	127,218	110,687	16,531
600 Other Objects	44,079	34,780	9,299
	<u>1,110,674</u>	<u>1,040,937</u>	<u>69,737</u>
230 General Administration Services			
231 Board of Education:			
200 Employee Benefits	27,000	26,812	188
300 Purchased Services	254,000	253,208	792
318 Audit Services	31,000	31,000	-
400 Supplies and Materials	33,000	30,251	2,749
600 Other Objects	1,037,425	1,020,900	16,525
	<u>1,382,425</u>	<u>1,362,171</u>	<u>20,254</u>
232 Office of the Superintendent:			
100 Salaries	228,813	227,498	1,315
200 Employee Benefits	50,661	50,211	450
300 Purchased Services	8,848	7,726	1,122
400 Supplies and Materials	16,300	10,116	6,184
600 Other Objects	8,100	7,621	479
	<u>312,722</u>	<u>303,172</u>	<u>9,550</u>
233 School Administration:			
100 Salaries	5,822,181	5,800,624	21,557
200 Employee Benefits	1,477,514	1,464,727	12,787
300 Purchased Services	44,300	43,690	610
400 Supplies and Materials	98,689	92,959	5,730
600 Other Objects	4,045	3,731	314
	<u>7,446,729</u>	<u>7,405,731</u>	<u>40,998</u>
250 Finance and Operations Services			
252 Fiscal Services:			
100 Salaries	1,189,203	1,178,222	10,981
200 Employee Benefits	325,259	305,497	19,762
300 Purchased Services	23,500	20,847	2,653
400 Supplies and Materials	43,000	39,053	3,947
600 Other Objects	5,400	5,340	60
	<u>1,586,362</u>	<u>1,548,959</u>	<u>37,403</u>

(Continued)

**SCHEDULE 1  
(Continued)**

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006**

	Revised Budget	Actual	Variance- Positive (Negative)
<b>EXPENDITURES (continued)</b>			
<b>200 SUPPORT SERVICES (continued)</b>			
250 Finance and Operations Services (continued)			
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 4,817,707	\$ 4,809,324	\$ 8,383
200 Employee Benefits	1,569,850	1,555,137	14,713
300 Purchased Services	5,969,803	5,969,503	300
400 Supplies and Materials	1,265,970	1,257,953	8,017
500 Capital Outlay	266,833	265,863	970
600 Other Objects	3,100	2,796	304
	<u>13,893,263</u>	<u>13,860,576</u>	<u>32,687</u>
255 Student Transportation:			
100 Salaries	3,433,425	3,411,075	22,350
200 Employee Benefits	1,182,005	1,143,853	38,152
300 Purchased Services	108,725	108,517	208
400 Supplies and Materials	108,208	107,314	894
600 Other Objects	215,000	214,284	716
	<u>5,047,363</u>	<u>4,985,043</u>	<u>62,320</u>
258 Security:			
100 Salaries	82,517	82,449	68
200 Employee Benefits	31,610	31,602	8
300 Purchased Services	339,780	296,844	42,936
	<u>453,907</u>	<u>410,895</u>	<u>43,012</u>
260 Central Support Services			
262 Planning:			
100 Salaries	329,305	322,734	6,571
200 Employee Benefits	75,741	75,046	695
300 Purchased Services	109,557	30,232	79,325
400 Supplies and Materials	12,796	12,326	470
600 Other Objects	8,098	6,534	1,564
	<u>535,497</u>	<u>446,872</u>	<u>88,625</u>
263 Information Services:			
100 Salaries	206,331	206,194	137
200 Employee Benefits	47,666	47,503	163
300 Purchased Services	91,185	47,168	44,017
400 Supplies and Materials	26,825	19,009	7,816
600 Other Objects	26,800	18,780	8,020
	<u>398,807</u>	<u>338,654</u>	<u>60,153</u>
264 Staff Services:			
100 Salaries	767,778	749,268	18,510
200 Employee Benefits	150,471	145,223	5,248
300 Purchased Services	89,500	78,566	10,934
400 Supplies and Materials	36,500	26,441	10,059
600 Other Objects	7,800	5,353	2,447
	<u>1,052,049</u>	<u>1,004,851</u>	<u>47,198</u>

(Continued)



**SCHEDULE 1  
(Continued)**

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2006**

	Revised Budget	Actual	Variance- Positive (Negative)
<b>EXPENDITURES (continued)</b>			
<b>200 SUPPORT SERVICES (continued)</b>			
260 Central Support Services (continued)			
266 Technology and Data Processing Services:			
100 Salaries	\$ 1,148,728	\$ 1,148,504	\$ 224
200 Employee Benefits	289,075	288,974	101
300 Purchased Services	175,476	175,272	204
400 Supplies and Materials	332,000	294,317	37,683
500 Capital Outlay	55,000	52,218	2,782
	2,000,279	1,959,285	40,994
<b>TOTAL SUPPORT SERVICES</b>	<b>47,637,087</b>	<b>46,837,306</b>	<b>799,781</b>
<b>TOTAL EXPENDITURES</b>	<b>129,608,493</b>	<b>128,296,087</b>	<b>1,312,406</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
<b>Interfund Transfers, From (To) Other Funds:</b>			
5230 Transfer from Special Revenue EIA Fund	3,713,253	3,728,386	15,133
5280 Transfer from Other Funds Indirect Costs	350,000	296,227	(53,773)
421-710 Transfer to Special Revenue	(50,000)	(38,297)	11,703
423-710 Transfer to Debt Service Fund	(4,650,650)	(4,645,650)	5,000
424-710 Transfer to School Building Fund	(3,000,000)	(3,000,000)	-
425-710 Transfer to Food Service Fund	(595,000)	(591,355)	3,645
	(4,232,397)	(4,250,689)	(18,292)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,232,397)</b>	<b>(4,250,689)</b>	<b>(18,292)</b>
Excess/(Deficiency) of Revenues and Other Financing Sources over Expenditures and other Financing Uses	(2,000,000)	448,342	2,448,342
<b>FUND BALANCE, JULY 1, 2005</b>		<b>\$ 11,899,875</b>	
<b>FUND BALANCE, JUNE 30, 2006</b>		<b>\$ 12,348,217</b>	

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE - SPECIAL PROJECTS  
 FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED EDUCATION (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>REVENUES</b>									
<b>1000 Revenue from Local Sources</b>									
1900 Other Revenue from Local Sources:									
1930 Medicaid	\$	\$	\$	\$	\$	\$	\$	\$	390,093
1999 Revenue from Other Local Sources								146,246	146,246
<b>Total Local Sources</b>								536,339	536,339
<b>2000 Intergovernmental Revenue</b>									
2300 Payments from Non-Profit Entities (for First Steps)							123,715		123,715
<b>Total Intergovernmental Revenue</b>							123,715		123,715
<b>3000 Revenue from State Sources</b>									
3100 Restricted Grants									
3120 General Education:									
3121 EAA Summer School							85,395		85,395
3122 HS Diploma Credit									
3124 Career Technology Initiative							7,869		7,869
3125 Career & Technology Equipment Revenue							83,971		83,971
3126 Refurbish Science Kits Revenue									
3129 EAA Reduce Class Size									
3130 Special Programs:									
3135 Preschool Program for Children with Disabilities							25,093		25,093
3151 Adult Education Basic									
3152 Adult Education Secondary									
3185 National Board Certification (NBC) Salary Supplement									
3190 Miscellaneous Restricted State Grants:									
3191 Excellence in Middle Schools									
3192 School Safety Officers									
3193 Education Tags							5,166		5,166
3198 Technology Professional Development							8,735		8,735
3199 Other Restricted State Grants							14,573		14,573

SCHEDULE 2  
(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE - SPECIAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED EDUCATION (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>3000 Revenue from State Sources (continued)</b>									
3600 Education Lottery Act Revenue:									
3601 Curriculum Specialists							21,123		21,123
3605 EAA Palmetto Gold & Silver Awards							52,500		52,500
3607 Lottery 6-8 Enhancement							2,928		2,928
3608 High Schools That Work							1,354,496		1,354,496
3610 K-5 Enhancement							8,600		8,600
3699 Miscellaneous Lottery									
3900 Other State Revenue:									
3991 Adept							59,084	54,217	59,084
3999 Revenue from Other State Sources									54,217
<b>Total State Sources</b>							1,714,960	68,790	1,783,750
<b>4000 Revenue from Federal Sources</b>									
4200 Occupational Education:									
4210 Vocational Aid								414	196,275
4300 Elementary and Secondary Education Act of 1965:				195,861					
4310 Title I	1,893,841								1,893,841
4331 Title II								31,346	31,346
4340 Title VI								57,741	57,741
4341 Title III								62,925	62,925
4351 Improving Teacher Quality								446,431	446,431
4400 Adult Education:									
4410 Adult Education - Basic:						106,276			106,276
4500 Programs for Children with Disabilities:									
4510 IDEA									
4520 Pre-School									
4900 Other Federal Sources:									
4920 Drug and Violence Prevention								41,220	4,130,548
4924 21st Century									155,183
4930 Workforce Investment Act					60,711				60,711
4994 Hurricane Relief Funds								407,825	407,825
4997 NCLB Community Service								63,375	63,375
4999 Revenue from Other Federal Sources									
<b>Total Federal Sources</b>	1,893,841	4,089,328	155,183	195,861	60,711	106,276		1,431,947	7,933,147
<b>TOTAL REVENUE ALL SOURCES</b>	1,893,841	4,089,328	155,183	195,861	60,711	106,276	1,838,675	2,037,076	10,376,951

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE - SPECIAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED EDUCATION (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES</b>									
<b>100 INSTRUCTION</b>									
110 General Instruction									
111 Kindergarten Programs:									
100 Salaries	\$ 84,994	\$ 13,982	\$	\$	\$	\$	\$	\$	\$ 98,976
200 Employee Benefits	28,052	5,357							33,409
400 Supplies and Materials							803		803
112 Primary Programs:									
100 Salaries	761,644								761,644
200 Employee Benefits	198,081							107,988	926,433
300 Purchased Services	69,867						600	28,115	242,861
400 Supplies and Materials	259,864						8,035		70,467
113 Elementary Programs:									
100 Salaries	51,942								51,942
200 Employee Benefits	12,158							27,993	913,899
300 Purchased Services								5,657	234,358
400 Supplies and Materials								2,678	18,078
500 Capital Outlay							242,349	30,505	272,854
600 Other Objects								12,883	12,883
114 High School Programs:								3,781	3,781
100 Salaries									
200 Employee Benefits								283,580	283,580
300 Purchased Services								24,422	24,422
400 Supplies and Materials								17,613	17,613
600 Other Objects							4,107	29,516	33,623
115 Vocational Programs:							500		500
100 Salaries									
200 Employee Benefits				28,649				79,620	108,269
300 Purchased Services				17,880				19,234	37,114
400 Supplies and Materials				77,236			1,543	1,543	1,543
500 Capital Outlay							1,887		79,123
120 Exceptional Programs									
121 Educable Mentally Handicapped:									
100 Salaries		144,217						510	144,727
200 Employee Benefits		49,970						95	50,065
400 Supplies and Materials		1,838					599		2,437

SCHEDULE 2  
(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE - SPECIAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (continued)</b>									
<b>100 INSTRUCTION (continued)</b>									
120 Exceptional Programs (continued)									
122 Trainable Mentally Handicapped:									
100 Salaries	\$	\$ 308,874	\$	\$	\$	\$	\$	\$	\$ 308,874
200 Employee Benefits		113,131							113,131
400 Supplies and Materials		4,359					984		5,343
123 Orthopedically Handicapped									
100 Salaries		133,012							133,012
200 Employee Benefits		65,449							65,449
300 Purchased Services		100							100
400 Supplies and Materials		710							710
124 Visually Handicapped:									
300 Purchased Services		17,491							17,491
400 Supplies and Materials		2,214							2,214
125 Hearing Handicapped:									
100 Salaries		55,568							55,568
200 Employee Benefits		18,167							18,167
300 Purchased Services		35,930	250						36,180
400 Supplies and Materials		467							467
126 Speech Handicapped:									
100 Salaries		5,709						45,144	50,853
200 Employee Benefits		1,160						13,412	14,572
300 Purchased Services		5,059	195						5,254
400 Supplies and Materials		924							924
127 Learning Disabilities:									
100 Salaries		634,037						302	634,339
200 Employee Benefits		196,945						78	197,023
300 Purchased Services		851							851
400 Supplies and Materials		14,697							14,697
500 Capital Outlay									
128 Emotionally Handicapped:									
100 Salaries		24,330							24,330
200 Employee Benefits		6,379							6,379
400 Supplies and Materials		1,767							1,767

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE - SPECIAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I (BA Projects) (201/202)	IDEA (C.A.P Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (continued)</b>									
<b>100 INSTRUCTION (continued)</b>									
130 Preschool Programs									
133 Unknown:									
100 Salaries	\$	\$ 27,701	\$	\$	\$	\$	\$	\$	\$ 27,701
200 Employee Benefits		7,975							7,975
135 Preschool Handicapped Speech (3 & 4-Yr. Olds):									
400 Supplies and Materials			410						410
100 Salaries		42,712	19,446					1,054	63,212
200 Employee Benefits		8,019	7,755					197	15,971
300 Purchased Services			757						757
400 Supplies and Materials			12,243						12,243
139 Early Childhood Programs:									
100 Salaries	65,671						20,782	843	87,296
200 Employee Benefits	17,901						8,324	157	26,382
400 Supplies and Materials									
140 Special Programs									
149 Other Special Programs:									
100 Salaries								400	400
200 Employee Benefits								13	13
160 Other Exceptional Programs:									
161 Autism:									
100 Salaries		106,278	400						106,678
200 Employee Benefits		44,678	113						44,791
300 Purchased Services		58,192	4,200						62,392
400 Supplies and Materials		7,688	5,791				736		14,215
170 Summer School Programs									
172 Elementary Summer School:									
100 Salaries							10,918		10,918
200 Employee Benefits							1,086		1,086
400 Supplies and Materials									

SCHEDULE 2  
(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE - SPECIAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED EDUCATION (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (continued)</b>									
<b>100 INSTRUCTION (continued)</b>									
170 Summer School Programs (continued)									
175 Instructional Programs Beyond Regular School Day:									
100 Salaries	\$ 24,480	\$	\$	\$	\$	\$	\$ 54,499	\$ 175,663	\$ 254,642
200 Employee Benefits	6,092						12,170	41,278	59,540
300 Purchased Services							6,232	10,151	10,151
400 Supplies and Materials								10,732	16,964
<b>180 Adult/Continuing Educational Programs</b>									
181 Adult Education Basic Program:									
100 Salaries						42,294			42,294
200 Employee Benefits						6,475			6,475
400 Supplies and Materials						1,866			1,866
182 Unknown:									
100 Salaries							1,160		1,160
200 Employee Benefits							89		89
300 Purchased Services									
400 Supplies and Materials									
183 Adult English Literacy:									
100 Salaries						45,419			45,419
200 Employee Benefits						5,740			5,740
300 Purchased Services						750			750
400 Supplies and Materials									
188 Parenting/Family Literacy:									
100 Salaries							84,663	53,180	137,843
200 Employee Benefits							32,483	15,552	48,035
300 Purchased Services							6,569	13,436	20,005
400 Supplies and Materials								11,862	11,862
500 Capital Outlay									
600 Other Objects								930	930
Total Instruction:	1,580,746	2,165,937	51,560	123,765	-	102,544	1,679,819	1,081,580	6,785,951
Current expenditures	1,580,746	2,165,937	51,560	123,765	-	102,544	1,679,819	1,068,697	6,773,068
Capital outlay	-	-	-	-	-	-	-	12,883	12,883
	1,580,746	2,165,937	51,560	123,765	-	102,544	1,679,819	1,081,580	6,785,951

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE--SPECIAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I		PRESCHOOL		OCCUPATIONAL		DRUG FREE		ADULT		OTHER		TOTAL
	(BA Projects) (201/202)	(CA Projects) (203/204)	(CG Projects) (205/206)	(VA Projects) (207/208)	(FP/FQ Projects) (209/210)	(EA Projects)	RESTRICTED STATE GRANTS	SPECIAL REVENUE PROGRAMS					
<b>EXPENDITURES (continued)</b>													
<b>200 SUPPORTING SERVICES</b>													
210 Pupil Services													
211 Unknown:													
100 Salaries													
200 Employee Benefits													
300 Purchased Services													
212 Guidance:													
100 Salaries													
200 Employee Benefits													
300 Purchased Services													
400 Supplies and Materials													
213 Health:													
100 Salaries													
200 Employee Benefits													
300 Purchased Services													
400 Supplies and Materials													
500 Capital Outlay													
600 Other Objects													
214 Psychological:													
100 Salaries													
200 Employee Benefits													
300 Purchased Services													
400 Supplies and Materials													
600 Other Objects													
220 Instructional Staff Services													
221 SAT Improvement Library & Media:													
100 Salaries													
200 Employee Benefits													
300 Purchased Services													
400 Supplies and Materials													
600 Other Objects													
222 Library & Media:													
100 Salaries													
200 Employee Benefits													
400 Supplies and Materials													
223 Supervision of Special Programs:													
100 Salaries													
200 Employee Benefits													
300 Purchased Services													
400 Supplies and Materials													
500 Capital Outlay													
600 Other Objects													



SCHEDULE 2  
(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE - SPECIAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2006

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
<b>EXPENDITURES (continued)</b>									
<b>200 SUPPORTING SERVICES (continued)</b>									
220 Instructional Staff Services (continued)									
224 Improvement of Instruction-Inservice Training:									
100 Salaries	\$ 12,271	\$ 1,676	\$ -	\$ -	\$ 1,200	\$ -	\$ 42,747	\$ 153,733	\$ 211,627
200 Employee Benefits	2,961	534	-	-	303	-	5,517	39,082	48,397
300 Purchased Services	1,188	46,879	-	10,076	1,025	-	34,477	114,568	208,213
400 Supplies and Materials	1,010	6,142	-	3,145	5,773	-	18,287	79,455	113,812
600 Other Objects	-	-	-	-	-	-	586	-	586
230 General Administration Services									
231 Board of Education:									
300 Purchased Services	-	-	-	-	-	-	-	13,862	13,862
233 School Administration:									
100 Salaries	-	-	-	-	-	-	-	5,199	5,199
200 Employee Benefits	-	-	-	-	-	-	-	6,567	6,567
250 Finance and Operations Services									
251 Unknown:									
100 Salaries	-	-	-	-	-	-	460	30,011	30,471
200 Employee Benefits	-	-	-	-	-	-	31	10,830	10,861
300 Purchased Services	-	-	-	40,180	-	-	-	26,565	66,745
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
252 Fiscal Services:									
100 Salaries	6,292	-	-	-	-	-	-	3,650	9,942
200 Employee Benefits	1,990	-	-	-	-	-	-	679	2,669
300 Purchased Services	-	2,074	-	-	-	-	-	21	21
400 Supplies and Materials	-	141,491	-	-	-	-	-	794	794
255 Student Transportation									
100 Salaries	-	-	-	-	-	-	-	-	-
200 Employee Benefits	-	-	-	-	-	-	-	-	-
300 Purchased Services	-	-	-	-	-	-	-	2,074	2,074
500 Capital Outlay	-	-	-	-	-	-	-	141,491	141,491
258 Security									
300 Purchased Services	-	-	-	-	-	-	-	-	-
266 Data Processing									
400 Supplies and Materials	-	-	-	-	-	-	8,735	-	8,735
Total Supporting Services:	198,391	1,786,576	98,173	65,232	58,579	-	158,856	864,496	3,230,303
Current expenditures	198,391	1,611,088	98,173	65,232	58,579	-	158,856	864,496	3,054,815
Capital Outlay	-	175,488	-	-	-	-	-	-	175,488
	198,391	1,786,576	98,173	65,232	58,579	-	158,856	864,496	3,230,303

