

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

Palmetto Youth Academy Charter School, )  
)  
Respondent, )

Appellate Case No.: 2012-212001

vs. )

**THIRD SUPPLEMENT TO  
RECORD ON APPEAL**

Florence County School District 1 Board of )  
Trustees, )

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

Appellant. )

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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 B

FLORENCE SCHOOL DISTRICT ONE

FLORENCE, SOUTH CAROLINA

REPORT ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

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**FLORENCE SCHOOL DISTRICT ONE**  
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# Baird & Company, CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

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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, 2008, 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 Florence School District One as of June 30, 2008, 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 addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for Florence School District One as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Florence School District One  
Florence, South Carolina

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 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.

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 and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, 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  
March 10, 2009

Florence School District One  
Management's Discussion and Analysis  
June 30, 2008

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, 2008. 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 nonmajor 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 sixth year for reporting the District's finances as a whole using accrual-basis of accounting; prior year comparative information is included for comparison purpose.

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 \$76,500,071 at the close of the most recent fiscal year. This is an increase from the 2006-2007 fiscal years when this figure was \$67,823,874.

**Table 1**

Table 1 provides a summary of the School District's net assets as of June 30, 2007 and 2008:

	<u>GOVERNMENT ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL GOVERNMENT</u>	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
<b>ASSETS:</b>						
CURRENT & OTHER ASSETS	\$ 45,031,067	\$ 50,035,059	\$ 3,367,548	\$ 3,504,228	\$ 48,398,615	\$ 53,539,287
CAPITAL ASSETS	<u>36,344,495</u>	<u>36,740,668</u>	<u>540,195</u>	<u>532,188</u>	<u>36,884,690</u>	<u>37,272,856</u>
TOTAL ASSETS	<u>81,375,562</u>	<u>86,775,727</u>	<u>3,907,743</u>	<u>4,036,416</u>	<u>85,283,305</u>	<u>90,812,143</u>
<b>LIABILITIES:</b>						
LONG-TERM LIABILITY	8,681,593	4,679,418	4,514	4,912	8,686,107	4,684,330
OTHER LIABILITIES	<u>8,549,410</u>	<u>9,569,609</u>	<u>223,914</u>	<u>58,134</u>	<u>8,773,324</u>	<u>9,627,743</u>
TOTAL LIABILITIES	<u>17,231,003</u>	<u>14,249,027</u>	<u>228,428</u>	<u>63,046</u>	<u>17,459,431</u>	<u>14,312,073</u>
<b>NET ASSETS:</b>						
INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT	25,851,194	29,985,100	540,195	532,188	26,391,389	30,517,288
RESTRICTED FOR DEBT SERVICE	1,811,708	2,060,711	-	-	1,811,708	2,060,711
UNRESTRICTED	<u>36,481,657</u>	<u>40,480,890</u>	<u>3,139,120</u>	<u>3,441,182</u>	<u>39,620,777</u>	<u>43,922,072</u>
	<u>\$ 64,144,559</u>	<u>\$ 72,526,701</u>	<u>\$ 3,679,315</u>	<u>\$ 3,973,370</u>	<u>\$ 67,823,874</u>	<u>\$ 76,500,071</u>

**GOVERNMENTAL ACTIVITIES**

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

Changes in Net Assets. The District's combined changes in net assets were \$8,676,193 as of June 30, 2008 and \$3,279,328 as of June 30, 2007. The Government Activity represented 97% as of June 30, 2008 and 91% as of June 30, 2007 of the total changes for the two years respectively.

Governmental Activities. The total revenue for the Governmental Activities is \$144,780,996 or fiscal year 2008 and \$129,329,052 for fiscal year 2007. Of the total revenue, property tax represented 27% for 2008 and 36% for 2007; federal and state grants represented 71% for 2008 and 62% for 2007; investments and miscellaneous income represented 1% for 2008 and 1.7% for 2007; and transfers represented .19% for 2008 and .02% for 2007. Charges for services represented the balance of the revenue for both years.

Governmental activities' expenses were broken down as follows: instruction was 61% for 2008 and 58% for 2007; support services was 36% for 2008 and 39% for 2007; community services was 1.2% for 2008 and .7% for 2007; intergovernmental was 1.3% for 2008 and 2% for 2007; debt service interest was .005% for 2008 and .002% for 2007.

Business-type Activities. Net assets for Business-type activities represent 3% for fiscal year 2008 and 5% for fiscal year 2007 of the overall total net assets.

Total revenue for the Business-type activity was \$7,028,199 for 2008 and \$6,651,521 for the fiscal year 2007. Of this amount, charges for services represented 28% for 2008 and 29% for 2007; USDA reimbursement represented 72% for 2008 and 71% for 2007.

Overall expenditures were \$6,452,463 for 2008 and \$6,115,974 for 2007. These expenditures represent expenses for food, supplies, salaries and fringe benefits that are allowed. In addition to the above expenses,

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indirect costs were charged to food service. These charges represented \$281,385 for 2008 and \$253,535 for 2007.

Net assets of the District's governmental activities represented 95% for 2008 and 95% for 2007 of total assets. Unrestricted net assets-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 \$40,480,890 for 2008 and \$36,481,657 for 2007.

The nets assets of business-type activities represent \$3,441,182 of the total net unrestricted net assets of \$43,922,072 for the year ended June 30, 2008 and \$3,139,120 of the total net unrestricted net assets of \$39,620,777 for the year ended June 30, 2007.

Net Assets. For the 2007-2008 accounting year, the District's combined net assets totaled \$76,500,071. However, \$32,577,999 is restricted for specific purposes. The remaining unrestricted net assets resources are available for future spending. The District's combined net assets for 2007 was \$67,823,874 and \$28,203,097 is restricted for specific purpose. The remaining unrestricted net assets resources were available for future spending for 2007.

The net assets of business-type activities were \$3,973,370 for 2008 and \$3,679,315 for 2007.

Business-type activities. Business-type activities increased the District's net assets by \$282,012 for 2007 as compared to the 2006 fiscal year. However, the District's net assets increased by \$294,055 for 2008 as compared to 2007. This increase was due in part to the increased participation and a better menu selection.

Governmental Funds. The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. 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, 2008, the District's governmental funds reported a combined fund balance of \$40,428,362 whereas on June 30, 2007, the combined fund balance was \$36,361,792. 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, 2008, the District's unreserved, undesignated fund balance for all governmental funds was \$36,158,598, whereas June 30, 2007 the fund balance was \$35,009,594. These balances include \$4,269,764 in the school building fund for 2008 and \$1,229,202 in the school building fund for 2007. June 30, 2007 the remaining \$122,996 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 2007 fiscal year, the undesignated fund balance was \$32,226,580 while the total fund balance reached \$32,349,576. At the end of the 2008 fiscal year, the unreserved total fund balance reached \$33,980,070.

In reviewing the revenue for the 2008 General Fund, the Local revenue did not exceed the budget by (\$1,099,078) and the State revenue did exceeded the budget by \$1,577,649. This is a net increase of \$534,078 for the 2008 fiscal year from all sources. In comparison, the 2007 Local revenue exceeded the budget by \$879,059 and the State revenue exceeded the budget by \$1,956,413. This is a total of \$2,900,390 from all sources. 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 2007 fiscal year, the budget for instruction was over the budget by \$865,606. 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 budget was under the budget by \$2,526,395. The support budget for 2007 was under the budget by \$941,033. Maintenance and transportation budgets contributed to this overage as well as almost all the other functions. This represented a total favorable budget variance of \$2,570,927 which contributed to the fund balance increasing from \$32,349,576 to \$33,980,070 as of June 30, 2008.

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 Nonmajor Governmental Funds. The fund balance as of June 30, 2008 was \$2,112,897 and the fund balance as of June 30, 2007 was \$1,976,891 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 two 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.

Proprietary Funds. The District's only Proprietary Fund is the Food Service Fund. This program had net earnings of \$294,051 for June 30, 2008 and \$282,012 for the fiscal year ended June 30, 2007. 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 and fuel costs. The District was fortunate to have an increase due to the major fuel charge increase charged to the food cost. Fringe benefit costs were \$243,058 as of June 30, 2008 and \$218,826 as of June 30, 2007. The general fund absorbed the majored of these costs in the amount of \$699,616.

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 2008, the District made only two adjustments to the District's General Fund Budget. The first change was to increase the budget to transfer \$2,153,000 to the local building fund. The second adjustment was to original budget and the final total budget for revenues and expenditures due to an increase in school supplies based on the 45-day enrollment in the amount of \$375,918.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

The School District did not have any major contractual agreements as of June 30, 2008.

Capital Assets. At the end of 2008 the District had \$37,272,855 invested in capital assets, net of depreciation. The District had \$36,884,691 invested in capital assets, net of depreciation as of June 30, 2007.

Table 2 shows fiscal balances as of June 30, 2008.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
Land	\$ 6,501,776	\$ 6,907,317	\$ -	\$ -	\$ 6,501,776	\$ 6,907,317
Buildings	22,012,640	21,367,904	-	-	22,012,640	21,367,904
Improvements	4,246,168	4,198,311	-	-	4,246,168	4,198,311
Equipment	339,713	410,012	540,196	532,187	879,909	942,199
Computers	603,056	857,668	-	-	603,056	857,668
Vehicles	625,510	481,981	-	-	625,510	481,981
Mobile units	2,015,633	2,517,475	-	-	2,015,633	2,517,475
Totals	<u>\$ 36,344,495</u>	<u>\$ 36,740,667</u>	<u>\$ 540,196</u>	<u>\$ 532,187</u>	<u>\$ 36,884,691</u>	<u>\$ 37,272,855</u>

The District purchased thirteen portable classrooms for schools throughout the District, three activity buses were on order; land adjoining to Wilson High School and four work vehicles. See note 6 of the auditor's report for additional information.

Long-Term Debt. At fiscal year-end, the District had \$4,415,000 in bonds outstanding. All of the District's debt is based 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	\$ 3,915,000
2004 Series	<u>500,000</u>
Total	<u>\$ 4,415,000</u>

The Debt Service Fund has \$2,112,897 available at year-end to service the debt. During the fiscal year 2007-2008, the District issue a \$2,700,000 one year GO 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 a moderate economic growth with the addition of Roche Carolina being located in Florence County. Over the last two years, QVC, Home Depot, and several hotels and three chain restaurants have open within the District. The County is presently working with several other companies that want to relocate to Florence County.

General Fund Budgetary Highlights. There was a overall change to the total budget for the fiscal year 2007-2008. The budget was increased from \$103,044,440 to 105,573,358 to cover additional expenses. 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, 2008.

	<u>GOVERNMENT ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL GOVERNMENT</u>	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
<b>Revenue</b>						
Program Revenues:						
Charges for Services	\$ 499,125	\$ 989,891	\$ 1,928,910	\$ 1,975,863	\$ 2,428,035	\$ 2,965,754
Operating Grants	79,915,446	103,466,191	4,722,611	5,052,336	84,638,057	108,518,527
General Revenues:						
Property Taxes	46,691,201	38,693,942	-	-	46,691,201	38,693,942
Other Revenue	2,223,280	1,630,972	-	-	2,223,280	1,630,972
<b>Total Revenues</b>	<u>129,329,052</u>	<u>144,780,996</u>	<u>6,651,521</u>	<u>7,028,199</u>	<u>135,980,573</u>	<u>151,809,195</u>
<b>Expenses</b>						
Government Activities:						
Instructional Programs	73,214,884	83,822,517	-	-	73,214,884	83,822,517
Support Services	49,015,410	49,663,225	-	-	49,015,410	49,663,225
Communities Services	1,008,013	1,063,149	-	-	1,008,013	1,063,149
Intergovernmental	3,084,881	1,790,980	-	-	3,084,881	1,790,980
Interest	262,083	340,668	-	-	262,083	340,668
<b>Total Governmental Activities:</b>	<u>126,585,271</u>	<u>136,680,539</u>	<u>-</u>	<u>-</u>	<u>126,585,271</u>	<u>136,680,539</u>
Business-type Activities:						
Food Services	-	-	6,115,974	6,452,463	6,115,974	6,452,463
<b>Total Business-type Activities:</b>	<u>-</u>	<u>-</u>	<u>6,115,974</u>	<u>6,452,463</u>	<u>6,115,974</u>	<u>6,452,463</u>
<b>Total Expenses</b>	<u>126,585,271</u>	<u>136,680,539</u>	<u>6,115,974</u>	<u>6,452,463</u>	<u>132,701,245</u>	<u>143,133,002</u>
Transfers In (Out)	253,535	281,685	(253,535)	(281,385)	-	-
Change in Net Assets	2,997,316	8,382,142	282,012	294,351	3,279,328	8,676,193
Beginning Net Assets	61,147,243	64,144,559	3,397,303	3,679,319	64,544,546	67,823,878
Ending Net Assets	\$ 64,144,559	\$ 72,526,701	\$ 3,679,315	\$ 3,973,670	\$ 67,823,874	\$ 76,500,071

Total governmental activities generated revenues of \$144.7 million for 2008 and \$129.3 million for 2007 while expenses in this category totaled \$136.6 for 2008 and \$126.5 for 2007. After transfers from the business-type activities, the increase in net assets stands at \$8.3 million for 2008 and \$2.9 million for 2007. Business-type activities generated revenue of \$7.028 million for 2008 and \$6.6 million for 2007 and had expenses of \$6.4 million for 2008 and \$6.1 million for 2007. Net assets increased in the business-type activities by \$294,051 for 2008 and \$282,012 for 2007 after transfers to the governmental activities of \$281,385 for 2008 and \$253,535 for 2007.

