

**THE STATE OF SOUTH CAROLINA  
IN THE COURT OF APPEALS**

Palmetto Youth Academy Charter School, )  
 )  
Respondent, )

Appellate Case No.: 2012-212001

vs. )

**SECOND SUPPLEMENT TO  
RECORD ON APPEAL**

Florence County School District 1 Board of )  
Trustees, )

COPY OF APPENDIX A  
FILED BY PALMETTO YOUTH  
ACADEMY CHARTER SCHOOL WITH  
THE ADMINISTRATIVE LAW COURT

Appellant. )

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**SC Court of Appeals**

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STATE OF SOUTH CAROLINA  
ADMINISTRATIVE LAW COURT

Palmetto Youth Academy Charter School,  
Appellant,

vs.

Florence County School District 1 Board  
of Trustees,

Respondent.

Docket No.: 10-ALJ-30-0631-AP

RECORD ON APPEAL

Appendix A

FLORENCE SCHOOL DISTRICT ONE  
FLORENCE, SOUTH CAROLINA  
REPORT ON FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009

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**FLORENCE SCHOOL DISTRICT ONE**  
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**INDEPENDENT AUDITORS' REPORT**

To the Honorable Chairman and  
Members of the Board of Trustees  
Florence School District One  
Florence, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Florence School District One, Florence, South Carolina, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Florence School District One's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The District declined to present the financial statements of Palmetto Youth Academy (PYA), a component unit of the District. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for Florence School District One as of June 30, 2009, and the changes in financial position 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 December 1, 2009 on our consideration of Florence School District One's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 important for assessing the results of our audit.

Florence School District One  
Florence, South Carolina  
Page 2

The management's discussion and analysis identified in the table of contents is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents, as well as the schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information as listed in the table of contents, as well as the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

Augusta, Georgia  
December 1, 2009

Florence School District One  
Management's Discussion and Analysis  
June 30, 2009

As management of Florence School District One (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. It should be read in conjunction with the accompanying basic financial statements.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended as an introduction to the District's basic financial statements. The basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The basic financial statements present two different views of the District through the use of government-wide and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the District.

**Government-wide financial statements.** The basic financial statements include two kinds of statements that present different views of the District. The first two statements are government-wide financial statements that provide a broad overview of the District's overall financial status, in a manner similar to a private-sector enterprise.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, supporting services, community services and intergovernmental. The business-type activities of the District include a food service operation.

**Fund financial statements.** The remaining basic financial statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund

accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with major and non major governmental funds and the individual fund statements.

The District adopts an annual appropriated budget for its general fund and certain special revenue funds. The general fund is a legally adopted document that incorporates input from the citizens of the District, the management of the District, and the decisions of the Board of Trustees as to which programs and services to provide and how to pay for them. The budgets for the budgeted special revenue funds are used as a management control device. A budgetary comparison statement has been provided in the basic financial section for these funds to demonstrate compliance with their budgets.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is our seventh year for reporting the District's finances as a whole using accrual-basis of accounting; prior year comparative information is included for comparison purposes.

As noted earlier, net assets may serve over time as a useful indicator of the government's financial position. In the case of the District, assets exceeded liabilities by \$76,011,215 at the close of the most recent fiscal year. This is a decrease from the 2007-2008 fiscal years when this figure was \$76,500,071. This decline is due to the state of the economy which resulted in several state budget cuts.

Table 1

Table 1 provides a summary of the School District's net assets as of June 30, 2008 and 2009:

	GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL GOVERNMENT	
	2008	2009	2008	2009	2008	2009
<b>ASSETS:</b>						
CURRENT & OTHER ASSETS	\$50,035,059	\$41,095,154	\$3,504,228	\$3,524,539	\$53,539,287	\$44,619,693
CAPITAL ASSETS	36,740,668	40,915,634	532,188	634,809	37,272,856	41,550,443
TOTAL ASSETS	86,775,727	82,010,788	4,036,416	4,159,348	90,812,143	86,170,136
<b>LIABILITIES:</b>						
LONG-TERM LIABILITIES	4,679,418	671,092	4,912	-	4,684,330	671,092
OTHER LIABILITIES	9,569,609	9,487,829	58,134	-	9,627,743	9,487,829
TOTAL LIABILITIES	14,249,027	10,158,921	63,046	-	14,312,073	10,158,921
<b>NET ASSETS:</b>						
INVESTED IN CAPITAL ASSETS						
NET OF RELATED DEBT	29,985,100	40,915,634	532,188	634,809	30,517,288	41,550,443
RESTRICTED FOR DEBT SERVICE	2,060,711	1,851,559			2,060,711	1,851,559
UNRESTRICTED	40,480,890	29,084,674	3,441,182	3,524,539	43,922,072	32,609,213
	\$72,526,701	\$71,851,867	\$3,973,370	\$4,159,348	\$76,500,071	\$76,011,215

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## GOVERNMENTAL ACTIVITIES

As stated earlier, this is our seventh year for reporting the District's finances as a whole using the accrual basis of accounting.

### Changes in Net Assets:

At June 30, 2008 net assets had increased by \$8,382,142 and June 30, 2009 decreased by \$674,834. The Government Activity represented 95% as of June 30, 2009 and 97% as of June 30, 2008 of the total changes for the two years respectively.

### Governmental Activities:

The total revenue for the Governmental Activities is \$141,780,996 for fiscal year 2009 and \$144,780,996 for fiscal year 2008. Of the total revenue, property tax represented 25% for 2009 and 27% for 2008, federal and state grants represented 74% for 2009 and 71% for 2008, investments and miscellaneous income represented .003% for 2009 and 1% for 2008, and transfers represented .7% for 2009 and .19% for 2008. Charges for services represented the balance of the revenue for both years.

Governmental activities' expenses were broken down as follows: instruction was 60% for 2009 and 61% for 2008, support services was 38% for 2009 and 36% for 2008, community services was 1.30% for 2009 and 1.32% for 2008, intergovernmental was 1.3% for 2009 and 1.3% for 2008, and debt service interest was .007% for 2009 and .005% for 2008.

### Business-type Activities:

Net assets for business-type activities represent 5.5% for fiscal year 2009 and 5.2% for fiscal year 2008 of the overall total net assets.

Total revenue for the business-type activity was \$7,051,790 for 2009 and \$7,028,199 for the fiscal year 2008. Of this amount, charges for services represented 27% for 2009 and 28% for 2008, USDA reimbursement represented 73% for 2009 and 72% for 2008.

Overall expenditures were \$6,595,166 for 2009 and \$6,452,463 for 2008. These expenditures represent expenses for food, supplies, salaries and fringe benefits that are allowed. In addition to the above expenses, indirect costs were charged to food service. These charges represented \$270,646 for 2009 and \$281,385 for 2008.

Net assets of the District's governmental activities represented 95% for 2009 and 95% for 2008 of total assets. Unrestricted net assets is the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements are \$29,084,674 for 2009 and \$40,480,890 for 2008.

The net assets of business-type activities represent \$3,524,539 of the total net unrestricted net assets of \$32,609,213 for the year ended June 30, 2009 and \$3,441,182 of the total net unrestricted net assets of \$43,922,072 for the year ended June 30, 2008.

Net Assets. For the 2008-2009 accounting year, the District's combined net assets totaled \$76,011,215. However, \$43,402,002 is restricted for specific purposes. The remaining unrestricted net assets resources are available for future spending. The District's combined net assets for 2007-2008 was \$76,500,071 and \$32,577,999 was restricted for specific purpose. The remaining unrestricted net assets resources were available for future spending for 2008.

The net assets of business-type activities were \$4,159,348 for 2009 and \$3,973,370 for 2008.

**Business-type activities:**

Business-type activities net assets increased by \$294,355 for 2009 as compared to the 2008 fiscal year. However, the government wide net assets increased by \$185,678 for 2009 as compared to 2008. This increase was due in part to the increased participation and a better menu selection. However, this increase was less than the previous year due to an increase in food cost.

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. They help answer the questions did the government generate enough revenue to pay for current obligations and what is available for spending at the end of the year.

For the year ended June 30, 2009, the District's governmental funds reported a combined fund balance of \$31,607,325 whereas on June 30, 2008 the combined fund balance was \$40,428,362. 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. At June 30, 2009, the District's unreserved, undesignated fund balance for all governmental funds was \$29,904,853, whereas June 30, 2008 the fund balance was \$36,158,598. These balances include \$1,458,412 in the school building fund for 2009 and \$4,269,764 in the school building fund for 2008. June 30, 2009 the remaining \$244,060 is reserved for items such as inventories.

**General Fund:**

The General Fund is the chief operating fund of the District. At the end of the 2008 fiscal year, the undesignated fund balance was \$33,815,453 while the total fund balance reached \$33,980,070. At the end of the 2009 fiscal year, the unreserved total fund balance reached \$29,587,982.

In reviewing the revenue for the 2007-2008 General Fund, the Local revenue did not exceed the budget by \$1,099,078 but the State revenue exceeded the budget by \$1,577,649. Overall, the revenue exceeded the budgeted revenue by \$534,078. In comparison, the local revenue for 2008-2009 was under budget by \$2,224,255. The state revenue was under the budget by \$3,064,894 with a total shortfall of \$5,225,856. This short fall was due to the down turn of the economy and budget cuts by the State of South Carolina.

The 2008 Instruction expenses were under the budget by \$410,648. This was due to a various budgets having fewer expenses than the budgets amounts. For the 2009 fiscal year, the budget for instruction was over the budget by \$25,526. A major factor that contributed to this overage was the growth the district has experience not only this year but prior years as well.

The 2008 support was under budget by \$2,526,395. The support budget for 2009 was under the budget by \$1,996,993. Maintenance and food service budgets contributed to this overage as well as almost all the other functions. This represented a total favorable budget variance of \$1,971,467 which contributed to the fund balance not decreasing any more than it did.

The District's Major Funds include General Fund, as described above, Capital Projects, Special Revenue, and EIA.

The District's Special Revenue Funds, Special Projects and EIA, are used to account for revenues derived from the State of South Carolina and the Federal Government.

Debt Service Funds are shown in the accompanying financial statements of the District, as part of the Non major Governmental Funds. The fund balance as of June 30, 2008 was \$2,112,895 and the fund balance as of June 30, 2009 was \$1,607,499 all of which is reserved for the payment of debt service. Presently, the District's millage rate is set at 19.00 mills and has been this level for the last three years. However, when the millage starts to decline, this will strengthen the District's position in reissuing new bonds due to the limitations based on the 8% debt ceiling. Presently, the District will be debt free as of June 30, 2010.

The District's only Proprietary Fund is the Food Service Fund. This program had net earnings of \$294,051 for June 30, 2008 and \$185,978 for the fiscal year ended June 30, 2009. This increase was due to several factors: Even though the District enjoyed a greater participation in daily meals served and received a larger amount reimbursed from the federal government, food costs increased due to weather conditions. Fringe benefit costs were \$243,058 as of June 30, 2008 and \$286,755 as of June 30, 2009. The general fund absorbed the majority of these costs in the amount of \$589,896.

General Fund Budgetary Highlights. The School District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of the fiscal year 2009, the District did not make any adjustment to the general fund budget.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

The School District did not have any major contractual agreements as of June 30, 2009.

Capital Assets. At the end of 2008 the District had \$37,272,855 invested in capital assets, net of depreciation. The District had \$41,550,444 invested in capital assets, net of depreciation as of June 30, 2009.

Table 2 shows fiscal balances as of June 30, 2009.

Table 2  
Capital Assets at June 30, 2009  
(Net of Accumulated  
Depreciation)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL GOVERNMENT	
	2008	2009	2008	2009	2008	2009
LAND	\$ 6,907,317	\$ 11,265,442	\$ -	\$ -	\$ 6,907,317	\$ 11,265,442
BUILDING	21,367,904	21,022,845	-	-	21,367,904	21,022,845
IMPROVEMENT	4,198,311	4,097,136	-	-	4,198,311	4,097,136
EQUIPMENTS	410,012	384,866	532,187	634,810	942,199	1,019,676
COMPUTERS	857,668	908,125	-	-	857,668	908,125
VEHICLES	481,981	774,339	-	-	481,981	774,339
MOBILE UNITS	2,517,475	2,462,881	-	-	2,517,475	2,462,881
<b>TOTALS</b>	<b>\$ 36,740,668</b>	<b>\$ 40,915,634</b>	<b>\$ 532,187</b>	<b>\$ 634,810</b>	<b>\$ 37,272,855</b>	<b>\$ 41,550,444</b>

The District did not purchased any portable classrooms for the first time in many years; but the District did purchase three activity buses, four vehicles, land on Hoffmeyer Road, five work vehicles and 45.76 acres of land adjoining to Wilson High School. See note 6 of the auditor's report for additional information.

**Long-Term Debt:**

At fiscal year-end, the District had \$500,000 in bonds outstanding. All of the District's debt is backed by the full faith and credit of the District as is typical with general obligation bonded indebtedness. This debt is detailed in table three below.

Table 3  
Outstanding Debt, At Year End  
Governmental Activities

**General Obligation Bonds:**

2003 Series	<u>\$ 500,000</u>
<b>Total</b>	<u><b>\$ 500,000</b></u>

The Debt Service Fund has \$1,555,315 available at year-end to service the debt. During the fiscal year 2008-2009, the District issued a \$2,700,000 one year General Obligation Bond. See note 7 of the auditor's report for additional information.

**Economic Factors.** Florence County serves as the service, retail, and manufacturing center for northeast South Carolina. During the past 10 years, the County has experienced moderate economic growth with the addition of Roche Carolina being located in Florence County. Over the last two years, QVC, Home Depot, several hotels and three chain restaurants have opened within the District. The County is presently working with several other companies that want to relocate to Florence County.

General Fund Budgetary Highlights. There were no changes to the total budget for the fiscal year 2008-2009. The District was successful in a millage referendum during the spring of 2003. The millage increase of 32 mills went into effect during the fiscal year 2004-2005. The Florence County Delegation introduced bill HB4464 for the State Legislature to award the District a one-time millage increase of 10.8 mills, and the bill passed. Therefore, this referendum represented a net gain of 21.2 mills. This millage increase and conservative budgeting have allowed the District to increase the fund balance over the last five years.

Table 4

Condensed Statement of Revenue, Expenses, and Changes in Net Assets as of June 30, 2009.

	GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL GOVERNMENT	
	2008	2009	2008	2009	2008	2009
<b>PROGRAM REVENUES:</b>						
CHARGES FOR SERVICES	\$ 989,891.00	\$ 433,270	\$ 1,975,863	\$ 1,901,829	\$ 2,965,754	\$ 2,335,099
OPERATING GRANTS	103,466,191	105,048,801	5,052,336	5,149,961	108,518,527	110,198,762
<b>GENERAL REVENUES:</b>						
PROPERTY TAXES	38,693,942	35,288,556	-	-	38,693,942	35,288,556
OTHER REVENUES	1,630,972	489,464	-	-	1,630,972	489,464
<b>TOTAL REVENUES</b>	<b>144,780,996</b>	<b>141,260,091</b>	<b>7,028,199</b>	<b>7,051,790</b>	<b>151,809,195</b>	<b>148,311,882</b>
<b>EXPENSES:</b>						
INSTRUCTIONAL PROGRAMS	83,822,517	84,943,809	-	-	83,822,517	84,943,809
SUPPORT SERVICES	49,663,225	54,342,076	-	-	49,663,225	54,342,076
COMMUNITIES SERVICES	1,063,149	1,087,301	-	-	1,063,149	1,087,301
INTERGOVERNMENTAL	1,790,980	1,810,031	-	-	1,790,980	1,810,031
INTEREST	340,668	22,356	-	-	340,668	22,356
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>136,680,539</b>	<b>142,205,573</b>	<b>-</b>	<b>-</b>	<b>136,680,539</b>	<b>142,205,573</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>						
FOOD SERVICE	-	-	6,452,463	6,595,166	6,452,463	6,595,166
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>6,452,463</b>	<b>6,595,166</b>	<b>6,452,463</b>	<b>6,595,166</b>
<b>TOTAL EXPENSES</b>	<b>136,680,539</b>	<b>142,205,573</b>	<b>6,452,463</b>	<b>6,595,166</b>	<b>143,133,002</b>	<b>148,800,739</b>
TRANSFER IN (OUT)	281,685	270,646	(281,385)	(270,646)	-	-
<b>CHANGE IN NET ASSETS</b>	<b>8,382,142</b>	<b>(674,836)</b>	<b>294,351</b>	<b>185,978</b>	<b>8,676,193</b>	<b>(488,858)</b>
BEGINNING NET ASSETS	64,144,559	72,526,701	3,679,319	3,973,670	67,823,878	76,500,071
<b>ENDING NET ASSETS</b>	<b>\$ 72,526,701</b>	<b>\$ 71,851,865</b>	<b>\$ 3,973,670</b>	<b>\$ 4,159,648</b>	<b>\$ 76,500,071</b>	<b>\$ 76,011,213</b>

Total governmental activities generated revenues of \$144.7 million for 2008 and \$141.2 million for 2009 while expenses in this category totaled \$136.6 million for 2008 and \$142.2 million for 2009. After transfers from the business-type activities, the increase in net assets stands at \$8.3 million for 2008 and a decrease of \$674,836 for 2009. Business-type activities generated revenue of \$7,028 million for 2008 and \$7,051 million for 2009 and had expenses of \$6.4 million for 2008 and \$6.5 million for 2009. Net assets increased in the business-type activities by \$294,351 for 2008 and \$185,978 for 2009 after transfers to the governmental activities of \$281,385 for 2008 and \$270,646 for 2009.

