

**LANCASTER COUNTY SCHOOL DISTRICT**  
**LANCASTER, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

**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, 2011**

**TABLE OF CONTENTS**

	<b>PAGE</b>
Title Page	
Table of Contents	
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal	1-8
Organizational Chart	9
School District Officials	10
Certificate of Achievement for Excellence in Financial Reporting	11
 <b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	12-13
Management's Discussion and Analysis	14-23
 <b>Basic Financial Statements:</b>	
Statement of Net Assets	24
Statement of Activities	25
Balance Sheet - Governmental Funds	26
Reconciliation of Governmental Funds Balance Sheet with the Statement of Net Assets	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	28
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statement of Activities	29
Statement of Net Assets - Proprietary Fund	30
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	31
Statement of Cash Flows - Proprietary Fund Type - Food Service Fund	32
Statement of Assets and Liabilities - Fiduciary Fund - Agency	33
Notes to Financial Statements	34-52

**LANCASTER COUNTY SCHOOL DISTRICT**  
**LANCASTER, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule for the General Fund	53
<b>Combining and Individual Fund Schedules:</b>	
<b>General Fund:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	54-63
<b>Special Revenue Fund:</b>	
Special Revenue Fund - Special Projects Fund Excluding Education Improvement Act - Schedule of Revenues, Expenditures and Changes in Fund Balances	64-74
Special Revenue Fund - Special Projects Fund Excluding Education Improvement Act, Schedule of Subfund Listings	75
Special Revenue Fund - Special Projects Fund Summary Schedule for Designated State Restricted Grants	76
Special Revenue Fund - Education Improvement Act - Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs	77-82
Special Revenue Fund - Education Improvement Act - Summary Schedule by Program	83
<b>Debt Service Fund:</b>	
Debt Service Fund - District - Schedule of Revenues, Expenditures and Changes in Fund Balance	84
Debt Service Fund - LEAP - Schedule of Revenues, Expenditures and Changes in Fund Balance	85

**LANCASTER COUNTY SCHOOL DISTRICT**  
**LANCASTER, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

**TABLE OF CONTENTS**

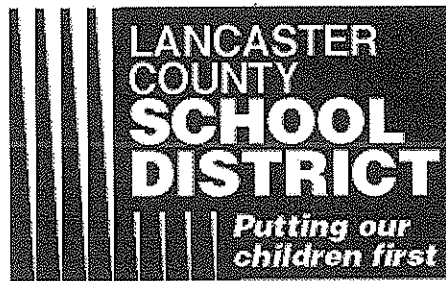
	<b>PAGE</b>
<b>Combining and Individual Fund Schedules: (Continued)</b>	
<b>Capital Projects Fund:</b>	
Capital Projects Fund - District - Schedule of Revenues, Expenditures and Changes in Fund Balance	86
Capital Projects Fund - LEAP - Schedule of Revenues, Expenditures and Changes in Fund Balance	87
<b>Proprietary Fund:</b>	
Food Service Fund - Schedule of Revenues, Expenses/Expenditures and Changes in Retained Earnings	88-89
<b>Fiduciary Fund:</b>	
Pupil Activity Fund - Schedule of Receipts, Disbursements and Changes in Amounts Due to Student Organizations	90-91
Pupil Activity Fund - Statement of Changes in Assets and Liabilities	92
<b>Component Unit:</b>	
The Discovery School - Balance Sheet	93
The Discovery School - Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs	94-95
<b>Additional Schedules Required by the South Carolina Department of Education:</b>	
Detailed Schedule of Due to State Department of Education/Federal Government	96
Location Reconciliation Schedule	97
<b>STATISTICAL SECTION:</b>	
Net Assets by Component	98
Expenses, Program Revenues, and Net (Expenses)/Revenues, General Revenues and Total Change in Net Assets	99-100
Fund Balances, Governmental Funds	101

**LANCASTER COUNTY SCHOOL DISTRICT**  
**LANCASTER, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>STATISTICAL SECTION: (Continued)</b>	
Governmental Funds Revenues, Expenditures, Debt Service Ratios and Other Financing Sources and Uses and Net Change in Fund Balances	102
Assessed Value and Estimated Actual Value of Taxable Property	103
Direct and Overlapping Property Tax Rates	104
Principal Property Taxpayers	105
Property Tax Levies and Collections	106
Ratios of Outstanding Debt by Type	107
Ratio of General Bonded Debt Outstanding	108
Direct and Overlapping Governmental Activities Debt	109
Legal Debt Margin Information	110
Demographic and Economic Statistics	111
Principal Employers	112
Full-time Equivalent School District Employees by Function/Program	113
Operating Statistics	114
Teacher Base Salaries	115
School Building Information	116-117
<b>SINGLE AUDIT SECTION:</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118-119
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	120-121
Schedule of Findings and Questioned Costs	122-123
Summary Schedule of Prior Audit Findings	124
Schedule of Expenditures of Federal Awards	125-126
Notes to the Schedule of Expenditures of Federal Awards	127

## INTRODUCTORY SECTION



November 15, 2011

## **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, 2011 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 auditors' 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 2010-2011 year totaled 11,378 students.

---

300 South Catawba Street • Lancaster, SC 29720  
Telephone – (803) 286-6972 • Fax – (803) 416-8860

## **Economic Condition and Outlook of Local Economy**

Our district is located along the north central Piedmont section of South Carolina, approximately 21 miles south of Charlotte, North Carolina. The county is 549 square miles and includes the cities/communities of Lancaster (county seat), Indian Land, Heath Springs, Kershaw, Van Wyck, and Elgin. Charlotte looms to our north, and growth from the Queen City has poured into Lancaster County. 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 is also home to USC Lancaster, one of the five regional campuses of the University of South Carolina. Since its inception in 1959, USC Lancaster has become a comprehensive learning center, offering high-quality university programs and services to approximately 1,200 full and part-time students from a service area of six counties (Lancaster, Chester, Chesterfield, Kershaw, Fairfield, and York). Likewise, York Technical College maintains a campus in Lancaster and Kershaw.

Lancaster County's population has grown by 24.9% over the past decade. The 2000 Census showed Lancaster with a population of 61,351, increasing to 76,652 in 2010. 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.

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. The County's local economy is becoming more diversified, as evidenced by the following recent announcements:

- 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.
- In June, 2011, AkzoNobel Specialty Plastics, an Amsterdam-based specialty chemicals supplier, established a new 20,000-square foot color design lab in its existing 110,000-square foot paint-film plant which will create 30 new jobs. AkzoNobel's new lab will serve its automotive, fashion, furniture, art and architectural customers. The company's facility is located on SC Highway 9 Bypass on the western side of Lancaster.
- In March, 2011, Haile Gold Mine announced its plans to construct a mine near the town of Kershaw. The company's plans are to construct a mine with expectations to extract and process 150,000 ounces of gold per year for at least 13 years. Future plans call for as many as 550 people working at the site; after the mine is built, that number should remain around 350.



- Rico Industries Inc. is constructing a new 120,000 square-foot building in the 67-acre Heath Springs Industrial Park, and is transferring all of its 100-plus jobs from its existing facility in the County. The company has the capacity to double the space to 240,000 square-feet and to create approximately 30 to 50 new jobs in the future. Rico is an Illinois-based sports novelty company.
- Verian Technologies, a Charlotte-based software firm, is constructing its new 25,000 square-foot headquarters in Rosemont Office Park off S.C. Highway 160 in Indian Land. The company plans to hire between 10 and 15 employees per year for the next several years. Verian is the anchor tenant for the first building in Rosemont Office Park. Rosemont expects to include up to 230,000 square-feet of office space on 21 acres, and to hold as many as eleven buildings and about 900 parking spaces.
- Red Ventures, a high-tech marketing firm, held a ground-breaking ceremony in June, 2010 on their second building at their new facility in the County. Red Ventures is located in the 521 Corporate Park in the Indian Land area of the County and occupies a 60,000 square-foot facility. The company acquired seven acres adjacent to their current property to expand and locate their headquarters. The company employs 250 people and plans to expand to 1,000 employees over the next five years.
- Nutramax Laboratories Inc. and Nutramax Manufacturing Inc. moved their headquarters from Maryland in May 2010 to locate new expanded operations in the Lancaster County Business Park. The new location will allow the company to increase its production capacity in its veterinary and consumer divisions. Nutramax Laboratories, a family-owned and operated company, develops, manufactures and markets premium products to support the lifestyles of people and animals such as joint health and liver health supplements. The company expects to be fully operational by 2012.
- In May, 2010, Strategic Outsourcing Inc. (SOI) announced plans to locate its new corporate and administrative headquarters in the County and to invest approximately \$1 million. SOI offers human resources, risk management, benefits and payroll services to medium and small businesses across the country.
- Defense Venture Group located its manufacturing, research and development, and headquarters in the Indian Land area of the County in February 2010. The company produces specialized transparent ceramic products for aerospace, defense and commercial sectors, and also manufactures and distributes dynamic run-flat tire solutions for the military, police, fire, EMS and security markets. This \$50 million investment is expected to generate 220 new jobs.

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 August 2011 was 15.2%, down from the rate one year ago of 16.2%.

## **Major Initiatives and Accomplishments**

Our school district believes that the primary responsibility of all school personnel is 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**
  - USDE Advanced Placement Initiative - \$1,941,226
  - USDHHS Early Learning Mentor Center - \$255,551
  - USDHHS Good Behavior Game Replication Program - \$98,813
  - Partners for Youth Elementary Homework Centers - \$85,000
  - SCDOE After School Programs - \$181,849
  - Wells Fargo Philanthropic Lancaster County Advance Project - \$20,000
- **Partners For Youth** foundation 13 teacher mini grants totaling \$9,026
- **J. Marion Sims** foundation 144 Teacher Pet Grants totaling \$67,795
- **South Carolina Arts Commission** 5 grants totaling \$41,100
- **City of Lancaster** Downtown Banner Project \$6,500
- **Honors and Awards**
  - **112 National Board Certified Teachers**
  - **62 South Carolina Junior Scholars**
  - **11 Duke TIP 2011 Scholars Qualifying for State Recognition**
  - **American Choral Directors Association 2011**
    - » National Men's Honor Choir - Andrew Miles, Andrew Jackson High
    - » National Men's Honor Choir - Daniel Reeves, Andrew Jackson High
  - **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

- **SC Governor’s School for Arts & Humanities**
  - » Megan Branham, Andrew Jackson High
- **2011 Leaning Forward Shirley Hord Award**
  - » Clinton Elementary
- **2011 Red Robinson Foundation “U-ACT School”**
  - » Indian Land Middle
- **S.C. Art Education Association 2010**
  - » Arts in Education Award for 2010 – McDonald Green Elementary
- **SC Association of School Librarians 2011**
  - » Media Specialist of the Year – Leigh Jordan, AR Rucker Middle
- **Library of Congress 2011**
  - » Summer Teacher Institute – Leigh Jordan, AA Rucker Middle
- **2010 North/South All-Star Football**
  - » Head Coach - Bennie McMurray, Lancaster High
  - » Game Scout - Rick Brown, Lancaster High
  - » Daniel Foster, Lancaster High
- **2011 North/South All-Star Basketball**
  - » Head Coach – Tamara Jacobus, Indian Land High
- **SC Athletic Association 2011**
  - » Class AA Principal of the Year- Kathy Faris, Indian Land High
- **2011 SCDOE Palmetto Gold Awards**
  - » Discovery School
  - » Indian Land High
  - » Buford High
- **2011 SCDOE Palmetto Silver Awards**
  - » Andrew Jackson Middle
  - » AR Rucker Middle
  - » McDonald Green Elementary
  - » Indian Land Elementary
  - » Indian Land Middle
- **2011 Science P.L.U.S. at Roper Mountain Science Center participant**
  - » Leslie Haselden, Indian Land Middle

### **School District Focus**

Fiscal Year 2010-2011 was another year of financial hardship due to state budget cuts and underfunding 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 2010-2011 budget was on balancing the budget without the use of general fund equity as in past years while minimizing the impact on education.

- Revenues were balanced against expenditures for the FY 2010-2011 budget without the use of equity.
- A five day furlough was applied to all classified and certified employees and a ten day furlough was applied to all administrative employees for the FY 2010-2011 budget.
- Staffing ratios remained at 30/1 for a second straight year on all grade levels resulting in an estimated elimination of 82 positions in the FY 2010-2011 budget.
- All signing bonuses were eliminated.
- For a second straight year salary schedules for certified teachers did not include an increase for Fiscal Year 2010-2011. 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 20% overall cut was applied for a budget reduction of \$205,402 in FY 2010-2011.
- A 3.25 mill increase was included in the general operating budget.
- Overall expenditures decreased by \$3,470,321 or 4.54%.

## **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 and remained at 38.5 mills for FY 2010-2011.

## **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 30<sup>th</sup> 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 .71% in July 2010 to .61% in June 2011 with average annual interest earnings around .69%.

## **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.

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, 2010. This was the seventh 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,

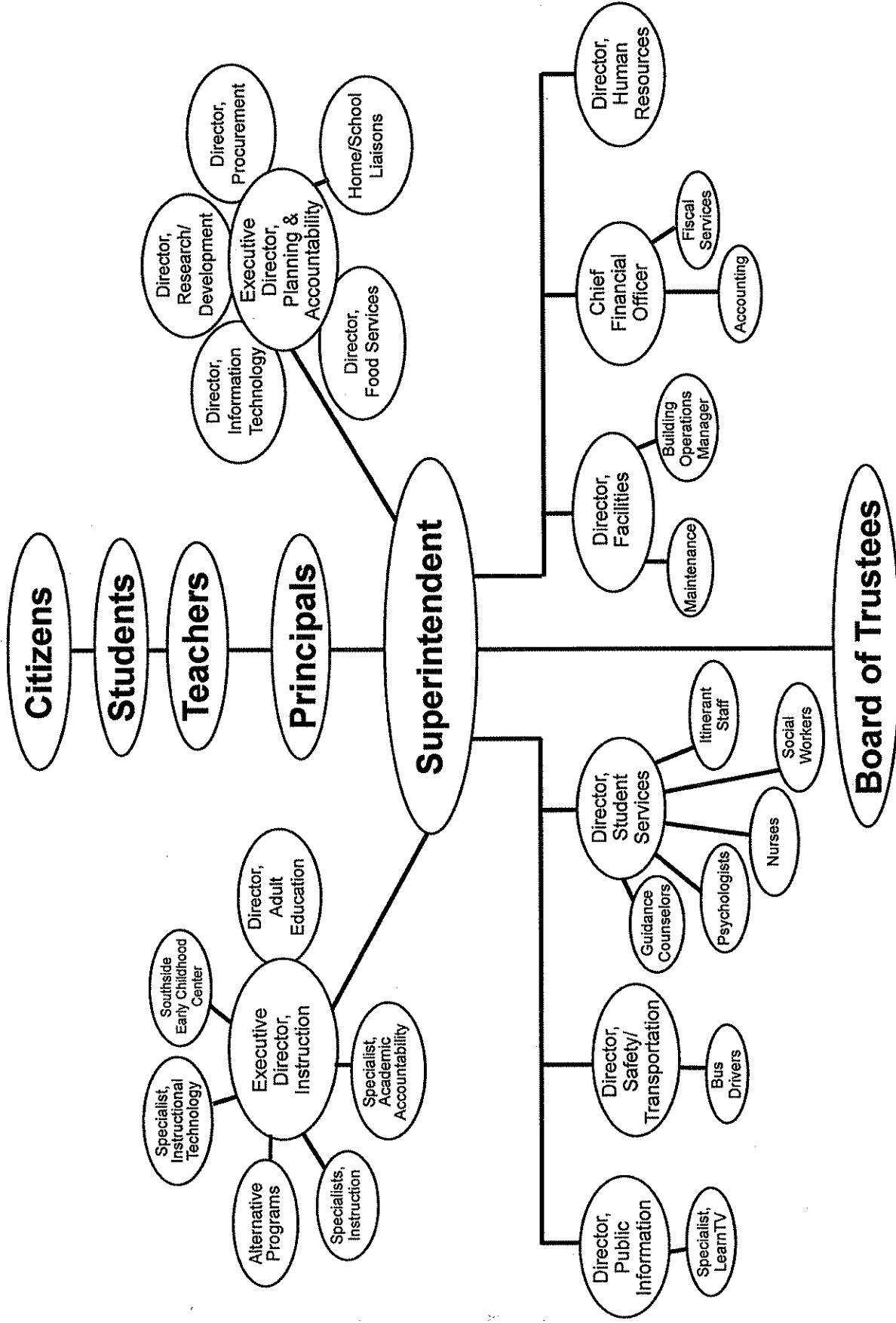
A handwritten signature in black ink, appearing to read "Gene Moore". The signature is fluid and cursive, with a long horizontal line extending to the right.

Gene Moore, ED.D.  
Superintendent

A handwritten signature in black ink, appearing to read "Tony Walker". The signature is cursive and stylized, with a long horizontal line extending to the right.

Tony Walker, CPA  
Chief Financial Officer

# Organizational Chart



**LANCASTER COUNTY SCHOOL DISTRICT**

**LANCASTER, SOUTH CAROLINA**

**SCHOOL DISTRICT OFFICIALS**

**JUNE 30, 2011**

**Board of Trustees**

Bobby Parker, Chairman

Margaret Gamble, Vice Chairman

Janice Dabney, Secretary

William Sumner, Jr.

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, 2010

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.



*Linda C. Sandison*

President

*Jeffrey R. Emer*

Executive Director

## **FINANCIAL SECTION**

# McGregor & COMPANY<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

C.C. McGregor, CPA 1906-1968	<b>PARTNERS</b>			<b>ASSOCIATES</b>		
	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	C.D. Hinchee, CPA	
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	J.R. Matthews, II, CPA	
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	D.E. Knobloch, CPA	
	L.R. Leapheart, Jr, CPA	T.M. McCall, CPA		P.A. Betette, Jr, CPA	L.M. Harrelson, CPA	
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	M.J. Binnicker, Jr., CPA	
	W.W. Francis, CPA	L.B. Salley, 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, 2011, 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, 2011, 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 7, 2011, 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 14 through 23 and page 53 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lancaster County School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lancaster County School District's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Columbia, South Carolina  
November 7, 2011

**Lancaster County School District  
Management's Discussion and Analysis  
Year Ended June 30, 2011**

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, 2011. Please read it in conjunction with the district's financial statements, which immediately follow this section.

**Financial Highlights**

The district has faced budgeting challenges since the economic downturn in FY 2009 that led to state funding cuts and reduced state funding in our general fund budget for FY 2009 and FY 2010. While we did not receive any state budget cuts in FY 2011, state funding for that year was down as well. Actual state funding for general operations amounted to \$50,407,904 in FY 2008. This dropped to \$48,831,522 for FY 2009 and dropped again to \$43,838,160 for FY 2010. In FY 2010 the district did receive \$3,448,063 in federal stimulus funding to aid district general operations. For FY 2011 the district received \$43,088,430 in state funding and \$2,620,626 in federal stimulus funding.

