

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2010

**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, 2010

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November 16, 2010

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, 2010 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 2009-2010 year totaled 11,400 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 is currently stable but poised for continued expansion of both residential and commercial growth along its northern border as the economy strengthens.

Lancaster County's population has grown by an estimated 26.76% over the last nine years. The 2000 Census showed Lancaster with a population of 61,351 and estimates for 2009 show a population of 77,767. This growth has been concentrated in the northern end of Lancaster County where planned development districts account for an estimated 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.

- Retail growth continues in the northern end of Lancaster County. A new Wal-Mart Supercenter recently opened along with Aldi. In addition, doctors' offices, banking branches, fast food chains, and other strip mall retailers continue to locate in this 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.
- 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 2010 was 15.7%, down by 12.29% from the rate one year ago of 17.9%.

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**
 - At-Risk Student Innovation - \$143,667
 - Early Head Start Expansion - \$787,000
 - Partners for Youth Elementary Homework Centers - \$85,000

- **Honors and Awards**
 - **112 National Board Certified Teachers**
 - **104 South Carolina Junior Scholars**
 - **2008-2009 Duke TIP Scholars Qualifying for State Recognition**
 - » William Anderson, AR Rucker Middle
 - » Matthew Graham, AR Rucker Middle
 - » Caroline Lalla, AR Rucker Middle
 - » Brian Williams, AR Rucker Middle
 - » Alexis Dabney, Andrew Jackson Middle
 - » Jordan Eason, Andrew Jackson Middle
 - » Trevin McKoy, Andrew Jackson Middle
 - » Michael Bishop, Buford Middle
 - » Richard Gardner, Buford Middle
 - » Jayne Small, Buford Middle
 - » Ciera Watts, Buford Middle
 - » Chloe Cook, Indian Land Middle
 - **Junior Civitan Awards**
 - » SC 2010 Club of the Year - Lancaster High
 - » SC 2010 Campus Project of the Year - Lancaster High
 - » International Foundation Award for Largest Donation to CIR – Lancaster High
 - » International 2010 Campus Project of the Year – Lancaster High
 - » International 2010 Junior Civitan of the Year – Sam Keenan, Lancaster High
 - » SC 2010 Junior Civitan of the Year - Sam Keenan, Lancaster High
 - » SC 2010 Club President of the Year - Sam Keenan, Lancaster High
 - » SC 2010 District Officer of the Year – Brice Short, Lancaster High
 - » International 2010 District Officer of the Year – Brice Short, Lancaster High
 - **S.C. Art Education Association 2009**
 - » Lisa Stamper, Brooklyn Springs Elem-Elementary Art Educator of the Year
 - » Teresa Petty, Indian Land Middle-Youth Art Month Coordinator
 - » Dianne Mahaffee, Lancaster High-Secondary Art Educator of the Year
 - **National School to Watch**
 - » Indian Land Middle
 - **S.C. School of Character, 2010**
 - » Indian Land Middle
 - **2010 SCDOE Palmetto Silver Award for Closing the Achievement Gap**
 - » McDonald Green Elementary
 - » Discovery School
 - » Indian Land Middle

- **2010 National Title I Distinguished School’s Recognition for Reducing the Achievement Gap**
 - » North Elementary
- **2010 SCDOE Palmetto Gold Award for General Performance**
 - » McDonald Green Elementary
- **2010 Science P.L.U.S. at Roper Mountain Science Center participant**
 - » Matthew Bailey, Andrew Jackson Middle
 - » Donna Graves, South Middle
- **S.C. Athletic Administrators Association 2010 Class A Principal of the Year**
 - » Kathy Faris, Indian Land High
- **2010 The Global Cold War-Clare College, Cambridge University in England**
 - » Janie McManus, South Middle

School District Focus

Fiscal Year 2009-2010 was another year of financial hardship due to state budget cuts caused by state revenue shortfalls. In the Fiscal Year 2008-2009, the district suffered through a series of state budget cuts that totaled \$3,772,336 in reductions to our general operating funds. State budget cuts continued into Fiscal Year 2009-2010. In early September the district received a cut of \$1,255,081 and in mid-December another cut of \$1,521,212 for a total reduction to our general operating funds of \$2,776,293. The focus in building the FY 2009-2010 budget was on reducing the use of general fund equity to balance the budget as in past years while minimizing the impact on education.

- Staffing ratios were increased to 30/1 on all grade levels resulting in an estimated elimination of 33 positions in the FY 2009-2010 budget.
- The use of \$1,520,434 in equity was included to balance the budget for FY 2009-2010. This was a reduction in the use of equity from the prior year’s budget of 42% or \$1,118,837.
- All signing bonuses were eliminated.
- Salary schedules for certified teachers did not include an increase for Fiscal Year 2009-2010. There was no increase to the teacher local supplement of 13%. All other salary schedules remained at the FY 2008-2009 level.
- The formula for direct school allocations did not change; however, a 10% overall cut was applied for an \$119,049 budget reduction in FY 2009-2010.
- A five mill increase was included in the general operating budget.
- Overall expenditures decreased by \$862,122 or 1.12%.

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 district-wide 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 and the FY 2008-2009 years 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 four new high school athletic field houses. Debt Service millage was reduced to 38.5 mills for FY 2009-2010.

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 remained low throughout the year from .67% in July 2009 to .67% in June 2010 with average annual interest earnings around .55%.

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, 2009. This was the sixth 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 that reads "Gene Moore". The signature is written in dark ink and is positioned above the printed name and title.

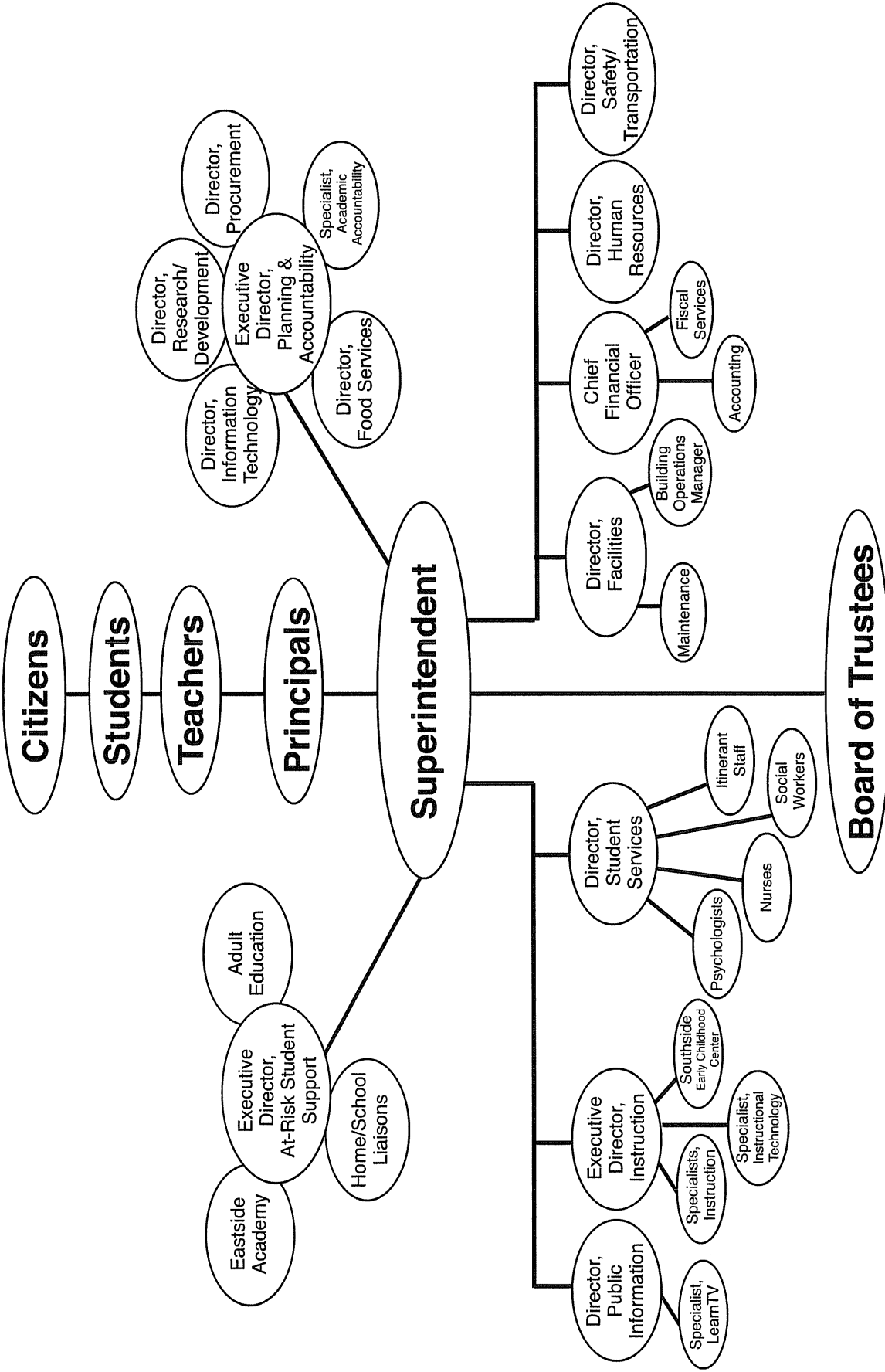
Gene Moore, ED.D.
Superintendent

A handwritten signature in cursive script that reads "Tony Walker". The signature is written in dark ink and is positioned above the printed name and title.

Tony Walker, CPA
Chief Financial Officer

Organizational Chart

2009-10



LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

SCHOOL DISTRICT OFFICIALS

JUNE 30, 2010

Board of Trustees

Bobby Parker, Chairman

Margaret Gamble, Vice Chairman

Janice Dabney, Secretary

Dr. Peter Barry

Don L. McCorkle

Tyrom Faulkner

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, 2009

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 stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

FINANCIAL SECTION

McGregor & COMPANY^{LLP}

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AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

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D.E. Knobloch, CPA
L.M. Harrelson, 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, 2010, 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 opinion.

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, 2010, 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 16, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 22 and page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, that considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Lancaster County School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

McGuire & Company, LLP

Columbia, South Carolina
November 16, 2010

**Lancaster County School District
Management's Discussion and Analysis
Year Ended June 30, 2010**

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, 2010. 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 FY 2009 totaling \$3,772,336 and for FY 2010 totaling \$2,776,293.

With the original budget approved by the Board in June, the County Auditor calculated a 4.86% decrease in the mill value for a total of \$137,113. Local millage included a 5 mill increase. Overall local revenues including state reimbursements for local tax credits were estimated to increase by \$224,499.

The original budget for state funding included an estimated decrease of \$244 to the base student cost for a total base student cost of \$2,334. Overall state funding for FY 2010 was estimated to decrease by \$3,165,848.

Federal ARRA Stimulus funds used to support general operations during FY 2010 totaled \$3,448,064.

Our budget for FY 2008-2009 was built to include the use of \$2,639,271 in equity if needed. Due to state budget cuts, actual equity used during FY 2009 totaled \$2,697,140 bringing the balance down to \$11,814,634 at the start of this fiscal year. The current fiscal year's original budget included the use of \$1,527,225 in equity to balance.

Expenditures and other financing uses of \$119,030,409 exceeded revenues and other financing sources for all governmental funds of \$116,465,292 resulting in a decrease of \$2,565,117 to fund balance. Overall the general operating fund balance decreased by \$522,988 to a balance at June 30, 2010 of \$11,291,646. Debt service - District fund balance was increased by \$194,011 to a balance of \$2,077,477 at June 30, 2010. Short-term general obligation bonds in the amount of \$7,325,000 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. Bond anticipation notes in the amount of \$1,721,000 were issued during the year with a maturity date of 10/01/2010. Proceeds from these bonds were used to cover interest due on the

District's installment debt. Capital Projects - District fund balance was decreased by \$1,242,545 to a balance at June 30, 2010 of \$1,533,182.

Debt Service-LEAP fund balance was decreased by \$26,609 to a balance at June 30, 2010 of \$6,585,984 and Capital Projects - LEAP fund balance was reduced by \$966,010 in arbitrage taxes paid to a balance at June 30, 2010 of \$534,546. The remaining balance will be held in escrow to cover future arbitrage liability or payoff debt.

In the District's only proprietary fund (food service), total revenues and other financing sources of \$5,025,252 exceeded total expenses and transfers out of \$4,883,700, resulting in a net income for the year of \$141,552. Net assets at June 30, 2010 totaled \$962,824.

The District's net assets as of June 30, 2010, totaled \$47,343,966.

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 23-24 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 25 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 33-51 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 52 of this report.

Financial Analysis of the District as a Whole

Net Assets:

The District's net assets were more on June 30, 2010 than they were the year before, increasing to \$47,343,966, (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 \$2,191,934 to \$46,381,142. The net assets of the District's business-type activities increased \$141,552 to \$962,824.

Figure A-1

Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 09	FY 10	FY 09	FY 10	FY 09	FY 10
Current Assets	\$ 37,706,747	\$ 35,484,868	\$ 57,091	\$310,214	\$ 37,763,838	\$ 35,795,082
Capital Assets	116,907,414	117,050,001	764,181	679,606	117,671,595	117,729,607
Total Assets	154,614,161	152,534,869	821,272	989,820	155,435,433	153,524,689
Total Current Liabilities	11,966,542	11,883,210	0	26,996	11,966,542	11,910,206
Total Noncurrent Liabilities	98,458,411	94,270,517	0	0	98,458,411	94,270,517
Total Liabilities	110,424,953	106,153,727	0	26,996	110,424,953	106,180,723
Net Assets						
Invested in Capital Assets						
Net of Related Debt	20,582,731	23,920,052	764,181	679,606	21,346,912	24,599,658
Restricted	13,201,942	11,267,256	0	0	13,201,942	11,267,256
Unrestricted	10,404,535	11,193,834	57,091	283,218	10,461,626	11,477,052
Total Net Assets	44,189,208	46,381,142	821,272	962,824	45,010,480	47,343,966

The District's financial position is the product of many factors. General Fund and special revenue equity of \$523,964 was budgeted and used to cover operating expenses. Funds available for capital projects were reduced during the year by \$1,242,545. Tax arbitrage of \$966,010 was paid during the year. There was a net increase of \$142,587 in capital assets including school improvements, and the purchase of furniture, equipment and vehicles. Long-term liabilities decreased by \$4,187,894. Prior year estimated arbitrage liability of \$1,499,867, no longer exists. Property taxes receivables increased by \$508,392 over the prior year for a total of \$2,393,756.

Accrued interest on bonds totaling \$559,685, and compensated absences of \$1,140,568 are reflected in the government-wide financial statements.

Changes in Net Assets:

The District's total revenues for the fiscal year ended June 30, 2010 were \$111,907,869 (see figure A-2). Property taxes accounted for 29.60 percent of the District's revenue. Grants and contributions accounted for 68.90 percent, with the remaining 1.50 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, 2010 was \$109,574,383 (see figure A-2). The District's expenses are predominantly related to instruction (55.70 percent). The District's support services accounted for 35.36 percent and business activities accounted for 4.25 percent of total cost. Community services, intergovernmental and interest on long-term debt made up the remaining 4.69 percent.

Both governmental activities and business-type activities increased over the prior year. Total revenues surpassed expenses increasing net assets \$2,333,486.

Figure A-2

Condensed Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 09	FY 10	FY 09	FY 10	FY 09	FY 10
Program Revenues						
Charges for Services	\$ 85,244	\$ 58,021	\$ 1,397,902	\$ 1,469,114	\$ 1,483,146	\$ 1,527,135
Operating Grants & Contributions	72,746,160	73,544,657	3,279,631	3,554,868	76,025,791	77,099,525
Capital Grant and Contributions	478,096	6,982	0	0	478,096	6,982
General Revenues						
Property Taxes	32,599,106	33,124,113	0	0	32,599,106	33,124,113
Other	370,151	148,844	3,379	1,270	373,530	150,114
Total Revenues	106,278,757	106,882,617	4,680,912	5,025,252	110,959,669	111,907,869
Expenses						
Instructional	61,108,147	61,028,665	0		61,108,147	61,028,665
Support Services	38,652,844	38,745,554	0		38,652,844	38,745,554
Food Service	0	0	4,816,495	4,660,324	4,816,495	4,660,324
Other	6,000,225	5,139,840	0		6,000,225	5,139,840
Total Expenses	105,761,216	104,914,059	4,816,495	4,660,324	110,577,711	109,574,383
Excess (Deficiency) before Transfers	517,541	1,968,558	(135,583)	364,928	381,958	2,333,486
Transfers In/(Out)	205,473	223,376	(205,473)	(223,376)	0	0
Changes in Net Assets	723,014	2,191,934	(341,056)	141,552	381,958	2,333,486

Governmental Activities:

Revenues and transfers exceeded expenses for the District's governmental activities by \$2,191,934. Revenues and transfers totaled \$107,105,993 and expenses totaled \$104,914,059 for the year ended June 30, 2010 (see figure A-2).