(Continued)



LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SPECIAL REVENUE FUNDS  
 SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
 FOR THE YEAR ENDED JUNE 30, 2006

<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>TRANSFERS OUT</u>	<u>DEFERRED REVENUE</u>
904	3124	School to Work - Non-EIA	\$ 7,869	\$ 7,869	\$	
908	3126	Refurbishment of K-8 Science Kits	83,971	83,971	\$	
911	3198	School Technical Initiative	8,735	8,735		
916	3991	ADEPT	59,084	59,084		50,302
918	3151	Adult Education Basic	25,093	25,093		
919	3193	Education License Plates	5,166	5,166		
931	3121	EAA Summer School	12,004	12,004		
932	3121	EAA Summer School/Comprehensive Remedial	73,391	73,391		
960	3610	K-5 Enhancement	1,354,496	1,354,496		
965	3605	EAA Palmetto Gold and Silver Awards	21,123	21,123		
967	3607	Lotary 6-8 Enhancement	52,500	52,500		
968	3608	High Schools That Work	2,928	2,928		
969	3699	Miscellaneous Lottery	8,600	8,600		
990	2300	First Steps	123,715	123,715		
<b>Total Designated State Restricted Grants</b>			<b>\$ 1,838,675</b>	<b>\$ 1,838,675</b>	<b>\$ -</b>	<b>\$ 50,302</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON , SOUTH CAROLINA  
 SPECIAL REVENUE FUNDS  
 SUMMARY SCHEDULE FOR OTHER SPECIAL REVENUE PROGRAMS  
 FOR THE YEAR ENDED JUNE 30, 2006**

<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
2020	4310	Title I	\$ 1,893,841	\$ 1,893,841
2032	4510	IDEA	6,644	6,644
2033	4510	IDEA	7,638	7,638
2034	4510	IDEA	10,747	10,747
2040	4510	IDEA	4,064,299	4,064,299
2050	4520	Preschool Grants	155,183	155,183
2070	4210	Title I, Vocational Aid	433	433
2071	4210	Title I, Vocational Aid	9,762	9,762
2072	4210	Title I, Vocational Aid	3,500	3,500
2075	4210	Title I, Vocational Aid	40,180	40,180
2076	4210	Title I, Vocational Aid	46,529	46,529
2078	4210	Title I, Vocational Aid	77,236	77,236
2079	4210	Title I, Vocational Aid	13,221	13,221
2083	4210	Title I, Vocational Aid	5,000	5,000
2090	4920	Title IV, Drug and Violence Prevention	60,711	60,711
2111	4510	IDEA	3,819	3,819
2130	4510	IDEA	21,616	21,616
2131	4510	IDEA	15,784	15,784
2240	4924	Title IV, 21st Century Grant	158,853	158,853
2241	4924	Title IV, 21st Century Grant	72,956	72,956
2242	4924	Title IV, 21st Century Grant	176,015	176,015
2410	4340	Title V	52,031	52,031
2411	4340	Title V	5,710	5,710
2430	4410	Basic Adult Education	96,276	96,276
2431	4410	Basic Adult Education	10,000	10,000
2440	4994	Hurricane Relief Funds	63,375	63,375
2531	4331	Title II Educational Technology	31,346	31,346
2640	4341	Title III	62,925	62,925
2670	4351	Title II Improving Teacher Quality	446,431	446,431
2710	1930	Medicaid	390,093	390,093
2721	4999	ROTC - Army	52,842	52,842
2722	4999	ROTC - Air Force	59,386	59,386
2723	4999	ROTC - Navy	54,812	54,812
2730	4999	Smaller Learning Communities	138,122	138,122
2999	4999	Miscellaneous Federal	414	414
8001	1999	Mid Carolina Electric Cooperative Grant	453	453
8002	1999	Mid Carolina Electric Cooperative Grant	590	590
8003	1999	Mid Carolina Electric Cooperative Grant	1,000	1,000
8005	1999	Mid Carolina Electric Cooperative Grant	1,000	1,000
8006	1999	Mid Carolina Electric Cooperative Grant	884	884

(Continued)

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON , SOUTH CAROLINA**  
**SPECIAL REVENUE FUNDS**  
**SUMMARY SCHEDULE FOR OTHER SPECIAL REVENUE PROGRAMS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

8008	1999	Mid Carolina Electric Cooperative Grant	350	350
8009	1999	Mid Carolina Electric Cooperative Grant	545	545
8010	1999	Mid Carolina Electric Cooperative Grant	950	950
8100	3199	SAT Improvement	642	642
8140	3999	Arts Commission Grant	600	600
8180	1999	Parent Alliance SC Children	94,960	94,960
8195	1999	Wal-Mart Parenting	708	708
8220	1999	PSARAS Video Grant	4,443	4,443
8240	1999	Clemson University Foundation Grant	35	35
8260	3999	DHEC Recycling Grant	1,445	1,445
8270	1999	Captain Planet Grant	122	122
8271	3199	SCEENS/EIC CSPD	3,345	3,345
8340	3199	State Extended School Year	380	380
8360	1999	HEAP Grant	532	532
8390	3199	PMD State Supplement	1,611	1,611
8400	3999	Midlands Middle College	25,000	25,000
8401	4999	Middle College - Tech Prep	15,508	15,508
8402	1990	Middle College Unrestricted	30,196	30,196
8420	1999	Lowes Grant	5,000	5,000
8430	1999	SCCIM Professional Development	3,229	3,229
8440	3199	SC Reading Initiative - High Schools	8,594	8,594
8700	3999	12 Month Agriculture	27,172	27,172
8870	1999	Michelin Grant	1,249	1,249
8900	1999	Virtual School Program	38,297	38,297
<b>Total Other Special Revenue Programs</b>			<b>\$ 8,576,570</b>	<b>\$ 8,576,570</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006**

**REVENUES****3000 Revenue from State Sources**

3500 Education Improvement Act:		
3501 Increase High School Diploma Requirements	\$	643,292
3505 School Technology Initiative		45,992
3509 Arts in Education		5,000
3513 Parenting/Family Literacy		77,198
3515 Advanced Placement Courses		17,997
3517 Advanced Placement Singleton		8,475
3520 Gifted and Talented Academic		867,447
3522 Gifted and Talented Artistic		82,143
3523 Junior Scholars Program		2,177
3525 Career and Technology Education Equipment		225,880
3527 Critical Teaching Needs		6,776
3530 Trainable and Profoundly Mentally Disabled Student Services		74,371
3532 National Board Certification (NBC) Salary Supplement		1,216,790
3533 Teacher of the Year Awards		1,076
3534 Professional Development on Standards		85,981
3535 Institute of Reading		51,657
3540 Early Childhood Program		324,425
3542 Preschool Programs for Children with Disabilities		167,902
3546 Academic Assistance K-3		850,879
3548 Academic Assistance 4-12		720,008
3550 Teacher Salary Increase		3,143,664
3553 Adult Education Remedial		1,391
3555 School Employer Contributions		584,722
3562 Adult Education, Basic		162,336
3564 Adult Education, Young Adult Initiative		25,932
3565 Adult Education, Literacy		10,000
3575 Competetive Teacher Grants		39,227
3577 Teacher Supplies		364,000
3578 High Schools that Work		36,488
3582 Principal Salary/Fringe Increase		85,043
3583 EAA Summer School		30,144
3584 EAA Comprehensive Remediation		295,943
3588 EAA Palmetto Gold & Silver Awards		116,047
3591 Excellence in Middle Schools		80,448
3592 School-To-Work Transition Act		107,650
3593 EAA Reduce Class Size Grades 1-3		522,046
3596 EAA Alternative Schools Program		134,709
3598 Bus Driver Salary Supplement		15,292
3599 Other EIA		9,800
		<hr/>
<b>Total State Sources</b>		<b>11,240,348</b>
		<hr/>
<b>TOTAL REVENUE ALL SOURCES</b>		<b>11,240,348</b>
		<hr/>
		(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006

EXPENDITURES

100 INSTRUCTION

110 General Instruction

111 Kinderten Programs:

100 Salaries	\$	45,000
200 Employee Benefits		8,197
400 Supplies and Materials		5,620

112 Primary Programs:

100 Salaries		926,511
200 Employee Benefits		257,660
400 Supplies and Materials		136,555

113 Elementary Programs:

100 Salaries		781,247
200 Employee Benefits		199,718
300 Purchased Services		7,177
400 Supplies and Materials		415,978

114 High School Programs:

100 Salaries		1,031,037
200 Employee Benefits		199,589
300 Purchased Services		8,450
400 Supplies and Materials		83,249

115 Vocational Programs:

100 Salaries		22,500
200 Employee Benefits		4,130
300 Purchased Services		3,585
400 Supplies and Materials		87,272
500 Capital Outlay		152,632

120 Exceptional Programs

121 Educable Mentally Handicapped:

100 Salaries		7,500
200 Employee Benefits		1,381

122 Trainable Mentally Handicapped:

100 Salaries		62,800
200 Employee Benefits		11,571

125 Hearing Handicapped:

100 Salaries		7,500
200 Employee Benefits		1,395

127 Learning Disabilities:

100 Salaries		30,000
200 Employee Benefits		5,478

130 Pre School Programs

137 Preschool Handicapped Self Contained 3 & 4

100 Salaries		143,223
200 Employee Benefits		33,541

(Continued)

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006**

**EXPENDITURES (continued)**

**100 INSTRUCTION Continued**

139 Early Childhood Programs:		
100 Salaries	\$	410,787
200 Employee Benefits		125,156
400 Supplies and Materials		14,654
140 Special Programs		
141 Gifted and Talented:		
100 Salaries		643,398
200 Employee Benefits		168,570
400 Supplies and Materials		1,229
143 Advanced Placement:		
100 Salaries		8,475
400 Supplies and Materials		17,997
148 Gifted and Talented - Artistic:		
100 Salaries		21,190
200 Employee Benefits		5,668
300 Purchased Services		8,405
400 Supplies and Materials		9,140
170 Summer School Programs		
172 Elementary Summer School		
100 Salaries		24,154
200 Employee Benefits		5,323
400 Supplies and Materials		668
175 Instructional Programs Beyond Regular School Day		
100 Salaries		157,376
200 Employee Benefits		40,224
300 Purchased Services		13
400 Supplies and Materials		54,956
180 Adult/Continuing Educational Programs		
181 Adult Basic		
100 Salaries		4,216
200 Employee Benefits		784
182 Adult Secondary		
100 Salaries		76,044
200 Employee Benefits		12,656
300 Purchased Services		634
400 Supplies and Materials		1,806
183 Adult English Literacy		
100 Salaries		4,216
200 Employee Benefits		784
187 Adult Education - Remedial		
100 Salaries		1,293
200 Employee Benefits		98
188 Parenting/Family Literacy:		
100 Salaries		62,020
200 Employee Benefits		14,634
300 Purchased Services		544

**TOTAL INSTRUCTION**

6,577,608

(Continued)



**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006**

**EXPENDITURES (continued)**

**200 SUPPORT SERVICES**

220 Instructional Staff Services

212 Guidance		
100 Salaries	\$	53,674
200 Employee Benefits		11,294
213 Health		
100 Salaries		27,904
200 Employee Benefits		5,285

220 Instructional Staff Services

221 Improvement of Instruction-Curriculum Development:		
100 Salaries		194,023
200 Employee Benefits		43,380
300 Purchased Services		6,985
400 Supplies and Materials		76,481
600 Other Objects		185
222 Library and Media:		
100 Salaries		65,962
200 Employee Benefits		11,995
223 Supervision of Special Programs		
100 Salaries		76,541
200 Employee Benefits		17,964
300 Purchased Services		1,443
400 Supplies and Materials		1,180
224 Improvement of Instruction-Inservice and Staff Training:		
100 Salaries		52,160
200 Employee Benefits		12,447
300 Purchased Services		78,652
400 Supplies and Materials		53,089

230 General Administration Services

233 School Administration:		
100 Salaries		85,043

250 Finance and Operations Services

251 Student Transportation Federal/District Mandated		
100 Salaries		23,338
200 Employee Benefits		8,041
300 Purchased Services		11,996
255 Student Transportation State Mandated		
100 Salaries		15,292

<b>TOTAL SUPPORT SERVICES</b>	934,354
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<b>TOTAL EXPENDITURES</b>	7,511,962
	(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006

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**OTHER FINANCING SOURCES (USES)**

**Interfund Transfers, From (To) Other Funds:**

5220 Transfer from Special Revenue Fund

420-710 Transfer to General Fund

(3,728,386)

**TOTAL OTHER FINANCING SOURCES (USES)**

(3,728,386)

Changes in Fund Balance

-

Fund Balance - July 1, 2005

-

Fund Balance - June 30, 2006

\$ -

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2006**

PROGRAM	Revenues	Expenditures	Transfers In/(Out)	Deferred Revenue
3500 Education Improvement Act:				
3501 Increase High School Diploma Requirements	\$ 643,292	\$ 643,292	\$	
3505 School Technology Initiative	45,992	45,992		
3509 Arts in Education	5,000	5,000		
3513 Parenting/Family Literacy	77,198	77,198		
3515 Advanced Placement Courses	17,997	17,997		1,953
3517 Advanced Placement Singleton	8,475	8,475		
3520 Gifted and Talented Academic	867,447	867,447		
3522 Gifted and Talented Artistic	82,143	82,143		
3523 Junior Scholars Program	2,177	2,177		
3525 Career and Technology Education Equipment	225,880	225,880		
3527 Critical Teaching Needs	6,776	6,776		
3530 Trainable and Profoundly Mentally Disabled Student Services	74,371	74,371		
3532 National Board Certification (NBC) Salary Supplement	1,216,790	1,216,790		
3533 Teacher of the Year Awards	1,076	1,076		
3534 Professional Development on Standards	85,981	85,981		71,024
3535 Institute of Reading	51,657	51,657		
3540 Early Childhood Program	324,425	324,425		
3542 Preschool Programs for Children with Disabilities	167,902	167,902		
3546 Academic Assistance K-3	850,879	850,879		47,669
3548 Academic Assistance 4-12	720,008	720,008		64,141
3550 Teacher Salary Increase	3,143,664		(3,143,664)	
3553 Adult Education Remedial	1,391	1,391		3,906
3555 School Employer Contributions	584,722		(584,722)	
3562 Adult Education, Basic	162,336	162,336		35,156
3564 Adult Education, Young Adult Initiative	25,932	25,932		5,747
3565 Adult Education, Literacy	10,000	10,000		
3575 Competitive Teacher Grants	39,227	39,227		267
3577 Teacher Supplies	364,000	364,000		
3578 High Schools that Work	36,488	36,488		5,512
3582 Principal Salary/Fringe Increase	85,043	85,043		
3583 EAA Summer School	30,144	30,144		
3584 EAA Comprehensive Remediation	295,943	295,943		270,122
3588 EAA Palmetto Gold & Silver Awards	116,047	116,047		65,823
3591 Excellence in Middle Schools	80,448	80,448		1,552
3592 School-To-Work Transition Act	107,650	107,650		8,054
3593 EAA Reduce Class Size Grades 1-3	522,046	522,046		
3596 EAA Alternative Schools Program	134,709	134,709		
3598 Bus Driver Salary Supplement	15,292	15,292		
3599 Other EIA	9,800	9,800		6,000
<b>TOTALS</b>	<b>\$ 11,240,348</b>	<b>\$ 7,511,962</b>	<b>\$ (3,728,386)</b>	<b>\$ 586,926</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**DEBT SERVICE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>District</u>	<u>LSF, Inc.</u>	<u>LOSF, Corp.</u>	<u>Total</u>
<b>REVENUES</b>				
1000 Revenue from Local Sources:				
1100 Taxes:				
1110 Ad Valorem Taxes	\$ 12,150,343	\$	\$	\$ 12,150,343
1140 Delinquent Taxes	459,167			459,167
1190 Other Taxes	5,170,358			5,170,358
1200 Revenue in Lieu of Taxes:				
1280 Revenue in Lieu of Taxes	319,812			319,812
1500 Earnings on Investments:				
1510 Interest on Investments	242,244		127,315	369,559
<b>Total Local Sources</b>	<u>18,341,924</u>	<u>-</u>	<u>127,315</u>	<u>18,469,239</u>
3000 Revenue from State Sources:				
3800 State Revenue in Lieu of Taxes:				
3820 Homestead Exemption	540,969			540,969
3830 Merchants' Inventory Tax	83,263			83,263
3840 Manufacturing Exemption	55,611			55,611
3890 Motor Carrier Revenue	32,300			32,300
<b>Total State Sources</b>	<u>712,143</u>	<u>-</u>	<u>-</u>	<u>712,143</u>
<b>TOTAL REVENUES - ALL SOURCES</b>	<u>19,054,067</u>	<u>-</u>	<u>127,315</u>	<u>19,181,382</u>
<b>EXPENDITURES:</b>				
500 Debt Service:				
610 Redemption of Principal	52,495,000	3,955,000		56,450,000
620 Interest	5,392,215	688,650	1,020,256	7,101,121
630 Discount on Bonds Sold	69,806			69,806
640 Dues and Fees	35,501	2,000		37,501
<b>TOTAL EXPENDITURES:</b>	<u>57,992,522</u>	<u>4,645,650</u>	<u>1,020,256</u>	<u>63,658,428</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
5120 Premium on Bonds Sold	1,054,010			1,054,010
5121 Issuance of Installment Purchase Revenue Bonds			7,270,263	7,270,263
5130 Refunding Debt Issuance	18,495,000			18,495,000
<b>Interfund Transfers, From (To) Other Funds:</b>				
5210 Transfer (to) from General Fund		4,645,650		4,645,650
5250 Transfer from Capital Projects	22,797,101			22,797,101
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>42,346,111</u>	<u>4,645,650</u>	<u>7,270,263</u>	<u>54,262,024</u>
<b>NET CHANGES IN FUND BALANCE</b>	3,407,656	-	6,377,322	9,784,978
<b>FUND BALANCE JULY 1, 2005</b>	<u>2,720,999</u>	<u>-</u>	<u>-</u>	<u>2,720,999</u>
<b>FUND BALANCE JUNE 30, 2006</b>	<u>\$ 6,128,655</u>	<u>\$ -</u>	<u>\$ 6,377,322</u>	<u>\$ 12,505,977</u>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE**  
**LEXINGTON, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>District</u>	<u>LOSF, Corp.</u>	<u>Total</u>
<b>REVENUES</b>			
<b>1000 Revenue from Local Sources</b>			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 2,533,429	\$ 24,072	\$ 2,557,501
1900 Other Revenue from Local Sources:			
1999 Other Local Revenues	12,736		12,736
<b>Total Local Sources</b>	<u>2,546,165</u>	<u>24,072</u>	<u>2,570,237</u>
<b>3000 Revenue from State Sources</b>			
3172 Children's Educational Endowment (Facilities)	337,251		337,251
<b>Total State Sources</b>	<u>337,251</u>	<u>-</u>	<u>337,251</u>
<b>TOTAL REVENUES - ALL SOURCES</b>	<u>2,883,416</u>	<u>24,072</u>	<u>2,907,488</u>
<b>EXPENDITURES</b>			
<b>250 Finance and Operations</b>			
253 Facilities Acquisition & Construction:			
300 Purchased Services	184,110		184,110
400 Supplies and Materials	1,775,893		1,775,893
500 Capital Outlay			-
510 Land	302,956	2,103,852	2,406,808
520 Buildings	45,801,270	27,175	45,828,445
530 Improvements other than Buildings	990,610	49,984	1,040,594
541 Equipment	22,913		22,913
545 Technology Equipment	210,341		210,341
600 Other Objects	66,628	993,553	1,060,181
<b>TOTAL EXPENDITURES</b>	49,354,721	3,174,564	52,529,285
<b>OTHER FINANCING SOURCES (USES)</b>			
5110 Premium on Bonds Sold	739,843	3,015,319	3,755,162
5120 Issuance of General Obligation Bonds	96,250,000		96,250,000
5121 Issuance of Installment Purchase Revenue Bonds		86,374,737	86,374,737
<b>Interfund Transfers, From (To) Other Funds:</b>			
5210 Transfer from General Fund	3,000,000		3,000,000
423-710 Transfer to Debt Service Fund	(22,797,101)		(22,797,101)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>77,192,742</u>	<u>89,390,056</u>	<u>166,582,798</u>
<b>CHANGES IN FUND BALANCE</b>	30,721,437	86,239,564	116,961,001
<b>FUND BALANCE - JULY 1, 2005</b>	<u>16,653,144</u>	<u>(1,460,973)</u>	<u>15,192,171</u>
<b>FUND BALANCE - JUNE 30, 2006</b>	<u>\$ 47,374,581</u>	<u>\$ 84,778,591</u>	<u>\$ 132,153,172</u>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2006**