#### Requests for Information

This report is intended to provide a summary of the financial condition of Florence School District One. Questions or requests for additional information should be addressed to:

Luther M. Rabon, Chief Financial Officer  
Florence School District One  
319 South Dargan Street  
Florence, South Carolina 29506

**BASIC FINANCIAL STATEMENTS**

**FLORENCE SCHOOL DISTRICT ONE**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

Assets	Governmental Activities	Business Type Activities	Total Primary Government
Cash and cash equivalents	\$ 32,034,667	\$ 3,673	\$ 32,038,340
Cash and cash equivalents with County Treasurer	1,555,315	-	1,555,315
Taxes receivable, net	2,362,435	-	2,362,435
Accounts receivable, net	304,383	-	304,383
Internal balances	(2,837,527)	2,837,527	-
Due from other governments	6,782,696	651,432	7,434,128
Prepaid expenses	686,491	-	686,491
Inventory	244,060	31,907	275,967
Non-depreciable capital assets	11,265,442	-	11,265,442
Depreciable capital assets, net of depreciation	29,650,192	634,809	30,285,001
Total assets	<u>82,048,154</u>	<u>4,159,348</u>	<u>86,207,502</u>
<b>Liabilities</b>			
Accounts payable	1,153,625	-	1,153,625
Payroll withholdings and accruals	3,883,825	-	3,883,825
Unearned revenue	4,450,379	-	4,450,379
<b>Noncurrent liabilities:</b>			
Due within one year	500,000	-	500,000
Due in more than one year	171,092	-	171,092
Total liabilities	<u>10,158,921</u>	<u>-</u>	<u>10,158,921</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	40,915,634	634,809	41,550,443
Restricted	1,851,559	-	1,851,559
Unrestricted	29,122,040	3,524,539	32,646,579
Total net assets	<u>\$ 71,889,233</u>	<u>\$ 4,159,348</u>	<u>\$ 76,048,581</u>

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

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**FLORENCE SCHOOL DISTRICT ONE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total Primary Government
<b>Primary government:</b>							
<b>Governmental activities:</b>							
Instruction	\$ 84,943,817	\$ 333,977	\$ 82,273,488	\$ 514,354	\$ (1,821,998)	\$ -	\$ (1,821,998)
Support services	54,342,076	99,293	16,114,460	-	(38,128,323)	-	(38,128,323)
Community services	1,087,301	-	4,444,621	-	3,357,320	-	3,357,320
Intergovernmental	1,810,031	-	1,867,607	-	57,576	-	57,576
Interest	22,356	-	-	-	(22,356)	-	(22,356)
Total governmental activities	<u>142,205,581</u>	<u>433,270</u>	<u>104,700,176</u>	<u>514,354</u>	<u>(36,557,781)</u>	<u>-</u>	<u>(36,557,781)</u>
<b>Business-type activities:</b>							
Food service	6,595,166	1,901,829	5,149,961	-	456,624	-	456,624
Total business-type activities	<u>6,595,166</u>	<u>1,901,829</u>	<u>5,149,961</u>	-	<u>456,624</u>	-	<u>456,624</u>
Total primary government	<u>\$ 148,800,747</u>	<u>\$ 2,335,099</u>	<u>\$ 109,850,137</u>	-	<u>(36,557,781)</u>	<u>456,624</u>	<u>(36,101,157)</u>
<b>General revenues:</b>							
Property taxes - general					35,124,259	-	35,124,259
Investment income					525,408	-	525,408
Transfers					270,646	(270,646)	-
Total general revenues and transfers					<u>35,920,313</u>	<u>(270,646)</u>	<u>35,649,667</u>
Change in net assets					(637,468)	185,978	(451,490)
Net assets, July 1, 2008					72,526,701	3,973,370	76,500,071
Net assets, June 30, 2009					<u>\$ 71,889,233</u>	<u>\$ 4,159,348</u>	<u>\$ 76,048,581</u>

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

**FLORENCE SCHOOL DISTRICT ONE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Education Improvement Act Fund</u>	<u>School Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 32,032,667	\$ 2,000	\$ -	\$ -	\$ -	\$ 32,034,667
Cash and cash equivalents with County Treasurer	-	-	-	-	1,555,315	1,555,315
Taxes receivable, net	2,362,435	-	-	-	-	2,362,435
Accounts receivable	56,489	247,894	-	-	-	304,383
Interfund receivables	8,797,001	4,432,322	811,222	888,806	655,123	15,584,474
Due from other governments	342,646	4,330,635	784,395	1,272,836	52,184	6,782,696
Prepaid expenses	681,741	4,750	-	-	-	686,491
Inventory	244,060	-	-	-	-	244,060
<b>Total Assets</b>	<b>\$ 44,517,039</b>	<b>\$ 9,017,601</b>	<b>\$ 1,595,617</b>	<b>\$ 2,161,642</b>	<b>\$ 2,262,622</b>	<b>\$ 59,554,521</b>
<b>Liabilities, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,153,337	\$ 288	\$ -	\$ -	\$ -	\$ 1,153,625
Interfund payables	9,606,123	7,648,452	464,196	703,230	-	18,422,001
Payroll withholdings and accruals	3,876,824	5,555	1,446	-	-	3,883,825
Deferred revenues	11,347	3,309,057	1,129,975	-	-	4,450,379
<b>Total Liabilities</b>	<b>14,647,631</b>	<b>10,963,352</b>	<b>1,595,617</b>	<b>703,230</b>	<b>-</b>	<b>27,909,830</b>
<b>Fund Balances</b>						
Reserved for inventory	244,060	-	-	-	-	244,060
Reserved for debt service	-	-	-	-	1,607,499	1,607,499
Unreserved, undesignated reported in:						
General Fund	29,625,348	-	-	-	-	29,625,348
Special Revenue Fund	-	(1,945,751)	-	-	-	(1,945,751)
School Building Fund	-	-	-	1,458,412	-	1,458,412
Other Governmental Funds	-	-	-	-	655,123	655,123
<b>Total Fund Balances</b>	<b>29,869,408</b>	<b>(1,945,751)</b>	<b>-</b>	<b>1,458,412</b>	<b>2,262,622</b>	<b>31,644,691</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 44,517,039</b>	<b>\$ 9,017,601</b>	<b>\$ 1,595,617</b>	<b>\$ 2,161,642</b>	<b>\$ 2,262,622</b>	<b>\$ 59,554,521</b>

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

R135

**FLORENCE SCHOOL DISTRICT ONE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

Amounts reported for governmental activities in the statement of net assets are different because of the following:

Total governmental fund balances		\$ 31,644,691
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Net capital assets were:		40,915,634
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
	Total government obligation bonds	\$ 500,000
	Total compensated absences	<u>171,092</u>
		<u>(671,092)</u>
Net assets of governmental activities		<u>\$ 71,889,233</u>

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

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**FLORENCE SCHOOL DISTRICT ONE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Education Improvement Act Fund</u>	<u>School Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Local	\$ 35,848,944	\$ 1,696,727	\$ -	\$ 89,552	\$ 8,590,740	\$ 46,225,963
Intergovernmental	63,293	1,342,223	-	36,000	-	1,441,516
State	65,486,915	4,284,371	10,253,096	525,384	514,354	81,064,120
Federal	-	12,565,861	-	-	-	12,565,861
<b>Total Revenues</b>	<u>101,399,152</u>	<u>19,889,182</u>	<u>10,253,096</u>	<u>650,936</u>	<u>9,105,094</u>	<u>141,297,460</u>
<b>Expenditures</b>						
<b>Current:</b>						
Instruction	66,178,629	10,786,930	6,851,865	-	3,357	83,820,781
Support services	38,692,544	9,777,829	1,699,114	1,831,325	2,341,064	54,341,876
Community service	-	1,032,451	54,850	-	-	1,087,301
Intergovernmental	1,474,614	307,726	27,691	-	-	1,810,031
Capital outlay	-	-	-	5,161,277	-	5,161,277
Debt service	-	-	-	-	-	-
Redemption of principal	-	-	-	-	7,327,000	7,327,000
Interest	-	-	-	20,236	191,730	211,966
Other	-	-	-	-	2,120	2,120
<b>Total Expenditures</b>	<u>106,345,787</u>	<u>21,904,936</u>	<u>8,633,520</u>	<u>7,012,838</u>	<u>9,865,271</u>	<u>153,762,352</u>
Excess (deficiency) of revenues over expenditures	<u>(4,946,635)</u>	<u>(2,015,754)</u>	<u>1,619,576</u>	<u>(6,361,902)</u>	<u>(760,177)</u>	<u>(12,464,892)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	3,017,034	1,775,475	427,154	4,046,648	195,940	9,462,251
Transfers out	<u>(2,181,061)</u>	<u>(1,000,021)</u>	<u>(2,046,730)</u>	<u>(496,098)</u>	<u>(57,120)</u>	<u>(5,781,030)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>835,973</u>	<u>775,454</u>	<u>(1,619,576)</u>	<u>3,550,550</u>	<u>138,820</u>	<u>3,681,221</u>
Net change in fund balances	(4,110,662)	(1,240,300)	-	(2,811,352)	(621,357)	(8,783,671)
Fund Balance, July 1, 2008	<u>33,980,070</u>	<u>(705,451)</u>	<u>-</u>	<u>4,269,764</u>	<u>2,883,979</u>	<u>40,428,362</u>
Fund Balance, June 30, 2009	<u>\$ 29,869,408</u>	<u>\$ (1,945,751)</u>	<u>\$ -</u>	<u>\$ 1,458,412</u>	<u>\$ 2,262,622</u>	<u>\$ 31,644,691</u>

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

R137

**FLORENCE SCHOOL DISTRICT ONE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Amounts reported for governmental activities in the statement of net assets are different because:

Net change in fund balances - total governmental funds	\$ (8,783,671)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported in the current period.	4,832,610
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not recorded as an expenditure in governmental funds.	(657,644)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	3,915,000
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related account.	(79,911)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not recorded as expenditures in the governmental funds. Accrued compensated absences decreased by this amount.	93,326
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds.	<u>42,822</u>
Change in net assets of governmental activities	<u>\$ (637,468)</u>

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

R138

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund				Special Revenue Fund				Education Improvement Act Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>												
Local	\$ -	\$ 38,201,562	\$ 35,848,944	\$ (2,352,618)	\$ 2,437,937	\$ 2,437,937	\$ 1,696,727	\$ (741,210)	\$ 101	\$ 101	\$ -	\$ (101)
Intergovernmental	-	-	63,293	63,293	1,396,711	1,396,711	1,342,223	(54,488)	-	-	-	-
State	-	68,386,080	65,486,915	(2,899,165)	5,403,858	5,403,858	4,284,371	(1,119,487)	11,095,599	11,095,599	10,253,096	(842,503)
Federal	-	-	-	-	13,114,999	13,114,999	12,565,861	(549,138)	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>106,587,642</b>	<b>101,399,152</b>	<b>(5,188,490)</b>	<b>22,353,505</b>	<b>22,353,505</b>	<b>19,889,182</b>	<b>(2,464,323)</b>	<b>11,095,700</b>	<b>11,095,700</b>	<b>10,253,096</b>	<b>(842,604)</b>
<b>Expenditures</b>												
Current:												
Instruction	66,175,308	66,153,103	66,178,629	(25,226)	6,313,692	12,098,823	10,786,930	1,311,893	3,378,557	7,381,364	6,851,865	529,499
Support services	40,674,914	40,689,537	38,692,544	1,996,993	4,197,263	9,205,530	9,777,829	(572,299)	477,160	2,002,485	1,699,114	303,371
Community service	-	-	-	-	20,870	1,119,497	1,032,451	87,046	-	63,303	54,850	8,453
Intergovernmental	1,213,743	1,213,743	1,474,614	(260,871)	-	5,500	307,726	(302,226)	10,208	27,421	27,691	(270)
<b>Total Expenditures</b>	<b>108,063,965</b>	<b>108,056,383</b>	<b>106,345,787</b>	<b>1,710,596</b>	<b>10,531,825</b>	<b>22,429,350</b>	<b>21,904,936</b>	<b>(524,414)</b>	<b>3,865,925</b>	<b>9,474,573</b>	<b>8,633,520</b>	<b>841,053</b>
Excess (deficiency) of revenues over (under) expenditures	(108,063,965)	(1,468,741)	(4,946,635)	(3,477,894)	11,821,680	(75,845)	(2,015,754)	(1,939,909)	7,229,775	1,621,127	1,619,576	(1,551)
<b>Other Financing Sources (Uses)</b>												
Transfers in	-	-	3,017,034	3,017,034	1,103,789	1,103,789	1,775,475	671,686	427,154	427,154	427,154	-
Transfers out	(950,644)	(958,226)	(2,181,061)	(1,222,835)	(705,895)	(1,027,944)	(1,800,021)	27,923	(2,036,841)	(2,048,281)	(2,046,730)	1,551
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>835,973</b>	<b>835,973</b>	<b>397,894</b>	<b>75,845</b>	<b>775,454</b>	<b>699,609</b>	<b>(1,609,687)</b>	<b>(1,621,127)</b>	<b>(1,619,576)</b>	<b>1,551</b>
<b>Net change in fund balances</b>	<b>\$ (108,063,965)</b>	<b>\$ (1,468,741)</b>	<b>(4,110,662)</b>	<b>\$ (2,641,921)</b>	<b>\$ 12,219,574</b>	<b>\$ -</b>	<b>(1,240,300)</b>	<b>\$ (1,240,300)</b>	<b>\$ 5,620,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Fund Balance - July 1, 2008			33,980,070				(705,451)					
Fund Balance - June 30, 2009			\$ 29,869,408				\$ (1,945,751)				\$ -	

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

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**FLORENCE SCHOOL DISTRICT ONE  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2009**

	<u>Enterprise Fund</u> <u>Food Service Fund</u>
<b>Assets</b>	
<b>Current assets</b>	
Cash	\$ 3,673
Interfund receivables	2,837,527
Due from State Department of Education	651,432
Inventory	<u>31,907</u>
Total current assets	<u>3,524,539</u>
<b>Noncurrent assets</b>	
Capital assets, net of depreciation	<u>634,809</u>
Total noncurrent assets	<u>634,809</u>
Total assets	<u>\$ 4,159,348</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	634,809
Unrestricted net assets	<u>3,524,539</u>
Total net assets	<u>\$ 4,159,348</u>

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

**FLORENCE SCHOOL DISTRICT ONE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Enterprise Fund</u> <u>Food Service Fund</u>
Operating revenues	
Proceeds from sale of meals	\$ 1,901,829
Total operating revenues	<u>1,901,829</u>
Operating expenses	
Salaries and wages	2,330,125
Employee benefits	286,755
Purchases and services	64,500
Supplies	3,663,899
Depreciation	24,964
Other	224,923
Total operating expenses	<u>6,595,166</u>
Operating loss	<u>(4,693,337)</u>
Nonoperating revenues	
USDA reimbursements	4,623,755
Other federal and state aid	491,756
Interest	34,450
Total nonoperating revenues	<u>5,149,961</u>
Income before transfers	456,624
Net transfers out	<u>(270,646)</u>
Change in net assets	185,978
Net Assets, July 1, 2008	<u>3,973,370</u>
Net Assets, June 30, 2009	<u>\$ 4,159,348</u>

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

R141

**FLORENCE SHOOOL DISTRICT ONE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Enterprise Fund Food Service Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 1,757,486
Cash paid to employees	(2,611,968)
Cash paid to suppliers	<u>(3,895,188)</u>
Net cash used in operating activities	<u>(4,749,670)</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>	
Transfers out	(270,646)
Other federal and state grants	491,756
Interest received	34,450
USDA reimbursements	<u>4,623,754</u>
Net cash provided by noncapital financing activities	<u>4,879,314</u>
<b>Capital Financing Activities</b>	
Payments to purchase property, plant and equipment	<u>(127,586)</u>
Net cash used in capital and related financing activities	<u>(127,586)</u>
Net increase in cash and cash equivalents	2,058
<b>Cash and cash equivalents/investments</b>	
Beginning of year	<u>1,615</u>
End of year	<u>\$ 3,673</u>

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

**FLORENCE SCHOOL DISTRICT ONE  
STATEMENT OF CASH FLOWS - CONTINUED  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Enterprise Fund</u> <u>Food Service Fund</u>
Reconciliation of operating income (loss)	
to net cash used in operating activities	
Operating income (loss)	\$ (4,693,337)
Adjustments to reconcile operating income (loss)	
to net cash used in operating activities:	
Depreciation	24,964
Change in assets and liabilities:	
(Increase) decrease in interfund receivables	492,091
(Increase) decrease in inventories	2,282
(Increase) decrease in receivables	(512,626)
Increase (decrease) in accounts payable	(58,134)
Increase (decrease) in accrued liabilities	(4,910)
Total adjustments	<u>(56,333)</u>
Net cash used in operating activities	<u>\$ (4,749,670)</u>

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

**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**OF SIGNIFICANT ACCOUNTING POLICIES**

Policies of Florence School District One (the District) conform to the accounting principles generally used in the United States of America, as applicable to governmental units. The following is a summary of the more significant accounting policies.