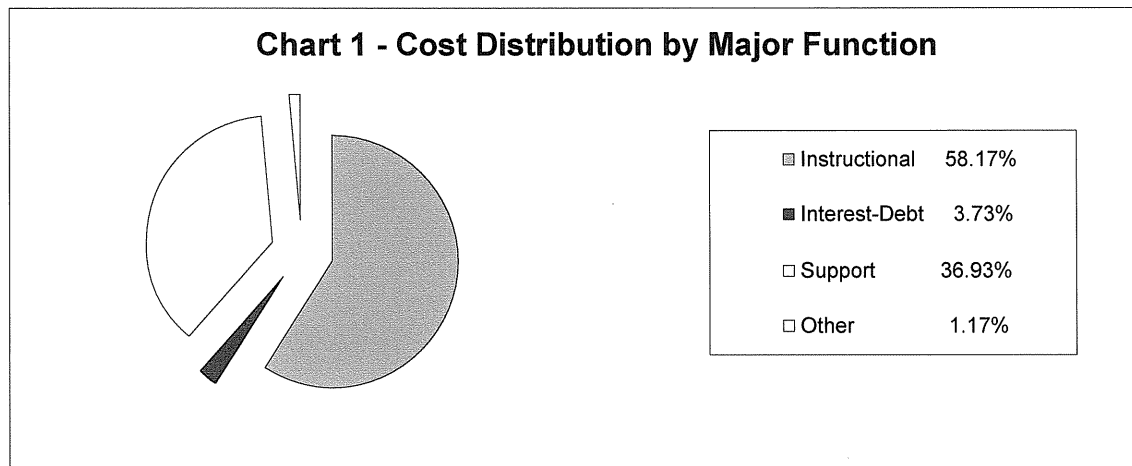
Figure A-3 below presents the cost of five major functional activities: instruction, support services, community services, pupil activities and interest on long-term debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided 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 \$104,914,059.

Figure A-3

Cost of the Five Major Functional Activities for Governmental Activities

	Total Expense		Net (Expense) Revenue	
	FY 09	FY 10	FY 09	FY 10
Instruction	\$61,108,147	\$ 61,028,665	\$(17,637,425)	\$(16,480,648)
Support Services	38,652,844	38,745,554	(9,617,479)	(10,500,294)
Community Services	1,094,083	1,093,580	(290,670)	(277,197)
Pupil Activities	313,165	133,669	(313,165)	(133,669)
Interest on Long-Term Debt	4,592,977	3,912,591	(4,592,977)	(3,912,591)
Total	105,761,216	104,914,059	(32,451,716)	(31,304,399)

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



Business-Type Activities:

Revenues exceed expenses and transfers out of the District's business-type activities by \$141,552. Revenues totaled \$5,025,252 and expenses and transfers out totaled \$4,883,700 for the year ended June 30, 2010 (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 \$22,022,835. This was a reduction of \$2,565,117 to last year's ending fund balances of \$24,587,952.

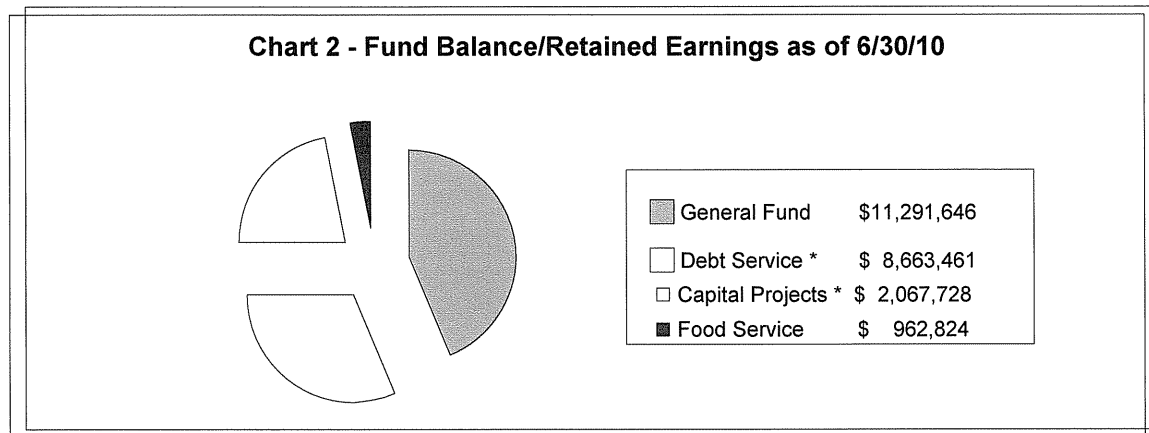
Approximately \$11,284,835 or 51.24 percent of the fund balance constitutes unreserved and undesignated fund balance. This balance is maintained as an operating balance for the District to meet cash flow obligations throughout the year. The remaining fund balance is identified as reserved or designated to meet the following commitments:

- \$ 6,811 reserved for encumbrances
- 2,077,477 reserved for debt service - district
- 6,585,984 reserved for debt service - LEAP
- 1,533,182 reserved for capital projects - district
- 534,546 reserved for capital projects - LEAP

The general fund is the principal operating fund of the district. The general fund balance decrease of \$522,988 was a planned budget line item for the year. The debt service - district fund balance showed an increase of \$194,011. The capital projects - district showed a decrease of \$1,242,545. 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 \$6,585,984 and the creation of the capital projects - LEAP fund which ended the year with a balance of \$534,546. The LEAP projects have been completed and this balance remains to cover any future arbitrage.

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 \$962,824. This was an increase of \$141,552 from last year's ending retained earnings of \$821,272.

Chart 2 below provides a breakdown of total fund balance and retained earnings as of June 30, 2010.



* 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 \$1,520,434 in equity to cover possible shortfalls or budget cuts during the year. State cuts throughout the year in September 2009, and December 2009 amounted to \$2,776,293 less for the general fund.

In February, mid-year budget revisions were approved by the Board of Trustees, including adjustments to increase local revenue projections by \$639,255. State revenue projections were decreased by \$3,137,060 to reflect the year-to-date state cuts and updated information from the State Department of Education. Budgeted expenses were decreased by \$5,695,869 and District's management took steps to cut expenses district-wide including one furlough day for certified/classified employees and two furlough days for administrators, line item cuts, freezing vacant positions, limited use of substitutes and temporary help, and conservation of energy.

For the year, ad valorem tax collections slightly exceeded the budgeted \$20,518,461 by \$20,754. Other local revenues exceeded the budget by \$407,329 for the year. Overall local revenues were 1.91% or \$428,083 over the budget of \$22,423,001. Total state revenues for the year were slightly under budget of \$43,890,725 by \$52,565.

Salaries and fringe benefits were slightly under budget of \$61,385,966 for the year by \$1,418. Purchased services budget of \$4,230,076 was under budget by 9.38% or \$396,611. Supplies, equipment, and other expenses were under budget of \$3,344,405 by \$92,068 or 2.75%.

Capital Assets and Debt Administration

Capital Assets:

By the end of 2010, the District had invested \$161,594,162 in capital assets, including school buildings and facilities, vehicles, furniture, furnishings and equipment. Total depreciation expense for the year was \$3,927,441. The following schedule (Figure A-4), presents capital asset balances net of depreciation for the fiscal year ended June 30, 2010.

Figure A-4 Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 09	FY 10	FY 09	FY 10	FY 09	FY 10
Land	\$ 3,357,341	\$ 3,357,341	\$ 0	\$ 0	\$ 3,357,341	\$ 3,357,341
Buildings & Improvements	109,619,968	110,018,185	0	0	109,619,968	110,018,185
Furniture & Equipment	2,071,043	2,420,733	764,181	679,606	2,835,224	3,100,339
Construction in Progress	1,859,062	1,253,742	0	0	1,859,062	1,253,742
Total Cost	116,907,414	117,050,001	764,181	679,606	117,671,595	117,729,607

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 \$22,980,000 in general obligation bonds debt outstanding (see Figure A-5), of which \$2,535,000 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 \$22,869,947. 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, 2009 Balance	Additions to (Reductions in) Principal	June 30, 2010 Balance	Amount Due Within One Year
General Obligation Bonds	\$25,425,000	\$(2,445,000)	\$22,980,000	\$2,535,000
LEAP Installment Bonds	69,955,000	(245,000)	69,710,000	355,000

Factors Bearing on the District's Future

In the fiscal year 2010-2011 budget we balanced revenues and expenses without the use of general fund equity to cover budgeted expenses 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 expenses. Undesignated general fund equity at July 1, 2010 was \$11,284,835 or 16.89% of the \$66,809,129 budgeted expenses for fiscal year 2010-2011.

Fiscal year 2009-2010 was year three 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. Future funding is calculated by taking the prior year reimbursement amount as the base amount and multiplying that amount by the consumer price index inflation percentage plus a statewide growth percentage. Funding for FY 2009-2010 was calculated using a consumer price index of 4.20% plus a statewide growth percentage of 1.70%. Budgeted funding for FY 2010-2011 was calculated using -.4% for the consumer price index and a statewide growth percentage of 1.8%. This amounts to an increase of \$137,721 for a total budget of \$6,951,371.

Fiscal year 2010-2011's school operating mill value decreased by 1.62% or \$2,223 to \$134,890. This decrease in mill value is mainly due to a reduction in manufacturing property from the textile industry, reclassification of business property to residential, and the statewide decline in vehicle values. District management does not anticipate this decline to continue in future years. The Board of Trustees approved the maximum increase allowable (3.25 mills) in school operating millage for fiscal year 2010-2011. The prior year school operating millage was 133.50 mills and the current year operating millage is 136.75 mills. Debt Service millage remained at 38.50 mills for fiscal year 2010-2011 to meet existing debt requirements plus \$7,800,000 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 \$2,097,955, and discharge \$1,731,283 in bond anticipation notes issued in the prior year, with the remaining funds used to meet the District's 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 2009-2010 began at a budgeted amount of \$2,334 and due to state cuts in funding, ended the year at an actual amount of \$1,765. Estimated base student cost for FY 2010-2011 was budgeted at \$1,630. For FY 2010-2011, we estimated a total of \$2,562,102 in State Fiscal Stimulus Funds to help support our general operating expenses. This is year two of the Federal ARRA stimulus revenues for our District and we do not anticipate future federal stimulus revenues beyond this year.

There was a \$3,470,321 or 4.94% decrease in budgeted operating expenses for fiscal year 2010-2011. Salaries and benefits decreased by 3.81% as there were no increase in salary schedules and no 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. The District implemented a five day furlough for all classified/certified employees and a ten day furlough for all administrative employees. Slight increases were budgeted for employer health insurance, workers compensation premiums, property insurance, and contracted cleaning.

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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 13,488,744	\$ 439,698	\$ 13,928,442	
Cash and Cash Equivalents - Restricted	7,120,530		7,120,530	
Property Taxes Receivable, Net	2,393,756		2,393,756	
Accounts Receivable	470,265	327,727	797,992	\$ 15,857
Internal Balances	547,929	(547,929)	-	
Due from Pupil Activities	262,600		262,600	
Due from County Government	5,810,829		5,810,829	
Due from State Government	765,707		765,707	
Due from Federal Government	4,623,784		4,623,784	
Other Current Assets	724		724	
Inventory	-	90,718	90,718	
Capital Assets:				
Non-Depreciable Capital Assets	4,611,083		4,611,083	
Depreciable Capital Assets, Net	112,438,918	679,606	113,118,524	
Total Assets	152,534,869	989,820	153,524,689	15,857
Liabilities				
Accounts Payable and Accrued Liabilities	8,014,650		8,014,650	
Due to State Department of Education	3,529		3,529	
Due to Federal Government	23,041		23,041	
Unearned Revenue	1,561,305	26,996	1,588,301	15,857
Accrued Interest	559,685		559,685	
Short Term Note Payable	1,721,000		1,721,000	
Noncurrent Liabilities:				
Due Within One Year	3,557,754		3,557,754	
Due in More Than One Year	90,712,763		90,712,763	
Total Liabilities	106,153,727	26,996	106,180,723	15,857
Net Assets				
Invested in Capital Assets, Net of Related Debt	23,920,052	679,606	24,599,658	
Restricted for:				
Debt Service	9,199,528		9,199,528	
Capital Projects	2,067,728		2,067,728	
Unrestricted	11,193,834	283,218	11,477,052	
Total Net Assets	46,381,142	962,824	47,343,966	-

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, 2010

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants and Contributions		Governmental Activities	Primary Government Business-Type Activities	
			Operating Grants and Contributions	Capital Grants and Contributions		Total	Component Unit
Governmental Activities:							
Instruction	\$ 61,028,665	\$ 58,021	\$ 44,489,996		\$ (16,480,648)	\$ (16,480,648)	
Support Services	38,745,554		28,238,278	\$ 6,982	(10,500,294)	(10,500,294)	
Community Services	1,093,580		816,383		(277,197)	(277,197)	
Pupil Activities	133,669				(133,669)	(133,669)	
Interest and Other Charges	3,912,591				(3,912,591)	(3,912,591)	
Total Governmental Activities	104,914,059	58,021	73,544,657	6,982	(31,304,399)	(31,304,399)	
Business-Type Activities:							
Food Service	4,660,324	1,469,114	3,554,868		-	\$ 363,658	363,658
Total School District	109,574,383	1,527,135	77,099,525	6,982	(31,304,399)	363,658	(30,940,741)
Component Units:							
Charter School	625,863		625,863				\$ -
General Revenues:							
Taxes							
Property Taxes, Levied for General Purposes					22,820,813	22,820,813	
Property Taxes, Levied for Debt Service					10,303,300	10,303,300	
Grants and Contributions Not Restricted to Specific Programs					61,904	61,904	
Unrestricted Investment Earnings					103,229	1,270	104,499
Loss on Sale of Capital Assets					(45,476)	(45,476)	
Miscellaneous					29,187	29,187	
Subtotal, General Revenues					33,272,957	1,270	33,274,227
Excess (Deficiency) of Revenues Over Expenses Before Special Items					1,968,558	364,928	2,333,486
Transfers Between Government and Business-Type Activities					223,376	(223,376)	-
Change in Net Assets					2,191,934	141,552	2,333,486
Net Assets, Beginning of Year					44,189,208	821,272	45,010,480
Net Assets, End of Year					46,381,142	962,824	47,343,966

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2010

	Major Funds						Total	
	General	Special Projects	EIA	Debt Service	Debt Service-LEAP	Capital Projects	Capital Projects-LEAP	Governmental Funds
Assets								
Cash and Cash Equivalents	\$ 13,488,744							\$ 13,488,744
Cash and Cash Equivalents - Restricted					\$ 6,585,984		\$ 534,546	7,120,530
Property Tax Receivable, Net	168,664			\$ 86,584				255,248
Accounts Receivable	23,970	\$ 217,099	\$ 536			\$ 228,660		470,265
Due from Other Funds	5,018,975		1,146,167			203,702		6,368,844
Due from Pupil Activities	262,600							262,600
Due from County Government	805,701			1,990,680		2,821,820		5,618,201
Due from State Government	887,511	34,234	36,377	213				958,335
Due from Federal Government		4,623,784						4,623,784
Other Current Assets		724						724
Total Assets	20,656,165	4,875,841	1,183,080	2,077,477	6,585,984	3,254,182	534,546	39,167,275
Liabilities and Fund Balances								
Accounts Payable and								
Accrued Liabilities	8,014,650							8,014,650
Notes Payable						1,721,000		1,721,000
Due to Other Funds	1,349,869	4,471,046						5,820,915
Due to Other Governmental Units		23,041	3,529					26,570
Deferred Revenue		381,754	1,179,551					1,561,305
Total Liabilities	9,364,519	4,875,841	1,183,080	-	-	1,721,000	-	17,144,440
Fund Balances								
Reserved for:								
Encumbrances	6,811							6,811
Debt Service				2,077,477	6,585,984			8,663,461
Capital Projects						1,533,182	534,546	2,067,728
Unreserved:								
Undesignated	11,284,835							11,284,835
Total Fund Balances	11,291,646	-	-	2,077,477	6,585,984	1,533,182	534,546	22,022,835
Total Liabilities and Fund Balances	20,656,165	4,875,841	1,183,080	2,077,477	6,585,984	3,254,182	534,546	39,167,275

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, 2010

Total Fund Balances - Governmental Funds **\$ 22,022,835**

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	\$159,903,328	
Accumulated Depreciation is	<u>(42,853,327)</u>	117,050,001