**REVENUES**

**1000 Revenue from Local Sources**

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 7,484
1600 Food Services:	
1610 Lunch Sales to Pupils	2,414,322
1620 Breakfast Sales to Pupils	183,545
1630 Special Sales to Pupils	1,884,595
1640 Lunch Sales to Adults	251,228
1650 Breakfast Sales to Adults	8,744
1660 Special Sales to Adults	80,005
1900 Other Revenue from Local Sources	
1999 Revenue from Other Local Sources	77,641
<b>Total Revenue From Local Sources</b>	<b>4,907,564</b>

**3000 Revenue from State Sources**

3140 School Lunch:	
3142 Program Aid	7,442
<b>Total State Sources</b>	<b>7,442</b>

**4000 Revenue from Federal Sources**

4800 USDA Reimbursement:	
4810 School Lunch Program	2,268,850
4830 School Breakfast Program	633,946
4900 Other Federal Sources:	
4991 USDA Commodities	331,063
<b>Total Federal Sources</b>	<b>3,233,859</b>

<b>TOTAL REVENUE ALL SOURCES</b>	<b>8,148,865</b>
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(Continued)

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2006**

**EXPENSES**

256 Food Services:

100 Salaries	2,418,786
200 Employee Benefits	853,984
300 Purchased Services	97,825
400 Supplies and Materials	3,931,545
500 Capital Outlay	138,116
600 Other Objects	25,165

<b>TOTAL EXPENSES</b>	<b>7,465,421</b>
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**OTHER FINANCING SOURCES (USES)**

5210 Transfer from General Fund	591,355
432-791 General Fund (Indirect Costs)	(26,375)

<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>564,980</b>
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<b>NET INCOME (LOSS)</b>	<b>1,248,424</b>
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**Add Back of Expenses on Fixed Assets Acquired by Grants,  
 Entitlements, or Shared Revenues Externally Restricted for Capital  
 Acquisitions and Construction that Reduces Contributed Capital  
 Depreciation Expense**

	92,704
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<b>INCREASE IN RETAINED EARNINGS</b>	<b>1,341,128</b>
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Retained Earnings - July 1, 2005	2,027,505
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Retained Earnings - June 30, 2006	\$ 3,368,633
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**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 JUNE 30, 2006**

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	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b>ASSETS</b>				
<b>Cash on Deposit</b>	\$ 1,901,141	\$ 21,267	\$ 179,257	\$ 1,743,151
<b>Total Assets</b>	<u>\$ 1,901,141</u>	<u>\$ 21,267</u>	<u>\$ 179,257</u>	<u>\$ 1,743,151</u>
<b>LIABILITIES</b>				
<b>Due to Student Organizations</b>	\$ 1,901,141	\$	\$ 157,990	\$ 1,743,151
<b>Total Liabilities</b>	<u>\$ 1,901,141</u>	<u>\$ -</u>	<u>\$ 157,990</u>	<u>\$ 1,743,151</u>



**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CHANGE IN DUE TO STUDENT ORGANIZATIONS  
 FOR THE YEAR ENDED JUNE 30, 2006**

<b>RECEIPTS</b>	
<b>1700 Pupil Activities:</b>	
1710 Admissions	\$ 566,217
1740 Student Fees	827,207
1790 Other	<u>3,337,771</u>
<b>TOTAL RECEIPTS - ALL SOURCES</b>	<u>4,731,195</u>
<b>DISBURSEMENTS</b>	
<b>190 Instructional Pupil Activity:</b>	
660 Pupil Activity	876,206
<b>270 Supporting - Pupil Activity:</b>	
271 Pupil Service Activity:	
660 Pupil Activity	<u>4,012,979</u>
<b>TOTAL DISBURSEMENTS</b>	<u>4,889,185</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS BEFORE TRANSFERS</b>	<u>(157,990)</u>
<b>TRANSFERS (TO) FROM OTHER FUNDS</b>	
5210 Transfer from General Fund	<u>                    </u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS AND TRANSFERS</b>	(157,990)
<b>DUE TO STUDENT ORGANIZATIONS - JULY 1, 2005</b>	<u>1,901,141</u>
<b>DUE TO STUDENT ORGANIZATIONS - JUNE 30, 2006</b>	<u><u>\$ 1,743,151</u></u>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
 FOR YEAR ENDED JUNE 30, 2006

School	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Gilbert Elementary School	\$ 37,360	\$ 197,142	\$	\$ 92,724	\$ 141,778
Gilbert High School	228,294	437,039		559,323	106,010
Gilbert Middle School	49,707	128,924		123,033	55,598
Gilbert Primary School	28,842	116,185		133,691	11,336
Lake Murray Elementary School	78,275	113,013		142,448	48,840
Lexington Applied Technology Center	90,002	168,212		199,128	59,086
Lexington Elementary School	61,351	103,927		101,379	63,899
Lexington High School	387,890	811,488		856,049	343,329
Lexington Intermediate School	7,018	56,090		63,009	99
Lexington Middle School	171,822	432,083		431,605	172,300
Midway Elementary School	47,704	170,752		185,065	33,391
Oak Grove Elementary School	13,567	48,737		49,041	13,263
Pelion Elementary School	54,557	110,654		115,731	49,480
Pelion High School	129,871	382,682		426,173	86,380
Pelion Middle School	25,928	83,627		76,604	32,951
Red Bank Elementary School	40,780	94,293		100,956	34,117
Saxe Gotha Elementary School	29,662	112,233		107,540	34,355
White Knoll Elementary School	18,930	99,687		96,456	22,161
White Knoll High School	297,229	699,824		657,787	339,266
White Knoll Middle School	102,361	364,606		371,453	95,514
<b>Total</b>	<b>\$ 1,901,150</b>	<b>\$ 4,731,198</b>	<b>\$ -</b>	<b>\$ 4,889,195</b>	<b>\$ 1,743,153</b>

SCHEDULE 12-1

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GILBERT ELEMENTARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
3rd Grade	\$ 1,693	\$ 7,238		\$ 6,492	\$ 2,439
4th Grade	568	1,002		276	1,294
5th Grade	2,865	2,149		3,636	1,378
Art - Fees	874	5,195		5,507	562
Band	51		6		57
Chorus	249	1,376		1,367	258
EAGLES	30	1,325		960	395
Instructional Material Fees	2,498	12,308	242	12,382	2,666
Library Fees/Fines/Fairs	3,152	15,592	(1,993)	13,444	3,307
Orchestra/Strings Fees	312				312
State Textbooks - Lost	20	116		55	81
State Textbooks - Damaged	39	72		109	2
Health	288				288
Special Collections	2,146	4,321		4,113	2,354
Misc. Pupil Activity Fund	152		5,008	4,979	152
Equipment					29
Just Say No	298				298
Homework Help Center	30				30
Canteen	2,720	1,593		1,075	3,238
School Pictures	5,806	9,750	(15)	9,454	6,087
Yearbooks	3,581	7,399	(3,015)	3,797	4,168
Faculty Funds	31				31
Interest	1,203				1,203
Miscellaneous	1,850	295		39	2,106
Special Funds	(9)		9		-
Special Projects	6,234	24,741		21,958	9,017
Memorials	25				25
Japanese	260				260
Camp Curiosity	79				79
Lunch Credits	307	58	(242)	1,479	(1,356)
L Price Gift		100,714			100,714
Education Foundation		250		250	-
Student Book Club Orders	8	1,448		1,352	104
Disaster Relief		200			200
<b>Total</b>	<b>\$ 37,360</b>	<b>\$ 197,142</b>	<b>\$ -</b>	<b>\$ 92,724</b>	<b>\$ 141,778</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GILBERT HIGH SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
11th Grade	\$ (179)	\$ 5,196	\$ 699	\$ 5,715	\$ 1
Business Education	8,419	182		8,158	443
Business Entrepreneurship	33		(33)		-
Agriculture Fees	3,314	14,225		11,992	5,547
Art-Fees	777	1,633		2,223	187
Band-Fees	4,371	2,346	1,430	6,777	1,370
Books/Workbooks-Fees	5,393	130		4,712	811
Chorus	687	2,129	311	965	2,162
Computer - Fees	55	1,758		200	1,613
Drama - Fees	(141)	800		223	436
Driver Education - Fees	337	1,569		1,232	674
Home Economics - Fees	677	1,374		988	1,063
Instructional Materials - Fees	5,353	20,441	134	20,063	5,865
Lab Fees	13,781	5,663		15,442	4,002
Library Fees/Fines/Fairs	1,464	943		997	1,410
Lock Fees	4,915	35	(2,708)	2,199	43
Mechanical Drawing - Fees	33		(33)		-
Orchestra/Strings - Fees	901	660		40	1,521
Parking Fees	698	10,750	(5,943)	4,393	1,112
Physical Education - Fees	5,712	2,198		3,794	4,116
State Textbooks - Lost	(220)	389			169
State Textbooks - Damaged	204	138			342
Health-Fees	(170)	2,309		1,620	519
Service Learning	338	55	29		422
Sports Medicine - Fees	(342)	88	746	492	-
ID Badges	2,386	2,072		3,563	895
Culinary Arts	(25)		1,385	1,360	-
Pro-Start	38	1,050		803	285
Special Collections	2,990	112		1,988	1,114
Miscellaneous Pupil Activity	204	1,036		1,537	(297)
Equipment	1,932		(1,932)		-
Anchor Club	166		(166)		-
Athletics	69,169	135,020	(1,678)	156,689	45,822
Beta Club - Sr.	1,274	2,966		2,784	1,456
Best Program II	(966)		1,769	803	-
Bus Transportation Club	707		(707)		-
Computer Club	(302)		302		-

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GILBERT HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Cheerleaders - JV	(1,566)	6,566	(1,605)	5,155	(1,760)
Cheerleaders - Varsity	(1,424)	23,582	(4,179)	22,455	(4,476)
FBLA Club	(89)	712	1,829	2,452	-
FCA Club	1,578		(500)	565	513
FFA Club	2,176	13,842	257	13,465	2,810
FHA Club	2,662		(1,829)		833
FTA Club/Teacher Cadets	(9)	150		141	-
French Club	(115)	145		25	5
Jr. Civilians Club	165		(165)		-
Jr. Drama Club	930	1,674		1,288	1,316
Science Club - Jr.	1,067		(1,067)		-
Student Council - Sr.	1,868	4,679		6,679	(132)
Chess Club	1		(33)		(32)
Spanish Club	137	1,807		2,442	(498)
Key Club	407	289		308	388
Canteen	4,810	29,565	(561)	33,742	72
Graduation	(58)	1,389		1,358	(27)
School Pictures	1,053	7,668		8,515	206
Sparkleberry	16		(16)		-
Student Newspapers	(126)	120	1,363	1,357	-
Yearbooks	(8,301)	40,678	1,400	45,641	(11,864)
JV Basketball Cheerleaders	57	1,763	57	1,877	-
Varsity Basketball Cheerleaders	(1,690)	1,478		1,510	(1,722)
Destination Imagination	(3,196)	2,222	1,149	175	-
Foundations	1,131		(1,131)		-
Interest	(925)		925		-
Miscellaneous	(2,372)	2,910	1,783	2,321	-
Special Funds	220	132		58	294
Special Projects	951	10		384	577
Special Projects - Athletics	213	39,379	7,404	43,083	3,913
Sears Class	2,414	2,565		1,352	3,627
B Team Cheerleaders	21				21
Health Occupations	306	15,590		15,006	890
Japanese	(72)		72		-
Literary Magazine	33		(33)		-
Lunch Credits	291	187		580	(102)
Construction Cluster	1,678	820		330	2,168
Criminal Justice	491		(491)		-
Price Gift	25,566			25,566	-

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GILBERT HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Booster Club Transactions	(1,218)		1,218		-
Ranch Gift	64,603	178		41,506	23,275
Michelin Awards	7			7	-
Education Foundation	420	49		469	-
Student Book Club Orders	32				32
Climate Control	168			79	89
Band Allocation		15,000		15,709	(709)
School/Business Partnership		547	48	595	-
Disaster Relief		1,376		1,376	-
Extended School Year		2,700			2,700
Junior Achievement			500		500
<b>Total</b>	<b>\$ 228,294</b>	<b>\$ 437,039</b>	<b>\$ -</b>	<b>\$ 559,323</b>	<b>\$ 106,010</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GILBERT MIDDLE SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
6th Grade	\$ (22)	\$	\$		(22)
7th Grade	(418)				(418)
8th Grade	407			640	(233)
Art - Fees	595	1,096		22	1,669
Band - Fees	2,481	3,497		3,444	2,534
Chorus	(833)	5,175		2,953	1,389
Computer - Fees	2,893	1,236		3,710	419
Drama - Fees	1,120	2,752		2,351	1,521
EAGLES	130	690		743	77
Exploratory Fees	7				7
Home Economics - Fees	44	826		437	433
Instructional Material Fees	4,572	11,359		10,696	5,235
Lab - Fees	496	3,366		1,991	1,871
Library Fees/Fines/Fairs	2,132	9,667		10,122	1,677
Lock - Fees	1,363			808	555
Orchestra/Strings Fees	4,227	3,102		1,656	5,673
Physical Education - Fees	2,205	2,415		2,200	2,420
State Textbooks - Lost	233	287		332	188
State Textbooks - Damaged	601	12		192	421
Industrial Tech. Fees	48	1,212		761	499
Health	3,573	1,953		2,670	2,856
Music Appreciation - Fees	(303)	191		423	(535)
Pro Team	1,018	378		434	962
ITE - Computers	33				33
Dance - Fees	911	174		29	1,056
Journalism - Fees	558	120			678
ID Badges	1,368	3,257		5,049	(424)
Special Collections	533	990		993	530
Misc. Pupil Activity	4,588	6,044		6,598	4,034
Equipment	59				59
Athletics	(1,333)	1,333			-
Beta Club - Jr.	3,723	2,505		1,711	4,517
FHA Club	128				128

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GILBERT MIDDLE SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
French Club	458	481		778	161
Student Council - Jr.	2,961	3,678		1,436	5,203
Spanish Club	651	1,264		1,310	605
Canteen	1,666	15,644		15,573	1,737
School Pictures	1,247	4,003		5,227	23
Student Newspapers	451	205		162	494
Yearbooks	2,682	13,501		12,310	3,873
German Club		115		103	12
Faculty Funds	52				52
Interest					-
Miscellaneous	515	1,945		2,071	389
Special Funds	900	538			1,438
Special Projects	1,276	3,296		2,810	1,762
B Team Cheerleaders	(1,045)	4,579		2,450	1,084
Japanese	508			471	37
Lunch Credits	130	97		3,085	(2,858)
Communities in Schools	118				118
Michein Awards		248		248	-
Education Foundation		489		489	-
Student Field Studies		15,204		13,545	1,659
<b>Total</b>	<b>\$ 49,707</b>	<b>\$ 128,924</b>	<b>\$ -</b>	<b>\$ 123,033</b>	<b>\$ 55,598</b>