The district has historically used general fund equity to balance its budget but with equity declining over the past few years, the budget for FY 2011 was built with expenses balanced against revenues without the use of equity. In FY 2008 actual equity used amounted to \$769,664 and for FY 2009 the use of equity grew to \$2,697,140. For FY 2010 equity used totaled \$522,988 bringing the equity balance down to \$11,291,646. The district's board policy calls for a minimum equity balance of 8% budgeted expenses; however, the district has tried to maintain a balance closer to 15% to meet cash flow needs throughout the year, address interruptions in revenue or unanticipated expenses, and to maintain the best possible bond rating available to the district.

With the original budget approved by the Board in June, the County Auditor calculated a 1.26% decrease in the mill value for a total of \$134,890. Local millage included a 3.25 mill increase. Overall local revenues including state reimbursements for local tax credits were estimated to decrease by \$106,142.

The original budget for state funding included an estimated decrease of \$704 to the base student cost for a total base student cost of \$1,630. Overall state funding for FY 2011 was estimated to decrease by \$1,843,745.

Federal ARRA Stimulus funds used to support general operations during FY 2011 totaled \$2,620,626.

Revenues and other financing sources for all governmental funds of \$115,230,896 exceeded expenses and other financing uses of \$109,524,735 resulting in an increase of \$5,706,161 to fund balance. Overall the general operating fund balance increased by \$1,108,042 to a balance at June 30, 2011 of \$12,399,688. Debt service-District fund balance decreased by \$574,831 to

a balance of \$1,502,646 at June 30, 2011. Short-term general obligation bonds in the amount of \$7,800,000 were issued and redeemed during the fiscal year. Proceeds from these bonds were used to reduce the district's installment debt and to provide funding for capital needs. Bond anticipation notes in the amount of \$1,740,000 were issued during the year with a maturity date of 09/15/2011. Proceeds from these bonds were used to cover interest due on the District's installment debt. Capital Projects-District fund balance was increased by \$5,583,706 to a balance at June 30, 2011 of \$7,116,888.

Debt Service-LEAP fund balance was decreased by \$98 to a balance at June 30, 2011 of \$6,585,886 and Capital Projects-LEAP fund balance was reduced by \$410,658 to a balance at June 30, 2011 of \$123,888.

In the district's only proprietary fund (food service), total revenues and other financing sources of \$5,200,102 exceeded total expenses and transfers out of \$5,027,963, resulting in a net income for the year of \$172,139. Net assets at June 30, 2011 totaled \$1,134,963.

The district's net assets as of June 30, 2011, totaled \$55,265,515.

## **Overview of Financial Statements**

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

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

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

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

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

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

**The fund financial statements** provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are

accounting devices the district uses to track specific sources of funding and spending on particular programs:

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

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

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

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

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

**The notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34-52 of this report.

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

## **Financial Analysis of the District as a Whole**

### **Net Assets:**

The district's net assets were more on June 30, 2011 than they were the year before, increasing to \$55,265,515, (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 \$7,749,410 to \$54,130,552. The net assets of the district's business-type activities increased \$172,139 to \$1,134,963.

Figure A-1

## Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11
<b>Current Assets</b>	\$ 35,484,868	\$ 42,462,095	\$310,214	\$ 592,655	\$ 35,795,082	\$ 43,054,750
<b>Capital Assets</b>	117,050,001	115,711,763	679,606	570,429	117,729,607	116,282,192
<b>Total Assets</b>	<b>152,534,869</b>	<b>158,173,858</b>	<b>989,820</b>	<b>1,163,084</b>	<b>153,524,689</b>	<b>159,336,942</b>
<b>Total Current Liabilities</b>	11,883,210	12,610,494	26,996	28,121	11,910,206	12,638,615
<b>Total Noncurrent Liabilities</b>	94,270,517	91,432,812	0	0	94,270,517	91,432,812
<b>Total Liabilities</b>	<b>106,153,727</b>	<b>104,043,306</b>	<b>26,996</b>	<b>28,121</b>	<b>106,180,723</b>	<b>104,071,427</b>
<b>Net Assets</b>						
<b>Invested in Capital Assets</b>						
<b>Net of Related Debt</b>	23,920,052	25,498,685	679,606	570,429	24,599,658	26,069,114
<b>Restricted</b>	11,267,256	15,952,388	0	0	11,267,256	15,952,388
<b>Unrestricted</b>	11,193,834	12,679,479	283,218	564,534	11,477,052	13,244,013
<b>Total Net Assets</b>	<b>46,381,142</b>	<b>54,130,552</b>	<b>962,824</b>	<b>1,134,963</b>	<b>47,343,966</b>	<b>55,265,515</b>

The district's financial position is the product of many factors. General Fund and special revenue equity was not budgeted or used to cover operating expenses this fiscal year. Funds available for capital projects were increased during the year by \$5,583,706. There was a net decrease of \$1,338,238 in capital assets for current year depreciation and disposal of obsolete or lost assets. Long term liabilities decreased by \$2,837,705. Property taxes receivables increased by \$443,533 over the prior year for a total of \$2,837,289. Accounts receivable increased by \$4,552,237 over the prior year for a total of \$5,350,229.

Accrued interest on bonds totaling \$532,994, and compensated absences of \$1,146,109 are reflected in the government-wide financial statements.

### Changes in Net Assets:

The district's total revenues for the fiscal year ended June 30, 2011 were \$109,245,876 (see figure A-2). Property taxes accounted for 29.18 percent of the district's revenue. Grants and contributions accounted for 64.65 percent, with the remaining 6.17 percent coming from charges for services, investment earnings, unrestricted federal and state aid, insurance proceeds and miscellaneous sources.

The district's total cost of all programs and services for the year ended June 30, 2011 was \$101,324,327 (see figure A-2). The district's expenses are predominantly related to instruction (54.05 percent). The district's support services accounted for 35.75 percent and business activities accounted for 4.75 percent of total cost. Community services, pupil activities, intergovernmental and interest on long-term debt made up the remaining 5.45 percent.

Both governmental activities and business-type activities increased over the prior year. Total revenues surpassed expenses increasing net assets \$7,921,549.



Figure A-2

## Condensed Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11
<b>Program Revenues</b>						
Charges for Services	\$ 58,021	\$ 61,994	\$ 1,469,114	\$ 1,572,107	\$ 1,527,135	\$ 1,634,101
Operating Grants & Contributions	73,544,657	66,993,322	3,554,868	3,625,926	77,099,525	70,619,248
Capital Grant and Contributions	6,982	4,034	0	0	6,982	4,034
<b>General Revenues</b>						
Property Taxes	33,124,113	31,874,725	0	0	33,124,113	31,874,725
Insurance Proceeds	0	4,894,906	0	0	0	4,894,906
Other	148,844	216,793	1,270	2,069	150,114	218,862
<b>Total Revenues</b>	<b>106,882,617</b>	<b>104,045,774</b>	<b>5,025,252</b>	<b>5,200,102</b>	<b>111,907,869</b>	<b>109,245,876</b>
<b>Expenses</b>						
Instructional	61,028,665	54,761,743			61,028,665	54,761,743
Support Services	38,745,554	36,224,608			38,745,554	36,224,608
Food Service	0	0	4,660,324	4,808,028	4,660,324	4,808,028
Other	5,139,840	5,529,948			5,139,840	5,529,948
<b>Total Expenses</b>	<b>104,914,059</b>	<b>96,516,299</b>	<b>4,660,324</b>	<b>4,808,028</b>	<b>109,574,383</b>	<b>101,324,327</b>
<b>Excess (Deficiency) before Transfers</b>	<b>1,968,558</b>	<b>7,529,475</b>	<b>364,928</b>	<b>392,074</b>	<b>2,333,486</b>	<b>7,921,549</b>
<b>Transfers In/(Out)</b>	<b>223,376</b>	<b>219,935</b>	<b>(223,376)</b>	<b>(219,935)</b>	<b>0</b>	<b>0</b>
<b>Changes in Net Assets</b>	<b>2,191,934</b>	<b>7,749,410</b>	<b>141,552</b>	<b>172,139</b>	<b>2,333,486</b>	<b>7,921,549</b>

**Governmental Activities:**

Revenues and transfers in exceeded expenses for the district's governmental activities by \$7,749,410. Revenues and transfers totaled \$104,265,709 and expenses totaled \$96,516,299 or the year ended June 30, 2011 (see figure A-2).

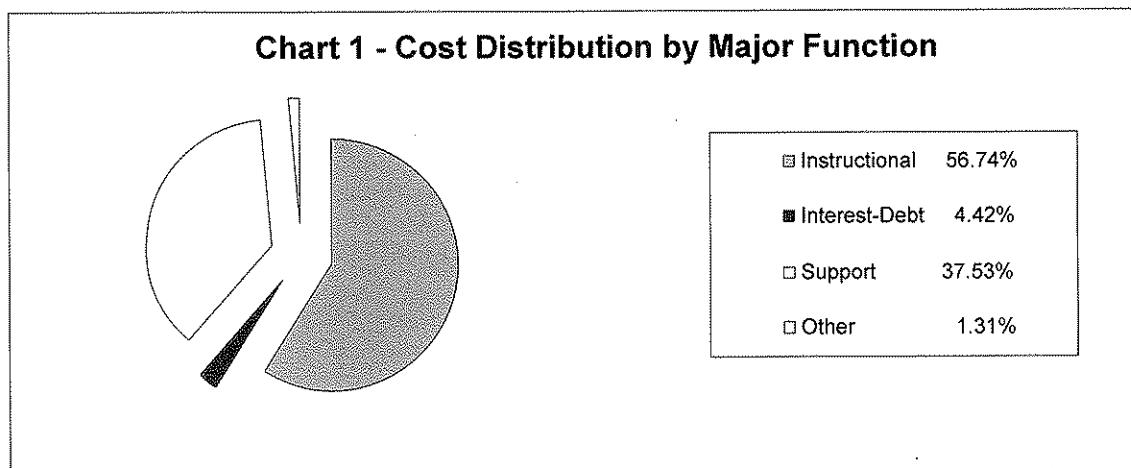
Figure A-3 below presents the cost of five major functional activities: instruction, support services, community services, pupil activities and interest on long-term debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided 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 \$96,516,299.

Figure A-3

## Cost of the Five Major Functional Activities for Governmental Activities

	Total Expense		Net (Expense) Revenue	
	FY 10	FY 11	FY 10	FY 11
Instruction	\$ 61,028,665	\$ 54,761,743	(\$ 16,480,648)	(\$ 14,668,600)
Support Services	38,745,554	36,224,608	(10,500,294)	(10,126,739)
Community Services	1,093,580	1,139,831	(277,197)	(271,493)
Pupil Activities	133,669	119,900	(133,669)	(119,900)
Interest on Long-Term Debt	3,912,591	4,270,217	(3,912,591)	(4,270,217)
Total	104,914,059	96,516,299	(31,304,399)	(29,456,949)

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 \$172,139. Revenues totaled \$5,200,102 and expenses and transfers out totaled \$5,027,963 for the year ended June 30, 2011 (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 \$27,728,996. This was an increase of \$5,706,161 to last year's ending fund balances of \$22,022,835.

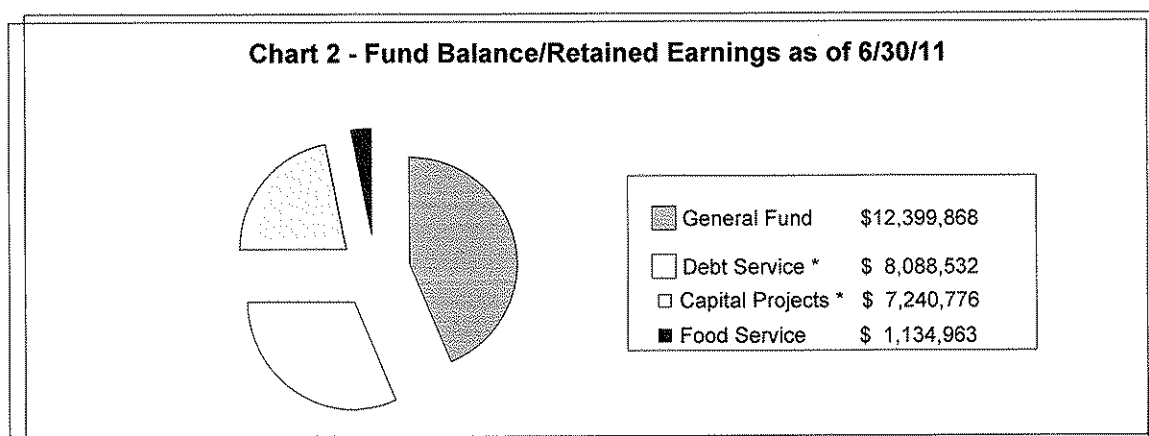
Approximately \$11,425,838 or 41.21 percent constitutes the unassigned portion of the district's fund balance. This balance is maintained as an operating balance for the district to meet cash flow obligations throughout the year. The remaining fund balance is classified as nonspendable, committed, assigned or restricted for the following spending constraints:

- \$ 69,943 nonspendable for prepaid expenses
- 71,971 committed for encumbrances
- 831,936 assigned for subsequent year's expenses
- 1,502,646 restricted for debt service-district
- 6,585,886 restricted for debt service-LEAP
- 7,116,888 restricted for capital projects-district
- 123,888 restricted for capital projects-LEAP

The general fund is the principal operating fund of the district. The general fund balance showed an increase of \$1,108,042. The debt service-district fund balance showed a decrease of \$574,831. The capital projects-district showed an increase of \$5,583,706. 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 \$6,585,886 and the creation of the capital projects-LEAP fund which ended the year with a balance of \$123,888.

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 \$1,134,963. This was an increase of \$172,139 from last year's ending retained earnings of \$962,824.

Chart 2 below provides a breakdown of total fund balance and retained earnings as of June 30, 2011.



\* 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. Because proposed state funding levels were down, the

district made budget cuts accordingly to bring budgeted expenses in balance with budgeted revenues without the use of general fund equity. It was the district's goal to preserve equity at the 6/30/10 year end balance of \$11,291,646. Reductions to expenses included the elimination of positions where possible, no step increases for payroll, a five day furlough for certified and classified employees and a ten day furlough for administrators along with several positions having their number of days permanently reduced.

It has been the practice of the district to review and revise its general fund budget at mid-year for any variations from the originally approved budget or anticipated changes in revenues and expenses. Mid-year budget revisions were approved by the Board of Trustees in February 2011. Revenue adjustments included decreasing local revenue projections by \$396,519 for updated estimates and increasing state revenue projections by \$55,283 to reflect updated information from the state department of education. Budgeted expenses were decreased by \$341,236 for anticipated savings in salaries and fringe benefits. While general fund equity was not used to balance the budget, it was available to cover any shortfall the district may have at year end.

For the year, ad valorem tax collections were slightly under budget of \$19,874,355 by \$276,572 or 1.39%. Other local revenues exceeded the budget by \$394,204 for the year. Overall local revenues were .54% or \$117,632 over the budget of \$21,931,473. The district received an additional allocation from the state at year end of \$295,659 from textbook cost savings. Total state revenues for the year were slightly over budget of \$42,450,303 by \$638,127 or 1.50%.

Salaries and fringe benefits were slightly over budget of \$59,113,319 for the year by \$60,188.91 or 0.10%. Purchased services budget of \$4,094,821 was under budget by 10.16% or \$415,958. Supplies, equipment, and other expenses and transfers-out were under budget of \$3,198,782 by \$184,861 or 5.78%.

## Capital Assets and Debt Administration

### Capital Assets:

By the end of 2011, the district had invested \$164,480,591 in capital assets, including school buildings and facilities, vehicles, furniture, furnishings and equipment. Total depreciation expense for the year was \$4,361,279. The following schedule (Figure A-4), presents capital asset balances net of depreciation for the fiscal year ended June 30, 2011.

Figure A-4	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total Activities	
	FY 10	FY 11	FY 10	FY 11	FY 10	FY 11
Land	\$ 3,357,341	\$ 3,357,341	\$ 0	\$ 0	\$ 3,357,341	\$ 3,357,341
Buildings & Improvements	110,018,185	109,123,391	0	0	110,018,185	109,123,391
Furniture & Equipment	2,420,733	2,404,615	679,606	570,429	3,100,339	2,975,044
Construction in Progress	1,253,742	826,416			1,253,742	826,416
<b>Total Cost</b>	<b>117,050,001</b>	<b>115,711,763</b>	<b>679,606</b>	<b>570,429</b>	<b>117,729,607</b>	<b>116,282,192</b>

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 \$20,445,000 in general obligation bonds debt outstanding (see figure A-5), of which \$2,640,000 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 \$22,026,997. More detailed information about the district's long-term debt is presented in Note 7 to the financial statements.

<b>Figure A-5 Outstanding Long-Term Debt</b>				
	<b>July 1, 2010 Balance</b>	<b>Additions to (Reductions in) Principal</b>	<b>June 30, 2011 Balance</b>	<b>Amount Due Within One Year</b>
<b>General Obligation Bonds</b>	\$22,980,000	(\$2,535,000)	\$20,445,000	\$2,640,000
<b>LEAP Installment Bonds</b>	69,710,000	(355,000)	69,355,000	460,000

### **Factors Bearing on the District's Future**

In the fiscal year 2011-2012 budget the district balanced revenues with the use of \$831,936 in 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. Unassigned general fund equity at July 01, 2011 was \$11,425,838 or 16.19% of the \$70,563,397 budgeted expenses for fiscal year 2011-2012.

Fiscal year 2011-2012 was a year of tax reassessment for Lancaster County. The school operating mill value after reassessment grew by 0.51% or \$685 to \$135,575. The Board of Trustees approved the maximum increase allowable (3.25 mills) in school operating millage for fiscal year 2011-2012. The prior year school operating millage was 136.75 mills and the current year operating millage is 140.00 mills.

The state reimbursement for residential property tax FY 2011-2012 was calculated using a 1.70% increase for the consumer price index and a statewide growth percentage of 1.4%. This amounts to an increase of \$321,465 for a total budget of \$7,272,836.

The state base student cost used for the FY 2010-2011 budget was \$1,630 and actual calculated at year end was \$1615. Estimated base student cost for FY 2011-2012 was budgeted at \$1,880. This increase in base student cost totaled \$2,995,236 in state funding that helped make up for the loss of \$2,620,626 in federal stimulus funds received in FY 2010-2011.

Overall general fund budgeted expenses for FY 2011-2012 increased by \$4,095,504. With the loss of federal stimulus funds to aid district operations, the FY 2011-2012 budget was increased by \$2,620,626 in expenses that were added back to the general fund. For salaries and fringe benefits, the FY 2011-2012 budget increased by \$1,261,241. Most of this increase was due to the elimination of the five/ten day furlough that had been applied during FY 2010-2011. There

was no state mandated increase to teacher salary schedules and all steps were frozen for FY 2011-2012 as well. The remaining budget increase of \$213,637 was due to slight increases in utilities and operational cost.

Debt Service millage was increased by 5.00 mills for a total of 43.50 mills for fiscal year 2011-2012 to meet existing debt requirements plus \$7,540,000 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 \$2,196,437, and discharge \$1,748,845 in bond anticipation notes issued in the prior year, with the remaining funds used to meet the districts scheduled five year capital needs plan and to provide for new capital construction approved by the Board of Trustees.