**Reporting Entity**

The District is the largest school district in Florence County, South Carolina. The District operates a public school system under guidelines approved by the United States Department of Education and consists of nineteen major schools. The District is fully accredited by the Southern Association of Colleges and Schools. The Florence School District One Board of Trustees (Board) is the basic level of government having oversight responsibility and control over all activities related to public school education within the District.

For financial reporting purposes, in accordance with the criteria in GASB Statements 1 and 14, the District includes all funds that are controlled by or financially dependent upon the District. Control or financial dependence was determined on the basis of obligation of the District to finance deficits, guarantee debt, selection of governing authority, approval of budget, authority to make a public levy, ownership of assets, and scope of public service and special financing relationships where there was only partial or no oversight responsibility.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes.

*Discretely Presented Component Unit*

Since Palmetto Youth Academy has a significant relationship and is financially dependent upon Florence School District One for its support, it is considered a component unit of the District. The required financial information related to Palmetto Youth Academy is not presented as part of the financial statements of the District as required by generally accepted accounting principles.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. The Board members are elected by the public and have authority to designate management, significantly influence operations as well as being primarily accountable for fiscal matters.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The District has elected not to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its governmental activities, business-type activities and enterprise funds. The most significant of the District's accounting policies are described hereafter.

**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

**Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide statements:**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the School District. Eliminations have been made to minimize the effects of internal activities on revenues and expenses. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. The statements distinguish between those types of activities of the District that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues, are presented as general revenues of the District with certain limited exceptions. 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

**Fund financial statements:**

During the year, the District segregates transactions related to certain District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District reports no fiduciary type funds.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

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**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

This District reports the following major funds:

**General Fund**

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenditures and the capital improvement costs, not paid through other funds, are paid from the General Fund.

**Special Revenue Fund**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources other than debt service or major capital projects, that are legally restricted to expenditures for specified purposes.

**Special Revenue Fund – Education Improvement Act Fund**

The Education Improvement Act Fund is used to account for the proceeds of the additional one percent sales and use tax, which are restricted to expenditures for the Education Improvement Act.

**School Building Fund**

The School Building Fund is used to account for financial resources used for the acquisition, construction or improvements of major capital facilities by the District.

The District reports the following nonmajor governmental funds:

**Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and payments associated with general long-term debt principal, interest and related costs.

**Special Revenue Fund – Pupil Activity**

The Pupil Activity Fund accounts for student admissions, grants, organization memberships, bookstore sales and other related receipts and disbursements.

The District reports the following enterprise fund:

**Food Service Fund**

The Food Service Fund is used to account for the accumulation of resources for, and the payment of, student meals while at school and other related costs.

**Measurement Focus and Basis of Accounting**

**Government-wide financial statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the District are included on the statement of net assets. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

**Fund financial statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collected within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within sixty days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures when due. Major revenue sources subject to accrual include intergovernmental revenue and investment income. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenue and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs in the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with these funds are included on the statement of net assets. The statement of changes in fund net assets presents increase (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. The principal operating revenue for the proprietary fund is charges to customers for food sales. Principal operating expenses are the cost of providing these sales and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and the presentation of expenses versus expenditures.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes, grants, tuition and charges for services.

Nonexchange transactions involving financial or capital resources are transactions in which the District either gives value to another party without directly receiving value in exchange or receives value from another party without directly giving equal value in exchange. The type of nonexchange transactions the District engages in is primarily "voluntary nonexchange transactions."

**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

Voluntary nonexchange transactions usually involve eligibility requirements that must be met before transactions are recognized. The eligibility requirements can include one or more of the following:

- a. The recipient has the characteristic specified by the provider.
- b. The recipient has met time requirements specified by the provider [i.e., the period when the resources are required to be used (e.g., disbursed or consumed) or the period when use is first permitted has begun or the resources are being maintained intact, as specified by the provider].
- c. The provider offers resources on a reimbursement basis and the recipient has incurred allowable costs under the applicable program.
- d. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Promises of cash or other assets from nongovernmental entities are recognized when all eligibility requirements are met, provided the promise to give is verifiable and the resources are measurable and probable of collection.

Gifts are a type of nonexchange transaction. Gifts include resources donated to the District for restricted or unrestricted purposes. Unrestricted gifts are recognized as revenue in the general fund when all applicable eligibility requirements have been met. Restricted gifts are recognized as revenue to the extent that such funds are expended for the restricted purposes during the current year and meet all eligibility requirements.

Restricted resources transmitted before the eligibility requirements are met are reported as advances by the provider and as deferred revenues by recipients.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**Budgets**

During January of each year, the principals of each of the schools and other district administrators submit in writing their needs and requirements for the ensuing fiscal year to the Superintendent. The Superintendent and the Chief Financial Officer then prepare a budget for each department in the District. Recommendations from the principals and district administrators are included in the budget. A proposed budget is then submitted to the Board for its review and approval. A copy of the approved budget is submitted to the County Auditor by June 15<sup>th</sup> of each year. Certified copies of the final approved budget signed by a majority of the members of the Board, together with the Board's recommendation as to the amount of millage which should be levied to defray the costs of the budget, are filed with the County Auditor. The annual budget lapses at the fiscal year end. The budget is prepared using the modified accrual basis of accounting.

Expenditures may not exceed budgeted amounts at the program/departmental level for the general fund. The Board of Trustees must approve revisions that alter the total expenditures of any program/department.

**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

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

**Cash**

To improve cash management, all cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "due from other funds" on the statement of net assets.

The District utilizes the Florence County Treasurer to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "Cash and Cash Equivalents with County Treasurer."

For the year ended June 30, 2009, investments were limited to the Local Government Investment Pool (LGIP) and repurchase agreements. The LGIP is an investment pool managed by the South Carolina State Treasurer which allows local governments within the State of South Carolina to pool their funds for investment purposes. Investments in the LGIP and repurchase agreements are reported at cost, which at June 30, 2009, approximated fair value. Due to the liquidity of these investments, the District considers them cash equivalents.

**Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost (first-in, first-out method) or market. Market is defined as current replacement cost. For all funds costs are determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Inventories of the enterprise fund are expensed when used.

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

**Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the assets. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include items such as bond or grant proceeds to be used for capital construction, cash on deposit with the County Treasurer, or amounts added to permanent endowments. At June 30, 2009, the District had \$1,555,315 in cash restricted for debt service payments on deposit with the County Treasurer. This amount is shown on the financial statements as "Cash and Cash Equivalents with County Treasurer".

**Deferred Charges**

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method since results are not significantly different than the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred.

**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

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

**Bond Premium**

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bond using the straight-line method since the results are not significantly different from the effective interest method. In the governmental funds, these costs are reported as revenues when the related liability is incurred.

**Capital Assets**

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

All capital assets are capitalized at cost, or estimated historical cost, and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

All reported capital assets except land, land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and improvements	15-25 years	None
Furniture and equipment	5-10 years	5-15 years
Vehicles	5-10 years	None

**Interfund Borrowings**

Interfund borrowings shown as "interfund receivables or interfund payables" in the fund financial statements and internal balances in the government-wide financial statements represent fund transfers of non-mandatory nature and are not interest bearing. Amounts due between funds have no specified time for repayment; however, these amounts are anticipated to be repaid within one year. They result primarily when a fund incurs grant expenditures prior to receiving reimbursement from the grantor.

Certain interfund borrowings are presented as assets and liabilities within the same balance sheet. This occurs in instances where assets or liabilities are due to or from certain components within a fund group and the right of offset does not exist.

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**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

**Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB No. 16 "Accounting for Compensated Absences." Vacation benefits are accrued as a liability when the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The entire compensated absence liability is reported on the government-wide financial statements and in the proprietary fund financial statements.

In the governmental fund financial statements none of the liability is reported, as it is not expected to be paid using expendable available resources.

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when limitations are imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Fund Balances Reserves**

The District reserves those portions of governmental fund balances that are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund balance reserves are established primarily for inventory of materials and supplies, debt service and non-current receivables.

**Deferred Revenues**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenues in the Special Revenue Fund represents money received in advance for a project or grant in which the expenditure will be made in a subsequent year. Deferred revenues, in the Enterprise Fund, represents USDA commodities included in inventory at the end of the fiscal year but not reflected as revenue until the USDA commodities are used. Deferred revenues in the General Fund represent resources from non-exchange transactions prior to incurring qualifying expenditures.

**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

As of June 30, 2009, the District had the following investments:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
South Carolina Local Government Investment Pool	Daily	\$28,243,197

*Interest Rate Risk.* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The State Treasurer sells participation units in the South Carolina Local Government Investment Pool (SCLGIP) to legally qualified entities. The SCLGIP is not rated, but funds belonging to any entity that are on deposit with the SCLGIP represent participation units in a portfolio comprised of U.S. government securities, federal agency securities, repurchase agreements secured by the U.S. Government securities and/or federal agency securities, and/or A1/P1 commercial paper (Moody's and S&P's highest rating). It is the policy of the State Treasurer's Office that no derivatives of the above securities are purchased by the SCLGIP and the weighted average maturity of the portfolio not exceed sixty days. The SCLGIP funds have the characteristics of open-end mutual funds and are not subject to credit risk classification. The District's policy is to invest funds in the SCLGIP, certificates of deposit at federally insured banking institutions or in U.S. Treasury obligations or any agency of the United States of America.

*Custodial credit risk – deposits.* In 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 does not have a deposit policy for custodial credit risk, however, management does not believe there is a significant custodial credit risk because the District's deposits are collateralized with securities held by its financial institutions in the School District's name or by the Federal Deposit Insurance Corporation.

**NOTE 3 – PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR**

The District receives property taxes from Florence County, South Carolina. The County Treasurer periodically advances to the District its portion of taxes collected.

Accrued property taxes receivable represent delinquent taxes outstanding for which there is an enforceable legal claim.

Real property taxes are levied for the District by Florence County on September 28<sup>th</sup>, and are payable without penalty through January 15<sup>th</sup>, except vehicle property taxes which are levied on various dates in conjunction with the renewal dates of vehicle license tags. A penalty of 3% is added on January 16<sup>th</sup> and an additional penalty of 7% is added on February 2<sup>nd</sup>. On March 17<sup>th</sup>, an additional 5% penalty is added and properties go into execution by Florence County.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the District regardless of when the cash is received. The taxes are recorded net of allowance for uncollectible amounts. The allowance is estimated based on historical collection rates.

**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 3 – PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR (Continued)**

Taxes receivable	\$ 2,486,774
Allowance for uncollectible taxes	<u>(124,339)</u>
Taxes receivable, net	<u>\$ 2,362,435</u>

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable for the District and the related allowance for uncollectible accounts at June 30, 2009 were as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Accounts receivable	\$ 19,123	\$ 247,894	\$ 267,017
Net accounts receivable	<u>\$ 19,123</u>	<u>\$ 247,894</u>	<u>\$ 267,017</u>

Management considers all accounts receivable to be fully collectible.

**NOTE 5 – RESTRICTED ASSETS**

Restricted assets are reported in the Debt Service Fund for cash on deposit with the County Treasurer legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt.

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**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 6 – CAPITAL ASSETS**

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

	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 6,907,316	\$ 4,358,126	\$ -	\$ 11,265,442
Total	<u>6,907,316</u>	<u>4,358,126</u>	<u>-</u>	<u>11,265,442</u>
Capital assets being depreciated				
Buildings	61,729,413	-	-	61,729,413
Building improvements	6,257,495	-	-	6,257,495
Equipment	1,178,410	15,505	-	1,193,915
Computer equipment	2,119,922	116,332	-	2,236,254
Vehicles	2,222,188	342,647	-	2,564,835
Mobile classrooms	<u>5,417,603</u>	<u>-</u>	<u>-</u>	<u>5,417,603</u>
Total	<u>78,925,031</u>	<u>474,484</u>	<u>-</u>	<u>79,399,515</u>
Accumulated Depreciation				
Buildings	(40,361,509)	(345,059)	-	(40,706,568)
Building improvements	(2,059,184)	(101,175)	-	(2,160,359)
Equipment	(768,398)	(40,651)	-	(809,049)
Computer equipment	(1,262,253)	(65,876)	-	(1,328,129)
Vehicles	(1,740,207)	(50,289)	-	(1,790,496)
Mobile classrooms	<u>(2,900,128)</u>	<u>(54,594)</u>	<u>-</u>	<u>(2,954,722)</u>
Total	<u>(49,091,679)</u>	<u>(657,644)</u>	<u>-</u>	<u>(49,749,323)</u>
Total capital assets being depreciated, net	<u>29,833,352</u>	<u>(183,160)</u>	<u>-</u>	<u>29,650,192</u>
Governmental Activities capital assets, net	<u>\$ 36,740,668</u>	<u>\$ 4,174,966</u>	<u>\$ -</u>	<u>\$ 40,915,634</u>
Business-Type Activities				
Equipment	\$ 1,116,687	\$ 127,585	\$ -	\$ 1,244,272
Accumulated depreciation	<u>(584,499)</u>	<u>(24,964)</u>	<u>-</u>	<u>(609,463)</u>
Business-Type Activities capital assets, net	<u>\$ 532,188</u>	<u>\$ 102,621</u>	<u>\$ -</u>	<u>\$ 634,809</u>

Depreciation expense for Governmental Activities' capital assets totaled \$657,644 for the year ended June 30, 2009. Depreciation expense for capital assets of Business Type Activities for the year ended June 30, 2009 totaled \$24,964.

**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 7 – LONG-TERM OBLIGATIONS**

The following details the District's long-term debt at June 30, 2009:

\$11,740,000 General Obligation Bonds of 2003, due in annual installments of \$500,000 to \$2,150,000 beginning May 1, 2004, through May 1, 2010; interest rates range from 2.00% to 2.85%.

Future commitments for these long-term debt obligations follows:

<u>For year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 500,000	\$ 14,250	\$ 514,250
	<u>\$ 500,000</u>	<u>\$ 14,250</u>	<u>\$ 514,250</u>

The Debt Service Fund has \$1,555,315 available at year-end to service the debt.

At June 30, 2009, the District had no capital or operating leases with future commitments having remaining non-cancelable terms.

On July 11, 2008, the District issued \$2,700,000 of General Obligations Bonds, Series 2008. The Bonds matured and were paid in full on April 1, 2009.

The District's long-term obligations during the year consisted of the following:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts due</u>
	<u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>	<u>in one year</u>
<b>Governmental Activities</b>					
General obligation bonds	\$ 4,415,000	\$ -	\$ 3,915,000	\$ 500,000	\$ 500,000
Compensated absences	264,418	-	93,326	171,092	-
	<u>\$ 4,679,418</u>	<u>\$ -</u>	<u>\$ 4,008,326</u>	<u>\$ 671,092</u>	<u>\$ 500,000</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 4,514	\$ -	\$ 4,514	\$ -	\$ -
	<u>\$ 4,514</u>	<u>\$ -</u>	<u>\$ 4,514</u>	<u>\$ -</u>	<u>\$ -</u>

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**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 8 -- TRANSFERS AND INTERNAL BALANCES**

During the course of normal operations, the District has numerous transactions between funds for operating transfers or advances and repayments of advances for timing differences between available revenue and expenditures incurred. Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis.

The government-wide statement of activities eliminates transfers as reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

The following schedule details transfers within the reporting entity for the year ended June 30, 2009:

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 3,017,034	\$ 2,191,333
Special Revenue Fund	977,068	291,686
EIA Fund	427,154	2,046,730
School Building Fund	634,648	496,098
Pupil Activity	195,940	57,120
State Restricted	8,309	4,353
Local Foundation	804,195	706,382
Enterprise Fund	-	270,646
Total Interfund Payable	<u>\$ 6,064,348</u>	<u>\$ 6,064,348</u>

Interfund receivables/payables resulting from interfund goods and services provided or reimbursable expenditures/expenses incurred on or before June 30, 2009, for which payment was made after June 30, 2009.

The following schedule details internal balances within the reporting entity for the year ended June 30, 2009:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Special Revenue	\$ 3,216,131
EIA Fund	General Fund	347,027
School Building Fund	General Fund	185,576
Other Governmental Funds	General Fund	655,123
Food Service	General Fund	<u>2,837,527</u>
Total		<u>\$ 7,241,384</u>

**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 9 – PENSION PLANS**

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, South Carolina 29223. Furthermore, the Division and the four pension plans are included in the CAFR of the State of South Carolina.

**South Carolina Retirement System**

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for South Carolina Retirement System are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

The majority of employees of the District are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally, all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost-of-living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

Since July 1, 1988, employees participating in the SCRS have been required to contribute 6.5 percent of all compensation. From July 1, 2007 to June 30, 2008 the employer contribution rate became 12.48 percent which included the 3.42 percent surcharge to fund retiree health and dental insurance coverage. Effective July 1, 2008 the employer contribution rate became 12.74 percent which included the 3.50 percent surcharge to fund retiree health and dental insurance coverage. The District's actual contributions to the SCRS for the two most recent fiscal years ended June 30, 2008 and 2009, were \$10,085,016, and \$11,473,553 respectively, and equaled the required contributions of 9.24 percent (excluding the surcharge) for each the current year. Also, the District paid employer group-life insurance contributions of \$135,089 in the current fiscal year at the rate of .15 percent of compensation.