**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GILBERT PRIMARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Kindergarten	\$	7,648	\$	7,648	\$ -
EAGLES	(38)	38			-
Instructional Material Fees	4,762	10,609		10,003	5,368
Library Fees/Fines/Fairs	7,821	24,483		27,691	4,613
Special Collections	234	2,742		2,133	843
Canteen	1,007	8,677		9,470	214
School Pictures	6,535	19,180		23,912	1,803
Yearbooks	6,610	7,540		14,150	-
Miscellaneous	96				96
Special Projects	1,774	34,814	(483)	35,594	511
Memorials	536				536
Lunch Credits	3	104		2,755	(2,648)
Parenting Center	(483)		483		-
Michelin Awards	(15)	250		235	-
Education Foundation		100		100	-
<b>Total</b>	<b>\$ 28,842</b>	<b>\$ 116,185</b>	<b>\$ -</b>	<b>\$ 133,691</b>	<b>\$ 11,336</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LAKE MURRAY ELEMENTARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Kindergarten	\$	6,327	382	\$	\$ 421
Art - Fees	8		(8)		-
Band - Fees	470	1,020	(382)	205	903
EAGLES	4,405	3,081		6,319	1,167
Instructional Material Fees	22,776	27,075	8	37,436	12,423
Library Fees/Fines/Fairs	367	726		560	533
Orchestra/Strings Fees	212	240		281	171
State Textbooks - Lost	292	174		148	318
State Textbooks - Damaged	198				198
Health	3,566	2,117		1,777	3,906
Special Collections	(368)	3,500		6,221	(3,089)
School Store		3,114	(2,094)	866	154
Canteen	570	1,720		2,096	194
School Pictures	16,873	18,223	(3,000)	18,627	13,469
Summer Programs	3,556	10,564		9,732	4,388
Faculty Funds	330	740		1,056	14
Interest	98				98
Special Projects	16,381	29,247	5,094	40,881	9,841
Lunch Credits	89	284		659	(286)
Nature Trail	6,706	600		3,499	3,807
Michelin Awards	39	991		1,030	-
Education Foundation		673		673	-
Student Book Club Orders	1,707	1,534		3,031	210
Disaster Relief		1,063		1,063	-
<b>Total</b>	<b>78,275</b>	<b>113,013.00</b>	<b>-</b>	<b>142,448.00</b>	<b>48,840.00</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON APPLIED TECHNOLOGY CENTER  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Adult Education	\$ 6,320	\$ 18,433	96	\$ 19,537	\$ 5,312
Instructional Material Fees	(611)	38,920	1,033	23,457	15,885
State Textbooks - Lost	13	304		45	272
Special Collections	270	850			1,120
Equipment	(2,155)		2,155		-
DECA Club	8,145	20,372		24,302	4,215
FBLA Club	4	4,055		532	3,527
FFA Club	10,156	15,427		17,591	7,992
National Honor Society - Sr.	470	914		1,460	(76)
VICA		19,621	2,001	23,500	(1,878)
Canteen	2,573	26,898	(1,124)	19,460	8,887
Summer Programs	96		(96)		-
Department Funds	6		(6)		-
Faculty Funds	598	305			736
Interest	4		317	167	1
Miscellaneous	1,033		(1,033)	320	-
Special Projects	52,146	4,888	(3,032)	54,002	-
Special Projects - Machine Tech.	49	105			154
Entrepreneurship Class	48		(48)		-
Health Occupations	(1,321)	1,362	(262)	112	(333)
Voc Rehab Project	7,857	11,892		11,183	8,566
Parenting Center	4,301	3,307		3,301	4,307
Education Foundation		159		159	-
Para Pro		400			400
<b>Total</b>	<b>\$ 90,002</b>	<b>\$ 168,212</b>	<b>\$ -</b>	<b>\$ 199,128</b>	<b>\$ 59,087</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON ELEMENTARY SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Kindergarten	\$	6,220			\$
Art - Fees	(69)		69		-
Band - Fees	457	1,648		965	1,140
Books/Workbooks - Fees	24		(24)		-
EAGLES	(101)	2,622		1,747	774
Instructional Material Fees	13,732	22,927	(45)	19,796	16,818
Library Fees/Fines/Fairs	5,567	15,923		12,066	9,424
Orchestra/Strings Fees	701	259		525	435
State Textbooks - Lost	161	58		47	172
State Textbooks - Damaged	44	43			87
Special Collections	51				51
Equipment	(4)		4		-
Canteen	2,031	1,825		1,166	2,690
School Pictures	13,775	21,767	(4)	30,761	4,777
Yearbooks	7,556	12,176		401	19,331
Department Funds	440			219	221
Faculty Funds	840	295		490	645
Foundations	433				433
Interest	4,645			785	3,860
Miscellaneous	8,744	12,904		19,315	2,333
Special Funds	(26)		26		-
Special Projects	140		(26)		114
Lunch Credits	280	720		1,225	(225)
Michelin Awards	256	250		506	-
Education Foundation	24	235		259	-
Handheld Class	1,650	4,055		4,886	819
<b>Total</b>	<b>\$ 61,351</b>	<b>\$ 103,927</b>	<b>\$ -</b>	<b>\$ 101,379</b>	<b>\$ 63,899</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON HIGH SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
12th Grade	\$ 858	\$ 43,240		\$ 34,316	\$ 9,783
ROTC	732	1,415		1,436	711
Art-Fees	682	3,432		3,462	652
Band	5,001	4,814		9,726	89
Books/Workbooks-Fees	14,150	8,132		7,977	14,305
Chorus	1,366	6,017		3,963	3,420
Computer - Fees	166			58	108
Drama - Fees	5,264	14,773		15,119	4,918
Driver Education - Fees	72	3,008		2,302	778
Home Economics - Fees	(10)	2,766	(24)	2,642	90
Instructional Materials - Fees	3,065	10,755		11,024	2,796
Lab Fees	9,677	37,136		38,705	8,108
Library Fees/Fines/Fairs	3,316	1,972		3,148	2,140
Orchestra/Strings - Fees	4,176	2,718		1,448	5,446
Parking Fees	44,236	25,026	(18,509)	18,494	32,259
Physical Education - Fees	11,470	14,980		21,529	4,921
State Textbooks - Lost	13,778	5,998		5,434	14,342
State Textbooks - Damaged	4,521	873			5,394
TV Production	(9,611)		9,611		-
Service Learning	2,345	628		10	2,963
ID Badges	8,225	11,453		17,779	1,899
Special Collections	2,142	2,019		5,700	(1,539)
Miscellaneous Pupil Activity	1,505	250		1,459	296
Equipment	890		15,646	16,536	-
Jr. ROTC	7,942	31,450	777	18,512	21,657
Athletics	116,320	260,864	(13,639)	290,619	72,926
Beta Club - Senior	(257)		257		-
BEST Program II	60				60
Bus Transportation	(201)		201		-
Cheerleaders - JV	9,984	15,742	(1,350)	9,285	15,091
Cheerleaders - Varsity	3,648	25,972	(50)	18,456	11,114
FBLA	544		(544)		-
FCA Club	1,369			482	887
FTA Club/Teacher Cadets	204	730		611	323
French Club	96		(96)		-
Interact Club	1,649				1,649
Jr. Civilians	137				137
Jr. Classical League	891	2,374		2,184	1,081

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Just Say No	30		(30)		-
Model UN	254			360	(106)
National Honor Society - Sr.	901	4,550	(41)	5,713	(303)
SADD Club	418		(418)		-
Science Club - Jr.	(63)		63		-
Science Club - Sr.	712		(712)		-
Student Council - Sr.	5,040	6,026	(119)	6,476	4,471
Arts and Crafts Club	1,831	172		992	1,011
Spanish Club	(14)	28	(14)		-
Key Club	1,596	4,891		4,412	2,075
ISSS	1,793		(1,793)		-
Debate Team	46		(46)		-
BEST Program	2,076	2,598	87	3,681	1,080
Athletic Canteen	27,875	147	(860)	13,999	13,163
Canteen	3,263	74,754	(740)	74,109	3,168
Class Rings	124		(124)		-
School Pictures	(24)	9,118		8,358	736
Student Newspapers	556		(556)		-
Yearbooks	(5,223)	65,641	(2,157)	57,417	844
German Club	85		(85)		-
Comic Book Club	1		(1)		-
TDAC	(139)		139		-
Canteen - ALC	59			547	1,282
BEST 3 Class	166	1,770		1,087	129
Destination Imagination	(1,130)		1,130		-
Department Funds	(20)			102	(122)
Faculty Funds	56		(56)		-
Foundations	(44)	404	44	404	-
Interest	(595)		595		-
Miscellaneous	11,873	32,088	(4,150)	28,671	11,140
Special Funds	5,515			3,737	1,778
Special Projects	(550)		2,544	1,994	-
Special Projects - Athletics	28,361	37,818	5,371	35,341	36,209
Memorials	608		(608)		-
Sears Class	10,371	5,937		13,533	2,775
B Team Cheerleaders	2,726	420	740	1,384	2,726
Planet Earth Club	2,208			1,933	1,984
Lunch Credits	(45)	2,296			318

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Picasso Project	(3,255)		3,255		-
International Club		68	28	67	29
Booster Clubs	(723)		723		-
Michelin Awards	56	250		306	-
Astronomy Club	359			359	-
Future Educators of America	637	172		98	711
Mock Trial Club	176	350		403	123
Educational Foundation		596		596	-
Instructional Fair	19,519				19,519
TMD Class Project	22		860	453	429
Band Allocation		15,000		14,156	844
Disaster Relief		4,707	341	5,048	-
Health Room/Nurse		50	3,260	2,353	957
Extended School Year		3,100		5,544	(2,444)
<b>Total</b>	<b>\$ 387,890</b>	<b>\$ 811,488</b>	<b>\$ -</b>	<b>\$ 856,049</b>	<b>\$ 343,330</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON INTERMEDIATE SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Band - Fees	994	3,251	\$	3,462	783
EAGLES	1,180	2,881		4,097	(36)
Instructional Material Fees	(259)	10,105		9,669	177
Library Fees/Fines/Fairs	173	1,475		2,145	(497)
Orchestra/Strings Fees	1,290	1,000		2,024	266
State Textbooks - Lost	281	72		87	266
State Textbooks - Damaged	815	3			818
Scholastic Books	23			22	1
Parent Support Organization	(166)	136		203	(233)
Canteen	102	1,308		1,793	(383)
School Pictures	2,172	19,355		23,175	(1,648)
Department Funds	(190)	250		60	-
Faculty Funds	248	657		843	62
Miscellaneous	319	13,704	(221)	13,578	224
Special Funds	4	594		340	258
Memorials	15				15
Lunch Credits	20	111		242	(111)
Michelin Awards	(3)	500		497	-
Education Foundation		284		284	-
Disaster Relief		404	221	488	137
<b>Total</b>	<b>7,018</b>	<b>56,090</b>	<b>\$ -</b>	<b>\$ 63,009</b>	<b>\$ 99</b>



LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON MIDDLE SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
7th Grade	\$ 842	\$	(842)	\$	\$ -
Art-Fees	7,050	3,164		3,394	6,820
Band-Fees	4,218	5,692		4,022	5,888
Books/Workbooks-Fees	3,195	12,708		11,427	4,476
Chorus	1,398	1,942	49	527	2,862
Computer Fees	3,619	3,076		3,041	3,654
Drama - Fees	344			273	71
EAGLES	1,223	3,060		4,056	227
Exploratory - Fees	2,986	21,543		24,455	74
Instructional Materials - Fees	12,819	7,745	1,295	18,953	2,906
Lab Fees	18,925	9,673		14,816	13,782
Library Fees/Fines/Fairs	3,804	17,377		17,139	4,042
Locks Fees	(1,123)	6,385		4,981	281
Orchestra/Strings - Fees	11,885	15,338		11,793	15,430
Physical Education - Fees	20,942	16,738		30,127	7,553
State Textbooks - Lost	13,192	1,993		2,847	12,338
Summer School		20,230		17,104	3,126
State Textbooks - Damaged	10,223	540			10,763
Industrial Tech. Fees	4,145	2,148		5,566	727
Service Learning	3,856	1,774		2,499	3,131
ID Badges	6,657	9,014		3,808	11,863
Special Collections		14,570		6,150	8,420
Misc. Pupil Activity	4,264	19,561	1,872	25,697	-
Equipment	(160)		160		-
Athletics	(4,754)	7,651		2,896	1
Beta Club - Jr.	686	2,310		2,174	822
Cheerleaders - JV	6,994	17,889	(108)	11,180	13,595
French Club	6,619	660		1,492	5,787
Science Club - Jr.	5,357			2,569	2,788
Arts & Crafts Club	521			409	112
Spanish Club	83		(83)		-
Foreign Language Club	276		(276)		-
Canteen	687	35,183	(181)	36,395	(706)

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - LEXINGTON MIDDLE SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
School Pictures	(5,179)	18,738	(2,669)	6,297	4,593
Yearbooks	1,620	53,739		46,818	8,541
Latin Club	337	409		394	352
German Club	85		(85)		-
Faculty Projects	9		(9)		-
Miscellaneous	248	15,402		14,449	1,201
Special Funds	7,273	15,759		16,458	6,574
Special Projects - Athletics	4,419		664	4,616	467
Memorials		2,265		880	1,385
B Team Cheerleaders	1,382		108	1,491	(1)
Lunch Credits	2	122		698	(574)
School Theater	(105)		105		-
Owls Club	8,416	63,442		64,899	6,959
Cats	1,072	1,291		2,048	315
Michelin Awards	277	250		527	-
Robotics Club	1,192	1,600		1,143	1,649
Education Foundation		712		712	-
Student Book Club Orders	1	390		385	6
<b>Total</b>	<b>\$ 171,822</b>	<b>\$ 432,083</b>	<b>\$ -</b>	<b>\$ 431,605</b>	<b>\$ 172,300</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - MIDWAY ELEMENTARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
1st Grade	\$ 476	\$ 1,002	(476)	\$ 1,286	(284)
2nd Grade	259	840	(259)	889	(49)
3rd Grade	193	2,357	(193)	1,986	371
4th Grade	693	538	(667)	591	(27)
5th Grade	26		(26)		-
Kindergarten		7,559		7,685	(126)
Art - Fees	8,592	162		2,966	5,788
Band - Fees	32				-
Books/Workbooks - Fees	7,551		(32)	4,069	-
EAGLES	494	2,524	(3,482)	2,580	438
Instructional Material Fees	6,082	22,387	3,866	22,852	9,483
Library Fees/Fines/Fairs	1,486	23,099		21,952	2,633
Orchestra/Sirings Fees	48		(48)		-
State Textbooks - Lost	198			74	124
State Textbooks - Damaged	10			10	-
Scholastic Books	(8)		8		-
Special Collections	882	7,471	(882)	7,033	438
Equipment	312		(312)		-
Just Say No	298	357		93	562
Parent Support Organization	4,725	25,713		30,315	123
School Store	120	839		780	179
Book to the Future	451	3,462		1,846	2,067
Canteen	2,477	6,192		8,399	270
School Pictures	6	28,177		25,310	2,873
Yearbooks	796	12,949	(554)	11,664	1,527
Faculty Projects	1,988	2,878	(1,078)	1,943	1,845
Department Funds	1,774		(1,581)	193	-
Faculty Funds	40	1,985	1,078	2,383	720
Interest	123				123
Miscellaneous	135	1,241	4,638	6,015	(1)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - MIDWAY ELEMENTARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Special Funds	3,904	4,923	(288)	7,697	842
Special Projects	1,658	3,631	288	4,650	927
Memorials	1,675	100		209	1,566
Lunch Credits	149	8,828		7,998	979
Michelin Awards	59			59	-
Education Foundation		744		744	-
Disaster Relief		794		794	-
Total	\$ 47,704	\$ 170,752	\$ -	\$ 185,065	\$ 33,391

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - OAK GROVE ELEMENTARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Kindergarten	\$	\$		\$	\$
Art	120	2,436	(1)	2,354	82
Band - Fees	18	687		119	-
EAGLES	148	854		293	412
Instructional Material Fees	3,038	8,406	60	318	684
Library Fees/Fines/Fairs	2,281	13,644		12,016	(512)
Orchestra/Strings Fees	96	100		12,312	3,613
State Textbooks - Lost	65	5		172	24
State Textbooks - Damaged	16			9	61
Special Collections	(326)	1,365			16
Misc Pupil Activity	1,000			1,373	(334)
Equipment	(6)		6	940	60
School Store	1,783	2,317		2,577	1,523
Special Education	8			8	-
Canteen	338	2,816		2,791	363
School Pictures	1,334	9,402		6,587	4,149
Yearbooks	1		(1)		-
Foundations	40		(40)		-
Interest	3		(3)		-
Miscellaneous	3,570	4,474		4,746	3,298
Special Projects	3		(3)		-
Lunch Credits		96		270	(174)
Michelin Awards	22	245	(1)	268	(2)
Education Foundation		349		349	-
Student Book Club Orders	15	1,541	(17)	1,539	-
<b>Total</b>	<b>\$ 13,567</b>	<b>\$ 48,737</b>	<b>\$ -</b>	<b>\$ 49,041</b>	<b>\$ 13,263</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - PELION ELEMENTARY SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Kindergarten	\$ -	\$ 5,573	\$ -	\$ 5,573	\$ -
Art - Fees	2,447	904			3,351
Band - Fees	2,039	1,666		1,759	1,946
Books/Workbooks - Fees	6,094	5,090		9,566	1,618
EAGLES	443	499		189	753
Instructional Material Fees	1,665	2,707	1,414	911	4,875
Library Fees/Fines/Fairs	1,439	14,811		14,077	2,173
Orchestra/Strings Fees	175				175
State Textbooks - Lost	201	243		90	354
Equipment	154		(154)		-
Parent Support Organization	11,426	8,739		6,130	14,035
Canteen	8,777	1,477		7,895	2,359
School Pictures	9,054	25,747		24,889	9,912
Yearbooks	145				145
Department Funds	(810)		810		-
Faculty Funds	325	1,170		1,283	212
Interest	1,095		(656)		439
Miscellaneous	4,841	5,497	(1,414)	3,530	5,394
Special Funds	2,292	10,452		9,263	3,481
Special Projects	2,894	23,931		23,527	3,298
Camp Curiosity	319				319
Lunch Credits	(630)	258		5,116	(5,488)
State Farm - Nursing	16				16
Michelin Awards		500		500	-
Education Foundation		463		463	-
Student Book Club Orders	156	220		263	113
Disaster Relief		707		707	-
<b>Total</b>	<b>\$ 54,557</b>	<b>\$ 110,654</b>	<b>\$ -</b>	<b>\$ 115,731</b>	<b>\$ 49,480</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - PELION HIGH SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
11th Grade	\$ 612	7,389	(192)	\$ 5,841	\$ 1,968
12th Grade	927	3,357	(431)	3,441	412
ROTC - Fees	9,249	12,062	(473)	11,788	9,050
Agriculture Fees	754	775		947	582
Art-Fees	821	1,184		1,785	220
Band-Fees	3,371	704	534	1,242	3,367
Books/Workbooks-Fees	2,937	5,183	3,710	7,625	4,205
Chorus	528	6,246	(425)	5,975	374
Computer - Fees	1,322	1,863		2,472	713
Drama - Fees	81	245		278	48
Driver Education - Fees	(1,610)	2,627		1,017	-
Instructional Materials - Fees	1,901	4,178		3,530	2,549
Lab Fees	1,359	4,630		2,257	3,732
Library Fees/Fines/Fairs	1,381	873		288	1,966
Orchestra/Strings - Fees	1,826	9,865		10,748	943
Parking Fees	6,671	4,677		10,348	1,000
Physical Education - Fees	153	1,357		1,309	201
State Textbooks - Lost	1,589	826		1,175	1,240
State Textbooks - Damaged	42	131			173
Industrial Technology Fees	391		(391)		-
Service Learning	2,115	57		228	1,944
Health Occupations Fees	1,890	1,620	(143)	856	2,511
Building Construction Fees	(155)	1,446		1,083	208
ID Badges	2,445	3,879	9	4,866	1,467
Telecommunications Fees	154		(154)		-
Broadcast Journalism Fees	99	837	123	751	308
Culinary Arts	3,960	11,171	4,283	18,121	1,293
Information Technology	24	701	391	375	741
Special Collections	150		(150)		-
Equipment	3,029		(3,029)		-
Athletics	22,811	120,614	(338)	134,246	8,841
Beta Club - Sr.	362	1,138	(38)	1,178	284
Bus Transportation	172			131	41
Computer Club	56		(56)		-
Cheerleaders - Varsity	888	18,955		12,049	7,794