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

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**BASIC FINANCIAL STATEMENTS**

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**FLORENCE SCHOOL DISTRICT ONE**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	<u>Governmental</u>	<u>Business Type</u>	<u>Total Primary</u>
	<u>Activities</u>	<u>Activities</u>	<u>Government</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 38,541,955	\$ 1,615	\$ 38,543,570
Cash and cash equivalents with County Treasurer	2,060,711	-	2,060,711
Taxes receivable, net	2,294,789	-	2,294,789
Accounts receivable, net	380,197	-	380,197
Internal balances	(3,329,618)	3,329,618	-
Due from other governments	9,804,169	138,806	9,942,975
Prepaid expenses	38,328	-	38,328
Inventory	164,617	34,189	198,806
Non-depreciable capital assets	6,907,316	-	6,907,316
Depreciable capital assets, net of depreciation	29,833,352	532,188	30,365,540
Bond issue costs, net of amortization	79,911	-	79,911
Total assets	<u>86,775,727</u>	<u>4,036,416</u>	<u>90,812,143</u>
<b>Liabilities</b>			
Accounts payable	4,638,617	58,134	4,696,751
Accrued interest	42,822	-	42,822
Payroll withholdings and accruals	1,401,111	-	1,401,111
Unearned revenue	3,487,059	-	3,487,059
Long-term liabilities:			
Due within one year	3,915,000	-	3,915,000
Due in more than one year	764,418	4,912	769,330
Total liabilities	<u>14,249,027</u>	<u>63,046</u>	<u>14,312,073</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	29,985,100	532,188	30,517,288
Restricted	2,060,711	-	2,060,711
Unrestricted	<u>40,480,890</u>	<u>3,441,182</u>	<u>43,922,072</u>
Total net assets	<u>\$ 72,526,701</u>	<u>\$ 3,973,370</u>	<u>\$ 76,500,071</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, 2008**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Instruction	\$ 83,822,517	\$ 934,384	\$ 85,709,807	\$ 2,821,674	\$ -	\$ 2,821,674
Support services	49,663,225	55,507	11,354,387	(38,253,331)	-	(38,253,331)
Community services	1,063,149	-	6,401,997	5,338,848	-	5,338,848
Intergovernmental	1,790,980	-	-	(1,790,980)	-	(1,790,980)
Interest	340,668	-	-	(340,668)	-	(340,668)
Total governmental activities	<u>136,680,539</u>	<u>989,891</u> (1)	<u>103,466,191</u> (2)	<u>(32,224,457)</u>	-	<u>(32,224,457)</u>
<b>Business-type activities:</b>						
Food service	6,452,463	1,975,863	5,052,336	-	575,736	575,736
Total business-type activities	<u>6,452,463</u>	<u>1,975,863</u>	<u>5,052,336</u>	-	<u>575,736</u>	<u>575,736</u>
Total primary government	<u>\$ 143,133,002</u>	<u>\$ 2,965,754</u>	<u>\$ 108,518,527</u>	<u>(32,224,457)</u>	<u>575,736</u>	<u>(31,648,721)</u>
<b>General revenues:</b>						
Property taxes - general				32,868,138	-	32,868,138
Property taxes - debt service				5,825,804	-	5,825,804
Investment income				1,630,972	-	1,630,972
Transfers				281,685	(281,685)	-
Total general revenues and transfers				<u>40,606,599</u> (3)	<u>(281,685)</u> (4)	<u>40,324,914</u>
Change in net assets				8,382,142	294,051	8,676,193
Net assets, July 1, 2007				64,144,559	3,679,319	67,823,878
Net assets, June 30, 2008				<u>\$ 72,526,701</u>	<u>\$ 3,973,370</u>	<u>\$ 76,500,071</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, 2008**

Assets	General Fund	Special Revenue Fund	Education Improvement Act Fund	School Building Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 38,539,955	\$ 2,000	\$ -	\$ -	\$ -	\$ 38,541,955
Cash and cash equivalents with County Treasurer	-	-	-	-	2,060,711	2,060,711
Taxes receivable, net	2,242,605	-	-	-	52,184	2,294,789
Account receivable	14,475	365,667	55	-	-	380,197
Interfund receivables	6,767,553	3,578,071	1,419,285	1,605,110	797,815	14,167,834
Due from other governments	1,692,827	3,348,468	1,357,938	3,404,936	-	9,804,169
Prepaid expenses	27,738	6,861	3,729	-	-	38,328
Inventory	164,617	-	-	-	-	164,617
<b>Total Assets</b>	<b>\$ 49,449,770</b>	<b>\$ 7,301,067</b>	<b>\$ 2,781,007</b>	<b>\$ 5,010,046</b>	<b>\$ 2,910,710</b>	<b>\$ 67,452,600</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 3,581,826	\$ 581,405	\$ 267,216	\$ 183,072	\$ 25,097	\$ 4,638,616
Interfund payables	10,729,899	5,367,474	842,869	557,210	-	17,497,452
Payroll withholdings and accruals	1,157,975	135,332	106,170	-	1,634	1,401,111
Deferred revenues	-	1,922,307	1,564,752	-	-	3,487,059
<b>Total Liabilities</b>	<b>15,469,700</b>	<b>8,006,518</b>	<b>2,781,007</b>	<b>740,282</b>	<b>26,731</b>	<b>27,024,238</b>
<b>Fund Balances</b>						
Reserved for inventory	164,617	-	-	-	-	164,617
Reserved for debt service	-	-	-	-	2,112,895	2,112,895
Unreserved, undesignated reported in:						
General Fund	33,815,453	-	-	-	-	33,815,453
Special Revenue Fund	-	(705,451)	-	-	-	(705,451)
School Building Fund	-	-	-	4,269,764	-	4,269,764
Other Governmental Funds	-	-	-	-	771,084	771,084
<b>Total Fund Balances</b>	<b>33,980,070</b>	<b>(705,451)</b>	<b>-</b>	<b>4,269,764</b>	<b>2,883,979</b>	<b>40,428,362</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 49,449,770</b>	<b>\$ 7,301,067</b>	<b>\$ 2,781,007</b>	<b>\$ 5,010,046</b>	<b>\$ 2,910,710</b>	<b>\$ 67,452,600</b>

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

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**FLORENCE SCHOOL DISTRICT ONE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2008**

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

Ending fund balances – governmental funds	\$ 40,428,362
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Net capital assets were:	36,740,668
Bond issuance costs, net of amortization, are not financial resources and, therefore, are not reported in the funds.	79,911
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	\$ 4,415,000
Total compensated absences	264,418
Accrued interest	<u>42,822</u>
	<u>(4,722,240)</u>
Net assets of governmental activities	<u>\$ 72,526,701</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, 2008**

	General Fund	Special Revenue Fund	Education Improvement Act Fund	School Building Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Local	\$ 36,186,267	\$ 2,361,901	\$ -	\$ -	\$ 8,305,786	\$ 46,853,954
Intergovernmental	55,507	1,212,676	-	-	-	1,268,183
State	67,417,913	4,040,096	12,746,449	165,630	934,384	85,304,472
Federal	-	11,354,387	-	-	-	11,354,387
<b>Total Revenues</b>	<u>103,659,687</u>	<u>18,969,060</u>	<u>12,746,449</u>	<u>165,630</u>	<u>9,240,170</u>	<u>144,780,996</u>
<b>Expenditures</b>						
<b>Current:</b>						
Instruction	62,530,147	10,428,097	8,498,247	-	4,832	81,461,323
Support services	36,826,888	8,585,626	1,893,383	26,600	2,330,728	49,663,225
Community service	-	998,349	64,800	-	-	1,063,149
Intergovernmental	1,040,095	286,410	464,475	-	-	1,790,980
Capital outlay	-	-	-	2,717,468	-	2,717,468
Debt service						
Redemption of principal	-	-	-	-	6,700,000	6,700,000
Interest	-	-	-	-	297,846	297,846
Other	-	-	-	-	2,120	2,120
<b>Total Expenditures</b>	<u>100,397,130</u>	<u>20,298,482</u>	<u>10,920,905</u>	<u>2,744,068</u>	<u>9,335,526</u>	<u>143,696,111</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,262,557</u>	<u>(1,329,422)</u>	<u>1,825,544</u>	<u>(2,578,438)</u>	<u>(95,356)</u>	<u>1,084,885</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from debt issuance	-	-	-	2,700,000	-	2,700,000
Transfers in	2,455,146	3,048,606	625,068	2,919,000	177,120	9,224,940
Transfers out	(4,087,209)	(2,364,679)	(2,450,612)	-	(40,755)	(8,943,255)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,632,063)</u>	<u>683,927</u>	<u>(1,825,544)</u>	<u>5,619,000</u>	<u>136,365</u>	<u>2,981,685</u>
<b>Net change in fund balances</b>	1,630,494	(645,495)	-	3,040,562	41,009	4,066,570
<b>Fund Balance, July 1, 2007</b>	<u>32,349,576</u>	<u>(59,956)</u>	<u>-</u>	<u>1,229,202</u>	<u>2,842,970</u>	<u>36,361,792</u>
<b>Fund Balance, June 30, 2008</b>	<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>

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

**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, 2008**

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

Net change in fund balances – total governmental funds	\$ 4,066,570
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.	2,964,729
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.	(2,568,556)
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 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	4,000,000
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 accounts.	(24,515)
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 increase by this amount.	(13,264)
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>\$ 8,382,142</u>

