

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2009

ISSUED BY
LANCASTER COUNTY SCHOOL DISTRICT
GENE MOORE, ED.D.
SUPERINTENDENT
PREPARED BY
FINANCE DEPARTMENT

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2009

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INTRODUCTORY SECTION



November 17, 2009

To the Citizens of Lancaster County

Lancaster, South Carolina

The Comprehensive Annual Financial Report of Lancaster County School District for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the school district. We believe the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the school district. In addition, we believe we have included all disclosures necessary for the reader to understand the school district's financial activity.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The financial reporting entity includes all the funds of the primary government (Lancaster County School District) to include a blended component unit, Lancaster Educational Assistance Program, Inc. (LEAP). LEAP is a not-for-profit 501 (c) (3) corporation. Additionally, the Discovery School (Charter School) is considered a public school and is a part of the district for purpose of state law and state constitution and is included in the basic financial statements of the district as a discretely presented component unit. Component units are legally separate entities for which the primary government is financially accountable. Our school district is not included in any other "reporting entity" as defined by the Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity."

The school district is under the management and control of the Board of Trustees. The Board of Trustees consists of seven members, elected from single member districts for a four-year term. The Board of Trustees has decision-making authority, including the power to hire management, the ability to significantly influence operations, and the accountability for fiscal matters. The Board of Trustees appoints the superintendent. The superintendent is responsible for implementing board policies. The school district provides educational services, including child development, kindergarten, primary, secondary and adult education to those students residing within the district's jurisdiction. The school district operates nine elementary schools, five middle schools, four high schools, a child development center, and an alternative school. Average daily membership for the 2008-2009 year totaled 11,509 students.

Economic Condition and Outlook of Local Economy

The district is located along the north central Piedmont section of South Carolina, approximately 21 miles south of Charlotte, North Carolina, and benefits from its close proximity to Charlotte. The county's tax base continues to expand as Lancaster experiences increased residential and commercial growth along its northern border.

Lancaster County's population has grown by 19.18% over the last nine years. The 2000 Census showed Lancaster with a population of 61,351 and estimates for 2009 show a population of 75,913. The northern end of Lancaster County currently has 24 separate planned development districts with 14,000 home permits either underway or approved. The majority of these are single family homes ranging in value from \$200,000 to over \$1,000,000. Included in these numbers is the 1,800 acre Sun City Carolina Lakes Retirement Community with an estimated 1,800 homes currently in place and a total of 4,500 homes expected. Sun City leads the Charlotte area in home sales.

- With residential growth in the northern end of Lancaster County, retail growth is following close behind. Strip malls and fast food businesses have opened in the area along with Harris Teeter, Walgreens, and Lowes home center. Ground breaking has begun on a new Wal-Mart Supercenter with plans to open in late 2010. Also scheduled to open in 2010 are two new ALDI supermarkets. Banking branches as well as a medical outpatient surgery center have opened in the area.
- Lancaster County and the Lancaster County Economic Development Corporation (LCEDC) are members of the 16-county Charlotte Regional Partnership. This membership allows them to take advantage of marketing efforts and business and industry recruitment by the Charlotte Partnership staff.
- A 67-acre industrial park in the Heath Springs and Kershaw southern areas of the county is complete and ready to attract new business. The Lancaster County Council has negotiated with an investment group to build a spec building in the park estimated at over \$2,000,000. In addition, the County has approved \$400,000 in funding to make improvements to the 120-acre Kershaw Industrial Park on US 601 owned by the Town of Kershaw.
- Other industries in the county include Accutrex Products, Cardinal Health, Thomas & Betts, Duracell, Bowers Fibers, Kennametal, Virtual Image Technology, US Textiles Corporation, Boral Bricks Inc., Gerdau Ameristeel, and Nibrol.
- In March 2009, Continental Tire North America celebrated the grand opening of its new North American headquarters in Lancaster. The facility currently employs 375 people.
- In October 2009, Red Ventures, a high-tech marketing firm, announced plans to relocate to Lancaster. The company currently employs 250 people and plans to expand to 1,000 employees over the next five years.
- Lancaster County has seen an increase in the unemployment rate that mirrors rate increases across the country. This increase has been attributed mainly to the demise of the textile industry and the economy in general. Lancaster's unemployment rate for September 2009 was 17.9%, up by 4.9% from the rate one year ago of 13.0%.

Major Initiatives and Accomplishments

Our school district believes that the primary responsibility of all school personnel is to the educational development of students. The budget is designed to support the efforts of students, classrooms, teachers, administrators, and staff to achieve their full potential. Federal, state, and local grants are actively sought to provide additional funding for the education of our students. Recent district, program, teacher, and student accomplishments include:

- **Our Office of Research & Development authored the following school grants**

- 21st Century Community Learning Center - \$99,618
- Alcohol Prevention Program - \$262,321
- Carol White Physical Education - \$126,264
- GEAR-UP II - \$476,000
- GEAR-UP I - \$492,423
- GEAR-UP (Springs) - \$50,000
- GEAR-UP (PFY) - \$100,000
- At-Risk Student Innovation - \$143,667
- Early Head Start Expansion - \$1,574,000 over two years
- Partners for Youth Elementary Homework Centers - \$85,000

- **Honors and Awards**

- **89 teachers awarded National Board Certification**
- **76 South Carolina Junior Scholars**
- **Palmetto Gold Awards**
 - » Andrew Jackson High School
 - » Lancaster High School
- **Palmetto Silver Awards**
 - » Buford High School
- **2008-2009 Duke TIP Scholars Qualifying for State Recognition**
 - » Peyton Brumfield, AR Rucker Middle
 - » Devon Lowery, Buford Middle
 - » Joseph Roberts, Buford Middle
 - » Hailey Nicholson, Indian Land Middle
 - » Tara Brooks, South Middle
 - » Karie Grace Duncan, South Middle
 - » Emily Richards, South Middle
- **2009 Visiting International Faculty**
 - » Educator of the Year - Monica Diaz Jimenez, Brooklyn Springs Elementary
- **2008 JAG-S.C. Outstanding Specialist Award**
 - » Jerron Cauthen, Lancaster High

- **International Baccalaureate Middle Years Programme**
 - » A.R. Rucker Middle
- **Junior Civitan Awards**
 - » 2008 International Club of the Year - Lancaster High Chapter
 - » 2009 SC Club of the Year - Lancaster High Chapter
 - » SC Club President of the Year - Dagon Simmons, Lancaster High
 - » District Officer of the Year, SC Lt. Governor Area II - Derek Willis, Lancaster High
 - » SC Club Officer of the Year - Sam Keenan, Lancaster High
 - » SC Junior Civitans Corresponding Secretary - Brandon Craig, Lancaster High
 - » SC Chaplain - DeQuana Jones, Lancaster High
 - » International Club of the Year - Lancaster High Chapter
- **S.C. Art Education Association 2008 Middle Level Art Educator of the Year**
 - » Teresa Petty, Indian Land Middle
 - » David Platts, Instructional Services
- **2009 Governor's Committee on Employment of the Disabled Journalism Contest**
 - » Brooke Adams, Indian Land High
- **2009 Palmetto Drama Association's Blair Beasley Award**
 - » Lauren Rogers, Andrew Jackson High
- **2009 Project Learning Tree National Teacher of the Year**
 - » Denise Trufan, Indian Land Elementary
- **2009 Science P.L.U.S. at Roper Mountain Science Center participant**
 - » Audrey Burk, Eastside Academy
- **2009 Al Neuharth Free Spirit Scholarship S.C. Male Winner**
 - » Dylan Knight, Andrew Jackson High

School District Focus

Fiscal Year 2008-2009 was a year of financial hardship due to state budget cuts caused by state revenue shortfalls. A series of state cuts began early in the fiscal year followed by another cut at mid-year and a third cut at year end for a total of \$3,772,336 in cuts to our general operating funds. This was year two of ACT 388, state legislation passed in 2006 that exempted residential property from taxes for school operating millage and replaced school funding with sales tax. With projected future revenues in question due to ACT 388, the district sought to maintain its current level of support to teachers and schools. The budget focus was on gradually reducing the level of equity needed to balance the budget over the next few years to zero.

- There were no changes to staffing ratios for FY 2008-2009.
- Signing bonuses of \$1,500 each were paid for new math, English, science, and special needs teachers. First-year teachers received a \$500 signing bonus.

- Salary schedules for certified teachers increased by the state mandated 3.85% for Fiscal Year 2008-2009. There was no increase to the teacher local supplement of 13%. All other salary schedules increased a total of 2.00%.
- The formula for direct school allocations did not change; however, a 10% overall cut was applied for FY 2008-2009.
- A Celebration of Excellence banquet honors students, retiring employees, and former educators each year.
- A Celebrate Great Teaching Program allows students, parents, teachers, and administrators to nominate teachers for great teaching awards.

Long-Term Financing

The district maintains a capital improvement schedule and a technology needs schedule used to project major financial needs over a period of five years. These schedules are the basis for budgeting to meet capital needs and for addressing future debt issuance as needed. The district also maintains a furniture replacement schedule that is updated annually and used to budget for anticipated needs.

In conjunction with the growth in the northern borders of the county, the Board of Trustees approved the issuance of bonds under the Installment Purchase Plan during FY 2004-2005. The bonds made available \$38,430,000 for the purpose of constructing a new high school that opened in FY 2007-2008, renovating an existing high school into a middle school that was occupied in January 2008, renovating two middle schools that have been completed, purchasing property for two future schools, replacing and expanding technology throughout the district and renovating four high school athletic facilities along with several other capital projects. This plan has allowed the district to meet its annual capital needs as identified in the district's five year capital improvement schedule and maintain debt service millage at its FY 2001-2002 level of 38.5 mills. Debt service millage was increased during the FY 2007-2008 year by 5 mills to a total of 43.5 mills. The additional five mills were approved by the board to cover the construction cost of three new high school athletic field houses. Debt Service millage remained at 43.5 mills for FY 2008-2009 to cover the cost of a fourth athletic field house.

Internal Control Structure

Management is responsible for developing and maintaining an internal control structure designed to insure that the assets of the district are protected from loss, theft, or misuse and to insure that adequate accounting data is gathered to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments to be made by management. This internal control structure is subject to periodic evaluation by management.

Budgetary Controls

The district's Board of Trustees exercises budgetary controls. The Board of Trustees approves the annual budget for the General Fund by June 30th of each year. The purpose of the approval by the board is to ensure compliance with the legal provisions indicated in the policies of the Board of Trustees, as well as federal and state laws. Encumbrance accounting is utilized as a method of exercising budgetary controls. Encumbrances outstanding at year-end are reported as a reservation of fund balance. Unencumbered appropriations lapse at year-end. The chief financial officer prepares a budget status report for presentation to the board at the monthly board meetings. Budget transfers between major allocations and/or departments and requests for budget increases require board approval. Cost center managers (principals and directors) are authorized to make budget transfers within their budgets, subject to approval of the chief financial officer.

Debt Service expenditures are controlled by the bond issue requirements and corresponding revenues are set by the county auditor. The board requests anticipated required millage annually that is then assessed by the county auditor. All other budgets are reviewed and approved by the issuing agency and the chief financial officer.

Cash Management

The district invests all temporary idle cash. These funds are invested in obligations collateralized by instruments issued or guaranteed by the United States Government or the State of South Carolina. The majority of these funds were invested in the South Carolina State Local Government Investment Pool. Funds were also invested with First Citizens Bank of South Carolina until needed for payroll and payables. Banking services are bid out every five years. Interest earnings declined throughout the year from 2.08% in July 2008 to .64% in June 2009 with average annual interest earnings around 1.07%.

Risk Management

Our district participates in the South Carolina School Boards' Insurance Trust Fund. The School Boards' Insurance Trust provides coverage in the areas of building and property, casualty and liability, and worker's compensation. The programs are directed toward minimizing cost through the integration of system design, risk control and claims management.

Independent Audit

State statutes require an annual audit by an independent certified public accountant. The firm of McGregor & Company, LLP was selected by the Board of Trustees to perform this audit. The auditor's report on the basic financial statements is included in the Financial section of the report. The auditor's reports related specifically to the single audit are included in the Single Audit Section.

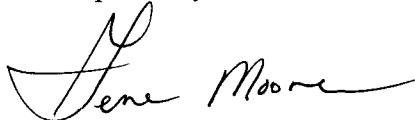
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Lancaster County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the fifth consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

The successful completion of this comprehensive annual financial report is the result of the commitment and hard work of staff members from several departments. We would like to thank the entire Financial Services staff for their hard work and the Department of Public Information for their assistance. We would also like to thank Keith Tunnell and Sharon Blackburn with the Lancaster County Economic Development Corporation for their help. We are especially grateful to our Board of Trustees for its continued support.

Respectfully submitted,

A handwritten signature in cursive script, reading "Gene Moore".

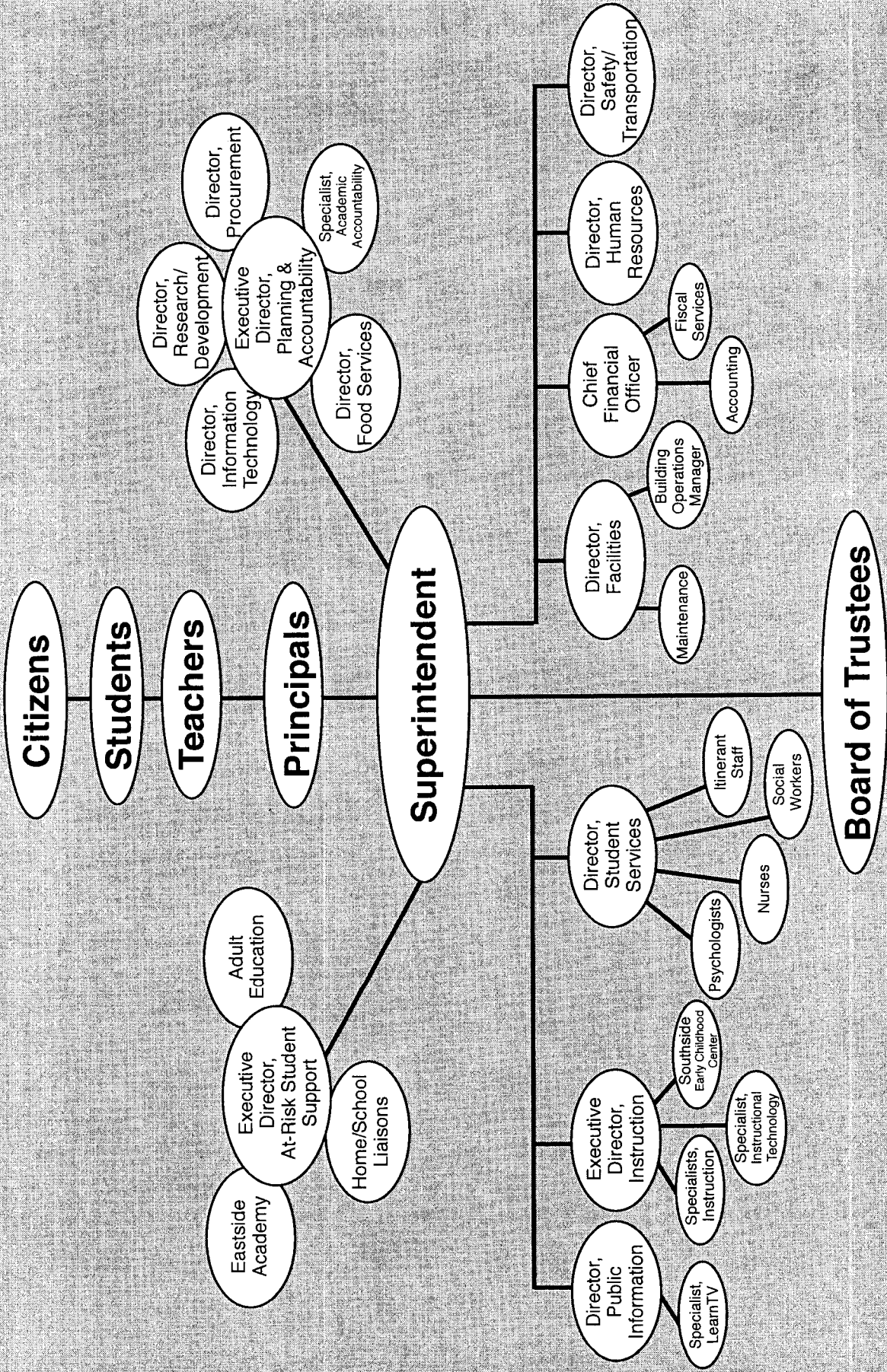
Gene Moore, ED.D.
Superintendent

A handwritten signature in cursive script, reading "Tony Walker".

Tony Walker, CPA
Chief Financial Officer

Organizational Chart

2009-10



LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SCHOOL DISTRICT OFFICIALS

JUNE 30, 2009

Board of Trustees

Charlene McGriff, Chairman

Bobby Parker, Vice Chairman

Margaret Gamble, Secretary

Dr. Peter Barry

Don L. McCorkle

Janice Dabney

Mary Etta Taylor

Administrative Staff

Gene Moore, ED.D., Superintendent

Tony Walker, CPA, Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lancaster County School
District, South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen", is written above the title "Executive Director".

Executive Director

FINANCIAL SECTION

McGregor & COMPANY^{LLP}

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1906-1968

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C.D. Hinchee, CPA
J.R. Matthews, II, CPA

INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of
the Board of Trustees of
Lancaster County School District
Lancaster, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County School District, Lancaster, South Carolina, as of and for the year ended June 30, 2009, which collectively comprise the School 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 U. S. generally accepted auditing standards and the standards applicable to financial audits contained in U. S. *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 basic 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County School District as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows 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 November 23, 2009, on our consideration of Lancaster County School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Schedule, as listed in the table of contents, 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 of management regarding 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the Lancaster County School District's basic financial statements. The introductory section, combining and individual fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lancaster County School District. 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 Lancaster County School District. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards of the primary government 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 and statistical sections 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.

McGregor & Company, LLP

Columbia, South Carolina
November 23, 2009

**Lancaster County School District
Management's Discussion and Analysis
Year Ended June 30, 2009**

This section of Lancaster County School District's annual financial report presents management's discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2009. Please read it in conjunction with the district's financial statements, which immediately follow this section.

Financial Highlights

State legislation passed in 2006 (ACT 388), exempted all residential property taxes from school operating budgets. The state replaced this source of funding for schools with an additional 1% sales tax. This legislation resulted in a shift in control in funding from the local level to the state level along with a shift from a stable funding source in property taxes to a more volatile sales tax source. The economic downturn in FY 2009 led to revenue shortfalls at the state level and resulted in state budget cuts to our general operating funds for the year totaling \$3,772,336.

With the original budget approved by the Board in June, the County Auditor calculated an 8.09% increase in the mill value for a total of \$134,570. In September the County Auditor revised the mill value calculation to \$144,115 for a 15.76% increase over the prior year. Residential and commercial growth in the northern boundaries of Lancaster County continued to aide the increase in the mill value. The school board approved a revised budget in September with a 5.00 mill increase to school operating for total millage of 128.50 mills to meet inflation and address current cuts in state funding at that time. Overall local revenues including state reimbursements for local tax credits were estimated to increase by \$2,555,565.

The original budget for state funding included an estimated increase of \$102 to the base student cost for a total base student cost of \$2,578. Originally state funding was estimated to increase overall by 3.98% or \$1,615,113. In September, state funding was cut by \$909,475 and revised in other areas for another \$191,696 in reductions. The school board approved a revised budget in September for an overall increase in state funding of only 1.26% or \$513,942. The revised September mill value above covered this decrease in state funding.

Due to the uncertainty of ACT 388 revenues, our budget for fiscal year 2007-2008 was built to include the use of \$3,456,085 in equity if needed. Only \$769,664 of equity was used during the prior year bringing the balance down to \$14,511,774 at the start of this fiscal year. The current fiscal year's original budget included the use of \$2,777,171 in equity to balance.

Expenses of \$131,821,657 exceeded revenues and other financing sources (uses) for all governmental funds of \$127,399,173 resulting in a decrease of \$4,422,484 to fund balance. Overall the general operating fund balance decreased by \$2,697,140 to a balance at June 30, 2009 of \$11,814,634. The district increased its outstanding general obligation long-term debt \$80,000 or .30 percent. Debt service-District fund balance was increased by \$215,326 to a balance of \$1,883,466 at June 30, 2009. Short-term general obligation bonds in the amount of \$7,800,000 were issued and redeemed during the fiscal year. Proceeds from these bonds were used to reduce the district's installment debt and to provide funding for capital needs. The district also refunded 1999 Series Bonds with an outstanding balance of \$17,725,000 during the year through the issuance of 2009A Series Bonds in the amount of \$18,255,000. This resulted in a savings over the next ten years of \$1,001,079. Bond anticipation notes in the amount of \$1,755,000 were issued during the year with a maturity date of 10/01/2009. Proceeds from these bonds were used to cover interest due on the district's installment debt. Capital Projects-District fund balance was decreased by \$1,400,845 to a balance at June 30, 2009 of \$2,775,727.

Debt Service-LEAP fund balance was decreased by \$209,244 to a balance at June 30, 2009 of \$6,612,593 and Capital Projects-LEAP fund balance was reduced by \$330,581 to a balance at June 30, 2009 of \$1,500,556 as these projects came to an end during the fiscal year. The remaining balance will be held in escrow to cover tax arbitrage liability due in November, 2009.

In the district's only proprietary fund (food service), total expenses of \$4,816,495, exceeded total revenues and other financing sources of \$4,475,439, resulting in a net loss for the year of \$341,056. Net assets at June 30, 2009 totaled \$821,272.

The district's net assets as of June 30, 2009, totaled \$45,010,480.

Overview of Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, including general, special revenue, debt service, capital projects, fiduciary, proprietary and (3) notes to the financial statements.

The government-wide financial statements report information about the district as a whole, using accounting methods similar to those used by private-sector companies.

The statement of net assets includes all of the district's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in the district's net assets may serve as an indicator of whether the district's financial position is improving or deteriorating, respectively.

The statement of activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. This statement includes some items such as uncollected taxes and unused compensated absences, reported as revenues and expenses that will only result in cash flows in future fiscal periods.

The government-wide financial statements include not only the school district itself (known as the primary government), but also component units. The component units include one legally separated charter school and a not-for-profit corporation (Lancaster Educational Assistance Program, Inc. or LEAP) for which the school district is financially accountable. Financial information for the charter school is reported separately from the financial information presented for the primary government itself.

The not for profit corporation (LEAP) is a “blended” component unit, and as such, is included in the governmental activities of the school district. The government-wide financial statements can be found on pages 24-25 of this report.

The fund financial statements provide more detailed information about the district’s funds, focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the district uses to track specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying long-term debt) or to show that it is properly using certain revenues (such as local, state and federal grants.)

All of the district’s funds can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds include the district’s basic services, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the “Reconciliation of Governmental Funds Balance Sheet with the Statement of Net Assets” and the “Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance with the District-wide Statement of Activities” to help explain the relationship (or differences) between them. The governmental fund basic financial statements can be found beginning on page 26 of this report.

Proprietary funds (enterprise funds) are used to account for operations that are financed and operated in a manner similar to private business enterprises. Food service is the district’s only proprietary fund.