The Board of Trustees will revise the district's budget at mid-year, as they have in past years, based on the current economic conditions and revised estimated revenues and expenses 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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 17,897,806	\$ 738,485	\$ 18,636,291	
Cash and Cash Equivalents - Restricted	6,709,774		6,709,774	
Property Taxes Receivable, Net	2,837,289		2,837,289	
Accounts Receivable	5,333,971	16,258	5,350,229	\$ 2,940
Internal Balances	272,935	(272,935)	-	
Due from Pupil Activities	333,812		333,812	
Due from County Government	5,105,253		5,105,253	
Due from State Government	2,468,560		2,468,560	
Due from Federal Government	1,432,752		1,432,752	
Other Current Assets	69,943		69,943	
Inventory		110,847	110,847	
Capital Assets:				
Non-Depreciable Capital Assets	4,183,757		4,183,757	
Depreciable Capital Assets, Net	111,528,006	570,429	112,098,435	
<b>Total Assets</b>	<b>158,173,858</b>	<b>1,163,084</b>	<b>159,336,942</b>	<b>2,940</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	6,612,347		6,612,347	
Due to State Department of Education	2,213		2,213	
Due to Federal Government	10,300		10,300	
Unearned Revenue	3,712,640	28,121	3,740,761	2,940
Accrued Interest	532,994		532,994	
Short Term Note Payable	1,740,000		1,740,000	
Noncurrent Liabilities:				
Due Within One Year	3,743,794		3,743,794	
Due in More Than One Year	87,689,018		87,689,018	
<b>Total Liabilities</b>	<b>104,043,306</b>	<b>28,121</b>	<b>104,071,427</b>	<b>2,940</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	25,498,685	570,429	26,069,114	
Restricted for:				
Debt Service	8,711,612		8,711,612	
Capital Projects	7,240,776		7,240,776	
Unrestricted	12,679,479	564,534	13,244,013	
<b>Total Net Assets</b>	<b>54,130,552</b>	<b>1,134,963</b>	<b>55,265,515</b>	<b>-</b>

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, 2011

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
Instruction	\$ 54,761,743	\$ 61,994	\$ 40,031,149		\$ (14,668,600)	\$ (14,668,600)	
Support Services	36,224,608		26,093,835	\$ 4,034	(10,126,739)	(10,126,739)	
Community Services	1,139,831		868,338		(271,493)	(271,493)	
Pupil Activities	119,900				(119,900)	(119,900)	
Interest and Other Charges	4,270,217				(4,270,217)	(4,270,217)	
<b>Total Governmental Activities</b>	<b>96,516,299</b>	<b>61,994</b>	<b>66,993,322</b>	<b>4,034</b>	<b>(29,456,949)</b>	<b>-</b>	<b>(29,456,949)</b>
<b>Business-Type Activities:</b>							
Food Service	4,808,028	1,572,107	3,625,926		-	\$ 390,005	390,005
<b>Total School District</b>	<b>101,324,327</b>	<b>1,634,101</b>	<b>70,619,248</b>	<b>4,034</b>	<b>(29,456,949)</b>	<b>390,005</b>	<b>(29,066,944)</b>
<b>Component Units:</b>							
Charter School	606,788		606,788				\$ -
<b>General Revenues:</b>							
Taxes							
Property Taxes, Levied for General Purposes					21,797,653		21,797,653
Property Taxes, Levied for Debt Service					10,077,072		10,077,072
Grants and Contributions Not Restricted to Specific Programs					74,247		74,247
Unrestricted Investment Earnings					115,775	2,069	117,844
Insurance Proceeds					4,894,906		4,894,906
Miscellaneous					26,771		26,771
<b>Subtotal, General Revenues</b>					<b>36,986,424</b>	<b>2,069</b>	<b>36,988,493</b>
<b>Excess (Deficiency) of Revenues Over Expenses Before Special Items</b>					<b>7,529,475</b>	<b>392,074</b>	<b>7,921,549</b>
Transfers Between Government and Business-Type Activities					219,935	(219,935)	-
<b>Change in Net Assets</b>					<b>7,749,410</b>	<b>172,139</b>	<b>7,921,549</b>
<b>Net Assets, Beginning of Year</b>					<b>46,381,142</b>	<b>962,824</b>	<b>47,343,966</b>
<b>Net Assets, End of Year</b>					<b>54,130,552</b>	<b>1,134,963</b>	<b>55,265,515</b>

The Accompanying Notes are an Integral Part of These Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT

LANCASTER, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2011

	Major Funds							Total
	General	Special Projects	EIA	Debt Service	Debt Service- LEAP	Capital Projects	Capital Projects- LEAP	Governmental Funds
<b>Assets</b>								
Cash and Cash Equivalents	\$ 17,897,806							\$ 17,897,806
Cash and Cash Equivalents - Restricted					\$ 6,585,886		\$ 123,888	6,709,774
Property Tax Receivable, Net	178,883			\$ 76,432				255,315
Accounts Receivable	31,583	\$ 298,676				\$5,003,712		5,333,971
Due from Other Funds			\$ 1,795,147			800,682		2,595,829
Due from Pupil Activities	333,812							333,812
Due from County Government	626,545			1,426,214		3,052,494		5,105,253
Due from State Government	932,261	147,830	1,388,469					2,468,560
Due from Federal Government		1,432,752						1,432,752
Other Current Assets	69,943							69,943
<b>Total Assets</b>	<b>20,070,833</b>	<b>1,879,258</b>	<b>3,183,616</b>	<b>1,502,646</b>	<b>6,585,886</b>	<b>8,856,888</b>	<b>123,888</b>	<b>42,203,015</b>
<b>Liabilities and Fund Balances</b>								
Accounts Payable and								
Accrued Liabilities	6,612,347							6,612,347
Notes Payable	73,625					1,740,000		1,813,625
Due to Other Funds	985,173	1,337,721						2,322,894
Due to Other Governmental Units		10,300	2,213					12,513
Deferred Revenue		531,237	3,181,403					3,712,640
<b>Total Liabilities</b>	<b>7,671,145</b>	<b>1,879,258</b>	<b>3,183,616</b>	<b>-</b>	<b>-</b>	<b>1,740,000</b>	<b>-</b>	<b>14,474,019</b>
<b>Fund Balances</b>								
Nonspendable:								
Prepaid Expenses	69,943							69,943
Committed:								
Encumbrances	71,971							71,971
Restricted for:								
Debt Service				1,502,646	6,585,886			8,088,532
Capital Projects						7,116,888	123,888	7,240,776
Assigned:								
Subsequent Year Expenditures	831,936							831,936
Unassigned	11,425,838							11,425,838
<b>Total Fund Balances</b>	<b>12,399,688</b>	<b>-</b>	<b>-</b>	<b>1,502,646</b>	<b>6,585,886</b>	<b>7,116,888</b>	<b>123,888</b>	<b>27,728,996</b>
<b>Total Liabilities and Fund Balances</b>	<b>20,070,833</b>	<b>1,879,258</b>	<b>3,183,616</b>	<b>1,502,646</b>	<b>6,585,886</b>	<b>8,856,888</b>	<b>123,888</b>	<b>42,203,015</b>

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, 2011

**Total Fund Balances - Governmental Funds** \$ 27,728,996

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	\$162,784,739	
Accumulated Depreciation is	<u>(47,072,976)</u>	115,711,763

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.		2,581,974
---	--	-----------

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	90,213,078	
Accrued Interest on the Bonds	532,994	
Compensated Absences	<u>1,146,109</u>	<u>(91,892,181)</u>

**Total Net Assets - Governmental Activities** 54,130,552

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, 2011**

	Major Funds							
	General	Special Revenue Special Projects	Special Revenue EIA	Debt Service - District	Debt Service - LEAP	Capital Projects - District	Capital Projects - LEAP	Total Governmental Funds
Revenues								
Local Sources:								
Taxes	\$ 19,873,097			\$ 9,615,434				\$ 29,488,531
Investment Earnings	84,185			13,586	\$ 1,416	\$ 16,500	\$ 88	115,775
Other Local Sources	2,091,823	\$ 1,700,111	\$ 2,800	374,625		4,907,726		9,077,085
State	43,088,430	1,568,864	5,989,172	624,249		4,034		51,274,749
Federal		13,646,168						13,646,168
Total Revenues	65,137,535	16,915,143	5,991,972	10,627,894	1,416	4,928,260	88	103,602,308
Expenditures								
Current								
Instruction	41,152,917	7,628,677	3,765,599					52,547,193
Support Services	23,700,993	7,511,529	889,498			1,739,505	410,746	34,252,271
Community Services	7,036	1,132,795						1,139,831
Pupil Activities	119,900							119,900
Intergovernmental Expenditures	757,563	20,577						778,140
Debt Service								
Principal				2,535,000	355,000			2,890,000
Interest and Fiscal Agent Fees				867,725	3,480,325	10,283		4,358,333
Capital Outlay	54,258	346,061	69,140			1,595,509		2,064,968
Total Expenditures	65,792,667	16,639,639	4,724,237	3,402,725	3,835,325	3,345,297	410,746	98,150,636
Excess (Deficiency) of Revenue Over Expenditures	(655,132)	275,504	1,267,735	7,225,169	(3,833,909)	1,582,963	(410,658)	5,451,672
Other Financing Sources (Uses)								
Transfers In	1,836,799	73,625	147,753	-	3,833,811	5,702,046		11,594,034
Transfers (Out)	(73,625)	(349,129)	(1,415,488)	(7,800,000)		(1,735,857)		(11,374,099)
Premium on Bonds Sold						34,554		34,554
Total Other Financing Sources (Uses)	1,763,174	(275,504)	(1,267,735)	(7,800,000)	3,833,811	4,000,743	-	254,489
Net Changes in Fund Balances	1,108,042	-	-	(574,831)	(98)	5,583,706	(410,658)	5,706,161
Fund Balance, Beginning of Year	11,291,646		-	2,077,477	6,585,984	1,533,182	534,546	22,022,835
Fund Balance, End of Year	12,399,688	-	-	1,502,646	6,585,886	7,116,888	123,888	27,728,996

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, 2011

**Total Net Change in Fund Balances - Governmental Funds** **\$ 5,706,161**

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	\$ 2,939,911	
Depreciation expense	<u>(4,247,084)</u>	(1,307,173)

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. (31,065)

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. (5,541)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Activities. 2,890,000

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. 443,466

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. 26,691

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** 7,749,410

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, 2011

	<u>Enterprise Fund Food Service</u>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 738,485
Accounts Receivable	16,258
Inventories - Supplies and Materials	<u>110,847</u>
<b>Total Current Assets</b>	<u>865,590</u>
Noncurrent Assets:	
Equipment	
Less: Accumulated Depreciation	<u>570,429</u>
<b>Total Noncurrent Assets</b>	<u>570,429</u>
<b>Total Assets</b>	<u>1,436,019</u>
<b>Liabilities</b>	
Current Liabilities:	
Deferred Revenue	28,121
Due To Other Funds	<u>272,935</u>
<b>Total Current Liabilities</b>	<u>301,056</u>
<b>Total Liabilities</b>	<u>301,056</u>
<b>Net Assets</b>	
Invested in Capital Assets	570,429
Unrestricted	<u>564,534</u>
<b>Total Net Assets</b>	<u><u>1,134,963</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, 2011

	<b>Enterprise Fund Food Services</b>
<b>Operating Revenues</b>	
Proceeds From Sale of Meals	<u>\$ 1,572,107</u>
<b>Total Operating Revenues</b>	<u>1,572,107</u>
<b>Operating Expenses</b>	
Food Costs	2,446,719
Salaries and Wages	1,925,442
Depreciation	114,195
Supplies and Materials	268,826
Other Operating Costs	<u>52,846</u>
<b>Total Operating Expenses</b>	<u>4,808,028</u>
<b>Operating Loss</b>	<u>(3,235,921)</u>
<b>Nonoperating Revenues</b>	
Interest Income	2,069
USDA Reimbursements	3,246,466
Commodities Received From USDA	366,566
Other State Aid	5,606
Other Revenue	<u>7,288</u>
<b>Total Nonoperating Revenue</b>	<u>3,627,995</u>
<b>Income (Loss) Before Transfers</b>	392,074
<b>Transfers In (Out)</b>	<u>(219,935)</u>
<b>Change in Net Assets</b>	172,139
<b>Net Assets, Beginning of Year</b>	<u>962,824</u>
<b>Net Assets, End of Year</b>	<u><u>1,134,963</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, 2011**

<b>Cash Flows from Operating Activities</b>	
Cash Received from Patrons	\$ 1,573,232
Cash Payments to Suppliers for Goods and Services	(2,421,954)
Cash Payments to Employees for Services	<u>(1,925,442)</u>
<b>Net Cash Used by Operating Activities</b>	<u>(2,774,164)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>	
Operating Grants Received	7,288
Cash Received from USDA Reimbursements	3,557,935
Other State Aid	5,606
Transfers - Out to Other Funds	<u>(494,929)</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u>3,075,900</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition of Capital Assets	<u>(5,018)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>2,069</u>
<b>Net Increase in Cash and Cash Equivalents</b>	298,787
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>439,698</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>738,485</u></u>
<b>Reconciliation of Operating Income (Loss) to</b>	
<b>Net Cash Used by Operating Activities</b>	
Operating Income (Loss)	(3,235,921)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	114,195
USDA Donated Commodities	366,566
Changes in Operating Assets and Liabilities:	
Inventory	(20,129)
Deferred Revenue	<u>1,125</u>
<b>Net Cash Used by Operating Activities</b>	<u><u>(2,774,164)</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, 2011

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,774,173
Accounts Receivable	<u>1,783</u>
<b>Total Assets</b>	<u><u>1,775,956</u></u>
<b>Liabilities</b>	
Due to School District	333,812
Due to Student Organizations	<u>1,442,144</u>
<b>Total Liabilities</b>	<u><u>1,775,956</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 not accounted for and reported in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes that are 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 all financial resources that are restricted, committed, or assigned to expenditure for capital outlays 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 all financial resources that are restricted, committed, or assigned to expenditure for capital outlays 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, 2011, 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:

<b>Assets</b>	<b>Years</b>
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, 2011, the liability for compensated absences has been recorded in the amount of \$ 1,146,109. The amount expected to be paid from current resources is \$ 598,517.

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.

### **Classification of Fund Balances**

Beginning in fiscal year 2011, the District implemented GASBS 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more

## **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Classification of Fund Balances (Continued)**

transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form or are required to be maintained in tact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grants, bondholders and higher levels of government) through constitutional provisions or enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, which is the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts the District intends to use for a specific purpose; intent can be expressed by the governing body, which is the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

When committed, assigned or unassigned resources are available for use, it is the government's policy to use committed, assigned, and unassigned resources, respectively.

### **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, 2011, 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, 2011, 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	\$10,723,071	Less than 1 year

These investments are all included in cash and cash equivalents.

### **NOTE 3 DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk - 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. Custodial credit risk for investments is the risk that, in the event of a failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2011, the District had no exposure to custodial credit risk.

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

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

### **NOTE 4 PROPERTY TAXES**

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

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

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

The revised assessed value of the certified roll, upon which the levy for the 2011 fiscal year was based, was \$275,337,465. The millage rate charged for the District was 136.75 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, 2011, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,357,341			\$ 3,357,341
Construction in Progress	1,253,742	\$ 826,416	\$ (1,253,742)	826,416
Total Capital Assets, Not Being Depreciated	4,611,083	826,416	(1,253,742)	4,183,757
Capital Assets, Being Depreciated:				
Buildings and Improvements	150,094,138	2,795,748		152,889,886
Furniture and Equipment	5,198,107	571,489	(58,500)	5,711,096
Total Capital Assets Being Depreciated	155,292,245	3,367,237	(58,500)	158,600,982
Less: Accumulated Depreciation for:				
Buildings and Improvements	(40,075,953)	(3,690,542)		(43,766,495)
Furniture and Equipment	(2,777,374)	(556,542)	27,435	(3,306,481)
Total Accumulated Depreciation	(42,853,327)	(4,247,084)	27,435	(47,072,976)
Total Capital Assets Being Depreciated, Net	112,438,918	(879,847)	(31,065)	111,528,006
<b>Governmental Activities Capital Assets, Net</b>	<u>117,050,001</u>	<u>(53,431)</u>	<u>(1,284,807)</u>	<u>115,711,763</u>
<b>Business-Type Activities:</b>				
Property and Equipment - Historical Cost	\$1,690,834	\$ 5,018		\$ 1,695,852
Less: Accumulated Depreciation	(1,011,228)	(114,195)		(1,125,423)
<b>Business-Type Activities Capital Assets, Net</b>	<u>679,606</u>	<u>(109,177)</u>		<u>570,429</u>

**NOTE 5 CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$1,414,279
Support Services	<u>2,832,805</u>
<b>Total</b>	<u>4,247,084</u>

Depreciation expense for Business-Type Activities was \$114,195.

**Construction Commitments**

The District has several ongoing construction projects as of June 30, 2011, consisting primarily of capital projects with LEAP. The projects include renovations at existing schools. Total outstanding construction commitments at June 30, 2011, are approximately \$ 1,718,001.

**NOTE 6 SHORT-TERM OBLIGATIONS**

<u>Short-Term Obligations</u>	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2011</u>
Governmental Activities:				
General Obligation Bonds	<u>\$1,721,000</u>	<u>\$9,540,000</u>	<u>\$9,521,000</u>	<u>\$1,740,000</u>
<b>Total Governmental Activities</b>	<u>1,721,000</u>	<u>9,540,000</u>	<u>9,521,000</u>	<u>1,740,000</u>

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

The District issued a Bond Anticipation Note on May 13, 2011. The note is due and payable on September 15, 2011 at an interest rate of 1.50%.

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 \$20,445,000 general obligation debt outstanding at June 30, 2011, which was issued and approved by referendum. The District had no general obligation debt outstanding at June 30, 2011, 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, 2011:

Long-Term Obligations	June 30, 2010	Additions	Reductions	June 30, 2011	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 22,980,000		\$ 2,535,000	\$ 20,445,000	\$ 2,640,000
Premium	153,499		12,118	141,381	12,118
LEAP 2006 Bond Issue	69,710,000		355,000	69,355,000	460,000
Premium	286,450		14,753	271,697	14,753
Note Payable-SC Energy		\$ 73,625		73,625	18,406
Accrued Compensation Absences	1,140,568	601,164	595,623	1,146,109	598,517
<b>Total Governmental Activities</b>	<u>94,270,517</u>	<u>674,789</u>	<u>3,512,494</u>	<u>91,432,812</u>	<u>3,743,794</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, 2011, are as follows:

General obligation bonds payable at June 30, 2011, are comprised of the following individual issues:

Issued March 17, 2009 with interest from 3.0 to 4.0%	\$17,960,000
Issued April 2, 2008, with interest from 3.5 to 4.0%	<u>2,485,000</u>
<b>Total</b>	<u><u>20,445,000</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, 2011, was \$ 271,697.

The District was awarded a grant from the SC Energy Office during the year with part of the award being an issuance of a loan at 25 percent of the total award. The loan has zero percent interest and must be paid back in four equal payments. The first payment is due on November 1, 2011 and the loan will be paid in full on November 1, 2014.