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

**FLORENCE SCHOOL DISTRICT ONE**  
**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, 2008**

	General Fund				Special Revenue Fund				Education Improvement Act Fund			
	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>Revenues</b>												
Local	\$ 37,285,345	\$ 37,285,345	\$ 36,186,267	\$ (1,099,078)	\$ 3,995,875	\$ 3,995,875	\$ 2,361,901	\$ (1,633,974)	\$ 1,217	\$ 1,217	\$ -	\$ (1,217)
Intergovernmental	-	-	55,507	55,507	1,234,463	1,234,463	1,212,676	(21,787)	-	-	-	-
State	65,840,264	65,840,264	67,417,913	1,577,649	5,013,671	5,013,671	4,040,096	(973,575)	14,065,662	14,065,662	12,746,449	(1,319,213)
Federal	-	-	-	-	12,425,198	12,425,198	11,354,387	(1,070,811)	-	-	-	-
<b>Total Revenues</b>	<u>103,125,609</u>	<u>103,125,609</u>	<u>103,659,687</u>	<u>534,078</u>	<u>22,669,207</u>	<u>22,669,207</u>	<u>18,969,060</u>	<u>(3,700,147)</u>	<u>14,066,879</u>	<u>14,066,879</u>	<u>12,746,449</u>	<u>(1,320,430)</u>
<b>Expenditures</b>												
Current:												
Instruction	62,940,795	62,940,795	62,530,147	(410,648)	10,978,641	10,978,641	10,428,097	(550,544)	9,039,040	9,039,040	8,498,247	(540,793)
Support services	39,353,283	39,353,283	36,826,888	(2,526,395)	9,612,654	9,612,654	8,385,626	(1,027,028)	2,796,373	2,796,373	1,893,383	(902,990)
Community service	-	-	-	-	1,375,212	1,375,212	998,349	(376,863)	64,593	64,593	64,800	207
Intergovernmental	673,979	673,979	1,040,095	366,116	5,105	5,105	286,410	281,305	447,707	447,707	464,475	16,768
<b>Total Expenditures</b>	<u>102,968,057</u>	<u>102,968,057</u>	<u>100,397,130</u>	<u>(2,570,927)</u>	<u>21,971,612</u>	<u>21,971,612</u>	<u>20,298,482</u>	<u>(1,673,130)</u>	<u>12,347,713</u>	<u>12,347,713</u>	<u>10,920,905</u>	<u>(1,426,808)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>157,552</u>	<u>157,552</u>	<u>3,262,557</u>	<u>3,105,005</u>	<u>697,595</u>	<u>697,595</u>	<u>(1,329,422)</u>	<u>(2,027,017)</u>	<u>1,719,166</u>	<u>1,719,166</u>	<u>1,825,544</u>	<u>106,378</u>
<b>Other Financing Sources (Uses)</b>												
Transfers in	2,447,749	2,447,749	2,455,146	7,397	121,394	121,394	3,048,606	2,927,212	-	-	625,068	625,068
Transfers out	(3,279,280)	(3,279,280)	(4,087,209)	(807,929)	(818,989)	(818,989)	(2,364,679)	(1,545,690)	-	(275)	(2,450,612)	(2,450,337)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,632,063)</u>	<u>(1,632,063)</u>	<u>(697,595)</u>	<u>(697,595)</u>	<u>683,927</u>	<u>1,381,522</u>	<u>-</u>	<u>(275)</u>	<u>(1,825,544)</u>	<u>(1,825,269)</u>
<b>Net change in fund balances</b>	<u>\$ 157,552</u>	<u>\$ 157,552</u>	<u>1,630,494</u>	<u>\$ 1,472,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(645,495)</u>	<u>\$ (645,495)</u>	<u>\$ 1,719,166</u>	<u>\$ 1,718,891</u>	<u>-</u>	<u>\$ (1,718,891)</u>
Fund Balance - July 1, 2007			<u>32,349,576</u>				<u>(59,956)</u>					
Fund Balance - June 30, 2008			<u>\$ 33,980,070</u>				<u>\$ (705,451)</u>					

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

**FLORENCE SCHOOL DISTRICT ONE  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2008**

	<u>Enterprise Fund</u> <u>Food Service Fund</u>
<b>Assets</b>	
<b>Current assets</b>	
Cash	\$ 1,615
Interfund receivables	3,329,618
Due from State Department of Education	138,806
Inventory	<u>34,189</u>
<b>Total current assets</b>	<u>3,504,228</u>
<b>Noncurrent assets</b>	
Capital assets, net of depreciation	<u>532,188</u>
<b>Total noncurrent assets</b>	<u>532,188</u>
<b>Total assets</b>	<u>4,036,416</u>
<b>Liabilities</b>	
Accounts payable	58,134
Compensated absences	<u>4,912</u>
<b>Total liabilities</b>	<u>63,046</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	532,188
Unrestricted net assets	<u>3,441,182</u>
<b>Total net assets</b>	<u>\$ 3,973,370</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, 2008**

	<u>Enterprise Fund</u> <u>Food Service Fund</u>
Operating revenues	
Proceeds from sale of meals	\$ 1,975,863
Total operating revenues	<u>1,975,863</u>
 Operating expenses	
Salaries and wages	2,248,248
Employee benefits	243,058
Purchases and services	93,873
Supplies	3,659,814
Depreciation	68,317
Other	139,153
Total operating expenses	<u>6,452,463</u>
 Operating income (loss)	 <u>(4,476,600)</u>
 Nonoperating revenues (expenses)	
USDA reimbursements	4,680,139
Other federal and state aid	372,197
Total nonoperating revenues (expenses)	<u>5,052,336</u>
 Income (loss) before transfers	 575,736
Net transfers out	<u>(281,685)</u>
 Change in net assets	 294,051
 Net Assets, July 1, 2007	 <u>3,679,319</u>
 Net Assets, June 30, 2008	 <u>\$ 3,973,370</u>

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

**FLORENCE SHOOOL DISTRICT ONE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Enterprise Fund</u> <u>Food Service Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 1,680,690
Cash paid to employees	(2,486,394)
Cash paid to suppliers	<u>(3,903,023)</u>
Net cash provided by (used in) operating activities	<u>(4,708,727)</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>	
Transfers out	(281,685)
Other federal and state grants	372,197
USDA reimbursements	<u>4,680,139</u>
Net cash provided (used) by noncapital financing activities	<u>4,770,651</u>
<b>Capital Financing Activities</b>	
Payments to purchase property, plant and equipment	<u>(60,309)</u>
Net cash provided (used) by capital and related financing activities	<u>(60,309)</u>
Net increase in cash and cash equivalents	1,615
<b>Cash and cash equivalents/investments</b>	
Beginning of year	<u>-</u>
End of year	<u>\$ 1,615</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, 2008**

	<u>Enterprise Fund</u> <u>Food Service Fund</u>
Reconciliation of operating income (loss)	
to net cash provided by	
(used in) operating activities	
Operating income (loss)	\$ (4,476,600)
Adjustments to reconcile operating income (loss)	
to net cash provided by (used in) operating	
activities:	
Depreciation	68,317
Change in assets and liabilities	
(Increase) decrease in interfund receivables	(96,797)
(Increase) decrease in inventories	35,649
(Increase) decrease in receivables	(73,916)
Increase (decrease) in accounts payable	(165,779)
Increase (decrease) in accrued liabilities	399
Total adjustments	<u>(232,127)</u>
Net cash provided by (used in) operating activities	<u>\$ (4,708,727)</u>

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

FLORENCE SCHOOL DISTRICT ONE  
Notes to Financial Statements  
June 30, 2008

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Florence School District One (the District) conform to the accounting principles generally accepted 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.

**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

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

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.

**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 overall government. Eliminations have been made to minimize the effects of internal activities upon 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 in 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.

**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

**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 some other 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 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 or construction 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 the payment of, 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, 2008**

**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 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, 2008

**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 met 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, 2008**

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

**Cash and Cash Equivalents**

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, 2008, 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, 2008, 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, 2008, the District had \$2,060,711 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, 2008**

**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.

**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

**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, 2008**

**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, 2008, the District had the following investments:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
South Carolina Local Government Investment Pool	Daily	\$36,561,604

*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.

**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.

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**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

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

Taxes receivable	\$ 2,415,567
Allowance for uncollectible taxes	<u>(120,778)</u>
 Taxes receivable, net	 <u>\$ 2,294,789</u>

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable for the District and the related allowance for uncollectible accounts at June 30, 2008, were as follows:

	General Fund	Special Revenue Funds	EIA Fund	Total
Accounts receivable	\$ 14,475	\$ 365,667	\$ 55	\$ 380,197
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net accounts receivable	 <u>\$ 14,475</u>	 <u>\$ 365,667</u>	 <u>\$ 55</u>	 <u>\$ 380,197</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, 2008**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2008 is as follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 6,501,776	\$ 405,540	\$ -	\$ 6,907,316
Total	<u>6,501,776</u>	<u>405,540</u>	<u>-</u>	<u>6,907,316</u>
Capital assets being depreciated				
Buildings	61,366,739	362,674	-	61,729,413
Building improvements	5,907,994	349,501	-	6,257,495
Equipment	906,937	271,473	-	1,178,410
Computer equipment	1,606,463	513,459	-	2,119,922
Vehicles	2,270,594	81,231	(129,637)	2,222,188
Mobile classrooms	4,307,115	1,110,488	-	5,417,603
Total	<u>76,365,842</u>	<u>2,688,826</u>	<u>(129,637)</u>	<u>78,925,031</u>
Accumulated Depreciation				
Buildings	(39,354,099)	(1,007,410)	-	(40,361,509)
Building improvements	(1,661,826)	(397,358)	-	(2,059,184)
Equipment	(567,224)	(201,174)	-	(768,398)
Computer equipment	(1,003,407)	(258,846)	-	(1,262,253)
Vehicles	(1,645,085)	(95,122)	-	(1,740,207)
Mobile classrooms	(2,291,482)	(608,646)	-	(2,900,128)
Total	<u>(46,523,123)</u>	<u>(2,568,556)</u>	<u>-</u>	<u>(49,091,679)</u>
Total capital assets being depreciated, net	<u>29,842,719</u>	<u>120,270</u>	<u>(129,637)</u>	<u>29,833,352</u>
Governmental Activities capital assets, net	<u>\$ 36,344,495</u>	<u>\$ 525,810</u>	<u>\$ (129,637)</u>	<u>\$ 36,740,668</u>
<b>Business-Type Activities</b>				
Equipment	\$ 1,056,378	\$ 60,309	\$ -	\$ 1,116,687
Accumulated depreciation	(516,182)	(68,317)	-	(584,499)
Business-Type Activities capital assets, net	<u>\$ 540,196</u>	<u>\$ (8,008)</u>	<u>\$ -</u>	<u>\$ 532,188</u>

Depreciation expense for Governmental Activities' capital assets totaled \$2,568,556 for the year ended June 30, 2008. Depreciation expense for capital assets of Business Type Activities for the year ended June 30, 2008, totaled \$68,317.

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**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

**NOTE 7 – LONG-TERM OBLIGATIONS**

The following details the District's long-term debt at June 30, 2008:

\$11,740,000 General Obligation Bonds of 2003, due in annual installments of \$2,150,000 to \$500,000 beginning May 1, 2004, through May 1, 2010; interest rates range from 2.00% to 2.85%.	\$ 2,200,000
\$7,865,000 General Obligation Bonds of 2004, due in annual installments of \$1,500,000 to \$2,215,000 beginning March 1, 2006, through March 1, 2009, interest rates range from 2.25% to 3.00%.	<u>2,215,000</u>
	<u>\$ 4,415,000</u>

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>
2009	\$ 3,915,000	\$ 123,200	\$ 4,038,200
2010	500,000	14,250	514,250
	<u>\$ 4,415,000</u>	<u>\$ 137,450</u>	<u>\$ 4,552,450</u>

The Debt Service Fund has \$2,060,711 available at year-end to service the debt.

At June 30, 2008, the District had no capital or operating leases with future commitments having remaining non-cancelable terms.

On July 11, 2007, the District issued \$2,700,000 of General Obligations Bonds, Series 2007. The Bonds matured and were paid in full on April 1, 2008.

**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

**NOTE 7 – LONG-TERM OBLIGATIONS (Continued)**

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

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amounts due in one year
<b>Governmental Activities</b>					
General obligation bonds	\$ 8,415,000	\$ -	\$ 4,000,000	\$ 4,415,000	\$ 3,915,000
Unamortized premium	15,439	-	15,439	-	-
Compensated absences	251,154	13,264	-	264,418	-
	<u>\$ 8,681,593</u>	<u>\$ 13,264</u>	<u>\$ 4,015,439</u>	<u>\$ 4,679,418</u>	<u>\$ 3,915,000</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 4,514	\$ -	\$ -	\$ 4,514	\$ -
	<u>\$ 4,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,514</u>	<u>\$ -</u>

Assets acquired under capital leases had a cost of \$340,823, related accumulated depreciation of \$273,939 and net book value of \$66,884. These amounts are reported in net capital assets.

At June 30, 2008, unamortized bond costs totaled \$79,911. Costs will be amortized over the life of the remaining debt. Amortization expense for the year ended June 30, 2008 totaled \$39,954.

**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 assets 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, 2008:

Funds	Transfers In	Transfers Out
General Fund	\$ 2,455,146	\$ 4,087,209
Special Revenue Fund	3,048,606	2,364,679
EIA Fund	625,068	2,450,612
School Building Fund	2,919,000	-
Other Governmental Funds	177,120	40,755
Enterprise Fund	-	281,685
Total Interfund Payable	<u>\$ 9,224,940</u>	<u>\$ 9,224,940</u>

**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

**NOTE 8 – TRANSFERS AND INTERNAL BALANCES (Continued)**

Interfund receivables/payables resulted from interfund goods and services provided or reimbursable expenditures/expenses incurred on or before June 30, 2008, for which payment was made after June 30, 2008.