Fiduciary funds (pupil activity funds) are funds for which the district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. It is the district’s responsibility to ensure that all assets reported in these funds are being used for their intended purpose and by those to whom the assets belong. The district excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The notes to the financial statements 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 basic financial statements can be found on pages 34-52 of this report.

Required supplementary information is included concerning the district's budget. The district adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund on page 53 of this report.

Financial Analysis of the District as a Whole

Net Assets:

The district's net assets were more on June 30, 2009 than they were the year before, increasing to \$45,010,480, (See figure A-1). Most of the increase in the district's financial position came from its governmental activities, the net assets of which increased \$723,014 to \$44,189,208. The net assets of the district's business-type activities decreased \$341,056 to \$821,272.

Figure A-1		Condensed Statement of Net Assets					
		Governmental Activities		Business-Type Activities		Total Activities	
		FY 08	FY 09	FY 08	FY 09	FY 08	FY 09
Current Assets		\$ 39,883,879	\$ 37,706,747	\$ 364,200	\$ 57,091	\$ 40,248,079	\$ 37,763,838
Capital Assets		114,725,491	116,907,414	798,128	764,181	115,523,619	117,671,595
Total Assets		154,609,370	154,614,161	1,162,328	821,272	155,771,698	155,435,433
Total Current Liabilities		10,570,697	11,966,542	0	0	10,570,697	11,966,542
Total Noncurrent Liabilities		100,572,479	98,458,411	0	0	100,572,479	98,458,411
Total Liabilities		111,143,176	110,424,953	0	0	111,143,176	110,424,953
Net Assets							
Invested in Capital Assets							
Net of Related Debt		16,441,251	20,582,731	798,128	764,181	17,239,379	21,346,912
Restricted		14,748,100	13,201,942			14,748,100	13,201,942
Unrestricted		12,276,843	10,404,535	364,200	57,091	12,641,043	10,461,626
Total Net Assets		43,466,194	44,189,208	1,162,328	821,272	44,628,522	45,010,480

The district's financial position is the product of many factors. The addition of \$5,918,362 in capital assets included school improvements, and the purchase of furniture, equipment and vehicles. General Obligation Long-term debt increased by \$80,000, to an outstanding balance of \$25,425,000 at June 30, 2009.

Accrued interest on bonds totaling \$477,863, and compensated absences of \$1,111,724 are reflected in the government-wide financial statements.

Changes in Net Assets:

The district's total revenues for the fiscal year ended June 30, 2009 were \$110,959,669 (see figure A-2). Property taxes accounted for 29.38 percent of the district's revenue. Grants and contributions accounted for 68.95 percent, with the remaining 1.67 percent coming from charges for services, investment earnings, unrestricted federal and state aid and miscellaneous sources.

The district's total cost of all programs and services for the year ended June 30, 2009 was \$110,577,711 (see figure A-2). The district's expenses are predominantly related to instruction (55.26 percent). The district's support services accounted for 34.96 percent and business activities accounted for 4.36 percent of total cost. Community services, intergovernmental and interest on long-term debt made up the remaining 5.42 percent.

Governmental activities increased while business-type activities decreased over the prior year. Total revenues surpassed expenditures increasing net assets \$381,958.

Figure A-2		Condensed Changes in Net Assets from Operating Results					
	Governmental Activities		Business-Type Activities		Total Activities		
	FY 08	FY 09	FY 08	FY 09	FY 08	FY 09	
Program Revenues							
Charges for Services	\$ 103,082	\$ 85,244	\$ 1,447,390	\$ 1,397,902	\$ 1,550,472	\$ 1,483,146	
Operating Grants & Contributions	73,792,215	72,746,160	3,140,152	3,279,631	76,932,367	76,025,791	
Capital Grant and Contributions	156,414	478,096	0	0	156,414	478,096	
General Revenues							
Property Taxes	29,628,915	32,599,106	0	0	29,628,915	32,599,106	
Other	2,038,886	370,151	6,983	3,379	2,045,869	373,530	
Total Revenues	105,719,512	106,278,757	4,594,525	4,680,912	110,314,037	110,959,669	
Expenses							
Instructional	59,757,292	61,108,147	\$0	\$0	59,757,292	61,108,147	
Support Services	42,464,142	38,652,844	0	0	42,464,142	38,652,844	
Food Service	0	0	4,612,946	4,816,495	4,612,946	4,816,495	
Other	6,495,188	6,000,225	0	0	6,495,188	6,000,225	
Total Expenses	108,716,622	105,761,216	4,612,946	4,816,495	113,329,568	110,577,711	
Excess (Deficiency) before Transfers							
	(2,997,110)	517,541	(18,421)	(135,583)	(3,015,531)	381,958	
Transfers In/(Out)	203,414	205,473	(203,414)	(205,473)	0	0	
Changes in Net Assets	(2,793,696)	723,014	(221,835)	(341,056)	(3,015,531)	381,958	

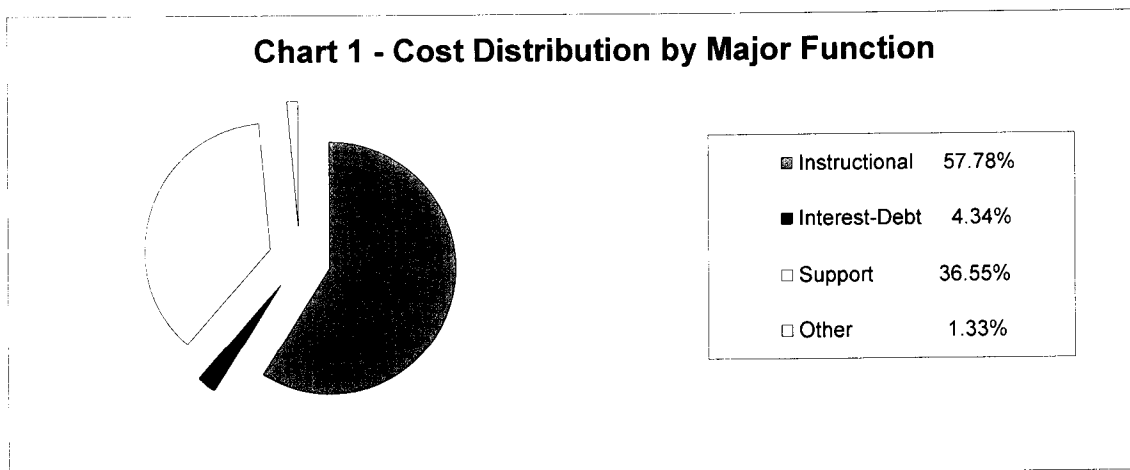
Governmental Activities:

Revenues and transfers exceeded expenses for the district's governmental activities by \$723,014. Revenues and transfers totaled \$106,278,757 and expenses totaled \$105,761,216 for the year ended June 30, 2009 (see figure A-2).

Figure A-3 below presents the cost of five major functional activities: instruction, support services, community services, pupil activities and interest on long-term debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net (expense) revenue shows the financial burden placed on the district's taxpayers by each of these functions. The cost of all governmental activities this year was \$105,761,216.

Figure A-3 Cost of the Five Major Functional Activities for Governmental Activities				
	Total Expense		Net (Expense) Revenue	
	FY 08	FY 09	FY 08	FY 09
Instruction	\$59,757,292	\$61,108,147	(\$15,817,242)	(\$17,637,425)
Support Services	42,464,142	38,652,844	(13,209,811)	(9,617,479)
Community Services	1,147,450	1,094,083	(290,120)	(290,670)
Pupil Activities	136,570	313,165	(136,570)	(313,165)
Interest on Long-Term Debt	5,211,168	4,592,977	(5,211,168)	(4,592,977)
Total	108,716,622	105,761,216	(34,664,911)	(32,451,716)

Chart 1 below presents a percentage breakdown of the total expense distribution by major function.



Business-Type Activities:

Expenditures and transfers of the district's business-type activities exceeded revenues by \$341,056. Expenses and transfers out totaled \$5,021,968 and revenues totaled \$4,680,912 for the year ended June 30, 2009 (see figure A-2).

Financial Analysis of the District's Funds

The district uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the district as a whole is reflected in its governmental funds as well.

The focus of the district's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, 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 the district completed the year, its governmental funds reported combined fund balances of \$24,587,952. This was a reduction of \$4,422,484 to last year's ending fund balances of \$29,010,436.

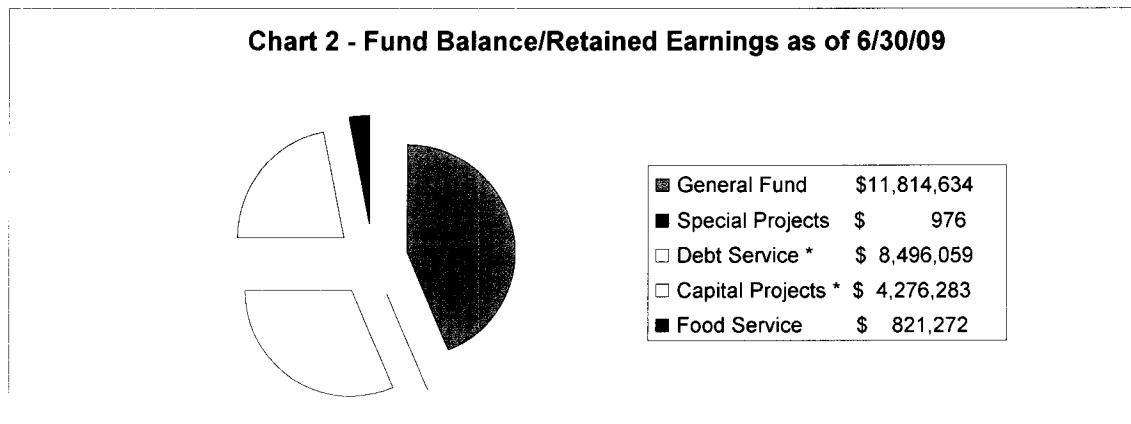
Approximately \$10,259,136 or 41.72 percent of the fund balance constitutes unreserved and undesignated fund balance. This balance is maintained as an operating balance for the district to meet cash flow obligations throughout the year. The remaining fund balance is identified as reserved or designated to meet the following commitments:

- \$ 25,285 reserved for inventory
- 9,779 reserved for encumbrances
- 1,883,466 reserved for debt service-district
- 6,612,593 reserved for debt service-LEAP
- 2,775,727 reserved for capital projects-district
- 1,500,556 reserved for capital projects-LEAP
- 1,521,410 designated for subsequent year's expenses

The general fund is the principal operating fund of the district. The general fund balance decrease of \$2,697,140 was a planned budget line item for the year. The debt service-district fund balance showed an increase of \$215,326. The capital projects-district showed an decrease of \$1,400,845. The fiscal year 2004-2005 issuance of LEAP installment purchase revenue bonds led to the creation of the debt service-LEAP fund which ended the year with a balance of \$6,612,593 and the creation of the capital projects-LEAP fund which ended the year with a balance of \$1,500,556. The LEAP projects have been completed and this balance remains to cover any arbitrage due in November 2009.

Proprietary funds are used to account for operations similar to private business enterprises. The food service fund is the district's only proprietary fund. The year-end food service fund balance was \$821,272. This was a decrease of \$341,056 from last year's ending retained earnings of \$1,162,328.

Chart 2 below provides a breakdown of total fund balance and retained earnings as of June 30, 2009.



* Includes LEAP (Lancaster Educational Assistance Program)

General Fund Budgetary Highlights:

District's management built the original general fund budget for this year based on receiving 100% of the proposed state funding. Beginning the year with a healthy balance in general fund equity, the budget included the use of up to \$2,777,171 in equity to cover possible shortfalls or budget cuts during the year. State cuts throughout the year in August 2008, December 2008, and April 2009 amounted to \$3,772,336 less for the general fund. The Board of Trustees revised the budget in September 2008 for the first round of state cuts. A revision to the mill value led to estimated increases in local tax dollars that were sufficient enough to absorb the state cuts in September. No budget adjustments were made to expenditures.

In February, mid-year budget revisions were approved by the Board of Trustees, including adjustments to increase local revenue projections by \$412,662 and decrease use of equity by \$12,538 based on updated tax collections from the county auditor. State revenue projections were decreased by \$1,573,514 to reflect the December 2008 state cut and updated information from the state department of education. Budgeted expenditures were decreased by \$1,173,389 and district's management took steps to cut expenditures district-wide including line item cuts, freezing vacant positions, limited use of substitutes and temporary help, and conservation of energy.

For the year, ad valorem tax collections fell short of the budgeted \$20,713,285 by 5.39% or \$1,116,725. This shortfall was attributable to the higher number of delinquent taxes unpaid at year-end. Other local revenues exceeded the budget by \$384,653 for the year. Overall local revenues were 3.27% or \$732,072 under the budget of \$22,360,254. Total state revenues for the year fell short of the budgeted \$49,255,249 by .88% or \$432,726 due to a late cut from the state in April 2009.

Salaries and fringe benefits were under-budget of \$67,634,440 for the year by \$1,152,596 or 1.70%. Purchased services budget of \$4,548,057 was under budget by 4.04% or \$183,783. Supplies, equipment, and other expenses were under budget of \$3,638,162 by \$67,749 or 1.86%.

Capital Assets and Debt Administration

Capital Assets:

By the end of 2009, the district had invested \$157,796,303 in capital assets, including school buildings and facilities, vehicles, furniture, furnishings and equipment. Total depreciation expense for the year was \$3,735,846. The following schedule (Figure A-4), presents capital asset balances net of depreciation for the fiscal year ended June 30, 2009.

Figure A-4		Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total Activities		
	FY 08	FY 09	FY 08	FY 09	FY 08	FY 09	
Land	\$3,358,841	\$3,357,341	\$ 0	\$ 0	\$ 3,358,841	\$ 3,357,341	
Buildings & Improvements	108,831,622	109,619,968	0	0	108,831,622	109,619,968	
Furniture & Equipment	1,515,408	2,071,043	798,128	764,181	2,313,536	2,835,224	
Construction in Progress	1,019,620	1,859,062	0	0	1,019,620	1,859,062	
Total Cost	114,725,491	116,907,414	798,128	764,181	115,523,619	117,671,595	

Additional information on the district's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt:

At year-end, the district had \$25,425,000 in general obligation bonds debt outstanding (see figure A-5), of which \$2,445,000 is due within one year.

State statutes currently limit the amount of general obligation debt a district may issue to 8 percent of its total assessed valuation. The current debt limitation for the district is \$22,172,641. More detailed information about the district's long-term debt is presented in Note 7 to the financial statements.

Figure A-5		Outstanding Long-Term Debt		
	July 1, 2008 Balance	Additions to (Reductions in) Principal	June 30, 2009 Balance	Amount Due Within One Year
General Obligation Bonds	\$27,100,000	(\$1,675,000)	\$25,425,000	\$2,445,000
LEAP Installment Bonds	70,105,000	(150,000)	69,955,000	245,000

Factors Bearing on the District's Future

The fiscal year 2009-2010 budget included the use of \$1,270,434 from general fund equity to cover budgeted expenditures for the year. The Board of Trustees and district management have a clear understanding of the importance of maintaining a healthy fund balance. Board Policy was approved in 2005 to maintain a general fund balance of no less than 8 percent of the current year's budgeted general fund expenditures. Undesignated general fund equity at July 01, 2009 was \$10,259,136 or 13.50% of the \$75,975,319 budgeted expenditures for fiscal year 2009-2010.

Fiscal year 2008-2009 was year two for ACT 388 replacing residential property taxes on school operating millage with a new 1% sales tax reimbursement from the state. Fiscal year 2007-2008 was fully funded based on actual tax notices for calendar year 2007. Funding for FY 2008-2009 was calculated by taking the year one reimbursement as the base amount and multiplying that amount by the consumer price index inflation percentage of 2.90% plus a statewide growth percentage of 1.80%. Estimates for FY 2009-2010 were calculated using a consumer price index of 4.20% plus a statewide growth percentage of 1.70%. We have budgeted for \$6,813,650 in reimbursements to be funded by the state from sales tax revenues.

Fiscal year 2009-2010's school operating mill value decreased by 4.86% or \$7,002 to \$137,113. This decrease in mill value is mainly due to a reduction in manufacturing property from the textile industry. District management does not anticipate this decline to continue in future years. The Board of Trustees approved the maximum increase allowable (5 mills) in school operating millage for fiscal year 2009-2010. The prior year school operating millage was 128.50 mills and the current year operating millage is 133.50 mills. Debt Service millage was reduced by 5 mills to 38.50 mills for fiscal year 2009-2010 to meet existing debt requirements plus \$7,325,000 in short-term general obligation debt that was issued during the year and will be repaid during the year. This new debt was issued to cover scheduled installment debt payments of \$1,991,157, and discharge \$1,768,923 in bond anticipation notes issued in the prior year, with the remaining funds used to meet the districts scheduled five year capital needs plan and to provide for new capital construction approved by the Board of Trustees.

The state base student cost for FY 2008-2009 began at a budgeted amount of \$2,578 and due to state cuts in funding, ended the year at an actual amount of \$2,190. Estimated base student cost for FY 2009-2010 was budgeted at \$2,334 which includes \$300 of federal ARRA stimulus funding. This equates to an estimated \$3,448,064 in federal revenues for our district.

There was a 1.12% decrease in budgeted operating expenditures for fiscal year 2009-2010. Expenditures decreased in salaries by 1.48% as there was no increase in salary schedules, and only a step increase for years of service. Staffing positions were reduced as teacher/pupil ratios were increased. There was no state mandated increase to teacher salary schedules. Slight increases were budgeted for employer health insurance, workers compensation premiums, property insurance, and contracted cleaning.

In September 2009 we received a state budget cut of 4.04% or \$1,255,081. Use of special revenue funds and savings in general operating salaries will absorb this cut. No additional cuts are anticipated prior to January 2010. Additional steps will be taken to prepare for future potential state cuts this year based on the current economic condition. The Board of Trustees will revise their budget in February, as they have in past years, based on the current economic conditions and revised estimated revenues for the year.

Contacting the District's Financial Management

This financial report is designed to provide the district's citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to demonstrate the district's accountability for all funding received. If you have questions about this report or need additional financial information, contact Lancaster County School District, Finance Department, 300 South Catawba, Lancaster, South Carolina, 29720.

BASIC FINANCIAL STATEMENTS

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 15,691,037	\$ 491,239	\$ 16,182,276	
Cash and Cash Equivalents - Restricted	8,423,898		8,423,898	
Property Taxes Receivable, Net	1,773,429		1,773,429	
Accounts Receivable	553,839	10,015	563,854	\$ 14,314
Internal Balances	530,780	(530,780)	-	
Due from Pupil Activities	311,509		311,509	
Due from County Government	6,855,861		6,855,861	
Due from State Government	1,403,692		1,403,692	
Due from Federal Government	2,130,669		2,130,669	
Other Current Assets	748		748	
Inventory	31,285	86,617	117,902	
Capital Assets:				
Non-Depreciable Capital Assets	5,216,403		5,216,403	
Depreciable Capital Assets, Net	111,691,011	764,181	112,455,192	
Total Assets	154,614,161	821,272	155,435,433	14,314
Liabilities				
Accounts Payable and Accrued Liabilities	8,413,097		8,413,097	
Due to State Department of Education	3,001		3,001	
Unearned Revenue	1,317,581		1,317,581	14,314
Accrued Interest	477,863		477,863	
Short Term Note Payable	1,755,000		1,755,000	
Noncurrent Liabilities:				
Due Within One Year	3,365,071		3,365,071	
Due in More Than One Year	95,093,340		95,093,340	
Total Liabilities	110,424,953	-	110,424,953	14,314
Net Assets				
Invested in Capital Assets, Net of Related Debt	20,582,731	764,181	21,346,912	
Restricted for:				
Debt Service	8,925,659		8,925,659	
Capital Projects	4,276,283		4,276,283	
Unrestricted	10,404,535	57,091	10,461,626	
Total Net Assets	44,189,208	821,272	45,010,480	-

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

FOR FISCAL YEAR ENDED JUNE 30, 2009

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction	\$ 61,108,147	\$ 85,244	\$ 43,385,478		\$ (17,637,425)	\$ (17,637,425)	
Support Services	38,652,844		28,557,269	\$ 478,096	(9,617,479)	(9,617,479)	
Community Services	1,094,083		803,413		(290,670)	(290,670)	
Pupil Activities	313,165				(313,165)	(313,165)	
Interest and Other Charges	4,592,977				(4,592,977)	(4,592,977)	
Total Governmental Activities	105,761,216	85,244	72,746,160	478,096	(32,451,716)	-	(32,451,716)
Business-Type Activities:							
Food Service	4,816,495	1,397,902	3,279,631		-	(138,962)	(138,962)
Total School District	110,577,711	1,483,146	76,025,791	478,096	(32,451,716)	(138,962)	(32,590,678)
Component Units:							
Charter School	664,079		664,079				\$ -
General Revenues:							
Taxes							
Property Taxes, Levied for General Purposes					21,718,638		21,718,638
Property Taxes, Levied for Debt Service					10,880,468		10,880,468
Grants and Contributions Not Restricted to Specific Programs					57,038		57,038
Unrestricted Investment Earnings					283,331	3,379	286,710
Miscellaneous					29,782		29,782
Subtotal, General Revenues					32,969,257	3,379	32,972,636
Excess (Deficiency) of Revenues Over Expenses Before Special Items					517,541	(135,583)	381,958
Transfers Between Government and Business-Type Activities					205,473	(205,473)	-
Change in Net Assets					723,014	(341,056)	381,958
Net Assets, Beginning of Year					43,466,194	1,162,328	44,628,522
Net Assets, End of Year					44,189,208	821,272	45,010,480

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2009

	Major Funds							Total
	General	Special Projects	EIA	Debt Service	Debt Service-LEAP	Capital Projects	Capital Projects-LEAP	Governmental Funds
Assets								
Cash and Cash Equivalents	\$ 15,691,037							\$ 15,691,037
Cash and Cash Equivalents - Restricted					\$ 6,612,593		\$ 1,811,305	8,423,898
Property Tax Receivable, Net	88,848			\$ 54,465				143,313
Accounts Receivable	22,131	\$ 286,741	\$ 1,607			\$ 243,360		553,839
Due from Other Funds	2,578,582		186,796			125,120		2,890,498
Due from Pupil Activities	311,509							311,509
Due from County Government	864,754			1,828,860		4,162,247		6,855,861
Due from State Government	824,688	169,853	409,010	141				1,403,692
Due from Federal Government		2,130,669						2,130,669
Other Current Assets	6,000	748						6,748
Inventory	25,285							25,285
Total Assets	20,412,834	2,588,011	597,413	1,883,466	6,612,593	4,530,727	1,811,305	38,436,349
Liabilities and Fund Balances								
Accounts Payable and Accrued Liabilities	8,411,404	1,693						8,413,097
Notes Payable						1,755,000		1,755,000
Due to Other Funds	186,796	1,862,173					310,749	2,359,718
Due to Other Governmental Units		1,267	1,734					3,001
Deferred Revenue		721,902	595,679					1,317,581
Total Liabilities	8,598,200	2,587,035	597,413	-	-	1,755,000	310,749	13,848,397
Fund Balances								
Reserved for:								
Inventory	25,285							25,285
Encumbrances	9,779							9,779
Debt Service				1,883,466	6,612,593			8,496,059
Capital Projects						2,775,727	1,500,556	4,276,283
Unreserved:								
Designated for Subsequent Year's (Revenues) Expenditures	1,520,434							1,520,434
Undesignated	10,259,136	976						10,259,136
Total Fund Balances	11,814,634	976	-	1,883,466	6,612,593	2,775,727	1,500,556	24,587,952
Total Liabilities and Fund Balances	20,412,834	2,588,011	597,413	1,883,466	6,612,593	4,530,727	1,811,305	38,436,349