**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, 2011.

The annual requirements for debt service on bonds outstanding at June 30, 2011, are summarized as follows:

Year Ended June 30,	Principal	Interest	Total
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	3,910,000	3,793,150	7,703,150
2016	4,180,000	3,634,575	7,814,575
2017-2021	25,795,000	14,879,150	40,674,150
2022-2026	38,205,000	7,087,125	45,292,125
2027-2030	7,515,000	774,875	8,289,875
<b>Total</b>	<u>89,800,000</u>	<u>42,373,450</u>	<u>132,173,450</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 publishes 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 3.9% 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 3.9% 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, 2011. The District's contribution equals the required contribution.

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

	2011	2010	2009
Total Payroll Subject			
To Retirement	\$53,336,719	\$57,219,583	\$57,848,253
Covered Payroll Subject			
To Employee Contributions	53,336,719	56,934,569	56,416,524
Employee Contributions	3,466,885	3,684,293	3,667,080
Employer Contributions	7,088,749	7,392,347	7,457,171

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

	2011	2010
Total Payroll Subject to Retirement	\$4,725,718	\$5,363,715
Employee Contributions		346,868
Employer State ORP Contributions		269,959
Employer SCRS Contributions	391,762	423,197

**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, 2011, consisted of the following individual fund amounts:

	Transfers In	Transfers Out
General Fund	\$ 1,836,799	\$ 73,625
Special Projects Fund	73,625	349,129
EIA Fund	147,753	1,415,488
Proprietary Fund		219,935
Debt Service Fund		7,800,000
Debt Service Fund – LEAP	3,833,811	
Capital Projects Fund	5,702,046	1,735,857
<b>Total</b>	<u>11,594,034</u>	<u>11,594,034</u>

**NOTE 10 INTERFUND BALANCES (Continued)**

As of June 30, 2011, 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			\$1,795,147	\$800,682		\$2,595,829
Special Projects Fund	\$1,337,721					1,337,721
Enterprise Fund	<u>272,935</u>					<u>272,935</u>
	<u>1,610,656</u>		<u>1,795,147</u>	<u>800,682</u>		<u>4,206,485</u>
Due to:						
General Fund		\$1,337,721			\$272,935	1,610,656
EIA Fund	1,795,147					1,795,147
Capital Projects	<u>800,682</u>					<u>800,682</u>
	<u>2,595,829</u>	<u>1,337,721</u>			<u>272,935</u>	<u>4,206,485</u>
	<u>(985,173)</u>	<u>(1,337,721)</u>	<u>1,795,147</u>	<u>800,682</u>	<u>(272,935)</u>	<u>-</u>

**NOTE 11 RECEIVABLES/ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The amount presented in the statement of net assets for property taxes is net of the following allowance for doubtful accounts:

Property Taxes, Current	\$ 4,365,060
Allowance for Doubtful Accounts	<u>(1,527,771)</u>
Property Taxes, Current	<u>2,837,289</u>

The balance of \$5,350,229 presented in the statement of net assets for accounts receivable is made up of insurance claims receivable and other receivables in the amounts of \$4,880,052 and \$470,177, respectively.

**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, 2011.

**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, 2011. 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 \$7,540,000 in General Obligation Bonds in September, 2011. These Bonds have a stated interest rate of 1.00% and principal and interest are due on March 1, 2012. 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, 2011**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget - Positive (Negative)</b>
<b>Revenue</b>				
Local	\$22,272,992	\$21,931,473	\$ 22,049,105	\$ 117,632
State	42,480,991	42,450,303	43,088,430	638,127
<b>Total Revenue</b>	<u>64,753,983</u>	<u>64,381,776</u>	<u>65,137,535</u>	<u>755,759</u>
<b>Expenditures</b>				
Instruction	40,296,620	40,814,425	41,156,910	(342,485)
Support Services	25,623,038	24,702,515	23,751,258	951,257
Community Services	-	-	7,036	(7,036)
Intergovernmental Expenditures	769,871	770,082	757,563	12,519
<b>Total Expenditures</b>	<u>66,689,529</u>	<u>66,287,022</u>	<u>65,672,767</u>	<u>614,255</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>(1,935,546)</u>	<u>(1,905,246)</u>	<u>(535,232)</u>	<u>1,370,014</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	1,935,546	1,905,246	1,643,274	(261,972)
<b>Total Other Financing Sources (Uses)</b>	<u>1,935,546</u>	<u>1,905,246</u>	<u>1,643,274</u>	<u>(261,972)</u>
<b>Net Change in Fund Balance</b>	-	-	1,108,042	<u><u>1,108,042</u></u>
<b>Fund Balance, Beginning of Year</b>	<u>10,207,378</u>	<u>9,985,444</u>	<u>11,291,646</u>	
<b>Fund Balance, End of Year</b>	<u><u>10,207,378</u></u>	<u><u>9,985,444</u></u>	<u><u>12,399,688</u></u>	

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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 19,874,355	\$ 19,597,783	\$ (276,572)
1140 Penalties and Interest on Taxes	200,000	275,314	75,314
1200 Revenue From Local Governmental Units Other Than LEA's			
1280 Revenue In-Lieu-Of Taxes	1,481,844	1,568,103	86,259
1300 Tuition			
1310 Regular Day School from Patrons	25,000	10,515	(14,485)
1320 Regular Day School from Other LEA's	-	11,293	11,293
1500 Earnings on Investments			
1510 Interest on Investments	50,000	84,185	34,185
1900 Miscellaneous Local Revenue			
1910 Rentals	25,000	21,851	(3,149)
1930 Medicaid	250,000	431,345	181,345
1993 Receipt of Insurance Proceeds	-	14,854	14,854
1999 Revenue from Other Local Sources	25,274	33,862	8,588
<b>Total Local Sources</b>	<u>21,931,473</u>	<u>22,049,105</u>	<u>117,632</u>
<b>3000 Revenue from State Sources</b>			
3100 Restricted State Funding			
3110 Occupational Education			
3113 12-Months (AG) Program	22,982	22,982	-
3129 Consolidated Funding	359,120	359,120	-
3130 Special Programs			
3131 Handicapped Transportation	-	11,578	11,578
3160 School Bus Drivers' Salary	449,335	566,752	117,417
3161 Transportation Workers' Compensation	-	2,655	2,655
3162 EFA Workers' Compensation	41,672	41,672	-
3180 Fringe Benefits Employer Contributions	9,192,439	9,192,439	-
3181 Retiree Insurance	1,507,742	1,507,742	-
3197 Textbook Cost Savings	-	295,659	295,659
3199 Other Restricted State Grants	-	4,584	4,584

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues (Continued)</b>			
<b>3000 Revenue from State Sources (Continued)</b>			
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	\$ 1,455,277	\$ 1,455,277	\$ -
3312 Primary	3,635,046	3,635,046	-
3313 Elementary	4,702,985	4,950,945	247,960
3314 High School	1,214,879	966,919	(247,960)
3315 Trainable Mentally Handicapped	142,765	142,765	-
3316 Speech Handicapped (Part-Time Program)	831,268	831,268	-
3317 Homebound	59,630	59,630	-
3320 Part-Time Programs			
3321 Emotionally Handicapped	134,223	134,224	1
3322 Educable Mentally Handicapped	143,941	143,941	-
3323 Learning Disabilities	1,950,925	1,950,925	-
3324 Hearing Handicapped	84,961	84,961	-
3325 Visually Handicapped	65,128	65,128	-
3326 Orthopedically Handicapped	63,761	63,761	-
3327 Vocational	3,762,945	3,785,676	22,731
3331 Autism	136,283	136,283	-
3350 RTF Payment	-	4,885	4,885
3800 State Revenue In-Lieu-Of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,724,743	3,724,743	-
3820 Homestead Exemption (Tier 2)	1,189,965	1,189,965	-
3825 Reimbursement for Property Tax Relief (Tier 3)	6,951,371	6,965,119	13,748
3830 Merchants' Inventory Tax	185,886	185,886	-
3840 Manufacturers' Depreciation Reimbursement	250,000	340,876	90,876
3890 Other State Property Revenues	175,000	175,488	488
3900 Other State Revenue			
3999 Revenue from Other State Sources	16,031	89,536	73,505
<b>Total State Sources</b>	<b>42,450,303</b>	<b>43,088,430</b>	<b>638,127</b>
<b>Total Revenue All Sources</b>	<b>64,381,776</b>	<b>65,137,535</b>	<b>755,759</b>

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>			
<b>100 Instruction</b>			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 2,299,867	\$ 2,297,623	\$ 2,244
200 Employee Benefits	789,953	773,099	16,854
400 Supplies and Materials	20,117	20,017	100
112 Primary Programs			
100 Salaries	4,681,567	4,738,346	(56,779)
200 Employee Benefits	1,488,004	1,481,068	6,936
300 Purchased Services	4,000	3,999	1
400 Supplies and Materials	52,722	52,113	609
113 Elementary Programs			
100 Salaries	9,646,417	9,721,412	(74,995)
200 Employee Benefits	3,048,436	3,037,747	10,689
300 Purchased Services	123,715	107,537	16,178
400 Supplies and Materials	126,009	122,521	3,488
600 Other Objects	8,400	11,263	(2,863)
114 High School Programs			
100 Salaries	7,467,479	7,673,380	(205,901)
200 Employee Benefits	2,380,424	2,390,222	(9,798)
300 Purchased Services	56,348	42,549	13,799
400 Supplies and Materials	90,937	81,124	9,813
500 Capital Outlay	688	666	22
115 Vocational Programs			
100 Salaries	1,700,640	1,696,193	4,447
200 Employee Benefits	541,242	532,177	9,065
300 Purchased Services	8,044	6,227	1,817
400 Supplies and Materials	74,369	73,110	1,259
500 Capital Outlay	3,326	3,326	-

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures (Continued)</b>			
<b>100 Instruction (Continued)</b>			
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	\$ 956,236	\$ 953,739	\$ 2,497
200 Employee Benefits	342,061	319,123	22,938
400 Supplies and Materials	889	703	186
122 Trainable Mentally Handicapped			
100 Salaries	605,940	585,645	20,295
200 Employee Benefits	186,613	190,597	(3,984)
400 Supplies and Materials	444	441	3
123 Orthopedically Handicapped			
100 Salaries	76,140	104,610	(28,470)
200 Employee Benefits	19,934	23,316	(3,382)
124 Visually Handicapped			
300 Purchased Services	67,920	67,920	-
125 Hearing Handicapped			
100 Salaries	80,586	80,584	2
200 Employee Benefits	24,829	24,529	300
400 Supplies and Materials	202	187	15
126 Speech Handicapped			
100 Salaries	577,568	591,160	(13,592)
200 Employee Benefits	182,140	183,554	(1,414)
300 Purchased Services	51,125	51,125	-
400 Supplies and Materials	10,466	10,409	57
600 Other Objects	1,215	1,215	-
127 Learning Disabilities			
100 Salaries	1,744,016	1,741,030	2,986
200 Employee Benefits	515,608	528,449	(12,841)
400 Supplies and Materials	1,087	1,048	39
128 Emotionally Handicapped			
100 Salaries	241,874	241,798	76
200 Employee Benefits	97,208	91,673	5,535
400 Supplies and Materials	226	216	10

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures (Continued)</b>			
<b>100 Instruction (Continued)</b>			
130 Pre-school Programs			
133 Pre-school Handicapped			
Self-Contained (5 Year Olds)			
300 Purchased Services	\$ 149	149	\$ -
400 Supplies and Materials	-	22	(22)
137 Pre-school Handicapped			
Self-Contained (3 and 4 Year Olds)			
100 Salaries	93,345	93,279	66
200 Employee Benefits	28,111	28,064	47
139 Early Childhood Programs			
100 Salaries	7,700	22,068	(14,368)
200 Employee Benefits	2,327	2,316	11
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	14,168	14,163	5
200 Employee Benefits	3,248	1,961	1,287
145 Homebound			
100 Salaries	75,000	85,631	(10,631)
200 Employee Benefits	15,705	17,442	(1,737)
300 Purchased Services	23,680	14,340	9,340
160 Other Exceptional Programs			
161 Autism			
100 Salaries	88,284	146,069	(57,785)
200 Employee Benefits	23,568	38,542	(14,974)
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	23,942	23,942	-
200 Employee Benefits	10,275	10,132	143
190 Instructional Pupil Activity			
100 Salaries	6,494	-	6,494
200 Employee Benefits	1,398	-	1,398
<b>Total Instruction</b>	<b>40,814,425</b>	<b>41,156,910</b>	<b>(342,485)</b>

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures (Continued)</b>			
<b>200 Support Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 68,327	\$ 68,326	\$ 1
200 Employee Benefits	22,041	21,827	214
300 Purchased Services	7,078	5,556	1,522
400 Supplies and Materials	2,000	563	1,437
212 Guidance Services			
100 Salaries	1,680,683	1,681,181	(498)
200 Employee Benefits	522,618	517,401	5,217
300 Purchased Services	3,063	3,027	36
400 Supplies and Materials	11,659	11,201	458
600 Other Objects	618	187	431
213 Health Services			
100 Salaries	347,001	344,643	2,358
200 Employee Benefits	123,066	120,937	2,129
300 Purchased Services	2,443	2,692	(249)
400 Supplies and Materials	20,305	19,368	937
500 Capital Outlay	2,479	2,478	1
214 Psychological Services			
100 Salaries	63,277	63,276	1
200 Employee Benefits	20,959	21,265	(306)
400 Supplies and Materials	-	12	(12)
217 Career Specialist			
100 Salaries	7,545	11,510	(3,965)
200 Employee Benefits	2,192	2,271	(79)
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	175,471	273,569	(98,098)
200 Employee Benefits	48,792	73,744	(24,952)
300 Purchased Services	60	40	20
400 Supplies and Materials	3,611	3,611	-
600 Other Objects	1,000	867	133
222 Library and Media Services			
100 Salaries	1,357,230	1,354,707	2,523
200 Employee Benefits	450,903	438,214	12,689
300 Purchased Services	67	67	-
400 Supplies and Materials	53,651	52,297	1,354
500 Capital Outlay	622	620	2
223 Supervision of Special Programs			
100 Salaries	147,789	274,195	(126,406)
200 Employee Benefits	54,049	89,372	(35,323)
300 Purchased Services	73	73	-
400 Supplies and Materials	6,929	316	6,613

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures (Continued)</b>			
<b>200 Support Services (Continued)</b>			
220 Instructional Staff Services (Continued)			
224 Improvement of Instruction-In-Service and Staff Training			
100 Salaries	\$ 95,454	\$ 95,802	\$ (348)
200 Employee Benefits	26,030	25,839	191
300 Purchased Services	6,364	5,906	458
400 Supplies and Materials	1,006	105	901
230 General Administration Services			
231 Board of Education			
100 Salaries	118,350	52,062	66,288
200 Employee Benefits	371,970	178,018	193,952
300 Purchased Services	97,644	77,652	19,992
318 Audit Services	39,500	39,500	-
400 Supplies and Materials	9,000	9,978	(978)
600 Other Objects	22,013	21,988	25
232 Office of the Superintendent			
100 Salaries	324,950	315,772	9,178
140 Terminal Leave	-	4,621	(4,621)
150 TERI Second Annual Leave Payout	-	993	(993)
200 Employee Benefits	90,823	83,072	7,751
300 Purchased Services	9,034	6,072	2,962
400 Supplies and Materials	55,170	47,437	7,733
600 Other Objects	3,700	2,965	735
233 School Administration			
100 Salaries	4,643,041	4,622,295	20,746
200 Employee Benefits	1,512,458	1,443,349	69,109
300 Purchased Services	24,950	23,068	1,882
400 Supplies and Materials	39,073	37,779	1,294
500 Capital Outlay	1,576	1,575	1
600 Other Objects	11,694	10,699	995
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	563,566	563,566	-
200 Employee Benefits	179,600	189,446	(9,846)
300 Purchased Services	27,700	25,672	2,028
400 Supplies and Materials	7,876	6,242	1,634
600 Other Objects	2,905	2,890	15

**LANCASTER COUNTY SCHOOL DISTRICT**

**LANCASTER, SOUTH CAROLINA**

**GENERAL FUND**

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

**FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures (Continued)</b>			
<b>200 Support Services (Continued)</b>			
250 Finance and Operations Services (Continued)			
254 Operation and Maintenance of Plant			
100 Salaries	\$ 1,027,506	\$ 986,891	\$ 40,615
200 Employee Benefits	332,961	324,542	8,419
300 Purchased Services	2,500,008	2,334,407	165,601
321 Public Utilities (Excludes Gas, Oil Elec. and Other Heating Fuels)	362,211	365,383	(3,172)
400 Supplies and Materials	471,239	486,792	(15,553)
470 Energy (Includes Gas, Oil, Elec. and Other Heating Fuels)	991,636	775,808	215,828
500 Capital Outlay	44,567	43,989	578
255 Student Transportation (State Mandated)			
100 Salaries	1,237,509	1,101,428	136,081
200 Employee Benefits	363,777	333,916	29,861
300 Purchased Services	34,427	22,360	12,067
400 Supplies and Materials	8,139	6,210	1,929
600 Other Objects	4,000	950	3,050
256 Food Service			
200 Employee Benefits	338,000	458,986	(120,986)
257 Internal Services			
100 Salaries	251,530	250,719	811
200 Employee Benefits	79,779	78,865	914
300 Purchased Services	13,545	11,357	2,188
400 Supplies and Materials	3,060	1,591	1,469
500 Capital Outlay	1,170	-	1,170
600 Other Objects	800	574	226
258 Security			
100 Salaries	112,801	156,591	(43,790)
200 Employee Benefits	29,610	38,887	(9,277)
300 Purchased Services	237,374	194,579	42,795
400 Supplies and Materials	2,500	-	2,500



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, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Expenditures (Continued)</b>			
<b>200 Support Services (Continued)</b>			
260 Central Support Services			
262 Planning, Research, Development and Evaluation			
100 Salaries	\$ 87,584	\$ 87,560	\$ 24
200 Employee Benefits	24,806	23,357	1,449
300 Purchased Services	5,400	2,972	2,428
400 Supplies and Materials	20,650	22,931	(2,281)
600 Other Objects	11,565	11,340	225
263 Information Services			
100 Salaries	89,315	86,394	2,921
200 Employee Benefits	25,013	22,639	2,374
300 Purchased Services	27,830	25,308	2,522
400 Supplies and Materials	2,138	1,853	285
600 Other Objects	270	270	-
264 Staff Services			
100 Salaries	239,663	239,663	-
200 Employee Benefits	70,671	71,352	(681)
300 Purchased Services	16,890	11,368	5,522
400 Supplies and Materials	6,500	5,558	942
600 Other Objects	32,000	30,617	1,383
266 Technology and Data Processing Services			
100 Salaries	397,760	395,402	2,358
200 Employee Benefits	132,197	125,009	7,188
300 Purchased Services	344,179	227,958	116,221
400 Supplies and Materials	58,978	61,189	(2,211)
500 Capital Outlay	1,604	1,603	1
270 Support Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	853,696	811,931	41,765
200 Employee Benefits	312,609	156,383	156,226
<b>Total Support Services</b>	<b>24,702,515</b>	<b>23,751,258</b>	<b>951,257</b>