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - PELION HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
FBLA Club	83	1,159	56	1,001	297
FCA Club	919	372		907	384
FFA Club	3,759	13,550	(66)	10,734	6,509
French Club	563		(258)		305
Jr. Drama Club	555	644	(50)	283	866
Parent Support Organization	(42)		42		-
SADD Club	(258)		258		-
Science Club - Sr.	528		(528)		-
Student Council - Sr.	1,265	5,431	(70)	5,247	1,379
VICA	214		(90)		124
Arts and Crafts Club	1,234	50		203	1,081
Spanish Club	280				280
Key Club	677	114		392	399
Teacher Cadets	301	250		331	220
Recycling Club	378		(378)		-
Best Program	311	2,950	378	2,983	656
Health Occ. Student Assn.	402	14,162	483	14,773	274
NTHS	(90)		90		-
Canteen	11,828	20,978	(2,332)	33,212	(2,738)
School Pictures	7,069	5,821		8,015	4,875
Yearbooks	5,861	19,092		26,378	(1,425)
Faculty Funds	(42)	480	(193)	90	155
Interest	218		(214)		4
Miscellaneous	3,862	6,788	(517)	8,163	1,970
Special Funds	(214)		214		-
Special Projects	2,639	4,076		4,169	2,546
Special Projects - Athletics	395		(290)	105	-
SEARS	4,516	4,442	(127)	6,267	2,564
ROTC League	712	6,065	316	4,028	3,065
Literary Magazine	252	341		530	63
Lunch Credits	68	437	(9)	687	(191)
Tri-M Music Honor Society	(55)		55		-
Booster Clubs	8,593	29,488		35,299	2,782
Michelin Awards	185			185	-
Education Foundation		251		251	-
LOCC	600	600		782	418
Band Allocation		15,000		10,938	4,062
Health Room/Nurse		51		143	(92)
Extended School Year		1,500		4,127	(2,627)
Total	\$ 129,871	\$ 382,682	\$ -	\$ 426,173	\$ 86,380



LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
**SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - PELION MIDDLE SCHOOL**  
**FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
5th Grade	\$ 163	\$	389	\$ 552	\$ -
6th Grade	1,923	1,451	140	3,514	-
8th Grade	571	98	(583)	86	-
Art - Fees	1,222	965		2,132	55
Band - Fees	120	6,138		3,699	2,559
Books/Workbooks Fees	4,884	1,250		3,610	2,524
Chorus	2,126	1,852	39	2,071	1,946
EAGLES	627	221		803	45
Exploratory Fees	5,299	4,587		2,347	7,539
Instructional Material Fees	1,583	2,472		2,756	1,299
Lab - Fees	2,396	2,733		1,682	3,447
Library Fees/Fines/Fairs	3,660	8,394	(10)	9,665	2,379
Orchestra/Strings Fees	158	1,463		1,508	113
Physical Education - Fees	9	1,813		1,869	(47)
State Textbooks - Lost	883	1,109		1,627	365
Industrial Tech. Fees	(106)	885		768	11
ID Badges	929	3,425		2,906	1,448
Beta Club - Jr.	401			25	376
Student Council - Jr.	905	256		1,035	126
Builders Club		166			166
Canteen	140	16,161	(1,720)	12,535	2,046
School Pictures	(634)	3,119		2,390	95
Yearbooks	457	9,770		3,662	6,565
Faculty Funds	6		(6)		-
Interest	46		(46)		-
Miscellaneous	(689)	3,073	714	3,098	-
Special Funds		55	6		49

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - PELION MIDDLE SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Special Projects	(1,136)	9,623	1,421	9,908	-
Japanese	17		(17)		-
Lunch Credits	97	342	2	631	(190)
Pro Team	(113)		113		-
Michelin Awards	14	250		264	-
Education Foundation		150		150	-
Student Book Club Orders	(30)	473		433	10
Student Field Studies		1,308	(436)	872	-
School/Business Partnership		25			25
Total	\$ 25,928	\$ 83,627	\$ -	\$ 76,604	\$ 32,951

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - RED BANK ELEMENTARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Kindergarten	\$	6,176	\$	6,176	\$
Art - Fees	1		(1)		-
Band - Fees	1	1,140		304	837
EAGLES	1,358	896		1,394	860
Instructional Material Fees	2,708	16,176	1	17,210	1,675
Library Fees/Fines/Fairs	391	2,367		2,204	554
Orchestra/Strings Fees	500	420		815	105
State Textbooks - Lost	56			56	-
State Textbooks - Damaged	(45)				-
Equipment	1		45		-
Beta Club - Junior	3,337	588	(1)	1,077	2,848
Just Say No	224			102	122
Homework Help Center	1,740	2,909		2,676	1,973
Canteen	20,830	32,576	2	30,466	22,942
School Pictures	169	4,436		4,447	158
Faculty Funds	50		(50)		-
Interest	5,066	20,779		25,225	620
Special Funds	1,630	3,288		4,678	240
Special Projects	178			23	155
Memorials	100	449		2,558	(2,009)
Lunch Credits	2,478	968		631	2,815
Sunshine Club	11			11	-
Michelin Awards	(4)	454		454	-
Education Foundation					-
Student Book Club Orders			4		-
Sunshine Fund		671		449	222
<b>Total</b>	<b>\$ 40,780</b>	<b>\$ 94,293</b>	<b>\$ -</b>	<b>\$ 100,956</b>	<b>\$ 34,117</b>

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - SAXE GOTHA ELEMENTARY SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
1st Grade	\$ (452)	\$ 765	\$ 1,053	\$ 1,366	\$ -
2nd Grade	(151)	1,425		1,145	129
3rd Grade	38			25	13
4th Grade	116	3,338	(54)	3,251	149
5th Grade	946	5,675	(1,092)	5,420	109
Kindergarten		3,689	480	3,689	480
Art - Fees	559	1,087		1,537	109
Band - Fees	1,512	1,840	23	3,305	70
Books/Workbooks - Fees	5		(5)		-
EAGLES	622	809		812	619
Instructional Material Fees	2,860	12,791	(475)	8,352	6,824
Library Fees/Fines/Fairs	4,739	10,928		8,017	7,650
Orchestra/Strings Fees	504	506		489	521
State Textbooks - Lost	291	24			315
State Textbooks - Damaged	110	1			111
Special Collections	2,668	16,249		15,009	3,908
Miscellaneous		4,375	(104)	4,375	-
Equipment	104				-
Just Say No	217				217
Canteen	(1,298)	5,247		2,967	982
School Pictures	923	14,687		10,323	5,287
Yearbooks	4,092	7,977		9,455	2,614
Department Funds	(342)	941			599
Faculty Funds	(444)	916		240	232
Interest	27		(27)		-
Miscellaneous	2,416	1,906		3,554	768
Special Funds	110	3,536	108	3,899	(145)
Special Projects	5,343	10,091		13,905	1,529
Lunch Credits	(15)	212		3,425	(3,228)
Michelin Awards	26	250		276	-
Bob Parker Memorial Fund	4,194	300			4,494
Education Foundation		319		319	-
Student Book Club Orders	(58)		93		(1)
Disaster Relief		2,349		2,349	-
Total	\$ 29,662	\$ 112,233	\$ -	\$ 107,540	\$ 34,355

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - WHITE KNOLL ELEMENTARY SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Kindergarten	\$ 577	4,894	\$	5,471	\$ -
Art - Fees	1,322	1,921		2,382	861
Band - Fees	1,463	20			1,483
Books/Workbooks - Fees	6		(6)		-
EAGLES	381	1,479		1,576	284
Instructional Material Fees	(2,348)	17,776		14,441	987
Library Fees/Fines/Fairs	3,135	1,034		3,191	978
Orchestra/Strings Fees	360	260		471	149
State Textbooks - Lost	193			72	121
Special Collections		9,250		6,856	2,394
Miscellaneous		200	1	201	-
Equipment	(5)		5		-
Just Say No	206				206
Canteen	857	488		679	666
School Pictures	6,095	13,289		13,535	5,849
Yearbooks	2,233	10,795		9,777	3,250
Department Funds					-
Faculty Funds	(177)	6,877	7	6,219	488
Foundations	155		(155)		-
Interest	(148)		148		-
Miscellaneous	(1,540)	6,477		2,702	2,235
Special Funds	4,802	20,509		21,591	3,721
Special Projects	197	923		575	545
Lunch Credits	811	393		3,401	(2,197)
Michelin Awards	303	750		1,053	-
Educational Foundation		100		100	-
Student Book Club Orders	52	89			142
Disaster Relief		2,163		2,163	-
<b>Total</b>	<b>\$ 18,930</b>	<b>\$ 99,687</b>	<b>\$ -</b>	<b>\$ 96,456</b>	<b>\$ 22,162</b>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - WHITE KNOLL HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance		Receipts		Transfers		Disbursements		Ending Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
9th Grade		636	100	(136)		256		344		
10th Grade		1,651	1,710	(515)		1,578		1,268		
11th Grade		869	5,594	2,602		5,132		3,933		
12th Grade		3,077	1,717	(2,379)		4,319		(1,904)		
ROTC		(938)	3,876			2,717		221		
Art-Fees		1,001	3,153			277		3,877		
Band		471	3,976			9,260		(4,813)		
Books/Workbooks-Fees		8,673	4,841			2,608		10,906		
Chorus		40	2,976			2,636		380		
Computer - Fees		79	12,859			6,777		6,161		
Drama - Fees		5,373	2,490			3,118		4,745		
Driver Education - Fees		1,521	7,445			8,057		909		
Home Economics - Fees		2,237	2,959			1,350		3,846		
Instructional Materials - Fees		10,264	20,850			13,433		17,681		
Lab Fees		21,073	16,424			22,718		14,779		
Library Fees/Fines/Fairs		2,522	6,998			6,380		3,140		
Orchestra/Strings - Fees		3,485	1,707			2,791		2,401		
Parking Fees		20,340	16,652			22,821		14,171		
Physical Education - Fees		14,389	13,978			9,944		18,423		
State Textbooks - Lost		5,491	4,587			4,926		5,152		
Summer School Fees		15,927	24,875	(29)		22,651		18,122		
State Textbooks - Damaged		3,498	980			1,192		3,286		
National Art Honor Society		33	33					66		
Service Learning Fees		849	55			51		853		
Health Occupation Fees		3,994	8,894			11,886		1,002		
ID Badges		676	8,953			8,931		698		
Drafting Fees		684	1,190			1,829		45		
Guitar Class		-	1,165			332		833		
Special Collections		1,406	265			440		1,231		
Miscellaneous Pupil Activity		(2,154)	1,437	717				-		
Equipment		994		(994)				-		
Athletics		110,406	209,381	(4,475)		196,697		118,615		

(continued)

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - WHITE KNOLL HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006**

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Senior Beta Club	1,311	2,876		3,364	823
Cheerleaders - JV	(70)		70		-
Cheerleaders - Varsity	(931)		931		-
DECA Club	(1,683)	51,676	7,857	53,306	4,544
FBLA Club	2,156	4,025	(50)	3,951	2,180
FCA Club	874	1,450		1,911	413
Interact Club	130	361		100	391
Jr. Civitians	242		(242)		-
National Honor Society - Sr.	1,065	706		126	1,645
Student Council - Sr.	1,717	1,204		201	2,720
Key Club		1,968		1,820	148
Outdoor Club	(334)		178		(156)
Teacher Cadets	113	183			296
Debate Team	56	140		30	166
Best Program	1,422		1,200	1,721	901
NTHS	(71)	3,192		2,430	691
National History Club	(18)		18		-
Canteen	17,023	56,469	1,001	71,039	3,454
Graduation	476			154	322
School Pictures	10,934	20,081		3,686	27,329
Student Newspapers	265				265
Yearbooks	5,000	36,684		9,565	32,119
Destination Imagination	1		(1)		-
Department Funds	600		(600)		-
Faculty Funds	7,536	731	(6,430)	1,479	358
Foundations	2,500	1,000		1,000	2,500
Interest				95	(95)
Special Funds	3,961	3,078		2,366	4,673
Special Projects	2,083	12,563	2,000	12,005	4,641
Special Projects - Athletics	185		(185)		-
Sears Class	3,700	8,525		9,355	2,870
B Team Cheerleaders	(210)		210		-
Health Occupations	653	6,965	(1,428)	6,357	(167)

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - WHITE KNOLL HIGH SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Literary Magazine	438	12			450
Lunch Credits	653	1,431	555	2,936	(297)
WKH	314				314
International Club	183				183
Junior/Senior Prom	7,983	16,052		7,924	16,111
Tri- M Music Honor Society	76	225		252	49
Gospel Choir	179				179
Senior Video Yearbook	70		(70)		-
Booster Club Transactions	(17,235)	35,193	195	29,719	(11,566)
Step Clubs	185				185
Lacrosse Club	(727)	1,823		1,563	(467)
Michelin Awards	215	500		715	-
Astronomy Club		140		124	16
Robotics Club	4,840	5,000		7,732	2,108
Education Foundation		749		749	-
Student Book Club Orders		5,427		6,532	(1,105)
Not on Tabacco (NOT)	500				500
LOCC	302	500		150	652
Band Allocation		15,000		14,527	473
Latin Dance Club		495		250	245
Extended School Year		11,280		23,446	(12,166)
Total	\$ 297,229	\$ 699,824	\$ -	\$ 657,787	\$ 339,266



LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - WHITE KNOLL MIDDLE SCHOOL  
 FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Business Education	\$ 80				\$ -
ROTC - Fees	(260)		(80)		-
Art-Fees	57	1,681	426	2,164	-
Band-Fees	5,296	8,373		7,759	5,910
Books/Workbooks-Fees	6,118	19,439		18,647	6,910
Chorus	112	2,136		1,720	528
Computer - Fees	200	3,757	153	2,062	2,048
Drama - Fees	1,996	2,525		2,564	1,957
EAGLES	1,944	1,456		3,107	293
Exploratory - Fees	(225)		225		-
Home Economics - Fees	215	1,864		1,571	508
Instructional Materials - Fees	36	5,527	246	5,199	610
Lab Fees	1,510	6,489		7,286	713
Library Fees/Fines/Fairs	5,838	16,562	1,151	12,276	11,275
Orchestra/Strings - Fees	1,076	1,785		2,357	504
Physical Education - Fees	6,585	13,904		13,529	6,960
State Textbooks - Lost	1,846	479		1,852	473
Summer School Fees	7,627	15		609	7,033
State Textbooks - Damaged	2,944	64			3,008
Industrial Tech. Fees	722	2,875	(1,000)	2,471	126
TV Production - Fees	5		(5)		-
Health - Fees	(40)		40		-
Service Learning	293	1,347	(12)		1,628
ID Badges	3,275	6,952		8,844	1,383
Leadership Academy	140	297			437
Special Collections	252	2,814	165	3,059	172
Misc. Pupil Activity Fund	7,285	97,031	(2,070)	94,460	7,786
Equipment	2,009		(2,009)		-
Athletics	7,547	9,354		10,681	6,220
FBLA Club	5				5

(continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - WHITE KNOLL MIDDLE SCHOOL  
FOR YEAR ENDED JUNE 30, 2006

Description	Beginning Balance	Receipts	Transfers	Disbursements	Ending Balance
Student Council - Jr.	5,901	3,196	3	7,580	1,520
Canteen	2,203	38,575	(160)	35,678	4,940
School Pictures	3,953	11,385		11,913	3,425
Yearbooks	3,283	18,974		17,550	4,707
Summer Programs	(1,842)		1,842		-
Destination Imagination	971	3,836		4,679	128
Department Funds	(90)		90		-
Faculty Funds	12	570		459	123
Foundations	250		(250)		-
Interest	397			234	163
Miscellaneous	(62)		62		-
Special Funds	17,124	29,183		38,611	7,696
Special Projects	5,611	50,846		50,564	5,893
Lunch Credits	11	189		586	(386)
WKH Activities	(43)		43		-
Science Olympiad	120		(120)		-
Robotics Club	71		1,000	258	813
Education Foundation		801		801	-
Student Book Club Orders	3	325		323	5
Total	\$ 102,361	\$ 364,606	\$ -	\$ 371,453	\$ 95,514

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 DETAILED SCHEDULE OF DUE TO  
 STATE DEPARTMENT OF EDUCATION  
 JUNE 30, 2006**

<u>Program</u>	<u>Project Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due to State Department of Education</u>
National Board Certification (NBC)		3532	NBC teacher resigned	\$ <u>1,825</u>
	Total			\$ <u><u>1,825</u></u>

SCHEDULE 14

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 LOCATION RECONCILIATION SCHEDULE (REQUIRED)  
 (FOR COGNIZANT AGENCY USE ONLY)  
 FOR THE YEAR ENDED JUNE 30, 2006

Location I.D.	Location	Ed Level	Cost Type	Total Expenditures
000	District Wide (Debt Service)	Non-School	Central	\$ 63,658,428
010	District Office	Non-School	Central	7,738,949
011	Lexington High	High School	School	21,664,083
012	Lexington Elementary	Elementary	School	7,290,039
013	Gilbert High	High School	School	7,354,574
014	Gilbert Elementary	Elementary	School	4,904,175
015	Pelion High	High School	School	6,701,462
016	Pelion Elementary	Elementary	School	8,049,488
017	Instructional TV Center	Other School	Central	97,584
018	Lexington Intermediate	Elementary	School	3,008,952
019	Alternative School	Middle	School	1,120,946
020	Lexington Middle	Middle	School	11,369,374
021	Lexington Technology Center	Other School	School	13,375,399
022	Oak Grove Elementary	Elementary	School	5,388,567
023	Saxe Gotha Elementary	Elementary	School	5,939,230
024	Red Bank Elementary	Elementary	School	7,087,802
025	White Knoll Elementary	Elementary	School	6,215,648
026	White Knoll Middle	Middle	School	9,281,628
027	White Knoll High School	High School	School	13,067,836
028	Midway Elementary	Elementary	School	6,642,693
029	Gilbert Middle	Middle	School	5,322,237
030	Pelion Middle School	Elem/Middle	School	7,123,388
031	Lake Murray Elementary	Elementary	School	7,547,499
032	Gilbert Primary School	Elementary	School	4,975,382
034	Pleaseant Hill Middle School	Middle	School	16,916,104
035	Pleaseant Hill Elementary School	Elementary	School	11,211,051
037	Carolina Springs Middle School	Middle	School	3,201,168
038	Carolina Elementary School	Elementary	School	1,240,566
040	New Lexington Area School	Elementary	School	2,291,002
Total Expenditures/Expenses for all Funds				269,785,254

The above expenditures are reconciled to the District's financial Statements as follows:

General Fund	128,296,087
Special Revenue Fund	10,145,396
Special Revenue - EIA	7,511,962
Debt Service Fund - District	57,992,522
Debt Service Fund - LSF, Inc.	5,665,906
Capital Projects Fund - District	49,354,721
Capital Projects Fund - LSF, Inc.	3,174,564
Proprietary Fund	7,465,421
Permanent Fund	178,675