**Optional Retirement Program**

Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts which are issued to, and become the property of the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies.

ORP participation is available to all permanent employees of the State's educational institutions who meet all eligibility requirements for membership in the SCRS. To elect participation in the ORP, eligible employees must irrevocably waive SCRS membership in the first ninety days of employment.

Under State law, contributions to the ORP are required at the same rates as the SCRS, 8.05% plus the retiree surcharge of 3.35% from the employer for the year ended June 30, 2009.

Certain of the District's employees have elected to be covered under optional retirement plans. For the year ended June 30, 2009, there were no required contributions from the District as employer nor from its employees as plan members. In addition, the District did not make any payments for group-life coverage. All amounts under this program are required to be remitted to the Retirement Division of the State Budget and Control Board for distribution to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance companies.

**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 9 – PENSION PLANS (Continued)**

**Teacher and Employee Retention Incentive**

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost-of-living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are not eligible to receive group life insurance benefits or disability retirement benefits.

**Deferred Compensated Plans**

Several optional deferred compensation plans are available to the District's employees. The multiple-employer plans, created under Internal Revenue Code Sections 457, 403(b) and 401(k), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. Employees may withdraw the current value of their contributions when they terminate state employment. Neither the State nor the District has any liability for losses under the plans.

**NOTE 10 – POSTRETIREMENT AND OTHER EMPLOYEE BENEFITS**

In accordance with the South Carolina Code of Laws and the annual Appropriation Act, the State of South Carolina provides certain health care, dental, and life insurance benefits to certain active and retired State employees and certain surviving dependents of retirees. All permanent full-time and certain permanent part-time employees of the District are eligible to receive these benefits. The State provides post employment health and dental benefits to employees who retire from State service or who terminated with at least 20 years of State service who meet one or more of the eligibility requirements, such as age, length of service, and hire date. Generally those who retire must have at least 10 years of retirement service credit to qualify for these State-funded benefits. Benefits are effective at date of retirement when the employee is eligible for retirement benefits.

These benefits are provided through annual appropriations by the General Assembly through the State Department of Education to the District for its active employees and to the State Budget and Control Board for all participating State retirees except the portions funded through the pension surcharge and provided from other applicable fund sources of the District for its active employees who are not funded by State General Fund appropriations. The State finances health and dental plan benefits on a pay-as-you-go basis. Currently, approximately 24,000 State retirees meet these eligibility requirements.

The District recorded compensation and benefit expenses for these insurance benefits for active employees in the amount of \$11,473,553 for the year ended June 30, 2009. As discussed in Note 9, the District paid \$3,184,944 applicable to the 3.5% surcharge included with the employer contributions for retirement benefits. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

All post retirement benefits paid to the District's retired members are made from the SCRS and from South Carolina's General Fund (Health Care). The School District has no liability beyond the payment of monthly contributions.

**FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**NOTE 10 – POSTRETIREMENT AND OTHER EMPLOYEE BENEFITS (Continued)**

In addition, the State General Assembly periodically directs the Retirement Systems to pay supplemental (cost-of-living) increases to retirees. Such increases are primarily funded from Systems' earnings; however, a portion of the required amount is appropriated from the State General Fund annually for the SCRS benefits.

**NOTE 11 – CONTINGENCIES**

The District participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Significant program compliance violations could result in repayment of grant money received. Any related receivable at June 30, 2009, may be impaired. In the opinion of the District's management, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements.

The District is party to various legal proceedings, which normally occur in school district operations. In the opinion of the District's management and counsel, these legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

**NOTE 12 – RISK MANAGEMENT**

The District is exposed to various risks of loss and maintains State or commercial insurance coverage for all of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in insurance coverage from the prior year. The costs of settled claims and claim losses have not exceeded this coverage in any of the past three years. The District pays insurance premiums to certain other State agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits.

In management's opinion, claims losses in excess of insurance coverage, if any, are unlikely and, if incurred, would not be material to the District's financial position. Furthermore, there is no evidence of asset impairment or other information to indicate that a loss expenditure and liability should be recorded at June 30, 2009. Therefore, no loss accrual has been recorded.

**NOTE 13- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Excess of Expenditures over Appropriations**

Excesses of expenditures over appropriations in individual funds and by department within the Special Revenue Fund included the following:

	Final Budget	Actual	Excess
Special Revenue	\$ -	\$(1,240,300)	\$ (1,240,300)

Excesses of expenditures over appropriations are expected to be funded through accumulated fund balances and future operations.

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FLORENCE SCHOOL DISTRICT ONE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**NOTE 13- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY(Continued)**

Deficit fund balance in individual funds within the School District included the following:

	<u>Fund Balance</u>
Special Revenue Fund	\$ <u>(1,945,751)</u>

Deficit in fund balance are expected to be funded through future operations.

**NOTE 14 – SUBSEQUENT EVENTS**

On July 16, 2009, the District issued \$6,190,000 General Obligation Bonds, Series 2009. The Bond bears interest at a fixed rate of 2% and will mature on May 1, 2010. On September 15, 2009, the District issued \$4,200,000 General Obligation Bonds, Series 2009B. The Bond bears interest at a fixed rate of 2% and will mature on May 1, 2010.

Subsequent to year end, the State of South Carolina enacted budget cuts which will reduce the budgeted State revenue for fiscal year 2010. The District anticipates absorbing these cuts without a negative impact on the instructional program.

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
1200 Revenue from Local Governmental Units other than LEA's			
1210 Ad Valorem Taxes	\$ 34,863,932	\$ 33,066,821	\$ (1,797,111)
1240 Penalties and Interest on Taxes	82,679	53,556	(29,123)
1280 Revenue in Lieu of Taxes (Fiscally Independent and Dependent LEA)	1,433,377	2,003,872	570,495
1300 Tuition			
1310 Regular Day School from Patrons	93,826	97,374	3,548
1320 Regular Day School from Other LEA's	78,083	60,521	(17,562)
1500 Earnings on Investments			
1510 Interest on Investments	1,605,019	430,592	(1,174,427)
1900 Other Revenue from Local Sources			
1910 Rentals	31,150	29,707	(1,443)
1920 Contributions and Donations Private Sources	-	7,000	7,000
1930 Medicaid	-	7,978	7,978
1950 Refund of Prior Year's Expenditures	-	52,942	52,942
1993 Receipt of Insurance Proceeds	-	19,819	19,819
1994 Receipt of Legal Settlements	-	319	319
1999 Revenue from Other Local Sources	13,496	18,443	4,947
<b>Total Local Sources</b>	<u>38,201,562</u>	<u>35,848,944</u>	<u>(2,352,618)</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	-	63,293	63,293
<b>Total Intergovernmental Revenue</b>	<u>-</u>	<u>63,293</u>	<u>63,293</u>
3000 Revenue from State Sources			
3130 Special Programs			
3131 Handicapped Transportation	2,364	33,777	31,413
3132 Home Schooling	3,252	546	(2,706)
3160 School Bus Drivers' Salary			
3162 Transportation Workers' Compensation	642,174	713,974	71,800
3165 EEDA Transportation	42,249	1,544	(40,705)
3180 Fringe Benefits Employer Contributions	11,182,896	11,293,025	110,129
3181 Retiree Insurance	1,894,112	1,900,332	6,220
3200 Unrestricted Grants			
3250 Medicaid Match Reimbursement	-	17,573	17,573

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**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL -  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	\$ 2,520,638	\$ 2,200,429	\$ (320,209)
3312 Primary	7,665,990	6,503,174	(1,162,816)
3313 Elementary	9,123,626	7,162,825	(1,960,801)
3314 High School	4,468,802	3,822,903	(645,899)
3315 Trainable Mentally Handicapped	328,800	269,121	(59,679)
3316 Speech Handicapped	2,083,217	1,975,071	(108,146)
3317 Homebound	203,180	300,252	97,072
3319 EFA Underpayment	-	98,827	98,827
3320 Part-Time Programs			
3321 Emotionally Handicapped	322,805	313,752	(9,053)
3322 Education Mentally Handicapped	654,153	485,714	(168,439)
3323 Learning Disabilities	3,447,287	3,288,063	(159,224)
3324 Hearing Handicapped	44,622	33,535	(11,087)
3325 Visually Handicapped	64,499	44,473	(20,026)
3326 Orthopedically Handicapped	150,240	173,843	23,603
3327 Vocational	4,672,862	5,190,976	518,114
3330 Other EFA Programs			
3331 Autism	300,581	363,967	63,386
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Property Tax Relief	4,230,371	4,230,371	-
3820 Homestead Exemption	1,441,303	1,575,967	134,664
3825 Property Tax Relief	11,494,573	11,929,998	435,425
3830 Merchant's Inventory Tax	440,969	440,969	-
3840 Manufacturers Depreciation Reimbursement	723,505	860,510	137,005
3890 Other State Property Tax Revenues	237,010	261,404	24,394
<b>Total State Sources</b>	<u>68,386,080</u>	<u>65,486,915</u>	<u>(2,899,165)</u>
<b>Total Revenue All Sources</b>	<u>106,587,642</u>	<u>101,399,152</u>	<u>(5,188,490)</u>
<b>EXPENDITURES</b>			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	3,130,047	3,182,176	(52,129)
200 Employee Benefits	993,189	958,324	34,865
300 Purchased Services	1,846	1,846	-
400 Supplies and Materials	74,406	46,197	28,209

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
<b>112 Primary Programs</b>			
100 Salaries	\$ 7,754,349	\$ 8,135,944	\$ (381,595)
200 Employee Benefits	2,360,977	2,336,043	24,934
300 Purchases Services	15,476	15,000	476
400 Supplies and Materials	191,526	163,862	27,664
600 Other Objects	90	90	-
<b>113 Elementary Programs</b>			
100 Salaries	15,755,593	15,504,281	251,312
200 Employee Benefits	4,589,654	4,443,172	146,482
300 Purchased Services	91,235	89,018	2,217
400 Supplies and Materials	531,238	456,502	74,736
<b>114 High School Programs</b>			
100 Salaries	9,782,306	10,293,347	(511,041)
200 Employee Benefits	2,833,946	2,763,451	70,495
300 Purchased Services	107,062	95,813	11,249
400 Supplies and Materials	475,506	432,276	43,230
<b>115 Vocational Programs</b>			
100 Salaries	1,693,720	1,658,920	34,800
200 Employee Benefits	505,566	469,050	36,516
300 Purchased Services - Other Than Tuition	58,732	51,498	7,234
400 Supplies and Materials	122,451	106,107	16,344
600 Other Objects	195	195	-
<b>118 Montessori Programs</b>			
100 Salaries	1,145,548	1,262,033	(116,485)
200 Employee Benefits	411,928	409,641	2,287
300 Purchases Services	48,972	27,167	21,805
400 Supplies and Materials	93,900	72,312	21,588
600 Other Objects	18,900	10,586	8,314
<b>120 Exceptional Programs</b>			
<b>121 Educable Mentally Handicapped</b>			
100 Salaries	1,459,861	1,292,318	167,543
200 Employee Benefits	490,468	412,679	77,789
<b>122 Trainable Mentally Handicapped</b>			
100 Salaries	795,013	717,697	77,316
200 Employee Benefits	257,229	217,956	39,273
<b>123 Orthopedically Handicapped</b>			
100 Salaries	622,185	613,986	8,199
200 Employee Benefits	199,381	197,085	2,296
300 Purchased Services	36,000	72,587	(36,587)
400 Supplies and Materials	39,420	38,938	482

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL -  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
124 Visually Handicapped			
100 Salaries	\$ 83,649	\$ 67,313	\$ 16,336
200 Employee Benefits	25,019	16,990	8,029
300 Purchased Services	1,000	48,930	(47,930)
400 Supplies and Materials	4,998	9,264	(4,266)
125 Hearing Handicapped			
300 Purchased Services	-	64,353	(64,353)
126 Speech Handicapped			
300 Purchased Services	10,500	-	10,500
600 Other Objects	-	2,974	(2,974)
127 Learning Disabilities			
100 Salaries	3,908,037	4,112,862	(204,825)
200 Employee Benefits	1,166,236	1,195,101	(28,865)
300 Purchased Services	90,000	153,418	(63,418)
128 Emotionally Handicapped			
100 Salaries	530,910	480,363	50,547
200 Employee Benefits	173,066	155,311	17,755
130 Pre-School Programs			
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds)			
100 Salaries	258,531	278,212	(19,681)
200 Employee Benefits	88,402	81,743	6,659
139 Early Childhood Programs			
100 Salaries	66,264	-	66,264
200 Employee Benefits	35,191	-	35,191
140 Special Programs			
141 Gifted and Talented Academic			
100 Salaries	86,338	90,623	(4,285)
200 Employee Benefits	17,756	21,921	(4,165)
145 Homebound			
100 Salaries	789,636	700,802	88,834
200 Employee Benefits	129,162	155,660	(26,498)
300 Purchased Services	31,284	11,912	19,372
400 Supplies and Materials	10,841	9,553	1,288
147 Full Day 4K			
100 Salaries	17,298	17,046	252
200 Employee Benefits	3,290	3,637	(347)

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
149 Other Special Programs			
100 Salaries	\$ 459,035	\$ 453,371	\$ 5,664
200 Employee Benefits	120,842	124,176	(3,334)
400 Supplies and Materials	42,395	22,741	19,654
160 Other Exceptional Programs			
161 Autism			
100 Salaries	906,495	970,060	(63,565)
200 Employee Benefits	269,226	331,852	(62,626)
300 Purchased Services	4,200	5,073	(873)
400 Supplies and Materials	8,852	8,727	125
170 Other Exceptional Programs			
175 Instructional Programs Beyond Regular School Day			
100 Salaries	24,157	-	24,157
200 Employee Benefits	4,967	-	4,967
180 Adult / Continuing Education Programs			
181 Adult Basic Programs			
100 Salaries	50,000	-	50,000
200 Employee Benefits	10,140	-	10,140
400 Supplies and Materials	1,400	1,356	44
182 Adult Secondary Programs			
100 Salaries	1,903	479	1,424
200 Employee Benefits	392	97	295
190 Pupil Activity			
100 Salaries	25,700	28,179	(2,479)
200 Employee Benefits	7,176	5,683	1,493
600 Other Objects	900	750	150
<b>Total Instruction</b>	<u>66,153,103</u>	<u>66,178,629</u>	<u>(25,526)</u>
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work			
100 Salaries	145,455	139,655	5,800
200 Employee Benefits	37,958	36,167	1,791
300 Purchased Services	18,500	15,805	2,695
400 Supplies and Materials	2,500	1,667	833

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL -  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
<b>212 Guidance</b>			
100 Salaries	\$ 2,152,398	\$ 2,200,198	\$ (47,800)
200 Employee Benefits	660,577	648,298	12,279
300 Purchased Services	18,207	15,084	3,123
400 Supplies and Materials	377,848	7,447	370,401
<b>213 Health</b>			
100 Salaries	309,371	365,206	(55,835)
200 Employee Benefits	134,147	142,161	(8,014)
300 Purchased Services	6,100	1,465	4,635
400 Supplies and Materials	29,000	26,090	2,910
<b>214 Psychological</b>			
100 Salaries	411,294	426,719	(15,425)
200 Employee Benefits	131,292	126,274	5,018
400 Supplies and Materials	8,600	8,517	83
<b>215 Exceptional Program Services</b>			
100 Salaries	1,351,969	1,335,781	16,188
200 Employee Benefits	406,517	366,276	40,241
300 Purchased Services	10,500	1,005	9,495
400 Supplies and Materials	1,296	-	1,296
600 Other Objects	3,174	-	3,174
<b>217 Career Specialist</b>			
100 Salaries	92,289	14,237	78,052
200 Employee Benefits	14,993	21,511	(6,518)
<b>220 Instructional Staff Services</b>			
<b>221 Improvement of Instruction-Curriculum Development</b>			
100 Salaries	726,642	763,526	(36,884)
200 Employee Benefits	179,529	194,127	(14,598)
300 Purchased Services	119,347	65,162	54,185
400 Supplies and Materials	472,962	257,954	215,008
600 Other Objects	6,000	189	5,811
<b>222 Library Media Services</b>			
100 Salaries	1,604,096	1,538,102	65,994
200 Employee Benefits	533,060	472,638	60,422
300 Purchased Services	3,000	3,010	(10)
400 Supplies and Materials	199,278	179,405	19,873
<b>223 Supervision of Special Programs</b>			
100 Salaries	1,075,810	1,153,126	(77,316)
200 Employee Benefits	318,165	302,267	15,898
300 Purchased Services	122,377	-	122,377
400 Supplies and Materials	26,800	12,397	14,403