The following schedule details internal balances within the reporting entity for the year ended June 30, 2008:

Interfund Payables	Interfund Receivables					Business - Type Activities	Total Interfund Payables
	Governmental Activities						
	General Fund	Special Revenue Fund	EIA Fund	School Building Fund	Other Governmental Funds		
Governmental activities							
General Fund	\$ -	\$ 485,486	\$ 1,419,285	\$ 1,605,110	\$ 3,890,400	\$ 3,329,618	\$ 10,729,899
Special Revenue Fund	2,825,510	-	-	-	-	-	2,825,510
EIA Fund	842,869	-	-	-	-	-	842,869
School Building Fund	557,210	-	-	-	-	-	557,210
Other Governmental Funds	2,541,964	-	-	-	-	-	2,541,964
<b>Total Interfund Receivables</b>	<b>\$ 6,767,553</b>	<b>\$ 485,486</b>	<b>\$ 1,419,285</b>	<b>\$ 1,605,110</b>	<b>\$ 3,890,400</b>	<b>\$ 3,329,618</b>	<b>\$ 17,497,452</b>

**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, 2002 to June 30, 2007, the employer contribution rate became 11.40 percent which included a 3.35 percent surcharge to fund retiree health and dental insurance coverage. Effective July 1, 2007 the employer contribution rate became 12.48 percent which included the 3.42 percent surcharge to fund retiree health and dental insurance coverage. The District's actual contributions to the SCRS for the three most recent fiscal years ended June 30, 2006, 2007, and 2008, were \$4,759,316, \$6,532,348, and \$10,085,016 respectively, and equaled the required contributions of 9.06 percent (excluding the surcharge) for each year. Also, the District paid employer group-life insurance contributions of \$129,173 in the current fiscal year at the rate of .15 percent of compensation.

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**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

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

**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 percent plus the retiree surcharge of 3.35 percent from the employer for the year ended June 30, 2008.

Certain of the District's employees have elected to be covered under optional retirement plans. For the year ended June 30, 2008 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.

**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. Certain employees have elected to participate. 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.

**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Financial Statements**  
**June 30, 2008**

**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 \$10,085,016 for the year ended June 30, 2008. As discussed in Note 9, the District paid \$2,306,004 applicable to the 3.42 percent 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.

Information regarding the cost of insurance benefits applicable to District retirees is not available. By State law, the District has no liability for retirement benefits. Accordingly, the cost of providing these benefits for retirees is not included in the accompanying financial statements.

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, 2008, 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.

**FLORENCE SCHOOL DISTRICT ONE**

**Notes to Financial Statements**

**June 30, 2008**

**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, 2008. Therefore, no loss accrual has been recorded.

**NOTE 13 – SUBSEQUENT EVENTS**

On October 7, 2008, the District issued \$3,412,000 General Obligation Bonds, Series 2008. The Bond will bear interest at a fixed rate of 3.51% and will mature on May 1, 2009.

**FLORENCE SCHOOL DISTRICT ONE  
General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
For The Year Ended June 30, 2008**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
1200 Revenue from Local Governmental Units other than LEA's			
1210 Ad Valorem Taxes	\$ 32,323,606	\$ 32,868,138	\$ 544,532
1240 Penalties and Interest on Taxes	68,137	36,982	(31,155)
1280 Revenue in Lieu of Taxes (Fiscally Independent and Dependent LEA)	1,087,102	1,410,128	323,026
1300 Tuition			
1310 Regular Day School from Patrons	69,274	93,139	23,865
1320 Regular Day School from Other LEA's	76,744	66,417	(10,327)
1500 Earnings on Investments			
1510 Interest on Investments	1,105,970	1,630,972	525,002
1900 Other Revenue from Local Sources			
1910 Rentals	12,098	38,624	26,526
1920 Contributions and Donations Private Sources	-	14,000	14,000
1950 Refund of Prior Year's Expenditures	-	8,557	8,557
1993 Receipt of Insurance Proceeds	-	4,380	4,380
1999 Revenue from Other Local Sources	<u>2,542,414</u>	<u>14,930</u>	<u>(2,527,484)</u>
<b>Total Local Sources</b>	<u>37,285,345</u>	<u>36,186,267</u>	<u>(1,099,078)</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	-	29,346	29,346
2300 Payments from Nonprofit Entities	-	<u>26,161</u>	<u>26,161</u>
<b>Total Intergovernmental Revenue</b>	<u>-</u>	<u>55,507</u>	<u>55,507</u>
3000 Revenue from State Sources			
3130 Special Programs			
3131 Handicapped Transportation	3,776	15,296	11,520
3132 Home Schooling	4,252	1,238	(3,014)
3160 School Bus Drivers' Salary			
3162 Transportation Workers' Compensation	638,502	763,386	124,884
3165 EEDA Transportation	42,249	43,364	1,115
	-	4,202	4,202
3180 Fringe Benefits Employer Contributions			
	10,868,944	10,971,417	102,473
3181 Retiree Insurance			
	1,778,154	1,894,112	115,958

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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, 2008

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	\$ 2,261,737	\$ 2,379,016	\$ 117,279
3312 Primary	6,532,712	7,240,628	707,916
3313 Elementary	8,482,612	8,509,012	26,400
3314 High School	4,125,099	4,209,249	84,150
3315 Trainable Mentally Handicapped	314,781	316,728	1,947
3316 Speech Handicapped	2,103,180	2,395,785	292,605
3317 Homebound	344,916	374,812	29,896
3320 Part-Time Programs			
3321 Emotionally Handicapped	320,460	308,600	(11,860)
3322 Educable Mentally Handicapped	740,022	556,123	(183,899)
3323 Learning Disabilities	2,954,962	3,472,537	517,575
3324 Hearing Handicapped	50,401	64,946	14,545
3325 Visually Handicapped	78,597	77,414	(1,183)
3326 Orthopedically Handicapped	864,404	166,623	(697,781)
3327 Vocational	4,776,546	4,606,619	(169,927)
3330 Other EFA Programs			
3331 Autism	284,009	351,837	67,828
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Property Tax Relief	4,230,371	4,233,857	3,486
3820 Homestead Exemption	1,441,303	1,575,967	134,664
3825 Property Tax Relief	11,366,379	11,393,929	27,550
3830 Merchant's Inventory Tax	440,969	440,969	-
3840 Manufacturers Depreciation Reimbursement	589,327	788,161	198,834
3890 Other State Property Tax Revenues	201,600	261,627	60,027
5300 Sale of Fixed Assets	-	459	459
Total State Sources	<u>65,840,264</u>	<u>67,417,913</u>	<u>1,577,649</u>
Total Revenue All Sources	<u>103,125,609</u>	<u>103,659,687</u>	<u>534,078</u>
<b>EXPENDITURES</b>			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	3,067,998	3,038,465	(29,533)
200 Employee Benefits	956,264	940,975	(15,289)
400 Supplies and Materials	39,247	37,494	(1,753)

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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, 2008

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>			
112 Primary Programs			
100 Salaries	\$ 7,387,929	\$ 7,795,861	\$ 407,932
200 Employee Benefits	2,268,024	2,272,498	4,474
400 Supplies and Materials	227,165	216,203	(10,962)
113 Elementary Programs			
100 Salaries	15,694,282	15,042,724	(651,558)
200 Employee Benefits	4,396,756	4,262,798	(133,958)
300 Purchased Services	88,187	72,280	(15,907)
400 Supplies and Materials	555,246	476,052	(79,194)
600 Other Objects	96	96	-
114 High School Programs			
100 Salaries	9,578,586	9,483,513	(95,073)
200 Employee Benefits	2,716,537	2,700,091	(16,446)
300 Purchased Services	108,169	102,228	(5,941)
400 Supplies and Materials	490,666	408,304	(82,362)
115 Vocational Programs			
100 Salaries	1,737,960	1,686,821	(51,139)
200 Employee Benefits	479,433	472,513	(6,920)
300 Purchased Services - Other Than Tuition	55,772	42,131	(13,641)
400 Supplies and Materials	119,301	113,719	(5,582)
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	1,556,652	1,460,563	(96,089)
200 Employee Benefits	474,606	446,156	(28,450)
122 Trainable Mentally Handicapped			
100 Salaries	684,401	754,683	70,282
200 Employee Benefits	216,143	233,252	17,109
123 Orthopedically Handicapped			
100 Salaries	574,006	602,265	28,259
200 Employee Benefits	208,245	333,079	124,834
300 Purchased Services	1,000	1,909	909
400 Supplies and Materials	34,498	40,921	6,423
124 Visually Handicapped			
100 Salaries	73,963	69,409	(4,554)
200 Employee Benefits	20,661	18,960	(1,701)
300 Purchased Services	5,000	48,040	43,040
400 supplies and Materials	4,165	1,357	(2,808)
125 Hearing Handicapped			
400 Supplies and materials	839	88,066	87,227

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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, 2008

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>			
126 Speech Handicapped			
100 Salaries	\$ -	\$ 468	\$ 468
200 Employee Benefits	-	95	95
300 Purchased Services	10,500	4,127	(6,373)
127 Learning Disabilities			
100 Salaries	3,718,635	3,807,755	89,120
200 Employee Benefits	1,072,783	1,105,219	32,436
300 Purchased Services	90,000	29,882	(60,118)
128 Emotionally Handicapped			
100 Salaries	427,086	452,219	25,133
200 Employee Benefits	138,968	143,932	4,964
130 Pre-School Programs			
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds)			
100 Salaries	205,689	252,819	47,130
200 Employee Benefits	71,991	80,570	8,579
139 Early Childhood Programs			
100 Salaries	576,686	441,977	(134,709)
200 Employee Benefits	204,877	149,893	(54,984)
140 Special Programs			
141 Gifted and Talented Academic			
100 Salaries	8,377	64,458	56,081
200 Employee Benefits	1,669	12,590	10,921
145 Homebound			
100 Salaries	542,594	808,958	266,364
200 Employee Benefits	63,133	156,683	93,550
300 Purchased Services	29,784	13,188	(16,596)
400 Supplies and Materials	12,341	11,160	(1,181)
149 Other Special Programs			
100 Salaries	480,478	392,662	(87,816)
200 Employee Benefits	123,418	110,320	(13,098)
400 Supplies and Materials	45,395	28,447	(16,948)
160 Other Exceptional Programs			
161 Autism			
100 Salaries	986,417	856,653	(129,764)
200 Employee Benefits	221,763	283,471	61,708
300 Purchased Services	4,153	3,606	(547)
400 Supplies and Materials	10,399	9,802	(597)

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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, 2008**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>EXPENDITURES</b>			
170 Other Exceptional Programs			
180 Adult / Continuing Education Programs			
181 Adult Basic Programs			
400 Supplies and Materials	\$ 35,840	\$ 5,249	\$ (30,591)
182 Adult Secondary Programs			
100 Salaries	1,958	1,566	(392)
200 Employee Benefits	396	225	(171)
190 Instructed Pupil Activity			
100 Salaries	25,700	31,765	6,065
200 Employee Benefits	7,068	6,212	(856)
600 Other Objects	<u>900</u>	<u>750</u>	<u>(150)</u>
<b>Total Instruction</b>	<u>62,940,795</u>	<u>62,530,147</u>	<u>(410,648)</u>
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work			
100 Salaries	138,317	134,380	(3,937)
200 Employee Benefits	35,917	34,519	(1,398)
300 Purchased Services	17,250	15,702	(1,548)
400 Supplies and Materials	3,750	3,411	(339)
212 Guidance			
100 Salaries	2,058,027	2,057,219	(808)
200 Employee Benefits	590,096	593,502	3,406
400 Supplies and Materials	395,398	233,878	(161,520)
213 Health			
100 Salaries	539,807	275,282	(264,525)
200 Employee Benefits	187,234	96,851	(90,383)
300 Purchased Services	7,995	431	(7,564)
400 Supplies and Materials	27,200	23,623	(3,577)
214 Psychological			
100 Salaries	373,263	418,670	45,407
200 Employee Benefits	100,104	119,230	19,126
400 Supplies and Materials	8,600	8,600	-
215 Exceptional Program Services			
100 Salaries	1,329,966	1,319,325	(10,641)
200 Employee Benefits	344,748	359,096	14,348
300 Purchased Services	14,970	2,675	(12,295)