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.	2,138,508
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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	93,129,949	
Accrued Interest on the Bonds	559,685	
Compensated Absences	<u>1,140,568</u>	<u>(94,830,202)</u>

Total Net Assets - Governmental Activities	<u><u>46,381,142</u></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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2010

	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	\$ 20,859,246			\$ 9,931,672				\$ 30,790,918
Investment Earnings	75,095			13,127	\$ 2,233	\$ 12,270	\$ 504	103,229
Other Local Sources	1,916,743	\$ 1,787,958		371,628		40,436		4,116,765
State	43,838,160	1,947,430	\$6,549,760	572,230		6,982		52,914,562
Federal		18,494,227						18,494,227
Total Revenues	66,689,244	22,229,615	6,549,760	10,888,657	2,233	59,688	504	106,419,701
Expenditures								
Current								
Instruction	44,814,052	10,240,198	3,898,320					58,952,570
Support Services	23,626,993	9,664,530	1,140,767			3,223,101		37,655,391
Community Services	9,508	1,084,072						1,093,580
Pupil Activities	133,669							133,669
Intergovernmental Expenditures	772,377	16,778						789,155
Debt Service								
Principal				2,445,000	245,000			2,690,000
Interest and Fiscal Agent Fees				873,995	3,492,325	13,923	977,264	5,357,507
Capital Outlay	19,527	729,641	65,527			1,757,377	(10,750)	2,561,322
Total Expenditures	69,376,126	21,735,219	5,104,614	3,318,995	3,737,325	4,994,401	966,514	109,233,194
Excess (Deficiency) of Revenue Over Expenditures	(2,686,882)	494,396	1,445,146	7,569,662	(3,735,092)	(4,934,713)	(966,010)	(2,813,493)
Other Financing Sources (Uses)								
Transfers In	2,164,344	450	480,146		3,708,483	3,667,168		10,020,591
Transfers (Out)	(450)	(495,822)	(1,925,292)	(7,375,651)				(9,797,215)
Sale of Capital Assets						25,000		25,000
Total Other Financing Sources (Uses)	2,163,894	(495,372)	(1,445,146)	(7,375,651)	3,708,483	3,692,168	-	248,376
Net Changes in Fund Balances	(522,988)	(976)	-	194,011	(26,609)	(1,242,545)	(966,010)	(2,565,117)
Fund Balance, Beginning of Year	11,814,634	976	-	1,883,466	6,612,593	2,775,727	1,500,556	24,587,952
Fund Balance, End of Year	11,291,646	-	-	2,077,477	6,585,984	1,533,182	534,546	22,022,835

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, 2010

Total Net Change in Fund Balances - Governmental Funds \$ (2,565,117)

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	\$ 4,025,777	
Depreciation expense	<u>(3,812,714)</u>	213,063

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. (70,476)

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. (28,844)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Activities. 2,690,000

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. 508,392

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. 1,499,867

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. (81,822)

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. 26,871

Change in Net Assets of Governmental Activities 2,191,934

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, 2010

	<u>Enterprise Fund Food Service</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 439,698
Accounts Receivable	327,727
Inventories - Supplies and Materials	<u>90,718</u>
Total Current Assets	<u>858,143</u>
Noncurrent Assets:	
Equipment	
Less: Accumulated Depreciation	<u>679,606</u>
Total Noncurrent Assets	<u>679,606</u>
Total Assets	<u>1,537,749</u>
Liabilities	
Current Liabilities:	
Deferred Revenue	26,996
Due To Other Funds	<u>547,929</u>
Total Current Liabilities	<u>574,925</u>
Total Liabilities	<u>574,925</u>
Net Assets	
Invested in Capital Assets	679,606
Unrestricted	<u>283,218</u>
Total Net Assets	<u><u>962,824</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, 2010

	Enterprise Fund Food Services
Operating Revenues	
Proceeds From Sale of Meals	<u>\$ 1,469,114</u>
Total Operating Revenues	<u>1,469,114</u>
Operating Expenses	
Food Costs	2,230,850
Salaries and Wages	2,018,921
Depreciation	114,727
Supplies and Materials	199,834
Other Operating Costs	<u>95,992</u>
Total Operating Expenses	<u>4,660,324</u>
Operating Loss	<u>(3,191,210)</u>
Nonoperating Revenues	
Interest Income	1,270
USDA Reimbursements	3,220,374
Commodities Received From USDA	325,424
Other State Aid	5,737
Other Revenue	<u>3,333</u>
Total Nonoperating Revenue	<u>3,556,138</u>
Income (Loss) Before Transfers	364,928
Transfers In (Out)	<u>(223,376)</u>
Change in Net Assets	141,552
Net Assets, Beginning of Year	<u>821,272</u>
Net Assets, End of Year	<u><u>962,824</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, 2010

Cash Flows from Operating Activities	
Cash Received from Patrons	\$ 1,506,125
Cash Payments to Suppliers for Goods and Services	(2,205,353)
Cash Payments to Employees for Services	<u>(2,015,821)</u>
Net Cash Used by Operating Activities	<u>(2,715,049)</u>
Cash Flows From Non-Capital Financing Activities	
Operating Grants Received	3,333
Cash Received from USDA Reimbursements	2,892,647
Other State Aid	5,737
Transfers - Out to Other Funds	<u>(206,227)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>2,695,490</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(33,252)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>1,270</u>
Net Increase in Cash and Cash Equivalents	(51,541)
Cash and Cash Equivalents, Beginning of Year	<u>491,239</u>
Cash and Cash Equivalents, End of Year	<u><u>439,698</u></u>
Reconciliation of Operating Income (Loss) to	
Net Cash Used by Operating Activities	
Operating Income (Loss)	(3,191,210)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities	
Depreciation	114,727
Loss on Disposal of Capital Assets	3,100
Commodities Used	325,424
Changes in Operating Assets and Liabilities:	
Accounts Receivable	10,015
Inventory	(4,101)
Deferred Revenue	<u>26,996</u>
Net Cash Used by Operating Activities	<u><u>(2,715,049)</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, 2010

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	<u>\$ 1,662,648</u>
Total Assets	<u><u>1,662,648</u></u>
Liabilities	
Due to School District	262,600
Due to Student Organizations	<u>1,400,048</u>
Total Liabilities	<u><u>1,662,648</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 consists of property taxes levied against Lancaster County taxpayers. Accounts receivable also include amounts due from the Federal government, State and Local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible amounts are shown net of an allowance for doubtful accounts. This amount is determined by analyzing the percentage of receivables that were not collected in prior years.

Inventories

Under the system of accounting for inventories, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting and are subsequently charged to expense when consumed. Inventories include food, supplies and commodities. An amount for commodities received from the USDA, but not consumed as of June 30, 2010, has been recorded at fair market value as provided by the United States Department of Agriculture.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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.

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, 2010, the liability for compensated absences has been recorded in the amount of \$1,140,568. The amount expected to be paid from current resources is \$640,883.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reservations and Designations of Fund Balances (Continued)

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.

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.

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, 2010, 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, 2010, 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	\$2,278,618	Less than 1 year

These investments are all included in cash and cash equivalents.

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, 2010, the District had no exposure to custodial credit risk.

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

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 2010 fiscal year was based, was \$285,874,342. The millage rate charged for the District was 133.5 mills for current operations and 38.5 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, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,357,341			\$ 3,357,341
Construction in Progress	1,859,062	\$ 1,253,742	\$ (1,859,062)	1,253,742
Total Capital Assets, Not Being Depreciated	5,216,403	1,253,742	(1,859,062)	4,611,083
Capital Assets, Being Depreciated:				
Buildings and Improvements	146,200,086	3,963,610	(69,558)	150,094,138
Furniture and Equipment	4,711,960	667,487	(181,340)	5,198,107
Total Capital Assets Being Depreciated	150,912,046	4,631,097	(250,898)	155,292,245
Less: Accumulated Depreciation for:				
Buildings and Improvements	(36,580,118)	(3,555,070)	59,235	(40,075,953)
Furniture and Equipment	(2,640,917)	(257,644)	121,187	(2,777,374)
Total Accumulated Depreciation	(39,221,035)	(3,812,714)	180,422	(42,853,327)
Total Capital Assets Being Depreciated, Net	111,691,011	818,383	(70,476)	112,438,918
Governmental Activities Capital Assets, Net	116,907,414	2,072,125	(1,929,538)	117,050,001
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Property and Equipment - Historical Cost	\$ 1,667,854	\$ 33,252	\$ (10,272)	\$ 1,690,834
Less: Accumulated Depreciation	(903,673)	(114,727)	7,172	(1,011,228)
Business-Type Activities Capital Assets, Net	764,181	(81,475)	(3,100)	679,606

NOTE 5 CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$1,269,634
Support Services	<u>2,543,080</u>
Total	<u><u>3,812,714</u></u>

Depreciation expense for Business-Type Activities was \$114,727.

Construction Commitments

The District has several ongoing construction projects as of June 30, 2010, 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, 2010, are approximately \$1,754,319.

NOTE 6 SHORT-TERM OBLIGATIONS

<u>Short-Term Obligations</u>	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u>
Governmental Activities:				
General Obligation Bonds	<u>\$1,755,000</u>	<u>\$9,046,000</u>	<u>\$9,080,000</u>	<u>\$1,721,000</u>
Total Governmental Activities	<u><u>1,755,000</u></u>	<u><u>9,046,000</u></u>	<u><u>9,080,000</u></u>	<u><u>1,721,000</u></u>

The District issued \$7,325,000 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 14, 2010. The note is due and payable on October 1, 2010 at an interest rate of 1.54%.

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 \$22,980,000 general obligation debt outstanding at June 30, 2010, which was issued and approved by referendum. The District had no general obligation debt outstanding at June 30, 2010, 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, 2010:

Long-Term Obligations	June 30, 2009	Additions	Reductions	June 30, 2010	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$25,425,000		\$2,445,000	\$22,980,000	\$ 2,535,000
Premium	165,617		12,118	153,499	12,118
LEAP 2006 Bond Issue	69,955,000		245,000	69,710,000	355,000
Premium	301,203		14,753	286,450	14,753
Arbitrage Payable	1,499,867		1,499,867	-	-
Accrued Compensation Absences	1,111,724	\$653,520	624,676	1,140,568	640,883
Total Governmental Activities	<u>98,458,411</u>	<u>653,250</u>	<u>4,841,414</u>	<u>94,270,517</u>	<u>3,557,754</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, 2010, are as follows:

General obligation bonds payable at June 30, 2010, are comprised of the following individual issues:

Issued March 17, 2009 with interest from 3.0 to 4.0%	\$18,110,000
Issued April 2, 2008, with interest from 3.5 to 4.0%	<u>4,870,000</u>
Total	<u><u>22,980,000</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, 2010, was \$286,450.

NOTE 7 LONG-TERM OBLIGATIONS (Continued)

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 no arbitrage liability outstanding at June 30, 2010. The District paid the arbitrage liability due in the amount of \$977,264.

The annual requirements for debt service on bonds outstanding at June 30, 2010, are summarized as follows:

Year Ended June 30,	Principal	Interest	Total
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	<u>92,690,000</u>	<u>46,672,425</u>	<u>139,362,425</u>

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).

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.

NOTE 8 EMPLOYEE RETIREMENT PLANS (Continued)

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.

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. For the SCRS, the employer's contribution funds the normal cost and covers the unfunded accrued liability. The District implemented furlough days during the school year which required the District to cover the employee's 6.5% contribution for the SCRS defined benefit and State ORP defined contribution plans. The employees contribute at a rate of 6.5% of an employee's earnings for the State ORP defined contribution plan. 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.

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

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, 2010. The District's contribution equals the required contribution.

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

	2010	2009	2008
Total Payroll Subject To Retirement	\$57,219,583	\$57,848,253	\$56,108,276
Covered Payroll Subject To Employee Contributions	56,934,569	56,416,524	53,478,862
Employee Contributions	3,684,293	3,667,080	3,476,126
Employer Contributions	7,392,347	7,457,171	7,086,937

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

	2010	2009
Total Payroll Subject to Retirement	\$5,363,715	\$5,566,316
Employee Contributions	346,868	361,811
Employer State ORP Contributions	269,959	278,316
Employer SCRS Contributions	423,197	439,182

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, 2010, consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General Fund	\$ 2,164,344	\$ 450
Special Projects Fund	450	495,822
EIA Fund	480,146	1,925,292
Proprietary Fund		223,376
Debt Service Fund		7,375,651
Debt Service Fund – LEAP	3,708,483	
Capital Projects Fund	3,667,168	
Total	<u>10,020,591</u>	<u>10,020,591</u>

NOTE 10 INTERFUND BALANCES

As of June 30, 2010, 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	Enterprise Fund	Total
Due From:						
General Fund			\$1,146,167	\$203,702		\$1,349,869
Special Projects Fund	\$4,471,046					4,471,046
Enterprise Fund	<u>547,929</u>					<u>547,929</u>
	5,018,975		1,146,167	203,702		6,368,844
Due to:						
General Fund		\$4,471,046			\$547,929	5,018,975
EIA Fund	1,146,167					1,146,167
Capital Projects	<u>203,702</u>					<u>203,702</u>
	1,349,869	4,471,046			547,929	6,368,844
	<u>3,669,106</u>	<u>(4,471,046)</u>	<u>1,146,167</u>	<u>203,702</u>	<u>(547,929)</u>	<u>-</u>

NOTE 11 RECEIVABLES/ALLOWANCE FOR DOUBTFUL ACCOUNTS

The amounts presented in the statement of net assets are net of the following allowance for doubtful accounts:

Property Taxes, Current	\$3,682,701
Allowance for Doubtful Accounts	<u>(1,288,945)</u>
Property Taxes, Current	<u>2,393,756</u>

NOTE 12 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, 2010.

NOTE 13 LEGAL COMPLIANCE

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

NOTE 14 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 are 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 15 FUNDING FLEXIBILITY

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2010. 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 16 SUBSEQUENT EVENTS

Debt Issuance - The District issued \$7,800,000 in General Obligation Bonds in September, 2010. These Bonds have a stated interest rate of 1.50% and principal and interest are due on March 1, 2011. The District evaluated the effects subsequent events would have on the financial statements through the date of the auditors' report, which is the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Revenue				
Local	\$22,201,239	\$22,423,001	\$ 22,851,084	\$ 428,083
State	50,862,840	43,890,725	43,838,160	(52,565)
Total Revenue	73,064,079	66,313,726	66,689,244	375,518
Expenditures				
Instruction	46,757,322	45,375,578	44,818,204	557,374
Support Services	28,894,703	23,577,507	23,642,368	(64,861)
Community Services	-	7,362	9,508	(2,146)
Intergovernmental Expenditures	773,406	808,406	772,377	36,029
Total Expenditures	76,425,431	69,768,853	69,242,457	526,396
Excess (Deficiency) of Revenue Over Expenditures	(3,361,352)	(3,455,127)	(2,553,213)	901,914
Other Financing Sources (Uses)				
Operating Transfers In	1,834,127	1,927,902	2,030,225	102,323
Total Other Financing Sources (Uses)	1,834,127	1,927,902	2,030,225	102,323
Net Change in Fund Balance	(1,527,225)	(1,527,225)	(522,988)	1,004,237
Fund Balance, Beginning of Year	11,734,603	11,512,669	11,814,634	
Fund Balance, End of Year	10,207,378	9,985,444	11,291,646	

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, 2010

	<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	\$20,518,461	\$20,539,215	\$ 20,754
1140 Penalties and Interest on Taxes	175,000	320,031	145,031
1200 Revenue From Local Governmental Units Other Than LEA's			
1280 Revenue In-Lieu-Of Taxes	1,322,047	1,453,175	131,128
1300 Tuition			
1310 Regular Day School from Patrons	25,000	15,850	(9,150)
1320 Regular Day School from Other LEA's	-	16,336	16,336
1500 Earnings on Investments			
1510 Interest on Investments	50,000	75,095	25,095
1900 Miscellaneous Local Revenue			
1910 Rentals	25,000	24,542	(458)
1930 Medicaid	307,493	390,017	82,524
1999 Revenue from Other Local Sources	-	16,823	16,823
Total Local Sources	22,423,001	22,851,084	428,083
3000 Revenue from State Sources			
3100 Restricted State Funding			
3110 Occupational Education			
3113 12-Months (AG) Program	19,154	19,154	-
3130 Special Programs			
3131 Handicapped Transportation	-	12,557	12,557
3160 School Bus Drivers' Salary	530,707	572,501	41,794
3161 Transportation Workers' Compensation			-
3162 EFA Workers' Compensation	42,462	42,462	-
3180 Fringe Benefits Employer Contributions	9,169,779	9,169,779	-
3181 Retiree Insurance	1,226,096	1,226,096	-
3199 Other Restricted State Grants	-	56,556	56,556
3200 Unrestricted Grants			
3250 Medicaid Match Reimbursement	7,222	7,222	-