Total Expenditures/Expenses for all Funds \$ 269,785,254

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING  
JUNE 30, 2006**

<u>Bond Issue</u>	<u>Fiscal Year Maturity</u>	<u>Principal</u>			
		<u>Outstanding, July 1, 2005</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding, June 30, 2006</u>
1998 Issue	2006	\$ 1,100,000			
	2007	1,150,000			
	2008	<u>1,200,000</u>	\$ 22,250,000	\$ -	\$ 19,900,000
2001 Issue	2006	2,535,000			
	2007	2,440,000			
	2008	2,385,000			
	2009	990,000			
	2010	500,000			
	2011	105,000			
	2012	95,000			
	2013	185,000			
	2014	1,630,000			
	2015	1,755,000			
	2016	35,000			
	2017	45,000			
	2018	190,000			
	2019	3,040,000			
	2020	3,315,000			
	2021	3,610,000			
2022	4,215,000				
2023	4,580,000				
2024	<u>565,000</u>	32,215,000	-	2,535,000	29,680,000
2003 Issue	2006	835,000			
	2007	1,800,000			
	2008	<u>1,800,000</u>	4,435,000	-	835,000
2004 A Issue	2006				
	2007				
	2008				
	2009	<u>500,000</u>	500,000	-	-

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING  
JUNE 30, 2006

<u>Bond Issue</u>	<u>Fiscal Year Maturity</u>		<u>Principal</u>			<u>Outstanding, June 30, 2006</u>
			<u>Outstanding, July 1, 2005</u>	<u>Issued</u>	<u>Paid</u>	
2004 Issue	2006	\$ 550,000				
	2007	565,000				
	2008	605,000				
	2009	795,000				
	2010	825,000				
	2011	910,000				
	2012	1,190,000				
	2013	<u>1,265,000</u>	\$ 6,705,000	\$ -	\$ 550,000	\$ 6,155,000
2005 A Issue	2006					
	2007					
	2008					
	2009	2,500,000				
	2010	2,585,000				
	2011	2,670,000				
	2012	2,760,000				
	2013	2,860,000				
	2014	2,970,000				
	2015	3,090,000				
	2016	3,215,000				
	2017	3,345,000				
	2018	3,485,000				
	2019	3,625,000				
	2020	3,775,000				
	2021	3,935,000				
	2022	4,100,000				
	2023	4,275,000				
	2024	4,460,000				
	2025	4,655,000				
2026	4,860,000					
2027	5,075,000					
2028	5,315,000					
2029	5,580,000					
2030	<u>5,865,000</u>		-	85,000,000	-	85,000,000

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF GENERAL OBLIGATION BONDS OUTSTANDING  
JUNE 30, 2006

<u>Bond Issue</u>	<u>Fiscal Year Maturity</u>		<u>Principal</u>			<u>Outstanding, June 30, 2006</u>
			<u>Outstanding, July 1, 2005</u>	<u>Issued</u>	<u>Paid</u>	
2005 B Issue	2006	\$ 6,080,000				
	2007	3,165,000				
	2008	<u>2,005,000</u>	\$ -	\$ 11,250,000	\$ 6,080,000	\$ 5,170,000
2005 C Issue	2006	95,000				
	2007	30,000				
	2008	35,000				
	2009	1,325,000				
	2010	1,410,000				
	2011	1,495,000				
	2012	1,575,000				
	2013	1,660,000				
	2014	1,740,000				
	2015	1,920,000				
	2016	2,105,000				
	2017	2,505,000				
2018	<u>2,600,000</u>		-	18,495,000	95,000	18,400,000
			<u>\$ 66,105,000</u>	<u>\$ 114,745,000</u>	<u>\$ 29,995,000</u>	<u>\$ 150,855,000</u>

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF LEXINGTON SCHOOL FACILITIES, INC.  
CERTIFICATES OF PARTICIPATION  
JUNE 30, 2006**

<u>Lease Purchase Obligations</u>	<u>Fiscal Year Maturity</u>		<u>Principal</u>			<u>Outstanding, June 30, 2006</u>
			<u>Outstanding, July 1, 2005</u>	<u>Issued</u>	<u>Paid</u>	
1998 A Series	2006	\$ 565,000				
	2007	590,000				
	2008	620,000				
	2009	650,000				
	2010	680,000				
	2011	<u>675,000</u>	\$ 3,780,000	\$ -	\$ 565,000	\$ 3,215,000
1998 B Series	2006	500,000				
	2007	515,000				
	2008	535,000				
	2009	560,000				
	2010	580,000				
	2011	<u>560,000</u>	3,250,000	-	500,000	2,750,000
2002 Series	2006	2,890,000				
	2007	2,965,000				
	2008	3,050,000				
	2009	2,630,000				
	2010	<u>680,000</u>	12,215,000	-	2,890,000	\$ 9,325,000
<b>Total</b>			<u>\$ 19,245,000</u>	<u>\$ -</u>	<u>\$ 3,955,000</u>	<u>\$ 15,290,000</u>



**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 SCHEDULE OF LEXINGTON ONE SCHOOL FACILITIES, CORP.  
 INSTALLMENT PURCHASE REVENUE BONDS OUTSTANDING  
 JUNE 30, 2006**

<u>Bond Issue</u>	<u>Fiscal Year Maturity</u>	<u>Principal</u>			<u>Outstanding, June 30, 2006</u>
		<u>Outstanding, July 1, 2005</u>	<u>Issued</u>	<u>Paid</u>	
2005 Issue	2006				
	2007	\$ 1,300,000			
	2008				
	2009	495,000			
	2010	1,030,000			
	2011	1,080,000			
	2012	1,135,000			
	2013	1,195,000			
	2014	1,255,000			
	2015	1,320,000			
	2016	1,385,000			
	2017	1,460,000			
	2018	1,540,000			
	2019	1,620,000			
	2020	1,710,000			
	2021	1,800,000			
	2022	1,900,000			
	2023	2,000,000			
	2024	2,110,000			
	2025	2,225,000			
	2026	2,340,000			
	2027	2,470,000			
	2028	2,600,000			
	2029	2,740,000			
	2030	<u>2,890,000</u>	\$ -	\$ 39,600,000	\$ -
					\$ 39,600,000

(Continued)

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF LEXINGTON ONE SCHOOL FACILITIES, CORP.  
INSTALLMENT PURCHASE REVENUE BONDS OUTSTANDING  
JUNE 30, 2006**

<u>Bond Issue</u>	<u>Fiscal Year Maturity</u>	<u>Principal</u>			<u>Outstanding, June 30, 2006</u>
		<u>Outstanding, July 1, 2005</u>	<u>Issued</u>	<u>Paid</u>	
2006 Issue	2006				
	2007				
	2008	\$ 1,285,000			
	2009	1,350,000			
	2010	1,420,000			
	2011	1,490,000			
	2012	1,570,000			
	2013	1,650,000			
	2014	1,735,000			
	2015	1,820,000			
	2016	1,915,000			
	2017	2,015,000			
	2018	2,115,000			
	2019	2,225,000			
	2020	2,340,000			
	2021	2,460,000			
	2022	2,585,000			
	2023	2,720,000			
	2024	2,855,000			
	2025	3,005,000			
	2026	3,155,000			
	2027	3,320,000			
	2028	3,490,000			
	2029	3,670,000			
	2030	3,855,000			
		\$ -	\$ 54,045,000	\$ -	\$ 54,045,000
		\$ -	\$ 93,645,000	\$ -	\$ 93,645,000

Lexington County School District One  
Lexington, South Carolina  
Net Assets by Component  
Last Four Fiscal Years (A)  
(Accrual Basis of Accounting)

	Fiscal Years			
	2003	2004	2005	2006
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 62,381,545	\$ 68,644,306	\$ 62,381,545	\$ 112,247,430
Restricted	11,421,112	10,990,056	18,561,221	7,737,934
Unrealized Holding Gain (Loss) on Investments	-	-	-	(9,441)
Unrestricted	8,358,644	11,599,638	11,982,482	1,061,246
<b>Total governmental activities net assets</b>	<b>\$ 82,161,301</b>	<b>\$ 91,234,000</b>	<b>\$ 92,925,248</b>	<b>\$ 121,037,169</b>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 870,816	\$ 784,710	\$ 906,142	\$ 884,201
Unrestricted	1,151,355	1,662,059	1,711,517	2,981,882
<b>Total business-type activities net assets</b>	<b>\$ 2,022,171</b>	<b>\$ 2,446,769</b>	<b>\$ 2,617,659</b>	<b>\$ 3,866,083</b>
<b>Primary Government</b>				
Invested in capital assets, net of related debt	\$ 63,252,361	\$ 69,429,016	\$ 63,287,687	\$ 113,131,631
Restricted	11,421,112	10,990,056	18,561,221	7,737,934
Unrealized Holding Gain (Loss) on Investments	-	-	-	(9,441)
Unrestricted	9,509,999	13,261,697	13,693,999	4,043,128
<b>Total primary government net assets</b>	<b>\$ 84,183,472</b>	<b>\$ 93,680,769</b>	<b>\$ 95,542,907</b>	<b>\$ 124,903,252</b>

Note: (A) Years after Implementation of GASB Statement No. 34.

Source: District Comprehensive Annual Financial Reports.

Lexington County School District One  
 Lexington, South Carolina  
 Changes in Net Assets  
 Last Four Fiscal Years (A)  
 (Accrual Basis of Accounting)

	Fiscal Years			
	2003	2004	2005	2006
<b>Expenses</b>				
<b>Governmental activities:</b>				
Instruction	\$ 81,759,315	\$ 82,795,244	\$ 96,689,095	\$ 90,651,437
Support services	44,363,416	45,497,672	52,177,877	49,494,561
Community services	58,415	117,784	164,612	226,864
Intergovernmental	417,944	402,630	283,767	80,953
Interest and other charges	4,731,598	4,601,773	4,098,653	8,774,520
Total governmental activities expenses	<u>131,330,688</u>	<u>133,415,103</u>	<u>153,414,004</u>	<u>149,228,335</u>
<b>Business-type activities</b>				
Food service	5,832,781	6,207,546	7,081,179	7,465,421
Total business-type activities expenses	<u>5,832,781</u>	<u>6,207,546</u>	<u>7,081,179</u>	<u>7,465,421</u>
<b>Total primary government expenses</b>	<u>\$ 137,163,469</u>	<u>\$ 139,622,649</u>	<u>\$ 160,495,183</u>	<u>\$ 156,693,756</u>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
Charges for services:				
Instruction	\$ 156,752	\$ 202,439	\$ 168,610	\$ 96,437
Support services	228,545	346,121	186,084	173,571
Community services	-	-	173,028	3,183
Intergovernmental	-	-	283,767	319,812
Operating grants and contributions	59,586,307	68,594,754	76,841,869	83,722,589
Total governmental activities program revenues	<u>59,971,604</u>	<u>69,143,314</u>	<u>77,653,358</u>	<u>84,315,592</u>
<b>Business-type activities:</b>				
Charges for services:				
Food service	3,616,296	3,916,173	4,437,466	4,900,080
Operating grants and contributions	2,434,114	2,584,497	2,699,398	3,241,301
Capital grants and contributions	260,574	-	-	-
Total business-type activities program revenues	<u>6,310,984</u>	<u>6,500,670</u>	<u>7,136,864</u>	<u>8,141,381</u>
<b>Total primary government program revenues</b>	<u>\$ 66,282,588</u>	<u>\$ 75,643,984</u>	<u>\$ 84,790,222</u>	<u>\$ 92,456,973</u>

Net (expense)/revenue					
Governmental activities	\$ (71,359,084)	\$ (64,271,789)	\$ (75,760,646)	\$ (64,912,743)	
Business-type activities	478,203	293,124	55,685	675,960	
Total primary government program net expense	<u>\$ (70,880,881)</u>	<u>\$ (63,978,665)</u>	<u>\$ (75,704,961)</u>	<u>\$ (64,236,783)</u>	
General Revenues and Other Charges in Net Assets					
Governmental activities					
Property taxes Levied for:					
General Purposes	\$ 50,101,511	\$ 53,131,051	\$ 54,299,246	\$ 58,611,209	
Debt Service	6,204,893	8,592,634	11,298,074	18,887,161	
Federal and state aid not restricted for specific purpose:	17,694,241	11,189,956	11,204,712	11,667,171	
Unrestricted investment earnings	656,246	418,577	841,258	4,175,207	
Miscellaneous revenue	98,694	310,468	87,384	258,337	
Transfers	(327,457)	(298,198)	(309,987)	(564,980)	
Total governmental activities	<u>74,428,128</u>	<u>73,344,488</u>	<u>77,420,687</u>	<u>93,034,105</u>	
Business-type activities					
Unrestricted investment earnings	1,298	950	3,216	7,484	
Transfers	124,355	130,524	111,989	564,980	
Total business-type activities	<u>125,653</u>	<u>131,474</u>	<u>115,205</u>	<u>572,464</u>	
Total primary government	<u>\$ 74,553,781</u>	<u>\$ 73,475,962</u>	<u>\$ 77,535,892</u>	<u>\$ 93,606,569</u>	
Change in Net Assets					
Governmental activities	\$ 3,069,044	\$ 9,072,699	\$ 1,660,041	\$ 28,121,362	
Business-type activities	603,856	424,598	170,890	1,248,424	
Total primary government	<u>\$ 3,672,900</u>	<u>\$ 9,497,297</u>	<u>\$ 1,830,931</u>	<u>\$ 29,369,786</u>	

Note: (A) Years after Implementation of GASB Statement No. 34.  
Source: District Comprehensive Annual Financial Reports.

Lexington County School District One  
 Lexington, South Carolina  
 Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Years									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Fund</b>										
Reserved	\$ 171,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,932	\$ 11,816	\$ 481,325	\$ -
Unreserved	6,324,747	5,173,716	6,587,621	6,274,880	4,802,157	5,548,147	7,174,565	9,591,274	11,418,550	12,348,217
<b>Total General Fund</b>	<b>\$ 6,495,873</b>	<b>\$ 5,173,716</b>	<b>\$ 6,587,621</b>	<b>\$ 6,274,880</b>	<b>\$ 4,802,157</b>	<b>\$ 5,548,147</b>	<b>\$ 7,271,497</b>	<b>\$ 9,603,090</b>	<b>\$ 11,899,875</b>	<b>\$ 12,348,217</b>
<b>All other governmental funds</b>										
Reserved	\$ 11,350,990	\$ 12,765,564	\$ 17,607,297	\$ 30,301,710	\$ 19,435,713	\$ 14,390,339	\$ 11,119,167	\$ 11,990,056	\$ 18,079,896	\$ 144,869,274
Unreserved, reported in:										
Permanent Fund	-	-	-	-	-	-	(14,089)	211,646	203,220	218,386
<b>Total all other governmental funds</b>	<b>\$ 11,350,990</b>	<b>\$ 12,765,564</b>	<b>\$ 17,607,297</b>	<b>\$ 30,301,710</b>	<b>\$ 19,435,713</b>	<b>\$ 14,390,339</b>	<b>\$ 11,105,078</b>	<b>\$ 12,201,702</b>	<b>\$ 18,283,116</b>	<b>\$ 145,087,660</b>

Source: District Comprehensive Annual Financial Reports.

Lexington County School District One  
Lexington, South Carolina  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Local Sources	\$ 26,504,337	\$ 28,602,809	\$ 34,399,628	\$ 38,756,364	\$ 44,638,643	\$ 52,931,599	\$ 57,303,156	\$ 62,857,153	\$ 67,338,520	\$ 82,292,310
Intergovernmental	-	-	-	-	-	182,250	182,250	121,625	123,858	123,715
State Sources	49,021,265	52,434,015	57,415,628	66,776,338	80,747,171	75,311,921	72,581,946	73,887,656	80,450,168	86,569,561
Federal Sources	1,780,779	2,119,864	2,154,477	2,939,147	3,327,143	3,702,017	4,120,189	5,494,797	7,368,555	7,933,147
<b>Total Revenues</b>	<b>\$ 77,306,381</b>	<b>\$ 83,156,688</b>	<b>\$ 93,969,733</b>	<b>\$ 108,471,849</b>	<b>\$ 128,712,957</b>	<b>\$ 132,127,787</b>	<b>\$ 134,187,541</b>	<b>\$ 142,361,231</b>	<b>\$ 155,281,101</b>	<b>\$ 176,918,733</b>
<b>Expenditures</b>										
Current:										
Instruction	43,140,864	47,971,152	53,538,285	61,072,134	70,081,491	76,282,336	79,202,415	81,277,812	88,277,400	94,656,825
Support Services	20,529,356	22,905,775	25,054,962	29,833,854	34,469,672	38,360,399	39,399,560	41,229,862	45,693,285	50,826,475
Community Services	62,736	3,410	2,178	10,598	7,475	6,923	58,415	117,784	164,612	226,864
Intergovernmental	-	-	29,943	17,327	139,092	173,079	417,944	402,630	283,767	80,953
Debt Service	-	-	-	-	-	-	-	-	-	-
Redemption of Principal	5,875,000	6,815,000	5,961,694	6,850,000	41,360,000	81,344,000	5,386,019	11,017,121	12,276,019	56,450,000
Interest	3,070,078	3,152,646	3,605,772	3,902,266	5,383,559	6,156,169	4,559,269	4,263,317	4,023,392	7,101,121
Other Objects	13,777	123,213	186,441	9,551	54,585	9,619	414,502	78,255	7,061	107,307
Capital Outlay	7,540,320	11,190,486	27,980,212	30,171,211	25,246,560	16,916,143	6,743,185	12,194,758	17,891,164	52,870,288
<b>Total Expenditures</b>	<b>\$ 80,232,131</b>	<b>\$ 92,161,682</b>	<b>\$ 116,359,487</b>	<b>\$ 131,866,941</b>	<b>\$ 176,742,434</b>	<b>\$ 219,248,668</b>	<b>\$ 136,181,309</b>	<b>\$ 150,581,539</b>	<b>\$ 168,616,700</b>	<b>\$ 262,319,833</b>
<b>Excess of Revenues over (under) expenditures</b>	<b>\$ (2,925,750)</b>	<b>\$ (9,004,994)</b>	<b>\$ (22,389,754)</b>	<b>\$ (23,395,092)</b>	<b>\$ (48,029,477)</b>	<b>\$ (87,120,881)</b>	<b>\$ (1,993,768)</b>	<b>\$ (8,220,308)</b>	<b>\$ (13,335,599)</b>	<b>\$ (85,401,100)</b>
<b>Other Financing Sources (Uses)</b>										
Sale of Assets	-	-	6,476	5,512	-	4,635	(19,160)	2,774	2,681	29,235
Receipt of Insurance Proceeds	-	-	180,380	-	-	-	31,241	-	-	-
Medicaid Reimbursements	-	-	31,599	-	-	-	-	-	-	-
Premium on Bonds Sold	-	-	-	-	100,985	-	-	-	-	-
Issuance of General Obligation Bonds	6,000,000	10,000,000	27,900,000	-	-	-	-	125,931	72,574	4,809,171
Issuance of Refunding Bonds	-	-	-	-	-	-	-	10,735,000	-	96,250,000
Issuance of Refunding Certificates of Participation	-	-	-	-	-	-	-	6,875,000	-	18,495,000
Issuance of Long-Term Notes	-	-	5,709,531	-	-	-	18,795,000	-	-	-
Issuance of Installment Purchase Revenue Bonds	-	-	830,000	36,166,236	36,046,945	83,233,932	110,152	-	22,500,000	-
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	-	-	-	-	-
Proceeds from Short-Term Borrowing	-	-	(5,709,531)	-	-	-	(18,519,924)	(6,791,980)	-	93,645,001
Payment to State Department of Education	-	-	-	-	-	-	-	-	481,325	-
Transfers In	7,442,664	7,582,999	7,859,860	10,999,099	10,151,999	12,463,859	16,117,211	14,584,978	15,313,344	29,860,011
Transfers Out	(8,143,967)	(7,902,313)	(4,852,597)	(11,394,083)	(10,609,172)	(12,880,929)	(16,444,668)	(14,883,176)	(15,623,321)	(30,424,991)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 5,298,697</b>	<b>\$ 9,097,411</b>	<b>\$ 31,955,718</b>	<b>\$ 35,776,764</b>	<b>\$ 35,690,757</b>	<b>\$ 82,821,497</b>	<b>\$ 69,852</b>	<b>\$ 10,648,527</b>	<b>\$ 22,682,601</b>	<b>\$ 212,663,427</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,372,947</b>	<b>\$ 92,417</b>	<b>\$ 9,565,964</b>	<b>\$ 12,381,672</b>	<b>\$ (12,338,720)</b>	<b>\$ (4,299,384)</b>	<b>\$ (1,923,916)</b>	<b>\$ 2,428,219</b>	<b>\$ 9,347,002</b>	<b>\$ 127,262,327</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	12.3%	12.5%	11.0%	10.6%	30.9%	43.3%	8.0%	11.1%	10.8%	30.4%