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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, 2008**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>EXPENDITURES</b>			
217 Career Specialist			
100 Salaries	\$ -	\$ 13,387	\$ 13,387
200 Employee Benefits	-	2,164	2,164
220 Instructional Staff Services			
221 Improvement of Instruction-Curriculum Development			
100 Salaries	750,700	697,332	(53,368)
200 Employee Benefits	177,665	177,812	147
300 Purchased Services	163,159	55,985	(107,174)
400 Supplies and Materials	439,664	225,927	(213,737)
600 Other Objects	22,093	17,932	(4,161)
222 Library Media Services			
100 Salaries	1,542,619	1,511,044	(31,575)
200 Employee Benefits	478,946	461,819	(17,127)
300 Purchased Services	-	452	452
400 Supplies and Materials	207,988	185,007	(22,981)
223 Supervision of Special Programs			
100 Salaries	1,010,353	925,965	(84,388)
200 Employee Benefits	290,947	261,588	(29,359)
300 Purchased Services	122,377	-	(122,377)
400 Supplies and Materials	26,800	15,064	(11,736)
224 Improvement of Instruction - In-Service Training			
100 Salaries	100,971	97,866	(3,105)
200 Employee Benefits	25,098	23,960	(1,138)
300 Purchased Services	150,537	79,738	(70,799)
400 Supplies and Materials	40,435	39,439	(996)
230 General Administration Services			
231 Board of Education			
300 Purchased Services	169,150	87,991	(81,159)
400 Supplies & Materials	21,800	16,468	(5,332)
600 Other Objects	75,060	42,385	(32,675)
232 Office of Superintendent			
100 Salaries	184,582	184,708	126
200 Employee Benefits	47,550	45,143	(2,407)
300 Purchased Services	49,547	47,961	(1,586)
400 Supplies and Materials	5,948	2,868	(3,080)
600 Other Objects	2,480	3,125	645

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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, 2008**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>EXPENDITURES</b>			
<b>233 School Administration</b>			
100 Salaries	\$ 5,216,135	\$ 5,306,284	\$ 90,149
200 Employee Benefits	1,505,389	1,558,935	53,546
300 Purchased Services	9,559	4,934	(4,625)
400 Supplies and Materials	37,570	37,125	(445)
<b>252 Fiscal Services</b>			
100 Salaries	404,226	414,608	10,382
200 Employee Benefits	867,360	919,920	52,560
300 Purchased Services	531,818	419,376	(112,442)
400 Supplies and Materials	91,735	80,351	(11,384)
500 Capital Outlay	5,447	2,993	(2,454)
600 Other Objects	19,016	2,727	(16,289)
<b>254 Operation and Maintenance of Plant</b>			
100 Salaries	3,051,344	2,985,415	(65,929)
200 Employee Benefits	974,311	980,104	5,793
300 Purchased Services	1,102,246	911,480	(190,766)
400 Supplies and Materials	3,797,872	3,606,407	(191,465)
500 Capital Outlay	586,262	576,345	(9,917)
<b>255 Student Transportation</b>			
100 Salaries	2,028,424	1,964,096	(64,328)
200 Employee Benefits	613,547	538,308	(75,239)
300 Purchased Services	286,011	245,782	(40,229)
400 Supplies and Materials	255,337	179,416	(75,921)
<b>256 Food Service</b>			
200 Employee Benefits	824,226	699,616	(124,610)
<b>257 Internal Services</b>			
100 Salaries	36,036	36,036	-
200 Employee Benefits	11,679	11,604	(75)
<b>258 Security</b>			
300 Purchased Services	565,200	550,416	(14,784)
<b>260 Central Support Services</b>			
<b>262 Planning, Research, Development &amp; Evaluation</b>			
100 Salaries	227,763	131,128	(96,635)
200 Employee Benefits	33,017	30,926	(2,091)
300 Purchased Services	109,132	45,632	(63,500)
400 Supplies and Materials	158,418	46,785	(111,633)
600 Other Objects	9,275	9,275	-

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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, 2008

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>			
263 Information Services			
100 Salaries	\$ 98,870	\$ 102,292	\$ 3,422
200 Employee Benefits	23,456	24,440	984
300 Purchased Services	35,254	36,415	1,161
400 Supplies and Materials	24,271	23,808	(463)
600 Other Objects	38,225	1,525	(36,700)
264 Staff Services			
100 Salaries	450,841	427,797	(23,044)
200 Employee Benefits	122,477	111,281	(11,196)
300 Purchased Services	91,423	30,097	(61,326)
400 Supplies and Materials	57,788	39,683	(18,105)
600 Other Objects	33,990	33,990	-
266 Technology and Data Processing Services			
100 Salaries	709,859	790,308	80,449
200 Employee Benefits	193,522	179,003	(14,519)
300 Purchased Services	140,961	129,526	(11,435)
400 Supplies and Materials	816,926	800,933	(15,993)
500 Capital Outlay	182,407	172,400	(10,007)
270 Support Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	498,733	523,507	24,774
200 Employee Benefits	96,597	101,022	4,425
300 Purchased Services	24,540	13,477	(11,063)
400 Supplies and Materials	36,805	34,356	(2,449)
600 Pupil Activity	38,872	35,480	(3,392)
Total Supporting Services	<u>39,353,283</u>	<u>36,826,888</u>	<u>(2,526,395)</u>
400 Other Charges			
410 Intergovernmental Expenditures			
411 Payments to State Department of Education			
700 Transits	101,615	130,692	29,077
414 Medicaid Payments to State Department of Education			
700 Transits	-	343,322	343,322
416 LEA Payments to Public Charter Schools			
700 Transits	<u>572,364</u>	<u>566,081</u>	<u>(6,283)</u>
Total Other Charges	<u>673,979</u>	<u>1,040,095</u>	<u>366,116</u>
Total Expenditures	<u>102,968,057</u>	<u>100,397,130</u>	<u>(2,570,927)</u>

**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, 2008**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, from (to) Other Funds			
5220 Transfer From Special Revenue Fund	\$ -	\$ 996	\$ 996
5230 Transfer From Special Revenue ELA Fund	2,096,807	2,067,659	(29,148)
5280 Transfer From Other Funds Indirect Costs	350,942	386,491	35,549
421-700 Transfer to Special Revenue Fund	(309,301)	(1,025,209)	(715,908)
424-700 Transfer to School Building Fund	(2,153,000)	(2,919,000)	(766,000)
426-700 Transfer to Pupil Activity Fund	(143,000)	(143,000)	-
<b>Total Other Financing sources (Uses)</b>	<u>(157,552)</u>	<u>(1,632,063)</u>	<u>(1,474,511)</u>
<b>Change in Fund Balance</b>	<u>\$ -</u>	<u>1,630,494</u>	<u>\$ 1,630,494</u>
<b>Fund Balance, July 1, 2007</b>		<u>32,349,576</u>	
<b>Fund Balance, June 30, 2008</b>		<u>\$ 33,980,070</u>	

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**FLORENCE SCHOOL DISTRICT ONE**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For The Year Ended June 30, 2008**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,216	\$ 77,216
<b>1500 Earnings on Investments</b>									
1510 Interest/Scholarship	-	-	-	-	-	-	-	1,802	1,802
<b>1900 Other Revenue From Local Sources</b>									
1920 Contributions and Donations From Private Sources	-	-	-	-	-	-	-	251,023	251,023
1930 Medicaid	-	-	-	-	-	-	-	1,260,255	1,260,255
1950 Refund of Prior Year	-	45	-	-	-	-	749	34	828
1999 Revenue From Other Local Sources	-	-	-	-	-	-	-	770,777	770,777
<b>Total Local Sources</b>	-	45	-	-	-	-	749	2,361,107	2,361,901
<b>2000 Revenue From Other Government Sources</b>									
2100 RAETAC-Other Governments	-	-	-	-	-	-	-	5,360	5,360
2300 Payments From Non-Profit Entities (For First Steps)	-	-	-	-	-	-	219,572	29,398	248,970
2310 Payments From Non-Profit Entities	-	-	-	-	-	-	-	958,346	958,346
<b>Total Other Government Sources</b>	-	-	-	-	-	-	219,572	993,104	1,212,676
<b>3000 Revenue From State Sources</b>									
<b>3100 Restricted State Grants</b>									
<b>3110 EEDA</b>									
3116 9th Grade Aware/Bridge Program	-	-	-	-	-	-	58,731	-	58,731
3117 EEDA 8Th Grade Aware	-	-	-	-	-	-	8,170	-	8,170
3118 EEDA Career Specialist	-	-	-	-	-	-	541,534	-	541,534
<b>3120 General Education</b>									
3121 EAA Summer School	-	-	-	-	-	-	-	-	-
3122 Increase High School Diploma Requirements	-	-	-	-	-	-	-	-	-
3123 EAA Alternative Schools Program	-	-	-	-	-	-	71,182	-	71,182
3125 Extended Day Kindergarten Program	-	-	-	-	-	-	155,058	-	155,058
3126 Extended Day Kindergarten Fringes	-	-	-	-	-	-	98,021	-	98,021
3127 Student Health and Fitness	-	-	-	-	-	-	143,869	-	143,869
3128 Making Middle Grades	-	-	-	-	-	-	3,898	-	3,898
<b>3130 Special Programs</b>									
3134 CDEPP Materials Grant	-	-	-	-	-	-	1,063,586	-	1,063,586
3135 Preschool Programs for Children with Disabilities	-	-	-	-	-	-	-	-	-
3136 School Health Nurses	-	-	-	-	-	-	458,152	-	458,152

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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, 2008**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>REVENUES</b>									
3150 Adult Education									
3151 Basic	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,568	\$ 10,826	\$ -	\$ 21,394
3154 Young Adult Population							87,157		87,157
3160 Child Development									
3163 Child Development Program Trans									
3190 Miscellaneous Restricted State Grants									
3193 Education License Plates							5,587		5,587
3196 EAA Principal Leader									
3198 School Technology Initiative							106,344		106,344
3199 Other Restricted State Grants								80,816	80,816
3599 Other EIA Funds							650		650
3600 Education Lottery Act Revenue									
3601 EAA Teacher Specialist/Curriculum Specialist									
3603 Homework Center									
3604 EAA Retraining Grants									
3605 Palmetto Gold and Silver Awards									
3606 K-5 Mathematics and Science Coaching Program									
3607 6-8 Enhancement							59,022		59,022
3610 K-5 Enhancement							782,242		782,242
3699 Other State Lottery Programs									
3900 Other State Revenue									
3991 ADEPT							28,288		28,288
3993 School Library Media							26,464		26,464
3999 Revenue From Other State Sources								239,931	239,931
<b>Total State Sources</b>						<b>10,568</b>	<b>3,708,781</b>	<b>320,747</b>	<b>4,040,096</b>
<b>4000 Revenue From Federal Sources</b>									
4200 Occupational Education									
4210 Vocational Aid, Title I				282,990					282,990
4220 Tech Prep Education, Title II									
4300 Elementary and Secondary Education Act of 1965									
4310 Title I	3,825,983							254,046	4,080,029
4318 SC Reading First-Local Reading Improvement								473,016	473,016
4331 Enhancing Education Through Technology								93,825	93,825
4340 Title V								27,207	27,207
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III								13,106	13,106
4342 Teacher Incentive								174,935	174,935
4351 Improving Teacher Quality								813,672	813,672
4360 Even Start-Family Literacy									

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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, 2008**