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, 2010

	<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	\$ 1,526,780	\$ 1,487,205	\$ (39,575)
3312 Primary	4,153,378	4,098,825	(54,553)
3313 Elementary	5,478,737	5,449,443	(29,294)
3314 High School	1,797,854	1,755,022	(42,832)
3315 Trainable Mentally Handicapped	174,866	155,887	(18,979)
3316 Speech Handicapped (Part-Time Program)	810,954	884,076	73,122
3317 Homebound	21,303	42,994	21,691
3320 Part-Time Programs			
3321 Emotionally Handicapped	140,482	150,974	10,492
3322 Educable Mentally Handicapped	187,390	182,259	(5,131)
3323 Learning Disabilities	1,958,966	2,021,563	62,597
3324 Hearing Handicapped	106,894	103,467	(3,427)
3325 Visually Handicapped	85,383	87,279	1,896
3326 Orthopedically Handicapped	67,979	66,838	(1,141)
3327 Vocational	3,789,822	3,725,593	(64,229)
3331 Autism	121,419	119,436	(1,983)
3800 State Revenue In-Lieu-Of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,724,743	3,729,103	4,360
3820 Homestead Exemption (Tier 2)	1,189,965	1,189,965	-
3825 Reimbursement for Property Tax Relief (Tier 3)	6,813,650	6,825,304	11,654
3830 Merchants' Inventory Tax	185,886	185,886	-
3840 Manufacturers' Depreciation Reimbursement	325,000	245,772	(79,228)
3890 Other State Property Revenues	218,854	197,812	(21,042)
3900 Other State Revenue			
3999 Revenue from Other State Sources	15,000	27,130	12,130
Total State Sources	<u>43,890,725</u>	<u>43,838,160</u>	<u>(52,565)</u>
Total Revenue All Sources	<u>66,313,726</u>	<u>66,689,244</u>	<u>375,518</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 2,638,766	\$ 2,611,447	\$ 27,319
200 Employee Benefits	851,979	822,514	29,465
400 Supplies and Materials	17,840	17,343	497
112 Primary Programs			
100 Salaries	5,605,084	5,585,217	19,867
200 Employee Benefits	1,660,081	1,654,694	5,387
300 Purchased Services	6,690	6,689	1
400 Supplies and Materials	51,954	49,384	2,570
113 Elementary Programs			
100 Salaries	10,577,852	10,458,948	118,904
200 Employee Benefits	3,138,621	3,053,053	85,568
300 Purchased Services	142,819	116,232	26,587
400 Supplies and Materials	144,250	141,916	2,334
500 Capital Outlay	2,734	2,729	5
600 Other Objects	14,620	14,620	-
114 High School Programs			
100 Salaries	8,550,731	8,585,039	(34,308)
200 Employee Benefits	2,555,850	2,505,910	49,940
300 Purchased Services	65,791	45,634	20,157
400 Supplies and Materials	92,011	84,851	7,160
500 Capital Outlay	1,423	1,423	-
115 Vocational Programs			
100 Salaries	2,054,556	2,030,134	24,422
200 Employee Benefits	602,538	601,450	1,088
300 Purchased Services	7,603	4,069	3,534
400 Supplies and Materials	91,764	84,347	7,417

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, 2010

	<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	\$ 1,103,568	\$ 1,092,863	\$ 10,705
200 Employee Benefits	344,795	339,269	5,526
400 Supplies and Materials	1,100	821	279
122 Trainable Mentally Handicapped			
100 Salaries	576,479	570,325	6,154
200 Employee Benefits	190,456	166,337	24,119
400 Supplies and Materials	600	514	86
123 Orthopedically Handicapped			
100 Salaries	75,479	80,592	(5,113)
200 Employee Benefits	24,107	19,837	4,270
124 Visually Handicapped			
300 Purchased Services	67,920	67,920	-
125 Hearing Handicapped			
100 Salaries	73,842	73,550	292
200 Employee Benefits	23,701	21,187	2,514
400 Supplies and Materials	250	247	3
126 Speech Handicapped			
100 Salaries	680,276	713,373	(33,097)
200 Employee Benefits	204,554	203,488	1,066
300 Purchased Services	500	187	313
400 Supplies and Materials	4,549	3,912	637
600 Other Objects	3,000	725	2,275
127 Learning Disabilities			
100 Salaries	1,750,152	1,732,868	17,284
200 Employee Benefits	526,891	503,836	23,055
400 Supplies and Materials	1,385	1,113	272
128 Emotionally Handicapped			
100 Salaries	241,258	211,775	29,483
200 Employee Benefits	81,737	79,545	2,192
400 Supplies and Materials	300	232	68

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, 2010

	<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	\$ 109,631	\$ 109,198	\$ 433
200 Employee Benefits	31,619	30,518	1,101
400 Supplies and Materials	8,567	-	8,567
139 Early Childhood Programs			
100 Salaries	7,845	4,739	3,106
200 Employee Benefits	1,590	1,616	(26)
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	68,796	64,273	4,523
200 Employee Benefits	18,090	16,699	1,391
145 Homebound			
100 Salaries	85,578	51,410	34,168
200 Employee Benefits	21,880	13,508	8,372
300 Purchased Services	16,036	16,142	(106)
160 Other Exceptional Programs			
161 Autism			
100 Salaries	81,770	81,341	429
200 Employee Benefits	31,032	25,263	5,769
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	24,589	24,460	129
200 Employee Benefits	9,353	9,519	(166)
190 Instructional Pupil Activity			
100 Salaries	5,612	6,121	(509)
200 Employee Benefits	1,134	1,238	(104)
Total Instruction	<u>45,375,578</u>	<u>44,818,204</u>	<u>557,374</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, 2010

	<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	\$ 121,325	\$ 110,972	\$ 10,353
200 Employee Benefits	34,084	31,132	2,952
300 Purchased Services	2,000	3,540	(1,540)
600 Other Objects	-	95	(95)
212 Guidance Services			
100 Salaries	1,952,242	1,878,025	74,217
200 Employee Benefits	571,558	533,251	38,307
300 Purchased Services	2,839	1,615	1,224
400 Supplies and Materials	15,438	14,900	538
600 Other Objects	840	664	176
213 Health Services			
100 Salaries	342,844	342,048	796
200 Employee Benefits	105,412	102,433	2,979
300 Purchased Services	1,500	1,602	(102)
400 Supplies and Materials	31,717	24,152	7,565
214 Psychological Services			
100 Salaries	65,222	64,833	389
200 Employee Benefits	20,494	19,576	918
217 Career Specialist			
100 Salaries	30,985	30,800	185
200 Employee Benefits	10,665	8,086	2,579
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	172,654	171,708	946
200 Employee Benefits	53,176	44,345	8,831
300 Purchased Services	40	534	(494)
400 Supplies and Materials	4,400	1,647	2,753
600 Other Objects	1,200	1,255	(55)
222 Library and Media Services			
100 Salaries	1,451,500	1,433,775	17,725
200 Employee Benefits	456,156	433,023	23,133
300 Purchased Services	760	-	760
400 Supplies and Materials	58,483	55,742	2,741
500 Capital Outlay	1,400	-	1,400
223 Supervision of Special Programs			
100 Salaries	169,869	170,440	(571)
200 Employee Benefits	48,327	54,681	(6,354)
300 Purchased Services	4,650	3,574	1,076
400 Supplies and Materials	1,800	1,633	167

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, 2010

	<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	\$ 43,883	\$ 43,666	\$ 217
200 Employee Benefits	11,737	11,473	264
300 Purchased Services	15,710	5,054	10,656
400 Supplies and Materials	3,168	2,349	819
600 Other Objects	38,210	38,210	-
230 General Administration Services			
231 Board of Education			
100 Salaries	(979,203)	29,350	(1,008,553)
200 Employee Benefits	310,906	176,914	133,992
300 Purchased Services	123,334	108,879	14,455
318 Audit Services	39,500	39,500	-
400 Supplies and Materials	9,000	7,669	1,331
600 Other Objects	21,813	21,807	6
232 Office of the Superintendent			
100 Salaries	322,871	321,141	1,730
140 Terminal Leave	-	2,924	(2,924)
200 Employee Benefits	94,995	80,966	14,029
300 Purchased Services	18,145	9,381	8,764
400 Supplies and Materials	50,792	47,319	3,473
600 Other Objects	5,858	1,424	4,434
233 School Administration			
100 Salaries	3,399,744	3,365,252	34,492
200 Employee Benefits	979,034	988,614	(9,580)
300 Purchased Services	33,099	27,622	5,477
400 Supplies and Materials	47,584	43,162	4,422
500 Capital Outlay	1,000	994	6
600 Other Objects	14,206	13,302	904
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	589,884	578,330	11,554
200 Employee Benefits	181,257	175,171	6,086
300 Purchased Services	16,006	10,647	5,359
400 Supplies and Materials	7,400	5,917	1,483
600 Other Objects	2,440	2,345	95

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, 2010

	<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	\$ 1,019,575	\$ 991,677	\$ 27,898
200 Employee Benefits	312,671	311,797	874
300 Purchased Services	2,684,602	2,541,197	143,405
321 Public Utilities (Excludes Gas, Oil Elec. and Other Heating Fuels)	349,098	364,707	(15,609)
400 Supplies and Materials	473,162	458,782	14,380
470 Energy (Includes Gas, Oil, Elec. and Other Heating Fuels)	1,954,574	1,957,810	(3,236)
500 Capital Outlay	14,800	12,934	1,866
255 Student Transportation (State Mandated)			
100 Salaries	1,226,793	1,210,620	16,173
200 Employee Benefits	366,579	336,848	29,731
300 Purchased Services	35,969	30,401	5,568
400 Supplies and Materials	5,850	5,652	198
500 Capital Outlay	1,500	1,447	53
600 Other Objects	4,000	2,145	1,855
256 Food Service			
200 Employee Benefits	500,065	444,632	55,433
257 Internal Services			
100 Salaries	278,107	276,582	1,525
200 Employee Benefits	80,675	82,944	(2,269)
300 Purchased Services	10,449	9,028	1,421
400 Supplies and Materials	7,467	6,399	1,068
500 Capital Outlay	1,170	-	1,170
600 Other Objects	800	535	265
258 Security			
100 Salaries	114,806	149,242	(34,436)
200 Employee Benefits	27,884	34,773	(6,889)
300 Purchased Services	208,545	143,486	65,059
400 Supplies and Materials	4,000	3,509	491

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, 2010

	<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	\$ 90,503	\$ 736
200 Employee Benefits	23,043	22,610	433
300 Purchased Services	7,957	6,706	1,251
400 Supplies and Materials	21,779	22,139	(360)
600 Other Objects	11,459	11,459	-
263 Information Services			
100 Salaries	92,265	91,444	821
200 Employee Benefits	25,920	22,987	2,933
300 Purchased Services	23,805	26,411	(2,606)
400 Supplies and Materials	2,138	2,050	88
600 Other Objects	270	270	-
264 Staff Services			
100 Salaries	240,705	239,466	1,239
200 Employee Benefits	67,721	69,771	(2,050)
300 Purchased Services	22,275	10,055	12,220
400 Supplies and Materials	6,500	4,817	1,683
600 Other Objects	32,000	29,144	2,856
266 Technology and Data Processing Services			
100 Salaries	439,054	436,137	2,917
200 Employee Benefits	128,900	129,178	(278)
300 Purchased Services	322,434	232,654	89,780
400 Supplies and Materials	49,840	44,211	5,629
270 Support Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	946,504	899,283	47,221
200 Employee Benefits	202,605	174,463	28,142
Total Support Services	<u>23,577,507</u>	<u>23,642,368</u>	<u>(64,861)</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
300 Community Services			
350 Custody/Care of Children			
100 Salaries	\$ 6,108	\$ 9,508	\$ (3,400)
200 Employee Benefits	1,254	-	1,254
Total Community Service Expenditures	<u>7,362</u>	<u>9,508</u>	<u>(2,146)</u>
400 Other Charges			
410 Intergovernmental Expenditures			
411 Payments to the State Department of Education			
720 Transits	136,000	120,832	15,168
412 Payments to Other Governmental Units			
720 Transits	45,000	24,139	20,861
416 Payments to Public Charter Schools			
720 Transits	627,406	627,406	-
Total Intergovernmental Expenditures	<u>808,406</u>	<u>772,377</u>	<u>36,029</u>
Total Expenditures	<u>69,768,853</u>	<u>69,242,457</u>	<u>526,396</u>
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds			
400 Other Charges			
421 Transfer To Special Revenue			
710 Transits	(2,500)	(450)	2,050
426 Transfer To Pupil Activity			
710 Transits	(135,119)	(133,669)	1,450
5230 Transfer From Special Revenue EIA Fund	1,455,521	1,445,146	(10,375)
5280 Transfer From Other Funds Indirect Costs	610,000	719,198	109,198
Total Other Financing Sources (Uses)	<u>1,927,902</u>	<u>2,030,225</u>	<u>102,323</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(1,527,225)</u>	<u>(522,988)</u>	<u>1,004,237</u>
Fund Balance, Beginning of Year		<u>11,814,634</u>	
Fund Balance, End of Year		<u>11,291,646</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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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
Revenues									
1000 Revenue from Local Sources									
1300 Tuition								\$ 5,389	\$ 5,389
1330 Adult/Continuing Education from Patrons								20,446	20,446
1350 Summer School from Patrons									
1900 Other Revenue from Local Sources									
1910 Rentals								4,645	4,645
1920 Contributions and Donations from Private Sources								1,461,397	1,461,397
1999 Revenue From Other Local Sources								296,081	296,081
Total Local Sources	-	-	-	-	-	-	-	1,787,958	1,787,958
2000 Intergovernmental Revenue									
2100 Payment from Other Governmental Units								625,863	625,863
Total Intergovernmental Revenue	-	-	-	-	-	-	-	625,863	625,863
3000 Revenue from State Sources									
3100 Restricted State Funding							\$ 136,484		136,484
3110 Occupational Education							5,741		5,741
3116 EEDA Miscellaneous							322,220		322,220
3117 EEDA Middle and High School Career Awareness									
3118 EEDA Career Specialist									
3120 General Education							44,853		44,853
3123 Formative Assessment							71,447		71,447
3125 Career and Technology Education Equipment							53,485		53,485
3126 Refurbishment of K-8 Science Kits							107,493		107,493
3127 Student Health and Fitness - PE Teachers							17,045		17,045
3128 High Schools that Work/Making Middle Grades Work									
3130 Special Programs							273,339		273,339
3136 Student Health and Fitness - Nurses									
3150 Adult Education							15,722		15,722
3151 Basic							46,790		46,790
3154 Young Adult Population									

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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
Revenues (Continued)									
3000 Revenue from State Sources (Continued)									
3100 Restricted State Funding (Continued)									
3190 Miscellaneous Restricted State Grants									
3193 Education License Plates									
3600 Education Lottery Act Revenue									
3607 6-8 Enhancement									
3610 K-5 Enhancement									
3900 Other State Revenue									
3991 ADEPT									
3999 Revenue from Other State Sources									
Total State Sources	-	-	-	-	-	-	1,885,526	61,904	1,947,430
4000 Revenue from Federal Sources									
4200 Occupational Education									
4210 Perkins Aid, Title I									
4300 Elementary and Secondary Education Act of 1965									
4310 Title I	\$ 3,258,288								
4312 Rural and Low-Income School Program, Title VI									
4314 School Improvement Discretionary									
4315 ARRA - Title I Basic State Grant Programs									
4318 SC Reading First									
4331 Enhancing Education Through Technology									
4341 Language Instruction for Limited English Proficient and Immigrant Students Title III									
4350 State Fiscal Stabilization Fund (ARRA)									
4351 Improving Teacher Quality									
4400 Adult Education									
4410 Basic						\$ 100,918			100,918
4500 Programs for Children With Disabilities									
4510 IDEA									
4520 Pre-School Grants (IDEA)		\$ 2,293,480	\$ 140,309					31,165	2,324,645
4540 IDEA (ARRA 611)								1,686,587	1,686,587
4550 IDEA Preschool (ARRA 619)								69,996	69,996
4900 Other Federal Sources									
4920 Drug and Violence Prevention Program (Title IV, 21st Century Schools)									
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)									
4999 Revenue from Other Federal Sources									
Total Federal Sources	3,258,288	2,293,480	140,309	223,644	35,555	100,918	-	12,442,033	18,494,227
Total Revenue All Sources	3,258,288	2,293,480	140,309	223,644	35,555	100,918	1,885,526	14,917,758	22,855,478