**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, 2011**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>300 Community Services</b>			
350 Custody/Care of Children			
100 Salaries	\$ -	\$ 4,164	\$ (4,164)
200 Employee Benefits	-	2,872	(2,872)
<b>Total Community Service Expenditures</b>	-	7,036	(7,036)
<b>400 Other Charges</b>			
410 Intergovernmental Expenditures			
411 Payments to the State Department of Education	136,211	146,618	(10,407)
720 Transits			
412 Payments to Other Governmental Units	40,000	17,074	22,926
720 Transits			
416 Payments to Public Charter Schools	593,871	593,871	-
720 Transits			
<b>Total Intergovernmental Expenditures</b>	770,082	757,563	12,519
<b>Total Expenditures</b>	66,287,022	65,672,767	614,255
<b>Other Financing Sources (Uses)</b>			
<b>Interfund Transfers, From (To) Other Funds</b>			
<b>400 Other Charges</b>			
421 Transfer To Special Revenue			
710 Transits	(2,500)	(73,625)	(71,125)
426 Transfer To Pupil Activity			
710 Transits	(117,400)	(119,900)	(2,500)
5230 Transfer From Special Revenue EIA Fund	1,445,146	1,267,735	(177,411)
5280 Transfer From Other Funds Indirect Costs	580,000	569,064	(10,936)
<b>Total Other Financing Sources (Uses)</b>	1,905,246	1,643,274	(261,972)
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	-	1,108,042	1,108,042
<b>Fund Balance, Beginning of Year</b>		11,291,646	
<b>Fund Balance, End of Year</b>		12,399,688	

## **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, 2011

	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/Q Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
<b>Revenues</b>									
1000 Revenue from Local Sources									
1300 Tuition								\$ 13,397	\$ 13,397
1330 Adult/Continuing Education from Patrons								23,989	23,989
1350 Summer School from Patrons									
1900 Other Revenue from Local Sources									
1910 Rentals								4,920	4,920
1920 Contributions and Donations from Private Sources								1,207,422	1,207,422
1999 Revenue From Other Local Sources								450,383	450,383
<b>Total Local Sources</b>	-	-	-	-	-	-	-	1,700,111	1,700,111
<b>2000 Intergovernmental Revenue</b>									
2100 Payment from Other Governmental Units								606,788	606,788
<b>Total Intergovernmental Revenue</b>	-	-	-	-	-	-	-	606,788	606,788
<b>3000 Revenue from State Sources</b>									
3100 Restricted State Funding									
3110 Occupational Education									
3117 EEDA Middle and High School Career Awareness							\$ 3,131	3,131	3,131
3118 EEDA Career Specialist							329,903	329,903	329,903
3120 General Education									
3123 Formative Assessment									
3125 Career and Technology Education Equipment									
3127 Student Health and Fitness - PE Teachers									
3128 High Schools that Work/Making Middle Grades Work									
3130 Special Programs									
3136 Student Health and Fitness - Nurses									
3150 Adult Education									
3154 Young Adult Population									
							265,208	265,208	265,208
							442	442	442

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/Q Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Revenues (Continued)									
3000 Revenue from State Sources (Continued)									
3100 Restricted State Funding (Continued)									
3190 Miscellaneous Restricted State Grants									
3193 Education License Plates									
3199 Other Restricted State Grants									
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									
4000 Revenue from Federal Sources									
4200 Occupational Education									
4210 Perkins Aid, Title I									
4300 Elementary and Secondary Education Act of 1965									
4310 Title I	\$ 3,468,519								
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						\$ 135,164			
4500 Programs for Children With Disabilities									
4510 IDEA									
4520 Pre-School Grants (IDEA)		\$ 2,016,167							
4540 IDEA (ARRA 611)			\$ 148,212						
4550 IDEA Preschool (ARRA 619)									
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	3,468,519	2,016,167	148,212	202,370	2,865	135,164	-	7,672,871	13,646,168
Total Revenue All Sources	3,468,519	2,016,167	148,212	202,370	2,865	135,164	1,482,749	10,065,885	17,521,931

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, 2011

	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/IFQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
<b>Expenditures</b>									
100 Instruction									
110 General Instruction									
111 Kindergarten Programs									
100 Salaries							\$ 44,984	\$ 70,793	\$ 115,777
200 Employee Benefits							17,168	23,142	40,310
400 Supplies and Materials								661	661
112 Primary Programs									
100 Salaries	\$ 1,211,108						259,091	558,247	2,028,446
200 Employee Benefits	410,498						75,776	166,292	652,566
300 Purchased Services								14,461	14,461
400 Supplies and Materials								5,396	102,330
500 Capital Outlay	96,934								
113 Elementary Programs									
100 Salaries	174,913						201,094	180,300	556,307
200 Employee Benefits	62,682						57,796	76,880	197,358
300 Purchased Services	66,018						552	38,210	103,780
400 Supplies and Materials	90,744						17,672	14,896	123,312
500 Capital Outlay								95	95
114 High School Programs									
100 Salaries								265,838	265,838
200 Employee Benefits								12,443	12,443
300 Purchased Services								1,179	1,179
400 Supplies and Materials	42						49	9,660	9,660
500 Capital Outlay							725	2,901	3,626
115 Vocational Programs									
300 Purchased Services									20,095
400 Supplies and Materials								53,490	53,490
500 Capital Outlay									130,939
120 Exceptional Programs									
121 Educable Mentally Handicapped									
100 Salaries		\$ 270,842						48,749	319,591
200 Employee Benefits		97,114						15,669	112,783
300 Purchased Services		3,040						11,998	15,038
400 Supplies and Materials		63,582						35,907	99,489
500 Capital Outlay								9,004	9,004
122 Trainable Mentally Handicapped									
100 Salaries		107,617						9,746	117,363
200 Employee Benefits		28,609						2,104	30,713
400 Supplies and Materials		470						1,986	2,456
500 Capital Outlay								1,292	1,292

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, 2011

	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/IFQ 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									-
200 Employee Benefits		\$ 929							929
300 Purchased Services		108							108
400 Supplies and Materials									-
500 Capital Outlay									-
124 Visually Handicapped									-
400 Supplies and Materials									-
500 Capital Outlay									-
125 Hearing Handicapped									-
100 Salaries		57,948						29,369	87,317
200 Employee Benefits		12,000						7,830	19,830
300 Purchased Services		3,576							3,576
400 Supplies and Materials		67							67
500 Capital Outlay									-
126 Speech Handicapped									-
100 Salaries								156	156
200 Employee Benefits								33	33
400 Supplies and Materials								19,394	19,394
500 Capital Outlay									-
127 Learning Disabilities									-
100 Salaries		150,120						181,435	331,555
200 Employee Benefits		47,844						56,481	104,325
300 Purchased Services								2,902	2,902
400 Supplies and Materials		784						71,172	71,956
500 Capital Outlay									-
128 Emotionally Handicapped									-
100 Salaries								7,191	16,866
200 Employee Benefits		9,665						1,506	3,329
300 Purchased Services		1,823							22,900
400 Supplies and Materials		22,900							-
500 Capital Outlay									-
129 Coordinated Early Intervening Services									-
100 Salaries		285,946						118,086	285,946
200 Employee Benefits		79,865						79,865	79,865
300 Purchased Services									-
400 Supplies and Materials									-
500 Capital Outlay									-
130 Pre-school Programs									-
133 Pre-school Handicapped									-
Self-Contained (5 Year Olds)									-
100 Salaries		468	\$ 112,457					9,638	122,563
200 Employee Benefits		36	27,349					737	28,122
400 Supplies and Materials		25	4,201					36,891	41,117
137 Pre-school Self-Contained (3-4 Year Olds)									-
100 Salaries								13,848	13,848
200 Employee Benefits								3,742	3,742
400 Supplies and Materials									-
500 Capital Outlay									-
139 Early Childhood Programs									-
100 Salaries								17,956	17,956
200 Employee Benefits								4,054	4,054

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, 2011

	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
<b>Expenditures (Continued)</b>									
<b>100 Instruction (Continued)</b>									
140 Special Programs									
141 Gifted and Talented - Academic									
100 Salaries								\$ -	\$ -
200 Employee Benefits									
145 Homebound									
300 Purchased Services									12,437
147 CDEPP									
100 Salaries		\$ 12,437							
200 Employee Benefits								\$ 335,751	\$ 335,751
300 Purchased Services								118,871	118,871
400 Supplies and Materials								305	305
160 Other Exceptional Programs									
161 Autism									
100 Salaries									48,892
200 Employee Benefits		48,892							48,892
400 Supplies and Materials		9,964							9,964
500 Capital Outlay									-
170 Summer School Programs									
171 Primary Summer School									
400 Supplies and Materials							\$ 375		\$ 375
172 Elementary Summer School									
100 Salaries								9,703	9,703
200 Employee Benefits								1,978	1,978
400 Supplies and Materials							375	452	827
173 High School Summer School									
100 Salaries								19,794	19,794
200 Employee Benefits								4,195	4,195
175 Instructional Programs Beyond Regular Day School									
100 Salaries									
200 Employee Benefits		\$ 9,765						189,765	199,530
300 Purchased Services		2,045						39,748	41,793
400 Supplies and Materials		221,440						33,248	221,440
									33,248

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, 2011

	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
<b>Expenditures (Continued)</b>									
<b>100 Instruction (Continued)</b>									
180 Adult/Continuing Educational Programs									
181 Adult Basic Programs									
100 Salaries						\$ 70,307		\$ 44,114	\$ 114,421
200 Employee Benefits						23,747		8,313	32,060
300 Purchased Services								600	600
400 Supplies and Materials						4,735		1,061	5,796
500 Capital Outlay								1,295	1,295
182 Adult Secondary Programs									
100 Salaries						19,062		18,623	37,685
200 Employee Benefits						8,491		3,423	11,914
400 Supplies and Materials						4,760	\$ 442	5,130	10,332
187 Adult Education - Remedial									
100 Salaries								420	420
200 Employee Benefits								88	88
188 Parenting/Family Literacy									
100 Salaries	\$ 81,795							144,683	226,478
200 Employee Benefits	31,148							51,668	82,816
300 Purchased Services								32,658	32,658
400 Supplies and Materials	3,153							11,821	14,974
<b>Total Instruction</b>	<b>2,461,285</b>	<b>\$ 1,316,671</b>	<b>\$ 144,007</b>	<b>\$ 141,896</b>		<b>131,102</b>	<b>738,727</b>	<b>3,237,898</b>	<b>8,171,586</b>
<b>200 Support Services</b>									
210 Pupil Services									
211 Attendance and Social Work Services									
300 Purchased Services									
400 Supplies and Materials									
500 Capital Outlay									
212 Guidance Services									
100 Salaries				28,331				10,868	39,199
200 Employee Benefits				5,948				2,275	8,223
300 Purchased Services				29					29
400 Supplies and Materials							3,132		3,132

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, 2011

Expenditures (Continued)	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		Total
							Designated Restricted State Grants	Special Revenue Programs	
200 Support Services (Continued)									
210 Pupil Services (Continued)									
213 Health Services									
100 Salaries		\$ 13,151					\$ 243,866	\$	257,017
200 Employee Benefits		1,539					86,530		86,069
300 Purchased Services		280,808							280,808
400 Supplies and Materials									-
500 Capital Outlay									-
214 Psychological Services									
100 Salaries		224,711							224,711
200 Employee Benefits		61,491							61,491
300 Purchased Services		8,677							8,677
400 Supplies and Materials		3,729						\$ 27,245.0	30,974
500 Capital Outlay									-
600 Other Objects		315							315
216 Vocational Placement Services									
100 Salaries									-
200 Employee Benefits									-
217 Career Specialist Services									
100 Salaries							256,152		256,152
200 Employee Benefits							73,750		73,750

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, 2011

	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/Q Projects) (209/210)	Adult Education (EA Projects)	Other		Total
							Designated Restricted State Grants	Other Special Revenue Programs	
Expenditures (Continued)									
200 Support Services (Continued)									
220 Instructional Staff Services									
221 Improvement of Instruction - Curriculum Development									
100 Salaries									\$ -
200 Employee Benefits									-
300 Purchased Services									-
400 Supplies and Materials								151	151
500 Capital Outlay							\$ 126		126
222 Library and Media Services									-
100 Salaries									-
200 Employee Benefits									-
400 Supplies and Materials								1,426	1,426
223 Supervision of Special Programs									
100 Salaries	\$ 244,260	\$ 137							1,085,962
200 Employee Benefits	54,772	28						841,565	327,049
300 Purchased Services		1,012						367,138	372,958
400 Supplies and Materials		4,559		\$ 4,587			221	96,915	102,451
500 Capital Outlay	11			977				9,115	9,126
600 Other Objects		269						263	532
224 Improvement of Instruction - In-Service Staff Training									
100 Salaries	327,328						3,500	460,150	790,978
200 Employee Benefits	102,565						733	130,189	233,487
300 Purchased Services	147,526						70,552	22,229	257,328
400 Supplies and Materials	19,085			17,021			5,460	20,359	44,904
500 Capital Outlay	8,086								8,086
230 General Administration Services									
231 Board of Education								514,549	514,549
300 Purchased Services									
233 School Administration									
100 Salaries								78,613	78,613
200 Employee Benefits								32,840	32,840
400 Supplies and Materials								3,567	3,567

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, 2011

	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/FG Projects) (209/210)	Adult Education (EA Projects)	Other		Total
							Designated Restricted State Grants	Other Special Revenue Programs	
<b>Expenditures (Continued)</b>									
<b>200 Support Services (Continued)</b>									
250 Finance and Operations Services									
251 Student Transportation (Federal/District Mandated)									
100 Salaries	\$ 2,409	\$ 17,606						\$ 19,594	\$ 39,609
200 Employee Benefits	204	2,412						1,843	4,459
300 Purchased Services	2,810	1,262						19,160	23,252
253 Facilities Acquisition and Construction									
300 Purchased Services								214,718	214,718
500 Capital Outlay								15,414	15,414
254 Operation and Maintenance of Plant									
100 Salaries								700	700
200 Employee Benefits								147	147
300 Purchased Services								338,862	338,862
400 Supplies and Materials								1,667,066	1,667,066
500 Capital Outlay								42,943	42,943
255 Student Transportation									
100 Salaries								42,714	42,714
200 Employee Benefits								3,842	3,842
300 Purchased Services								88,163	88,163
258 Security									
100 Salaries					\$ 1,299			1,299	1,299
200 Employee Benefits					272			272	272
300 Purchased Services					762			762	762
400 Supplies and Materials					454			454	454
260 Central Support Services									
264 Staff Services									
300 Purchased Services								32,000	32,000
270 Support Services - Pupil Activity									
271 Pupil Service Activities									
300 Purchased Services								84,000	84,000
600 Other Objects									-
<b>Total Support Services</b>	<b>909,056</b>	<b>621,726</b>	<b>-</b>	<b>\$ 56,893</b>	<b>2,787</b>	<b>\$ -</b>	<b>\$ 744,022</b>	<b>5,482,872</b>	<b>7,797,356</b>

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, 2011

	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								\$ 376,844	\$ 376,844
200 Employee Benefits								123,287	123,287
300 Purchased Services								46,477	46,477
400 Supplies and Materials								67,911	67,911
500 Capital Outlay								124,114	124,114
390 Other Community Services									
100 Salaries								410,702	410,702
200 Employee Benefits								93,359	93,359
300 Purchased Services								456	456
400 Supplies and Materials								13,758	13,758
Total Community Services	-	-	-	-	-	-	-	1,256,908	1,256,908
410 Intergovernmental Expenditures									
416 Payments to Public Charter Schools		\$ 20,577							20,577
720 Transits									
Total Intergovernmental Expenditures	-	20,577	-	-	-	-	-	-	20,577
Total Expenditures	\$ 3,370,341	1,958,974	\$ 144,007	\$ 198,789	\$ 2,787	\$ 131,102	\$ 1,482,749	9,957,678	17,246,427

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, 2011

	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
Other Financing Sources (Uses)									
Interfund Transfers, From (To) Other Funds									
5210 Transfer From General Fund	\$ (98,178)	\$ (57,193)	\$ (4,205)	\$ (3,581)	\$ (78)	\$ (4,062)	\$ -	\$ 73,625	\$ 73,625
431-791 Special Revenue Fund Indirect Costs								(181,832)	(349,129)
Total Other Financing Sources (Uses)	(98,178)	(57,193)	(4,205)	(3,581)	(78)	(4,062)	-	(108,207)	(275,504)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-
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, 2011**

\* 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.

<b>Adult Education (EA Project)</b>	
<b>Subfund Code</b>	<b>Title</b>
243	Adult Education - Federal
<b>Other Designated State Restricted Grants</b>	
<b>Subfund Code</b>	<b>Title</b>
905	Career and Technology Education Equipment
916	ADEPT (Assisting, Developing, & Evaluating Professional Teaching)
919	Education License Plates
920	Young Adult Education
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
<b>Other Special Revenue Programs</b>	
<b>Subfund Code</b>	<b>Title</b>
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
223	Title I School Improvement (ARRA)
224	21st Century Community Learning Centers Title IV
234	Title I - School Improvement Funds - Kershaw Elementary
237	Title I - School Improvement Funds
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
275	Adult Education Local Contributions
276	Americorps

<b>Other Special Revenue Programs (Continued)</b>	
<b>Subfund Code</b>	<b>Title</b>
281	Summer School Program-High School
294	Elementary Homework Centers - PFY
296	Facility Rental Fund
299	State Energy Grant (ARRA)
801	Discovery School
802	Lancaster Hospitality Tax Grant
803	Communities in Schools
804	First Steps
805	Workforce Investment Act
806	PE Enhancement Program of Lancaster County
808	Lancaster Literacy Council - Adult Ed
809	Vocational Rehabilitation Expansion
811	Learn TV - Advertising
812	Good Behavior Game Replication Project
813	Character Development
816	SIMS: Home Literacy Trail
817	Springs-Gear Up Scholarship
820	Advance SC - Lancaster High
822	Character Education Year (carryover)
825	Early Head Start (ARRA)
827	Early Head Start
829	SIMS: Swimming and Water Safety
831	Early Head Start
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
841	SC Arts Commission - McDonald Green Elementary
842	Early Head Start Expansion Program
845	Early Learning Mentor Coaches (ARRA)
846	SIMS: Reading for Workplace Success Literacy Program
851	Jobs for South Carolina's Graduates
856	Child Development Program
857	Youth Build
859	SIMS: Reading for Workplace Success Literacy Program
861	GEAR-UP (Middle Schools)
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, 2011

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	\$ 62,628	\$ 62,628			
916	3991	ADEPT (Assisting, Developing & Evaluating Professional Teaching)	10,497	10,497		\$	12,041
919	3193	Education License Plates	2,287	2,287			430
920	3154	Young Adult Education	442	442			
926	3116	EEDA Miscellaneous					
927	3117	EEDA Middle and High School Career Awareness	3,131	3,131			
928	3118	EEDA Career Specialist	329,903	329,903			
933	3123	Formative Assessment	38,920	38,920			
936	3136	Student Health and Fitness - Nurses	265,208	330,396	\$ 65,188		18,036
937	3127	Student Health and Fitness - PE Teachers	113,271	113,271			
938	3128	High Schools That Work/Making Middle Grades Work	15,775	15,775			
960	3610	K-5 Enhancement	625,842	560,654	(65,188)		214,357
967	3607	6-8 Middle School Initiative	14,845	14,845			29,281
			1,482,749	1,482,749	-	-	274,145