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
<b>224 Improvement of Instruction - In-Service Training</b>			
100 Salaries	\$ 98,799	\$ 49,067	\$ 49,732
200 Employee Benefits	27,064	3,112	23,952
300 Purchased Services	106,372	52,483	53,889
400 Supplies and Materials	35,000	8,056	26,944
<b>230 General Administration Services</b>			
<b>231 Board of Education</b>			
300 Purchased Services	223,488	91,212	132,276
400 Supplies & Materials	21,800	16,878	4,922
600 Other Objects	24,722	25,655	(933)
<b>232 Office of Superintendent</b>			
100 Salaries	191,918	210,346	(18,428)
200 Employee Benefits	51,986	50,197	1,789
300 Purchased Services	47,300	24,353	22,947
400 Supplies and Materials	8,195	3,140	5,055
600 Other Objects	2,480	970	1,510
<b>233 School Administration</b>			
100 Salaries	5,540,734	5,544,236	(3,502)
200 Employee Benefits	1,646,677	1,620,865	25,812
300 Purchased Services	9,500	4,831	4,669
400 Supplies and Materials	37,545	32,196	5,349
<b>252 Fiscal Services</b>			
100 Salaries	451,303	447,589	3,714
200 Employee Benefits	936,590	1,135,927	(199,337)
300 Purchased Services	490,626	410,760	79,866
400 Supplies and Materials	80,050	57,841	22,209
500 Capital Outlay	16,782	540,280	(523,498)
600 Other Objects	11,697	50	11,647
<b>254 Operation and Maintenance of Plant</b>			
100 Salaries	3,166,220	3,018,949	147,271
200 Employee Benefits	1,062,903	999,305	63,598
300 Purchased Services	1,108,258	884,178	224,080
400 Supplies and Materials	3,927,237	3,815,639	111,598
500 Capital Outlay	595,952	210,052	385,900
<b>255 Student Transportation</b>			
100 Salaries	2,055,017	2,141,692	(86,675)
200 Employee Benefits	607,758	618,807	(11,049)
300 Purchased Services	225,892	337,690	(111,798)
400 Supplies and Materials	315,989	139,390	176,599
500 Capital Outlay	18,937	31,560	(12,623)

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
256 Food Service			
200 Employee Benefits	\$ 810,055	\$ 589,896	\$ 220,159
257 Internal Services			
100 Salaries	37,512	37,512	-
200 Employee Benefits	14,160	12,162	1,998
258 Security			
300 Purchased Services	569,525	662,545	(93,020)
260 Central Support Services			
262 Planning, Research, Development & Evaluation			
100 Salaries	223,973	148,841	75,132
200 Employee Benefits	35,064	35,321	(257)
300 Purchased Services	199,100	58,986	140,114
400 Supplies and Materials	65,950	46,217	19,733
500 Capital Outlay	8,500	-	8,500
600 Other Objects	9,275	9,275	-
263 Information Services			
100 Salaries	104,713	110,033	(5,320)
200 Employee Benefits	26,795	25,981	814
300 Purchased Services	54,917	53,800	1,117
400 Supplies and Materials	23,445	15,112	8,333
600 Other Objects	24,600	14,292	10,308
264 Staff Services			
100 Salaries	406,285	442,053	(35,768)
200 Employee Benefits	112,896	115,350	(2,454)
300 Purchased Services	84,550	26,350	58,200
400 Supplies and Materials	46,006	25,507	20,499
500 Capital Outlay	12,950	12,765	185
600 Other Objects	42,000	40,925	1,075
266 Technology and Data Processing Services			
100 Salaries	818,940	802,008	16,932
200 Employee Benefits	229,352	179,955	49,397
300 Purchased Services	166,825	158,157	8,668
400 Supplies and Materials	962,292	970,083	(7,791)
500 Capital Outlay	22,583	18,493	4,090

**FLORENCE SCHOOL DISTRICT ONE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL -  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES</b>			
270 Support Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	\$ 521,801	\$ 534,842	\$ (13,041)
200 Employee Benefits	96,923	104,830	(7,907)
300 Purchased Services	28,520	15,480	13,040
400 Supplies and Materials	38,368	34,693	3,675
600 Pupil Activity	<u>35,820</u>	<u>22,308</u>	<u>13,512</u>
Total Supporting Services	<u>40,689,537</u>	<u>38,692,544</u>	<u>(1,996,993)</u>
400 Other Charges			
410 Intergovernmental Expenditures			
411 Payments to State Department of Education			
700 Transits	616,379	612,122	4,257
414 Medicaid Payments to SDE			
700 Transits	-	353,742	(353,742)
416 LEA Payments to Public Charter Schools			
700 Transits	<u>597,364</u>	<u>508,750</u>	<u>88,614</u>
Total Other Charges	<u>1,213,743</u>	<u>1,474,614</u>	<u>(260,871)</u>
Total Expenditures	<u>108,056,383</u>	<u>106,345,787</u>	<u>1,710,596</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, from (to) Other Funds			
5220 Transfer from Special Revenue Fund	-	792	792
5230 Transfer from Special Revenue EIA Fund	2,076,025	2,042,435	(33,590)
5250 Transfer from School Building Fund	-	460,098	460,098
5280 Transfer from Other Funds Indirect Costs	350,942	513,709	162,767
421-700 Transfer to Special Revenue Fund	(316,177)	(1,353,413)	(1,037,236)
422-700 Transfer to Special EIA Revenue Fund	-	(50,000)	(50,000)
424-700 Transfer to School Building Fund	-	(634,648)	(634,648)
426-700 Transfer to Pupil Activity Fund	(143,000)	(143,000)	-
427-700 Transfer to Pupil Activity Fund	<u>(499,049)</u>	<u>-</u>	<u>499,049</u>
Total Other Financing sources	<u>1,468,741</u>	<u>835,973</u>	<u>(632,768)</u>
Change in Fund Balance	<u>\$ -</u>	<u>(4,110,662)</u>	<u>\$ (4,110,662)</u>
Fund Balance, July 1, 2008		<u>33,980,070</u>	
Fund Balance, June 30, 2009		<u>\$ 29,869,408</u>	

**FLORENCE SCHOOL DISTRICT ONE  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (EA Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>REVENUES</b>									
<b>1000 Revenue From Local Sources</b>									
<b>1300 Tuition</b>									
1330 Tuition From Patrons for Adult / Continuing Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,877	\$ 39,877
<b>1500 Earnings on Investments</b>									
1510 Interest/Scholarship	-	-	-	-	-	-	-	5,264	5,264
<b>1900 Other Revenue From Local Sources</b>									
1920 Contributions and Donations From Private Sources	-	-	-	-	-	-	-	179,767	179,767
1930 Medicaid	-	-	-	-	-	-	-	1,221,986	1,221,986
1999 Revenue From Other Local Sources	-	-	-	-	-	-	-	249,833	249,833
<b>Total Local Sources</b>	-	-	-	-	-	-	-	1,696,727	1,696,727
<b>2000 Revenue From Other Government Sources</b>									
2100 RAETAC-Other Governments	-	-	-	-	-	-	-	59,931	59,931
2300 Payments From Non-Profit Entities (For First Steps)	-	-	-	-	-	-	225,773	1,497	227,270
2310 Payments From Non-Profit Entities	-	-	-	-	-	-	-	1,055,022	1,055,022
<b>Total Other Government Sources</b>	-	-	-	-	-	-	225,773	1,116,450	1,342,223
<b>3000 Revenue From State Sources</b>									
<b>3100 Restricted State Grants</b>									
<b>3110 EEDA</b>									
3116 9th Grade Aware/Bridge Program	-	-	-	-	-	-	305,203	-	305,203
3117 EEDA 8th Grade Aware	-	-	-	-	-	-	9,493	-	9,493
3118 EEDA Career Specialist	-	-	-	-	-	-	537,049	-	537,049
<b>3120 General Education</b>									
3123 EAA Alternative Schools Program	-	-	-	-	-	-	104,633	-	104,633
3125 Extended Day Kindergarten Program	-	-	-	-	-	-	143,029	-	143,029
3127 Student Health and Fitness	-	-	-	-	-	-	136,610	-	136,610
3128 Making Middle Grades	-	-	-	-	-	-	4,259	-	4,259
<b>3130 Special Programs</b>									
3134 CDEPP Materials Grant	-	-	-	-	-	-	1,007,292	-	1,007,292
3136 School Health Nurses	-	-	-	-	-	-	432,130	-	432,130
<b>3150 Adult Education</b>									
3151 Basic	-	-	-	-	-	10,350	5,325	-	15,675
3154 Young Adult Population	-	-	-	-	-	112,525	-	-	112,525

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PEORIE SCHOOL DISTRICT ONE  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title <u>I</u>	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (EA Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>REVENUES</b>									
3190 Miscellaneous Restricted State Grants									
3193 Education License Plates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,546	\$ -	\$ 4,546
3199 Other Restricted State Grants								55,108	55,108
3607 6-8 Enhancement							28,621		28,621
3610 K-5 Enhancement							432,127		432,127
3699 Other State Lottery Programs							4,957		4,957
3900 Other State Revenue									
3991 ADEPT							27,795		27,795
3993 School Library Media							649		649
3999 Revenue From Other State Sources								922,670	922,670
<b>Total State Sources</b>						<b>122,875</b>	<b>3,183,718</b>	<b>977,778</b>	<b>4,284,371</b>
4000 Revenue From Federal Sources									
4200 Occupational Education									
4210 Vocational Aid, Title I				297,273					297,273
4300 Elementary and Secondary Education Act of 1965									
4310 Title I	4,615,969							266,254	4,882,223
4318 SC Reading First-Local Reading Improvement								551,061	551,061
4331 Enhancing Education Through Technology								34,033	34,033
4340 Title V								23,980	23,980
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III								57,256	57,256
4342 Teacher Incentive								248,938	248,938
4351 Improving Teacher Quality								737,353	737,353
4400 Adult Education									
4410 Basic						214,319			214,319
4500 Programs for Children with Disabilities									
4510 Individuals with Disabilities Education Act		3,548,683							3,548,683
4520 Preschool Grants			125,726						125,726
4900 Other Federal Sources									
4920 Drug and Violence Prevention, Title IV					68,675				68,675
4924 21st Century Community Learning Centers Program								469,201	469,201
4999 Revenue From Other Federal Sources								1,307,140	1,307,140
<b>Total Federal Sources</b>	<b>4,615,969</b>	<b>3,548,683</b>	<b>125,726</b>	<b>297,273</b>	<b>68,675</b>	<b>214,319</b>		<b>3,695,216</b>	<b>12,565,861</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>4,615,969</b>	<b>3,548,683</b>	<b>125,726</b>	<b>297,273</b>	<b>68,675</b>	<b>337,194</b>	<b>3,409,491</b>	<b>7,486,171</b>	<b>19,889,182</b>

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**FLORENCE SCHOOL DISTRICT ONE  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (EA Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
100 Instruction									
110 General Instruction									
111 Kindergarten Programs									
100 Salaries	\$ 76,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,901	\$ 66,169	\$ 177,551
200 Employee Benefits	23,333	-	-	-	-	-	9,231	15,856	48,420
300 Purchased Services	-	-	-	-	-	-	250	-	250
400 Supplies and Materials	-	-	-	-	-	-	15,519	2,678	18,197
112 Primary Programs									
100 Salaries	757,342	170,188	-	-	-	-	36,429	239,393	1,203,352
200 Employee Benefits	215,592	43,099	-	-	-	-	9,643	53,356	321,690
300 Purchased Services	-	1,014	-	-	-	-	250	15,601	16,865
400 Supplies and Materials	154,055	51,160	-	-	-	-	57,316	213,810	476,341
113 Elementary Programs									
100 Salaries	1,028,267	60,585	-	-	-	-	46,303	335,683	1,470,838
200 Employee Benefits	305,953	17,420	-	-	-	-	12,354	95,549	431,276
300 Purchased Services	2,000	1,435	-	-	-	-	250	3,149	6,834
400 Supplies and Materials	415,957	-	-	-	-	-	106,611	48,641	571,209
114 High School Programs									
100 Salaries	-	60,485	-	-	-	-	130,020	189,546	380,051
200 Employee Benefits	-	17,394	-	-	-	-	43,815	23,249	84,458
300 Purchased Services	-	-	-	-	-	-	-	30,750	30,750
400 Supplies and Materials	-	-	-	-	-	-	61,394	125,854	187,248
115 Vocational Programs									
100 Salaries	-	-	-	87,982	-	-	41,014	-	128,996
200 Employee Benefits	-	-	-	10,000	-	-	8,420	-	18,420
400 Supplies and Materials	-	-	-	92,421	-	-	132,283	-	224,704
500 Capital Outlay	-	-	-	-	-	-	10,746	-	10,746
120 Exceptional Programs									
121 Educable Mentally Handicapped									
100 Salaries	-	130,146	-	-	-	-	-	5,661	135,807
200 Employee Benefits	-	50,039	-	-	-	-	-	533	50,572
300 Purchased Services	-	802	-	-	-	-	-	-	802
400 Supplies and Materials	-	34,802	-	-	-	-	-	-	34,802
122 Trainable Mentally Handicapped									
100 Salaries	-	62,759	-	-	-	-	-	-	62,759
200 Employee Benefits	-	20,110	-	-	-	-	-	-	20,110
300 Purchased Services	-	580	-	-	-	-	-	-	580
400 Supplies and Materials	-	16,177	-	-	-	-	-	-	16,177

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PEOPLES SCHOOL DISTRICT ONE  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (EA Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
123 Orthopedically Handicapped									
100 Salaries	\$	\$ 36,539	\$	\$	\$	\$	\$	\$ 130,282	\$ 166,821
200 Employee Benefits		5,607						37,163	42,770
400 Supplies and Materials		4,799							4,799
124 Visually Handicapped									
100 Salaries		16,789						133,234	150,023
200 Employee Benefits		3,449						37,438	40,887
125 Hearing Handicapped									
100 Salaries		1,470						141,679	143,149
200 Employee Benefits		302						40,252	40,554
126 Speech Handicapped									
400 Supplies and Materials								9,983	9,983
127 Learning Disabilities									
100 Salaries		299,167						3,833	303,000
200 Employee Benefits		75,582							75,582
300 Purchased Services		4,980							4,980
400 Supplies and Materials		34,528							34,528
128 Emotionally handicapped									
100 Salaries		484,067						53,979	538,046
200 Employee Benefits		154,108						14,310	168,418
300 Purchased Services		2,875							2,875
400 Supplies and Materials		7,622							7,622
130 Preschool Programs									
131 Preschool Handicapped Speech (5-Yr. Olds)									
100 Salaries			14,803						14,803
200 Employee Benefits			4,268						4,268
137 Preschool Handicapped Self-Contained (3&4-Yr. Olds)									
100 Salaries		84,788	70,957						155,745
200 Employee Benefits		33,217	20,741						53,958
300 Purchased Services			2,876						2,876
140 Special Programs									
145 Homebound									
100 Salaries		38,310							38,310
200 Employee Benefits		15,283							15,283

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**FLORENCE SCHOOL DISTRICT ONE  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (EA Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
147 Full Day 4K									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 718,856	\$ -	\$ 718,856
200 Employee Benefits	-	-	-	-	-	-	225,519	-	225,519
300 Purchased Services	-	-	-	-	-	-	20,481	305	20,786
400 Supplies and Materials	-	-	-	-	-	-	40,456	5,948	46,404
500 Capital Outlay	-	-	-	-	-	-	1,980	-	1,980
161 Autism									
100 Salaries	-	258,901	-	-	-	-	-	11,973	270,874
200 Employee Benefits	-	64,256	-	-	-	-	-	-	64,256
300 Purchased Services	-	3,360	-	-	-	-	-	-	3,360
400 Supplies and Materials	-	7,385	-	-	-	-	-	64	7,449
170 Summer School Programs									
171 Primary Summer School									
100 Salaries	-	-	-	-	-	-	444	31,011	31,455
200 Employee Benefits	-	-	-	-	-	-	91	6,227	6,318
400 Supplies and Materials	-	-	-	-	-	-	-	10,309	10,309
172 Elementary Summer School									
100 Salaries	-	-	-	-	-	-	6,350	55,314	61,664
200 Employee Benefits	-	-	-	-	-	-	1,304	8,305	9,609
300 Purchased Services	-	-	-	-	-	-	-	18,195	18,195
400 Supplies and Materials	-	-	-	-	-	-	-	12,092	12,092
600 Other Objects	-	-	-	-	-	-	204	-	204
173 High School Summer School									
100 Salaries	-	-	-	-	-	-	32,295	18,980	51,275
200 Employee Benefits	-	-	-	-	-	-	6,423	3,899	10,322
300 Purchased Services	-	-	-	-	-	-	-	1,460	1,460
400 Supplies and Materials	-	-	-	-	-	-	-	5,093	5,093
175 Instructional Programs Beyond Regular School Day									
100 Salaries	-	-	-	-	-	-	-	155,599	155,599
200 Employee Benefits	-	-	-	-	-	-	-	26,116	26,116
300 Purchased Services	460,433	-	-	-	-	-	-	2,240	462,673
400 Supplies and Materials	-	-	-	-	-	-	-	15,923	15,923
180 Adult / Continuing Education Programs									
181 Adult Basic Programs									
100 Salaries	-	-	-	-	-	74,170	-	36,576	110,746
200 Employee Benefits	-	-	-	-	-	16,963	-	3,172	20,135
300 Purchased Services	-	-	-	-	-	-	-	1,145	1,145
400 Supplies and Materials	-	-	-	-	-	1,261	-	-	1,261