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Drug Free (PFI/Q 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							\$ 58,122	\$ 71,101	\$ 129,223
200 Employee Benefits							18,894	22,205	41,099
400 Supplies and Materials							27,855	2,824	30,679
112 Primary Programs									
100 Salaries	\$ 825,217						255,487	1,105,093	2,185,797
200 Employee Benefits	277,187						71,373	312,600	661,160
300 Purchased Services	2,632							25,636	28,268
400 Supplies and Materials	86,222						27,221	138,797	252,240
500 Capital Outlay	36,068								36,068
113 Elementary Programs									
100 Salaries	156,966						207,873	737,601	1,102,440
200 Employee Benefits	45,913						55,388	227,547	328,848
300 Purchased Services	52,429						17,000	64,180	133,609
400 Supplies and Materials	381,365						70,903	134,081	586,349
500 Capital Outlay	57,244							18,155	75,399
114 High School Programs									
100 Salaries								509,842	509,842
200 Employee Benefits								74,806	74,806
300 Purchased Services	332						129	57,658	58,119
400 Supplies and Materials								45,484	45,484
500 Capital Outlay								57,796	57,796
115 Vocational Programs									
300 Purchased Services									
400 Supplies and Materials				\$ 18,237					18,237
500 Capital Outlay				42,072					42,072
120 Exceptional Programs				112,245			71,447		183,692
121 Educable Mentally Handicapped									
100 Salaries		\$ 255,461						51,736	307,197
200 Employee Benefits		82,988						14,437	97,425
300 Purchased Services		20,867						20,867	20,867
400 Supplies and Materials		10,295						190,828	201,123
500 Capital Outlay								20,663	20,663
122 Trainable Mentally Handicapped									
100 Salaries		140,789						299	141,088
200 Employee Benefits		34,788						61	34,849
400 Supplies and Materials		1,080						17,247	18,327
500 Capital Outlay								21,064	21,064

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, 2010

	Title I (BA Projects) (2011/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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)									
120 Exceptional Programs (Continued)									
123 Orthopedically Handicapped									
100 Salaries		\$ 9,838						\$ 9,296	\$ 19,134
200 Employee Benefits		2,013						711	2,724
300 Purchased Services		1,361						392	1,361
400 Supplies and Materials		160						1,218	552
500 Capital Outlay									1,218
124 Visually Handicapped									
400 Supplies and Materials		594						392	986
500 Capital Outlay								1,218	1,218
125 Hearing Handicapped									
100 Salaries		56,761						30,004	86,765
200 Employee Benefits		11,746						7,776	19,522
300 Purchased Services		3,954							3,954
400 Supplies and Materials		208						4,621	4,829
500 Capital Outlay		1,712						8,481	10,193
126 Speech Handicapped									
100 Salaries								637	637
200 Employee Benefits								131	131
400 Supplies and Materials								32,085	32,085
500 Capital Outlay								38,558	38,558
127 Learning Disabilities									
100 Salaries		133,274						184,153	317,427
200 Employee Benefits		42,719						54,060	96,779
300 Purchased Services								457	457
400 Supplies and Materials		3,824						80,005	83,829
500 Capital Outlay								113,435	113,435
128 Emotionally Handicapped									
100 Salaries		16,464							16,464
200 Employee Benefits		1,929							1,929
300 Purchased Services		22,900							22,900
400 Supplies and Materials		100						5,621	5,721
500 Capital Outlay								6,242	6,242
129 Coordinated Early Intervening Services									
100 Salaries		221,645							221,645
200 Employee Benefits		57,013							57,013
300 Purchased Services		920						1,000	1,920
400 Supplies and Materials		356						383,263	383,619
130 Pre-school Programs									
133 Pre-school Handicapped									
Self-Contained (5 Year Olds)									
100 Salaries			\$ 105,607						105,607
200 Employee Benefits			27,987						27,987
400 Supplies and Materials			2,444					17,001	19,445
137 Pre-school Self-Contained (3-4 Year Olds)									
100 Salaries								14,628	14,628
200 Employee Benefits								3,812	3,812
400 Supplies and Materials								3,339	3,339
500 Capital Outlay								4,816	4,816
139 Early Childhood Programs									
100 Salaries								134,182	134,182
200 Employee Benefits								46,341	46,341

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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									
141 Gifted and Talented - Academic									
100 Salaries							\$ 357	\$	357
200 Employee Benefits							73		73
145 Homebound									
300 Purchased Services									
147 CDEPP									
100 Salaries		\$ 12,208							12,208
200 Employee Benefits									
300 Purchased Services									
400 Supplies and Materials									
160 Other Exceptional Programs									
161 Autism									
100 Salaries		114,909							114,909
200 Employee Benefits		24,221							24,221
400 Supplies and Materials								39	39
500 Capital Outlay								3,655	3,655
170 Summer School Programs									
171 Primary Summer School							562		562
400 Supplies and Materials									
172 Elementary Summer School									
100 Salaries								15,463	15,463
200 Employee Benefits							188	2,047	2,047
400 Supplies and Materials									188
173 High School Summer School									
100 Salaries								18,007	18,007
200 Employee Benefits								2,439	2,439
175 Instructional Programs Beyond Regular Day School									
100 Salaries	\$ 27,849						33,106	129,879	190,834
200 Employee Benefits	5,720						6,795	26,662	39,177
300 Purchased Services	263,485							16,893	263,485
400 Supplies and Materials									16,893

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, 2010

	Title I (EA Projects) (2011/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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)									
180 Adult/Continuing Educational Programs									
181 Adult Basic Programs									
100 Salaries						\$ 44,602	\$ 2,400	\$ 111,571	\$ 158,573
200 Employee Benefits						13,463	600	18,374	32,437
300 Purchased Services								3,492	3,492
400 Supplies and Materials						1,007		21,009	22,016
182 Adult Secondary Programs									
100 Salaries						20,030	8,203	15,248	43,481
200 Employee Benefits						8,416	673	2,973	12,062
400 Supplies and Materials						1,000	4,266	9,318	14,584
183 Adult English Literacy									
100 Salaries								3,600	3,600
200 Employee Benefits								275	275
400 Supplies and Materials								221	221
188 Parenting/Family Literacy									
100 Salaries								126,055	225,247
200 Employee Benefits	\$ 99,192							40,344	69,227
300 Purchased Services	28,883							35,049	35,049
400 Supplies and Materials	26,051							25,664	51,715
Total Instruction	2,372,765	\$ 1,287,097	\$ 136,038	\$ 172,554	-	88,518	938,915	6,230,899	11,226,776
200 Support Services									
210 Pupil Services									
211 Attendance and Social Work Services		595						405	595
300 Purchased Services								2,436	2,436
400 Supplies and Materials									
500 Capital Outlay									
212 Guidance Services									
100 Salaries				23,924				11,702	35,626
200 Employee Benefits				4,922				2,404	7,326
300 Purchased Services				945					945
400 Supplies and Materials				457			5,741		6,198

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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)									
200 Support Services (Continued)									
210 Pupil Services (Continued)									
213 Health Services									
100 Salaries	\$ 49,052	\$ 6,361					\$ 194,333	\$	249,746
200 Employee Benefits	23,774	1,315					79,006		104,095
300 Purchased Services		293,284							293,284
400 Supplies and Materials								7,453	7,453
500 Capital Outlay								23,147	23,147
214 Psychological Services									
100 Salaries		266,813							266,813
200 Employee Benefits		69,554							69,554
300 Purchased Services		18,407							18,407
400 Supplies and Materials		35,279						3,530	38,809
500 Capital Outlay								10,964	10,964
600 Other Objects		375							375
216 Vocational Placement Services									
100 Salaries		1,671							1,671
200 Employee Benefits		128							128
217 Career Specialist Services									
100 Salaries							251,330		251,330
200 Employee Benefits							70,890		70,890

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (OG Projects) (205/206)	CATE (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)									
200 Support Services (Continued)									
220 Instructional Staff Services									
221 Improvement of Instruction - Curriculum Development									
100 Salaries	\$ 3,162							\$ 33,472	\$ 36,634
200 Employee Benefits	650							9,175	9,825
300 Purchased Services	4,999							28,779	33,778
400 Supplies and Materials	17,517							422	17,939
222 Library and Media Services									
100 Salaries								8,723	8,723
200 Employee Benefits								1,176	1,176
400 Supplies and Materials								20,323	20,323
223 Supervision of Special Programs									
100 Salaries	342,107	\$ 161,309				\$ 8,216	\$ 80,211	1,039,456	1,631,299
200 Employee Benefits	77,171	47,537				1,684	21,228	319,921	467,541
300 Purchased Services		1,678		\$ 2,843			65	476,834	481,420
400 Supplies and Materials	876	7,863		1,806			24,226	182,232	217,003
500 Capital Outlay	2,657							22,961	25,618
600 Other Objects		673						158	831
224 Improvement of Instruction - In-Service Staff Training									
100 Salaries	1,000						89,946	807,802	898,748
200 Employee Benefits	203						25,255	240,123	265,581
300 Purchased Services	223,746						71,227	155,655	463,571
400 Supplies and Materials	32,092			12,943			7,656	8,923	48,671
500 Capital Outlay	5,232							102	5,334
230 General Administration Services									
231 Board of Education								614,524	614,524
300 Purchased Services									
233 School Administration								1,531,991	1,531,991
100 Salaries								459,519	459,519
200 Employee Benefits								1,305	1,305
400 Supplies and Materials									

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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)									
200 Support Services (Continued)									
250 Finance and Operations Services									
251 Student Transportation (Federal/District Mandated)	\$								
100 Salaries	2,413	\$ 4,129					\$ 9,049	\$ 9,855	\$ 25,446
200 Employee Benefits	200	416					936	647	2,199
300 Purchased Services	2,660	2,453					8,904	9,965	23,982
253 Facilities Acquisition and Construction									
300 Purchased Services								79,782	79,782
500 Capital Outlay								88,125	88,125
254 Operation and Maintenance of Plant									
100 Salaries								998	998
200 Employee Benefits								205	205
300 Purchased Services								332,326	332,326
400 Supplies and Materials								447,403	447,403
255 Student Transportation									
100 Salaries								24,501	24,501
200 Employee Benefits								2,792	2,792
300 Purchased Services								81,066	81,066
258 Security									
100 Salaries					\$			15,510	15,510
200 Employee Benefits								3,212	3,212
300 Purchased Services								15,652	15,652
400 Supplies and Materials								98	98
260 Central Support Services									
264 Staff Services									
300 Purchased Services								98,000	98,000
270 Support Services - Pupil Activity									
271 Pupil Service Activities								84,000	84,000
300 Purchased Services							6,608		6,608
600 Other Objects									
Total Support Services	789,511	919,840	-	\$ 47,840	34,472	\$ 9,900	946,611	7,285,282	10,033,456

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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)									
300 Community Services									
350 Custody and Care of Children								\$	
100 Salaries								313,681	\$ 313,681
200 Employee Benefits								100,756	100,756
300 Purchased Services								31,315	31,315
400 Supplies and Materials								30,139	30,139
390 Other Community Services									
100 Salaries								472,646	472,646
200 Employee Benefits								102,282	102,282
300 Purchased Services								2,492	2,492
400 Supplies and Materials								30,761	30,761
Total Community Services	-	-	-	-	-	-	-	1,084,072	1,084,072
410 Intergovernmental Expenditures									
416 Payments to Public Charter Schools		\$ 16,778							16,778
720 Transits		16,778							16,778
Total Intergovernmental Expenditures	-	16,778	-	-	-	-	-	-	16,778
Total Expenditures	\$ 3,162,266	2,223,715	\$ 136,038	\$ 220,394	\$ 34,472	\$ 98,418	\$ 1,885,526	14,600,253	22,361,082

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, 2010

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre-school Handicapped (CG Projects) (205/206)	CATE (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
Other Financing Sources (Uses)									
Interfund Transfers, From (To) Other Funds									
5210 Transfer From General Fund	\$ (96,022)	\$ (69,765)	\$ (4,271)	\$ (3,250)	\$ (1,083)	\$ (2,500)	-	\$ 450	\$ 450
431-791 Special Revenue Fund Indirect Costs								(318,931)	(495,822)
Total Other Financing Sources (Uses)	(96,022)	(69,765)	(4,271)	(3,250)	(1,083)	(2,500)	-	(318,481)	(495,372)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	(976)	(976)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	976	976
Fund Balance, End of Year	-	-	-	-	-	-	-	-	-

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, 2010

* 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)	
Subfund Code	Title
243	Adult Education - Federal
Other Designated State Restricted Grants	
Subfund Code	Title
905	Career and Technology Education Equipment
908	Science Kit Refurbishment
916	ADEPT (Assisting, Developing, & Evaluating Professional Teaching)
918	Adult Education - Basic
919	Education License Plates
920	Young Adult Education
926	EEDA Miscellaneous
927	EEDA Middle and High School Career Awareness
928	EEDA Career Specialist
933	Formative Assessment
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
938	High Schools That Work/Making Middle Grades Work
960	K-5 Enhancement
967	6-8 Enhancement
Other Special Revenue Programs	
Subfund Code	Title
213	IDEA - Personnel Development
215	IDEA (ARRA 611)
216	IDEA PreSchool (ARRA 619)
218	SC Reading First - Local Reading Improvement Title I
222	ARRA - Title I Basic State Grant
224	21st Century Community Learning Centers Title IV
234	Title I - School Improvement Funds - Kershaw Elementary
237	Title I - School Improvement Funds
241	Informed Parental Choice and Innovative Programs, Title V, Part A
250	State Fiscal Stabilization Fund (ARRA)
251	Title VI - Rural and Low-Income School Program
253	Enhancing Education Through Technology Title II
264	Language Instruction for Limited English Proficient and Immigrant Students Title III
267	Title II Improving Teacher Quality
270	ROTC

Other Special Revenue Programs (Continued)	
Subfund Code	Title
275	Adult Education Local Contributions
276	Americorps
279	12 Month Agriculture Program
281	Summer '06 School Program-High School
294	Elementary Homework Centers - PFY
296	Facility Rental Fund
299	State Energy Grant (ARRA)
801	Discovery School
802	Smoother Sailing
803	Communities in Schools
804	First Steps
805	Lancaster Housing Authority - Maps to Success
806	Home Literacy Trail to Success - SIMS
808	Foundation for the Carolinas - Eastside Academy
809	Exxon Mobil Corporation - Buford Elementary
810	Springs: College Course Reimbursement
811	Learn TV - Advertising
816	SIMS: Home Literacy Trail
822	Character Education Year 06/07
824	SIMS: Investment for Life
825	LYE Swimming Class - Clinton - CO
829	Sims-Swimming and Water Safety
830	Early Head Start
831	SIMS: Swimming & Water Safety - CO
832	Early Head Start Expansion Program
833	Eastside Academy Donations
836	United Way - Adult Ed
839	EXT School Year
840	SC Arts Commission - AJ Middle
846	SIMS: Reading for Workplace Success Literacy Program
849	Advance-Project Lead The Way
851	Jobs for South Carolina's Graduates
853	Youth Build - FY 07-08
854	Professional Development for Arts Instructors
856	Child Development Program
859	SIMS: Reading for Workplace Success Literacy Program
861	GEAR-UP (Middle Schools)
865	Safe Schools/Healthy Students Grant
871	Alcohol Prevention
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, 2010

Sub-Fund	Revenue	Title	Revenues	Expenditures	Special Revenue Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Special Revenue Fund Deferred
905	3125	Career and Technology Education Equipment	\$ 71,447	\$ 71,447		\$	5,529
908	3126	Refurbishment of K-8 Science Kits	53,485	53,485			
916	3991	ADEPT (Assisting, Developing & Evaluating Professional Teaching)	32,463	32,463			7,020
918	3151	Adult Education - Basic	15,722	15,722			
919	3193	Education License Plates	1,878	1,878			542
920	3154	Young Adult Education	46,790	46,790			442
926	3116	EEEDA Miscellaneous	136,484	136,484			
927	3117	EEEDA Middle and High School Career Awareness	5,741	5,741			3,132
928	3118	EEEDA Career Specialist	322,220	322,220			3,921
933	3123	Formative Assessment	44,853	44,853			5,849
936	3136	Student Health and Fitness - Nurses	273,339	273,339			
937	3127	Student Health and Fitness - PE Teachers	107,493	107,493			14,225
938	3128	High Schools That Work/Making Middle Grades Work	17,045	17,045			15,775
960	3610	K-5 Enhancement	736,204	736,204			143,099
967	3607	6-8 Middle School Initiative	20,362	20,362			14,845
			1,885,526	1,885,526	-	-	214,379