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS**

JUNE 30, 2009

Total Fund Balances - Governmental Funds **\$ 24,587,952**

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 Capital Assets is	\$156,128,449	
Accumulated Depreciation is	<u>(39,221,035)</u>	116,907,414

Property taxes receivable will be collected this year but are not available soon enough to pay for current period's expenditures, and therefore are deferred in the funds.	1,630,116
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Accrued arbitrage, which is included in long-term debt obligations, is not payable from current financial resources and therefore is not reported as a liability in the funds.	(1,499,867)
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Long-term liabilities, including bonds payable, are not due and payable in the current
period and therefore are not reported as liabilities in the funds. Long-term
liabilities at year end consist of:

Bonds Payable and Related Premium	95,846,820	
Accrued Interest on the Bonds	477,863	
Compensated Absences	<u>1,111,724</u>	<u>(97,436,407)</u>

Total Net Assets - Governmental Activities **44,189,208**

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2009

	Major Funds							
	General	Special Revenue Special Projects	Special Revenue EIA	Debt Service - District	Debt Service - LEAP	Capital Projects - District	Capital Projects - LEAP	Total Governmental Funds
Revenues								
Local Sources:								
Taxes	\$ 19,771,430			\$ 10,880,468				\$ 30,651,898
Investment Earnings	189,088			7,258	\$ 52,134	\$ 20,370	\$ 14,481	283,331
Other Local Sources	1,667,664	\$ 1,841,739	\$ 4,175			10,250		3,523,828
State	48,831,523	1,956,979	7,684,212	620,006		478,096		59,570,816
Federal		11,507,063						11,507,063
Total Revenues	70,459,705	15,305,781	7,688,387	11,507,732	52,134	508,716	14,481	105,536,936
Expenditures								
Current								
Instruction	47,545,130	6,848,461	4,688,494					59,082,085
Support Services	27,052,992	6,714,280	1,348,896			5,476,501	45,062	40,637,731
Community Services	22,896	1,071,187						1,094,083
Intergovernmental Expenditures	806,061							806,061
Debt Service								
Principal				2,205,000				2,205,000
Interest and Fiscal Agent Fees				3,564,259				3,564,259
Capital Outlay	88,175	291,278	195,476			2,253,691	300,000	3,128,620
Total Expenditures	75,515,254	14,925,206	6,232,866	5,769,259	-	7,730,192	345,062	110,517,839
Excess (Deficiency) of Revenue Over Expenditures	(5,055,549)	380,575	1,455,521	5,738,473	52,134	(7,221,476)	(330,581)	(4,980,903)
Other Financing Sources (Uses)								
Transfers In	2,486,304	4,050	1,116,883					3,607,237
Transfers (Out)	(127,895)	(384,625)	(2,572,404)			(493,894)		(3,578,818)
Refunding Bonds Issued				11,940,475		6,314,525		18,255,000
Payment to Refunded Bond Agent				(17,463,622)	(261,378)			(17,725,000)
Total Other Financing Sources (Uses)	2,358,409	(380,575)	(1,455,521)	(5,523,147)	(261,378)	5,820,631	-	558,419
Net Changes in Fund Balances	(2,697,140)	-	-	215,326	(209,244)	(1,400,845)	(330,581)	(4,422,484)
Fund Balance, Beginning of Year	14,511,774	976	-	1,668,140	6,821,837	4,176,572	1,831,137	29,010,436
Fund Balance (Deficit), End of Year	11,814,634	976	-	1,883,466	6,612,593	2,775,727	1,500,556	24,587,952

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2009

Total Net Change in Fund Balances - Governmental Funds	\$ (4,422,484)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over the estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.

Capital outlays	\$ 5,775,273	
Depreciation expense	<u>(3,621,678)</u>	2,153,595

The statement of activities reports gains or losses arising from the disposal of capital assets.	
Conversely, governmental funds do not report any gains or loss on disposal of capital assets.	28,328

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used.	(37,030)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Activities.	10,005,000
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Bond and bond premium proceeds provide current financial resources to governmental funds, but the repayment reduces long-term liabilities in the Statement of Activities.	(8,180,000)
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Certain deferred revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities.	
This is the additional amount of taxes receivable recognized under the accrual basis.	741,821

Accrued arbitrage is not payable from current financial resources and this is not reported as a liability in the funds. This amount is the net change in arbitrage payable for the year.	299,227
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the net change in accrued interest for the year.	161,428
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Bond premiums are revenues the year they are received by the governmental funds but are amortized over the lives of the bonds in the Statement of Activities.	<u>(26,871)</u>
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Change in Net Assets of Governmental Activities	<u>723,014</u>
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The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUND

JUNE 30, 2009

	<u>Enterprise Fund Food Service</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 491,239
Receivables	10,015
Inventories - Supplies and Materials	<u>86,617</u>
Total Current Assets	<u>587,871</u>
Noncurrent Assets:	
Equipment	1,667,854
Less: Accumulated Depreciation	<u>(903,673)</u>
Total Noncurrent Assets	<u>764,181</u>
Total Assets	<u>1,352,052</u>
Liabilities	
Current Liabilities:	
Due To Other Funds	<u>530,780</u>
Total Current Liabilities	<u>530,780</u>
Total Liabilities	<u>530,780</u>
Net Assets	
Invested in Capital Assets	764,181
Unrestricted	<u>57,091</u>
Total Net Assets	<u><u>821,272</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Enterprise Fund Food Services
Operating Revenues	
Proceeds From Sale of Meals	\$ 1,397,902
Total Operating Revenues	<u>1,397,902</u>
Operating Expenses	
Food Costs	2,389,133
Salaries and Wages	2,022,398
Depreciation	114,168
Supplies and Materials	249,779
Other Operating Costs	<u>41,017</u>
Total Operating Expenses	<u>4,816,495</u>
Operating Loss	<u>(3,418,593)</u>
Nonoperating Revenues	
Interest Income	3,379
USDA Reimbursements	2,899,752
Commodities Received From USDA	360,749
Other Federal and State Aid	6,299
Other Revenue	<u>12,831</u>
Total Nonoperating Revenue	<u>3,283,010</u>
Income (Loss) Before Transfers	(135,583)
Transfers In (Out)	<u>(205,473)</u>
Change in Net Assets	(341,056)
Net Assets, Beginning of Year	<u>1,162,328</u>
Net Assets, End of Year	<u><u>821,272</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - FOOD SERVICE FUND

FOR FISCAL YEAR ENDED JUNE 30, 2009

Cash Flows from Operating Activities	
Cash Received from Patrons	\$ 1,397,902
Cash Payments to Suppliers for Goods and Services	(2,306,697)
Cash Payments to Employees for Services	<u>(2,022,398)</u>
Net Cash Used by Operating Activities	<u>(2,931,193)</u>
Cash Flows From Non-Capital Financing Activities	
Operating Grants Received	24,525
Cash Received from USDA Reimbursements	2,899,752
Other Federal and State Aid	6,299
Transfers - Out to Other Funds	<u>(214,434)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>2,716,142</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(80,221)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>3,379</u>
Net Increase in Cash and Cash Equivalents	(291,893)
Cash and Cash Equivalents, Beginning of Year	<u>783,132</u>
Cash and Cash Equivalents, End of Year	<u><u>491,239</u></u>
Reconciliation of Operating Income (Loss) to	
Net Cash Used by Operating Activities	
Operating Income (Loss)	(3,418,593)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities	
Depreciation	114,168
Commodities Used	360,749
Changes in Operating Assets and Liabilities:	
Inventory	<u>12,483</u>
Net Cash Used by Operating Activities	<u><u>(2,931,193)</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND - AGENCY

JUNE 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 1,630,489
Accounts Receivable	<u>776</u>
Total Assets	<u><u>1,631,265</u></u>
Liabilities	
Due to School District	311,509
Due to Student Organizations	<u>1,319,756</u>
Total Liabilities	<u><u>1,631,265</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Lancaster County School 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 more significant accounting policies of the District are described below.

Reporting Entity

Lancaster County School District (the "District") operates under the direction of an elected Board of Trustees, with a superintendent serving as the chief administrative officer, and provides education services to approximately 11,000 students in the County of Lancaster, South Carolina. The District does not exercise control over any other governmental agencies or authorities.

Effective July 1, 1997, the District became fiscally independent and is no longer considered a component unit of Lancaster County. As such, the Lancaster County School District is the basic level of government which has financial accountability and control over all activities related to the public school education in the County of Lancaster, South Carolina. The District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since District Board of Trustees members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Discretely Presented Component Unit: The component unit column in the basic financial statements includes the financial data of the District's component unit, The Discovery Charter School (the "Charter School"). This unit is reported in a separate column to emphasize that it is legally separate from the District. The Charter School operates under a charter granted by the District and is considered, under South Carolina Law, to be a public school and part of the District. It is administered and governed by its governing body as agreed to by the charter applicant and the District. The governing body is elected annually. The South Carolina State Department of Education regulations require that charter schools be discretely presented in the financial statements, but blended with the School District balances in the supplementary schedules. As a result, the amounts reported as revenues, expenditures and changes in fund balances for the Special Revenue Fund - Special Projects Fund in the supplementary schedules do not agree to the amounts reported as revenues, expenditures, and changes in fund balances for the Special Revenue Fund - Special Projects Fund in the financial statements. All accounting policies and reporting requirements applicable to the District were equally adopted at the Charter School reporting level. The Charter School does not issue separate financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Blended Component Units: Lancaster Education Assistance Program, Inc. ("LEAP") is a not-for-profit 501 (C) (3) organization incorporated for the specific charitable purpose of serving as a "support organization" for capital projects of the District. LEAP board members are appointed by the Board of the District. Because LEAP exclusively benefits the District, the LEAP financial information is blended with that of the District in these basic financial statements. Separate LEAP financial information is included in individual columns throughout the financial statements. Complete, separately issued financial statements may be obtained from the Lancaster Education Assistance Program, Inc. 300 South Catawba Street, Lancaster, SC 29720.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide basic financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District (the primary government) and its component units. As a general rule, the effect of interfund activity has been eliminated from these statements.

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. Likewise, the primary government, the District, is reported separately from certain legally separate component units for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include 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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as does the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Investment earnings and intergovernmental revenues received from Lancaster County are accrued because they are measurable at year-end and are collected within 60 days after year-end. Most other intergovernmental revenues are not susceptible to accrual because they generally are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Grants and similar items are recognized as revenue as soon as

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Cont.)

all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year for which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The governmental fund basic 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. Property taxes are considered "Measurable" when transferred to the District's account by the County Treasurer and are recognized at that time. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Cont.)

The accounts of the government are organized and operated 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 following major funds and fund types are used by the District.

Governmental Fund Types are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary Fund) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the District's major fund types:

The General Fund, a major fund, is the general operating fund of the District. It is used to account for all financial resources except for those required to be accounted for in another fund. This is a budgeted fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) received on the basis of projects approved by various authorizing agencies which are not budgeted in General Fund operations. The majority of the monies for approved projects are received pursuant to federal legislation and the Education Improvement Act. The allowable expenditures of the projects are specified in the enabling legislation and related regulation, and may not be used to supplant District expenditures which would otherwise have been made.

- 1) *The Special Projects Fund, a major fund*, is used to account for financial resources provided by federal, state and local projects and grants.
- 2) *The Education Improvement Act (EIA) Fund, a major fund*, is used to account for the revenues 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.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Cont.)

The Capital Projects Fund – District, a major fund, is used to account for financial resources to be used for site acquisitions, construction, equipment and renovation of all major capital facilities except for those financed in the Enterprise Fund and the LEAP Capital Projects Fund.

The Capital Projects Fund – LEAP, a major fund, is used to account for financial resources to be used for site acquisitions, construction, equipment and renovation of all major capital facilities for LEAP.

Proprietary Fund Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund are food service charges. Operating expenses for the District's Enterprise Fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types include the following fund:

The Food Service Fund is an enterprise fund and is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Types are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations or governmental units and/or other funds to include Agency funds. Fiduciary fund types include the following fund:

Agency Fund - The District's Pupil Activity Funds are established as agency funds of the schools to account for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the District. This accounting reflects the agency relationship of the District to the student activity organizations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Cont.)

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the School District. Fiduciary funds are reported by fund type.

Budgets and Budgetary Accounting

Annual budgets and formal budgetary integration are employed as management control devices during the year for the General Fund, Special Revenue Fund, and Debt Service Fund. The General Fund is the only fund with a legally adopted budget. Capital projects are budgeted on a long-term project basis, rather than annual appropriations. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The School District presents a formal General Fund budget to the school board prior to year-end and the final budget is approved prior to July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Any General Fund budget revision between major allocations throughout the year must be approved by the Board of Trustees.
3. Budgets are adopted for Special Revenue Fund projects through the submission of a project application and the subsequent approval of the application by the appropriate authorizing agency.
4. Budgets are adopted on the modified accrual basis of accounting for the General and Special Revenue Fund, and are consistent with U. S. generally accepted accounting principles.

General Fund expenditures may not legally exceed budgeted appropriations at the major component level unless in a supplementary action, the Board approves an increase or decrease to the major component. The General Fund budget as presented herein has been amended from that originally adopted.

The Board of Trustees of Lancaster County School District delegates to management the authority, within the General Fund, to transfer funds within individual components. Budgetary control is exercised on the component level. Budget transfers are approved as follows:

1. Initial approval by the respective department head or principal.
2. Final approval by the Chief Financial Officer.

The budgets are prepared on a basis consistent with actual financial statement presentation to provide meaningful comparisons. Appropriations lapse at the end of the fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

The encumbrance method of accounting is used for all funds except proprietary funds. Under this method, commitments, such as purchase orders and other contracts, in addition to expenditures made or accrued, are recorded in accordance with U. S. generally accepted accounting principles, outstanding encumbrances at year-end for which goods or services have been received are reclassified as accounts payable.

Cash Equivalents and Investments

The District's cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District records its investments at fair value. The State Treasurer's Investment Pool operates in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Accounts Receivable

Accounts receivable are recorded net of an amount for doubtful accounts based on management's assessment of collection. For the current year, all accounts receivable are considered receivable.

Inventories

Inventories are valued at the lower-of-cost (first-in, first-out) or market and are subsequently charged to expenditures when consumed.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost equal to or more than \$5,000 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building and Site Improvements	20
Furnishings	20
Furniture and Equipment	10
Vehicles	10
Technology Equipment	7
Library Book Collections	5

Proprietary Fund equipment purchases are capitalized in the Proprietary Fund at cost and depreciated on a straight-line basis over 12 years at the rate of 8.33% per year.

Compensated Absences

Compensated absences are absences for which employees will be paid. A liability for compensated absences is accrued as employees earn the rights to the benefits.

District employees can accumulate sick leave up to ninety days for payment at a specified rate upon retirement, provided they have accumulated at least sixty days. Vested sick leave pay is recorded as an expenditure in the current year to the extent it is paid during the year.

As of June 30, 2009, the liability for compensated absences has been recorded in the amount of \$1,111,724. The amount expected to be paid from current resources is \$648,200.

The District has established a "sick leave bank" governed by an elected board for the purpose of extending additional sick leave to employees that have exhausted all available leave during catastrophic times. Membership is optional and requires an employee giving one day of their sick leave to join. Days given are approved by the Board and maximum leave an employee can take in any year is 90 days. Due to the uncertainty of the timing and value of the days to be granted, the liability to the District is considered to be immeasurable.

Reservations and Designations of Fund Balances

Reservations represent the portions of fund balances which are not appropriable for expenditure but have been segregated for specific future uses by legal mandate.

Designations of fund balance represent tentative plans by the District for financial resource utilization in a future period as documented in the budgetary process for a succeeding year. Such tentative plans are subject to change and may never result in expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reservations and Designations of Fund Balances (Continued)

Reservation of fund balances of governmental funds are created either (1) to satisfy legal covenants that require that a portion of the fund balance be segregated or (2) to identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below:

Reserve for encumbrances - This reserve was created to represent encumbrances outstanding.

Reserves for inventory and prepaids - These reserves represent the portion of the fund balance not available for appropriations because it represents items which are not expendable, available resources.

Designated for subsequent years' (revenues) expenditures - This reserve represents the amount of fund balance appropriated by the Board of Trustees to the budget year ending June 30, 2010.

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 along with other school districts within the state are insured under the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance fund. The District pays annual premiums to the Insurance Reserve Fund for its general insurance coverage. The Insurance Reserve Fund is self-sustaining through member premiums and by purchases of commercial insurance coverage on a portion of its liabilities. There have been no significant reductions in insurance coverage from the prior year. The District has not incurred any material claims during the past three fiscal years.

The District continues to carry insurance for other risks of loss including employee health, dental, group life, and accident insurance through the State of South Carolina. The state accumulates assets to cover risks that its members incur in their normal operations. Specifically, the state assumes substantially all of the risk for the above.

Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND RESPONSIBILITY

Excess of Expenditures Over Appropriations

The legal level of budgetary control is at the function level. This is the level at which expenditures should not exceed appropriations. For the fiscal year ended June 30, 2009, the District had no excess of expenditures over appropriations at this level.

NOTE 3 DEPOSITS AND INVESTMENTS

All of the District's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the District's agent in the District's name. Under the Pooling Method, uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the District, these deposits are considered to be held by the District's agent in the District's name. The amount of the pledged collateral is based on an approval averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the District or the escrow agent. Because of the inability to measure the exact amount of collateral pledged on behalf of the District under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of South Carolina enforces strict standards of financial accountability for each depository electing the Pooling Method.

Investments

The District is authorized by South Carolina state law to invest in the following types of investments:

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 they are secured by the Federal Deposit Insurance Corporation
4. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian
5. Repurchase agreements if properly collateralized

As of June 30, 2009, the District had the following investments, which meet the above requirements:

Investment Type	Credit Rating	Fair Market Value	Weighted Average Maturity (Years)
SC Treasurer's Investment Pool	Unrated	\$13,056,649	Less than 1 year

These investments are all included in cash and cash equivalents.

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a policy to have all amounts over FDIC coverage collateralized with U.S. Treasuries by the District's Agent, in the District's name. As of June 30, 2009, the District had no exposure to custodial credit risk.

Interest Rate Risk – The District does not have a formal policy limiting investment maturities that would manage its exposure to fair value losses from increasing interest rates.

Concentration of Credit Risk – The District places no limit on the amount it may invest in any one issuer.

NOTE 4 PROPERTY TAXES

Property taxes are levied by Lancaster County (the County) on real and personal properties owned on the preceding January 1 of each fiscal year ended June 30. Liens are attached to the property at the time the taxes are levied, which usually occurs in November of each year. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

January 16 Through February 16 - 3% of Tax
February 16 Through March 15 - 8% of Tax
After March 15 - 13% of Tax Plus Collection Cost

Current year real and personal property taxes become delinquent on April 1. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

The revised assessed value of the certified roll, upon which the levy for the 2009 fiscal year was based, was \$277,158,016. The millage rate charged for the District was 123.5 mills for current operations and 43.5 mills for Debt Service.

In June of 2006, Act 388 created a new Homestead Exemption fund (the "Homestead Exemption Fund") which is funded from the additional one cent sales tax imposed by Act 388 and the amounts previously designated for the Property Tax Relief Exemption will be applied to such Homestead Exemption Fund. Act 388 provides a third exemption for one hundred percent of the fair market value of owner occupied residential property, to the extent not already covered by the Property Tax Relief Exemption, from all property taxes imposed for school operating purposes but not including millage imposed for the repayment of general obligation debt for property tax years beginning after January 1, 2007.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,358,841		\$ (1,500)	\$ 3,357,341
Construction in Progress	1,019,620	\$ 993,638	(154,196)	1,859,062
Total Capital Assets, Not Being Depreciated	4,378,461	993,638	(155,696)	5,216,403
Capital Assets, Being Depreciated:				
Buildings and Improvements	142,029,505	4,183,132	(12,551)	146,200,086
Furniture and Equipment	3,945,210	817,066	(50,316)	4,711,960
Total Capital Assets Being Depreciated	145,974,715	5,000,198	(62,867)	150,912,046
Less: Accumulated Depreciation for:				
Buildings and Improvements	(33,197,883)	(3,386,711)	4,476	(36,580,118)
Furniture and Equipment	(2,429,802)	(234,967)	23,852	(2,640,917)
Total Accumulated Depreciation	(35,627,685)	(3,621,678)	28,328	(39,221,035)
Total Capital Assets Being Depreciated, Net	110,347,030	1,378,520	(34,539)	111,691,011
Governmental Activities Capital Assets, Net	114,725,491	2,372,158	(190,235)	116,907,414
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Property and Equipment - Historical Cost	\$1,599,575	\$ 80,222	\$ (11,943)	\$ 1,667,854
Less: Accumulated Depreciation	(801,447)	(114,169)	11,943	(903,673)
Business-Type Activities Capital Assets, Net	798,128	(33,947)	-	764,181

NOTE 5 CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,195,154
Support Services	<u>2,426,524</u>
Total	<u><u>3,621,678</u></u>

Depreciation expense for Business-Type Activities was \$114,168.

Construction Commitments

The District has several ongoing construction projects as of June 30, 2009, consisting primarily of capital projects with LEAP. The projects include renovations of existing schools as well as construction of new facilities. Total outstanding construction commitments at June 30, 2009, are approximately \$1,263,277.

NOTE 6 SHORT-TERM OBLIGATIONS

<u>Short-Term Obligations</u>	<u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>
Governmental Activities:				
General Obligation Bonds	<u>-</u>	<u>\$9,555,000</u>	<u>\$7,800,000</u>	<u>\$1,755,000</u>
Total Governmental Activities	<u><u>-</u></u>	<u><u>9,555,000</u></u>	<u><u>7,800,000</u></u>	<u><u>1,755,000</u></u>

The District issued \$7,800,000 of general obligation bonds during the fiscal year for the primary purpose of making payments to LEAP with excess funds being used for capital projects. These bonds were retired utilizing debt service fund property tax revenues.

The District issued a Bond Anticipation Note on May 15, 2009. The note is due and payable on October 1, 2009 at an interest rate of 2.1%.

The District has continuous authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed valuation of property subject to levy by the District, applicable to debt issued subsequent to November 30, 1982. The District had \$25,425,000 general obligation debt outstanding at June 30, 2009, which was issued and approved by referendum. The District had no general obligation debt outstanding at June 30, 2009, that is subject to the 8% limitation.