**Lexington County School District One**  
**Lexington, South Carolina**  
**Assessed Value and Estimated Actual Value of All Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	Assessed Value Real Property <sup>1</sup>	Assessed Value Personal Property			Total Assessed Value	Total Estimated Actual Value	Total Direct Tax Rate (Millage)	Assessed Value as a Percentage of Actual Value
			Motor Vehicles	Other					
1997	1996	\$ 100,146,420	\$ 41,175,460	\$ 24,775,880	\$ 166,097,760	\$ 2,760,130,307	194.90	6.02%	
1998	1997	113,305,900	38,898,420	27,175,520	179,379,840	2,907,246,235	194.90	6.17%	
1999	1998	119,209,640	40,828,660	29,386,600	189,424,900	3,119,290,880	214.60	6.07%	
2000	1999	127,727,150	46,152,960	31,398,120	205,278,230	3,297,511,328	224.40	6.23%	
2001	2000	135,175,400	50,171,610	32,988,900	218,335,910	3,791,567,294	239.40	5.76%	
2002	2001	167,543,210	54,091,560	34,489,440	256,124,210	4,617,411,578	250.30	5.55%	
2003	2002	179,075,200	52,451,880	34,700,400	266,227,480	5,140,049,416	262.30	5.18%	
2004	2003	187,132,250	53,156,870	34,289,350	274,578,470	5,263,945,422	277.10	5.22%	
2005	2004	196,306,440	53,659,840	34,583,870	284,550,150	5,133,893,808	285.10	5.54%	
2006	2005	254,281,230	50,818,090	34,842,240	339,941,560	6,375,668,389	272.10	5.33%	

Note: 1 Includes fee in lieu of taxes. Property values were re-assessed in Fiscal Year 2002 and Fiscal Year 2006.

Source: Lexington County Auditor's Office - Unaudited.



**Lexington County School District One**  
**Lexington, South Carolina**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	Lexington County School District One			Overlapping Rates					Total Direct and Overlapping Rates	Additional Millages - Municipalities				
	Tax Year	Operating Millage <sup>1</sup>	Debt Service Millage	Total Millage	Lexington County	Recreation District	Midlands Technical College	Riverbanks Zoo		City of Cayce <sup>2</sup>	Town of Gilbert	Town of Lexington	Town of Pelion	Town of Summit
1997	1996	170.900	24.000	194.900	82.500	13.200	3.400	2.100	296.100	N/A	7.700	53.600	13.700	6.100
1998	1997	170.900	24.000	194.900	81.700	12.800	3.300	2.100	294.800	N/A	7.000	53.600	13.700	6.100
1999	1998	190.600	24.000	214.600	81.600	12.800	3.300	2.600	314.900	N/A	7.000	53.600	13.700	6.100
2000	1999	200.400	24.000	224.400	77.100	12.800	4.200	2.600	321.100	N/A	5.000	51.000	13.700	6.100
2001	2000	215.400	24.000	239.400	81.100	13.200	4.200	2.500	340.400	N/A	5.000	51.000	13.700	6.100
2002	2001	226.300	24.000	250.300	75.296	12.784	3.723	2.013	344.116	N/A	5.000	43.700	13.700	6.100
2003	2002	238.300	24.000	262.300	82.582	13.048	4.083	1.731	363.744	N/A	5.000	43.700	13.700	6.100
2004	2003	243.300	33.800	277.100	84.412	13.293	4.181	1.858	380.844	N/A	5.000	43.700	13.700	6.100
2005	2004	243.300	41.800	285.100	88.059	15.099	4.277	1.885	394.420	N/A	5.000	43.700	13.700	6.100
2006	2005	213.100	59.000	272.100	78.572	13.517	4.306	1.852	370.347	42.500	5.000	36.238	12.600	5.500

Notes: 1 - Operating millage includes the Lease Purchase millage since it is levied in the general fund instead of the debt service fund.  
2 - A portion of the School District became annexed by the City of Cayce during the Tax Year 2005.

Source: Lexington County Auditor's Office - Unaudited.

Lexington County School District One  
Lexington, South Carolina  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2006					Fiscal Year 1997				
	Assessed Value	Taxes Paid	Rank	Percent of Assessed Value to Total Assessed Value		Assessed Value	Taxes Paid	Rank	Percent of Assessed Value to Total Assessed Value	
Michelin North America*	\$ 12,868,280	\$ 3,701,715	1	3.79%		\$ 11,781,920	\$ 3,045,573	1	7.09%	
South Carolina Electric & Gas	9,845,570	3,594,485	2	2.90%		5,940,750	1,783,554	2	3.58%	
Mid Carolina Electric Cooperative	3,569,200	1,289,218	3	1.05%		2,026,620	600,097	3	1.22%	
Pirelli Cables & Systems*	1,958,400	631,514	4	0.58%		1,203,600	301,821	7	0.72%	
Soletron SC Corp*	1,972,750	586,446	5	0.58%						
Pella Corporation	1,420,810	539,131	6	0.42%						
Alltel South Carolina Inc.	1,185,700	437,077	7	0.35%		1,405,000	428,723	4	0.85%	
Cooper Industries*	1,192,110	388,302	8	0.35%		1,281,390	365,233	6	0.77%	
Lowe's Home Centers Inc.	892,740	349,200	9	0.26%						
PBR Columbia, LLC*	2,386,210	319,454	10	0.70%						
Pond Branch Telephone						630,310	187,322	9	0.38%	
Inland Paperboard						1,326,070	315,698	5	0.80%	
Union Underwear						833,120	206,006	8	0.50%	
Boral Bricks, Inc.						508,420	131,649	10	0.31%	
	<u>\$ 37,291,770</u>	<u>\$ 11,836,542</u>		<u>10.97%</u>		<u>\$ 26,937,200</u>	<u>\$ 7,365,676</u>		<u>16.22%</u>	

\* Includes Fee in Lieu of Taxes

Source: Lexington County Auditor's Office - Unaudited.

**Lexington County School District One**  
**Lexington, South Carolina**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>1</sup>		Collections in Subsequent Years <sup>1</sup>	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1997	1996	49,864,474	Unavailable	Unavailable	Unavailable	48,171,211	96.6%
1998	1997	53,424,969	Unavailable	Unavailable	Unavailable	51,202,290	95.8%
1999	1998	61,798,870	Unavailable	Unavailable	Unavailable	59,672,639	96.6%
2000	1999	67,346,730	Unavailable	Unavailable	Unavailable	65,266,391	96.9%
2001	2000	76,334,125	Unavailable	Unavailable	Unavailable	74,313,066	97.4%
2002	2001	88,330,686	Unavailable	Unavailable	Unavailable	86,736,737	98.2%
2003	2002	96,692,157	Unavailable	Unavailable	Unavailable	96,407,673	99.7%
2004	2003	105,583,431	Unavailable	Unavailable	Unavailable	103,037,792	97.6%
2005	2004	110,543,736	Unavailable	Unavailable	Unavailable	109,596,363	99.1%
2006	2005	126,360,371	Unavailable	Unavailable	Unavailable	123,422,751	97.7%

Note: 1 The Lexington County Treasurer's Office was unable to provide the District with a breakout of collections within fiscal year levied or collections in subsequent years.

Source: Lexington County Treasurer's Office - Unaudited.

Lexington County School District One  
Lexington, South Carolina  
Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Limit										
Total Net Debt Applicable to Debt Limit	\$ 13,444,698	\$ 14,507,265	\$ 15,310,870	\$ 16,579,136	\$ 17,623,750	\$ 20,646,814	\$ 21,455,076	\$ 22,123,155	\$ 22,854,708	\$ 26,247,912
Legal Debt Margin	6,475,000	3,675,000	2,725,000	875,000	-	15,585,000	14,555,000	19,730,000	13,220,000	15,850,000
	\$ 6,969,698	\$ 10,832,265	\$ 12,585,870	\$ 15,704,136	\$ 17,623,750	\$ 5,061,814	\$ 6,900,076	\$ 2,393,155	\$ 9,634,708	\$ 10,397,912
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	48.2%	25.3%	17.8%	5.3%	0.0%	75.5%	67.8%	89.2%	57.8%	60.4%

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed Value (Excluding Fee in Lieu)	\$ 320,081,400
Merchant's Inventory	1,960,970
Fee in Lieu of Tax Property	6,056,531
Total Assessed Value	<u>\$ 328,098,901</u>
Constitutional Debt Limit (8% of total assessed value)	\$ 26,247,912
Debt Applicable to Debt Limit:	
General Obligation Bonds Outstanding	\$ 150,855,000
Less: General Obligation Bonds Outstanding Not Subject to Debt Limit	<u>(135,005,000)</u>
Total Net Debt Applicable to Debt Limit	<u>15,850,000</u>
Legal Debt Margin	<u>\$ 10,397,912</u>

NOTE 1: Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), empowers each school district of the State to incur general obligation debt in such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, 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% of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1982, and the 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% limitation.

Note 2: Statutes authorizing the payment of fees in lieu of taxes provide that property from which such fees are derived may be included in the calculation of debt limit. These statutes provide formulae whereby the assessed value for debt limit purposes of property subject to a fee in lieu of taxes is determined, based upon the most recently received annual payments in lieu of taxes received by a particular taxing entity. Based upon information received from the Lexington County Auditor, in 2005 property subject to fees in lieu of taxes provides the District with approximately \$484,523 in debt limit capacity.

Source: Assessed Values are obtained from the Lexington County Auditor's Office.

Unaudited

**Lexington County School District One**  
**Lexington, South Carolina**  
**Ratios of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities <sup>1</sup>										Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>	
	General Obligation Bonds	Certificates of Participation	Installment Purchase Revenue Bonds	Bond Anticipation Note	Capital Lease	Note Payable	General Obligation Bonds	Certificates of Participation	Installment Purchase Revenue Bonds	Bond Anticipation Note				Capital Lease
1997	\$ 10,280,000	\$ 41,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,030,000	1081%	\$ 695
1998	15,775,000	39,230,000	-	-	-	-	-	-	-	-	-	55,005,000	1054%	700
1999	40,385,000	37,015,000	-	830,000	-	-	-	-	-	-	-	78,230,000	1344%	948
2000	36,875,000	34,505,000	-	35,930,000	-	-	-	-	-	-	-	107,310,000	1712%	1,226
2001	34,325,000	31,625,000	-	35,930,000	973,552	-	-	-	-	-	-	102,853,552	1632%	1,130
2002	72,540,000	28,605,000	-	-	500,264	783,057	-	-	-	-	-	102,428,321	1584%	1,084
2003	70,135,000	26,825,000	-	-	-	522,038	-	-	-	-	-	97,482,038	1449%	995
2004	74,285,000	23,080,000	-	-	-	261,019	-	-	-	-	-	97,626,019	1352%	963
2005	66,105,000	19,245,000	-	22,500,000	-	-	-	-	-	-	-	107,850,000	Unavailable	1,029
2006	150,855,000	15,290,000	93,645,000	-	-	-	-	-	-	-	-	259,790,000	Unavailable	2,399

Note: 1 Details regarding the District's outstanding debt can be found in the notes to the financial statements. Information is compiled from District Comprehensive Annual Financial Reports.  
Note: 2 Personal Income and Estimated Population can be found on the table for Demographic and Economic Statistics.

**Lexington County School District One**  
**Lexington, South Carolina**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds <sup>1</sup>	Less: Amounts Available in Debt Service Fund <sup>2</sup>	Total	Percent of Estimated Actual Taxable Value of Property <sup>3</sup>	Per Capita <sup>4</sup>
1997	\$ 10,280,000	\$ 2,043,726	\$ 8,236,274	0.30%	\$ 110
1998	15,775,000	1,353,763	14,421,237	0.50%	183
1999	40,385,000	2,225,393	38,159,607	1.22%	462
2000	36,875,000	1,831,294	35,043,706	1.06%	400
2001	34,325,000	1,643,929	32,681,071	0.86%	359
2002	72,540,000	3,510,660	69,029,340	1.49%	731
2003	70,135,000	4,175,463	65,959,537	1.28%	674
2004	74,285,000	2,574,611	71,710,389	1.36%	707
2005	66,105,000	2,720,999	63,384,001	1.23%	605
2006	150,855,000	6,128,655	144,726,345	2.27%	1,336

Notes:

- 1 Details regarding the district's outstanding debt can be found in the notes to the financial statements.
- 2 This represents amounts reserved for Debt Service -District which is for General Obligation Bonds only. Amounts reserved for Lease Purchase (Certificates of Participation) or Installment Purchase Revenue Bonds are a separate Debt Service Fund.
- 3 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.
- 4 Population data can be found on the Schedule of Demographic and Economic Statistics.

**Lexington County School District One  
Lexington, South Carolina**

**Direct and Overlapping Governmental Activities Debt**

As of June 30, 2006

Governmental Unit	Governmental Activities Debt Outstanding	Percent Applicable to District <sup>2</sup>	Estimated Share of Overlapping Debt
<b>Debt Repaid with Property Taxes:</b>			
Lexington County	39,738,416	40.34%	16,029,133
Lexington County Recreation Commission	31,290,000	56.05%	17,538,463
Town of Lexington	3,995,725	100.00%	3,995,725
Riverbanks Zoo <sup>1</sup>	15,475,000	15.65%	2,421,460
<b>Total Overlapping</b>	<b>\$ 90,499,141</b>		<b>\$ 39,984,782</b>

**Lexington County School District One Direct Debt**

**\$ 259,790,000**

**Total Direct & Overlapping Debt**

**\$ 299,774,782**

Notes:

- 1 Percentage for Riverbanks Zoo is computed by combining total assessed values of Lexington and Richland Counties.
- 2 The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were computed by dividing the district's assessed value by the assessed value of the applicable governmental unit.

Sources:

Lexington County Auditor's Office, Lexington County Treasurer's Office, Richland County Auditor's Office, Riverbanks Zoo, and Town of Lexington.

**Lexington County School District One**  
**Lexington, South Carolina**  
**Demographic Statistics - Lexington County**  
**Last Ten Fiscal Years**

Fiscal Year	School District Estimated Population <sup>1</sup>	County Estimated Population <sup>2</sup>	Personal Income <sup>3</sup>	Personal Income <sup>3</sup>	Per Capita Personal Income <sup>3</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
1997	74,872	203,873	4,811,746	23,602	41,988	2.90%	
1998	78,615	208,910	5,217,161	24,973	43,145	1.76%	
1999	82,546	213,243	5,818,531	27,286	44,283	1.80%	
2000	87,547	216,014	6,268,383	28,901	45,032	2.07%	
2001	91,007	220,081	6,302,039	28,641	45,707	2.00%	
2002	94,467	222,771	6,466,495	29,034	46,304	2.71%	
2003	97,927	226,978	6,726,151	29,633	47,164	3.01%	
2004	101,387	231,057	7,221,851	31,282	47,801	3.30%	
2005	104,847	235,272	Unavailable	Unavailable	48,694	4.50%	
2006	108,307	238,797	Unavailable	Unavailable	49,662	4.77%	

Data Sources: 1 Based on census data from the 2000 census and interpolation resulting in an annual increase of 3,460.

2 SC Office of Research and Statistics' 2005 *Statistical Abstract*.

3 U.S. Department of Commerce, Bureau of Economic Analysis, Lexington County.

4 SC Department of Education - 135-Day Average Daily Membership Report. The County of Lexington has 5 school districts.

5 SC Employment Security Commission. Averages are on a fiscal year basis, computed from the monthly press releases.

Unaudited



**Lexington County School District One**  
**Lexington, South Carolina**  
**Principal Employers - Lexington County**  
**Current Year and Nine Years Ago**

Employer	2006			1997		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Michelin North America, Inc. <sup>1</sup>	1,500	1	1.18%	1,300	2	1.19%
UPS	630	2	0.49%	978	4	0.89%
US Foodservice	600	3	0.47%			
NCR	523	4	0.41%	1,500	1	1.37%
Southeastern Freight Lines Inc	500	5	0.39%			
Honeywell International	480	6	0.38%			
Harsco Track Tech	467	7	0.37%			
Columbia Farms, Inc.	425	8	0.33%	525	9	0.48%
Cooper Tools	392	9	0.31%			
Union Switch & Signal, Inc.	390	10	0.31%			
Allied-Signal, Inc.				1,300	2	1.19%
Amick Processing, Inc.				900	5	0.82%
Eastman Chemical				710	6	0.65%
Pirelli Cable				700	7	0.64%
Wal-Mart Corporation				677	8	0.62%
Bi-Lo, Inc.				493	10	0.45%
	<b>5,907</b>		<b>4.63%</b>	<b>9,083</b>		<b>8.30%</b>

Source: South Carolina Industrial Directory (Published by South Carolina Department of Commerce) and Lexington County CAFR.  
 Note: (A) Excludes School District and County Employees  
 Note: (1) Number of employees is total of two plants located in Lexington County.