	201/202 Title I	203/204 Iden	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>REVENUES</b>									
4400 Adult Education									
4410 Basic	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4490 Other Adult Education	-	-	-	-	-	-	-	219,699	219,699
4500 Programs for Children with Disabilities									
4510 Individuals with Disabilities Education Act	-	3,604,426	-	-	-	-	-	19,775	3,624,201
4520 Preschool Grants	-	-	104,033	-	-	-	-	-	104,033
4900 Other Federal Sources									
4920 Drug and Violence Prevention, Title IV	-	-	-	-	72,289	-	-	-	72,289
4924 21st Century Community Learning Centers Program	-	-	-	-	-	-	-	275,774	275,774
4994 FEMA Disaster Relief (Hurricane Relief)	-	-	-	-	-	-	-	-	-
4999 Revenue From Other Federal Sources	-	-	-	-	-	-	-	1,099,611	1,099,611
<b>Total Federal Sources</b>	<b>3,825,983</b>	<b>3,604,426</b>	<b>104,033</b>	<b>282,990</b>	<b>72,289</b>	<b>-</b>	<b>-</b>	<b>3,464,666</b>	<b>11,354,387</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ 3,825,983</b>	<b>\$ 3,604,471</b>	<b>\$ 104,033</b>	<b>\$ 282,990</b>	<b>\$ 72,289</b>	<b>\$ 10,568</b>	<b>\$ 3,929,102</b>	<b>\$ 7,139,624</b>	<b>\$ 18,969,060</b>
<b>EXPENDITURES</b>									
100 Instruction									
110 General Instruction									
111 Kindergarten Programs									
100 Salaries	\$ 70,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,869	\$ 53,467	\$ 154,696
200 Employee Benefits	20,909	(4)	-	-	-	-	7,225	15,104	43,234
400 Supplies and Materials	11,168	-	-	-	-	-	17,913	1,114	30,195
112 Primary Programs									
100 Salaries	762,615	168,295	-	-	-	-	55,202	298,234	1,284,346
200 Employee Benefits	223,391	41,397	-	-	-	-	14,347	90,651	369,786
300 Purchased Services	112,259	1,476	-	-	-	-	1,820	26,514	142,069
400 Supplies and Materials	-	20,410	-	-	-	-	86,211	126,833	233,454
113 Elementary Programs									
100 Salaries	885,956	58,423	-	55	-	-	163,575	223,244	1,331,253
200 Employee Benefits	253,518	16,700	-	-	-	-	36,348	64,228	370,794
300 Purchased Services	-	1,417	-	-	-	-	26,050	17,130	44,597
400 Supplies and Materials	246,829	3,583	-	-	-	-	432,449	85,753	768,614
114 High School Programs									
100 Salaries	-	58,423	-	-	-	-	-	164,695	223,118
200 Employee Benefits	-	16,700	-	-	-	-	-	4,099	20,799
300 Purchased Services	-	-	-	-	-	-	-	18,969	18,969
400 Supplies and Materials	-	-	-	-	-	-	10,000	68,513	78,513

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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, 2008**

	201/202 Title 1	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
115 Vocational Programs									
100 Salaries	\$ -	\$ -	\$ -	\$ 108,924	\$ -	\$ -	\$ 5,983	\$ -	\$ 114,907
200 Employee Benefits	-	-	-	16,870	-	-	1,224	-	18,094
300 Purchased Services	-	-	-	3,500	-	-	-	6,586	10,086
400 Supplies and Materials	-	-	-	53,508	-	-	155,058	28,166	236,732
500 Capital Outlay	-	-	-	-	-	-	-	81,000	81,000
120 Exceptional Programs	-	-	-	-	-	-	-	-	-
121 Educable Mentally Handicapped									
100 Salaries	-	156,133	-	-	-	-	-	2,382	158,515
200 Employee Benefits	-	62,657	-	-	-	-	-	483	63,140
300 Purchased Services	-	1,109	-	-	-	-	-	8,507	9,616
400 Supplies and Materials	-	21,444	-	-	-	-	-	17,339	38,783
122 Trainable Mentally Handicapped									
100 Salaries	-	59,170	-	-	-	-	-	-	59,170
200 Employee Benefits	-	16,995	-	-	-	-	-	-	16,995
300 Purchased Services	-	876	-	-	-	-	-	-	876
400 Supplies and Materials	-	7,006	-	-	-	-	-	-	7,006
123 Orthopedically Handicapped									
100 Salaries	-	59,190	-	-	-	-	-	124,741	183,931
200 Employee Benefits	-	8,266	-	-	-	-	-	24,647	32,913
400 Supplies and Materials	-	2,723	-	-	-	-	-	-	2,723
124 Visually Handicapped									
100 Salaries	-	13,973	-	-	-	-	-	124,327	138,300
200 Employee Benefits	-	2,834	-	-	-	-	-	35,941	38,775
300 Purchased Services	-	115	-	-	-	-	-	-	115
400 Supplies and Materials	-	681	-	-	-	-	-	-	681
125 Hearing Handicapped									
100 Salaries	-	630	-	-	-	-	-	134,596	135,226
200 Employee Benefits	-	128	-	-	-	-	-	39,101	39,229
126 Speech Handicapped									
100 Salaries	-	5,390	-	-	-	-	-	-	5,390
200 Employee Benefits	-	1,093	-	-	-	-	-	-	1,093
300 Purchased Services	-	1,363	-	-	-	-	-	-	1,363
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
127 Learning Disabilities									
100 Salaries	-	268,516	-	-	-	-	-	-	268,516
200 Employee Benefits	-	70,487	-	-	-	-	-	-	70,487
300 Purchased Services	-	12,172	-	-	-	-	-	-	12,172
400 Supplies and Materials	-	30,342	-	-	-	-	-	-	30,342

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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, 2008**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
128 Emotionally handicapped									
100 Salaries	\$ -	\$ 481,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,654	\$ 533,114
200 Employee Benefits	-	149,299	-	-	-	-	-	13,864	163,163
300 Purchased Services	-	5,296	-	-	-	-	-	-	5,296
400 Supplies and Materials	-	7,749	-	-	-	-	-	-	7,749
130 Preschool Programs									
131 Preschool Handicapped Speech (5-Yr. Olds)									
100 Salaries	-	-	15,170	-	-	-	-	-	15,170
200 Employee Benefits	-	-	4,097	-	-	-	-	-	4,097
400 Supplies and Materials	-	-	42	-	-	-	-	-	42
133 Idea Adept									
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
137 Preschool Handicapped Self-Contained (3&4-Yr. Olds)									
100 Salaries	-	96,937	57,767	-	-	-	-	-	154,704
200 Employee Benefits	-	31,391	19,674	-	-	-	-	-	51,065
300 Purchased Services	-	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	1,051	-	-	-	-	-	1,051
139 Early Childhood Programs									
100 Salaries	-	-	-	-	-	-	-	-	-
200 Employee Benefits	-	-	-	-	-	-	-	-	-
300 Purchased Services	-	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
140 Special Programs									
145									
100 Salaries	-	36,167	-	-	-	-	-	-	36,167
200 Employee Benefits	-	14,523	-	-	-	-	-	-	14,523
147									
100 Salaries	-	-	-	-	-	-	690,108	-	690,108
200 Employee Benefits	-	-	-	-	-	-	213,637	-	213,637
300 Purchased Services	-	-	-	-	-	-	13,440	-	13,440
400 Supplies and Materials	-	-	-	-	-	-	141,135	-	141,135
149 Other Special Programs									
100 Salaries	-	-	-	-	-	-	-	-	-
200 Employee Benefits	-	-	-	-	-	-	-	-	-
300 Purchased Services	-	130	-	-	-	-	-	-	130
400 Supplies and Materials	-	-	-	-	-	-	-	57	57

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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, 2008**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
161 Autism									
100 Salaries	\$ -	\$ 301,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,240
200 Employee Benefits	-	68,587	-	-	-	-	-	-	68,587
300 Purchased Services	-	1,732	-	-	-	-	-	-	1,732
400 Supplies and Materials	-	23,524	-	-	-	-	-	-	23,524
170 Summer School Programs									
171 Primary Summer School									
100 Salaries	-	-	-	-	-	-	1,924	25,000	26,924
200 Employee Benefits	-	-	-	-	-	-	394	5,070	5,464
400 Supplies and Materials	-	-	-	-	-	-	-	4,583	4,583
172 Elementary Summer School									
100 Salaries	-	-	-	-	-	-	17,050	30,233	47,283
200 Employee Benefits	-	-	-	-	-	-	3,488	4,796	8,284
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
600 Other Objects	-	-	-	-	-	-	122	-	-
173									
100 Salaries	-	-	-	-	-	-	21,729	35,229	56,958
200 Employee Benefits	-	-	-	-	-	-	4,287	7,144	11,431
400 Supplies and Materials	-	-	-	-	-	-	-	5,318	5,318
175 Instructional Programs Beyond Regular School Day									
100 Salaries	-	-	-	-	-	-	9,312	121,855	131,167
200 Employee Benefits	-	-	-	-	-	-	1,889	20,803	22,692
300 Purchased Services	323,929	-	-	-	-	-	-	-	323,929
400 Supplies and Materials	-	-	-	-	-	-	-	20,976	20,976
180 Adult / Continuing Education Programs									
181 Adult Basic Programs									
100 Salaries	-	-	-	-	-	9,281	-	140,839	150,120
200 Employee Benefits	-	-	-	-	-	953	-	19,607	20,560
300 Purchased Services	-	-	-	-	-	150	-	663	813
400 Supplies and Materials	-	-	-	-	-	184	-	2,447	2,631
182 Adult Secondary Programs									
100 Salaries	-	-	-	-	-	-	44,984	56,876	101,860
200 Employee Benefits	-	-	-	-	-	-	6,759	15,037	21,796
300 Purchased Services	-	-	-	-	-	-	-	1,050	1,050
400 Supplies and Materials	-	-	-	-	-	-	2,872	1,157	4,029
183 Adult English Literacy									
100 Salaries	-	-	-	-	-	-	-	43,003	43,003
200 Employee Benefits	-	-	-	-	-	-	-	14,513	14,513
300 Purchased Services	-	-	-	-	-	-	-	297	297
400 Supplies and Materials	-	-	-	-	-	-	-	470	470

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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, 2008**

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
188 Parenting / Family Literacy									
100 Salaries	\$ 3,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,493
200 Employee Benefits	709	-	-	-	-	-	-	-	709
300 Purchased Services	2	-	-	-	-	-	-	-	-
400 Supplies and Materials	65,928	-	-	-	-	-	-	-	65,928
189 Family Literacy									
300 Purchased Services	-	-	-	-	-	-	1,257	-	1,257
400 Supplies and Materials	-	-	-	-	-	-	93	-	93
<b>TOTAL INSTRUCTION</b>	<b>2,981,064</b>	<b>2,408,148</b>	<b>97,801</b>	<b>182,857</b>	<b>-</b>	<b>10,568</b>	<b>2,218,754</b>	<b>2,528,905</b>	<b>10,428,097</b>
200 Support Services									
210 Pupil Services									
211 Attendance and Social Work									
100 Salaries	-	23,343	-	-	15,400	-	-	-	38,743
200 Employee Benefits	-	7,959	-	-	3,132	-	-	-	11,091
300 Purchased Services	-	-	-	-	10,931	-	-	145	11,076
400 Supplies and Materials	-	-	-	-	-	-	-	1,919	1,919
212 Guidance									
100 Salaries	-	-	-	70,973	-	-	-	122,088	193,061
200 Employee Benefits	-	-	-	-	-	-	-	37,387	37,387
300 Purchased Services	-	-	-	600	-	-	-	405	1,005
400 Supplies and Materials	-	-	-	130	-	-	13,017	3,693	16,840
213 Health									
100 Salaries	60,996	189,234	-	-	-	-	342,835	1,333,741	1,926,806
200 Employee Benefits	21,068	66,970	-	-	-	-	115,317	341,921	545,276
300 Purchased Services	18,606	73,746	-	-	-	-	-	23,022	115,374
400 Supplies and Materials	299	1,955	-	-	-	-	-	29,354	31,608
214 Psychological									
100 Salaries	-	208,659	-	-	-	-	-	-	208,659
200 Employee Benefits	-	52,531	-	-	-	-	-	-	52,531
300 Purchased Services	-	10,287	-	-	-	-	-	-	10,287
400 Supplies and Materials	-	29,637	-	-	-	-	-	-	29,637
215 Exceptional Program Services									
100 Salaries	-	140,983	-	-	-	-	-	70,624	211,607
200 Employee Benefits	-	36,820	-	-	-	-	-	17,541	54,361
300 Purchased Services	-	127,329	-	-	-	-	-	-	127,329
400 Supplies and Materials	-	29,670	3,487	-	-	-	-	-	33,157

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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, 2008**