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in the District's long-term obligations for the year ended June 30, 2009:

Long-Term Obligations	June 30, 2008	Additions	Reductions	June 30, 2009	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 27,100,000	\$ 18,255,000	\$ 19,930,000	\$ 25,425,000	\$ 2,445,000
Premium	177,735		12,118	165,617	12,118
LEAP 2006 Bond Issue	70,105,000		150,000	69,955,000	245,000
Premium	315,956		14,753	301,203	14,753
Arbitrage Payable	1,799,094		299,227	1,499,867	
Accrued Compensation Absences	1,074,694	663,660	626,630	1,111,724	648,200
Total Governmental Activities	<u>100,572,479</u>	<u>18,918,660</u>	<u>21,032,728</u>	<u>98,458,411</u>	<u>3,365,071</u>

General Fund resources typically have been used in prior years to liquidate compensated absences payable and the debt service funds have been used to liquidate all other long-term obligations.

Details for each debt issue outstanding as of June 30, 2009, are as follows:

General obligation bonds payable at June 30, 2009, are comprised of the following individual issues:

Issued March 17, 2009 with interest from 3.0 to 4.0%	\$18,255,000
Issued April 2, 2008, with interest from 3.5 to 4.0%	<u>7,170,000</u>
Total	<u><u>25,425,000</u></u>

\$70,150,000 of LEAP Installment Purchase Revenue Bond Series 2004 to finance the cost of acquiring, constructing, renovating and installing educational facilities (the "Capital Projects") to be sold by LEAP to the District pursuant to a school Facilities Purchase and Occupancy Agreement and dated November 1, 2004, and refinancing the District's General Obligation Bonds, Series 1996 and a portion of its General Obligation Bonds, Series 1999 for a total advance refunding of \$19,425,000. The Installment Purchase Revenue Bonds, Series 2004 are due in annual installments ranging from \$45,000 to \$10,165,000 beginning December, 2007 through December, 2030 with interest ranging from 4.0% to 5.25%. They are subject to redemption at LEAP's option beginning in 2014. In connection with the LEAP 2004 Bond Issue, a premium of \$368,821 was recorded and is being amortized over the life of the bonds. The unamortized premium at June 30, 2009, was \$301,203.

The District issued \$18,255,000 of general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments related to these bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The net carrying amount exceeded the reacquisition amount of the

NOTE 7 LONG-TERM OBLIGATIONS (Continued)

old debt by \$530,000. This amount being netted against the new debt and amortized over the life of the new debt which is the same as the life of the old debt. The advance refunding was undertaken to reduce total debt service payments over the next five years by \$2,311,517 and resulted in an economic gain of \$1,781,517.

Interest paid on the debt issued by the District is exempt from federal income tax. The District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, primarily during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings resulting from arbitrage must be rebated to the federal government on the fifth anniversary of the issuance of the tax-exempt debt and every five years thereafter until the debt has been repaid, in accordance with the arbitrage regulations. The District has recorded an arbitrage liability of \$1,499,857 at June 30, 2009, which represents the positive arbitrage on the LEAP indebtedness as of this date.

The annual requirements for debt service on bonds outstanding at June 30, 2009, are summarized as follows:

Year Ended June 30	Principal	Interest	Total
2010	\$ 2,690,000	\$ 4,347,196	\$ 7,037,196
2011	2,890,000	4,298,975	7,188,975
2012	3,100,000	4,194,700	7,294,700
2013	3,430,000	4,069,375	7,499,375
2014	3,665,000	3,940,500	7,605,500
2015-2019	22,500,000	17,155,500	39,655,500
2020-2024	31,700,000	10,531,500	42,231,500
2025-2029	23,385,000	2,431,375	25,816,375
2030	2,020,000	50,500	2,070,500
Total	95,380,000	51,019,621	146,399,621

The LEAP bonds are not a debt of the District; however, as LEAP is blended with the operations of the District, the debt of LEAP is included with the District's other obligations as required by GAAP.

NOTE 8 EMPLOYEE RETIREMENT PLANS**Plan Description**

The District is a member of the South Carolina Retirement System (SCRS), a division of the State Budget and Control Board of South Carolina. The District offers two retirement plans: the SCRS traditional retirement plan and the South Carolina State Optional Retirement Plan (State ORP).

NOTE 8 EMPLOYEE RETIREMENT PLANS (Continued)

The SCRS is one of four defined benefit retirement systems maintained by the Retirement Division of the State Budget and Control Board of South Carolina. Each system published their own component unit financial report. The systems provide retirement, disability, cost of living adjustments on an ad-hoc basis, life insurance and survivor benefits to state employees, public school employees, and employees of counties, municipalities, and certain other state political subdivisions. Each system is independent. Assets may not be transferred from one system to another or used for any purpose other than to benefit each system's participants.

The State ORP is a defined contribution plan in which contributions are made by an employee and his or her employer, resulting in a dollar accumulation that is used to provide a monthly income during retirement. Employees select from the investment options offered through the State ORP. In addition to retirement the State ORP provides disability, life insurance before retirement and survivor benefits to eligible employees. Section 9-20-10 of the SC Code of Laws lists the following as eligible employees: full-time employees of South Carolina public school districts hired after June 30, 2001, full-time employees of South Carolina state-supported colleges, universities, and technical colleges hired after June 30, 2002, full-time employees of the State of South Carolina or any of its departments, agencies, bureaus, commissions, and institutions hired after June 30, 2002, and a person who was a participant in the South Carolina Higher Education Optional Retirement Program as of June 30, 2002. The SCRS is responsible for determining which employees are eligible to participate in the State ORP. Eligible employees have an opportunity to select the retirement plan that best meets their specific retirement needs. Employees have 30 days from their date of hire to decide. If an employee does not make a selection, he or she will automatically become a member of SCRS.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS is issued and publicly available by writing South Carolina Retirement System, P. O. Box 11960, Columbia, South Carolina 29211-1960. Employees electing the State ORP will be sent the periodic financial statements from his or her investment provider.

Funding and Benefit Policy

Title 9 of South Carolina Code of Laws of 1976 (as amended) prescribes requirements relating to membership, benefits, and employee/employer contributions for each system. The following paragraphs summarize the requirements for the SCRS.

SCRS is a cost-sharing multiple-employer pension system that benefits employees of public schools, the State, and its political subdivision. As explained in Title 9, Chapter 1 of the S. C. Code of Laws, all employees who fill permanent positions (whether full-time or part-time) must join as a condition of employment, unless specifically excluded. Both employers and employees must contribute.

NOTE 8 EMPLOYEE RETIREMENT PLANS (Continued)**Funding and Benefit Policy (Continued)**

Employees contribute at a rate of 6.5% and employers contribute at a rate of 9.24% of an employee's earnings for the SCRS defined benefit plan and the State ORP defined contribution plan. For the SCRS the employer's contribution funds the normal cost and covers the unfunded accrued liability. For the State ORP 4.24% of the employer's contribution is directed to the investment provider for allocation to the employee's account and 3.5% is directed to SCRS to cover the unfunded accrued liability. As allowed by Provision 1.30 of the 1999-00 S. C. Appropriations Act, the District employs some retired employees and only the employer's 9.24% contribution is required and remitted for these retired employees. In addition to the above rates participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants. An additional employer contribution surcharge of 3.5% of covered payroll was added to the contribution rate to state and public school entities covered by the State Health Insurance Program. This assessment is for the purpose of providing retiree health insurance coverage and is not a part of the actuarially established contribution rates. The total contribution rate for the District was 12.89% for the SCRS defined benefit plan and the State ORP defined contribution plan for the year ended June 30, 2009. The District's contribution equals the required contribution.

The information concerning details and contributions for the SCRS is as follows:

	2009	2008	2007
Total Payroll Subject To Retirement	\$57,848,253	\$56,108,276	\$52,040,246
Covered Payroll Subject To Employee Contributions	56,416,524	53,478,862	48,462,348
Employee Contributions	3,667,080	3,476,126	3,150,053
Employer Contributions	7,457,171	7,086,937	6,010,818

The information concerning details and contributions for the State ORP is as follows:

	2009	2008
Total Payroll Subject to Retirement	\$5,566,316	\$4,916,039
Employee Contributions	361,811	319,542
Employer State ORP Contributions	278,316	245,802
Employer SCRS Contributions	439,182	375,094

NOTE 9 INTERFUND TRANSFERS

During the course of normal operations, the District has numerous transactions between funds to provide services, construct assets, service debts, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2009, consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General Fund	\$2,486,305	\$ 127,895
Special Projects Fund	4,050	384,625
EIA Fund	1,116,883	2,572,404
Proprietary Fund		205,473
Pupil Activity Fund	177,053	
Capital Projects Fund		493,894
Total	<u>3,784,291</u>	<u>3,784,291</u>

NOTE 10 INTERFUND BALANCES

As of June 30, 2009, amounts due from (to) other funds related to the District's pooled cash are as follows:

	General Fund	Special Projects	EIA Fund	Capital Projects District	Capital Projects LEAP	Enterprise Fund	Total
Due From:							
General Fund			\$186,796				\$ 186,796
Special Projects Fund	\$1,862,173						1,862,173
Capital Projects – LEAP	185,629			\$125,120			310,749
Enterprise Fund	530,780						530,780
	<u>2,578,582</u>	-	186,796	125,120			<u>2,890,498</u>
Due to:							
General Fund		\$1,862,173			\$185,629	\$530,780	2,578,582
EIA Fund	186,796						186,796
Capital Projects					125,120		125,120
	<u>186,796</u>	<u>1,862,173</u>	-	-	<u>310,749</u>	<u>530,780</u>	<u>2,890,498</u>
	<u>2,391,786</u>	<u>(1,862,173)</u>	<u>186,796</u>	<u>125,120</u>	<u>(310,749)</u>	<u>(530,780)</u>	<u>-</u>

NOTE 11 COMMITMENTS AND CONTINGENCIES

The District participates in a number of state and federally assisted programs which are subject to program compliance audits by the State or Federal Government and 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.

In the ordinary course of business the District may become party to lawsuits. In order to protect the District against potential losses that may arise in connection with a lawsuit, management has procured various insurance policies and coverages. The District has not incurred any significant claims or uninsured losses in the three years ending June 30, 2009.

NOTE 12 LEGAL COMPLIANCE

All schedules and exhibits are presented in the level of detail as required by the South Carolina State Department of Education.

NOTE 13 CONCENTRATIONS OF CREDIT RISK AND OTHER CONCENTRATIONS

Financial instruments which potentially subject the District to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

The District's cash and cash equivalents are placed with various financial institutions and the State of South Carolina. The deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per insured financial institution (See Note 3). Consistent with the District's mission to provide accessible educational services, credit is granted in the normal course of business. Collections of these receivable amounts is directly affected by certain economic conditions.

The District provides educational and instructional services to the residents of Lancaster County. In fulfilling its mission, the District relies significantly on Federal and State grants as well as local tax revenues. Any material reductions in these revenue sources could adversely impact the District's future financial condition.

NOTE 14 FUNDING FLEXIBILITY

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2009. Under the resolution, school districts may transfer revenue between programs to any instructional program with the same funding source and may make expenditures for instructional programs and essential operating costs from any state source without regard to fund type except school building bond funds. Certain funds and other exceptions apply. The District used this flexibility for the current fiscal year by making certain transfers allowed under the Joint Resolution. The impact of applying funding flexibility to the District's General Fund was not measured.

NOTE 15 SUBSEQUENT EVENTS

Debt Issuance - The District issued \$7,325,000 in General Obligation Bonds in September, 2009. These Bonds have a stated interest rate of 2.0% and principal and interest are due on March 1, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenue				
Local	\$20,769,318	\$22,360,254	\$ 21,628,182	\$ (732,072)
State	52,600,415	49,255,249	48,831,523	(423,726)
Total Revenue	73,369,733	71,615,503	70,459,705	(1,155,798)
Expenditures				
Instruction	48,416,997	48,127,001	47,552,251	574,750
Support Services	28,749,265	27,975,752	27,134,046	841,706
Community Services	-	-	22,897	(22,897)
Intergovernmental Expenditures	731,419	777,887	806,061	(28,174)
Total Expenditures	77,897,681	76,880,640	75,515,255	1,365,385
Excess (Deficiency) of Revenue Over Expenditures	(4,527,948)	(5,265,137)	(5,055,550)	209,587
Other Financing Sources (Uses)				
Operating Transfers In	1,750,777	2,266,032	2,358,410	92,378
Total Other Financing Sources (Uses)	1,750,777	2,266,032	2,358,410	92,378
Net Change in Fund Balance	(2,777,171)	(2,999,105)	(2,697,140)	301,965
Fund Balance, Beginning of Year	14,511,774	14,511,774	14,511,774	
Fund Balance, End of Year	11,734,603	11,512,669	11,814,634	

Footnote: The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America.

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

GENERAL FUND

Accounts for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the District collects other funds in a fiduciary capacity. Operational expenditures for general education, support services and other departments of the District are paid through the General Fund.

The following Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the statement are also mandated by the South Carolina Department of Education.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
1000 Revenue from Local Sources			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 20,713,285	\$ 19,596,560	\$ (1,116,725)
1140 Penalties and Interest on Taxes	190,000	174,870	(15,130)
1200 Revenue From Local Governmental Units Other Than LEA's			
1280 Revenue In-Lieu-Of Taxes	1,103,109	1,205,387	102,278
1300 Tuition			
1310 Regular Day School from Patrons	25,000	17,210	(7,790)
1320 Regular Day School from Other LEA's	-	47,594	47,594
1500 Earnings on Investments			
1510 Interest on Investments	180,000	189,088	9,088
1900 Miscellaneous Local Revenue			
1910 Rentals	25,000	25,101	101
1930 Medicaid	123,860	370,702	246,842
1999 Revenue from Other Local Sources	-	1,670	1,670
Total Local Sources	<u>22,360,254</u>	<u>21,628,182</u>	<u>(732,072)</u>
3000 Revenue from State Sources			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	-	11,204	11,204
3160 School Bus Drivers' Salary	565,472	632,750	67,278
3161 Transportation Workers' Compensation	-	3,782	3,782
3162 EFA Workers' Compensation	42,810	42,810	-
3180 Fringe Benefits Employer Contributions	9,066,775	9,066,775	-
3181 Retiree Insurance	1,236,906	1,236,906	-
3199 Other Restricted State Grants	-	4,370	4,370
3200 Unrestricted Grants			
3250 Medicaid Match Reimbursement	-	6,791	6,791

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues (Continued)			
3000 Revenue from State Sources (Continued)			
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	\$ 1,906,230	\$ 1,834,386	\$ (71,844)
3312 Primary	5,451,250	5,321,197	(130,053)
3313 Elementary	7,001,910	4,923,417	(2,078,493)
3314 High School	4,307,955	3,292,135	(1,015,820)
3315 Trainable Mentally Handicapped	201,156	200,307	(849)
3316 Speech Handicapped (Part-Time Program)	1,354,395	1,289,562	(64,833)
3317 Homebound	63,045	55,155	(7,890)
3319 EFA Underpayment	-	78,642	78,642
3320 Part-Time Programs			
3321 Emotionally Handicapped	165,748	164,701	(1,047)
3322 Educable Mentally Handicapped	267,949	266,071	(1,878)
3323 Learning Disabilities	2,296,159	2,295,089	(1,070)
3324 Hearing Handicapped	122,139	123,114	975
3325 Visually Handicapped	77,061	74,163	(2,898)
3326 Orthopedically Handicapped	84,837	83,921	(916)
3327 Vocational	2,972,968	5,712,307	2,739,339
3331 Autism	164,533	164,382	(151)
3800 State Revenue In-Lieu-Of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,724,743	3,724,743	-
3820 Homestead Exemption (Tier 2)	1,189,965	1,189,965	-
3825 Reimbursement for Property Tax Relief (Tier 3)	6,271,451	6,277,687	6,236
3830 Merchants' Inventory Tax	185,886	185,886	-
3840 Manufacturers' Depreciation Reimbursement	337,000	325,021	(11,979)
3890 Other State Property Revenues	181,906	223,464	41,558
3900 Other State Revenue			
3999 Revenue from Other State Sources	15,000	20,820	5,820
Total State Sources	49,255,249	48,831,523	(423,726)
Total Revenue All Sources	71,615,503	70,459,705	(1,155,798)

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 2,670,562	\$2,655,251	\$ 15,311
200 Employee Benefits	860,214	809,494	50,720
400 Supplies and Materials	18,944	18,159	785
112 Primary Programs			
100 Salaries	6,081,646	6,050,299	31,347
200 Employee Benefits	1,747,735	1,721,069	26,666
300 Purchased Services	1,155	1,155	-
400 Supplies and Materials	58,226	57,899	327
500 Capital Outlay	4,097	4,097	-
113 Elementary Programs			
100 Salaries	11,837,343	11,719,441	117,902
200 Employee Benefits	3,500,566	3,327,764	172,802
300 Purchased Services	139,484	120,315	19,169
400 Supplies and Materials	131,619	126,609	5,010
114 High School Programs			
100 Salaries	9,037,945	8,974,774	63,171
200 Employee Benefits	2,394,203	2,467,130	(72,927)
300 Purchased Services	68,212	57,041	11,171
400 Supplies and Materials	84,343	78,871	5,472
500 Capital Outlay	1,438	1,438	-
115 Vocational Programs			
100 Salaries	2,037,542	2,047,764	(10,222)
200 Employee Benefits	619,240	597,075	22,165
300 Purchased Services	8,717	5,732	2,985
400 Supplies and Materials	83,649	78,210	5,439
500 Capital Outlay	2,816	1,586	1,230

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (Continued)			
100 Instruction (Continued)			
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	\$ 1,166,278	\$ 1,143,814	\$ 22,464
200 Employee Benefits	370,531	346,542	23,989
400 Supplies and Materials	1,125	1,123	2
122 Trainable Mentally Handicapped			
100 Salaries	565,735	580,165	(14,430)
200 Employee Benefits	172,276	170,988	1,288
400 Supplies and Materials	778	741	37
123 Orthopedically Handicapped			
100 Salaries	71,609	71,609	-
200 Employee Benefits	19,684	18,600	1,084
124 Visually Handicapped			
300 Purchased Services	58,880	61,240	(2,360)
125 Hearing Handicapped			
100 Salaries	173,647	150,984	22,663
200 Employee Benefits	50,164	40,607	9,557
400 Supplies and Materials	450	450	-
126 Speech Handicapped			
100 Salaries	536,616	557,410	(20,794)
200 Employee Benefits	154,480	152,470	2,010
300 Purchased Services	109,780	91,434	18,346
400 Supplies and Materials	5,226	3,020	2,206
600 Other Objects	3,000	2,050	950
127 Learning Disabilities			
100 Salaries	1,941,269	1,936,007	5,262
200 Employee Benefits	541,910	524,218	17,692
400 Supplies and Materials	1,888	1,875	13
128 Emotionally Handicapped			
100 Salaries	238,754	238,979	(225)
200 Employee Benefits	85,786	80,199	5,587
400 Supplies and Materials	483	486	(3)

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (Continued)			
100 Instruction (Continued)			
130 Pre-school Programs			
137 Pre-school Handicapped			
Self-Contained (3 and 4 Year Olds)			
100 Salaries	\$ 55,739	\$ 58,637	\$ (2,898)
200 Employee Benefits	11,891	15,701	(3,810)
139 Early Childhood Programs			
100 Salaries	8,004	8,153	(149)
200 Employee Benefits	2,051	2,254	(203)
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	71,422	64,156	7,266
200 Employee Benefits	20,213	16,460	3,753
145 Homebound			
100 Salaries	75,578	60,779	14,799
200 Employee Benefits	18,955	15,350	3,605
300 Purchased Services	20,690	11,780	8,910
160 Other Exceptional Programs			
161 Autism			
100 Salaries	100,140	116,640	(16,500)
200 Employee Benefits	30,492	33,511	(3,019)
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	34,557	34,557	-
200 Employee Benefits	12,182	11,973	209
190 Instructional Pupil Activity			
100 Salaries	4,239	5,087	(848)
200 Employee Benefits	803	1,029	(226)
Total Instruction	48,127,001	47,552,251	574,750

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (Continued)			
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 62,688	\$ 62,788	\$ (100)
200 Employee Benefits	17,269	16,588	681
212 Guidance Services			
100 Salaries	1,911,865	1,952,877	(41,012)
200 Employee Benefits	543,500	536,194	7,306
300 Purchased Services	3,864	1,853	2,011
400 Supplies and Materials	15,905	14,971	934
600 Other Objects	558	558	-
213 Health Services			
100 Salaries	279,843	245,379	34,464
200 Employee Benefits	95,905	80,604	15,301
300 Purchased Services	1,550	1,638	(88)
400 Supplies and Materials	40,937	15,466	25,471
500 Capital Outlay	7,000	-	7,000
214 Psychological Services			
100 Salaries	77,342	62,799	14,543
200 Employee Benefits	21,148	18,467	2,681
217 Career Specialist			
100 Salaries	9,695	8,505	1,190
200 Employee Benefits	2,562	2,259	303
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	134,194	134,194	-
200 Employee Benefits	34,783	33,503	1,280
300 Purchased Services	148	98	50
400 Supplies and Materials	5,121	3,510	1,611
600 Other Objects	1,150	1,133	17
222 Library and Media Services			
100 Salaries	1,458,749	1,460,599	(1,850)
200 Employee Benefits	471,990	449,918	22,072
300 Purchased Services	810	304	506
400 Supplies and Materials	202,446	198,109	4,337
500 Capital Outlay	633	542	91
223 Supervision of Special Programs			
100 Salaries	159,950	174,163	(14,213)
200 Employee Benefits	49,602	53,753	(4,151)
300 Purchased Services	6,050	1,762	4,288
400 Supplies and Materials	8,780	362	8,418

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (Continued)			
200 Support Services (Continued)			
220 Instructional Staff Services (Continued)			
224 Improvement of Instruction-In-Service and Staff Training			
100 Salaries	\$ 147,236	\$ 151,228	\$ (3,992)
200 Employee Benefits	41,875	40,128	1,747
300 Purchased Services	10,313	9,269	1,044
400 Supplies and Materials	3,381	2,482	899
600 Other Objects	39,234	39,234	-
230 General Administration Services			
231 Board of Education			
100 Salaries	159,810	32,580	127,230
140 Terminal Leave	35,000	2,052	32,948
200 Employee Benefits	1,026,022	685,901	340,121
300 Purchased Services	107,735	106,650	1,085
318 Audit Services	39,500	39,500	-
400 Supplies and Materials	5,678	5,685	(7)
600 Other Objects	21,971	21,971	-
232 Office of the Superintendent			
100 Salaries	322,301	315,525	6,776
200 Employee Benefits	79,570	76,714	2,856
300 Purchased Services	40,294	20,035	20,259
400 Supplies and Materials	54,894	52,161	2,733
600 Other Objects	11,053	1,830	9,223
233 School Administration			
100 Salaries	4,943,775	4,941,576	2,199
200 Employee Benefits	1,474,239	1,409,927	64,312
300 Purchased Services	35,400	27,087	8,313
400 Supplies and Materials	52,241	51,628	613
500 Capital Outlay	891	648	243
600 Other Objects	12,108	10,475	1,633
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	575,223	574,443	780
200 Employee Benefits	165,062	156,995	8,067
300 Purchased Services	16,099	14,655	1,444
400 Supplies and Materials	8,937	8,609	328
600 Other Objects	2,455	2,440	15