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, 2010

Revenues	<u>Actual</u>
 3000 Revenue from State Sources	
3500 Education Improvement Act	
3501 Increase High School Diploma Requirements	\$ 290,219
3509 Arts in Education	6,426
3511 Professional Development	40,968
3515 Advanced Placement Courses	2,159
3520 Gifted and Talented - Academic	24,972
3522 Gifted and Talented - Artistic	5,509
3525 Career and Technology Education Equipment	37,652
3530 Trainable and Profoundly Mentally Disabled Student Services	59,398
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	971,279
3533 Teacher of the Year Awards	1,077
3534 Professional Development Standards (PDSI)	20,015
3538 Students at Risk of School Failure	1,380,453
3540 Early Childhood Program (4K Programs Serving Four Year Old Children)	269,611
3542 Pre-school Programs for Children with Disabilities	40,832
3544 High Achieving Students	228,664
3546 Academic Assistance K-3	188,106
3548 Academic Assistance 4-12	121,733
3549 Academic Assistance Reading Recovery	5,838
3550 Teacher Salary Increase (No Carryover Provision)	1,198,893
3553 Adult Education - Remedial	15,740
3555 School Employer Contributions (No Carryover Provision)	246,253
3558 Reading	18,393
3562 Adult Education, Basic (Includes Rural and Workforce Initiatives)	144,638
3564 Adult Education, Basic	1,587
3565 Adult Education, Literacy	37,740
3568 EAA Technical Assistance	772,341
3575 Competitive Teacher Grants	81
3577 Teacher Supplies (No Carryover Provision)	231,825
3582 Principal Salary/Fringe Increase (No Carryover Provision)	37,374
3588 EAA Palmetto Gold and Silver Awards	22,159
3591 Excellence in Middle Schools	73,300
3592 Work-Based Learning	33,765
3596 EAA Alternative School Program	20,760
Total State Sources	<u>6,549,760</u>
Total Revenue All Sources	<u>6,549,760</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, 2010

	<u>Actual</u>
Expenditures	
100 Instruction	
110 General Instruction	
111 Kindergarten	
100 Salaries	\$ 135,333
200 Employee Benefits	37,238
400 Supplies and Materials	430
112 Primary Programs	
100 Salaries	539,165
200 Employee Benefits	121,809
300 Purchased Services	55,598
400 Supplies and Materials	5,056
600 Other Objects	60
113 Elementary Programs	
100 Salaries	629,262
200 Employee Benefits	153,651
300 Purchased Services	13,815
400 Supplies and Materials	475,436
500 Capital Outlay	20,799
114 High School Programs	
100 Salaries	440,111
200 Employee Benefits	98,487
300 Purchased Services	37,134
400 Supplies and Materials	77,816
500 Capital Outlay	7,076
115 Career and Technology Education Programs	
100 Salaries	22,342
200 Employee Benefits	4,522
500 Capital Outlay	37,652
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	37,240
200 Employee Benefits	7,568
400 Supplies and Materials	167
122 Trainable Mentally Handicapped	
100 Salaries	49,277
200 Employee Benefits	10,121
400 Supplies and Materials	

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, 2010

	<u>Actual</u>
Expenditures (Continued)	
100 Instruction (Continued)	
125 Hearing Handicapped	
100 Salaries	\$ 3,730
200 Employee Benefits	767
126 Speech Handicapped	
100 Salaries	7,461
200 Employee Benefits	1,524
127 Learning Disabilities	
100 Salaries	21,494
200 Employee Benefits	4,324
400 Supplies and Materials	187
128 Emotionally Handicapped	
100 Salaries	14,921
200 Employee Benefits	3,011
 130 Pre-school Programs	
133 Pre-school Handicapped Self-Contained (5 Year Olds)	
100 Salaries	1,865
200 Employee Benefits	380
137 Pre-school Handicapped Self-Contained (3 and 4 Year Olds)	
100 Salaries	38,138
200 Employee Benefits	13,928
400 Supplies and Materials	
139 Early Childhood Programs	
100 Salaries	221,426
200 Employee Benefits	69,383
300 Purchased Services	712
400 Supplies and Materials	460
 140 Special Programs	
141 Gifted and Talented - Academic	
100 Salaries	155,349
200 Employee Benefits	42,635
400 Supplies and Materials	1,050
143 Advanced Placement	
400 Supplies and Materials	2,742
148 Gifted and Talented - Artistic	
100 Salaries	225
200 Employee Benefits	46
300 Purchased Services	36,540
400 Supplies and Materials	40

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, 2010

	<u>Actual</u>
Expenditures (Continued)	
100 Instruction (Continued)	
170 Summer School Program	
172 Elementary Summer School	
100 Salaries	\$ 30,570
200 Employee Benefits	6,328
400 Supplies and Materials	1,415
173 High School Summer School	
100 Salaries	4,973
200 Employee Benefits	2,313
175 Instructional Programs Beyond Regular School Day	
100 Salaries	104,233
200 Employee Benefits	21,394
 180 Adult/Continuing Educational Programs	
181 Adult Basic Education	
100 Salaries	31,120
200 Employee Benefits	10,005
400 Supplies and Materials	2,654
182 Adult Secondary Education	
100 Salaries	7,995
200 Employee Benefits	1,642
400 Supplies and Materials	546
183 Adult English Literacy	
200 Employee Benefits	248
400 Supplies and Materials	205
187 Adult Education - Remedial	
100 Salaries	23,014
200 Employee Benefits	4,726
188 Parenting/Family Literacy	
100 Salaries	25,114
200 Employee Benefits	5,327
300 Purchased Supplies	4,758
400 Supplies and Materials	15,764
 Total Instruction	 <u>3,963,847</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, 2010

	<u>Actual</u>
Expenditures (Continued)	
200 Support Services	
210 Pupil Services	
211 Attendance and Social Work Services	
100 Salaries	\$ 26,404
200 Employee Benefits	10,530
212 Guidance Services	
100 Salaries	22,388
200 Employee Benefits	4,556
220 Instructional Staff Services	
221 Improvement of Instruction-Curriculum Development	
100 Salaries	216,288
200 Employee Benefits	51,476
300 Purchased Services	18,818
400 Supplies and Materials	3,259
222 Library and Media	
100 Salaries	43,829
200 Employee Benefits	8,953
400 Supplies and Materials	3,449
223 Supervision of Special Programs	
100 Salaries	160,547
200 Employee Benefits	48,133
300 Purchased Services	30
400 Supplies and Materials	13
224 Improvement of Instruction-in-Service Training	
100 Salaries	129,146
200 Employee Benefits	33,065
300 Purchased Services	196,955
400 Supplies and Materials	15,067
230 General Administration Services	
233 School Administration	
100 Salaries	31,006
200 Employee Benefits	6,369
300 Purchased Services	959

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, 2010

	<u>Actual</u>
Expenditures (Continued)	
200 Support Services (Continued)	
250 Finance and Operations Services	
255 Student Transportation	
100 Salaries	\$ 23,789
200 Employee Benefits	2,692
300 Purchased Services	9,746
258 Security	
300 Purchased Services	<u>73,300</u>
Total Support Services	<u>1,140,767</u>
Total Expenditures	<u>5,104,614</u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds	
5230 Transfer from Special Revenue EIA Fund	480,146
420-710 Transfer to General Fund (Exclude Indirect Costs)	(1,445,146)
422-710 Transfer to EIA Fund	<u>(480,146)</u>
Total Other Financing Sources (Uses)	<u>(1,445,146)</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, 2010

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	\$ 290,219	\$ 290,219			
3509 Arts in Education	6,426	6,426			\$ 350
3511 Professional Development	40,968	60,983	\$ 20,015		57,509
3515 Advanced Placement Courses	2,159	-	(2,159)		
3520 Gifted and Talented - Academic	24,972	-	(24,972)		
3522 Gifted and Talented - Artistic	5,509	-	(5,509)		
3525 Career and Technology Equipment	37,652	37,652			15,718
3530 Trainable & Profoundly Mentally Disabled Student Services	59,398	59,398			
3532 National Board Certification (NBC)	971,279	971,279			
3533 Teacher of the Year Award	1,077	1,077			
3534 Professional Development on Standards	20,015	-	(20,015)		
3538 Students at Risk of School Failure	1,380,453	1,802,106	421,653		854,075
3540 Four Year Old Early Childhood	269,611	269,611			16,500
3542 Pre-school Programs For Children with Disabilities	40,832	40,832			3,639
3544 High Achieving Students	228,664	261,304	32,640		17,817
3546 Academic Assistance K-3	188,106	-	(188,106)		
3548 Academic Assistance 4-12	121,733	-	(121,733)		
3549 Academic Assistance Reading	5,838	-	(5,838)		
3550 Teacher Salary Increase	1,198,893	-		\$ (1,198,893)	
3553 Adult Education - Remedial	15,740	-	(15,740)		
3555 School Employer Contributions	246,253	-		(246,253)	
3558 Reading	18,393	24,232	5,839		49,557
3562 Adult Education, Basic (Includes Rural and Workforce Initiative)	144,638	144,638			11,740
3564 Adult Education, Young Adult Initiative	1,587	1,587			712
3565 Adult Education, Literacy	37,740	37,740			11,367
3568 EAA Technical Assistance	772,341	697,026	(75,315)		127,618
3575 Competitive Teacher Grants	81	81			
3577 Teacher Supplies	231,825	231,825			
3582 Principals' Salary/Fringe Increase	37,374	37,374			
3588 EAA Palmetto Gold and Silver Awards	22,159	22,159			
3591 Excellence in Middle Schools	73,300	73,300			
3592 School-to-Work Transition Act	33,765	33,765			12,949
3596 EAA Alternative Schools Program	20,760	-	(20,760)		
Totals	6,549,760	5,104,614	-	(1,445,146)	1,179,551

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, 2010

	<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	\$ 9,079,436	\$ 9,786,102	\$ 706,666
1140 Penalties and Interest on Taxes	75,000	145,570	70,570
1200 Revenue from Local Governmental Units Other Than LEA's			
1280 Revenue In-Lieu-Of Taxes	300,000	371,628	71,628
1500 Earnings on Investments			
1510 Interest on Investments	-	13,127	13,127
Total Local Sources	<u>9,454,436</u>	<u>10,316,427</u>	<u>861,991</u>
3000 Revenue from State Sources			
3800 State Revenue In-Lieu-Of Taxes			
3820 Homestead Exemption	469,734	466,089	(3,645)
3830 Merchant's Inventory Tax	12,497	12,497	-
3840 Manufacturer's Depreciation Reimbursement	75,000	70,982	(4,018)
3890 Other State Property Tax Revenues	25,000	22,662	(2,338)
Total State Sources	<u>582,231</u>	<u>572,230</u>	<u>(10,001)</u>
Total Revenue All Sources	<u>10,036,667</u>	<u>10,888,657</u>	<u>851,990</u>
Expenditures			
500 Debt Service			
610 Redemption of Principal	9,769,093	2,445,000	7,324,093
620 Interest	1,392,367	873,500	518,867
690 Other Objects (Including Fees for Servicing Bonds)	539	495	44
Total Expenditures	<u>11,161,999</u>	<u>3,318,995</u>	<u>7,843,004</u>
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds			
423-710 Transfer To Debt Service - LEAP	-	(3,708,483)	(3,708,483)
424-710 Transfer To School Building Fund	-	(3,667,168)	(3,667,168)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,375,651)</u>	<u>(7,375,651)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,125,332)</u>	194,011	<u>1,319,343</u>
Fund Balance, Beginning of Year		<u>1,883,466</u>	
Fund Balance, End of Year		<u>2,077,477</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, 2010

	<u>Actual</u>
Revenues	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	<u>\$ 2,233</u>
Total Local Sources	<u>2,233</u>
Total Revenue All Sources	<u>2,233</u>
Expenditures	
500 Debt Service	
610 Redemption of Principal	245,000
620 Interest	3,492,325
Total Expenditures	<u>3,737,325</u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds	
5240 Transfer from Debt Service	<u>3,708,483</u>
Total Other Financing Sources (Uses)	<u>3,708,483</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,609)
Fund Balance, Beginning of Year	<u>6,612,593</u>
Fund Balance, End of Year	<u><u>6,585,984</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	\$ 12,736	\$ 12,270	\$ (466)
1900 Other Revenue from Local Sources			
1999 Revenue from Other Local Sources	39,836	40,436	600
Total Local Sources	<u>52,572</u>	<u>52,706</u>	<u>134</u>
3000 Revenue from State Sources			
3170 State School Building Fund	46,384	6,982	(39,402)
Total State Sources	<u>46,384</u>	<u>6,982</u>	<u>(39,402)</u>
Total Revenue All Sources	<u>98,956</u>	<u>59,688</u>	<u>(39,268)</u>
Expenditures			
250 Finance and Operations			
253 Facilities Acquisition and Construction			
300 Purchased Services	4,210,560	2,599,584	1,610,976
400 Supplies and Materials	638,554	623,517	15,037
500 Capital Outlay			
520 Construction Services	436,069	433,115	2,954
530 Improvements Other Than Buildings	87,569	87,568	1
540 Equipment	874,961	527,548	347,413
545 Technology, Equipment and Software	116,744	637,773	(521,029)
550 Vehicles	71,373	71,373	-
600 Other Objects			
690 Other Objects	36,384	-	36,384
500 Debt Service			
620 Interest	-	13,923	(13,923)
Total Expenditures	<u>6,472,214</u>	<u>4,994,401</u>	<u>1,477,813</u>
Other Financing Sources (Uses)			
5120 Proceeds of General Obligation Bonds	3,615,096	-	(3,615,096)
5300 Sale of Capital Assets	-	25,000	25,000
Interfund Transfers from (to) Other Funds			
5240 Transfer from Debt Service Fund	-	3,667,168	3,667,168
Total Other Financing Sources (Uses)	<u>3,615,096</u>	<u>3,692,168</u>	<u>77,072</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,758,162)</u>	<u>(1,242,545)</u>	<u>1,515,617</u>
Fund Balance, Beginning of Year		<u>2,775,727</u>	
Fund Balance, End of Year		<u>1,533,182</u>	

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, 2010

	<u>Actual</u>
Revenues	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 504
Total Local Sources	<u>504</u>
Total Revenue All Sources	<u>504</u>
Expenditures	
250 Finance and Operations	
253 Facilities Acquisition and Construction	
500 Capital Outlay	
520 Construction Services	<u>(10,750)</u>
Total Finance and Operations	<u>(10,750)</u>
 500 Debt Service	
620 Interest	<u>977,264</u>
Total Debt Service	<u>977,264</u>
Total Expenditures	<u>966,514</u>
Excess (Deficiency) of Revenues Over Expenditures	(966,010)
Fund Balance, Beginning of Year	<u>1,500,556</u>
Fund Balance, End of Year	<u><u>534,546</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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	\$ 3,379	\$ 1,270	\$ (2,109)
1600 Food Service			
1610 Lunch Sales to Pupils	722,876	862,361	139,485
1620 Breakfast Sales to Pupils	69,510	92,342	22,832
1630 Special Sales to Pupils	234,297	345,538	111,241
1640 Lunch Sales to Adults	66,336	74,640	8,304
1650 Breakfast Sales to Adults	7,533	9,457	1,924
1660 Special Sales to Adults	54,530	84,776	30,246
1900 Other Revenue from Local Sources			
1999 Revenue from Other Local Sources	1,450	3,333	1,883
Total Local Sources	1,159,911	1,473,717	313,806
3000 Revenue from State Sources			
3140 School Lunch			
3142 Program Aid	-	5,737	5,737
Total State Sources	-	5,737	5,737
4000 Revenue from Federal Sources			
4800 USDA Reimbursement			
4810 School Lunch Program	2,885,845	2,502,681	(383,164)
4830 School Breakfast Program	821,191	693,606	(127,585)
4870 School Food Service (Equipment)	24,087	24,087	-
4900 Other Federal Sources			
4991 USDA Commodities (Food Distribution)	-	325,424	325,424
Total Federal Sources	3,731,123	3,545,798	(185,325)
Total Revenue All Sources	4,891,034	5,025,252	134,218

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, 2010

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
256 Food Service			
100 Salaries	\$ 1,757,205	\$ 1,759,103	\$ (1,898)
200 Employee Benefits	256,140	259,819	(3,679)
300 Purchased Services	44,833	43,533	1,300
400 Supplies and Materials	1,887,879	2,430,683	(542,804)
500 Capital Outlay	140,339	154,862	(14,523)
600 Other Objects	8,669	12,324	(3,655)
Total Expenditures	4,095,065	4,660,324	(565,259)
Other Financing Sources (Uses)			
Interfund Transfers, From (To) Other Funds			
432-791 Food Service Fund Indirect Costs	(221,047)	(223,376)	(2,329)
Total Other Financing Sources (Uses)	(221,047)	(223,376)	(2,329)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	574,922	141,552	(433,370)
Retained Earnings, Beginning of Year		821,272	
Retained Earnings, End of Year		962,824	