	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>(AE Projects)</u>	Other Restricted <u>State Grants</u>	Other Special Revenue <u>Programs</u>	<u>Total</u>
<b>EXPENDITURES</b>									
217									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,234	\$ -	\$ 412,234
200 Employee Benefits	-	-	-	-	-	-	129,300	-	129,300
220 Instructional Staff Services									
221 Improvement of Instruction Curriculum Development									
100 Salaries	105,393	77,963	-	-	-	-	-	130,400	313,756
200 Employee Benefits	24,917	19,289	-	-	-	-	-	36,801	81,007
300 Purchased Services	98,645	4,451	-	-	-	-	-	8,455	111,551
400 Supplies and Materials	60,520	4,743	-	-	5,540	-	-	78,300	149,193
222 Library and Media									
400 Supplies and Materials	-	-	-	-	-	-	26,464	26,234	52,698
223 Supervision of Special Programs									
100 Salaries	192,061	544,884	-	2,982	-	-	123,812	927,560	1,791,299
200 Employee Benefits	46,112	153,121	-	-	-	-	9,243	253,835	462,311
300 Purchased Services	16,216	6,572	-	25,448	-	-	3,613	47,206	99,055
400 Supplies and Materials	17,851	20,749	-	-	-	-	301	17,957	56,858
500 Capital Outlay	-	-	-	-	-	-	-	4,048	4,048
224 Improvement of Instruction in Service Training									
100 Salaries	-	-	-	-	-	-	57,684	306,655	364,339
200 Employee Benefits	-	-	-	-	-	-	12,319	75,068	87,387
300 Purchased Services	-	-	-	-	-	-	69,615	219,844	289,459
400 Supplies and Materials	-	-	-	-	-	-	159,836	58,029	217,865
500 Capital Outlay	-	-	-	-	-	-	5,587	-	5,587
600 Other Objects	-	-	-	-	-	-	-	2,952	2,952
251 Student Transportation (Federal/District Mandated)									
100 Salaries	19,771	-	-	-	-	-	-	13,665	33,436
200 Employee Benefits	4,647	-	-	-	-	-	-	5,680	10,327
300 Purchased Services	56,390	-	-	-	-	-	-	46,287	102,677
254 Operation and Maintenance of Plant									
200 Employee Benefits	-	-	-	-	-	-	-	-	-
300 Purchased Services	-	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	-	-	-	-	-	308	308
255 Student Transportation									
100 Salaries	-	63,179	-	-	-	-	-	-	63,179
200 Employee Benefits	-	-	-	-	-	-	-	-	-
300 Purchased Services	-	-	-	-	-	-	-	-	-
256									
400 Supplies and Materials	-	-	-	-	-	-	-	265	265

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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, 2008**

	201/202 Title 1	203/204 Iden	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
257									
300 Purchased Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
400 Supplies and Materials	-	-	-	-	-	-	-	16,942	16,942
258 Security									
100 Salaries	-	-	-	-	-	-	-	-	-
200 Employee Benefits	-	-	-	-	-	-	-	-	-
300 Purchased Services	-	-	-	-	29,000	-	-	7,022	36,022
262									
100 Salaries	-	-	-	-	-	-	-	4,700	4,700
200 Employee Benefits	-	-	-	-	-	-	-	954	954
400 Supplies and Materials	-	-	-	-	-	-	-	112	112
263 Information Services									
100 Salaries	-	-	-	-	-	-	-	10,147	10,147
200 Employee Benefits	-	-	-	-	-	-	-	2,538	2,538
266									
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
500 Capital Outlay	-	-	-	-	-	-	-	5,600	5,600
270 Support Services - Pupil Activity									
271 Pupil Services Activities									
300 Purchased Services	-	-	-	-	-	-	-	1,200	1,200
400 Supplies and Materials	-	-	-	-	-	-	-	796	796
600 Other Objects	-	-	-	-	-	-	814	4,154	4,968
273 Trust and Agency Activities									
100 Salaries	-	-	-	-	-	-	-	120	120
200 Employee Benefits	-	-	-	-	-	-	-	24	24
600 Other Objects	-	-	-	-	-	-	-	2,658	2,658
<b>TOTAL SUPPORT SERVICES</b>	<b>743,492</b>	<b>1,894,074</b>	<b>3,487</b>	<b>100,133</b>	<b>64,003</b>	<b>-</b>	<b>1,481,991</b>	<b>4,298,446</b>	<b>8,585,626</b>
300 Community Services									
350 Custody and Care of Children									
100 Salaries	-	-	-	-	-	-	-	480,516	480,516
200 Employee Benefits	-	-	-	-	-	-	-	80,802	80,802
300 Purchased Services	-	-	-	-	-	-	-	7,318	7,318
400 Supplies and Materials	-	-	-	-	-	-	-	22,310	22,310
370 Non-Public School Pupil Services									
300 Purchased Services	-	-	-	-	6,230	-	-	7,545	13,775
400 Supplies and Materials	-	-	-	-	2,056	-	-	-	2,056

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**FLORENCE SCHOOL DISTRICT ONE**  
**Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Continued**  
**For The Fiscal Year Ended June 30, 2008**

	201/202 Title 1	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	209/210 Drug Free	Adult Education (AE Projects)	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>EXPENDITURES</b>									
390 Other Community Services									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,605	\$ 77,613	\$ 246,218
200 Employee Benefits	-	-	-	-	-	-	43,756	20,629	64,385
300 Purchased Services	-	-	-	-	-	-	-	40,327	40,327
400 Supplies and Materials	-	-	-	-	-	-	6,216	34,426	40,642
<b>TOTAL COMMUNITY SERVICES</b>	-	-	-	-	8,286	-	218,577	771,486	998,349
<b>410 Intergovernmental Expenditures</b>									
412 Payments to State Department of Education									
720 Transits	-	4,965	-	-	-	-	-	265,473	270,438
414 Medicaid Payments to SDE									
720 Transits	-	-	-	-	-	-	-	6,108	6,108
416 LEA Payments to Public Charter Schools									
700 Transits	-	-	-	-	-	-	4,718	5,089	9,807
500 Returned Checks	-	-	-	-	-	-	-	57	57
<b>TOTAL INTERGOVERNMENTAL EXPENDITURES</b>	-	4,965	-	-	-	-	4,718	276,727	286,410
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,724,556</b>	<b>\$ 4,307,187</b>	<b>\$ 101,288</b>	<b>\$ 282,990</b>	<b>\$ 72,289</b>	<b>\$ 10,568</b>	<b>\$ 3,924,040</b>	<b>\$ 7,875,564</b>	<b>\$ 20,298,482</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Interfund Transfers, From (to) Other Funds									
5210 General Fund	\$ -	\$ 750,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,140	\$ 751,683
5220 Transfer from Special Revenue Fund	-	-	-	-	-	-	-	2,224,000	2,224,000
5230 Transfer from Special Revenue EIA Fund	-	-	-	-	-	-	-	31,773	31,773
5270 Transfer From Pupil Activity Fund	-	-	-	-	-	-	-	41,150	41,150
420-710 General Fund	-	-	-	-	-	-	(996)	-	(996)
421-710 Transfer To Special Revenue Fund	(479)	(47,827)	-	-	-	-	(4,066)	(2,180,205)	(2,232,577)
426-710 Transfer To Pupil Activity Fund	-	-	-	-	-	-	-	(26,300)	(26,300)
431-791 Special Revenue Fund Indirect Costs	(100,948)	-	(2,745)	-	-	-	-	(1,113)	(104,806)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (101,427)</b>	<b>\$ 702,716</b>	<b>\$ (2,745)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,062)</b>	<b>\$ 90,445</b>	<b>\$ 683,927</b>
<b>CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(645,495)</b>	<b>(645,495)</b>
Fund Balance, July 1, 2007	-	-	-	-	-	-	-	(59,956)	(59,956)
Fund Balance, June 30, 2008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (705,451)	\$ (705,451)

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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, 2008**

Subfund	Revenue Code	Program	Revenues	Expenditures	Transfers In (Out)
<b>Adult Education (EA Projects)</b>					
918	3151	Adult Education Basic	\$ 10,568	\$ 10,568	\$ -
<b>Total Adult Education</b>			<b>\$ 10,568</b>	<b>\$ 10,568</b>	<b>\$ -</b>
<b>Other State Restricted Grants</b>					
905	3125	Extended Day Kindergarten Program	\$ 155,058	\$ 155,058	\$ -
908	3126	Extended Day Kindergarten Fringes	98,021	98,021	-
911	3198	School Technology Initiative	106,344	106,344	-
916	3991	ADEPT	28,288	28,288	-
919	3193	Education License Plates	5,587	5,587	-
920	3154	Young Adult Population	87,157	87,157	-
921	3151	Adult Education - Basic	10,826	10,826	-
924	3134	CDEPP Materials	1,063,586	1,063,498	(88)
926	3116	Bridge Program	58,731	58,731	-
927	3117	EEDA 8th Grade Aware	8,170	8,170	-
928	3118	EEDA Career Specialist	541,534	541,534	-
933	3123	Formative Assessment	71,182	71,182	-
933	3599	Other EIA Funds	650	650	-
936	3136	School Health Nurses	458,152	458,152	-
937	3127	Student Health and Fitness	143,869	143,869	-
938	3128	Making Middle Grades	3,898	3,898	-
939	3993	School Library Media	26,464	26,464	-
943	3163	Child Development Program	-	-	-
960	3610	K-5 Enhancement	782,990	779,012	(3,978)
963	3603	Homework Center	-	-	-
965	3605	EAA Palmetto Gold and Silver Awards	-	-	-
967	3607	Grades 6-8 Enhancement	59,022	59,022	-
969	3699	Other State Lottery Programs	-	-	-
981	2300	First Steps 4K Expansion	27,485	27,485	-
982	2300	First Steps Partners	192,088	191,092	(996)
<b>Total Other State Restricted Grants</b>			<b>\$ 3,929,102</b>	<b>\$ 3,924,040</b>	<b>\$ (5,062)</b>
<b>Other Special Revenue Programs</b>					
213	4510	Individuals with Disabilities Education Act	\$ 19,775	\$ 19,775	\$ -
218	4318	SC Reading First-Local Reading Improvement	473,016	473,016	-
224	4924	21st Century Community Learning Centers Program, Title IV	289,116	289,116	-
237	4310	Title I	254,046	254,046	-
241	4340	Title V	27,207	26,489	(718)
243	4410	Adult Education Basic	219,699	219,699	-
253	4331	Enhancing Education Through Technology, Title II	93,825	93,825	-
264	4341	Language Instruction, Title II	13,106	13,106	-
267	4351	Improving Teacher Quality	813,672	813,672	-
278	4999	Revenue From Other Federal Sources	82,562	82,562	-
279	4999	Revenue From Other Federal Sources	67,011	67,011	-
280	4999	Revenue From Other Federal Sources	14,939	14,544	(395)
285	4999	Revenue From Other Federal Sources	778,586	778,586	-

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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, 2008