**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, 2011**

	<u>Actual</u>
<b>Revenues</b>	
<b>1000 Revenue from Local Sources</b>	
1300 Tuition	
1350 From Patrons for Summer School	\$ 2,800
<b>Total Local Sources</b>	<u>2,800</u>
<b>3000 Revenue from State Sources</b>	
3500 Education Improvement Act	
3509 Arts in Education	30,574
3511 Professional Development	99,365
3525 Career and Technology Education Equipment	55,920
3526 Science Kit Refurbishment	39,763
3530 Trainable and Profoundly Mentally Disabled Student Services	60,971
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	919,569
3533 Teacher of the Year Awards	1,077
3538 Students at Risk of School Failure	1,659,255
3540 Early Childhood Program (4K Programs Serving Four Year Old Children)	258,383
3542 Pre-school Programs for Children with Disabilities	39,937
3544 High Achieving Students	246,748
3550 Teacher Salary Increase (No Carryover Provision)	1,048,235
3555 School Employer Contributions (No Carryover Provision)	219,500
3556 Adult Education	154,151
3558 Reading	83,959
3562 Adult Education, Basic (carryover only)	11,740
3564 Adult Education, Basic	712
3565 Adult Education, Literacy	11,367
3568 EAA Technical Assistance	786,607
3577 Teacher Supplies (No Carryover Provision)	212,300
3578 High Schools That Work/Making Middle Grades Work	15,145
3592 Work-Based Learning	33,894
<b>Total State Sources</b>	<u>5,989,172</u>
<b>Total Revenue All Sources</b>	<u>5,991,972</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, 2011

	<u>Actual</u>
<b>Expenditures</b>	
<b>100 Instruction</b>	
110 General Instruction	
111 Kindergarten	
100 Salaries	\$ 156,188
200 Employee Benefits	54,297
300 Purchased Services	705
400 Supplies and Materials	12,338
500 Capital Outlay	1,618
112 Primary Programs	
100 Salaries	347,369
200 Employee Benefits	81,142
300 Purchased Services	62,313
400 Supplies and Materials	48,934
500 Capital Outlay	3,235
113 Elementary Programs	
100 Salaries	635,013
200 Employee Benefits	154,436
300 Purchased Services	47,422
400 Supplies and Materials	372,465
500 Capital Outlay	3,235
114 High School Programs	
100 Salaries	513,013
200 Employee Benefits	148,723
300 Purchased Services	35,160
400 Supplies and Materials	38,455
500 Capital Outlay	3,477
115 Career and Technology Education Programs	
100 Salaries	21,908
200 Employee Benefits	4,606
500 Capital Outlay	55,920
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	32,791
200 Employee Benefits	6,896
122 Trainable Mentally Handicapped	
100 Salaries	60,972

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, 2011

	<u>Actual</u>
<b>Expenditures (Continued)</b>	
<b>100 Instruction (Continued)</b>	
125 Hearing Handicapped	
100 Salaries	\$ 3,651
200 Employee Benefits	778
126 Speech Handicapped	
100 Salaries	7,342
200 Employee Benefits	1,541
127 Learning Disabilities	
100 Salaries	40,095
200 Employee Benefits	8,450
128 Emotionally Handicapped	
100 Salaries	14,587
200 Employee Benefits	3,059
 130 Pre-school Programs	
133 Pre-school Handicapped Self-Contained (5 Year Olds)	
100 Salaries	2,316
200 Employee Benefits	482
137 Pre-school Handicapped Self-Contained (3 and 4 Year Olds)	
100 Salaries	37,016
200 Employee Benefits	13,374
139 Early Childhood Programs	
100 Salaries	315,358
200 Employee Benefits	113,522
300 Purchased Services	638
400 Supplies and Materials	310
 140 Special Programs	
141 Gifted and Talented - Academic	
100 Salaries	141,850
200 Employee Benefits	38,521
400 Supplies and Materials	770
600 Other Objects	100
143 Advanced Placement	
400 Supplies and Materials	4,423
148 Gifted and Talented - Artistic	
100 Salaries	372
200 Employee Benefits	73
300 Purchased Services	36,540
400 Supplies and Materials	27

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, 2011

	<u>Actual</u>
<b>Expenditures (Continued)</b>	
<b>100 Instruction (Continued)</b>	
170 Summer School Program	
172 Elementary Summer School	
100 Salaries	\$ 36,763
200 Employee Benefits	7,621
400 Supplies and Materials	944
175 Instructional Programs Beyond Regular School Day	
100 Salaries	15,592
200 Employee Benefits	2,859
180 Adult/Continuing Educational Programs	
181 Adult Basic Education	
100 Salaries	20,871
200 Employee Benefits	4,030
300 Purchased Supplies	239
400 Supplies and Materials	483
182 Adult Secondary Education	
100 Salaries	20,004
200 Employee Benefits	1,479
400 Supplies and Materials	2,243
188 Parenting/Family Literacy	
100 Salaries	23,701
200 Employee Benefits	5,234
400 Supplies and Materials	3,195
<b>Total Instruction</b>	<u>3,833,084</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, 2011

	<u>Actual</u>
<b>Expenditures (Continued)</b>	
<b>200 Support Services</b>	
210 Pupil Services	
211 Attendance and Social Work Services	
100 Salaries	\$ 25,899
200 Employee Benefits	11,109
212 Guidance Services	
100 Salaries	28,736
200 Employee Benefits	6,061
217 Career Specialist Services	
100 Salaries	3,802
200 Employee Benefits	1,530
220 Instructional Staff Services	
221 Improvement of Instruction-Curriculum Development	
100 Salaries	124,791
200 Employee Benefits	29,880
300 Purchased Services	8,778
400 Supplies and Materials	571
222 Library and Media	
100 Salaries	40,145
200 Employee Benefits	8,392
223 Supervision of Special Programs	
100 Salaries	180,780
200 Employee Benefits	57,236
300 Purchased Services	420
400 Supplies and Materials	1,016
224 Improvement of Instruction-in-Service Training	
100 Salaries	145,512
200 Employee Benefits	38,256
300 Purchased Services	112,931
400 Supplies and Materials	44,287
500 Capital Outlay	1,655

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, 2011

	<u>Actual</u>
<b>Expenditures (Continued)</b>	
<b>200 Support Services (Continued)</b>	
250 Finance and Operations Services	
255 Student Transportation	
100 Salaries	\$ 11,387
200 Employee Benefits	1,387
300 Purchased Services	2,094
258 Security	
100 Salaries	<u>4,498</u>
<b>Total Support Services</b>	<u>891,153</u>
<b>Total Expenditures</b>	<u>4,724,237</u>
<b>Other Financing Sources (Uses)</b>	
<b>Interfund Transfers, From (To) Other Funds</b>	
5230 Transfer from Special Revenue EIA Fund	147,753
420-710 Transfer to General Fund (Exclude Indirect Costs)	(1,267,735)
422-710 Transfer to EIA Fund	<u>(147,753)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,267,735)</u>
<b>Excess of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<u>-</u>
<b>Fund Balance, Beginning of Year</b>	<u>-</u>
<b>Fund Balance, End of Year</b>	<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, 2011

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act					
3509 Arts in Education	\$ 30,574	\$ 30,574			\$ 2,946
3511 Professional Development	99,365	99,365			37,399
3525 Career and Technology Equipment	55,920	55,920			16,654
3526 Science Kit Refurbishment	39,763	39,763			25,415
3530 Trainable & Profoundly Mentally Disabled Student Services	60,971	60,971			
3532 National Board Certification (NBC)	919,569	919,569			
3533 Teacher of the Year Award	1,077	1,077			
3538 Students at Risk of School Failure	1,659,255	1,556,559	\$ (102,696)		1,456,722
3540 Four Year Old Early Childhood	258,383	406,136	147,753		
3542 Pre-school Programs For Children with Disabilities	39,937	39,937			8,038
3544 High Achieving Students	246,748	249,548			32,190
3550 Teacher Salary Increase	1,048,235			\$ (1,048,235)	
3555 School Employer Contributions	219,500			(219,500)	
3556 Adult Education	154,151	154,151			75,452
3558 Reading	83,959	83,959			33,708
3562 Adult Education, Basic (carryover only)	11,740	11,740			
3564 Adult Education, Young Adult Initiative	712	712			
3565 Adult Education, Literacy	11,367	11,367			
3568 EAA Technical Assistance	786,607	741,550	(45,057)		35,123
3577 Teacher Supplies	212,300	212,300			
3578 High Schools That Work/Making Middle Grades Work	15,145	15,145			13,355
3592 School-to-Work Transition Act	33,894	33,894			26,467
3588 IDEA Maintenance of Effort					1,388,469
3598 Flexibility Cost Savings					29,465
<b>Totals</b>	<b>5,989,172</b>	<b>4,724,237</b>	<b>-</b>	<b>(1,267,735)</b>	<b>3,181,403</b>

## **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, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 9,660,493	\$ 9,491,742	\$ (168,751)
1140 Penalties and Interest on Taxes	100,000	123,692	23,692
1200 Revenue from Local Governmental Units Other Than LEA's			
1280 Revenue In-Lieu-Of Taxes	350,000	374,625	24,625
1500 Earnings on Investments			
1510 Interest on Investments	-	13,586	13,586
<b>Total Local Sources</b>	<b>10,110,493</b>	<b>10,003,645</b>	<b>(106,848)</b>
<b>3000 Revenue from State Sources</b>			
3800 State Revenue In-Lieu-Of Taxes			
3820 Homestead Exemption	466,089	500,805	34,716
3830 Merchant's Inventory Tax	12,497	12,496	(1)
3840 Manufacturer's Depreciation Reimbursement	70,908	96,344	25,436
3890 Other State Property Tax Revenues	22,000	14,604	(7,396)
<b>Total State Sources</b>	<b>571,494</b>	<b>624,249</b>	<b>52,755</b>
<b>Total Revenue All Sources</b>	<b>10,681,987</b>	<b>10,627,894</b>	<b>(54,093)</b>
<b>Expenditures</b>			
500 Debt Service			
610 Redemption of Principal	2,535,000	2,535,000	-
620 Interest	1,261,988	867,725	394,263
690 Other Objects (Including Fees for Servicing Bonds)	650	-	650
<b>Total Expenditures</b>	<b>3,797,638</b>	<b>3,402,725</b>	<b>394,913</b>
<b>Other Financing Sources (Uses)</b>			
<b>Interfund Transfers, From (To) Other Funds</b>			
423-710 Transfer To Debt Service - LEAP	(3,833,811)	(3,833,811)	-
424-710 Transfer To School Building Fund	(3,966,189)	(3,966,189)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(7,800,000)</b>	<b>(7,800,000)</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(915,651)</b>	<b>(574,831)</b>	<b>340,820</b>
<b>Fund Balance, Beginning of Year</b>		<b>2,077,477</b>	
<b>Fund Balance, End of Year</b>		<b>1,502,646</b>	

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, 2011

	<u>Actual</u>
<b>Revenues</b>	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 1,416
<b>Total Local Sources</b>	<u>1,416</u>
<b>Total Revenue All Sources</b>	<u>1,416</u>
<b>Expenditures</b>	
500 Debt Service	
610 Redemption of Principal	355,000
620 Interest	3,480,325
<b>Total Expenditures</b>	<u>3,835,325</u>
<b>Other Financing Sources (Uses)</b>	
<b>Interfund Transfers, From (To) Other Funds</b>	
5240 Transfer from Debt Service	3,833,811
<b>Total Other Financing Sources (Uses)</b>	<u>3,833,811</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(98)
<b>Fund Balance, Beginning of Year</b>	<u>6,585,984</u>
<b>Fund Balance, End of Year</b>	<u><u>6,585,886</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, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
<b>1000 Revenue from Local Sources</b>			
1500 Earnings on Investments			
1510 Interest on Investments	\$ 16,500	\$ 16,500	\$ -
1900 Other Revenue from Local Sources			
1993 Receipt of Insurance Proceeds		4,880,052	4,880,052
1999 Revenue from Other Local Sources	27,624	27,674	50
<b>Total Local Sources</b>	<b>44,124</b>	<b>4,924,226</b>	<b>4,880,102</b>
<b>3000 Revenue from State Sources</b>			
3170 State School Building Fund	39,402	4,034	(35,368)
<b>Total State Sources</b>	<b>39,402</b>	<b>4,034</b>	<b>(35,368)</b>
<b>Total Revenue All Sources</b>	<b>83,526</b>	<b>4,928,260</b>	<b>4,844,734</b>
<b>Expenditures</b>			
250 Finance and Operations			
253 Facilities Acquisition and Construction			
300 Purchased Services	4,131,740	1,378,772	2,752,968
400 Supplies and Materials	387,258	360,733	26,525
500 Capital Outlay			
520 Construction Services	474,188	474,190	(2)
530 Improvements Other Than Buildings	101,655	101,655	-
540 Equipment	134,446	127,082	7,364
545 Technology, Equipment and Software	879,951	868,882	11,069
550 Vehicles	23,700	23,700	-
600 Other Objects			
690 Other Objects	996,024	-	996,024
500 Debt Service			
620 Interest	-	10,283	(10,283)
<b>Total Expenditures</b>	<b>7,128,962</b>	<b>3,345,297</b>	<b>3,783,665</b>
<b>Other Financing Sources (Uses)</b>			
5110 Premium on Bonds Sold	34,554	34,554	-
<b>Interfund Transfers from (to) Other Funds</b>			
5240 Transfer from Debt Service Fund	3,970,763	3,970,763	-
5250 Transfer from School Building Fund	1,731,283	1,731,283	-
423-710 Transfer To Debt Service	(10,283)	(1,735,857)	(1,725,574)
<b>Total Other Financing Sources (Uses)</b>	<b>5,726,317</b>	<b>4,000,743</b>	<b>(1,725,574)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,319,119)</b>	<b>5,583,706</b>	<b>6,902,825</b>
<b>Fund Balance, Beginning of Year</b>		<b>1,533,182</b>	
<b>Fund Balance, End of Year</b>		<b>7,116,888</b>	

**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, 2011**

	<u>Actual</u>
<b>Revenues</b>	
<b>1000 Revenue from Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 88
<b>Total Local Sources</b>	<u>88</u>
<b>Total Revenue All Sources</b>	<u>88</u>
<b>Expenditures</b>	
<b>250 Finance and Operations</b>	
253 Facilities Acquisition and Construction	
300 Purchased Services	<u>410,746</u>
<b>Total Finance and Operations</b>	<u>410,746</u>
<b>Total Expenditures</b>	<u>410,746</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(410,658)
<b>Fund Balance, Beginning of Year</b>	<u>534,546</u>
<b>Fund Balance, End of Year</b>	<u><u>123,888</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, 2011**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
<b>1000 Revenue from Local Sources</b>			
1500 Earnings on Investments			
1510 Interest on Investments	\$ 2,555	\$ 2,069	\$ (486)
1600 Food Service			
1610 Lunch Sales to Pupils	850,023	813,812	(36,211)
1620 Breakfast Sales to Pupils	94,214	97,088	2,874
1630 Special Sales to Pupils	394,032	483,854	89,822
1640 Lunch Sales to Adults	74,920	74,631	(289)
1650 Breakfast Sales to Adults	9,372	12,040	2,668
1660 Special Sales to Adults	84,057	90,682	6,625
1900 Other Revenue from Local Sources			
1999 Revenue from Other Local Sources	3,395	7,288	3,893
<b>Total Local Sources</b>	<b>1,512,568</b>	<b>1,581,464</b>	<b>68,896</b>
<b>3000 Revenue from State Sources</b>			
3140 School Lunch			
3142 Program Aid	5,606	5,606	-
<b>Total State Sources</b>	<b>5,606</b>	<b>5,606</b>	<b>-</b>
<b>4000 Revenue from Federal Sources</b>			
4800 USDA Reimbursement			
4810 School Lunch Program	2,629,060	2,517,871	(111,189)
4830 School Breakfast Program	741,673	728,595	(13,078)
4900 Other Federal Sources			
4991 USDA Commodities (Food Distribution)		366,566	366,566
<b>Total Federal Sources</b>	<b>3,370,733</b>	<b>3,613,032</b>	<b>242,299</b>
<b>Total Revenue All Sources</b>	<b>4,888,907</b>	<b>5,200,102</b>	<b>311,195</b>

**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, 2011**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>			
256 Food Service			
100 Salaries	\$ 1,748,041	\$ 1,687,102	\$ 60,939
200 Employee Benefits		238,340	(238,340)
300 Purchased Services	36,142	39,907	(3,765)
400 Supplies and Materials	2,284,204	2,666,046	(381,842)
500 Capital Outlay	161,389	163,694	(2,305)
600 Other Objects	12,616	12,939	(323)
<b>Total Expenditures</b>	<b>4,242,392</b>	<b>4,808,028</b>	<b>(565,636)</b>
<b>Other Financing Sources (Uses)</b>			
<b>Interfund Transfers, From (To) Other Funds</b>			
432-791 Food Service Fund Indirect Costs	(199,790)	(219,935)	(20,145)
<b>Total Other Financing Sources (Uses)</b>	<b>(199,790)</b>	<b>(219,935)</b>	<b>(20,145)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<b>446,725</b>	<b>172,139</b>	<b>(274,586)</b>
<b>Retained Earnings, Beginning of Year</b>		<b>962,824</b>	
<b>Retained Earnings, End of Year</b>		<b>1,134,963</b>	



## **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, 2011**

	<u><b>Actual</b></u>
<b>Receipts</b>	
<b>1000 Receipts from Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 9,515
1700 Pupil Activities	
1710 Admissions	346,115
1720 Bookstore Sales	1,252,566
1730 Pupil Organization Membership	655,310
1740 Student Fees	53,207
1900 Other Revenue from Local Sources	
1920 Contributions and Donations Private Sources	380,445
<b>Total Receipts from Local Sources</b>	<u>2,697,158</u>
<b>Disbursements</b>	
190 Instructional Pupil Activity	
100 Salaries	49,594
200 Employee Benefits	9,445
400 Supplies and Materials	4,903
500 Capital Outlay	52,880
660 Pupil Activity	1,263,034
270 Support Services Pupil Activity	
271 Pupil Service Activities	
100 Salaries	128,975
200 Employee Benefits	16,017
300 Purchased Services	3,197
500 Capital Outlay	53,758
660 Pupil Activity	1,063,313
272 Enterprise Activities	
660 Pupil Activity	125,470
273 Trust and Agency Activities	
660 Pupil Activity	4,376
<b>Total Disbursements</b>	<u>2,774,962</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, 2011**

	<u><b>Actual</b></u>
<b>Interfund Transfers, From (To) Other Funds</b>	
5210 Transfer from General Fund	<u>\$ 119,900</u>
<b>Total Other Financing Sources (Uses)</b>	<u>119,900</u>
<b>Net Change in Due to Student Organizations</b>	42,096
<b>Due to Student Organizations, Beginning of Year</b>	<u>1,400,048</u>
<b>Due to Student Organizations, End of Year</b>	<u><u>1,442,144</u></u>

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

**JUNE 30, 2011**

	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2010</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,662,648	\$2,886,487	\$2,774,962	\$ 1,774,173
Accounts Receivable	-	1,783	-	1,783
<b>Total Assets</b>	<u>1,662,648</u>	<u>2,888,270</u>	<u>2,774,962</u>	<u>1,775,956</u>
<b>Liabilities</b>				
Due to School District	262,600	71,212	-	333,812
Due to Student Organizations	1,400,048	2,817,058	2,774,962	1,442,144
<b>Total Liabilities</b>	<u>1,662,648</u>	<u>2,888,270</u>	<u>2,774,962</u>	<u>1,775,956</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, 2011