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (Continued)			
200 Support Services (Continued)			
250 Finance and Operations Services (Continued)			
254 Operation and Maintenance of Plant			
100 Salaries	\$ 1,006,734	\$ 1,023,825	\$ (17,091)
200 Employee Benefits	325,642	312,777	12,865
300 Purchased Services	2,837,111	2,802,263	34,848
321 Public Utilities (Excludes Gas, Oil, Elec. and Other Heating Fuels)	344,678	339,366	5,312
400 Supplies and Materials	502,672	481,544	21,128
470 Energy (Includes Gas, Oil, Elec. and Other Heating Fuels)	2,277,013	2,299,329	(22,316)
500 Capital Outlay	43,094	76,263	(33,169)
255 Student Transportation (State Mandated)			
100 Salaries	1,156,230	1,183,557	(27,327)
200 Employee Benefits	395,441	321,045	74,396
300 Purchased Services	44,203	37,183	7,020
400 Supplies and Materials	7,930	4,762	3,168
600 Other Objects	7,000	5,915	1,085
256 Food Service			
200 Employee Benefits	349,585	405,210	(55,625)
257 Internal Services			
100 Salaries	278,036	277,968	68
200 Employee Benefits	75,449	78,673	(3,224)
300 Purchased Services	14,825	10,767	4,058
400 Supplies and Materials	4,550	7,421	(2,871)
600 Other Objects	900	535	365
258 Security			
100 Salaries	163,961	132,459	31,502
200 Employee Benefits	28,288	35,205	(6,917)
300 Purchased Services	154,087	136,919	17,168

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (Continued)			
200 Support Services (Continued)			
260 Central Support Services			
262 Planning, Research, Development and Evaluation			
100 Salaries	\$ 91,239	\$ 91,239	\$ -
200 Employee Benefits	23,575	22,263	1,312
300 Purchased Services	4,612	4,727	(115)
400 Supplies and Materials	15,974	14,234	1,740
500 Capital Outlay	1,311	1,311	-
600 Other Objects	9,728	9,725	3
263 Information Services			
100 Salaries	93,517	93,517	-
200 Employee Benefits	24,136	22,896	1,240
300 Purchased Services	24,781	24,781	-
400 Supplies and Materials	1,466	1,467	(1)
600 Other Objects	260	260	-
264 Staff Services			
100 Salaries	244,896	246,648	(1,752)
200 Employee Benefits	70,296	71,213	(917)
300 Purchased Services	164,972	150,385	14,587
400 Supplies and Materials	6,402	4,802	1,600
600 Other Objects	20,567	19,950	617
266 Technology and Data Processing Services			
100 Salaries	445,877	444,649	1,228
200 Employee Benefits	132,171	128,093	4,078
300 Purchased Services	290,107	286,327	3,780
400 Supplies and Materials	37,104	36,304	800
500 Capital Outlay	2,290	2,290	-
270 Support Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	954,287	885,780	68,507
200 Employee Benefits	151,881	175,335	(23,454)
660 Pupil Activity	88,540	88,540	-
Total Support Services	<u>27,975,752</u>	<u>27,134,046</u>	<u>841,706</u>

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
300 Community Services			
350 Custody/Care of Children			
100 Salaries	-	\$ 18,995	\$ (18,995)
200 Employee Benefits	-	3,902	(3,902)
Total Community Service Expenditures	-	22,897	(22,897)
400 Other Charges			
410 Intergovernmental Expenditures			
411 Payments to the State Department of Education			
720 Transits	\$ 100,500	138,452	(37,952)
412 Payments to Other Governmental Units			
720 Transits	45,000	35,222	9,778
416 Payments to Public Charter Schools			
720 Transits	632,387	632,387	-
Total Intergovernmental Expenditures	777,887	806,061	(28,174)
Total Expenditures	76,880,640	75,515,255	1,365,385
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds			
400 Other Charges			
421 Transfer To Special Revenue			
710 Transits	(2,500)	(1,050)	1,450
426 Transfer To Pupil Activity			
710 Transits	(125,395)	(126,845)	(1,450)
5230 Transfer From Special Revenue EIA Fund	1,463,927	1,455,521	(8,406)
5250 Transfer From School Building Fund	430,000	443,686	13,686
5280 Transfer From Other Funds Indirect Costs	500,000	587,098	87,098
Total Other Financing Sources (Uses)	2,266,032	2,358,410	92,378
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(2,999,105)</u>	<u>(2,697,140)</u>	<u>301,965</u>
Fund Balance, Beginning of Year		<u>14,511,774</u>	
Fund Balance, End of Year		<u><u>11,814,634</u></u>	

SPECIAL REVENUE FUND

The special revenue funds are used to record revenues derived from the State of South Carolina and the federal government, certain of which require matching revenues from local sources, which are required to finance particular activities. Separate revenues, expenditures and changes in fund balances are set forth for various reporting requirements.

Special Revenue Fund - Special Projects Fund (excluding Education Improvement Act) - These funds are used to account for all federal and state projects except for those subject to Education Improvement Act requirements.

Education Improvement Act - These funds are used to account for the District's expenditures as a result of receiving funds subject to the guidelines set by the State of South Carolina.

The following Schedule of Revenues, Expenditures and Changes in Fund Balance, Non Education Improvement Act Funds, Summary Schedule for Designated State Restricted Grants, the Education Improvement Act Schedule of Revenues, Expenditures and Changes in Fund Balance and the Education Improvement Act Summary Schedule by Program, have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers are also mandated by the South Carolina State Department of Education.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FPI/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Revenues									
1000 Revenue from Local Sources									
1300 Tuition								\$ 51	\$ 51
1310 From Patrons to Regular Day School								12,052	12,052
1330 Adult/Continuing Education from Patrons								8,337	8,337
1350 Summer School from Patrons									
1900 Other Revenue from Local Sources									
1910 Rentals								4,681	4,681
1920 Contributions and Donations from Private Sources								1,543,230	1,543,230
1999 Revenue From Other Local Sources								273,388	273,388
Total Local Sources	-	-	-	-	-	-	-	1,841,739	1,841,739
1000 Intergovernmental Revenue								664,079	664,079
2100 Payment from Other Governmental Units									
Total Intergovernmental Revenue'	-	-	-	-	-	-	-	664,079	664,079
3000 Revenue from State Sources									
3100 Restricted State Funding								21,339	21,339
3110 Occupational Education								2,793	2,793
3113 12-Months (AG) Program								9,199	9,199
3116 EEDA 9th Grade Career Awareness								285,075	285,075
3117 EEDA 8th Grade Career Awareness								73,828	73,828
3118 EEDA Career Specialist								107,522	107,522
3120 General Education								140,400	140,400
3123 Formative Assessment								14,681	14,681
3125 Career and Technology Education Equipment									
3127 Student Health and Fitness - PE Teachers									
3128 High Schools that Work									
3130 Special Programs									
3136 Student Health and Fitness - Nurses								299,168	299,168
3150 Adult Education									
3151 Basic								13,765	13,765
3154 Young Adult Population								52,693	52,693

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FPI/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Revenues (Continued)									
3000 Revenue from State Sources (Continued)									
3100 Restricted State Funding (Continued)									
3190 Miscellaneous Restricted State Grants									
3193 Education License Plates									
3199 Other Restricted State Grants							\$ 3,048	\$ 5,600	\$ 3,048 5,600
3600 Education Lottery Act Revenue									
3607 6-8 Enhancement							33,823		33,823
3610 K-5 Enhancement							797,766		797,766
3900 Other State Revenue									
3991 ADEPT							39,241		39,241
3993 Media Center-Special							204		204
3999 Revenue from Other State Sources								56,834	56,834
Total State Sources	-	-	-	-	-	\$ 13,765	1,859,441	83,773	1,956,979
4000 Revenue from Federal Sources									
4200 Occupational Education				\$ 141,266					141,266
4210 Perkins, Title I									
4300 Elementary and Secondary Education Act of 1965									
4310 Title I	\$ 2,791,431							66,403	2,857,834
4318 SC Reading First								312,718	312,718
4331 Enhancing Education Through Technology								41,594	41,594
4340 Promoting Informed Parental Choices and Innovative Education Program Strategies, Title V								35,586	35,586
4341 Language Instruction for Limited English Proficient and Immigrant Students Title III								29,206	29,206
4351 Improving Teacher Quality								514,935	514,935
4400 Adult Education						102,109			102,109
4410 Basic									
4500 Programs for Children With Disabilities									
4510 IDEA		\$ 2,341,213						2,750	2,343,963
4520 Pre-School Grants			\$ 130,614						130,614
4900 Other Federal Sources									
4920 Drug and Violence Prevention					\$ 39,128				39,128
4924 21st Century Community Learning Centers								100,341	100,341
4999 Revenue from Other Federal Sources								4,857,769	4,857,769
Total Federal Sources	2,791,431	2,341,213	130,614	141,266	39,128	102,109	-	5,961,302	11,507,063
Total Revenue All Sources	2,791,431	2,341,213	130,614	141,266	39,128	115,874	1,859,441	8,550,893	15,969,860

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FPI/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Expenditures									
100 Instruction									
110 General Instruction									
111 Kindergarten Programs									
100 Salaries							\$ 45,221	\$ 50,837	\$ 96,058
200 Employee Benefits							15,269	14,319	29,588
400 Supplies and Materials							1,629	7,138	11,445
112 Primary Programs	2,678								
100 Salaries							290,100	644,036	1,652,451
200 Employee Benefits	\$ 718,315						79,675	162,396	473,853
300 Purchased Services	231,782							27,556	27,556
400 Supplies and Materials	275,089						22,757	131,379	429,225
500 Capital Outlay	4,674							8,129	12,803
113 Elementary Programs									
100 Salaries	93,340						232,694	82,056	408,090
200 Employee Benefits	25,066						56,167	26,038	107,271
300 Purchased Services	14,561						7,671	26,670	48,902
400 Supplies and Materials	62,510						62,146	140,559	265,215
500 Capital Outlay	29,981							13,309	43,290
114 High School Programs									
100 Salaries								417,377	417,377
200 Employee Benefits								48,994	48,994
300 Purchased Services								36,470	36,470
400 Supplies and Materials							712	167,585	168,297
500 Capital Outlay								33,572	33,572
115 Vocational Programs									
100 Salaries								21,339	21,339
400 Supplies and Materials								59,171	59,171
500 Capital Outlay								28,861	28,861
120 Exceptional Programs									
121 Educable Mentally Handicapped									
100 Salaries		\$ 250,569						1,989	252,558
200 Employee Benefits		77,351						409	77,760
300 Purchased Services		6,916							6,916
400 Supplies and Materials		2,589							2,589
122 Trainable Mentally Handicapped									
100 Salaries		97,497						52	97,549
200 Employee Benefits		25,774						11	25,785
400 Supplies and Materials		1,448							1,448

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)									
100 Instruction (Continued)									
120 Exceptional Programs (Continued)									
123 Orthopedically Handicapped									
100 Salaries		\$ 18,508							\$ 18,508
200 Employee Benefits		2,704							2,704
300 Purchased Services		1,472							1,472
124 Visually Handicapped									
100 Salaries		357							357
200 Employee Benefits		73							73
400 Supplies and Materials		2,443							2,443
125 Hearing Handicapped									
100 Salaries		55,236							55,236
200 Employee Benefits		11,365							11,365
300 Purchased Services		2,982							2,982
400 Supplies and Materials		829							829
500 Capital Outlay		3,661							3,661
126 Speech Handicapped									
100 Salaries		73,852					\$ 241		74,093
200 Employee Benefits		22,536					49		22,585
127 Learning Disabilities									
100 Salaries		126,631							126,631
200 Employee Benefits		41,206							41,206
400 Supplies and Materials		2,951							2,951
128 Emotionally Handicapped									
100 Salaries		14,109							14,109
200 Employee Benefits		1,079							1,079
300 Purchased Services		22,900							22,900
400 Supplies and Materials		216							216
129 Coordinated Early Intervening Services									
100 Salaries		223,499							223,499
200 Employee Benefits		32,959							32,959
300 Purchased Services		2,294							2,294
400 Supplies and Materials		247							247
130 Pre-school Programs									
133 Pre-school Handicapped									
Self-Contained (5 Year Olds)									
100 Salaries		\$ 96,653							96,653
200 Employee Benefits		28,917							28,917
300 Purchased Services		465							465
400 Supplies and Materials		1,344							1,344
137 Pre-school Self-Contained (3-4 Year Olds)									
100 Salaries		9,711							9,711
200 Employee Benefits		1,995							1,995

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)									
100 Instruction (Continued)									
140 Special Programs									
145 Homebound									
300 Purchased Services		\$ 12,349						\$	12,349
147 CDEPP									
100 Salaries									
200 Employee Benefits								368,681	368,681
300 Purchased Services								103,758	103,758
400 Supplies and Materials								694	694
160 Other Exceptional Programs								19,063	19,063
161 Autism									
100 Salaries									
200 Employee Benefits									
170 Summer School Programs									
172 Elementary Summer School									
100 Salaries								832	832
200 Employee Benefits								99	99
173 High School Summer School									
100 Salaries								28,383	28,383
200 Employee Benefits								5,830	5,830
175 Instructional Programs Beyond Regular Day School									
100 Salaries	\$ 26,472							233,961	260,433
200 Employee Benefits	5,437							47,425	52,862
300 Purchased Services	56,098								56,098
400 Supplies and Materials								32,440	32,440

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FPI/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)									
100 Instruction (Continued)									
180 Adult/Continuing Educational Programs									
181 Adult Basic Programs									
100 Salaries						49,371	\$	70,407	\$ 119,778
200 Employee Benefits						18,651		9,124	27,775
300 Purchased Services								2,473	2,473
400 Supplies and Materials						1,530		9,509	11,039
182 Adult Secondary Programs									
100 Salaries						33,377	\$ 2,096	40,808	76,281
200 Employee Benefits						7,910	430	6,255	14,595
300 Purchased Services						456			456
400 Supplies and Materials						421	222	6,103	6,746
183 Adult English Literacy									
100 Salaries						1,352			1,352
200 Employee Benefits						277			277
188 Parenting/Family Literacy									
100 Salaries	\$ 119,829							101,959	221,788
200 Employee Benefits	38,841							29,743	68,584
300 Purchased Services	33,540							16,580	50,120
400 Supplies and Materials	3,967							31,486	35,453
Total Instruction	1,742,180	\$ 1,288,432	\$ 127,379	\$ 88,032	-	113,345	924,311	3,228,123	7,511,802
200 Support Services									
210 Pupil Services									
211 Attendance and Social Work Services									
100 Salaries		56,774							56,774
200 Employee Benefits		14,957							14,957
300 Purchased Services		3,481							3,481
400 Supplies and Materials		128							128
212 Guidance Services									
100 Salaries				24,633				297,854	322,487
200 Employee Benefits				5,060				78,130	83,190
300 Purchased Services				4,096			11,992	14,887	18,983
400 Supplies and Materials				376				4,831	17,199
600 Other Objects								90	90

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FPI/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)									
200 Support Services (Continued)									
210 Pupil Services (Continued)									
213 Health Services									
100 Salaries	\$ 48,546	\$ 81,110					\$ 221,721	\$	351,377
200 Employee Benefits	20,306	22,504					77,447		120,257
300 Purchased Services		247,947							247,947
214 Psychological Services									
100 Salaries		201,971							201,971
200 Employee Benefits		72,706							72,706
300 Purchased Services		15,844							15,844
400 Supplies and Materials		7,840							7,840
600 Other Objects		885							885
217 Career Specialist Services									
100 Salaries							223,241		223,241
200 Employee Benefits							61,835		61,835

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education (EA Projects)	Other		Total
							Designated Restricted State Grants	Special Revenue Programs	
Expenditures (Continued)									
200 Support Services (Continued)									
220 Instructional Staff Services									
221 Improvement of Instruction - Curriculum Development									
100 Salaries	\$ 296,248						\$ 8,000	\$ 47,147	\$ 351,395
200 Employee Benefits	65,899						1,645	12,115	79,659
300 Purchased Services	889							6,153	7,042
400 Supplies and Materials								48	48
222 Library and Media Services									
100 Salaries								10,619	10,619
200 Employee Benefits								812	812
400 Supplies and Materials							204	3,733	3,937
223 Supervision of Special Programs									
100 Salaries	16,607	\$ 197,931					33,833	1,166,177	1,414,548
200 Employee Benefits	3,407	55,325					13,447	342,216	414,395
300 Purchased Services	3,798	2,046					2,164	691,275	704,589
400 Supplies and Materials	3,416	4,859		\$ 5,306			501	330,778	340,191
500 Capital Outlay				637				35,804	35,804
600 Other Objects		871						173	1,044
224 Improvement of Instruction - In-Service Staff Training									
100 Salaries	295,069						113,199	377,414	785,682
200 Employee Benefits	84,620						32,331	164,483	281,434
300 Purchased Services	112,774						123,000	113,270	359,766
400 Supplies and Materials	15,743			10,722			10,570	15,931	42,244
500 Capital Outlay	8,296							11,175	19,471
600 Other Objects	306							306	306
230 General Administration Services									
233 School Administration									
100 Salaries								78,528	78,528
200 Employee Benefits								28,254	28,254
400 Supplies and Materials								12,545	12,545

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education (EA Projects)	Other		Total
							Designated Restricted State Grants	Other Special Revenue Programs	
Expenditures (Continued)									
200 Support Services (Continued)									
250 Finance and Operations Services									
251 Student Transportation (Federal/District Mandated)		\$					\$	13,479	\$ 15,578
100 Salaries	2,099							1,094	1,266
200 Employee Benefits	172							17,137	20,120
300 Purchased Services	2,983								
254 Operation and Maintenance of Plant									
100 Salaries								810	810
200 Employee Benefits								166	166
300 Purchased Services								7,305	7,305
400 Supplies and Materials								4,397	4,397
255 Student Transportation									
100 Salaries		\$ 5,001						30,151	35,152
200 Employee Benefits		547						3,279	3,826
300 Purchased Services		2,151						74,269	76,420
258 Security									
100 Salaries					\$				15,592
200 Employee Benefits									5,293
300 Purchased Services									17,273
260 Central Support Services									
266 Technology and Data Processing Services									
500 Capital Outlay								5,400	5,400
Total Support Services	981,178	994,878	-	\$ 50,830	38,158	-	\$ 935,130	4,001,929	7,002,103

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FPI/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)									
300 Community Services									
350 Custody and Care of Children									
100 Salaries								\$ 296,257	\$ 296,257
200 Employee Benefits								95,870	95,870
300 Purchased Services								44,535	44,535
400 Supplies and Materials								6,259	6,259
390 Other Community Services									
100 Salaries								504,800	504,800
200 Employee Benefits								98,016	98,016
300 Purchased Services								3,681	3,681
400 Supplies and Materials								21,769	21,769
500 Capital Outlay								693	693
Total Community Services	-	-	-	-	-	-	-	1,071,880	1,071,880
Total Expenditures	\$ 2,723,358	\$ 2,283,310	\$ 127,379	\$ 138,862	\$ 38,158	\$ 113,345	\$ 1,859,441	8,301,932	15,585,785

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	Occupational Education (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Other Financing Sources (Uses)									
Interfund Transfers, From (To) Other Funds									
5210 Transfer From General Fund	\$ (68,073)	\$ (57,903)	\$ (3,235)	\$ (2,404)	\$ (970)	\$ (2,529)	\$ -	\$ 1,050	\$ 1,050
426-710 Transfer to Pupil Activities								(3,500)	(3,500)
431-791 Special Revenue Fund Indirect Costs								(246,511)	(381,625)
Total Other Financing Sources (Uses)	(68,073)	(57,903)	(3,235)	(2,404)	(970)	(2,529)	-	(248,961)	(384,075)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	976	976
Fund Balance, End of Year	-	-	-	-	-	-	-	976	976

Note: Per State of South Carolina Department of Education requirements, this schedule includes the activity of the District's public charter school.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND EXCLUDING EDUCATION IMPROVEMENT ACT
SCHEDULE OF SUBFUND LISTINGS***

FOR FISCAL YEAR ENDED JUNE 30, 2009

* The following is a listing of which titles are included in the Adult Education Column, the Designated State Restricted Grants Column, and the Other Specified Revenue Programs Column.