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FLORENCE SCHOOL DISTRICT ONE  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (EA Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
182 Adult Secondary Programs									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,539	\$ 4,946	\$ 694	\$ 125,179
200 Employee Benefits	-	-	-	-	-	23,872	378	142	24,392
300 Purchased Services	-	-	-	-	-	105	-	-	105
400 Supplies and Materials	-	-	-	-	-	3,189	-	-	3,189
183 Adult English Literacy									
100 Salaries	-	-	-	-	-	39,893	-	-	39,893
200 Employee Benefits	-	-	-	-	-	13,107	-	-	13,107
400 Supplies and Materials	-	-	-	-	-	1,353	-	-	1,353
184 Post Secondary Education Program									
100 Salaries	-	-	-	-	-	-	-	2,556	2,556
200 Employee Benefits	-	-	-	-	-	-	-	504	504
400 Supplies and Materials	-	-	-	-	-	-	-	5,626	5,626
188 Parenting / Family Literacy									
100 Salaries	3,615	-	-	-	-	-	-	-	3,615
200 Employee Benefits	743	-	-	-	-	-	-	-	743
400 Supplies and Materials	46,505	-	-	-	-	-	-	-	46,505
<b>TOTAL INSTRUCTION</b>	<b>3,490,276</b>	<b>2,375,579</b>	<b>113,645</b>	<b>190,403</b>	<b>-</b>	<b>293,452</b>	<b>1,816,476</b>	<b>2,507,099</b>	<b>10,786,930</b>
200 Support Services									
210 Pupil Services									
211 Attendance and Social Work									
100 Salaries	-	24,242	-	-	12,750	-	-	-	36,992
200 Employee Benefits	-	8,242	-	-	2,620	-	-	-	10,862
300 Purchased Services	-	-	-	-	8,160	-	-	-	8,160
400 Supplies and Materials	-	-	-	-	11,813	-	-	-	11,813
212 Guidance									
100 Salaries	-	-	-	59,473	-	-	-	121,493	180,966
200 Employee Benefits	-	-	-	5,752	-	-	-	28,483	34,235
300 Purchased Services	-	-	-	-	-	-	-	19	19
400 Supplies and Materials	-	-	-	-	-	-	10,596	8,653	19,249
213 Health									
100 Salaries	70,947	200,070	-	-	-	-	336,868	1,659,295	2,267,180
200 Employee Benefits	22,895	69,995	-	-	-	-	95,262	411,628	599,780
300 Purchased Services	10,659	105,725	-	-	-	-	-	40,406	156,790
400 Supplies and Materials	663	2,915	-	-	-	-	-	34,035	37,613

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**FLORENCE SCHOOL DISTRICT ONE  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title <u>I</u>	203/204 <u>Idea</u>	205/206 Preschool <u>Handicapped</u>	207/208 Occupational <u>Education</u>	209/210 Drug <u>Free</u>	Adult Education <u>(EA Projects)</u>	Other Restricted <u>State Grants</u>	Other Special Revenue <u>Programs</u>	<u>Total</u>
<b>EXPENDITURES</b>									
214 Psychological									
100 Salaries	\$ -	\$ 214,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,094
200 Employee Benefits	-	54,144	-	-	-	-	-	-	54,144
300 Purchased Services	-	11,903	-	-	-	-	-	-	11,903
400 Supplies and Materials	-	8,733	-	-	-	-	-	-	8,733
215 Exceptional Program Services									
100 Salaries	-	164,712	-	-	-	-	-	106,126	270,838
200 Employee Benefits	-	42,082	-	-	-	-	-	28,420	70,502
300 Purchased Services	-	244,032	4,831	-	-	-	-	-	248,863
400 Supplies and Materials	-	19,934	3,855	-	-	-	-	18,650	42,439
217 SC Reading First									
100 Salaries	-	-	-	-	-	-	421,499	-	421,499
200 Employee Benefits	-	-	-	-	-	-	115,550	-	115,550
220 Instructional Staff Services									
221 Improvement of Instruction Curriculum Development									
100 Salaries	213,715	83,113	-	-	-	-	-	156,045	452,873
200 Employee Benefits	51,914	20,613	-	-	-	-	-	42,216	114,743
300 Purchased Services	109,045	12,437	-	-	-	-	-	2,517	123,999
400 Supplies and Materials	46,975	5,956	-	-	-	-	-	35,676	88,607
222 Library and Media									
100 Salaries	-	-	-	-	-	-	-	1,533	1,533
400 Supplies and Materials	-	-	-	-	-	-	649	28,159	28,808
223 Supervision of Special Programs									
100 Salaries	188,073	417,244	-	-	-	31,375	124,440	1,123,370	1,884,502
200 Employee Benefits	50,274	126,952	-	-	-	9,669	25,560	305,552	518,007
300 Purchased Services	17,039	8,266	-	41,645	-	2,246	-	87,346	156,542
400 Supplies and Materials	14,262	24,311	-	-	-	452	-	14,777	53,802
224 Improvement of Instruction in Service Training									
100 Salaries	-	540	-	-	-	-	70,624	274,463	345,627
200 Employee Benefits	-	95	-	-	-	-	25,935	69,523	95,533
300 Purchased Services	-	6,877	-	-	-	-	74,104	174,554	255,535
400 Supplies and Materials	-	2,714	-	-	-	-	55,057	64,655	122,426
600 Other Objects	-	-	-	-	-	-	-	2,675	2,675
230 General Administration Services									
233 School Administration									
100 Salaries	-	-	-	-	-	-	-	3,000	3,000

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**FLORENCE SCHOOL DISTRICT ONE  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title <u>I</u>	203/204 <u>Idea</u>	205/206 Preschool <u>Handicapped</u>	207/208 Occupational <u>Education</u>	209/210 Drug <u>Free</u>	Adult Education <u>(EA Projects)</u>	Other Restricted <u>State Grants</u>	Other Special Revenue <u>Programs</u>	<u>Total</u>
<b>EXPENDITURES</b>									
<b>250 Finance and Operations Services</b>									
<b>251 Student Transportation (Federal/District Mandated)</b>									
100 Salaries	\$ 41,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,382	\$ 43,309
200 Employee Benefits	9,577	-	-	-	-	-	-	284	9,861
300 Purchased Services	141,427	103,814	-	-	-	-	-	94,705	339,946
<b>255 Student Transportation</b>									
300 Purchased Services	-	4,730	-	-	-	-	-	5,977	10,707
500 Capital Outlay	-	-	-	-	-	-	-	212,958	212,958
<b>256 Food Service</b>									
400 Supplies and Materials	-	-	-	-	-	-	-	489	489
<b>257 Internal Services</b>									
400 Supplies and Materials	-	-	-	-	-	-	-	15,326	15,326
<b>258 Security</b>									
300 Purchased Services	-	-	-	-	24,800	-	-	-	24,800
<b>262 Planning</b>									
100 Salaries	-	-	-	-	-	-	-	4,300	4,300
200 Employee Benefits	-	-	-	-	-	-	-	883	883
300 Purchased Services	-	-	-	-	-	-	-	240	240
400 Supplies and Materials	-	-	-	-	-	-	-	8,709	8,709
<b>263 Information Services</b>									
100 Salaries	-	-	-	-	-	-	-	10,538	10,538
200 Employee Benefits	-	-	-	-	-	-	-	2,648	2,648
<b>264 Staff Services</b>									
400 Supplies and Materials	-	-	-	-	-	-	-	498	498
<b>266 Technology and Data Processing Services</b>									
500 Capital Outlay	-	-	-	-	-	-	4,515	-	4,515
<b>270 Support Services - Pupil Activity</b>									
<b>271 Pupil Services Activities</b>									
600 Other Objects	-	-	-	-	-	-	5,325	8,998	14,323

**LEWIS & CLARK SCHOOL DISTRICT ONE**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (EA Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
273 Trust and Agency Activities									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,720	\$ 1,720
200 Employee Benefits	-	-	-	-	-	-	-	353	353
600 Other Objects	-	-	-	-	-	-	-	1,250	1,250
<b>TOTAL SUPPORT SERVICES</b>	<u>989,392</u>	<u>1,988,485</u>	<u>8,686</u>	<u>106,870</u>	<u>60,143</u>	<u>43,742</u>	<u>1,365,984</u>	<u>5,214,527</u>	<u>9,777,829</u>
<b>300 Community Services</b>									
350 Custody and Care of Children									
100 Salaries	-	-	-	-	-	-	-	532,596	532,596
200 Employee Benefits	-	-	-	-	-	-	-	89,753	89,753
300 Purchased Services	-	-	-	-	-	-	-	9,747	9,747
400 Supplies and Materials	-	-	-	-	-	-	-	24,173	24,173
370 Non-Public School Pupil Services									
300 Purchased Services	-	-	-	-	7,000	-	-	3,704	10,704
400 Supplies and Materials	-	-	-	-	1,532	-	-	-	1,532
390 Other Community Services									
100 Salaries	-	-	-	-	-	-	173,648	70,875	244,523
200 Employee Benefits	-	-	-	-	-	-	44,938	14,184	59,122
300 Purchased Services	-	-	-	-	-	-	6,394	33,226	39,620
400 Supplies and Materials	-	-	-	-	-	-	-	20,681	20,681
<b>TOTAL COMMUNITY SERVICES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,532</u>	<u>-</u>	<u>224,980</u>	<u>798,939</u>	<u>1,032,451</u>
<b>410 Intergovernmental Expenditures</b>									
412 Payments to State Department of Education									
720 Transits	-	128	-	-	-	-	-	301,591	301,719
416 LEA Payments to Public Charter Schools									
700 Transits	-	-	-	-	-	-	6,006	-	6,006
<b>TOTAL INTERGOVERNMENTAL EXPENDITURES</b>	<u>-</u>	<u>128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,007</u>	<u>301,591</u>	<u>307,726</u>
<b>TOTAL EXPENDITURES</b>	<u>4,479,668</u>	<u>4,364,192</u>	<u>122,331</u>	<u>297,273</u>	<u>68,675</u>	<u>337,194</u>	<u>3,413,447</u>	<u>8,822,156</u>	<u>21,904,936</u>

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SPECIAL REVENUE FUND  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CONTINUED**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (K.A. Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>OTHER FINANCING SOURCES (USES)</b>									
<b>Interfund Transfers, From (to) Other Funds</b>									
5210 General Fund	\$ -	\$ (13,128)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,318	\$ (810)
5220 Transfer from Special Revenue Fund	-	-	-	-	-	-	-	738,741	738,741
5230 Transfer from Special Revenue EIA Fund	-	-	-	-	-	-	-	4,149	4,149
5270 Transfer From Pupil Activity Fund	-	-	-	-	-	-	8,309	48,810	57,119
420-710 General Fund	-	977,068	-	-	-	-	(792)	-	976,276
421-710 Transfer To Special Revenue Fund	(550)	(45,220)	-	-	-	-	(3,561)	(689,264)	(738,595)
426-710 Transfer To Pupil Activity Fund	-	-	-	-	-	-	-	(16,940)	(16,940)
431-791 Special Revenue Fund Indirect Costs	(135,751)	(103,211)	(3,395)	-	-	-	-	(2,129)	(244,486)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(136,301)</b>	<b>815,509</b>	<b>(3,395)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,956</b>	<b>95,685</b>	<b>775,454</b>
<b>CHANGE IN FUND BALANCE</b>									
Fund Balance, July 1, 2008	-	-	-	-	-	-	-	(1,240,300)	(1,240,300)
Fund Balance, June 30, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,945,751)	\$ (1,945,751)

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**FLORENCE SCHOOL DISTRICT ONE  
SPECIAL REVENUE FUND  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS AND OTHER SPECIAL REVENUE  
PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2009**

Subfund	Revenue		Program	Revenues	Expenditures	Transfers In (Out)			
	Code								
<b>Adult Education (EA Projects)</b>									
243	4410	Adult Education Basic	\$	214,319	\$	214,319	\$	-	
918	3151	Adult Education Young Adult Population		10,350		10,350		-	
920	3154	Adult Education Basic		112,525		112,525		-	
<b>Total Adult Education</b>				<b>\$</b>	<b>337,194</b>	<b>\$</b>	<b>337,194</b>	<b>\$</b>	<b>-</b>
<b>Other State Restricted Grants</b>									
905	3125	Extended Day Kindergarten Program	\$	143,029	\$	143,029	\$	-	
916	3991	ADEPT		27,795		27,795		-	
919	3193	Education License Plates		4,546		4,546		-	
921	3151	Adult Education - Basic		5,325		5,325		-	
924	3134	CDEPP Materials		1,007,292		1,007,292		-	
926	3116	Bridge Program		305,203		313,512		8,309	
927	3117	EEDA 8th Grade Aware		9,493		9,493		-	
928	3118	EEDA Career Specialist		537,049		537,049		-	
933	3123	Formative Assessment		104,633		104,633		-	
936	3136	School Health Nurses		432,130		432,130		-	
937	3127	Student Health and Fitness		136,610		136,610		-	
938	3128	Making Middle Grades		4,259		4,259		-	
939	3993	School Library Media		649		649		-	
960	3610	K-5 Enhancement		432,127		428,566		(3,561)	
967	3607	Grades 6-8 Enhancement		28,621		28,621		-	
969	3699	Other State Lottery Programs		4,957		4,957		-	
981	2300	First Steps 4K Expansion		27,664		27,664		-	
982	2300	First Steps Partners		198,109		197,317		(792)	
<b>Total Other State Restricted Grants</b>				<b>\$</b>	<b>3,409,491</b>	<b>\$</b>	<b>3,413,447</b>	<b>\$</b>	<b>3,956</b>
<b>Other Special Revenue Programs</b>									
218	4318	SC Reading First-Local Reading Improvement	\$	551,061	\$	551,061	\$	-	
224	4924	21st Century Community Learning Centers Program, Title IV		469,201		469,201		-	
237	4310	Title I		236,254		236,454		-	
241	4340	Title V		23,980		23,275		(705)	
253	4331	Enhancing Education Through Technology, Title II		34,033		34,018		-	
264	4341	Language Instruction, Title II		57,256		57,256		-	
267	4351	Improving Teacher Quality		737,353		737,353		-	
278	4999	Revenue from Other Federal Sources		113,984		113,984		-	
279	4999	Revenue from Other Federal Sources		71,066		71,066		-	
285	4999	Revenue from Other Federal Sources		820,466		819,042		(1,424)	
290	4342	Teacher Incentive		248,938		248,938		-	
297	1510	Interest Revenue		2,941		-		-	
299	1920	Gear Up Private Revenue		150		150		-	
299	4999	Revenue from Other Federal Sources		129,561		129,561		-	
801	3999	Other Restricted State Grants		143,324		143,324		-	
802	1920	Contributions and Donations from Private Sources		1,000		1,000		-	
803	1920	Contributions and Donations from Private Sources		24,832		14,132		(10,700)	
806	2310	Payments from Non-Profit Entities		30,000		30,000		-	
808	1510	Contributions and Donations from Private Sources		2,323		2,323		-	
809	3199	Other Restricted State Grants		32,304		32,304		-	
811	2100	Payments from other Governmental Units		32,144		32,144		-	
816	3999	Revenue from Other State Sources		8,687		8,687		-	
823	4999	Splash into Chinese		20,052		20,052		-	

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**FLORENCE SCHOOL DISTRICT ONE  
SPECIAL REVENUE FUND  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS AND OTHER SPECIAL REVENUE  
PROGRAMS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

Subfund	Revenue		Program	Revenues	Expenditures	Transfers	
	Code					In (Out)	
824	1920		Walmart Foundation	\$ 819	\$ 819	\$	-
825	1920		Contributions and Donations from Private Sources	3,123	3,123		-
826	1920		Contributions and Donations from Private Sources	93,675	93,480		(195)
831	1330		Tuition from Patrons for Adult/ Continuing Education	8,112	8,112		-
831	1999		Revenue from Other Local Sources	13,480	13,477		-
832	3999		Other Restricted State Grants	353	353		-
840	3199		Other Restricted State Grants	3,127	3,127		-
841	3999		Revenue from Other State Sources	744,000	656,271		(87,729)
842	3999		Revenue from Other Federal Sources	25,087	25,087		-
843	3999		SC Arts Commission	3,447	3,447		-
845	3999		Voices for SC's Children	83,350	83,350		-
846	1920		Contributions and Donations from Private Sources	32,769	37,505		4,736
847	1920		Contributions and Donations from Private Sources	1,731	1,731		-
848	4999		Revenue from Other Federal Sources	3,717	3,717		-
849	3199		Revenue from Other State Sources	2,300	2,300		-
850	1920		Contributions and Donations from Private Sources	1,000	1,000		-
851	1330		Tuition from Patrons for Adult / Continuing Education	31,762	62,465		79,114
852	1999		Revenue from Other Local Sources	13,817	13,817		-
854	1920		Contributions and Donations from Private Sources	16,154	16,021		(133)
857	1999		Revenue from Other Local Sources	17,843	17,843		-
857	4999		Revenue from Other Federal Sources	6,955	6,955		-
857	2100		Revenue from Other Governments	15,295	15,295		-
858	1920		Contributions and Donations from Private Sources	837	837		-
860	3199		Other Restricted State Grants	-11,973	11,973		-
861	1920		Contributions and Donations from Private Sources	1,048	1,048		-
862	1920		Revenue from Other Local Sources	498	498		-
867	3999		Revenue from Other State Sources	327	327		-
870	1920		Contributions and Donations from Private Sources	2,131	2,131		-
874	3999		Revenue from Other State Sources	5,684	5,684		-
876	3999		Revenue from Other State Sources	4,612	4,612		-
877	3199		Revenue from Other State Sources	5,340	5,340		-
879	3199		Shadow Training	64	64		-
881	1930		Medicaid	913,410	306,469		(606,941)
883	1930		Medicaid	262,676	2,008,961		375,304
884	1930		Medicaid	45,900	280,032		231,637
885	1999		Revenue from Local Sources	20,276	15,326		1,565
886	1999		Revenue from Local Sources	226,880	257,666		111,661
886	2100		Payments from Other Governmental Units	6,268	6,268		-
888	2310		Payments from Nonprofit Entities	1,054,661	1,054,661		-
889	3999		Revenue from Other State Sources	2,189	2,189		-
889	2310		Payments from State	361	361		-
890	1999		Revenue from Other Local Sources	488	488		-
894	2300		McLaurin Elementary	1,497	1,497		-
894	2100		Payments from other Governmental Units	4,396	9,275		(505)
897	2100		Payments from other Governmental Units	1,829	1,829		-
<b>Total Other Special Revenue Programs</b>				<b>\$ 7,486,171</b>	<b>\$ 8,822,156</b>	<b>\$</b>	<b>95,685</b>