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, 2010

	<u>Actual</u>
Receipts	
1000 Receipts from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 5,457
1700 Pupil Activities	
1710 Admissions	311,608
1720 Bookstore Sales	1,285,514
1730 Pupil Organization Membership	704,657
1740 Student Fees	57,765
1900 Other Revenue from Local Sources	
1920 Contributions and Donations Private Sources	271,006
1950 Refund of Prior Year's Expenditures	481
Total Receipts from Local Sources	<u>2,636,488</u>
Disbursements	
190 Instructional Pupil Activity	
100 Salaries	43,564
200 Employee Benefits	7,304
400 Supplies and Materials	4,422
500 Capital Outlay	31,573
660 Pupil Activity	1,298,095
270 Support Services Pupil Activity	
271 Pupil Service Activities	
100 Salaries	133,426
200 Employee Benefits	16,569
300 Purchased Services	1,873
500 Capital Outlay	4,282
660 Pupil Activity	1,024,674
272 Enterprise Activities	
660 Pupil Activity	120,901
273 Trust and Agency Activities	
660 Pupil Activity	3,182
Total Disbursements	<u>2,689,865</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, 2010

	<u>Actual</u>
Interfund Transfers, From (To) Other Funds	
5210 Transfer from General Fund	<u>\$ 133,669</u>
Total Other Financing Sources (Uses)	<u>133,669</u>
Net Change in Due to Student Organizations	80,292
Due to Student Organizations, Beginning of Year	<u>1,319,756</u>
Due to Student Organizations, End of Year	<u><u>1,400,048</u></u>

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

JUNE 30, 2010

	Balance			Balance
	June 30, 2009	Additions	Deductions	June 30, 2010
Assets				
Cash and Cash Equivalents	\$ 1,630,489	\$2,770,935	\$2,738,776	\$ 1,662,648
Accounts Receivable	776		776	-
Total Assets	<u>1,631,265</u>	<u>2,770,935</u>	<u>2,739,552</u>	<u>1,662,648</u>
Liabilities				
Due to School District	311,509		48,909	262,600
Due to Student Organizations	1,319,756	2,770,935	2,690,643	1,400,048
Total Liabilities	<u>1,631,265</u>	<u>2,770,935</u>	<u>2,739,552</u>	<u>1,662,648</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, 2010

	<u>The Discovery School</u>
Assets	
Due from School District	<u>\$ 15,857</u>
Total Assets	<u><u> 15,857</u></u>
Liabilities and Fund Balances	
Deferred Revenue	<u> 15,857</u>
Total Liabilities	<u><u> 15,857</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, 2010

	<u>Actual</u>
Revenues	
2000 Intergovernmental Revenue	
2100 Payments from Other Governmental Units	<u>\$ 625,863</u>
Total Intergovernmental Revenue	<u>625,863</u>
Total Revenue All Sources	<u>625,863</u>
Expenditures	
100 Instruction	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	51,391
200 Employee Benefits	14,916
400 Supplies and Materials	140
112 Primary Programs	
100 Salaries	169,269
200 Employee Benefits	43,054
300 Purchased Services	21,233
400 Supplies and Materials	2,294
113 Elementary Programs	
100 Salaries	82,078
200 Employee Benefits	27,186
300 Purchased Services	699
400 Supplies and Materials	<u>301</u>
Total Instruction	<u>412,561</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, 2010

	<u>Actual</u>
Expenditures (Continued)	
200 Support Services	
210 Pupil Services	
212 Guidance Services	
100 Salaries	\$ 11,702
200 Employee Benefits	2,404
220 Instructional Staff Services	
222 Library and Media	
100 Salaries	8,723
200 Employee Benefits	1,176
400 Supplies and Materials	383
223 Supervision of Special Programs	
300 Purchased Services	
224 Library and Media	
100 Salaries	62,778
200 Employee Benefits	16,168
230 General Administration Services	
233 School Administration	
100 Salaries	79,087
200 Employee Benefits	29,576
400 Supplies and Materials	<u>1,305</u>
Total Support Services	<u>213,302</u>
Total Expenditures	<u>625,863</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, 2010

Program	Revenue & Sub-Fund Code	Description	Amount Due To SDE or Federal Government	Status of Amount Due to Grantors
Perkins Occupational Education	4210/207	Overclaimed	\$ 4,990	Unpaid
SC Reading First	4318/218	Overclaimed	99	Unpaid
Federal Adult Education	4410/243	Overclaimed	14,927	Unpaid
National Board Certification	3532/332	Unexpended Funds	3,528	Unpaid
Early Head Start	4999/831	Overclaimed	940	Unpaid
Early Head Start Expansion Program	4999/832	Overclaimed	2,086	Unpaid
Total			<u>26,570</u>	

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

LOCATION RECONCILIATION SCHEDULE

FOR FISCAL YEAR ENDED JUNE 30, 2010

Location ID	Location and Description	Education Level	Cost Type	Total Expenditures
10	Brooklyn Springs Elementary	Elementary Schools	School	\$ 4,522,096
12	Discovery School	Other Schools	School	720,622
13	Clinton Elementary	Elementary Schools	School	4,026,768
15	Erwin Elementary	Elementary Schools	School	3,379,617
16 & 18	Lancaster High School	High Schools	School	13,114,039
19	McDonald Green Elementary	Elementary Schools	School	3,582,456
20	North Elementary	Elementary Schools	School	4,830,267
22	South Middle	Middle Schools	School	4,417,820
23	Southside Early Childhood Center	Other Schools	School	1,980,866
24	East Side Academy	Other Schools	School	368,317
25	A.R. Rucker	Middle Schools	School	4,157,354
30	Andrew Jackson High	High Schools	School	5,154,500
33	Heath Springs Elementary	Elementary Schools	School	3,243,932
34	Kershaw Elementary	Elementary Schools	School	3,627,094
37	Andrew Jackson Middle	Middle Schools	School	3,184,343
40	Buford Middle	Middle Schools	School	3,356,678
41	Buford Elementary	Elementary Schools	School	5,172,811
43	Buford High	High Schools	School	5,171,964
50	Indian Land High	High Schools	School	4,869,922
51	Indian Land Elementary	Elementary Schools	School	6,204,323
52	Indian Land Middle	Middle Schools	School	3,567,277
11,17,60-99	District Wide	Non-School	Central	<u>28,422,511</u>

Total Expenditures/Disbursements for All Funds

117,075,577

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

General Fund (Subfund 100s)	\$ 69,242,457
Special Revenue Fund (Subfunds 200s, 800s and 900s)	22,361,082
Special Revenue EIA Fund (Subfunds 300s)	5,104,614
Debt Service Fund (Subfunds 400s)	7,056,320
Capital Projects Fund (School Building)(Subfunds 500s)	5,960,915
Proprietary Fund (Food Service)(Subfund 600s)	4,660,324
Trust and Agency Fund (Pupil Activity)(Subfunds 700s)	<u>2,689,865</u>

117,075,577

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.	97-101
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 EIGHT FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$34,521,188	\$ 36,465,296	\$ (14,432,049)	\$ 216,463	\$ 14,705,878	\$16,441,251	\$ 20,582,731	\$ 23,920,052
Restricted	3,192,508	2,123,579	48,188,264	33,313,592	23,505,283	14,748,100	13,201,942	11,267,256
Unrestricted	9,053,972	11,093,241	11,762,362	11,068,122	8,048,729	12,276,843	10,404,535	11,193,834
Total Governmental Activities Net Assets	46,767,668	49,682,116	45,518,577	44,598,177	46,259,890	43,466,194	44,189,208	46,381,142
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	858,087	746,223	756,937	679,414	611,098	798,128	764,181	679,606
Unrestricted	637,342	753,143	656,307	667,344	773,065	364,200	57,091	283,218
Total Business-Type Activities Net Assets	1,495,429	1,499,366	1,413,244	1,346,758	1,384,163	1,162,328	821,272	962,824
Total Primary Government Net Assets	48,263,097	51,181,482	46,931,821	45,944,935	47,644,053	44,628,522	45,010,480	47,343,966

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 EIGHT FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities:								
Instruction	\$ 29,792,354	\$ 46,113,661	\$ 51,136,711	\$ 51,626,212	\$ 56,144,595	\$ 59,757,292	\$ 61,108,147	\$ 61,028,665
Support Services	15,459,818	24,653,235	30,085,940	33,770,231	37,021,890	42,464,142	38,652,844	38,745,554
Community Services	1,278,145	1,082,144	1,181,697	1,090,264	989,101	1,147,450	1,094,083	1,093,580
Pupil Activities	-	-	313,944	123,352	222,336	136,570	313,165	133,669
Intergovernmental	101,774	344,564	422,681	924,574	-	-	-	-
Interest and fees on Long-Term Debt	3,184,206	2,970,070	4,164,684	5,063,685	6,689,424	5,211,188	4,592,977	3,912,591
Total Governmental Activities Expenses	49,816,297	75,163,674	87,305,657	92,598,318	101,067,346	108,716,622	105,761,216	104,914,059
Business-Type Activities:								
Food Service	3,580,172	3,509,653	3,740,598	3,832,338	3,991,577	4,612,946	4,816,495	4,660,324
Total Primary Government Expenses	53,396,469	78,673,327	91,046,255	96,430,656	105,058,923	113,329,568	110,577,711	109,574,383
Program Revenues								
Governmental Activities:								
Charges for Services:								
Instruction	98,444	227,751	48,790	66,218	90,966	103,082	85,244	58,021
Operating Grants and Contributions	46,242,451	45,701,006	49,261,919	54,789,919	58,159,659	73,792,215	72,746,160	73,544,657
Capital Grants and Contributions	2,187,822	504,956	171,457	608,544	55,924	156,414	478,096	6,982
Total Governmental Activities Program Revenues	48,528,717	46,433,713	49,482,166	55,464,681	58,306,549	74,051,711	73,309,500	73,609,660
Business-Type Activities:								
Charges for Services:								
Food Services	1,249,350	1,264,408	1,263,045	1,304,039	1,421,104	1,447,390	1,397,902	1,469,114
Operating Grants and Contributions	2,281,209	2,439,482	2,581,594	2,623,988	2,792,462	3,140,152	3,279,631	3,554,868
Total Business-Type Activities Program Revenues	3,530,559	3,703,890	3,844,639	3,928,027	4,213,566	4,587,542	4,677,533	5,023,982
Total Primary Government Program Revenues	52,059,276	50,137,603	53,326,805	59,392,708	62,520,115	78,639,253	77,987,033	78,633,642
Net (Expense) Revenue								
Governmental Activities	(1,287,580)	(28,729,961)	(37,823,491)	(37,133,637)	(42,760,797)	(34,664,911)	(32,451,716)	(31,304,399)
Business-Type Activities	(49,613)	194,237	104,041	95,689	221,989	(25,404)	(138,962)	363,658
Total Primary Government Net Expense	(1,337,193)	(28,535,724)	(37,719,450)	(37,037,948)	(42,538,808)	(34,690,315)	(32,590,678)	(30,940,741)

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
General Revenues								
and Other Changes in Net Assets								
Governmental Activities:								
Taxes:								
Property Taxes, Levied for General Purposes	\$ 17,109,411	\$ 18,313,493	\$ 18,206,073	\$ 20,438,529	\$ 21,987,046	\$ 19,614,988	\$ 21,718,638	\$ 22,820,813
Property Taxes, Levied for Debt Service	6,187,870	5,654,671	5,777,808	6,520,465	8,480,905	10,013,927	10,880,468	10,303,300
Grants and Contributions, Not Restricted	429,845	5,785,022	6,363,997	6,472,147	6,333,232	690,983	57,038	61,904
Unrestricted Investment Earnings	439,891	298,274	1,401,681	2,577,578	2,627,828	1,286,634	283,331	103,229
Gain on Sale of Capital Assets	-	-	-	-	4,739,640	-	-	(45,476)
Miscellaneous	6,184,570	1,539,513	1,712,280	1,080	54,340	61,269	29,782	29,187
Transfers	(1,012,095)	53,436	198,113	203,438	199,519	203,414	205,473	223,376
Total Governmental Activities	<u>29,339,492</u>	<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>	<u>33,496,333</u>
Business-Type Activities:								
Unrestricted Investment Earnings	3,010	2,572	7,950	14,791	14,935	6,983	3,379	1,270
Miscellaneous				26,472			-	-
Transfers	449,435	(192,872)	(198,113)	(203,438)	(199,519)	(203,414)	(205,473)	(223,376)
Total Business-Type Activities	<u>452,445</u>	<u>(190,300)</u>	<u>(190,163)</u>	<u>(162,175)</u>	<u>(184,584)</u>	<u>(196,431)</u>	<u>(202,094)</u>	<u>(222,106)</u>
Total Primary Government	<u>29,791,937</u>	<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>	<u>33,274,227</u>
Change in Net Assets								
Governmental Activities	28,051,912	2,914,448	(4,163,539)	(920,400)	1,661,713	(2,793,696)	723,014	2,191,934
Business-Type Activities	402,832	3,937	(86,122)	(66,486)	37,405	(221,835)	(341,056)	141,552
Total Primary Government	<u>28,454,744</u>	<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>	<u>2,333,486</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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved for Other*	\$ 75,640	\$ 65,806	\$ 90,230	\$ 88,883	\$ 331,911	\$ 46,511	\$ 89,715	\$ 106,575	\$ 35,064	\$ 6,811
Unreserved										
Designated for Subsequent Years	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	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	11,284,835
Total General Fund	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	11,291,646
All Other Governmental Funds										
Reserved for:										
Debt Service	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	2,077,477
Debt Service LEAP					6,603,568	6,857,321	6,885,680	6,821,837	6,612,593	6,585,984
Capital Projects	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	1,533,182
Capital Projects LEAP					38,539,070	23,426,440	6,892,499	1,831,137	1,500,556	534,546
Special Revenue	924,073	763,646								-
Unreserved, Reported in:										
Special Revenue Funds						(24,520)	267,742	976	976	-
Total All Other Governmental Funds	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	10,731,189

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Local Sources:										
Taxes	\$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	\$ 30,790,918
Investment Earnings	2,452,385	1,024,296	439,891	317,674	1,401,681	2,577,578	2,627,828	1,286,634	283,331	103,229
Other Local Sources	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	4,116,765
State	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	52,914,562
Federal	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	18,494,227
Total Revenues	77,836,749	85,009,540	78,880,304	78,024,886	82,944,005	91,474,480	96,882,900	105,703,594	105,536,936	106,419,701
Expenditures:										
Current										
Instruction	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	58,952,570
Support Services	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	37,655,391
Community Services	593,535	820,655	1,237,599	1,056,156	896,745	1,063,916	968,072	1,147,450	1,094,083	1,093,580
Intergovernmental Expenditures	88,809	24,404	101,774	344,564	422,681	924,574	737,522	749,709	806,061	789,155
Debt Service										
Redemption of Principal	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	2,690,000
Interest and Fiscal Agent Fees	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	5,357,507
Capital Outlay	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	2,561,322
Total Expenditures	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	109,099,525
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,723,544)	(13,610,553)	(1,698,792)	789,426	(4,987,860)	(17,801,570)	(20,266,310)	(9,808,712)	(4,980,903)	(2,679,824)
Other Financing Sources (Uses):										
Sale of Capital Assets							4,757,000			25,000
Premium on Bonds Sold					2,179,450	9,401				
Proceeds of General Obligation Bonds					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	157,166	112,257								
Operating Transfers In	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	10,020,591
Operating Transfers (Out)	(5,979,364)	(4,417,488)	(4,862,050)	(5,234,769)	(5,352,332)	(2,325,510)	(3,806,259)	(2,996,370)	(3,575,818)	(9,930,884)
Miscellaneous Other Financing Sources	338,614									
Total Other Financing Sources (Uses)	226,369	(218,808)	(1,012,095)	53,436	51,527,990	5,089,488	10,227,183	1,844	558,419	114,707
Net Change in Fund Balances	(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)	(2,565,117)
Debt Service as a percentage of noncapital expenditures	7.55%	9.07%	13.68%	9.32%	7.68%	12.42%	11.94%	6.55%	5.50%	6.70%

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		
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
2010	2009	211,761,152	4,483,636,367	74,113,190	784,691,724	285,874,342	5,268,328,091	5.43%	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	
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
2010	133.50	38.50	172.00	80.90	3.30	143.50	69.30	469.00

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	2010			2001		
	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	\$ 7,192,290	1	2.52%	\$ 5,305,700	3	3.20%
Lancaster Hospital Corp.	4,399,190	2	1.54%	3,475,450	4	2.09%
The Gillette Company	4,316,050	3	1.51%	9,007,039	1	5.43%
Springs Global (A)	4,164,199	4	1.46%	8,805,686	2	5.31%
Pulte Home Corporation	3,251,920	5	1.14%	-	-	-
Craft Development, LLC	2,182,190	6	0.76%	-	-	-
Springland Associates, LLC	2,168,080	7	0.76%	948,840	7	0.57%
Lawson Bend, LLC	1,816,510	8	0.64%	-	-	-
Wells Real Estate	1,392,845	9	0.49%	-	-	-
Lancaster Telephone Co.	1,235,680	10	0.43%	1,418,600	6	0.86%
Belden CDT Networking Inc.				1,586,675	5	0.96%
Kanawha Insurance				909,420	8	0.55%
Wal-Mart				865,350	9	0.52%
Rexham, Inc.				763,580	10	0.46%
Total Assessed Value	<u>32,118,954</u>		<u>11.25%</u>	<u>33,086,340</u>		<u>19.95%</u>

Note:

* Taxpayers are assessed on January 1, 2009 for the 2010 fiscal year.