	<u>The Discovery School</u>
<b>Assets</b>	
Due from School District	<u>\$          2,940</u>
<b>Total Assets</b>	<u><u>          2,940</u></u>
<b>Liabilities and Fund Balances</b>	
Deferred Revenue	<u>          2,940</u>
<b>Total Liabilities</b>	<u><u>          2,940</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, 2011

	<u>Actual</u>
<b>Revenues</b>	
<b>2000 Intergovernmental Revenue</b>	
2100 Payments from Other Governmental Units	\$ 606,788
<b>Total Intergovernmental Revenue</b>	<u>606,788</u>
<b>Total Revenue All Sources</b>	<u>606,788</u>
<b>Expenditures</b>	
<b>100 Instruction</b>	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	51,513
200 Employee Benefits	15,668
112 Primary Programs	
100 Salaries	159,851
200 Employee Benefits	45,101
300 Purchased Services	12,761
400 Supplies and Materials	927
113 Elementary Programs	
100 Salaries	80,771
200 Employee Benefits	28,276
300 Purchased Services	1,789
<b>Total Instruction</b>	<u>396,657</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, 2011

	<u>Actual</u>
<b>Expenditures (Continued)</b>	
<b>200 Support Services</b>	
210 Pupil Services	
212 Guidance Services	
100 Salaries	\$ 10,868
200 Employee Benefits	2,275
 220 Instructional Staff Services	
222 Library and Media	
400 Supplies and Materials	1,426
224 Library and Media	
100 Salaries	63,401
200 Employee Benefits	16,955
 230 General Administration Services	
233 School Administration	
100 Salaries	78,613
200 Employee Benefits	33,026
400 Supplies and Materials	3,567
 <b>Total Support Services</b>	<u>210,131</u>
 <b>Total Expenditures</b>	<u>606,788</u>
 <b>Excess (Deficiency) of Revenues Over Expenditures</b>	-
 <b>Fund Balance, Beginning of Year</b>	<u>-</u>
 <b>Fund Balance, End of Year</b>	<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, 2011

Program	Revenue & Sub-Fund Code	Description	Amount Due To SDE or Federal Government	Status of Amount Due to Grantors
EAA-Technical Assistance	3568/368	Unexpended Funds	\$ 2,213	Unpaid
Early Head Start	4999/827	Overclaimed	2,651	Unpaid
Early Head Start Expansion Program (ARRA)	4999/832	Overclaimed	2,931	Unpaid
Gear-Up	4999/890	Overclaimed	4,718	Unpaid
Total			12,513	

**LANCASTER COUNTY SCHOOL DISTRICT**

**LANCASTER, SOUTH CAROLINA**

**LOCATION RECONCILIATION SCHEDULE**

**FOR FISCAL YEAR ENDED JUNE 30, 2011**

<b>Location ID</b>	<b>Location and Description</b>	<b>Education Level</b>	<b>Cost Type</b>	<b>Total Expenditures</b>
10	Brooklyn Springs Elementary	Elementary Schools	School	\$ 3,504,207
12	Discovery School	Other Schools	School	744,382
13	Clinton Elementary	Elementary Schools	School	3,098,868
15	Erwin Elementary	Elementary Schools	School	3,123,553
16 & 18	Lancaster High School	High Schools	School	11,896,397
19	McDonald Green Elementary	Elementary Schools	School	3,021,076
20	North Elementary	Elementary Schools	School	4,838,956
22	South Middle	Middle Schools	School	3,869,724
23	Southside Early Childhood Center	Other Schools	School	2,265,456
24	East Side Academy	Other Schools	School	143,794
25	A.R. Rucker	Middle Schools	School	3,778,008
30	Andrew Jackson High	High Schools	School	5,146,373
33	Heath Springs Elementary	Elementary Schools	School	2,911,400
34	Kershaw Elementary	Elementary Schools	School	3,177,904
37	Andrew Jackson Middle	Middle Schools	School	2,921,815
40	Buford Middle	Middle Schools	School	3,352,987
41	Buford Elementary	Elementary Schools	School	4,547,484
43	Buford High	High Schools	School	4,960,413
50	Indian Land High	High Schools	School	4,740,224
51	Indian Land Elementary	Elementary Schools	School	5,879,572
52	Indian Land Middle	Middle Schools	School	3,087,570
11,17,60-99	District Wide	Non-School	Central	25,210,351
<b>Total Expenditures/Disbursements for All Funds</b>				<b>106,220,514</b>

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

General Fund (Subfund 100s)	\$ 65,672,767
Special Revenue Fund (Subfunds 200s, 800s and 900s)	17,246,427
Special Revenue EIA Fund (Subfunds 300s)	4,724,237
Debt Service Fund (Subfunds 400s)	7,238,050
Capital Projects Fund (School Building)(Subfunds 500s)	3,756,043
Proprietary Fund (Food Service)(Subfund 600s)	4,808,028
Trust and Agency Fund (Pupil Activity)(Subfunds 700s)	2,774,962
	<b>106,220,514</b>

## 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	98-102
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	103-106
<b>Debt Capacity</b> 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.	107-110
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other Districts.	111-113
<b>Operating Information</b> 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.	114-117

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							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>								
Invested in Capital Assets, Net of Related Debt								
Restricted	\$36,465,296	\$ (14,432,049)	\$ 216,463	\$14,705,878	\$ 16,441,251	\$20,582,731	\$ 23,920,052	\$ 25,498,685
Unrestricted	2,123,579	48,188,264	33,313,592	23,505,283	14,748,100	13,201,942	11,267,256	15,952,388
	11,093,241	11,762,362	11,068,122	8,048,729	12,276,843	10,404,535	11,193,834	12,679,479
<b>Total Governmental Activities Net Assets</b>	<b>49,682,116</b>	<b>45,518,577</b>	<b>44,598,177</b>	<b>46,259,890</b>	<b>43,466,194</b>	<b>44,189,208</b>	<b>46,381,142</b>	<b>54,130,552</b>
<b>Business-Type Activities</b>								
Invested in Capital Assets, Net of Related Debt								
Unrestricted	746,223	756,937	679,414	611,098	798,128	764,181	679,606	570,429
	753,143	656,307	667,344	773,065	364,200	57,091	283,218	564,534
<b>Total Business-Type Activities Net Assets</b>	<b>1,499,366</b>	<b>1,413,244</b>	<b>1,346,758</b>	<b>1,384,163</b>	<b>1,162,328</b>	<b>821,272</b>	<b>962,824</b>	<b>1,134,963</b>
<b>Total Primary Government Net Assets</b>	<b>51,181,482</b>	<b>46,931,821</b>	<b>45,944,935</b>	<b>47,644,053</b>	<b>44,628,522</b>	<b>45,010,480</b>	<b>47,343,966</b>	<b>55,265,515</b>

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							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
Governmental Activities:								
Instruction	\$ 46,113,661	\$ 51,136,711	\$ 51,626,212	\$ 56,144,595	\$ 59,757,292	\$ 61,108,147	\$ 61,056,481	\$ 54,761,743
Support Services	24,653,235	30,085,940	33,770,231	37,021,890	42,464,142	38,652,844	38,763,214	36,224,608
Community Services	1,082,144	1,181,697	1,090,264	989,101	1,147,450	1,094,083	1,093,580	1,139,831
Pupil Activities	-	313,944	123,352	222,336	136,570	313,165	133,669	119,900
Intergovernmental	344,564	422,681	924,574	-	-	-	-	-
Interest and fees on Long-Term Debt	2,970,070	4,164,684	5,063,685	6,689,424	5,211,168	4,592,977	3,912,591	4,270,217
<b>Total Governmental Activities Expenses</b>	<b>75,163,674</b>	<b>87,305,657</b>	<b>92,598,318</b>	<b>101,067,346</b>	<b>108,716,622</b>	<b>105,761,216</b>	<b>104,959,535</b>	<b>96,516,299</b>
Business-Type Activities:								
Food Service	3,509,653	3,740,598	3,832,338	3,991,577	4,612,946	4,816,495	4,660,324	4,808,028
<b>Total Primary Government Expenses</b>	<b>78,673,327</b>	<b>91,046,255</b>	<b>96,430,656</b>	<b>105,058,923</b>	<b>113,329,568</b>	<b>110,577,711</b>	<b>109,619,859</b>	<b>101,324,327</b>
<b>Program Revenues</b>								
Governmental Activities:								
Charges for Services:								
Instruction	227,751	48,790	66,218	90,966	103,082	85,244	58,021	61,994
Operating Grants and Contributions	45,701,006	49,261,919	54,789,919	58,159,659	73,792,215	72,746,160	73,544,657	66,993,322
Capital Grants and Contributions	504,956	171,457	608,544	55,924	156,414	478,096	6,982	4,034
<b>Total Governmental Activities Program Revenues</b>	<b>46,433,713</b>	<b>49,482,166</b>	<b>55,464,681</b>	<b>58,306,549</b>	<b>74,051,711</b>	<b>73,309,500</b>	<b>73,609,660</b>	<b>67,059,350</b>
Business-Type Activities:								
Charges for Services:								
Food Services	1,264,408	1,263,045	1,304,039	1,421,104	1,447,390	1,397,902	1,469,114	1,572,107
Operating Grants and Contributions	2,439,482	2,581,594	2,623,988	2,792,462	3,140,152	3,279,631	3,554,868	3,625,926
<b>Total Business-Type Activities Program Revenues</b>	<b>3,703,890</b>	<b>3,844,639</b>	<b>3,928,027</b>	<b>4,213,566</b>	<b>4,587,542</b>	<b>4,677,533</b>	<b>5,023,982</b>	<b>5,198,033</b>
<b>Total Primary Government Program Revenues</b>	<b>50,137,603</b>	<b>53,326,805</b>	<b>59,392,708</b>	<b>62,520,115</b>	<b>78,639,253</b>	<b>77,987,033</b>	<b>78,633,642</b>	<b>72,257,383</b>
<b>Net (Expense) Revenue</b>								
Governmental Activities	(28,729,961)	(37,823,491)	(37,133,637)	(42,760,797)	(34,664,911)	(32,451,716)	(31,349,875)	(29,456,949)
Business-Type Activities	194,237	104,041	95,689	221,989	(25,404)	(138,962)	363,658	390,005
<b>Total Primary Government Net Expense</b>	<b>(28,535,724)</b>	<b>(37,719,450)</b>	<b>(37,037,948)</b>	<b>(42,538,808)</b>	<b>(34,690,315)</b>	<b>(32,590,678)</b>	<b>(30,986,217)</b>	<b>(29,066,944)</b>

**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)

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
General Revenues								
and Other Changes in Net Assets								
Governmental Activities:								
Taxes:								
Property Taxes, Levied for General Purposes	\$ 18,313,493	\$ 18,206,073	\$ 20,438,529	\$ 21,987,046	\$ 19,614,988	\$ 21,718,638	\$ 22,820,813	\$ 21,797,653
Property Taxes, Levied for Debt Service	5,654,671	5,777,808	6,520,465	8,480,905	10,013,927	10,880,468	10,303,300	10,077,072
Grants and Contributions, Not Restricted	5,785,022	6,363,997	6,472,147	6,333,232	690,983	57,038	61,904	74,247
Unrestricted Investment Earnings	298,274	1,401,681	2,577,578	2,627,828	1,286,634	283,331	103,229	115,775
Gain on Sale of Capital Assets	-	-	-	4,739,640	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	4,894,906
Miscellaneous	1,539,513	1,712,280	1,080	54,340	61,269	29,782	29,187	26,771
Transfers	53,436	198,113	203,438	199,519	203,414	205,473	223,376	219,935
<b>Total Governmental Activities</b>	<b>31,644,409</b>	<b>33,659,952</b>	<b>36,213,237</b>	<b>44,422,510</b>	<b>31,871,215</b>	<b>33,174,730</b>	<b>33,541,809</b>	<b>37,206,359</b>
Business-Type Activities:								
Unrestricted Investment Earnings	2,572	7,950	14,791	14,935	6,983	3,379	1,270	2,069
Miscellaneous	-	-	26,472	-	-	-	-	-
Transfers	(192,872)	(198,113)	(203,438)	(199,519)	(203,414)	(205,473)	(223,376)	(219,935)
<b>Total Business-Type Activities</b>	<b>(190,300)</b>	<b>(190,163)</b>	<b>(162,175)</b>	<b>(184,584)</b>	<b>(196,431)</b>	<b>(202,094)</b>	<b>(222,106)</b>	<b>(217,866)</b>
<b>Total Primary Government</b>	<b>31,454,109</b>	<b>33,469,789</b>	<b>36,051,062</b>	<b>44,237,926</b>	<b>31,674,784</b>	<b>32,972,636</b>	<b>33,319,703</b>	<b>36,988,493</b>
Change in Net Assets								
Governmental Activities	2,914,448	(4,163,539)	(920,400)	1,661,713	(2,793,696)	723,014	2,191,934	7,749,410
Business-Type Activities	3,937	(86,122)	(66,486)	37,405	(221,835)	(341,056)	141,552	172,139
<b>Total Primary Government</b>	<b>2,918,385</b>	<b>(4,249,661)</b>	<b>(986,886)</b>	<b>1,699,118</b>	<b>(3,015,531)</b>	<b>381,958</b>	<b>2,333,486</b>	<b>7,921,549</b>

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved for Other**	\$ 65,806	\$ 90,230	\$ 88,883	\$ 331,911	\$ 46,511	\$ 89,715	\$ 106,575	\$ 35,084	\$ 6,811	
Unreserved										
Designated for Subsequent Years	690,045	1,180,000	2,472,251	2,612,135	2,585,148	3,456,085	2,651,809	1,520,434		
Undesignated	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	
<b>Total General Fund</b>	<b>9,425,187</b>	<b>10,224,314</b>	<b>12,184,039</b>	<b>12,813,427</b>	<b>15,036,173</b>	<b>15,281,438</b>	<b>14,511,774</b>	<b>11,814,634</b>	<b>11,291,646</b>	<b>-</b>
General Fund**										
Nonspendable:										
Prepaid Expenses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 69,943
Committed:										
Encumbrances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71,971
Assigned:										
Designated for Subsequent Years	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	831,936
Unassigned										11,425,838
<b>Total General Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,399,688</b>
All Other Governmental Funds										
Reserved for:										
Debt Service	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	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	763,646									
Unreserved, Reported in:										
Special Revenue Funds					(24,520)	267,742	976	976	-	
<b>Total All Other Governmental Funds</b>	<b>8,234,866</b>	<b>3,961,206</b>	<b>2,844,343</b>	<b>48,755,086</b>	<b>33,820,258</b>	<b>23,535,866</b>	<b>14,488,662</b>	<b>12,773,318</b>	<b>10,731,189</b>	<b>-</b>
All Other Governmental Funds**										
Restricted for:										
Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,502,646
Debt Service LEAP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,585,886
Capital Projects	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,116,888
Capital Projects LEAP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	123,888
<b>Total All Other Governmental Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,329,308</b>

Notes: \*Includes encumbrances, inventory and prepaid items

\*\*The 2011 fund balances for the General Fund and all other Governmental Funds are reported based on the new requirements under GASBS 54. The fund balances for years ended 2002-2010 are not reported under GASBS 54.

Source: Comprehensive Annual Financial Report

Unaudited



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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Local Sources:										
Taxes	\$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	\$ 29,488,531
Investment Earnings	1,024,296	439,891	317,674	1,401,681	2,577,578	2,627,828	1,286,634	283,331	103,229	115,775
Other Local Sources	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	9,077,085
State	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	51,274,749
Federal	5,737,563	6,896,278	7,260,840	8,240,281	9,022,291	10,097,936	11,269,677	11,507,063	18,494,227	13,646,168
<b>Total Revenues</b>	<b>85,009,540</b>	<b>78,880,304</b>	<b>78,024,686</b>	<b>82,944,005</b>	<b>91,474,480</b>	<b>96,882,900</b>	<b>105,703,594</b>	<b>105,536,936</b>	<b>106,419,701</b>	<b>103,602,308</b>
<b>Expenditures:</b>										
Current										
Instruction	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	52,547,193
Support Services	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	34,252,271
Community Services	820,656	1,237,599	1,056,156	896,745	1,063,916	968,072	1,147,450	1,094,083	1,093,580	1,139,831
Intergovernmental Expenditures	24,404	101,774	344,564	422,681	924,574	737,522	749,709	806,061	789,155	778,140
Debt Service										
Redemption of Principal	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	2,890,000
Interest and Fiscal Agent Fees	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	4,358,333
Capital Outlay	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	2,064,968
<b>Total Expenditures</b>	<b>98,620,093</b>	<b>80,579,096</b>	<b>77,235,260</b>	<b>87,931,865</b>	<b>109,276,050</b>	<b>117,149,210</b>	<b>115,512,306</b>	<b>110,517,839</b>	<b>109,099,525</b>	<b>98,030,736</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(13,610,553)</b>	<b>(1,698,792)</b>	<b>789,426</b>	<b>(4,987,860)</b>	<b>(17,801,570)</b>	<b>(20,266,310)</b>	<b>(9,808,712)</b>	<b>(4,980,903)</b>	<b>(2,678,824)</b>	<b>5,571,572</b>
<b>Other Financing Sources (Uses):</b>										
Sale of Capital Assets						4,757,000			25,000	34,554
Premium on Bonds Sold				2,179,450	9,401					
Proceeds of General Obligation Bonds				51,275,000	5,000,000	5,500,000		18,255,000		
Proceeds of Refund Debt				19,425,000			9,375,000	(17,725,000)		
Payment to Refunded Debt Escrow Agent				(21,235,629)			(9,440,000)			
Medicaid Reimbursements	112,257									
Operating Transfers In	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	11,594,034
Operating Transfers (Out)	(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)	(11,493,999)
Miscellaneous Other Financing Sources										
<b>Total Other Financing Sources (Uses)</b>	<b>(218,808)</b>	<b>(1,012,095)</b>	<b>53,436</b>	<b>51,527,990</b>	<b>5,089,488</b>	<b>10,227,183</b>	<b>1,844</b>	<b>558,419</b>	<b>114,707</b>	<b>134,589</b>
<b>Net Change in Fund Balances</b>	<b>(13,829,361)</b>	<b>(2,710,887)</b>	<b>842,862</b>	<b>46,540,130</b>	<b>(12,712,082)</b>	<b>(10,039,127)</b>	<b>(9,806,868)</b>	<b>(4,422,484)</b>	<b>(2,565,117)</b>	<b>5,706,161</b>
Debt Service as a percentage of noncapital expenditures	9.07%	13.68%	9.32%	7.68%	12.42%	11.94%	6.55%	5.50%	7.66%	7.62%

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		
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
2011	2010	215,604,040	4,591,062,583	59,733,425	739,712,513	275,337,465	5,330,775,096	5.17%	175.25

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	
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
2011	136.75	38.50	175.25	83.60	3.40	143.50	70.90	476.65

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	2011			2002		
	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	\$ 7,291,790	1	2.65%	\$ 5,686,590	3	3.34%
The Gillette Company	4,338,057	2	1.58%	8,090,764	2	4.75%
Lancaster Hospital Corp.	4,235,400	3	1.54%	4,718,676	4	2.77%
Springland Associates, LLC	2,167,900	4	0.79%	2,117,956	5	1.24%
Springs Global (A)	2,981,728	5	1.08%	8,093,294	1	4.75%
Pulte Home Corporation	2,939,280	6	1.07%	-		
Craft Development, LLC	1,970,830	7	0.72%	-		
Lawson Bend, LLC (B)	1,809,750	8	0.66%	-		
Lancaster Telephone Co.	1,227,770	9	0.45%	1,565,530	6	0.92%
Wells Real Estate	1,360,454	10	0.49%	-		
Belden CDT Networking Inc.				1,507,268	7	0.88%
Allegiance Healthcare				1,021,566	8	0.60%
Boral Bricks				906,600	9	0.53%
Kanawha Insurance				681,900	10	0.40%
Total Assessed Value	<u>30,322,959</u>		<u>11.03%</u>	<u>34,390,144</u>		<u>20.18%</u>

Note:

\* Taxpayers are assessed on January 1, 2010 for the 2011 fiscal year.