Lexington County School District One  
 Lexington, South Carolina  
 Full-time Equivalent Lexington County School District One Employees by Function  
 Last Ten Fiscal Years

Function	Fiscal Years									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Instruction</b>										
Teachers	N/A	N/A	N/A	N/A	1,172.00	1,262.00	1,264.00	1,297.00	1,331.00	1,413.00
Other	N/A	N/A	N/A	N/A	258.00	279.00	292.00	295.00	331.00	373.00
<b>Support Services</b>										
Teachers <sup>1</sup>	N/A	N/A	N/A	N/A	68.00	76.00	72.00	73.00	77.00	85.00
Other	N/A	N/A	N/A	N/A	504.00	510.00	513.00	513.00	520.00	537.00
<b>Total</b>	-	-	-	-	2,002.00	2,127.00	2,141.00	2,178.00	2,259.00	2,408.00

Note: FTE's are tracked by the District's human resource module in the financial software system. This module was not utilized prior to FY 2001.

1 Teachers for support services include media specialists, guidance counselors, technology integration specialists, and school psychologists.

Lexington County School District One  
Lexington, South Carolina  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Pupil Enrollment 135-Day ADM <sup>1</sup>	Modified Accrual Basis of Accounting		Accrual Basis of Accounting		Teaching Staff <sup>4</sup>	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced Lunch
		Operating Expenditures <sup>2</sup>	Cost per Pupil	Percentage Change	Expenses <sup>3</sup>			
1997	14,412	\$ 63,732,956	\$ 4,422	5.78%	Unavailable	902	16.0	26%
1998	15,234	70,880,337	4,653	5.21%	Unavailable	952	16.0	24%
1999	15,822	78,625,368	4,969	6.80%	Unavailable	1,046	15.1	25%
2000	16,351	90,933,913	5,561	11.91%	Unavailable	1,103	14.8	26%
2001	16,831	104,697,730	6,221	11.85%	Unavailable	1,158	14.5	26%
2002	17,268	114,822,737	6,649	6.90%	Unavailable	1,262	13.7	28%
2003	17,829	119,078,334	6,679	0.44%	\$ 126,599,090	1,248	14.3	29%
2004	18,229	123,028,088	6,749	1.05%	128,813,330	1,268	14.4	30%
2005	18,688	134,419,064	7,193	6.58%	149,315,351	1,337	14.0	31%
2006	19,091	145,791,117	7,637	6.17%	140,453,815	1,420	13.4	31%

Notes:

- 1 Average Daily Membership. Includes Kindergarten through Grade 12.
- 2 Operating Expenditures are total expenditures in the governmental fund less debt service and capital outlay.
- 3 GASB 34 was not implemented until FY 2003. Therefore, expenses are not available prior to FY 2003. This represents governmental fund activities for instruction, support services, community services, and intergovernmental.
- 4 Does not include Media Specialist, Guidance Counselors, Technology Integration Specialists, or School Psychologists.

Source: Financial data is extracted from the District Comprehensive Annual Financial Reports. Other data has been gathered from various departments within the district.  
Unaudited

**Lexington County School District One**  
**Lexington, South Carolina**  
**Teacher Salaries**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Minimum Salary<sup>1</sup></u>	<u>Maximum Salary<sup>1</sup></u>	<u>District Average Salary<sup>1,2</sup></u>	<u>State Average Salary<sup>2,3</sup></u>	<u>Southeastern Average Salary<sup>2,3</sup></u>
1997	\$ 22,617	\$ 50,181	\$ 33,447	\$ 32,830	\$ 33,065
1998	23,415	52,081	34,725	33,697	34,087
1999	24,005	54,351	35,558	34,506	35,817
2000	25,062	56,737	37,658	36,081	37,010
2001	26,222	60,200	39,623	37,938	38,322
2002	27,420	62,747	41,798	39,923	39,759
2003	27,420	62,747	42,116	40,362	40,806
2004	27,585	63,097	42,109	40,728	Unavailable
2005	28,155	64,401	42,546	41,691	Unavailable
2006	28,608	65,436	42,508	43,011	Unavailable

Sources: 1 District Records

2 SC Department of Education

3 SC Office of Research and Statistics "SC Statistical Abstract"

Unaudited

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
CAPITAL ASSET STATISTICS BY SCHOOL  
LAST TEN FISCAL YEARS**

School	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Primary School</b>										
Gilbert Primary <sup>1</sup>										
Built 1980							82,193	82,193	82,193	82,193
Square Feet							626	626	626	626
Capacity							552	571	603	623
Enrollment							88%	91%	96%	100%
% of Capacity Used										
<b>Elementary Schools</b>										
Lexington Elementary										
Built 1985							126,305	126,305	126,305	126,305
Square Feet	126,305	126,305	126,305	126,305	126,305	126,305	1,002	1,002	1,002	1,002
Capacity	1,002	1,002	1,002	1,002	1,002	1,002	847	865	932	932
Enrollment	1,060	1,245	1,264	936	847	865	932	1,000	1,037	1,078
% of Capacity Used	106%	124%	126%	93%	85%	86%	93%	100%	103%	108%
Gilbert Elementary <sup>1</sup>										
Built 1932							82,193	82,193	82,193	82,193
Square Feet	82,193	82,193	82,193	82,193	82,193	82,193	626	626	626	626
Capacity	626	626	626	626	626	626	927	928	928	928
Enrollment	861	946	972	943	927	928	148%	148%	148%	148%
% of Capacity Used	138%	151%	155%	151%	148%	148%	84%	79%	78%	77%
Pelion Elementary										
Built 1980							136,617	136,617	136,617	136,617
Square Feet	119,625	119,625	119,625	136,617	136,617	136,617	909	909	909	909
Capacity	800	800	800	909	909	909	905	875	936	904
Enrollment	1,015	1,151	1,216	1,273	1,325	930	100%	96%	103%	99%
% of Capacity Used	127%	144%	152%	140%	146%	102%				
Oak Grove Elementary										
Built 1974							67,755	67,755	67,755	67,755
Square Feet	67,755	67,755	67,755	67,755	67,755	67,755	432	432	432	432
Capacity	432	432	432	432	432	432	457	426	426	435
Enrollment	605	564	553	573	457	454	104%	99%	99%	101%
% of Capacity Used	140%	131%	128%	133%	106%	105%				

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 CAPITAL ASSET STATISTICS BY SCHOOL  
 LAST TEN FISCAL YEARS

School	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Elementary Schools (continued)</b>										
Saxe Gotha Elementary										
Built 1992										
Square Feet	102,428	102,428	102,428	102,428	102,428	102,428	102,428	102,428	102,428	102,428
Capacity	871	871	871	871	871	871	871	871	871	871
Enrollment	794	808	827	838	730	731	738	731	726	724
% of Capacity Used	91%	93%	95%	96%	84%	84%	85%	84%	83%	83%
Red Bank Elementary										
Built 1980										
Square Feet	94,555	94,555	94,555	94,555	94,555	94,555	94,555	94,555	94,555	94,555
Capacity	792	792	792	792	792	792	792	792	792	792
Enrollment	843	855	946	968	837	891	882	917	792	983
% of Capacity Used	106%	108%	119%	122%	106%	113%	111%	116%	100%	124%
White Knoll Elementary										
Built 1990										
Square Feet	99,654	99,654	99,654	99,654	99,654	99,654	99,654	99,654	99,654	99,654
Capacity	894	894	894	894	894	894	894	894	894	894
Enrollment	1,001	1,051	1,093	1,101	901	945	933	919	925	931
% of Capacity Used	112%	118%	122%	123%	101%	106%	104%	103%	103%	104%
Midway Elementary										
Built 1994										
Square Feet	105,666	105,666	105,666	105,666	105,666	105,666	105,666	105,666	105,666	105,666
Capacity	948	948	948	948	948	948	948	948	948	948
Enrollment	1,248	1,128	1,268	933	944	904	913	926	956	1,006
% of Capacity Used	132%	119%	134%	98%	100%	95%	96%	98%	101%	106%
Lake Murray Elementary										
Built 1999										
Square Feet	114,613	114,613	114,613	114,613	114,613	114,613	114,613	114,613	114,613	114,613
Capacity	988	988	988	988	988	988	988	988	988	988
Enrollment	930	988	988	933	988	933	995	1,084	988	1,259
% of Capacity Used	94%	100%	100%	94%	100%	94%	101%	110%	100%	127%

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 CAPITAL ASSET STATISTICS BY SCHOOL  
 LAST TEN FISCAL YEARS

School	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Middle Schools</b>										
Lexington Intermediate										
Built 1953										
Square Feet	48,056	48,056	48,056	48,056	48,056	48,056	48,056	48,056	48,056	48,056
Capacity	200	200	200	200	200	200	200	200	200	200
Enrollment	371	470	478	374	344	363	395	358	372	375
% of Capacity Used	186%	235%	239%	187%	172%	182%	198%	179%	186%	188%
Lexington Middle										
Built 1957										
Square Feet	177,349	177,349	177,349	177,349	177,349	177,349	177,349	177,349	177,349	177,349
Capacity	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284
Enrollment	1,345	1,403	1,499	1,583	1,449	1,456	1,495	1,595	1,692	1,717
% of Capacity Used	105%	109%	117%	123%	113%	113%	116%	124%	132%	134%
White Knoll Middle										
Built 1991										
Square Feet	159,190	159,190	159,190	159,190	159,190	159,190	159,190	159,190	159,190	159,190
Capacity	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Enrollment	1,154	1,202	1,192	1,242	1,300	1,305	1,307	1,363	1,421	1,414
% of Capacity Used	111%	116%	115%	119%	125%	125%	126%	131%	137%	136%
Gilbert Middle										
Built 1993										
Square Feet	121,653	121,653	121,653	121,653	121,653	121,653	121,653	121,653	121,653	121,653
Capacity	795	795	795	795	795	795	795	795	795	795
Enrollment	782	825	834	848	795	869	672	795	677	702
% of Capacity Used	98%	104%	105%	107%	100%	109%	85%	100%	85%	88%
Pelton Middle <sup>2</sup>										
Built 1952										
Square Feet	110,560	110,560	110,560	110,560	110,560	110,560	110,560	110,560	110,560	110,560
Capacity	572	572	572	572	572	572	572	572	572	572
Enrollment	830	830	894	885	885	885	894	885	855	832
% of Capacity Used	145%	145%	156%	155%	155%	155%	156%	155%	149%	145%

(Continued)

LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 CAPITAL ASSET STATISTICS BY SCHOOL  
 LAST TEN FISCAL YEARS

School	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>High Schools</b>										
Lexington High										
Built 1978										
Square Feet	289,758	289,758	289,758	289,758	289,758	289,758	289,758	289,758	387,190	387,190
Capacity	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	1,706	2,456
Enrollment	1,845	2,058	2,119	2,175	2,025	2,019	2,086	2,160	2,154	2,286
% of Capacity Used	108%	121%	124%	127%	119%	118%	122%	127%	126%	93%
Gilbert High <sup>1</sup>										
Built 2002										
Square Feet	121,653	121,653	121,653	121,653	121,653	121,653	240,121	240,121	240,121	240,121
Capacity	740	740	740	740	740	740	1,107	1,107	1,107	1,107
Enrollment	695	730	706	724	758	768	798	837	827	842
% of Capacity Used	94%	99%	95%	98%	102%	104%	72%	76%	75%	76%
Pelion High <sup>2</sup>										
Built 2001										
Square Feet	110,560	110,560	110,560	110,560	217,864	217,864	217,864	217,864	217,864	217,864
Capacity	800	800	800	800	990	990	990	990	990	990
Enrollment	793	863	857	910	983	616	662	693	725	728
% of Capacity Used	99%	108%	107%	114%	99%	62%	67%	70%	73%	74%
White Knoll High										
Built 2000										
Square Feet	391,919	391,919	391,919	391,919	391,919	391,919	391,919	391,919	391,919	391,919
Capacity	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727	1,727
Enrollment	1,299	1,461	1,599	1,461	1,599	1,599	1,641	1,641	1,651	1,682
% of Capacity Used	75%	85%	93%	85%	93%	93%	95%	95%	96%	97%



LEXINGTON COUNTY SCHOOL DISTRICT ONE  
 LEXINGTON, SOUTH CAROLINA  
 CAPITAL ASSET STATISTICS BY SCHOOL  
 LAST TEN FISCAL YEARS

School	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other</b>										
Lexington Technology Center Built 1974										
Square Feet	91,113	91,113	91,113	91,113	91,113	91,113	91,113	91,113	91,113	91,113
Capacity	420	420	420	420	420	420	420	420	420	420
Enrollment	436	436	436	436	436	436	436	436	436	436
% of Capacity Used	104%	104%	104%	104%	104%	104%	104%	104%	104%	104%
Alternative Learning Center Built 1997										
Square Feet	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920	7,920
Capacity	100	100	100	100	100	100	100	100	100	100
Enrollment	24	24	24	52	65	72	85	110	111	115
% of Capacity Used	24%	24%	24%	52%	65%	72%	85%	110%	111%	115%

NOTES:

1 - At the beginning of Fiscal Year 2003, the Gilbert attendance area was reorganized due to the construction of a new high school. The following changes occurred in that fiscal year: Gilbert Primary School was created to provide instruction to all kindergarten through second grade classes. This school is located in the former Gilbert Elementary School which was originally constructed in 1980. Gilbert Elementary School moved to the old Gilbert High School plant and acquired the fifth grade from Gilbert Middle School. Gilbert Middle School serves grades 6-8. Gilbert Elementary serves grades 3-5. Gilbert High School moved into a new facility that was completed in the summer of 2002.

2 - At the beginning of Fiscal Year 2002, the Pelion attendance area was reorganized due to the construction of a new high school. Pelion Middle School was created to provide instruction to grades 6-8. This school is located in the former Pelion High School. Pelion High School moved into a new facility that was completed in the summer of 2001.

The square footage of each facility does not include portable classroom space.

Unaudited

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**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006**

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**SECTION I - SUMMARY OF THE AUDITORS' RESULTS**

- 1 The independent auditors' report on the financial statements expressed an unqualified opinion.
- 2 There were no reportable conditions in internal control over financial reporting disclosed in the audit of the financial statements.
- 3 The audit did not disclose any material noncompliance matters in relation to the financial statements.
- 4 There were no reportable conditions in internal control over compliance applicable to major programs.
- 5 The report on compliance for major programs expressed an unqualified opinion.
- 6 The audit disclosed no audit findings.
- 7 The major programs of the District included in the audit were:
  - A. Commodities, School Lunch Program, School Breakfast Program
  - B. Title I Grants to Local Educational Agencies
  - C. Special Education - Grants to States (IDEA)
- 8 The dollar threshold for Type A programs for the District was \$326,007.
- 9 The District qualified as a low-risk auditee.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**LEXINGTON COUNTY SCHOOL DISTRICT ONE  
LEXINGTON, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2006**

LEA Subfund Number	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Passed-Through S.C. Department of Education:				
2430/31	Adult Education - State Grant Programs	84.002	06EA053	106,276
2010/20	Title I Grants to Local Educational Agencies	84.010	06BA053	1,893,841 *
2032	Special Education - Grants to States (Group Homes)	84.027	06CE053	6,645 *
2033/2034	Special Education - Grants to States (Extended School Year)	84.027	N/A	18,385
2040	Special Education - Grants to States (Special Ed IDEA)	84.027	06CA053	4,064,298
2111	Special Education - Grants to States (Capacity Building)	84.027	05CR053	3,819
2130/2131	Special Education - Grants to States (Personnel Development)	84.027	06CO053	37,401
2050	Special Education - Preschool Grants	84.173	06CG053	155,183
2070-2080	Vocational Education - Basic Grants to States	84.048	06VA053	195,861
2410	Title VI	84.151	06BB053	52,031
2090	Safe and Drug-Free Schools and Communities - State Grants	84.186	06FQ053	60,711
2411	State Grants for Innovative Programs	84.298	06BB053	5,710
2440	Hurricane Relief Funds	84.938	N/A	63,375
2730	Fund for Improvement of Education	84.215	N/A	138,122
2240/41/42	Twenty-First Century Community Learning Centers	84.287	06CL053	407,825
2530/31	Education Technology State Grants	84.318	06ET053	31,346
2640	English Language Acquisition Grants	84.365	06BP053	62,925
2670	Improving Teacher Quality State Grants	84.367	06TQ053	446,431
<b>Total U.S. Department of Education</b>				<b>7,750,185</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Passed-Through South Carolina Department of Education:				
602	Commodities	10.550	N/A	342,476 *
602	School Breakfast Program	10.553	N/A	576,104 *
602	School Lunch Program	10.555	N/A	2,031,104 *
<b>Total U.S. Department of Agriculture</b>				<b>2,949,684</b>
<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>				
Direct Assistance:				
2721-23	ROTC	N/A	N/A	167,040
<b>Total U.S. Department of Defense</b>				<b>167,040</b>
<b>Total Federal Expenditures</b>				<b>\$ 10,866,909</b>

\* Denotes Major Programs

# BURKETT, BURKETT & BURKETT

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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

### OFFICERS

DONALD H. BURKETT, CPA  
WALD H. BURKETT, CVA, CPA  
MICHAEL L. CUMMINGS, JR., CPA  
HARVEY C. HEISE, CPA

### LEXINGTON OFFICE

MARK J. HENDRIX, CPA  
EXECUTIVE VICE PRESIDENT

### CPAs

ANTHONY J. ACOSTA  
BARBARA P. ADAMS  
THOMAS G. DICKINSON  
SANDRA W. EDWARDS  
ALLISON H. FORD  
DEVEN A. FOZDAR  
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DEANNA H. WILLIAMS



### MEMBERS

AMERICAN INSTITUTE  
OF CERTIFIED PUBLIC  
ACCOUNTANTS

SC ASSOCIATION  
OF CERTIFIED PUBLIC  
ACCOUNTANTS



### ST COLUMBIA OFFICE

88 SUNSET BOULEVARD  
POST OFFICE BOX 2044  
ST COLUMBIA, SC 29171  
803-794-3712  
FAX 803-739-4394  
TOLL FREE 800-896-9780



### OTHER OFFICES

LEXINGTON  
ROCK HILL  
SUMTER

To the Board of Trustees  
Lexington County School District One  
Lexington, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lexington County School District One, as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 30, 2006. 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.

### Compliance

As part of obtaining reasonable assurance about whether Lexington County School District One's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



**Burkett Burkett & Burkett, P.A.**  
Certified Public Accountants  
West Columbia, South Carolina

September 30, 2006

**BURKETT,  
BURKETT & BURKETT**

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**OFFICERS**

DONALD H. BURKETT, CPA  
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To the Board of Trustees  
Lexington County School District One  
Lexington, South Carolina

**Compliance**

We have audited the compliance of Lexington County School District One with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lexington County School District One's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Lexington County School District One's compliance with those requirements.

In our opinion, Lexington County School District One complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.



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TOLL FREE 800-896-9780



**OTHER OFFICES**

LEXINGTON  
ROCK HILL  
SUMTER

### **Internal Control Over Compliance**

The management of Lexington County School District One is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



**Burkett Burkett & Burkett, P.A.**  
Certified Public Accountants  
West Columbia, South Carolina

September 30, 2006