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**FLORENCE SCHOOL DISTRICT ONE  
EDUCATION IMPROVEMENT ACT FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Total</u>
<b>REVENUES</b>	
3000 Revenue From State Sources	
3500 Education Improvement Act	
3501 Increase High School Diploma Requirements	\$ 386,386
3505 School Technology	276,638
3509 Arts in Education	71,885
3513 Parenting / Family Literacy	74,898
3515 Advance Placement Courses	16,512
3517 Advanced Placement Singleton	6,999
3520 Gifted and Talented - Academic	347,553
3522 Gifted and Talented - Artistic	69,334
3523 Junior Scholars Program	694
3527 Critical Teaching Needs	4,490
3530 Trainable & Profoundly Mentally Disabled Student Services	119,095
3532 National Board Certification	855,279
3533 Teacher of The Year Awards	1,077
3534 Professional Development on Standards	98,127
3540 Four Year Old Early Childhood Program	299,855
3542 Preschool Programs for Children with Disabilities	91,636
3546 Academic Assistance K-3	838,318
3548 Academic Assistance 4-12	1,033,841
3549 Academic Assistance Reading Recovery	106,134
3550 Teacher Salary Increase	1,695,651
3553 Adult Education - Remedial	66,673
3555 School Employer Contributions	346,930
3562 Adult Education, Basic (Includes Rural Initiative)	350,303
3565 Adult Education, Literacy	43,007
3568 EEA Technical Assistance	1,089,439
3575 Competitive Teacher Grants	10,062
3577 Teacher Supplies	288,275
3578 High Schools that Work	36,582
3582 Principal's Salary / Fringe Increase	63,843
3583 EAA Summer School/Comprehensive Remediation	490,500
3588 EAA Palmetto Gold and Silver Awards	28,320
3590 School Building Fund	60,715
3591 Excellence in Middle Schools	52,029
3592 School-To-Work Transition	69,749
3593 EAA Reduce Class Size Grades 1-3	744,604
3596 EAA Alternative Schools Program	111,329
3599 Other EIA	1,193
3000 Revenue From State Sources	
3500 Education Improvement Act	
3699 K-5 Field Trip Funding	4,040
1950 Refund Of Prior Year	101
1999 Revenue From Other Local Sources	1,000
<b>Total State Sources</b>	<b>10,253,096</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>10,253,096</b>

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**FLORENCE SCHOOL DISTRICT ONE  
 EDUCATION IMPROVEMENT ACT FUND  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - ALL PROGRAMS - CONTINUED  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Total</u>
<b>EXPENDITURES</b>	
100 Instruction	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	\$ 137,718
200 Employee Benefits	41,293
300 Purchased Services	1,150
400 Supplies and Materials	38,796
112 Primary Programs	
100 Salaries	1,558,902
200 Employee Benefits	449,157
300 Purchased Services	11,501
400 Supplies and Materials	223,476
113 Elementary Programs	
100 Salaries	554,860
200 Employee Benefits	150,936
300 Purchased Services	26,369
400 Supplies and Materials	398,629
114 High School Programs	
100 Salaries	1,004,170
200 Employee Benefits	286,564
300 Purchased Services	46,198
400 Supplies and Materials	172,675
500 Capital Outlay	9,000
115 Vocational Programs	
100 Salaries	7,500
200 Employee Benefits	1,532
400 Supplies and Materials	8,800
118 Montessori Programs	
100 Salaries	114,381
200 Employee Benefits	34,713
300 Purchased Services	11,279
400 Supplies and Materials	3,855
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	15,000
200 Employee Benefits	3,033
400 Supplies and Materials	6,050

**FLORENCE SCHOOL DISTRICT ONE  
EDUCATION IMPROVEMENT ACT FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - ALL PROGRAMS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Total</u>
<b>EXPENDITURES</b>	
122 Trainable Mentally Handicapped	
100 Salaries	\$ 84,448
200 Employee Benefits	33,800
400 Supplies and Materials	12,622
123 Orthopedically Handicapped	
400 Supplies and Materials	1,650
124 Visually Handicapped	
100 Salaries	15,000
200 Employee Benefits	3,016
400 Supplies and Materials	2,200
127 Learning Disabilities	
100 Salaries	52,500
200 Employee Benefits	10,684
400 Supplies and Materials	21,725
128 Emotionally Handicapped	
400 Supplies and Materials	3,025
130 Pre-School Programs	
137 Preschool Handicapped Self Contained (3 and 4 Year Olds)	
100 Salaries	73,396
200 Employee Benefits	27,274
400 Supplies and Materials	1,650
139 Early Childhood Programs	
100 Salaries	25,274
200 Employee Benefits	8,471
400 Supplies and Materials	3,300
140 Special Programs	
141 Gifted and Talented - Academic	
100 Salaries	256,933
200 Employee Benefits	69,901
300 Purchased Services	4,081
400 Supplies and Materials	18,838
143 Advanced Placement	
400 Supplies and Materials	12,201

**FLORENCE SCHOOL DISTRICT ONE  
 EDUCATION IMPROVEMENT ACT FUND  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE – ALL PROGRAMS - CONTINUED  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Total</u>
<b>EXPENDITURES</b>	
145 Homebound	
400 Supplies and Materials	\$ 1,650
147 Child Development	
400 Supplies and Materials	3,575
148 Gifted and Talented - Artistic	
100 Salaries	36,419
200 Employee Benefits	6,400
300 Purchased Services	14,069
400 Supplies and Materials	12,446
149 Other Special Programs	
100 Salaries	86,379
200 Employee Benefits	11,397
400 Supplies and Materials	8,637
500 Capital Outlay	7,220
160 Other Exceptional Programs	
161 Autism	
400 Supplies and Materials	2,475
170 Summer School Programs	
172 Elementary Summer School	
100 Salaries	213,324
200 Employee Benefits	43,569
400 Supplies and Materials	19,744
173 High School Summer School	
100 Salaries	1,213
200 Employee Benefits	249
175 Instructional Programs Beyond Regular School Day	
100 Salaries	100,542
200 Employee Benefits	19,501
300 Purchased Services	2,000
400 Supplies and Materials	34,486
180 Adult/ Continuing Educational Programs	
181 Instructional Programs Beyond Regular School Day	
100 Salaries	26,667
200 Employee Benefits	4,839

**FLORENCE SCHOOL DISTRICT ONE  
EDUCATION IMPROVEMENT ACT FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - ALL PROGRAMS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Total</u>
<b>EXPENDITURES</b>	
182 Adult Secondary Education Programs	
100 Salaries	\$ 48,196
200 Employee Benefits	12,587
300 Purchased Services	600
400 Supplies and Materials	3,867
183 Adult Secondary Education Programs	
400 Supplies and Materials	275
187 Adult Education Remedial	
100 Salaries	53,960
200 Employee Benefits	10,492
300 Purchased Services	2,109
400 Supplies and Materials	113
188 Parenting/ Family Literacy	
400 Supplies and Materials	3,339
<b>TOTAL INSTRUCTION</b>	<b>6,851,865</b>
200 Supporting Services	
210 Pupil Services	
212 Guidance	
100 Salaries	24,425
200 Employee Benefits	5,868
400 Supplies and Materials	9,350
213 Health Services	
100 Salaries	37,643
200 Employee Benefits	10,910
215 Exceptional Program Services	
100 Salaries	15,000
200 Employee Benefits	3,046
400 Supplies and Materials	5,500
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	103,793
200 Employee Benefits	28,297
400 Supplies and Materials	12,135
222 Educational Media	
100 Salaries	45,000
200 Employee Benefits	9,157
400 Supplies and Materials	6,050

R186

**FLORENCE SCHOOL DISTRICT ONE  
EDUCATION IMPROVEMENT ACT FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - ALL PROGRAMS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Total</u>
<b>EXPENDITURES</b>	
223 Supervision of Special Programs	
100 Salaries	\$ 519,128
200 Employee Benefits	168,581
300 Purchased Services	22,868
400 Supplies and Materials	27,480
224 Improvement of Instruction - In-Service Training	
100 Salaries	60,672
200 Employee Benefits	12,041
300 Purchased Services	106,295
400 Supplies and Materials	196,794
500 Capital Outlay	98,925
600 Other Objects	1,160
230 General Administration Services	
233 School Administration	
100 Salaries	52,763
200 Employee Benefits	11,080
250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
500 Capital Outlay	60,715
254 Operation and Maintenance of Plant	
400 Supplies and Materials	2,980
255 Student Transportation	
100 Salaries	18,897
200 Employee Benefits	3,467
300 Purchased Services	15,054
271 Pupil Service Activity	
600 Other Objects	4,040
<b>TOTAL SUPPORT SERVICES</b>	<b>1,699,114</b>
300 Community Services	
390 Other Community Services	
100 Salaries	45,996
200 Employee Benefits	8,066
300 Purchased Services	788
<b>TOTAL COMMUNITY SERVICES</b>	<b>54,850</b>

R/87

**FLORENCE SCHOOL DISTRICT ONE  
EDUCATION IMPROVEMENT ACT FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - ALL PROGRAMS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Total</u>
EXPENDITURES	
400 Other Charges	
410 Intergovernmental Expenditures	
416 LEA Payments to Public Charter Schools	\$ 10,735
417 Payments for Literacy Training	<u>16,956</u>
 TOTAL OTHER CHARGES	 <u>27,691</u>
 TOTAL EXPENDITURES	 <u>8,633,520</u>
 OTHER FINANCING SOURCES (USES)	
5210 Transfer from General Fund	427,154
420-710 Transfer to General Fund	(2,042,581)
421-710 Transfer to Special Revenue Fund	<u>(4,149)</u>
 TOTAL OTHER FINANCING USES	 <u>(1,619,576)</u>
 CHANGE IN FUND BALANCE	 -
 FUND BALANCE, JULY 1, 2008	 <u>-</u>
 FUND BALANCE, JUNE 30, 2009	 <u>\$ -</u>

*R/S*

**FLORENCE SCHOOL DISTRICT ONE  
EDUCATION IMPROVEMENT ACT FUND  
SUMMARY SCHEDULE BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2009**

PROGRAM	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In / (Out)</u>	<u>Deferred Revenue</u>
3000 Revenue from State Sources				
3500 Education Improvement Act				
3501 Increase High School Diploma Requirements	\$ 386,386	\$ 386,386	\$ -	\$ -
3505 School Technology	276,638	276,638	-	-
3509 Arts in Education	71,885	71,885	-	-28,194
3513 Parenting / Family Literacy	74,898	74,898	-	32,585
3515 Advance Placement Courses	16,512	16,512	-	3,097
3517 Advanced Placement - Singleton (Subfunded 315)	6,999	6,999	-	-
3520 Gifted and Talented - Academic	347,553	347,553	-	9,517
3522 Gifted and Talented - Artistic	69,334	69,334	-	47,080
3523 Junior Scholars	694	694	-	-
3527 Critical Teaching Needs	4,490	4,490	-	-
3530 Trainable & Profoundly Mentally Disabled Student Services	119,095	119,095	-	-
3532 National Board Certification	855,279	855,279	-	-
3533 Teacher of The Year Awards	1,077	1,077	-	-
3534 Professional Development on Standards	98,127	98,127	-	66,985
3540 Four-Year Old Early Childhood Program	299,855	299,855	-	40,990
3542 Preschool Programs for Children with Disabilities	91,636	91,636	-	-
3546 Academic Assistance K-3	838,318	838,318	-	-
3548 Academic Assistance 4-12	1,033,841	1,033,841	-	-
3549 Academic Assistance Reading Recovery	106,134	106,134	-	55,707
3550 Teacher Salary Increase	1,695,651	-	(1,695,651)	-
3553 Adult Education - Remedial	66,673	116,673	50,000	36,152
3555 School Employer Contributions	346,930	-	(346,930)	-
3562 Adult Education, Basic (Includes Rural Initiative)	350,303	350,303	-	122,266
3565 Adult Education, Literacy	43,007	43,007	-	8,215
3568 EAA Technical Assistance	1,089,439	1,089,439	-	204,237

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**FLORENCE SCHOOL DISTRICT ONE  
EDUCATION IMPROVEMENT ACT FUND  
SUMMARY SCHEDULE BY PROGRAM - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

PROGRAM	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In / (Out)</u>	<u>Deferred Revenue</u>
3000 Revenue from State Sources				
3500 Education Improvement Act				
3575 Competitive Teacher Grants	\$ 10,062	\$ 10,062	\$ -	\$ 288
3577 Teacher Supplies	288,275	288,275	-	-
3578 High Schools That Work	36,582	36,582	-	22,313
3582 Principal's Salary / Fringe Increase	63,843	63,843	-	-
3583 EAA Summer School/Comprehensive Remediation	490,500	486,351	(4,149)	412,036
3588 EAA Palmetto Gold and Silver Awards	28,320	28,320	-	9,610
3590 School Building Fund	60,715	60,715	-	-
3591 Excellence in Middle Schools	52,029	52,029	-	-
3592 School-to-Work Transportation Act 9	69,749	69,749	-	8,436
3593 EAA Reduce Class Size Grades 1-3	744,604	1,121,758	377,154	-
3596 EAA Alternative Schools Program	111,329	111,329	-	22,267
3599 Other EIA	1,193	1,193	-	-
3699 K-5 Field Trip Fundi	4,040	4,040	-	-
1950 Refund Of Prior Yr's	101	101	-	-
1999 Rev From Other Local	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 10,253,096</u>	<u>\$ 8,633,520</u>	<u>\$ (1,619,576)</u>	<u>\$ 1,129,975</u>

R190

**FLORENCE SCHOOL DISTRICT ONE  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<b>REVENUES</b>	
1000 Revenues from Local Sources	
1510 Interest on Investments	\$ 89,552
2000 Intergovernmental Revenue	
2100 Payments from Other Governmental Units	36,000
3000 Revenue from State Sources	
3100 Restricted State Funding	
3170 State School Building Fund	65,286
3172 Children's Education Endowment	<u>460,098</u>
Total State Sources	<u>525,384</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>650,936</u>
<b>EXPENDITURES</b>	
250 Finance and Operations	
253 Facilities Acquisition and Construction	
300 Purchased Services	83,384
400 Supplies and Materials	<u>1,747,941</u>
Total Finance and Operations Expenditures	<u>1,831,325</u>
500 Capital Outlay	
510 Purchased Services	3,815,930
520 Construction Services	532,187
530 Improvements Other Than Buildings	680,637
580 Mobile Classrooms	<u>132,523</u>
Total Capital Outlay	<u>5,161,277</u>
500 Debt Service	
620 Interest	<u>20,236</u>
<b>TOTAL EXPENDITURES</b>	<u>7,012,838</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
5120 Proceeds from Debt Issuance	3,412,000
5210 Transfer from General Fund (Excludes Indirect Costs)	634,648
420-710 Transfer to General Fund	<u>(496,098)</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>3,550,550</u>
Change in Fund Balance	(2,811,352)
Fund Balance, July 1, 2008	<u>4,269,764</u>
Fund Balance, June 30, 2009	<u>\$ 1,458,412</u>

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**FLORENCE SCHOOL DISTRICT ONE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	<u>Special Revenue Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Pupil Activity Fund</u>	<u>Debt Service Fund</u>	
<b>Assets</b>			
Cash and Cash Equivalents with County Treasurer	\$ -	\$ 1,555,315	\$ 1,555,315
Taxes Receivable, Net	-	52,184	52,184
Interfund Receivables	<u>655,123</u>	<u>-</u>	<u>655,123</u>
<b>Total Assets</b>	<u>\$ 655,123</u>	<u>\$ 1,607,499</u>	<u>\$ 2,262,622</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Reserved for Debt Service	-	1,607,499	1,607,499
Unreserved	<u>655,123</u>	<u>-</u>	<u>655,123</u>
<b>Total Fund Balance</b>	<u>655,123</u>	<u>1,607,499</u>	<u>2,262,622</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 655,123</u>	<u>\$ 1,607,499</u>	<u>\$ 2,262,622</u>