\* Taxpayers are assessed on January 1, 2001 for the 2002 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.

(B) Lawson's Bend LLC, a developer of a real estate venture in the County, has not paid amounts owing for Fiscal years 2008-2009 and 2009-2010

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
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	27,411,596	26,534,399	96.80%	808,756	27,343,155	99.75%
2007	30,148,004	28,968,373	96.09%	1,101,200	30,069,573	99.74%
2008	30,219,922	29,046,049	96.12%	1,071,319	30,117,368	99.66%
2009	33,050,662	30,869,941	93.40%	1,609,860	32,479,801	98.27%
2010	33,633,673	31,342,185	93.19%	1,205,937	32,548,122	96.77%
2011	32,947,640	30,239,000	91.78%	-	30,239,000	91.78%

Note: Fiscal years 2002-2005 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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>LEAP Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
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
2011	20,445,000	69,355,000	89,800,000	Not Available	1,143

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**

Fiscal Year	General Obligation Bonds	LEAP 2004 Bonds	Total	Less Debt Service	Net General Bonded Debt	Percentage of	
						Estimated Taxable Value of Property (A)	Per Capital (B)
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
2011	20,445,000	69,355,000	89,800,000	8,088,532	81,711,468	1.53%	1,040

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, 2011**

<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	\$ 22,828,341	100%	\$ 22,828,341
City of Lancaster	425,000	100%	<u>425,000</u>
Subtotal, Overlapping Debt			<u>23,253,341</u>
District Direct Debt			<u>20,445,000</u>
Total Direct and Overlapping Debt			<u><u>43,698,341</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 2011  
Assessed Value \$ 275,337,465  
Debt Limit ( 8% of Assessed Value) 22,026,997  
Debt Applicable to Limit -  
Legal Debt Margin \$ 22,026,997

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 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	\$ 22,026,997
Total Net Debt Applicable to Limit	6,825,000	6,050,000	-	-	-	-	-	-	-	-
Legal Debt Margin	6,808,025	7,940,486	14,073,001	14,322,277	14,934,568	18,703,280	20,061,705	22,172,641	22,869,947	22,026,997
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	50.06%	43.24%	0.00%	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**

<b>Calendar Year</b>	<b>Estimated Population (A)</b>	<b>Personal Income (A) (thousands of dollars)</b>	<b>Per Capita Personal Income (A)</b>	<b>School Enrollment (B)</b>	<b>Unemployment Rate (A)</b>
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 )	22,897	11,401	18.5%
2010	78,582	( C )	( C )	11,378	15.8%

**Sources:**

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

(B) Based on 135-day report.

(C) Information not available

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

Employer	2011			2003 (B)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lancaster County School District	1,521	1	4.95%	1,374	2	4.72%
Red Ventures	813	2	2.64%			
Lancaster County	767	3	2.49%	426	7	1.46%
Cardinal Health	600	4	1.95%	700	4	2.40%
Springs Memorial Hospital	584	5	1.90%	800	3	2.75%
Duracell, USA	405	6	1.32%	601	5	2.06%
Continental Tire	400	7	1.30%			
Wal-Mart - Lancaster	348	8	1.13%			
Wal-Mart - Indian Land	322	9	1.05%			
Founders Federal Credit Union	275	10	0.89%			
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%
<b>Total</b>	<b>6,035</b>		<b>19.62%</b>	<b>6,276</b>		<b>21.55%</b>

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 2002-2011
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Instruction</b>											
Teachers	733	722	733	753	784	791	819	833	817	739	0.82%
Aides	149	152	158	156	160	167	178	181	178	164	10.07%
<b>Total Instruction</b>	<b>882</b>	<b>874</b>	<b>891</b>	<b>909</b>	<b>944</b>	<b>958</b>	<b>997</b>	<b>1,014</b>	<b>995</b>	<b>903</b>	<b>2.38%</b>
<b>Support Services</b>											
Guidance Counselors	23	23	24	27	31	32	39	42	35	33	43.48%
Psychologist and Social Workers	7	7	7	8	8	9	10	12	12	11	57.14%
Media Specialists	18	18	18	19	20	19	20	20	20	20	11.11%
Nurses	15	17	18	17	20	20	23	23	23	23	53.33%
Instructional Staff Services	47	49	55	51	53	63	65	67	64	60	27.66%
Principals	17	17	17	17	17	17	17	18	18	18	5.88%
Assistant Principals	22	22	22	26	25	26	31	31	30	30	36.36%
Instructional Specialists	8	8	7	8	9	8	7	6	3	3	-62.50%
Noninstructional Administrators	23	23	21	22	26	26	27	27	27	27	17.39%
General and Finance Administrative Assistants	67	66	72	72	74	77	82	89	89	87	29.85%
Bus Drivers, Bus Aids and Maintenance	96	88	85	81	84	87	89	92	94	97	1.04%
<b>Total Support Services</b>	<b>343</b>	<b>338</b>	<b>346</b>	<b>348</b>	<b>367</b>	<b>384</b>	<b>410</b>	<b>427</b>	<b>415</b>	<b>409</b>	<b>19.24%</b>
<b>Community Services</b>	<b>29</b>	<b>37</b>	<b>37</b>	<b>34</b>	<b>35</b>	<b>34</b>	<b>37</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>31.03%</b>
<b>Pupil Activity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Food Service</b>											
Managers and Clerical	21	21	21	21	22	22	23	22	23	23	9.52%
Cafeteria Staff	106	104	105	102	107	107	108	105	102	100	-5.66%
<b>Total Food Service</b>	<b>127</b>	<b>125</b>	<b>126</b>	<b>123</b>	<b>129</b>	<b>129</b>	<b>131</b>	<b>127</b>	<b>125</b>	<b>123</b>	<b>-3.15%</b>
<b>Total</b>	<b>1,381</b>	<b>1,374</b>	<b>1,400</b>	<b>1,414</b>	<b>1,475</b>	<b>1,505</b>	<b>1,575</b>	<b>1,604</b>	<b>1,572</b>	<b>1,473</b>	<b>6.66%</b>

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	Percentage of Students Receiving Free or Reduced-Price Meals
			per Pupil	per Pupil			per Pupil	per Pupil				
2002	10,804	\$ 67,859,125	6,281	N/A	4.72%	N/A	N/A	N/A	N/A	733	14.74	50%
2003	10,885	68,622,082	6,304	\$ 53,396,469	0.37%	\$ 53,396,469	\$ 4,906	4,906	N/A	722	15.08	48%
2004	10,888	69,027,941	6,340	78,673,327	0.57%	78,673,327	7,226	7,226	47.30%	733	14.85	51%
2005	10,876	73,641,507	6,771	91,046,255	6.80%	91,046,255	8,371	8,371	15.85%	753	14.44	51%
2006	11,023	79,525,498	7,215	96,430,656	6.55%	96,430,656	8,748	8,748	4.50%	784	14.06	50%
2007	11,171	84,296,825	7,546	105,058,923	4.60%	105,058,923	9,405	9,405	7.50%	791	14.12	50%
2008	11,274	94,691,165	8,399	113,329,568	11.30%	113,329,568	10,052	10,052	6.89%	819	13.77	49%
2009	11,508	96,098,397	8,351	110,577,711	-0.58%	110,577,711	9,609	9,609	-4.41%	833	13.82	52%
2010	11,401	95,401,264	8,368	109,574,383	0.21%	109,574,383	9,611	9,611	0.02%	817	13.95	54%
2011	11,378	86,687,084	7,619	101,324,327	-8.95%	101,324,327	8,905	8,905	-7.34%	739	15.40	55%

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**

<b>Fiscal Year</b>	<b>Minimum Salary</b>	<b>Maximum Salary</b>	<b>County Average Salary (A)</b>	<b>Statewide Average Salary (B)</b>
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
2011	32,706	69,607	47,741	47,642

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

Unaudited

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

	Fiscal Year									
School	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Elementary School</b>										
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	722	676	592	581	584	575	564	505	440	419
Buford(2002)										
Square feet	100,000	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	965
Enrollment	659	807	830	855	863	883	878	865	816	800
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	90	89	108	108	108	108	107	107	108	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	502	473	458	400	387	386	390	398	372	372
Erwin(1975)										
Square feet	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450
Capacity	629	629	629	629	629	629	629	629	629	629
Enrollment	495	498	473	479	451	426	423	408	408	451
Heath Springs(1954)										
Square feet	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456	69,456
Capacity	378	378	378	378	378	378	378	378	378	378
Enrollment	335	322	320	320	343	357	373	388	396	391
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	915	979	973	1,023	1,077	1,247	1,451	1,090	1,169	1,200
Kershaw(1952)										
Square feet	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909	59,909
Capacity	646	646	646	646	646	646	646	646	646	646
Enrollment	501	500	489	482	495	479	462	501	486	466
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	458	409	436	459	498	502	479	487	469	490
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	628	586	569	572	578	618	636	644	668	689
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	9	1	-	-	2	3	2	-	1	-
<b>Middle School</b>										
A.R. Rucker(2002)										
Square feet	120,000	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	916
Enrollment	664	653	695	633	577	528	509	511	519	528
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	447	458	446	476	470	484	487	474	482	495
Buford(1956)										
Square feet	59,258	59,258	59,258	59,258	59,258	72,041	72,041	72,041	72,041	72,041
Capacity	683	683	683	683	683	859	859	859	859	859
Enrollment	584	442	435	454	444	465	439	449	443	488

(Continued on Next Page)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>School</b>										
<b>Middle School (Continued)</b>										
Barr Street(1956)										
Square feet	97,698	48,849	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	-	-	-	-	-	-	-	-	-	-
Indian Land(1981)										
Square feet	-	-	-	-	-	-	100,948	100,948	100,948	100,948
Capacity	-	-	-	-	-	-	750	750	750	750
Enrollment	-	-	-	-	-	-	N/A	507	521	535
South(1962)										
Square feet	94,009	94,009	94,009	94,009	94,009	108,509	108,509	108,509	108,509	108,509
Capacity	1,019	1,019	1,019	1,019	1,019	1,151	1,151	1,151	1,151	1,151
Enrollment	837	827	772	815	769	733	691	639	626	598
<b>High School</b>										
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	547	548	545	513	566	577	582	621	610	615
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	430	467	485	514	561	555	582	602	588	567
Indian Land(1981)										
Square feet	88,498	88,498	88,498	88,498	88,498	88,498	-	-	-	-
Capacity	624	624	624	624	624	624	-	-	-	-
Enrollment	356	397	390	415	481	525	-	-	-	-
Indian Land(2008)										
Square feet	-	-	-	-	-	-	142,657	142,657	142,657	142,657
Capacity	-	-	-	-	-	-	800	800	800	800
Enrollment	-	-	-	-	-	-	557	597	639	655
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	1,623	1,752	1,872	1,776	1,768	1,718	1,662	1,715	1,640	1,511
<b>Other</b>										
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.

N/A - Not Available

Source: District records.



## **SINGLE AUDIT SECTION**

# McGregor & COMPANY<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

C.C. McGregor, CPA 1906-1968	<b>PARTNERS</b>			<b>ASSOCIATES</b>	
	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	C.D. Hinchee, CPA
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	J.R. Matthews, II, CPA
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	D.E. Knobloch, CPA
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA		P.A. Betette, Jr, CPA	L.M. Harrelson, CPA
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	M.J. Binnicker, Jr., CPA
	W.W. Francis, CPA	L.B. Salley, CPA			

## 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, 2011, which collectively comprise Lancaster County School District's basic financial statements and have issued our report thereon dated November 7, 2011. 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.

A handwritten signature in black ink that reads "McGreger & Company, LLC". The signature is written in a cursive, flowing style.

Columbia, South Carolina  
November 7, 2011

# McGregor & COMPANY<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

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

## PARTNERS

C.C. McGregor, CPA  
1906-1968

W.C. Stevenson, CPA  
B.T. Kight, CPA  
G.D. Skipper, CPA  
L.R. Leaphart, Jr, CPA  
M.J. Binnicker, CPA  
W.W. Francis, CPA

D.L. Richardson, CPA  
E.C. Inabinet, CPA  
S.S. Luoma, CPA  
T.M. McCall, CPA  
H.D. Brown, Jr, CPA  
L.B. Salley, CPA

D.K. Strickland, CPA  
J.P. McGuire, CPA  
L.H. Kelly, CPA

## ASSOCIATES

V.K. Laroche, CPA  
G.N. Mundy, CPA  
M.L. Layman, CPA  
P.A. Betette, Jr, CPA  
S. Wo, CPA

C.D. Hinchee, CPA  
J.R. Matthews, II, CPA  
D.E. Knobloch, CPA  
L.M. Harrelson, CPA  
M.J. Binnicker, Jr., CPA

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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, 2011. 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, 2011.

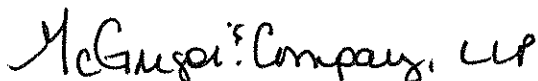
## Internal Control Over Compliance

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.



Columbia, South Carolina  
November 7, 2011

**LANCASTER COUNTY SCHOOL DISTRICT**  
**LANCASTER, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

**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, 2011**

**Part I Summary of Auditors' Results (Continued)**

**Identification of Major Federal Programs:**

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
84.394	State Fiscal Stabilization Fund - ARRA
84.027, 84.173	
84.391, 84.392	IDEA Cluster
84.367A	Improving Teacher Quality Title II
93.600	Early Head Start
93.709	Early Head Start Expansion Program – ARRA
81.041	State Energy Grant - ARRA

Dollar Threshold Used to Distinguish Between Type A and Type B Programs  
\$ 517,776.

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, 2011**

**Summary of Prior Year Findings**

None



LANCASTER COUNTY SCHOOL DISTRICT  
LANCASTER, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2011

LEA Subfund Code	Federal/State Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<b>U. S. Department of Education</b>				
<b>Direct:</b>				
871	Lancaster County Alcohol Prevention	84.184A	Q184A080062	\$ 239,227
822	Character Education Program	84.215S	Q215S060025-09	807
806	Physical Education Enhancement Program	84.215F	Q215F080109-10	185,621
812	Good Behavior Game Replication Project	93.243	10SM60292A	48,454
839	Extended School Year	12.000	N/A	1,169
890	GEAR UP	84.334A	P334A050118	479,003
861	GEAR UP	84.334A	P334A080033	409,161
<b>Passed Through SDE:</b>				
243	Adult Education	84.002	11EA049	135,164
<b>Title I Cluster</b>				
202	Title I	84.010	11BA049	3,468,519
237	Title I School Improvements	84.010	10BJ049	128,968
222	Title I - ARRA	84.389	09SA049	75,110
223	Title I School Improvement - ARRA	84.389	10SJ049	82,507
<b>Total for Title I Cluster</b>				<u>3,755,104</u>
<b>IDEA Cluster **</b>				
203	IDEA	84.027	11CA049	2,016,167
213	IDEA - Title IV	84.027A	11CO049	64,260
205	Special Education Pre-school Grant	84.173	11CG049	148,212
215	IDEA - ARRA	84.391	11SC049	973,776
216	IDEA - Preschool ARRA	84.392	11SG049	48,243
<b>Total for IDEA Cluster</b>				<u>3,250,658</u>
207	Voc. Ed.	84.048	11VA049	202,370
209	Drug and Violence Prevention Programs	84.186	11FQ049	2,865
218	SC Reading First	84.357A	11RC049	1,792
224	21st Century Community Learning Centers	84.287C	11CL049	188,550
234	Title I School Improvement	84.377	11BH049	4,011
253	Ed Tech Title II	84.318	10ET049	15,041
251	Title VI - Rural/Low Income	84.358B	10BS049	30,266
264	Language Instruction for Limited English Title III	84.365	11BP049	66,851
267	Improving Teacher Quality Title II **	84.367A	11TQ049	541,116
250	State Fiscal Stabilization Fund - ARRA **	84.394	10SF049	2,620,626
<b>Total U. S. Department of Education</b>				<u>12,177,856</u>

(Continued on next page)

**LANCASTER COUNTY SCHOOL DISTRICT**  
**LANCASTER, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

LEA Subfund Code	Federal/State Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
	<b>U. S. Department of Agriculture</b>			
	Passed Through SDE:			
	Child Nutrition Cluster			
	Non-Cash Assistance (Commodities):			
600	National School Lunch Program	10.500	N/A	\$ 366,566
	Cash Assistance:			
600	School Breakfast Program	10.553	N/A	728,595
600	School Lunch Program	10.555	N/A	2,517,871
	Total for Program (Cluster)			3,613,032
	<b>Total U. S. Department of Agriculture</b>			<b>3,613,032</b>
	<b>U. S. Department of Health and Human Services</b>			
	Passed Through SCDDC:			
825	Early Head Start	93.708	04SE4608/01	3,621
827	Early Head Start	93.600	04CH4608/08	353,468
831	Early Head Start **	93.600	04CH4608/07	57,646
832	Early Head Start Expansion Program - ARRA	93.709	04SA4608/2	268,449
842	Early Head Start Expansion Program - ARRA **	93.709	04SA4608/1	174,631
845	Early Learning Mentor Coaches - ARRA	93.709	90SU0021/01	84,382
	<b>Total U. S. Department of Health And Human Services</b>			<b>942,197</b>
	<b>Corporation for National and Community Service</b>			
	Passed Through SDE:			
276	AmeriCorps	94.006	10AC094637	137,548
	<b>Total Corporation for National and Community Service</b>			<b>137,548</b>
	<b>Other Federal Assistance</b>			
	<b>U. S. Department of Defense</b>			
	Direct Programs			
270	Army ROTC	12.000	N/A	239,155
	<b>Total U.S. Department of Defense</b>			<b>239,155</b>
	<b>U. S. Department of Energy</b>			
	Pass-Through S. C. Budget and Control Board			
299	State Energy Grant - ARRA **	81.041	S09-0051	141,093
	<b>Total U.S. Department of Defense</b>			<b>141,093</b>
	<b>U. S. Department of Labor</b>			
857	Youth Build	17.274	YB21730-11	8,319
	<b>Total U.S. Department of Labor</b>			<b>8,319</b>
	<b>Total Federal Assistance Expended</b>			<b>17,259,200</b>

\*\* 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, 2011**

**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.