* Taxpayers are assessed on January 1, 2000 for the 2001 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 Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	26,883,095	25,801,032	95.97%	1,030,994	26,832,026	99.81%
2006	27,403,715	26,534,399	96.83%	796,960	27,331,359	99.74%
2007	30,107,982	28,968,373	96.21%	1,050,031	30,018,404	99.70%
2008	30,192,231	29,046,049	96.20%	1,004,473	30,050,522	99.53%
2009	33,479,167	30,869,941	92.21%	1,685,279	32,555,220	97.24%
2010	34,024,859	31,342,185	92.12%	-	31,342,185	92.12%

Note: Fiscal years 2001-2005 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
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	6.45%	1,562
2008	27,100,000	70,105,000	97,205,000	5.99%	1,325
2009	25,425,000	69,955,000	95,380,000	5.44%	1,256
2010	22,980,000	69,710,000	92,690,000	Not Available	1,192

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 Bonded Debt Outstanding</u>		<u>Total</u>	<u>Less Debt Service</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Taxable Value of Property (A)</u>	<u>Per Capital (B)</u>
	<u>General Obligation Bonds</u>	<u>LEAP 2004 Bonds</u>					
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%	1,145
2010	22,980,000	69,710,000	92,690,000	8,663,461	84,026,539	1.59%	1,080

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, 2010**

<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	\$ 15,778,341	100%	\$ 15,778,341
City of Lancaster	550,000	100%	<u>550,000</u>
Subtotal, overlapping debt			<u>16,328,341</u>
District direct debt			<u>22,980,000</u>
Total direct and overlapping debt			<u><u>39,308,341</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 2010	
Assessed Value	\$ 285,874,342
Debt Limit (8% of Assessed Value)	22,869,947
Debt Applicable to Limit	-
Legal Debt Margin	<u>\$ 22,869,947</u>

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 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	\$ 22,869,947
Total net debt applicable to limit	7,500,000	6,825,000	6,050,000	-	-	-	-	-	-	-
Legal debt margin	<u>5,771,667</u>	<u>6,808,025</u>	<u>7,940,486</u>	<u>14,073,001</u>	<u>14,322,277</u>	<u>14,934,568</u>	<u>18,703,280</u>	<u>20,061,705</u>	<u>22,172,641</u>	<u>22,869,947</u>
Total net debt applicable to the limit as a percentage of debt limit	56.51%	50.06%	43.24%	0.00%	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)
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	1,542,045	21,500	11,171	9.8%
2007	73,393	1,623,406	22,076	11,274	10.9%
2008	75,913	1,752,832	23,102	11,508	11.8%
2009	77,767	(C)	(C)	11,401	18.5%

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 SEVEN YEARS AGO**

Employer	2010			2003 (B)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lancaster County School District	1,532	1	4.95%	1,374	2	4.72%
Lancaster County	734	2	2.37%	426	7	1.46%
Springs Memorial Hospital	710	3	2.29%	800	3	2.75%
Cardinal Health	700	4	2.26%	700	4	2.40%
Red Ventures	575	5	1.86%			
Duracell, USA	400	6	1.29%	601	5	2.06%
Continental Tire	400	7	1.29%			
Inspiration Ministries	335	8	1.08%			
Founders Federal Credit Union	320	9	1.03%			
Wal-Mart	303	10	0.98%			
Springs Global (A)				1,400	1	4.81%
Humana (Kanawha)				560	6	1.92%
Berkshire Weaving				145	8	0.50%
Joslyn Clark Controls				145	9	0.50%
Virtual Image Technologies				125	10	0.43%
Total	<u>6,009</u>		<u>19.40%</u>	<u>6,276</u>		<u>21.55%</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.

(B) Prior years unavailable.

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 2001-2010
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Instruction											
Teachers	724	733	722	733	753	784	791	819	833	817	12.85%
Aides	164	149	152	158	156	160	167	178	181	178	8.54%
Total Instruction	888	882	874	891	909	944	958	997	1,014	995	12.05%
Support Services											
Guidance Counselors	27	23	23	24	27	31	32	39	42	35	29.63%
Psychologist and Social Workers	9	7	7	7	8	8	9	10	12	12	33.33%
Media Specialists	25	18	18	18	19	20	19	20	20	20	-20.00%
Nurses	10	15	17	18	17	20	20	23	23	23	130.00%
Instructional Staff Services	48	47	49	55	51	53	63	65	67	64	33.33%
Principals	17	17	17	17	17	17	17	17	18	18	5.88%
Assistant Principals	22	22	22	22	26	25	26	31	31	30	36.36%
Instructional Specialists	8	8	8	7	8	9	8	7	6	3	-62.50%
Noninstructional Administrators	23	23	23	21	22	26	26	27	27	27	17.39%
General and Finance Administrative Assistants	68	67	66	72	72	74	77	82	89	89	30.88%
Bus Drivers, Bus Aids and Maintenance	96	96	88	85	81	84	87	89	92	94	-2.08%
Total Support Services	353	343	338	346	348	367	384	410	427	415	17.56%
Community Services	14	29	37	37	34	35	34	37	36	37	164.29%
Pupil Activity	-	-	-	-	-	-	-	-	-	-	0.00%
Food Service											
Managers and Clerical	21	21	21	21	21	22	22	23	22	23	9.52%
Cafeteria Staff	107	106	104	105	102	107	107	108	105	102	-4.67%
Total Food Service	128	127	125	126	123	129	129	131	127	125	-2.34%
Total	1,383	1,381	1,374	1,400	1,414	1,475	1,505	1,575	1,604	1,572	13.67%

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					
2001	10,823	\$ 64,916,761	5,998	N/A	8.80%	N/A	N/A	N/A	N/A	724	14.95	N/A	N/A
2002	10,804	67,859,125	6,281	N/A	4.72%	N/A	N/A	N/A	N/A	733	14.74	50%	50%
2003	10,885	68,622,082	6,304	\$ 53,396,469	0.37%	\$ 53,396,469	\$ 4,906	N/A	N/A	722	15.08	48%	48%
2004	10,888	69,027,941	6,340	78,673,327	0.57%	78,673,327	7,226	47.30%	47.30%	733	14.85	51%	51%
2005	10,876	73,641,507	6,771	91,046,255	6.80%	91,046,255	8,371	15.85%	15.85%	753	14.44	51%	51%
2006	11,023	79,525,498	7,215	96,430,656	6.55%	96,430,656	8,748	4.50%	4.50%	784	14.06	50%	50%
2007	11,171	84,296,825	7,546	105,058,923	4.60%	105,058,923	9,405	7.50%	7.50%	791	14.12	50%	50%
2008	11,274	94,691,165	8,399	113,329,568	11.30%	113,329,568	10,052	6.89%	6.89%	819	13.77	49%	49%
2009	11,508	96,098,397	8,351	110,577,711	-0.58%	110,577,711	9,609	-4.41%	-4.41%	833	13.82	52%	52%
2010	11,401	95,401,264	8,368	109,574,383	0.21%	109,574,383	9,611	0.02%	0.02%	817	13.95	54%	54%

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)
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
2010	32,706	69,607	48,221	47,421

Source: (A) District records
(B) SC Department of Education.

Unaudited

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
School										
Elementary School										
Brooklyn Springs(1962)										
Square feet	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682
Capacity	908	908	908	908	908	908	908	908	908	908
Enrollment	708	722	676	592	581	584	575	564	505	440
Buford(2002)										
Square feet	-	100,000	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	965
Enrollment	-	659	807	830	855	863	883	878	865	816
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	73	90	89	108	108	108	108	107	107	108
Clinton(1948)										
Square feet	63,460	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	523	502	473	458	400	387	386	390	398	372
Erwin(1975)										
Square feet	59,668	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450
Capacity	N/A	629	629	629	629	629	629	629	629	629
Enrollment	497	495	498	473	479	451	426	423	408	408
Heath Springs(1954)										
Square feet	59,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456
Capacity	N/A	378	378	378	378	378	378	378	378	378
Enrollment	312	335	322	320	320	343	357	373	388	396
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	861	915	979	973	1,023	1,077	1,247	1,451	1,090	1,169
Kershaw(1952)										
Square feet	47,504	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909
Capacity	N/A	646	646	646	646	646	646	646	646	646
Enrollment	515	501	500	489	482	495	479	462	501	486
McDonald Green(1949)										
Square feet	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914
Capacity	524	524	524	524	524	524	524	524	524	524
Enrollment	445	458	409	436	459	498	502	479	487	469
North(1966)										
Square feet	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763
Capacity	855	855	855	855	855	855	855	855	855	855
Enrollment	669	628	586	569	572	578	618	636	644	668
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	12	9	1	-	-	2	3	2	-	1
Middle School										
A.R. Rucker(2002)										
Square feet	-	120,000	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	916
Enrollment	-	664	653	695	633	577	528	509	511	519
Andrew Jackson(1984)										
Square feet	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939
Capacity	653	653	653	653	653	653	653	653	653	653
Enrollment	456	447	458	446	476	470	484	487	474	482
Buford(1956)										
Square feet	59,258	59,258	59,258	59,258	59,258	59,258	72,041	72,041	72,041	72,041
Capacity	683	683	683	683	683	683	859	859	859	859
Enrollment	575	584	442	435	454	444	465	439	449	443

(Continued on Next Page)

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

<u>School</u>	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Middle School (Continued)										
Barr Street(1956)										
Square feet	97,698	97,698	48,849	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	741	-	-	-	-	-	-	-	-	-
Indian Land(1981)										
Square feet	-	-	-	-	-	-	-	100,948	100,948	100,948
Capacity	-	-	-	-	-	-	-	750	750	750
Enrollment	-	-	-	-	-	-	-	N/A	507	521
South(1962)										
Square feet	82,009	94,009	94,009	94,009	94,009	94,009	108,509	108,509	108,509	108,509
Capacity	N/A	1,019	1,019	1,019	1,019	1,019	1,151	1,151	1,151	1,151
Enrollment	838	837	827	772	815	769	733	691	639	626
High School										
Andrew Jackson(1969)										
Square feet	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515
Capacity	788	788	788	788	788	788	788	788	788	788
Enrollment	540	547	548	545	513	566	577	582	621	610
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	403	430	467	485	514	561	555	582	602	588
Indian Land(1981)										
Square feet	88,498	88,498	88,498	88,498	88,498	88,498	88,498	-	-	-
Capacity	624	624	624	624	624	624	624	-	-	-
Enrollment	371	356	397	390	415	481	525	-	-	-
Indian Land(2008)										
Square feet	-	-	-	-	-	-	-	142,657	142,657	142,657
Capacity	-	-	-	-	-	-	-	800	800	800
Enrollment	-	-	-	-	-	-	-	557	597	639
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	1,623	1,752	1,872	1,776	1,768	1,718	1,662	1,715	1,640
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	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.

N/A - Not Available

Source: District records.

SINGLE AUDIT SECTION

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

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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, 2010, which collectively comprise Lancaster County School District's basic financial statements and have issued our report thereon dated November 16, 2010. 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 opinions 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 first paragraph of this section and was not designed to 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.

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Company, LLP

Columbia, South Carolina
November 16, 2010

McGregor & COMPANY^{LLP}

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INDEPENDENT AUDITORS' 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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. Lancaster County School District's major federal programs are identified in the summary of auditors' 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

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 deficiencies, 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 Company, LLP

Columbia, South Carolina
November 16, 2010

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2010

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 _____ Yes X None Reported

Noncompliance Material to Financial Statements
Noted _____ Yes X No

Federal Awards

Internal Control Over Major Federal Programs:

Material Weakness(es) Identified? _____ Yes X No

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

Type of Auditors' Report Issued on Compliance for Major Federal Programs: 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, 2010

Part I Summary of Auditors' Results (Continued)

Identification of Major Federal Programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
84.010, 84.389	Title I Cluster
84.394	State Fiscal Stabilization Fund - ARRA
84.027, 84.173	
84.391, 84.392	IDEA Cluster
84.334	GEAR-UP

Dollar Threshold Used to Distinguish Between Type A and Type B Programs
\$ 661,157.

Auditee Qualified as Low-Risk Auditee? X Yes No

Part II Findings Related to Financial Statements

None

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, 2010

Summary of Prior Year Findings

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.
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:	The recommendation was adopted. No similar findings were noted in the June 30, 2010 audit.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2010

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:				
871	Lancaster County Alcohol Prevention	84.184A	Q184A080062	\$ 290,939
865	Safe Schools/Health Students	84.184L	Q184L050428	24,066
822	Character Education Program	84.215S	Q215S060025-09	356,433
806	Physical Education Enhancement Program	84.215F	Q215F080109	266,790
839	Extended School Year	12.000	N/A	1,900
890	GEAR UP **	84.334A	P334A050118	466,145
861	GEAR UP **	84.334A	P334A080033	480,787
854	Professional Development for Arts Instructors	84.351C	4351C050077	30,490
Passed Through SDE:				
243	Adult Education	84.002	10EA049	100,918
Title I Cluster **				
201	Title I	84.010	10BA049	3,258,288
237	Title I School Improvements	84.010	10BJ049	85,105
222	Title I - ARRA	84.389	10SC049	2,426,307
Total for Title I Cluster				5,769,700
IDEA Cluster **				
203	IDEA	84.027	10CA049	2,293,480
213	IDEA - Title IV	84.027A	10CO049	29,265
205	Special Education Pre-school Grant	84.173	10CG049	140,309
215	IDEA - ARRA	84.391	10SC049	1,686,587
216	IDEA - Preschool ARRA	84.392	10SG049	69,996
Total for IDEA Cluster				4,219,637
207	Voc. Ed.	84.048	10VA049	223,644
209	Drug and Violence Prevention Programs	84.186	10FQ049	35,555
218	SC Reading First	84.357A	10RC049	234,506
224	21st Century Community Learning Centers	84.287C	10CL049	95,063
253	Ed Tech Title II	84.318	10ET049	22,748
251	Title VI - Rural/Low Income	84.358B	10BS049	276,082
264	Language Instruction for Limited English Title III	84.365	10BP049	68,678
267	Improving Teacher Quality Title II	84.367A	10TQ049	606,614
234	Title I - School Improvement	84.377	10BH049	217,623
250	State Fiscal Stabilization Fund - ARRA **	84.394	10SF049	3,448,063
Total U. S. Department of Education				17,236,381

(Continued on next page)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2010

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	10.500	N/A	\$ 325,424
	Cash Assistance:			
600	School Breakfast Program	10.553	N/A	2,502,681
600	School Lunch Program	10.555	N/A	693,606
	Total for Program (Cluster)			<u>3,521,711</u>
601	Food Service Equipment - ARRA	10.579	10SE049	24,087
	Total U. S. Department of Agriculture			<u>3,545,798</u>
	U. S. Department of Health and Human Services			
	Passed Through SCDDC:			
825	Early Head Start	93.600	04CH4608/05	24,936
830	Early Head Start	93.600	04CH4608/06	53,110
831	Early Head Start	93.600	04CH4608/07	402,787
832	Early Head Start Expansion Program	93.600	04SA4608	90,984
	Total U. S. Department of Health And Human Services			<u>571,817</u>
	Corporation for National and Community Service			
	Passed Through SDE:			
276	AmeriCorps	94.006	09AC094637	<u>138,609</u>
	Total Corporation for National and Community Service			<u>138,609</u>
	Other Federal Assistance			
	U. S. Department of Defense			
	Direct Programs			
270	Army ROTC	12.000	N/A	<u>228,279</u>
	Total U.S. Department of Defense			<u>228,279</u>
	U. S. Department of Energy			
	Pass-Through S. C. Budget and Control Board			
299	State Energy Grant - ARRA	81.041	S09-0051	<u>79,782</u>
	Total U.S. Department of Defense			<u>79,782</u>
	U. S. Department of Labor			
853	Youth Build	17.274	YB16849	239,359
	Total U.S. Department of Labor			<u>239,359</u>
	Total Federal Assistance Expended			<u><u>22,040,025</u></u>

** Denotes Major Program

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010

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.