Adult Education (EA Project)		Other Special Revenue Programs (Continued)	
Subfund Code	Title	Subfund Code	Title
918	Adult Education - Basic	803	Communities in Schools
243	Adult Education - Federal	804	First Steps
Other Designated State Restricted Grants		805	Lancaster Housing Authority - Maps to Success
Subfund Code	Title	806	Home Literacy Trail to Success - SIMS
905	Career and Technology Education Equipment	807	Springs-Adult Education Outreach
916	ADEPT (Assisting, Developing, & Evaluating Professional Teaching)	808	Foundation for the Carolinas - Eastside Academy
919	Education License Plates	809	Exxon Mobil Corporation - Buford Elementary
920	Young Adult Education	810	Springs: College Course Reimbursement
926	EEDA 9th Grade Awareness	811	Learn TV - Advertising
927	EEDA 8th Grade Awareness	814	LYE Steps to the Future - CO
928	EEDA Career Specialist	815	Children's Council - Learn TV
933	Formative Assessment	816	SIMS: Home Literacy Trail
936	Student Health and Fitness - Nurses	822	Character Education Year 06/07
937	Student Health and Fitness - PE Teachers	824	SIMS: Investment for Life
938	High Schools That Work	825	LYE Swimming Class - Clinton - CO
939	Media Center-Special	829	Sims-Swimming and Water Safety
960	K-5 Enhancement	830	Early Head Start
967	6-8 Enhancement	831	SIMS: Swimming & Water Safety - CO
Other Special Revenue Programs		833	Eastside Academy Donations
Subfund Code	Title	835	Teen LEAD
218	SC Reading First - Local Reading Improvement Title I	838	Advanced Placement Incentive
224	21st Century Community Learning Centers Title IV	839	EXT School Year
237	Title I - School Improvement Funds	840	SC Arts Commission - AJ Middle
241	Informed Parental Choice and Innovative Programs, Title V, Part A	849	Advance-Project Lead The Way
253	Enhancing Education Through Technology Title II	851	Jobs for South Carolina's Graduates
264	Language Instruction for Limited English Proficient and Immigrant Students Title III	853	Youth Build - FY 07-08
267	Title II Improving Teacher Quality	854	Professional Development for Arts Instructors
270	ROTC	856	Child Development Program
275	Adult Education Local Contributions	857	Springs: Early Head Start
276	Americorps	859	SIMS: Reading for Workplace Success Literacy Program
277	Contract Course Tuition Account	860	SASI Data Collection
279	12 Month Agriculture Program	861	GEAR-UP (Middle Schools)
281	Summer '06 School Program-High School	865	Safe Schools/Healthy Students Grant
294	Elementary Homework Centers - PFY	867	Springs: Investment for Life
296	Facility Rental Fund	868	Children's Council-Truancy/Parent Incentive
298	Springs Homework Study Program	869	Stevens: Parent Empowerment Program
801	Discovery School	871	Alcohol Prevention
802	Smoother Sailing	875	Academic Challenge Festival (Olde English Consortium)
		880	Smaller Learning Communities - Year 1
		890	GEAR-UP
		891	Partners for Youth - Learn TV
		896	Partners for Youth - 4K Program

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS

FOR FISCAL YEAR ENDED JUNE 30, 2009

Sub-Fund	Revenue	Title	Revenues		Expenditures	Special Revenue Interfund Transfers		Other Fund Transfers		Special Revenue Fund	
						In/(Out)		In/(Out)		Deferred	
905	3125	Career and Technology Education Equipment	\$	107,522	\$	107,522			\$	18,092	
916	3991	ADEPT (Assisting, Developing & Evaluating Professional Teaching)		39,241		39,241				3,233	
919	3193	Education License Plates		3,048		3,048				502	
920	3154	Young Adult Education		52,693		52,693				8,474	
933	3123	Formative Assessment		73,828		73,828					
926	3116	EEDA 9th Grade Awareness		2,793		2,793				2,191	
927	3117	EEDA 8th Grade Awareness		9,199		9,199				232	
928	3118	EEDA Career Specialist		285,075		285,075				159	
936	3136	Student Health and Fitness - Nurses		299,168		299,168					
937	3127	Student Health and Fitness - PE Teachers		140,400		140,400					
938	3128	High Schools that Work		14,681		14,681				14,819	
939	3993	Media Center-Special		204		204					
960	3610	K-5 Enhancement		797,766		797,766				131,142	
967	3607	6-8 Middle School Initiative		33,823		33,823				5,873	
			1,859,441		1,859,441		-		-	184,717	

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL PROGRAMS**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Revenues	
1000 Revenue from Local Sources	
1700 Pupil Activities	
1740 Student Fees	\$ 4,175
Total Local Sources	<u>4,175</u>
3000 Revenue from State Sources	
3500 Education Improvement Act	
3501 Increase High School Diploma Requirements	162,882
3505 School Technology Initiative	14,495
3509 Arts in Education	30,955
3513 Parenting/Family Literacy	89,991
3515 Advanced Placement Courses	10,060
3517 Advanced Placement - Singleton	2,665
3520 Gifted and Talented - Academic	217,638
3522 Gifted and Talented - Artistic	61,317
3523 Junior Scholars Programs	527
3525 Career and Technology Education Equipment	248
3527 Critical Teaching Needs	3,982
3530 Trainable and Profoundly Mentally Disabled Student Services	80,538
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	786,692
3533 Teacher of the Year Awards	1,077
3534 Professional Development on Standards	90,534
3535 Institute of Reading (South Carolina Reading Initiative-Middle Grades)	2,678
3540 Early Childhood Program (4K Programs Serving Four Year Old Children)	352,002
3542 Pre-school Programs for Children with Disabilities	54,093
3546 Academic Assistance K-3	494,264
3548 Academic Assistance 4-12	1,349,131
3549 Academic Assistance Reading Recovery	19,517
3550 Teacher Salary Increase (No Carryover Provision)	1,208,302
3553 Adult Education - Remedial	23,762
3555 School Employer Contributions (No Carryover Provision)	247,219
3562 Adult Education Basic (Include Rural and Workforce Initiatives)	161,448
3565 Adult Education, Literacy	58,641
3568 EAA Technical Assistance	739,058
3575 Competitive Teacher Grants	17,913
3577 Teacher Supplies (No Carryover Provision)	215,070
3578 High Schools that Work	9,444
3582 Principal Salary/Fringe Increase (No Carryover Provision)	47,841
3583 EAA Summer School/Comprehensive Remediation	384,753
3588 EAA Palmetto Gold and Silver Awards	30,597
3591 Excellence in Middle Schools	86,715
3592 School-to-Work Transition Act	50,839
3593 EAA Reduce Class Size Grades 1 - 3	442,060
3596 EAA Alternative Schools Program	135,264
Total State Sources	<u>7,684,212</u>
Total Revenue All Sources	<u>7,688,387</u>

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL PROGRAMS

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Expenditures	
100 Instruction	
110 General Instruction	
111 Kindergarten	
100 Salaries	\$ 100,119
200 Employee Benefits	26,393
400 Supplies and Materials	33,307
500 Capital Outlay	2,738
112 Primary Programs	
100 Salaries	812,773
200 Employee Benefits	205,048
300 Purchased Services	62,118
400 Supplies and Materials	122,004
500 Capital Outlay	13,256
600 Other Objects	60
113 Elementary Programs	
100 Salaries	725,648
200 Employee Benefits	191,716
300 Purchased Services	44,657
400 Supplies and Materials	285,496
500 Capital Outlay	143,428
114 High School Programs	
100 Salaries	347,243
200 Employee Benefits	95,266
300 Purchased Services	38,544
400 Supplies and Materials	159,926
500 Capital Outlay	28,921
115 Career and Technology Education Programs	
100 Salaries	21,355
200 Employee Benefits	4,300
400 Supplies and Materials	11,550
500 Capital Outlay	248
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	81,091
200 Employee Benefits	16,549
400 Supplies and Materials	5,775
122 Trainable Mentally Handicapped	
100 Salaries	66,814
200 Employee Benefits	13,724
400 Supplies and Materials	2,475

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL PROGRAMS

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Expenditures (Continued)	
100 Instruction (Continued)	
123 Orthopedically Handicapped	
400 Supplies and Materials	\$ 275
125 Hearing Handicapped	
400 Supplies and Materials	1,100
126 Speech Handicapped	
400 Supplies and Materials	3,025
127 Learning Disabilities	
100 Salaries	22,500
200 Employee Benefits	4,543
400 Supplies and Materials	10,450
128 Emotionally Handicapped	
100 Salaries	15,000
200 Employee Benefits	3,020
400 Supplies and Materials	825
 130 Pre-school Programs	
133 Pre-school Handicapped Self-Contained (5 Year Olds)	
100 Salaries	750
200 Employee Benefits	152
137 Pre-school Handicapped Self-Contained (3 and 4 Year Olds)	
100 Salaries	45,411
200 Employee Benefits	16,772
400 Supplies and Materials	579
139 Early Childhood Programs	
100 Salaries	348,598
200 Employee Benefits	110,400
300 Purchased Services	1,792
400 Supplies and Materials	5,248
 140 Special Programs	
141 Gifted and Talented - Academic	
100 Salaries	170,827
200 Employee Benefits	48,679
400 Supplies and Materials	4,563
600 Other Objects	100
143 Advanced Placement	
400 Supplies and Materials	3,187
148 Gifted and Talented - Artistic	
100 Salaries	756
200 Employee Benefits	131
300 Purchased Services	36,540
400 Supplies and Materials	15

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL PROGRAMS

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Expenditures (Continued)	
100 Instruction (Continued)	
170 Summer School Program	
171 Primary Summer School	
100 Salaries	\$ 342
200 Employee Benefits	70
400 Supplies and Materials	50
172 Elementary Summer School	
100 Salaries	47,597
200 Employee Benefits	9,648
400 Supplies and Materials	5,713
173 High School Summer School	
100 Salaries	4,695
200 Employee Benefits	557
175 Instructional Programs Beyond Regular School Day	
100 Salaries	89,133
200 Employee Benefits	18,256
180 Adult/Continuing Educational Programs	
181 Adult Basic Education	
100 Salaries	47,974
200 Employee Benefits	9,334
400 Supplies and Materials	1,334
182 Adult Secondary Education	
100 Salaries	17,585
200 Employee Benefits	2,576
400 Supplies and Materials	25
187 Adult Education - Remedial	
100 Salaries	19,692
200 Employee Benefits	4,071
188 Parenting/Family Literacy	
100 Salaries	50,786
200 Employee Benefits	12,641
300 Purchased Supplies	8,340
400 Supplies and Materials	8,886
Total Instruction	<u>4,877,085</u>

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL PROGRAMS

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Expenditures (Continued)	
200 Support Services	
210 Pupil Services	
212 Guidance Services	
100 Salaries	\$ 22,500
200 Employee Benefits	4,565
400 Supplies and Materials	9,350
217 Career Specialist Services	
400 Supplies and Materials	1,375
220 Instructional Staff Services	
221 Improvement of Instruction-Curriculum Development	
100 Salaries	317,854
200 Employee Benefits	76,755
300 Purchased Services	36,895
400 Supplies and Materials	5,957
222 Library and Media	
100 Salaries	45,000
200 Employee Benefits	9,181
400 Supplies and Materials	5,636
223 Supervision of Special Programs	
100 Salaries	199,452
200 Employee Benefits	58,121
300 Purchased Services	190
224 Improvement of Instruction-in-Service Training	
100 Salaries	130,277
200 Employee Benefits	33,480
300 Purchased Services	165,923
400 Supplies and Materials	13,761
230 General Administration Services	
233 School Administration	
100 Salaries	39,689
200 Employee Benefits	8,152

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL PROGRAMS

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Expenditures (Continued)	
200 Support Services (Continued)	
250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
500 Capital Outlay	
530 Improvements Other Than Buildings	\$ 6,050
254 Operation and Maintenance of Plant	
500 Capital Outlay	16,198
255 Student Transportation	
100 Salaries	27,573
200 Employee Benefits	3,112
300 Purchased Services	17,250
258 Security	
300 Purchased Services	86,715
260 Central Support Services	
263 Information Services	
400 Supplies and Materials	275
266 Technology and Data Processing Services	
300 Purchased Services	7,006
400 Supplies and Materials	6,654
500 Capital Outlay	<u>835</u>
Total Support Services	<u>1,355,781</u>
Total Expenditures	<u>6,232,866</u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds	
5230 Transfer from Special Revenue EIA Fund	1,116,883
420-710 Transfer to General Fund (Exclude Indirect Costs)	(1,455,521)
422-710 Transfer to EIA Fund	<u>(1,116,883)</u>
Total Other Financing Sources (Uses)	<u>(1,455,521)</u>
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>-</u></u>

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM**

FOR FISCAL YEAR ENDED JUNE 30, 2009

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act					
3501 Increase High School Diploma Requirements	\$ 162,882	\$ 162,882			
3505 School Technology Initiative	14,495	14,495			
3509 Arts in Education	30,955	30,955			\$ 3,276
3513 Parenting/Family Literacy	89,991	12,421	\$ (77,570)		
3515 Advanced Placement Courses	10,060	522	(9,538)		2,159
3517 Advanced Placement - Singleton	2,665	2,665			
3520 Gifted and Talented - Academic	217,638	246,160	28,522		24,972
3522 Gifted and Talented - Artistic	61,317	42,333	(18,984)		5,510
3523 Junior Scholars Program	527	527			
3525 Career and Technology Equipment	248	248			
3527 Critical Teaching Needs	3,982	3,982			
3530 Trainable & Profoundly Mentally Disabled Student Services	80,538	80,538			
3532 National Board Certification (NBC)	786,692	786,692			
3533 Teacher of the Year Award	1,077	1,077			
3534 Professional Development on Standards	90,534	90,534			20,015
3535 Governor's Institute of Reading	2,678	2,678			
3540 Four Year Old Early Childhood	352,002	435,414	83,412		
3542 Pre-school Programs For Children with Disabilities	54,093	54,093			
3546 Academic Assistance K-3	494,264	1,399,388	905,124		188,106
3548 Academic Assistance 4-12	1,349,131	1,098,852	(250,279)		121,733
3549 Academic Assistance Reading	19,517	19,517			5,838
3550 Teacher Salary Increase	1,208,302	-		\$ (1,208,302)	
3553 Adult Education - Remedial	23,762	23,762			15,740
3555 School Employer Contributions	247,219	-		(247,219)	
3562 Adult Education, Basic (Includes Rural and Workforce Initiative)	161,448	161,448			
3565 Adult Education, Literacy	58,641	58,641			18,507
3568 EAA Technical Assistance	739,058	739,058			146,825
3575 Competitive Teacher Grants	17,913	17,913			
3577 Teacher Supplies	215,070	237,325	22,255		
3578 High Schools That Work	9,444	9,444			
3582 Principals' Salary/Fringe Increase	47,841	47,841			
3583 EAA Summer School/Comprehensive Remediation	384,753	66,301	(318,452)		81
3588 EAA Palmetto Gold and Silver Awards	30,597	30,597			22,159
3591 Excellence in Middle Schools	86,715	86,715			
3592 School-to-Work Transition Act	50,839	50,839			
3593 EAA Reduce Class Size Grades 1 - 3	442,060	-	(442,060)		
3596 EAA Alternative Schools Program	135,264	212,834	77,570		20,760
Totals	7,684,212	6,228,691	-	(1,455,521)	595,681

DEBT SERVICE FUND

The Debt Service Fund accumulates monies for payment of the District's general obligation bonds which are serial bonds due in annual installments.

The Debt Service Fund - LEAP fund accounts for the activity of the Lancaster Education Assistance Program, Inc., a blended component unit of the District.

The following schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DEBT SERVICE FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
1000 Revenue from Local Sources			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 10,642,013	\$ 10,407,993	\$ (234,020)
1140 Penalties and Interest on Taxes	75,000	111,731	36,731
1200 Revenue from Local Governmental Units Other Than LEA's			
1280 Revenue In-Lieu-Of Taxes	350,000	360,744	10,744
1500 Earnings on Investments			
1510 Interest on Investments	-	7,258	7,258
Total Local Sources	<u>11,067,013</u>	<u>10,887,726</u>	<u>(179,287)</u>
3000 Revenue from State Sources			
3800 State Revenue In-Lieu-Of Taxes			
3820 Homestead Exemption	446,147	469,734	23,587
3830 Merchant's Inventory Tax	12,497	12,497	-
3840 Manufacturer's Depreciation Reimbursement	45,393	110,090	64,697
3890 Other State Property Tax Revenues	20,000	27,685	7,685
Total State Sources	<u>524,037</u>	<u>620,006</u>	<u>95,969</u>
Total Revenue All Sources	<u>11,591,050</u>	<u>11,507,732</u>	<u>(83,318)</u>
Expenditures			
500 Debt Service			
610 Redemption of Principal	10,005,000	10,005,000	-
620 Interest	1,852,030	1,286,867	565,163
690 Other Objects (Including Fees for Servicing Bonds)	1,350	539	811
Total Expenditures	<u>11,858,380</u>	<u>11,292,406</u>	<u>565,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(267,330)</u>	215,326	<u>482,656</u>
Fund Balance, Beginning of Year		<u>1,668,140</u>	
Fund Balance, End of Year		<u>1,883,466</u>	

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
DEBT SERVICE FUND - LEAP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Revenues	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	<u>\$ 52,134</u>
Total Local Sources	<u>52,134</u>
Total Revenue All Sources	<u>52,134</u>
Other Financing Sources (Uses)	
441-720 Payment to Refunded Debt Escrow Agent	<u>(261,378)</u>
Total Other Financing Sources (Uses)	<u>(261,378)</u>
Excess (Deficiency) of Revenues Over (Under)	
Expenditures	<u>(209,244)</u>
Fund Balance, Beginning of Year	<u>6,821,837</u>
Fund Balance, End of Year	<u><u>6,612,593</u></u>

CAPITAL PROJECTS FUND - SCHOOL BUILDING

Accounts for financial resources to be used for the acquisition and construction of major capital facilities.

The Capital Projects Fund - LEAP - accounts for the activity of the Lancaster Education Assistance Program, Inc., a blended component unit of the District.

The following schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

CAPITAL PROJECTS FUND - DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	\$ 20,378	\$ 20,370	\$ (8)
1900 Other Revenue from Local Sources			
1999 Revenue from Other Local Sources	9,450	10,250	800
Total Local Sources	29,828	30,620	792
3000 Revenue from State Sources			
3170 State School Building Fund	55,213	8,829	(46,384)
3172 Children's Education Endowment (Barnwell Facilities Fund)	469,267	469,267	-
Total State Sources	524,480	478,096	(46,384)
Total Revenue All Sources	554,308	508,716	(45,592)
Expenditures			
250 Finance and Operations			
253 Facilities Acquisition and Construction			
300 Purchased Services	4,862,125	3,272,203	1,589,922
400 Supplies and Materials	903,270	455,685	447,585
500 Capital Outlay			
520 Construction Services	1,898,147	1,487,902	410,245
530 Improvements Other Than Buildings	276,184	197,700	78,484
540 Equipment	745,510	145,025	600,485
545 Technology, Equipment and Software	578,542	423,064	155,478
550 Vehicles	71,373	-	71,373
600 Other Objects			
690 Other Objects	487,511	-	487,511
500 Debt Service			
620 Interest		1,748,613	(1,748,613)
Total Expenditures	9,822,662	7,730,192	2,092,470
Other Financing Sources (Uses)			
5120 Proceeds of General Obligation Bonds	6,314,525	6,314,525	-
Interfund Transfers from (to) Other Funds			
420-710 Transfer to General Fund	-	(443,686)	(443,686)
426-710 Transfer to Pupil Activity Fund	(50,178)	(50,208)	(30)
Total Other Financing Sources (Uses)	6,264,347	5,820,631	(443,716)
Excess/Deficiency of Revenues over Expenditures	(3,004,007)	(1,400,845)	1,603,162
Fund Balance, Beginning of Year		4,176,572	
Fund Balance, End of Year		2,775,727	

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CAPITAL PROJECTS FUND - LEAP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Revenues	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	<u>\$ 14,481</u>
Total Local Sources	<u>14,481</u>
Total Revenue All Sources	<u>14,481</u>
Expenditures	
250 Finance and Operations	
253 Facilities Acquisition and Construction	
300 Purchased Services	45,013
400 Supplies and Materials	49
500 Capital Outlay	
520 Construction Services	<u>300,000</u>
Total Finance and Operations	<u>345,062</u>
Total Expenditures	<u>345,062</u>
Excess/Deficiency of Revenues over Expenditures	(330,581)
Fund Balance, Beginning of Year	<u>1,831,137</u>
Fund Balance, End of Year	<u><u>1,500,556</u></u>

PROPRIETARY FUND - FOOD SERVICE FUND

Accounts for the provision of food services to the students of the District. All activities necessary to provide such service are accounted for in this fund.

The accompanying Statement of Revenues, Expenses and Changes in Retained Earnings has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown are also mandated by the South Carolina State Department of Education.

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES/EXPENDITURES,
AND CHANGES IN RETAINED EARNINGS**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	\$ 6,983	\$ 3,379	\$ (3,604)
1600 Food Service			
1610 Lunch Sales to Pupils	751,940	781,466	29,526
1620 Breakfast Sales to Pupils	80,008	85,655	5,647
1630 Special Sales to Pupils	296,247	335,567	39,320
1640 Lunch Sales to Adults	95,026	100,283	5,257
1650 Breakfast Sales to Adults	5,666	7,012	1,346
1660 Special Sales to Adults	68,837	87,919	19,082
1900 Other Revenue from Local Sources			
1999 Revenue from Other Local Sources	2,300	12,831	10,531
Total Local Sources	1,307,007	1,414,112	107,105
3000 Revenue from State Sources			
3140 School Lunch			
3142 Program Aid	6,887	6,299	(588)
Total State Sources	6,887	6,299	(588)
4000 Revenue from Federal Sources			
4800 USDA Reimbursement			
4810 School Lunch Program	2,405,950	2,262,559	(143,391)
4830 School Breakfast Program	696,260	637,193	(59,067)
4900 Other Federal Sources			
4991 USDA Commodities (Food Distribution)	365,181	360,749	(4,432)
Total Federal Sources	3,467,391	3,260,501	(206,890)
Total Revenue All Sources	4,781,285	4,680,912	(100,373)

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES/EXPENDITURES,
AND CHANGES IN RETAINED EARNINGS**

FOR FISCAL YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
256 Food Service			
100 Salaries	\$ 1,770,005	\$ 1,771,241	\$ (1,236)
200 Employee Benefits	305,270	251,157	54,113
300 Purchased Services	30,824	20,216	10,608
400 Supplies and Materials	2,697,269	2,638,912	58,357
500 Capital Outlay	116,118	122,167	(6,049)
600 Other Objects	11,469	12,802	(1,333)
Total Expenditures	4,930,955	4,816,495	114,460
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds			
432-791 Food Service Fund Indirect Costs	212,919	(205,473)	(418,392)
Total Other Financing Sources (Uses)	212,919	(205,473)	(418,392)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	63,249	(341,056)	(404,305)
Retained Earnings, Beginning of Year		1,162,328	
Retained Earnings, End of Year		821,272	

FIDUCIARY FUND - PUPIL ACTIVITY FUND

Agency Fund - Accounts for the collection and payment of pupil activity receipts and disbursements from and on behalf of the District's students.