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**FLORENCE SCHOOL DISTRICT ONE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Special Revenue Fund</u>		<u>Total Nonmajor</u>
	<u>Pupil</u>	<u>Debt</u>	<u>Governmental</u>
	<u>Activity</u>	<u>Service</u>	<u>Funds</u>
	<u>Fund</u>	<u>Fund</u>	
Revenues			
Local	\$ 2,089,640	\$ 6,501,100	\$ 8,590,740
State	-	514,354	514,354
Total Revenues	<u>2,089,640</u>	<u>7,015,454</u>	<u>9,105,094</u>
Expenditures			
Current:			
Instruction	3,357	-	3,357
Support Services	2,341,064	-	2,341,064
Redemption of Principal	-	7,327,000	7,327,000
Interest	-	191,730	191,730
Other	-	2,120	2,120
Total Expenditures	<u>2,344,421</u>	<u>7,520,850</u>	<u>9,865,271</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(254,781)</u>	<u>(505,396)</u>	<u>(760,177)</u>
Other Financing Sources (Uses)			
Transfers In	195,940	-	195,940
Transfers Out	(57,120)	-	(57,120)
Total Other Financing Sources (Uses)	<u>138,820</u>	<u>-</u>	<u>138,820</u>
Net Change in Fund Balances	(115,961)	(505,396)	(621,357)
Fund Balance, July 1, 2008	<u>771,084</u>	<u>2,112,895</u>	<u>2,883,979</u>
Fund Balance, June 30, 2009	<u>\$ 655,123</u>	<u>\$ 1,607,499</u>	<u>\$ 2,262,622</u>

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**FLORENCE SCHOOL DISTRICT ONE  
PUPIL ACTIVITY FUND  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

**RECEIPTS**

**1000 RECEIPTS FROM LOCAL SOURCES**

1300 Tuition	
1310 Regular Day School from Patrons	\$ 1,862
1350 Summer School from Patrons	<u>23,242</u>
Total Tuition	<u>25,104</u>
1700 Pupil Activities	
1710 Admissions	38,578
1730 Pupil Organization Income	8,464
1790 Other Pupil Activity Income	<u>1,993,787</u>
Total Pupil Activities	<u>2,040,829</u>
1900 Other Revenue from Local Sources	
1910 Rentals	13,707
1920 Contributions and Donations from Local Sources	<u>10,000</u>
Total Other Revenues	<u>23,707</u>
<b>TOTAL RECEIPTS FROM LOCAL SOURCES</b>	<u><b>2,089,640</b></u>

**DISBURSEMENTS**

**100 INSTRUCTION**

190 Instructional Pupil Activities	116
660 Pupil Activity	<u>3,241</u>
<b>TOTAL INSTRUCTION</b>	<u><b>3,357</b></u>

**200 SUPPORT SERVICES**

270 Support Services Pupil Activities	
271 Pupil Service Activities	
110 Salaries	145,617
220 Employee Retirement	24,356
230 Social Security	11,201
660 Pupil Activity	<u>2,159,890</u>
<b>TOTAL SUPPORT SERVICES</b>	<u><b>2,341,064</b></u>

**TOTAL DISBURSEMENTS** **2,344,421**

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) Other Funds	
5210 Transfer from General Fund	143,000
5220 Transfer from Special Revenue Fund	16,940
5250 Transfer from School Building Fund	36,000
421-710 Transfers to Other Funds	<u>(57,120)</u>

**TOTAL OTHER FINANCING SOURCES (USES)** **138,820**

Change in Fund Balance (115,961)

Fund Balance, July 1, 2008 771,084

Fund Balance, June 30, 2009 **\$ 655,123**

**FLORENCE SCHOOL DISTRICT ONE  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

REVENUES

1000 REVENUE FROM LOCAL SOURCES

1200 Revenue from Local Governmental Units Other than LEAs	
1210 Ad Valorem Taxes - Including Delinquent	\$ 6,129,573
1240 Penalties and Interest	15,060
1280 Revenue in Lieu of Taxes	274,604
1500 Earning on Investments	
1510 Interest on Investments	<u>81,863</u>

TOTAL REVENUE FROM LOCAL SOURCES 6,501,100

3000 REVENUE FROM STATE SOURCES

3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	205,959
3830 Merchant's Inventory Tax	175,434
3840 Manufacturers Depreciation Reimbursement	101,870
3890 Other State Revenues	<u>31,091</u>

TOTAL REVENUES FROM STATE SOURCES 514,354

TOTAL REVENUES FROM ALL SOURCES 7,015,454

EXPENDITURES

500 DEBT SERVICE

610 Redemption of Principal	7,327,000
620 Interest	191,730
690 Other	<u>2,120</u>

TOTAL EXPENDITURES 7,520,850

CHANGE IN FUND BALANCE (505,396)

FUND BALANCE, JULY 1, 2008 2,112,895

FUND BALANCE, JUNE 30, 2009 \$ 1,607,499

**FLORENCE SCHOOL DISTRICT ONE  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009**

REVENUES

1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 34,450
1600 Food Service	
1610 Lunch Sales to Pupils	1,126,070
1620 Breakfast Sales to Pupils	11,362
1630 Special Sales to Pupils	512,360
1640 Lunch Sales to Adults	216,429
1650 Breakfast Sales to Adults	4,067
1660 Special Sales to Adults	31,541
1900 Other Revenue from Local Sources	
1999 Other Revenue from Other Local Sources	<u>16,812</u>
Total Revenue from Local Sources	<u>1,953,091</u>
3000 Revenue from State Sources	
3142 Program Aid	<u>6,299</u>
Total Revenue from State Sources	<u>6,299</u>
4000 Revenue from Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch and After School Snacks Program	3,432,637
4830 School Breakfast Program	1,191,117
4850 USDA Commodities	<u>468,646</u>
Total Revenue from Federal Sources	<u>5,092,400</u>
TOTAL REVENUE FROM ALL SOURCES	<u>7,051,790</u>

**FLORENCE SCHOOL DISTRICT ONE  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2009**

**EXPENSES**

**250 Finance and Operations**

256 Food Service	
100 Salaries	\$ 2,330,125
200 Employee Benefits	286,755
300 Purchased Services	64,500
400 Supplies and Materials	3,663,899
500 Capital Outlay	220,770
600 Other Objects	<u>29,117</u>

**TOTAL EXPENSES** 6,595,166

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) Other Funds	
432-791 Food Service Fund Indirect Costs	<u>270,646</u>

**TOTAL OTHER FINANCING SOURCES** 270,646

**CHANGE IN NET ASSETS** 185,978

**NET ASSETS, JULY 1, 2008** 3,973,370

**NET ASSETS, JUNE 30, 2009** \$ 4,159,348

**FLORENCE SCHOOL DISTRICT ONE  
LOCATION RECONCILIATION SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2009**

Location ID Number	Location Description	Education Level	Cost Type	Amount
001	Administration	Non-School	Central	\$ 27,470,480
002	Moore Middle	Middle School	School	4,113,132
004	South Florence High	High School	School	10,560,846
005	Williams Middle	Middle School	School	5,839,578
006	Wilson High	High School	School	10,973,947
008	Briggs Elementary	Elementary School	School	4,546,008
009	Carver Elementary	Elementary School	School	6,234,021
010	Delmae Elementary	Elementary School	School	5,219,478
011	Greenwood Elementary	Elementary School	School	4,927,324
012	McLaurin Elementary	Elementary School	School	5,686,274
013	Lester Elementary	Elementary School	School	5,810,923
014	West Florence High	High School	School	11,135,049
016	North Vista Elementary	Elementary School	School	6,566,601
017	Royall Elementary	Elementary School	School	4,888,965
018	Savannah Grove Elementary	Elementary School	School	5,083,562
019	Dewey Carter Elementary	Elementary School	School	4,858,339
020	Henry Timrod Elementary	Elementary School	School	3,649,198
021	Wallace Gregg Elementary	Elementary School	School	3,203,990
022	Southside Middle	Middle School	School	7,075,981
050	Sneed Middle	Middle School	School	5,987,493
800	Adult Education	Other School	School	2,190,189
801	Alternative School	Other School	School	1,510,971
802	Carver Community Center	Non-School	Central	322,242
803	ITV	Non-School	Central	43,766
804	Warehouse	Non-School	Central	2,237,264
806	Transportation	Non-School	Central	3,470,773
810	Church Hill Downs	Non-School	Central	131,201
885	Florence School District One Print Shop	Non-School	Central	15,326
900	Non Public Schools	Other School	School	22,755
902	Parent Center	Non-School	Central	353,565
908	PeeDee Education Center	Non-School	Central	1,074,327
920	Project Reach	Other School	School	34,009
940	Clinical Day	Other School	School	663,273
960	Adolescent Pregnancy Prevention	Non-School	Central	66
990	Memorial Stadium	Non-School	Central	96,658
991	All Saints	Other School	School	2,201
992	Saint Anthony	Other School	School	1,601
993	Bymes Academy	Other School	School	1,631
994	Choices	Other School	School	1,181
995	Florence Career Center	Other School	School	3,938,737
996	Oakland Avenue Day School	Other School	School	1,430
997	Palmetto Youth Academy	Other School	School	398,255
999	Sails	Other School	School	14,908

Total Expenditures / Disbursements for All Funds \$ 160,357,518

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

General Fund	\$ 106,345,787
Special Revenue Fund	21,904,936
Education Improvement Act Fund	8,633,520
School Building Fund	7,012,838
Food Service	6,595,166
Other Governmental Funds	9,865,271

Total Expenditures / Disbursements for All Funds \$ 160,357,518

**FLORENCE SCHOOL DISTRICT ONE**  
**DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION / FEDERAL GOVERNMENT**  
**JUNE 30, 2009**

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due to SDE/Federal Government</u>
None	None	None	None	None

**FLORENCE SCHOOL DISTRICT ONE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009**

LEA Subfund Code	Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<u>U.S. Department of Agriculture</u>				
Pass Through State Department of Education				
600	Commodities / Food Distribution	10.550	N/A	\$ 468,646
600	School Breakfast	10.533	N/A	1,191,117
600	After School Snacks	10.533	N/A	94,570
600	School Lunch Program	10.555	N/A	<u>3,338,067</u>
Total U.S. Department of Agriculture				<u>5,092,400</u>
<u>U.S. Department of Education</u>				
285	Smaller Learning Communities	84.215		<u>820,466</u>
Pass Through State Department of Education:				
243	Adult Education - State Grant Program	84.002	09 EA 034	211,818
243	English Literacy	84.002	09 ED 034	<u>2,501</u>
Total 84.002				<u>214,319</u>
201	Title I Grants to LEA's	84.010	09 BA 034	4,615,969
237	Title I Part A School Improvement	84.010	08 BJ 034-03	236,454
203	IDEA - Special Education - Grants to States	84.027	09 CA 034	3,548,683
205	Special Education - Preschool Grants	84.173	09 CG 034	122,331
207	Vocational Education - Basic (Subprogram 02)	84.048	09 VA 034	297,273
209	Drug and Violence Prevention Program	84.186	09 FQ 034	68,675
218	South Carolina Reading First - Local Reading Improvement, Title I	84.357	08 RC 034	15,365
218	South Carolina Reading First - Local Reading Improvement, Title I	84.357	09 RC 034	535,696
224	21st Century Learning	84.287	09 CL 034	436,066
241	Title V - Promoting Informed Parental Choice and Innovative Programs	84.298	08 BB 034	23,980
253	Enhancing Education Through Technology, Title II	84.318	09 ES 026-01	18,985
253	E2T2 - Ed Tech Formula Grant	84.318	09 ET 034	15,123
264	Title III - Language Instruction for Limited English Proficient and Immigrant Students	84.365	09 BP 034	57,256
267	Improving Teacher Quality	84.367	09 TQ 034-01	725,353
267	Teacher Advancement Program	84.367	09 TQ 034-02	12,000
290	Teacher Incentive Fund	84.374		248,938
299	Gaining Early Awareness & Readiness for Undergraduate Programs	84.334	P33S050009	<u>129,711</u>
				<u>11,107,858</u>
<u>U.S. Department of Defense</u>				
278	JROTC	84.287	N/A	113,984
279	NROTC	84.287	N/A	<u>71,066</u>
				<u>185,050</u>
Total Federal Assistance Expended				<u>\$ 17,420,093</u>

(A) The accounting system used by the South Carolina LEA's do not allow for the segregation of expenditures by fund source in the Food Service Fund. See Schedule 10 for the detail of the Food Service Fund in this reporting package.

See Schedule 10 for the detail of the Food Service Fund in this reporting package.

See notes to Schedule of Expenditures of Federal Awards.

80 R200

**FLORENCE SCHOOL DISTRICT ONE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR YEAR ENDED JUNE 30, 2009**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Florence School District One and is presented on the accrual basis. 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.

**Note 2 – Food Distribution**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. As of June 30, 2009, the District had no food commodities on hand.

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

To the Honorable Chairman and  
Members of the Board of Trustees  
Florence School District One  
Florence, South Carolina

We have audited the financial statements of Florence School District One as of and for the year ended June 30, 2009, and have issued our report thereon dated December 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the district's internal control. Of the significant deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs we consider item 2009-02 to be a material weakness.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 statements 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-01, 2009-02, and 2009-03.

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

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

Augusta, Georgia  
December 1, 2009

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

To the Honorable Chairman and  
Members of the Board of Trustees  
Florence School District One  
Florence, South Carolina

**Compliance**

We have audited the compliance of Florence School District One, Florence, South Carolina (the District) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The 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 the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of the 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 the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above.

As part of obtaining reasonable assurance about whether Florence School District One's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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, State Department of Education 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.

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

Augusta, Georgia  
December 1, 2009

**FLORENCE SCHOOL DISTRICT ONE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**I. Summary of auditors' results**

1. A qualified opinion was issued on the financial statements of Florence School District One because of one unaudited component unit.
2. One material weakness disclosed during the audit of the financial statements is reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Our audit of the financial statements disclosed no instances of noncompliance that are material to the financial statements.
4. Our audit of compliance with requirements applicable to Florence School District One's major programs disclosed no significant deficiencies in internal controls over compliance.
5. An unqualified opinion was issued on Florence School District One's compliance with the types of compliance requirements applicable to its major federal programs.
6. Our audit disclosed no audit findings which relate to the federal awards which are required to be reported under section 510(a) of OMB Circular A-133.
7. Major federal programs for Florence School District One for the fiscal year ended June 30, 2009 are:

<u>Program Name</u>	<u>CFDA Number</u>
School Breakfast Program	10.553
School Lunch Program	10.555
Title One	84.010
IDEA – Special Education – Grants to States	84.027
Smaller Learning Communities	84.215
Improving Teacher Quality – State Grants	84.367

8. The threshold for determining major federal programs for Florence School District One was \$523,413.
9. Florence School District One did not qualify as a low risk auditee under Circular A-133.

**II. Findings related to the audit of the financial statements of Florence School District One**

2009-01

**Account Transactions**

**Condition:** During our audit, we noted that certain accounts and transactions were not correctly recorded.

**Criteria:** The District should have controls in place to prevent or detect material misstatements in the financial statements in a timely manner.

**Effect:** The financial statements would not have accurately reported the balances and activity of the District for the reporting period.

**Cause:** Certain transactions were not correctly posted or omitted and certain account balances were not correctly recorded at June 30, 2009.

**Auditor's Recommendation:** Management should establish policies and procedures that will correctly record all transactions and correctly state account balances at the end of each audit period.

*Management's Response:*

Management has implemented policies and procedures to correctly record activity during future periods.

**FLORENCE SCHOOL DISTRICT ONE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**II. Findings related to the audit of the financial statements of Florence School District One (continued)**

2009-02

**Discretely Presented Component Unit**

**Condition:** The District did not present Palmetto Youth Academy (PYA), a component unit of the District, in the financial statements.

**Criteria:** Generally accepted accounting principles require that charter schools be presented with the School District balances.

**Effect:** The District's financial statements do not include the required component unit.

**Cause:** Management did not present audited financial statements of PYA in the District's financial statements.

**Auditor's Recommendation:** Management should include PYA's audited financial statements as a discretely presented component unit in the District's financial statements.

*Management's Response:*

Management will establish policies and procedures that will facilitate including Palmetto Youth Academy's financial information in the District's financial statements in the future.

2009-3

**Cash**

**Condition:** The cash reconciliation does not reconcile the bank cash balance to the general ledger.

**Criteria:** The cash reconciliation should reconcile the bank cash balance to the general ledger balance.

**Effect:** Cash is not properly reflected in the financial statements.

**Cause:** The bank cash balance is not reconciled properly to the general ledger.

**Auditor's Recommendation:** Management should establish policies and procedures so that cash reconciled in a timely manner to the general ledger.

*Management's Response:*

Management will establish policies and procedures to reconcile cash to the general ledger in a timely manner.

**III. Findings and questioned cost related to the audit of federal awards**

There were no findings noted for the year ended June 30, 2009, which are required to be reported under OMB Circular A-133 criteria.

**FLORENCE SCHOOL DISTRICT ONE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2009**

There were no audit finding as of June 30, 2008 which remain a finding in the current year.

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**CERTIFICATE OF SERVICE**

I, the undersigned employee of McIntosh Law Office, do hereby certify that the foregoing Second Supplement To Record On Appeal has this day been served by Federal Express to the following person, this 22<sup>nd</sup> day of August, 2012.

Samuel M. Mokeba, Esquire  
BAKER, RAVENEL & BENDER & L.L.P.  
3710 Landmark Drive, Suite 400  
Columbia, South Carolina 29204  
803-799-9091

BY:   
Beverly G. Capps

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