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
AMOUNTS DUE TO STUDENT ORGANIZATIONS
FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Receipts	
1000 Receipts from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 8,939
1700 Pupil Activities	
1710 Admissions	299,781
1720 Bookstore Sales	1,398,768
1730 Pupil Organization Membership	684,238
1740 Student Fees	56,657
1900 Other Revenue from Local Sources	
1920 Contributions and Donations Private Sources	342,747
1994 Receipt of Legal Settlements	450
1999 Revenue from Other Local Sources	<u>20,000</u>
Total Receipts from Local Sources	<u>2,811,580</u>
Disbursements	
190 Instructional Pupil Activity	
100 Salaries	48,596
200 Employee Benefits	7,571
400 Supplies and Materials	2,582
500 Capital Outlay	88,873
660 Pupil Activity	1,323,245
270 Support Services Pupil Activity	
271 Pupil Service Activities	
100 Salaries	141,473
200 Employee Benefits	18,123
500 Capital Outlay	20,914
660 Pupil Activity	1,034,790
272 Enterprise Activities	
660 Pupil Activity	151,680
273 Trust and Agency Activities	
660 Pupil Activity	<u>3,342</u>
Total Disbursements	<u>2,841,189</u>

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
AMOUNTS DUE TO STUDENT ORGANIZATIONS
FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Interfund Transfers, From (To) Other Funds	
5210 Transfer from General Fund	<u>\$ 180,553</u>
Total Other Financing Sources (Uses)	<u>180,553</u>
Net Change in Due to Student Organizations	150,944
Due to Student Organizations, Beginning of Year	<u>1,168,812</u>
Due to Student Organizations, End of Year	<u><u>1,319,756</u></u>

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
FIDUCIARY FUND - AGENCY
PUPIL ACTIVITY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

JUNE 30, 2009

	Balance			Balance
	June 30, 2008	Additions	Deductions	June 30, 2009
Assets				
Cash and Cash Equivalents	\$ 1,469,459	\$2,988,501	\$2,827,471	\$ 1,630,489
Accounts Receivable	417	359		776
Total Assets	<u>1,469,876</u>	<u>2,988,860</u>	<u>2,827,471</u>	<u>1,631,265</u>
Liabilities				
Due to School District	301,064	10,445		311,509
Due to Student Organizations	1,168,812	2,978,415	2,827,471	1,319,756
Total Liabilities	<u>1,469,876</u>	<u>2,988,860</u>	<u>2,827,471</u>	<u>1,631,265</u>

COMPONENT UNIT

CHARTER SCHOOL

The Charter School operates under a Charter granted by the District and is considered, under South Carolina Law, to be a public school and part of the District.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
COMPONENT UNIT - THE DISCOVERY SCHOOL
BALANCE SHEET
JUNE 30, 2009

	<u>The Discovery School</u>
Assets	
Due from School District	<u>\$ 14,314</u>
Total Assets	<u><u> 14,314</u></u>
Liabilities and Fund Balances	
Deferred Revenue	<u> 14,314</u>
Total Liabilities	<u><u> 14,314</u></u>

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

COMPONENT UNIT - THE DISCOVERY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL PROGRAMS

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Revenues	
2000 Intergovernmental Revenue	
2100 Payments from Other Governmental Units	<u>\$ 664,079</u>
Total Intergovernmental Revenue	<u>664,079</u>
Total Revenue All Sources	<u>664,079</u>
Expenditures	
100 Instruction	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	50,837
200 Employee Benefits	14,319
112 Primary Programs	
100 Salaries	175,428
200 Employee Benefits	39,035
300 Purchased Services	22,891
400 Supplies and Materials	6,950
500 Capital Outlay	8,129
113 Elementary Programs	
100 Salaries	81,855
200 Employee Benefits	26,038
300 Purchased Services	750
170 Summer School Program	
175 Instructional Programs Beyond Regular School Day	
100 Salaries	6,228
200 Employee Benefits	<u>970</u>
Total Instruction	<u>433,430</u>

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

COMPONENT UNIT - THE DISCOVERY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL PROGRAMS

FOR FISCAL YEAR ENDED JUNE 30, 2009

	<u>Actual</u>
Expenditures (Continued)	
200 Support Services	
210 Pupil Services	
212 Guidance Services	
100 Salaries	\$ 11,587
200 Employee Benefits	2,380
220 Instructional Staff Services	
222 Library and Media	
100 Salaries	10,619
200 Employee Benefits	812
400 Supplies and Materials	3,733
223 Supervision of Special Programs	
300 Purchased Services	500
224 Library and Media	
100 Salaries	62,454
200 Employee Benefits	15,736
230 General Administration Services	
233 School Administration	
100 Salaries	78,529
200 Employee Benefits	28,254
400 Supplies and Materials	12,545
Total Support Services	<u>227,149</u>
Total Expenditures	<u>660,579</u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds	
426-710 Transfer to Pupil Activity Fund	<u>(3,500)</u>
Total Other Financing Sources (Uses)	<u>(3,500)</u>
Excess (Deficiency) of Revenues Over Expenditures	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>-</u></u>

**ADDITIONAL SCHEDULES
REQUIRED BY THE SOUTH CAROLINA
DEPARTMENT OF EDUCATION**

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF
EDUCATION/FEDERAL GOVERNMENT

JUNE 30, 2009

Program	Revenue & Sub-Fund Code	Description	Amount Due To SDE or Federal Government	Status of Amount Due to Grantors
National Board Certification	3532/332	Unexpended Funds	\$ 1,734	Unpaid
Early Head Start	4999/830	Overclaimed	556	Unpaid
Advanced Placement Incentive	4999/838	Overclaimed	500	Unpaid
Extended School Year	4510/439	Overclaimed	<u>211</u>	Unpaid
Total			<u><u>3,001</u></u>	

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

LOCATION RECONCILIATION SCHEDULE

FOR FISCAL YEAR ENDED JUNE 30, 2009

Location ID	Location and Description	Education Level	Cost Type	Total Expenditures
10	Brooklyn Springs Elementary	Elementary Schools	School	\$ 4,814,323
12	Discovery School	Other Schools	School	806,127
13	Clinton Elementary	Elementary Schools	School	3,879,111
15	Erwin Elementary	Elementary Schools	School	3,432,132
16 & 18	Lancaster High School	High Schools	School	13,454,507
19	McDonald Green Elementary	Elementary Schools	School	3,703,224
20	North Elementary	Elementary Schools	School	4,407,473
22	South Middle	Middle Schools	School	4,849,234
23	Southside Early Childhood Center	Other Schools	School	2,411,359
24	East Side Academy	Other Schools	School	451,690
25	A.R. Rucker	Middle Schools	School	4,277,030
30	Andrew Jackson High	High Schools	School	5,687,341
33	Heath Springs Elementary	Elementary Schools	School	3,161,139
34	Kershaw Elementary	Elementary Schools	School	3,907,215
37	Andrew Jackson Middle	Middle Schools	School	3,619,173
40	Buford Middle	Middle Schools	School	3,377,579
41	Buford Elementary	Elementary Schools	School	5,002,432
43	Buford High	High Schools	School	5,259,944
50	Indian Land High	High Schools	School	5,290,627
51	Indian Land Elementary	Elementary Schools	School	5,663,509
52	Indian Land Middle	Middle Schools	School	3,853,230
11,17,60-99	District Wide	Non-School	Central	<u>33,050,846</u>
Total Expenditures/Disbursements for All Funds				<u><u>124,359,245</u></u>

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

General Fund (Subfund 100s)	\$ 75,515,254
Special Revenue Fund (Subfunds 200s, 800s and 900s)	14,925,206
Special Revenue EIA Fund (Subfunds 300s)	6,232,866
Debt Service Fund (Subfunds 400s)	11,442,406
Capital Projects Fund (School Building)(Subfunds 500s)	8,585,829
Proprietary Fund (Food Service)(Subfund 600s)	4,816,495
Trust and Agency Fund (Pupil Activity)(Subfunds 700s)	<u>2,841,189</u>
	<u><u>124,359,245</u></u>

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the Reader understand how the District's financial performance and well-being have changed over time.	98-101
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	102-105
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of understanding debt and the District's ability to issue additional debt in the future.	106-109
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other Districts.	110-112
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	113-116

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

LANCASTER COUNTY SCHOOL DISTRICT
NET ASSETS BY COMPONENT,
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental Activities						
Invested in capital assets, net of related debt	\$ 36,465,296	\$(14,432,049)	\$ 216,463	\$14,705,878	\$16,441,251	\$20,582,731
Restricted	2,123,579	48,188,264	33,313,592	23,505,283	14,748,100	13,201,942
Unrestricted	11,093,241	11,762,362	11,068,122	8,048,729	12,276,843	10,404,535
Total Governmental Activities Net Assets	<u>49,682,116</u>	<u>45,518,577</u>	<u>44,598,177</u>	<u>46,259,890</u>	<u>43,466,194</u>	<u>44,189,208</u>
Business-Type Activities						
Invested in capital assets, net of related debt	746,223	756,937	679,414	611,098	798,128	764,181
Unrestricted	753,143	656,307	667,344	773,065	364,200	57,091
Total Business-Type Activities Net Assets	<u>1,499,366</u>	<u>1,413,244</u>	<u>1,346,758</u>	<u>1,384,163</u>	<u>1,162,328</u>	<u>821,272</u>
Total Primary Government Net Assets	<u>51,181,482</u>	<u>46,931,821</u>	<u>45,944,935</u>	<u>47,644,053</u>	<u>44,628,522</u>	<u>45,010,480</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSES)/REVENUES,
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Expenses						
Governmental Activities:						
Instruction	\$ 46,113,661	\$ 51,136,711	\$ 51,626,212	\$ 56,144,595	\$ 59,757,292	\$ 61,108,147
Support Services	24,653,235	30,085,940	33,770,231	37,021,890	42,464,142	38,652,844
Community Services	1,082,144	1,181,697	1,090,264	989,101	1,147,450	1,094,083
Pupil Activities	-	313,944	123,352	222,336	136,570	313,165
Intergovernmental	344,564	422,681	924,574	-	-	-
Interest and fees on Long-Term Debt	2,970,070	4,164,684	5,063,685	6,689,424	5,211,168	4,592,977
Total Governmental Activities Expenses	<u>75,163,674</u>	<u>87,305,657</u>	<u>92,598,318</u>	<u>101,067,346</u>	<u>108,716,622</u>	<u>105,761,216</u>
Business-Type Activities:						
Food Service	<u>3,509,653</u>	<u>3,740,598</u>	<u>3,832,338</u>	<u>3,991,577</u>	<u>4,612,946</u>	<u>4,816,495</u>
Total Primary Government Expenses	<u>78,673,327</u>	<u>91,046,255</u>	<u>96,430,656</u>	<u>105,058,923</u>	<u>113,329,568</u>	<u>110,577,711</u>
Program Revenues						
Governmental Activities:						
Charges for Services:						
Instruction	227,751	48,790	66,218	90,966	103,082	85,244
Operating Grants and Contributions	45,701,006	49,261,919	54,789,919	58,159,659	73,792,215	72,746,160
Capital Grants and Contributions	504,956	171,457	608,544	55,924	156,414	478,096
Total Governmental Activities Program Revenues	<u>46,433,713</u>	<u>49,482,166</u>	<u>55,464,681</u>	<u>58,306,549</u>	<u>74,051,711</u>	<u>73,309,500</u>
Business-Type Activities:						
Charges for Services:						
Food Services	1,264,408	1,263,045	1,304,039	1,421,104	1,447,390	1,397,902
Operating Grants and Contributions	2,439,482	2,581,594	2,623,988	2,792,462	3,140,152	3,279,631
Total Business-Type Activities Program Revenues	<u>3,703,890</u>	<u>3,844,639</u>	<u>3,928,027</u>	<u>4,213,566</u>	<u>4,587,542</u>	<u>4,677,533</u>
Total Primary Government Program Revenues	<u>50,137,603</u>	<u>53,326,805</u>	<u>59,392,708</u>	<u>62,520,115</u>	<u>78,639,253</u>	<u>77,987,033</u>
Net (Expense) Revenue						
Governmental Activities	(28,729,961)	(37,823,491)	(37,133,637)	(42,760,797)	(34,664,911)	(32,451,716)
Business-Type Activities	194,237	104,041	95,689	221,989	(25,404)	(138,962)
Total Primary Government Net Expense	<u>(28,535,724)</u>	<u>(37,719,450)</u>	<u>(37,037,948)</u>	<u>(42,538,808)</u>	<u>(34,690,315)</u>	<u>(32,590,678)</u>
General Revenues						
and Other Changes in Net Assets						
Governmental Activities:						
Taxes:						
Property Taxes, Levied for General Purposes	18,313,493	18,206,073	20,438,529	21,987,046	19,614,988	21,718,638
Property Taxes, Levied for Debt Service	5,654,671	5,777,808	6,520,465	8,480,905	10,013,927	10,880,468
Grants and Contributions, not restricted	5,785,022	6,363,997	6,472,147	6,333,232	690,983	57,038
Unrestricted Investment Earnings	298,274	1,401,681	2,577,578	2,627,828	1,286,634	283,331
Gain on Sale of Capital Assets	-	-	-	4,739,640	-	-
Miscellaneous	1,539,513	1,712,280	1,080	54,340	61,269	29,782
Transfers	53,436	198,113	203,438	199,519	203,414	205,473
Total Governmental Activities	<u>31,644,409</u>	<u>33,659,952</u>	<u>36,213,237</u>	<u>44,422,510</u>	<u>31,871,215</u>	<u>33,174,730</u>
Business-Type Activities:						
Unrestricted Investment Earnings	2,572	7,950	14,791	14,935	6,983	3,379
Miscellaneous	-	-	26,472	-	-	-
Transfers	(192,872)	(198,113)	(203,438)	(199,519)	(203,414)	(205,473)
Total Business-Type Activities	<u>(190,300)</u>	<u>(190,163)</u>	<u>(162,175)</u>	<u>(184,584)</u>	<u>(196,431)</u>	<u>(202,094)</u>
Total Primary Government	<u>31,454,109</u>	<u>33,469,789</u>	<u>36,051,062</u>	<u>44,237,926</u>	<u>31,674,784</u>	<u>32,972,636</u>
Change in Net Assets						
Governmental Activities	2,914,448	(4,163,539)	(920,400)	1,661,713	(2,793,696)	723,014
Business-Type Activities	3,937	(86,122)	(66,486)	37,405	(221,835)	(341,056)
Total Primary Government	<u>2,918,385</u>	<u>(4,249,661)</u>	<u>(986,886)</u>	<u>1,699,118</u>	<u>(3,015,531)</u>	<u>381,958</u>

Source: Comprehensive Annual Financial Report
Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved for Other*	\$ 45,228	\$ 75,640	\$ 65,806	\$ 90,230	\$ 88,883	\$ 331,911	\$ 46,511	\$ 89,715	\$ 106,575	\$ 35,064
Unreserved										
Designated for Subsequent Years	305,641	305,641	690,045	1,180,000	2,472,251	2,612,135	2,585,148	3,456,085	2,651,809	1,520,434
Undesignated	10,196,186	9,768,875	8,669,336	8,954,084	9,622,905	9,869,381	12,404,514	11,735,638	11,753,390	10,259,136
Total General Fund	10,547,055	10,150,156	9,425,187	10,224,314	12,184,039	12,813,427	15,036,173	15,281,438	14,511,774	11,814,634
All Other Governmental Funds										
Reserved for:										
Debt Service	2,130,207	2,319,577	2,106,852	1,842,016	1,167,846	3,333,819	1,953,594	2,146,610	1,668,140	1,883,466
Debt Service LEAP						6,603,568	6,857,321	6,885,680	6,821,837	6,612,593
Capital Projects	31,747,889	18,095,608	5,364,368	2,119,190	1,676,497	278,629	1,607,423	7,343,335	4,176,572	2,775,727
Capital Projects LEAP						38,539,070	23,426,440	6,892,499	1,831,137	1,500,556
Special Revenue	599,048	924,073	763,646							-
Unreserved, Reported in:							(24,520)	267,742	976	976
Special Revenue Funds										
Capital Projects Fund										
Total All Other Governmental Funds	34,477,144	21,339,258	8,234,866	3,961,206	2,844,343	48,755,086	33,820,258	23,535,866	14,498,662	12,773,318

Note: *Includes encumbrances, inventory and prepaid items

Source: Comprehensive Annual Financial Report

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, DEBT SERVICE RATIOS AND OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Local Sources:										
Taxes	\$19,358,800	\$20,584,502	\$21,183,104	\$21,842,183	\$22,545,035	\$23,983,881	\$25,400,797	\$ 28,139,060	\$ 28,379,728	\$ 30,651,898
Investment Earnings	2,855,696	2,452,385	1,024,296	439,891	317,674	1,401,681	2,577,578	2,627,828	1,286,634	283,331
Other Local Sources	1,884,936	1,799,858	2,309,304	3,293,455	3,326,166	3,452,187	3,440,313	3,587,541	3,010,291	3,523,828
State	42,079,644	48,022,909	54,755,273	46,408,497	44,574,971	45,865,975	51,033,501	52,430,635	61,757,264	59,570,816
Federal	4,150,716	4,977,095	5,737,563	6,896,278	7,260,840	8,240,281	9,022,291	10,097,836	11,269,677	11,507,063
Total Revenues	70,329,792	77,836,749	85,009,540	78,880,304	78,024,686	82,944,005	91,474,480	96,882,900	105,703,594	105,536,936
Expenditures:										
Current										
Instruction	38,471,728	41,470,141	43,948,883	43,667,267	44,480,667	47,376,811	50,002,675	52,508,322	58,671,380	59,082,085
Support Services	20,542,881	22,764,276	23,065,183	25,170,825	23,800,187	29,198,058	29,873,533	32,567,251	38,944,640	40,637,731
Community Services	432,538	593,535	820,655	1,237,599	1,056,156	896,745	1,063,916	988,072	1,147,450	1,094,083
Intergovernmental Expenditures	127,099	88,809	24,404	101,774	344,564	422,681	924,574	737,522	749,709	806,061
Debt Service										
Redemption of Principal	1,975,000	3,065,000	3,440,000	3,745,000	4,150,000	2,335,000	6,875,000	7,475,000	2,140,000	2,205,000
Interest and Fiscal Agent Fees	2,874,854	3,616,595	3,431,715	3,231,956	3,015,445	4,340,894	5,142,789	5,042,843	4,860,950	3,564,259
Capital Outlay	8,824,023	19,961,937	23,889,253	3,424,675	388,241	3,361,676	15,393,563	17,850,200	8,998,177	3,128,620
Total Expenditures	73,248,123	91,560,293	98,620,093	80,579,096	77,235,260	87,931,865	109,276,050	117,149,210	115,512,306	110,517,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,918,331)	(13,723,544)	(13,610,553)	(1,698,792)	789,426	(4,987,860)	(17,801,570)	(20,286,310)	(9,808,712)	(4,980,903)
Other Financing Sources (Uses):										
Sale of Capital Assets								4,757,000		-
Premium on Bonds Sold	4,347					2,179,450	9,401			-
Proceeds of General Obligation Bonds	36,500,000					51,275,000	5,000,000	5,500,000		-
Proceeds of Refund Debt						19,425,000			9,375,000	18,255,000
Payment to Refunded Debt Escrow Agent						(21,235,629)			(9,440,000)	(17,725,000)
Medicaid Reimbursements	201,132	157,166	112,257							-
Operating Transfers in	4,275,858	5,709,953	4,086,423	3,849,955	5,288,205	5,236,501	2,405,597	3,776,442	3,063,214	3,604,237
Operating Transfers (out)	(4,685,692)	(5,979,364)	(4,417,486)	(4,862,050)	(5,234,769)	(5,352,332)	(2,325,510)	(3,806,259)	(2,996,370)	(3,575,818)
Miscellaneous Other Financing Sources		338,614								-
Total Other Financing Sources (Uses)	36,295,645	226,369	(218,808)	(1,012,095)	53,436	51,527,990	5,089,488	10,227,183	1,844	558,419
Net Change in Fund Balances	33,377,314	(13,497,175)	(13,829,361)	(2,710,887)	842,862	46,540,130	(12,712,082)	(10,039,127)	(9,806,868)	(4,422,484)
Debt Service as a percentage of noncapital expenditures	7.10%	7.55%	9.07%	13.68%	9.32%	7.68%	12.42%	11.94%	6.55%	5.50%

Source: Comprehensive Annual Financial Report

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	Real Property		Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value	Total Direct Tax Rate
		Taxable Assessed Value	Estimated Actual Value	Taxable Assessed Value	Estimated Actual Value	Taxable Assessed Value	Estimated Actual Value		
2000	1999	\$ 67,391,365	\$1,362,778,108	\$67,996,295	\$633,425,665	\$135,387,660	\$1,996,203,773	6.78%	190.00
2001	2000	93,353,385	1,971,550,339	72,542,450	675,327,508	165,895,835	2,646,877,847	6.27%	164.00
2002	2001	96,932,553	1,988,787,891	73,480,256	654,560,571	170,412,809	2,643,348,462	6.45%	167.00
2003	2002	101,003,899	2,072,050,602	73,877,172	673,395,559	174,881,071	2,745,446,161	6.37%	172.00
2004	2003	104,226,549	2,149,515,183	71,685,967	662,599,084	175,912,516	2,812,114,267	6.26%	177.00
2005	2004	109,788,698	2,266,664,653	69,239,761	666,482,988	179,028,459	2,933,147,641	6.10%	182.00
2006	2005	121,546,145	2,433,252,221	64,855,435	679,641,458	186,401,580	3,112,893,679	5.99%	182.00
2007	2006	162,587,950	3,332,779,960	71,203,051	737,248,972	233,791,001	4,070,028,932	5.74%	157.50
2008	2007	177,479,354	3,661,535,838	73,291,963	772,983,709	250,771,317	4,434,519,547	5.65%	167.00
2009	2008	201,753,816	4,223,965,667	75,404,200	821,602,457	277,158,016	5,045,568,124	5.49%	172.00

Source: Lancaster County Auditor

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES,
LAST TEN FISCAL YEARS**

Fiscal Year	School Direct Rates			Overlapping Rates				Total
	School Operating Rate	School Debt Service	Total Direct	Lancaster County	University of South Carolina(A)	City of Lancaster	City of Kershaw	
2000	143.00	47.00	190.00	72.00	4.00	144.00	76.00	486.00
2001	123.50	40.50	164.00	62.00	2.00	140.10	76.00	444.10
2002	128.50	38.50	167.00	66.00	2.00	140.10	76.00	451.10
2003	133.50	38.50	172.00	67.00	2.50	142.10	77.60	461.20
2004	138.50	38.50	177.00	70.73	2.50	144.00	78.80	473.03
2005	143.50	38.50	182.00	76.50	3.50	147.00	78.80	487.80
2006	143.50	38.50	182.00	86.50	3.50	150.00	78.80	500.80
2007	119.00	38.50	157.50	71.50	3.00	137.00	64.80	433.80
2008	123.50	43.50	167.00	75.90	3.10	140.00	64.80	450.80
2009	128.50	43.50	172.00	82.20	3.30	143.50	64.80	465.80

Note: (A) Local levy for University of South Carolina at Lancaster.

The school district may increase millage annually by the lesser of five mills as authorized by Act 179 or the Act 388 limitations.

Source: Lancaster County Auditor

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total School District Taxable Assessed Value*	Taxable Assessed Value	Rank	Percentage of Total School District Taxable Assessed Value*
Duke Energy Corporation	\$ 6,916,540	1	2.50%	\$ 4,887,870	3	3.61%
Springs Global (A)	6,960,873	2	2.51%	9,160,068	1	6.77%
The Gillette Company	4,165,378	3	1.50%	7,569,912	2	5.59%
Lancaster Hospital Corp.	4,217,070	4	1.52%	2,835,580	4	2.09%
Pulte Home Corporation	5,101,788	5	1.84%	-		
Springland Associates, LLC	2,258,020	6	0.81%	850,450	6	0.63%
Lancaster Telephone Co.	1,726,810	7	0.62%	1,460,610	5	1.08%
Craft Development LLC	1,939,360	8	0.70%	-		
Lawson Bend LLC	1,692,820	9	0.61%	-		
LGI Land SC LLC	1,273,300	10	0.46%	-		
Kanawha Insurance	-			626,740	7	0.46%
Boral Bricks	-			816,370	8	0.60%
Rexham Inc.	-			806,690	9	0.60%
Bolden CDT Networking Inc.	-			674,737	10	0.50%
Total Assessed Value	<u>36,251,959</u>		<u>13.08%</u>	<u>29,689,027</u>		<u>21.93%</u>

Note:

* Taxpayers are assessed on January 1, 2008 for the 2009 fiscal year.

* Taxpayers are assessed on January 1, 1999 for the 2000 fiscal year.

(A) Springs Global announced that it will cease manufacturing operations in the County August 31, 2007. It will continue a distribution and warehouse operation in the County.

Source: Lancaster County Treasurer

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the			Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy		Percentage of Levy		Amount	Percentage of Levy
		Amount	Percentage of Levy				
2000	\$ 20,215,230	\$ 19,564,407	96.78%	\$ 568,675	\$ 20,133,082	99.59%	
2001	22,207,490	21,503,454	96.83%	618,748	22,122,202	99.62%	
2002	23,127,205	22,509,294	97.33%	531,573	23,040,867	99.63%	
2003	24,404,513	23,665,431	96.97%	638,311	24,303,742	99.59%	
2004	25,466,486	24,597,425	96.59%	842,273	25,439,698	99.89%	
2005	26,842,719	25,801,032	96.12%	1,029,151	26,830,183	99.95%	
2006	27,496,800	26,534,399	96.50%	729,928	27,264,327	99.15%	
2007	30,108,809	28,968,373	96.21%	1,043,727	30,012,100	99.68%	
2008	30,388,475	29,046,049	95.58%	1,000,969	30,047,018	98.88%	
2009	33,400,624	30,869,941	92.42%	-	30,869,941	92.42%	

Note: Fiscal years 2000-2005 current collections includes collections for previous years levies for vehicle property.

Source: Lancaster County Finance Department

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE,
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	LEAP Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2000	\$ 68,720,000		\$ 68,720,000	5.78%	\$ 1,153
2001	65,655,000		65,655,000	5.19%	1,070
2002	62,215,000		62,215,000	4.80%	1,012
2003	58,470,000		58,470,000	4.50%	949
2004	54,320,000		54,320,000	4.07%	869
2005	33,110,000	\$ 70,150,000	103,260,000	7.19%	1,636
2006	31,235,000	70,150,000	101,385,000	6.82%	1,615
2007	29,260,000	70,150,000	99,410,000	Not Available	1,562
2008	27,100,000	70,105,000	97,205,000	Not Available	1,325
2009	25,425,000	69,955,000	95,380,000	Not Available	1,256

Notes: Details regarding the School District's outstanding debt can be found in the notes to the financial statements. Debt reflected includes debt incurred by Lancaster Education Assistance Program (LEAP).

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>LEAP 2004 Bonds</u>	<u>Total</u>	<u>Less Debt Service</u>	<u>Net General Bonded Debt</u>	Percentage of	
						Estimated Actual Taxable Value of Property (A)	Per Capital (B)
2000	\$68,720,000	-	\$68,720,000	\$2,130,208	\$66,589,792	3.34%	\$1,118
2001	65,655,000	-	65,655,000	2,319,577	63,335,423	2.39%	1,032
2002	62,215,000	-	62,215,000	2,106,852	60,108,148	2.27%	978
2003	58,470,000	-	58,470,000	1,842,016	56,627,984	2.06%	919
2004	54,320,000	-	54,320,000	1,167,846	53,152,154	1.89%	850
2005	33,110,000	\$70,150,000	103,260,000	3,333,819	99,926,181	3.41%	1,583
2006	31,235,000	70,150,000	101,385,000	8,810,915	92,574,085	2.97%	1,475
2007	29,260,000	70,150,000	99,410,000	9,032,290	90,377,710	2.22%	1,420
2008	27,100,000	70,105,000	97,205,000	8,489,977	88,715,023	2.00%	1,209
2009	25,425,000	69,955,000	95,380,000	8,496,059	86,883,941	1.72%	1,256

Notes: Details regarding the School District's outstanding debt can be found in the notes to the financial statements.

(A) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(B) Population data can be found in the Schedule of Demographic Economic Statistics.

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009**

<u>Governmental Unit</u>	<u>Debt Outstanding (A)</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Lancaster County	\$ 14,764,409	100%	\$ 14,764,409
City of Lancaster	670,000	100%	<u>670,000</u>
Subtotal, overlapping debt			<u>15,434,409</u>
District direct debt			<u>25,425,000</u>
Total direct and overlapping debt			<u><u>40,859,409</u></u>

Note: (A) Includes all long-term general obligation debt. Debt reflected is for the School District and does not include debt incurred by Lancaster Education Assistance Program (LEAP)

Source: Debt outstanding data provided by each governmental unit

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2009
Assessed Value \$ 277,158,016
Debt Limit (8% of Assessed Value) 22,172,641
Debt Applicable to Limit -
Legal Debt Margin \$ 22,172,641

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 10,831,013	\$ 13,271,667	\$ 13,633,025	\$ 13,990,486	\$ 14,073,001	\$ 14,322,277	\$ 14,934,568	\$ 18,703,280	\$ 20,061,705	\$ 22,172,641
Total net debt applicable to limit	8,050,000	7,500,000	6,825,000	6,050,000	-	-	-	-	-	-
Legal debt margin	2,781,013	5,771,667	6,808,025	7,940,486	14,073,001	14,322,277	14,934,568	18,703,280	20,061,705	22,172,641
Total net debt applicable to the limit as a percentage of debt limit	74.32%	56.51%	50.06%	43.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes: Pursuant to the provisions of Section 15 of Article X of the Constitution of the State of South Carolina, the District may borrow that sum of money which is equal to 8% of the last completed assessment of all taxable property located in the District without the necessity of conducting a referendum.

Debt reflected is for the School District and does not include debt incurred by Lancaster Education Assistance Program (LEAP)

Source: Finance Department of Lancaster County School District

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Estimated Population(A)	Personal Income(A) (thousands of dollars)	Per Capita Personal Income(A)	School Enrollment(B)	Unemployment Rate(A)
1999	59,577	\$ 1,188,199	\$ 20,150	10,806	4.2%
2000	61,351	1,264,342	20,594	10,823	4.1%
2001	61,470	1,295,310	21,267	10,804	6.1%
2002	61,590	1,299,427	21,513	10,885	7.6%
2003	62,520	1,333,461	21,269	10,888	10.6%
2004	63,135	1,435,222	22,799	10,876	10.7%
2005	62,760	1,485,689	23,560	11,023	8.6%
2006	63,628	(C)	(C)	11,171	9.8%
2007	73,393	(C)	(C)	11,274	10.9%
2008	75,913	(C)	(C)	11,508	11.8%

Sources:

(A) The information includes totals for Lancaster County and was obtained from South Carolina Division of Research and Statistical Services, South Carolina Employment Security Commission and U.S. Bureau of the Census.

(B) Based on 135-day report.

(C) Information not available

**LANCASTER COUNTY SCHOOL DISTRICT
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO**

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lancaster County School District	1,604	1	5.44%	1,330	2	4.53%
Lancaster County	740	2	2.51%	335	7	1.14%
Springs Memorial Hospital	712	3	2.41%	650	4	2.22%
Cardinal Health	700	4	2.37%	440	6	1.50%
Humana (Kanawha)	450	5	1.53%	360	8	1.23%
Duracell, USA	389	6	1.32%	1,000	3	3.41%
Wal-Mart	382	7	1.30%	-		
Continental Tire	375	8	1.27%	-		
Springs Global (A)	310	9	1.05%	5,344	1	18.21%
Kershaw Correctional Institution	278	10	0.94%	-		
US Textiles Corporation	-			475	5	1.62%
Founders Federal Credit Union	-			246	9	0.84%
Belden Wire & Cable	-			200	10	0.68%
Total	<u>5,940</u>		<u>20.14%</u>	<u>10,380</u>		<u>35.38%</u>

Note:

(A) Springs Global ceased manufacturing operations in the County August 31, 2007.

However, it continues a distribution and warehouse operation in the County.

Source: Lancaster County Chamber of Commerce and the Lancaster News

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
FULL-TIME-EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS

Function/Program	Full-Time-Equivalent District Employees as of June 30										Percentage Change
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Instruction											
Teachers	718	724	733	722	733	753	784	791	819	833	16.02%
Aides	155	164	149	152	158	156	160	167	178	181	16.77%
Total Instruction	873	888	882	874	891	909	944	958	997	1014	16.15%
Support Services											
Guidance Counselors	22	27	23	23	24	27	31	32	39	42	90.91%
Psychologist and Social Workers	7	9	7	7	7	8	8	9	10	12	71.43%
Media Specialists	18	25	18	18	18	19	20	19	20	20	11.11%
Nurses	7	10	15	17	18	17	20	20	23	23	228.57%
Instructional Staff Services	46	48	47	49	55	51	53	63	65	67	45.65%
Principals	17	17	17	17	17	17	17	17	17	18	5.88%
Assistant Principals	23	22	22	22	22	26	25	26	31	31	34.78%
Instructional Specialists	8	8	8	8	7	8	9	8	7	6	-25.00%
Noninstructional Administrators	22	23	23	23	21	22	26	26	27	27	22.73%
General and Finance Administrative Assistants	65	68	67	66	72	72	74	77	82	89	36.92%
Bus Drivers, Bus Aids and Maintenance	89	96	96	88	85	81	84	87	89	92	3.37%
Total Support Services	324	353	343	338	346	348	367	384	410	427	31.79%
Community Services	13	14	29	37	37	34	35	34	37	36	276.92%
Pupil Activity	0	0	0	0	0	0	0	0	0	0	0.00%
Food Service											
Managers and Clerical	20	21	21	21	21	21	22	22	23	22	10.00%
Cafeteria Staff	108	107	106	104	105	102	107	107	108	105	-2.78%
Total Food Service	128	128	127	125	126	123	129	129	131	127	-0.78%
Total	1338	1383	1381	1374	1400	1414	1475	1505	1575	1604	19.88%

Source: Lancaster County School District Accounting Department

Unaudited

LANCASTER COUNTY SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS

Fiscal Year	School Enrollment	Operating Expenditures	Cost		Percentage Change	Expenses	Cost		Percentage Change	Teaching Staff	Pupil Teacher Ratio	Reduced-Price Meals	Percentage of Students Receiving Free or
			per Pupil	per Pupil			per Pupil	per Pupil					
2000	10,806	\$ 59,574,246	5,513		10.26%	N/A	N/A		N/A	718	15.05	N/A	
2001	10,823	64,916,761	5,998		8.80%	N/A	N/A		N/A	724	14.95	N/A	
2002	10,804	67,859,125	6,281		4.72%	N/A	N/A		N/A	733	14.74	50%	
2003	10,885	68,622,082	6,304		0.37%	\$53,396,469	\$ 4,906		N/A	722	15.08	48%	
2004	10,888	69,027,941	6,340		0.56%	78,673,327	7,226		47.30%	733	14.85	51%	
2005	10,876	73,641,507	6,771		6.80%	91,046,255	8,371		15.85%	753	14.44	51%	
2006	11,023	79,525,498	7,215		6.55%	96,430,656	8,748		4.50%	784	14.06	50%	
2007	11,171	84,296,825	7,546		4.60%	105,058,923	9,405		7.50%	791	14.12	50%	
2008	11,274	94,691,165	8,399		11.30%	113,329,568	10,052		6.89%	819	13.77	49%	
2009	11,508	96,098,397	8,351		-0.58%	110,577,711	9,609		-4.41%	833	13.82	52%	

Notes: N/A = Not Available, Operating expenditures are total expenditures less debt service and capital outlays.

Source: Nonfinancial information from district records.

**LANCASTER COUNTY SCHOOL DISTRICT
TEACHER BASE SALARIES,
LAST TEN FISCAL YEARS**

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary(A)	Statewide Average Salary(B)
2000	\$ 24,711	\$ 53,555	\$ 36,611	N/A
2001	25,710	56,720	37,697	N/A
2002	27,199	58,816	39,261	\$ 39,923
2003	27,199	58,816	40,055	40,362
2004	27,377	59,187	40,864	41,162
2005	28,072	60,369	41,268	42,189
2006	28,918	61,546	42,155	43,011
2007	30,145	64,158	44,065	44,336
2008	31,492	67,023	45,673	45,685
2009	32,706	69,607	47,263	47,004

Source: (A) District records

(B) SC Department of Education. Fiscal Years 2008 and 2009 Projected.

Unaudited

**LANCASTER COUNTY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION,
LAST TEN FISCAL YEARS**

<u>School</u>	<u>Fiscal Year</u>									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Elementary School										
Brooklyn Springs(1962)										
Square feet	59,642	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682
Capacity	N/A	908	908	908	908	908	908	908	908	908
Enrollment	722	708	722	676	592	581	584	575	564	505
Buford (2002)										
Square feet	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity	-	-	965	965	965	965	965	965	965	965
Enrollment	-	-	659	807	830	855	863	883	878	865
Central(1957)										
Square feet	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004
Capacity	238	238	238	238	238	238	238	238	238	238
Enrollment	0	73	90	89	108	108	108	108	107	107
Clinton(1948)										
Square feet	59,088	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460
Capacity	671	671	671	671	671	671	671	671	671	671
Enrollment	571	523	502	473	458	400	387	386	390	398
Erwin(1975)										
Square feet	59,668	59,668	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450
Capacity	N/A	N/A	629	629	629	629	629	629	629	629
Enrollment	506	497	495	498	473	479	451	426	423	408
Heath Springs(1954)										
Square feet	59,456	59,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456
Capacity	N/A	N/A	378	378	378	378	378	378	378	378
Enrollment	332	312	335	322	320	320	343	357	373	388
Indian Land Elem/Mid(1998)										
Square feet	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000
Capacity	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Enrollment	834	861	915	979	973	1,023	1,077	1,247	1,451	1,090
Kershaw(1952)										
Square feet	47,504	47,504	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909
Capacity	N/A	N/A	646	646	646	646	646	646	646	646
Enrollment	504	515	501	500	489	482	495	479	462	501
McDonald Green(1949)										
Square feet	50,000	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914
Capacity	N/A	524	524	524	524	524	524	524	524	524
Enrollment	451	445	458	409	436	459	498	502	479	487
North(1966)										
Square feet	72,364	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763
Capacity	N/A	855	855	855	855	855	855	855	855	855
Enrollment	708	669	628	586	569	572	578	618	636	644
Southside(1954)										
Square feet	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466
Capacity	315	315	315	315	315	315	315	315	315	315
Enrollment	16	12	9	1	0	0	2	3	2	0
Middle School										
A. R. Rucker(2002)										
Square feet	-	-	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capacity	-	-	916	916	916	916	916	916	916	916
Enrollment	-	-	664	653	695	633	577	528	509	511
Andrew Jackson(1984)										
Square feet	75,880	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939
Capacity	N/A	653	653	653	653	653	653	653	653	653
Enrollment	461	456	447	458	446	476	470	484	487	474
Buford(1956)										
Square feet	54,855	59,258	59,258	59,258	59,258	59,258	59,258	72,041	72,041	72,041
Capacity	N/A	683	683	683	683	683	683	859	859	859
Enrollment	541	575	584	442	435	454	444	465	439	449

(Continued on Next Page)

**LANCASTER COUNTY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION,
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
School										
Middle School (Continued)										
Barr Street(1956)										
Square feet	97,698	97,698	97,698	48,849	48,849	48,849	48,849	48,849	48,849	48,849
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	752	741	0	0	0	0	0	0	0	0
Indian Land(1981)										
Square feet	-	-	-	-	-	-	-	-	94,498	94,498
Capacity	-	-	-	-	-	-	-	-	750	750
Enrollment	-	-	-	-	-	-	-	-	A	507
South (1962)										
Square feet	82,009	82,009	94,009	94,009	94,009	94,009	94,009	108,509	108,509	108,509
Capacity	N/A	N/A	1,019	1,019	1,019	1,019	1,019	1,151	1,151	1,151
Enrollment	798	838	837	827	772	815	769	733	691	639
High School										
Andrew Jackson(1969)										
Square feet	115,173	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515
Capacity	N/A	788	788	788	788	788	788	788	788	788
Enrollment	541	540	547	548	545	513	566	577	582	621
Buford(1993)										
Square feet	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503
Capacity	599	599	599	599	599	599	599	599	599	599
Enrollment	421	403	430	467	485	514	561	555	582	602
Indian Land(1981)										
Square feet	88,498	88,498	88,498	88,498	88,498	88,498	88,498	88,498	-	-
Capacity	624	624	624	624	624	624	624	624	-	-
Enrollment	366	371	356	397	390	415	481	525	-	-
Indian Land(2008)										
Square feet	-	-	-	-	-	-	-	-	142,657	142,657
Capacity	-	-	-	-	-	-	-	-	800	800
Enrollment	-	-	-	-	-	-	-	-	557	597
Lancaster (1993)										
Square feet	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755	319,755
Capacity	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749
Enrollment	1,571	1,571	1,623	1,752	1,872	1,776	1,768	1,718	1,662	1,715
Other										
Lancaster										
Vocational(1964)	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233
Rice Building(1956)	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556
Learn TV(1993)	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448
Bus Office Buford(2001)	-	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Catawba St. Administrative	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863

Note: Approximately half of Barr Street School demolished in 2003. Catawba Street administrative building purchased in 1988.
New Indian Land High School constructed in 2008. Old Indian Land High became new middle school and elementary/
middle became Indian Land Elementary. Enrollment for Indian Land Elementary and Middle combined, no individual
enrollment numbers available.

A - Not Available

Source: District records.

SINGLE AUDIT SECTION

C.C. McGregor, CPA
1906–1968

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

To the Honorable Chairman and
Board of Trustees
Lancaster County School District
Lancaster, South Carolina

We have audited the financial statements of the government activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County School District as of and for the year ended June 30, 2009, which collectively comprise Lancaster County School District's basic financial statements and have issued our report thereon dated November 23, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lancaster County School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lancaster County School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lancaster County School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting (2009-1). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

Lancaster County School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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.

McGuire's Company, LLP

Columbia, South Carolina
November 23, 2009

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1906–1968

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

To the Honorable Chairman and
Board of Trustees
Lancaster County School District
Lancaster, South Carolina

Compliance

We have audited the compliance of Lancaster County School District 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, 2009. Lancaster County School 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 Lancaster County School District's management. Our responsibility is to express an opinion on Lancaster County School 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 Lancaster County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Lancaster County School District's compliance with those requirements.

In our opinion, Lancaster County School District 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, 2009.

Internal Control Over Compliance

The management of Lancaster County School District 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 Lancaster County School District's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lancaster County School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

McGregor's Company, LLP

Columbia, South Carolina
November 23, 2009

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2009

Part I Summary of Auditors' Results

Financial Statements

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified? _____ Yes X No

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

Noncompliance Material to Financial Statements
Noted _____ Yes X No

Federal Awards

Internal Control Over Major Federal Programs:

Material Weakness(es) Identified? _____ Yes X No

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

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

Any Audit Findings Disclosed That are Required
To be Reported in Accordance With
Section 510(a) of OMB Circular A-133 _____ Yes X No

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2009

Part I Summary of Auditors' Results (Continued)

Identification of Major Federal Programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.215	Character Education Program
84.027	IDEA

Dollar Threshold Used to Distinguish Between Type A and Type B Programs
\$ 443,033.

Auditee Qualified as Low-Risk Auditee? X Yes No

Part II Findings Related to Financial Statements

Finding 2009-1

Condition: Internal controls were not in place to assure that the District properly updated its capital asset listing for current year additions. In addition, the District did not reconcile current year additions to capital expenditures.

Criteria: To present financial statements in conformity with Generally Accepted Accounting Principles, it is necessary to record all capital assets in the subsidiary ledger. The subsidiary ledger should be reconciled to the general ledger regularly.

Effect: Absence of complete and accurate information regarding capital assets could result in a material misstatement in the Government-wide Financial Statements.

Cause: The condition occurred due to an oversight in capturing the current year activity for capital assets.

Recommendation:
We recommend the implementation of an additional review step in the process of recording capital assets in the subsidiary and reconciling to the general ledger activity at least annually to mitigate the risk of not including all activity.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2009

Part III Findings Related to Federal Awards

None

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR FISCAL YEAR ENDED JUNE 30, 2009

Summary of Prior Year Findings

Finding 2008-1

Condition: Internal controls were not in place to assure that the District properly updated its capital asset listing for current year additions. In addition, the District did not reconcile current year additions to capital expenditures.

Recommendation: We recommend the implementation of an additional review step in the process of recording capital assets in the subsidiary and reconciling to the general ledger activity at least annually to mitigate the risk of not including all activity.

Current Status: Repeat Finding in Current Year (2009-01)

Finding 2008-2

Condition: The District did not have required documentation to support wages charged to a federal program. In testing the wages allocated to the Advanced Placement Incentive Program, two employees with partial allocation of their time to the program did not have complete documentation to support the allocation.

Recommendation: Procedures should be established that monitor the required PARs for personnel allocated to federal programs and at least quarterly, comparison of actual costs to budgeted distributions based on monthly activity reports should be made.

Current Status: The recommendation was adopted. No similar findings were noted in the June 30, 2009 audit.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2009

LEA Subfund Code	Federal/State Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U. S. Department of Education				
Direct:				
802	Smoother Sailing Program	84.215E	Q215E060087	\$ 391,523
871	Lancaster County Alcohol Prevention	84.184A	Q184A080062	235,492
865	Safe School Healthy Students	84.184L	Q184L050428-08	385,670
880	Smaller Learning Community	84.215L	V215L042237	38,313
822	Character Education Program (Major Program)	84.215S	Q215S060025	588,186
835	Teen LEAD	84.215	09-FL049-01	7,511
806	Physical Education Enhancement Program	84.215F	Q215F080109	158,737
838	Advanced Placement Incentive	84.330C	S330C060091	754,756
839	Extended School Year	UNK		2,750
890	GEAR UP	84.334A	P334A050118	620,632
861	GEAR UP	84.334	P334A080033	481,450
854	Professional Development for Arts Instructors	84.351C	4351C050077	187,041
Passed Through SDE:				
243	Adult Education	84.002	09EA049	102,109
202	Title I	84.010	09BA049	2,791,431
237	Title I School Improvements	84.010	09BJ049	66,403
203	IDEA (Major Program)	84.027	09CA049	2,341,213
205	Special Education Pre-school Grant	84.173	09CG049	130,614
207	Voc. Ed.	84.048	09VA049	141,266
209	Drug and Violence Prevention Programs	84.186	09FQ049	39,127
218	SC Reading First	84.357A	09RC049	312,718
224	21st Century Community Learning Centers	84.287C	09CL049	100,341
241	Title V	84.298	09BB049	35,586
253	Ed Tech Title II	84.318	09ET049	41,594
264	Language Instruction for Limited English Title III	84.365	09BP049	29,206
267	Improving Teacher Quality Title II	84.367A	09TQ049	514,934
Total U. S. Department of Education				<u>10,498,603</u>

(Continued on next page)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2009

LEA Subfund Code	Federal/State Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U. S. Department of Agriculture				
Passed Through SDE:				
Child Nutrition Cluster				
Non-Cash Assistance (Commodities):				
600	National School Lunch Program (Major Program)	10.555	N/A	\$ 360,749
Cash Assistance:				
600	School Breakfast Program (Major Program)	10.553	N/A	2,262,559
600	School Lunch Program (Major Program)	10.555	N/A	637,193
	Total for Program (Cluster)			<u>3,260,501</u>
Passed Through SCDDC:				
830	Child and Adult Care Food Program	10.558	CC65088	16,779
856	Child and Adult Care Food Program	10.558	CC65413	12,807
825	Child and Adult Care Food Program	10.558	CC65008	<u>2,182</u>
	Total U. S. Department of Agriculture			<u>3,292,269</u>
U. S. Department of Health and Human Services				
Passed Through SCDDC:				
830	Early Head Start	93.600	04CH4608/06	392,244
825	Early Head Start	93.600	04CH4608/05	<u>55,323</u>
	Total U. S. Department of Health And Human Services			<u>447,567</u>
Corporation for National and Community Service				
Passed Through SDE:				
831	AmeriCorps	94.009	08FX049-01/02	<u>483</u>
	Total Corporation for National and Community Service			<u>483</u>
Other Federal Assistance				
U. S. Department of Defense				
Direct Programs				
270	Army ROTC	12.000	N/A	<u>225,546</u>
	Total U.S. Department of Defense			<u>225,546</u>
U. S. Department of Labor				
853	Youth Build	17.274	YB16849	194,082
853	Youth Build	17.274	YB16492I	<u>109,014</u>
	Total U.S. Department of Labor			<u>303,096</u>
	Total Federal Assistance Expended			<u><u>14,767,564</u></u>

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lancaster County School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CORRECTIVE ACTION PLAN
FOR FISCAL YEAR ENDED JUNE 30, 2009**

Finding 2009-1

Contact Person: Tony Walker, Chief Financial Officer
Mary Sherman, Procurement Director

Action Plan: District Management has established internal controls and procedures to ensure proper recording of fixed assets. These procedures include an annual reconciliation of fixed asset additions to the district's general ledger activity. Audit findings and new procedures have been covered with all staff members involved with fixed asset accounting.