Subfund	Revenue		Program	Revenues	Expenditures	Transfers In (Out)
	Code					
290	4342	Teacher Incentive	\$	174,935	\$ 174,935	\$ -
299	4999	Revenue From Other Federal Sources		118,500	118,500	-
800	1999	Florence Regional Arts		1,500	1,500	-
802	1920	Contributions and Donations from Private Sources		1,000	1,000	-
803	1920	Contributions and Donations from Private Sources	#	32,066	5,766	(26,300)
805	1920	Contributions and Donations from Private Sources	-	1,603	1,215	-
808	1510	Contributions and Donations from Private Sources		302	302	-
809	3199	Other Restricted State Grants		55,274	55,274	-
811	2300	National Dropout		20,745	20,745	-
812	3199	SASI Data Collection		5,600	5,600	-
815	1920	Contributions and Donations from Private Sources		19,087	19,087	-
820	1510	Contributions and Donations from Private Sources		1,500	1,500	-
823	4999	Splash into Chinese		5,318	5,318	-
825	1920	Contributions and Donations from Private Sources		3,238	3,238	-
831	1330	Tuition from Patrons for Adult/ Continuing Education		65,007	65,007	-
831	1999	Revenue from Other Local Sources		19,032	17,701	-
835	1999	Revenue from Other Local Sources		-	-	5,862
840	3199	Other Restricted State Grants		2,865	2,865	-
841	1999	Revenue from Other Local Sources		521,121	521,121	-
841	3999	Revenue from Other State Sources		147,573	69,825	(77,748)
842	4999	Revenue From Other Federal Sources		22,260	22,260	-
843	3999	SC Arts Commission		5,000	5,000	-
845	3999	Voices for SC's Children		70,584	70,584	-
851	1330	Tuition from Patrons for Adult / Continuing Education		12,209	81,338	69,130
852	1999	Revenue from Other Local Sources		87	87	-
854	1920	Contributions and Donations from Private Sources		72,764	72,198	(566)
857	1999	Revenue from Other Local Sources		26,287	26,287	-
857	2100	Revenue from Other Governments		5,360	410	-
858	1920	Contributions and Donations from Private Sources		1,793	1,793	-
860	3199	Other Restricted State Grants		11,610	11,610	-
864	1920	State Farm Foundation		439	439	-
866	1999	Revenue from Other Local Sources		6,866	6,866	-
868	1920	Washington Mutual ED		3,908	3,908	-
869	1920	Contributions and Donations from Private Sources		22	22	-
870	1920	Contributions and Donations from Private Sources		5,616	5,616	-
871	1999	Revenue from Other Local Sources		45,604	45,604	-
872	1920	SCH Foundation		108,886	108,886	-
873	3199	Other Restricted State Grants		566	566	-
874	3999	Revenue from Other State Sources		7,500	7,500	-
875	3999	Revenue from Other State Sources		1,750	1,750	-
876	3999	Revenue from Other State Sources		5,753	5,753	-
877	3199	Other Restricted State Grants		3,952	3,952	-
878	3999	Revenue from Other State Sources		305	305	-
879	3199	Shadow Training		950	950	-
880	1930	Medicaid		-	-	493,202
881	1930	Medicaid		798,768	229,237	(2,093,203)
883	1930	Medicaid		403,113	1,644,715	1,600,000
884	1930	Medicaid		58,374	264,823	-
885	1999	Revenue from Other Local Sources		21,073	16,942	7,255

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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, 2008

Subfund	Revenue Code	Program	Revenues	Expenditures	Transfers In (Out)
886	1999	Revenue from Other Local Sources	\$ 124,350	\$ 33,918	\$ 115,382
886	2310	Payments from State	3,768	-	-
888	2310	Payments from Nonprofit Entities	952,612	952,651	-
889	2300	Revenue from Other State Sources	209	209	-
890	1999	Revenue From Other Federal Sources	265	265	-
891	4999	Revenue From Other Federal Sources	788	788	-
892	3999	SCCTM Grant	1,500	1,500	-
893	2300	Preparing Poverty	1,944	1,944	-
894	2300	McLaurin Elementary	6,499	5,925	(574)
896	4999	Attendance Improvement	1,498	1,498	-
897	2310	Under the Sea	1,966	1,519	(447)
Total Other Special Revenue Programs			\$ 7,139,624	\$ 7,875,564	\$ 90,880

**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, 2008**

	<u>Total</u>
REVENUES	
3000 Revenue From State Sources	
3500 Education Improvement Act	
3501 Increase High School Diploma Requirements	5 523,967
3505 School Technology	35,782
3509 Arts in Education	83,339
3513 Parenting / Family Literacy	99,541
3515 Advance Placement Courses	27,511
3517 Advanced Placement Singleton	7,000
3520 Gifted and Talented - Academic	333,140
3522 Gifted and Talented - Artistic	88,437
3523 Junior Scholars Program	866
3527 Critical Teaching Needs	7,514
3529 EAA Retraining Funds	-
3530 Trainable & Profoundly Mentally Disabled Student Services	133,252
3532 National Board Certification	810,751
3533 Teacher of The Year Awards	1,077
3534 Professional Development on Standards	39,598
3536 EAA Curriculum Specialist/ District Instruction Facilitator	-
3540 Four Year Old Early Childhood Program	327,751
3542 Preschool Programs for Children with Disabilities	109,196
3546 Academic Assistance K-3	1,593,376
3548 Academic Assistance 4-12	1,097,433
3549 Academic Assistance Reading Recovery	111,994
3550 Teacher Salary Increase	1,719,038
3553 Adult Education - Remedial	27,288
3555 School Employer Contributions	348,621
3562 Adult Education, Basic (Includes Rural Initiative)	381,026
3564 Adult Education, Young Adult Initiative	77,566
3565 Adult Education, Literacy	50,312
3568 EEA Technical Assistance	1,747,060
3570 Intervention and Assistance	-
3575 Competitive Teacher Grants	6,140
3577 Teacher Supplies	309,650
3578 High Schools that Work	29,790
3582 Principal's Salary / Fringe Increase	67,544
3583 EAA Summer School/Comprehensive Remediation	702,926
3588 EAA Palmetto Gold and Silver Awards	100,367
3590 School Building Fund	614,248
3591 Excellence in Middle Schools	61,500
3592 School-To-Work Transition	68,556
3593 EAA Reduce Class Size Grades 1-3	779,736
3595 EAA Homework Center Awards	10,100
3596 EAA Alternative Schools Program	158,944
3598 Bus Driver Salary Supplement	-
3599 Other EIA	42,683

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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, 2008**

	<u>Total</u>
<b>REVENUES (Continued)</b>	
3000 Revenue From State Sources	
3500 Education Improvement Act	
3699 K-5 Field Trip Fundi	\$ 4,360
1920 YAP Local Revenue	300
1950 Refund Of Prior Year	1,139
1999 Rev From Other Local	1,179
2100 Payments from Other	4,773
2310 Payments From State	78
 Total State Sources	 12,746,449
 TOTAL REVENUE ALL SOURCES	 \$ 12,746,449
 <b>EXPENDITURES</b>	
100 Instruction	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	\$ 291,630
200 Employee Benefits	71,471
400 Supplies and Materials	34,434
112 Primary Programs	
100 Salaries	1,996,432
200 Employee Benefits	576,779
300 Purchased Services	17,563
400 Supplies and Materials	223,212
113 Elementary Programs	
100 Salaries	608,179
200 Employee Benefits	151,428
300 Purchased Services	24,961
400 Supplies and Materials	364,205
500 Capital Outlay	-
114 High School Programs	
100 Salaries	1,253,142
200 Employee Benefits	310,126
300 Purchased Services	8,551
400 Supplies and Materials	245,266
115 Vocational Programs	
100 Salaries	7,500
200 Employee Benefits	1,521
400 Supplies and Materials	9,350

**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, 2008**

	<b>Total</b>
EXPENDITURES (Continued)	
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	\$ 15,000
200 Employee Benefits	3,042
400 Supplies and Materials	6,875
122 Trainable Mentally Handicapped	
100 Salaries	104,548
200 Employee Benefits	28,581
400 Supplies and Materials	12,169
123 Orthopedically Handicapped	
400 Supplies and Materials	1,650
124 Visually Handicapped	
100 Salaries	7,500
200 Employee Benefits	1,420
400 Supplies and Materials	1,100
125 Hearing Handicapped	
400 Supplies and Materials	825
127 Learning Disabilities	
100 Salaries	52,740
200 Employee Benefits	10,666
400 Supplies and Materials	21,175
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	85,634
200 Employee Benefits	26,085
400 Supplies and Materials	8,148
139 Early Childhood Programs	
100 Salaries	112,830
200 Employee Benefits	36,413
300 Purchased Services	499
400 Supplies and Materials	36,166
500 Capital Outlay	

**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, 2008**

	<b>Total</b>
<b>EXPENDITURES (Continued)</b>	
140 Special Programs	
141 Gifted and Talented - Academic	
100 Salaries	\$ 240,916
200 Employee Benefits	66,799
300 Purchased Services	4,988
400 Supplies and Materials	22,363
600 Other Objects	-
143 Advanced Placement	
400 Supplies and Materials	16,803
145 Homebound	
400 Supplies and Materials	1,650
147 Child Development	
400 Supplies and Materials	3,025
148 Gifted and Talented - Artistic	
100 Salaries	43,626
200 Employee Benefits	7,763
300 Purchased Services	20,493
400 Supplies and Materials	16,554
149 Other Special Programs	
100 Salaries	93,737
200 Employee Benefits	23,216
400 Supplies and Materials	37,604
160 Other Exceptional Programs	
161 Autism	
400 Supplies and Materials	2,750
170 Summer School Programs	
171 Primary	
100 Salaries	10,640
200 Employee Benefits	2,178
400 Supplies and Materials	381
172 Elementary Summer School	
100 Salaries	194,821
200 Employee Benefits	39,197
300 Purchased Services	300
400 Supplies and Materials	50,797

**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, 2008**

	<u>Total</u>
EXPENDITURES (Continued)	
175 Instructional Programs Beyond Regular School Day	
100 Salaries	\$ 312,819
200 Employee Benefits	60,724
300 Purchased Services	6,199
400 Supplies and Materials	207,574
500 Capital Outlay	31,187
180 Adult/ Continuing Educational Programs	
181 Instructional Programs Beyond Regular School Day	
100 Salaries	28,662
200 Employee Benefits	5,451
300 Purchased Services	36
400 Supplies and Materials	2,489
182 Adult Secondary Education Programs	
100 Salaries	105,624
200 Employee Benefits	21,602
300 Purchased Services	108
400 Supplies and Materials	2,591
183 Adult Secondary Education Programs	
400 Supplies and Materials	275
187 Adult Education Remedial	
100 Salaries	16,757
200 Employee Benefits	3,326
400 Supplies and Materials	7,205
188 Parenting/ Family Literacy	
100 Salaries	-
200 Employee Benefits	-
400 Supplies and Materials	<u>13,176</u>
<b>TOTAL INSTRUCTION</b>	<u><b>8,498,247</b></u>
200 Supporting Services	
210 Pupil Services	
212 Guidance	
100 Salaries	33,524
200 Employee Benefits	9,241
400 Supplies and Materials	9,625
213 Health Services	
100 Salaries	38,302
200 Employee Benefits	7,189

**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, 2008**

	<u>Total</u>
<b>EXPENDITURES (Continued)</b>	
215 Exceptional Program Services	
100 Salaries	\$ 7,500
200 Employee Benefits	1,521
400 Supplies and Materials	5,225
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	
200 Employee Benefits	618
300 Purchased Services	986
400 Supplies and Materials	26,872
500 Capital Outlay	5,000
222 Educational Media	
100 Salaries	45,000
200 Employee Benefits	11,968
400 Supplies and Materials	6,050
223 Supervision of Special Programs	
100 Salaries	619,693
200 Employee Benefits	194,466
300 Purchased Services	47,025
400 Supplies and Materials	24,795
224 Improvement of Instruction - In-Service Training	
100 Salaries	115,149
200 Employee Benefits	20,145
300 Purchased Services	220,965
400 Supplies and Materials	77,130
500 Capital Outlay	-
600 Other Objects	2,378
230 General Administration Services	
233 School Administration	
100 Salaries	67,544
250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
500 Capital Outlay	196,001
255 Student Transportation	
100 Salaries	45,748
200 Employee Benefits	10,229
300 Purchased Services	28,252

**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, 2008**

	<u>Total</u>
EXPENDITURES (Continued)	
271 Pupil Service Activity	
100 Salaries	\$ 1
600 Other Objects	<u>15,241</u>
 TOTAL SUPPORT SERVICES	 <u>1,893,383</u>
 300 Community Services	
390 Other Community Services	
100 Salaries	53,790
200 Employee Benefits	<u>11,010</u>
 TOTAL COMMUNITY SERVICES	 <u>64,800</u>
 400 Other Charges	
410 Intergovernmental Expenditures	
412 Payments to Other Governments	427,399
416 LEA Payments to Public Charter Schools	17,076
417 Payments for Literacy Training	<u>20,000</u>
 TOTAL OTHER CHARGES	 <u>464,475</u>
 TOTAL EXPENDITURES	 <u>10,920,905</u>
 OTHER FINANCING SOURCES (USES)	
5210 Transfer from General Fund	273,961
5230 Transfer from Special Revenue Fund	351,108
420-710 Transfer to General Fund	(2,067,659)
421-710 Transfer to Special Revenue Fund	<u>(382,953)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(1,825,543)</u>
 CHANGE IN FUND BALANCE	 -
 FUND BALANCE, JULY 1, 2007	 <u>-</u>
 FUND BALANCE, JUNE 30, 2008	 <u>\$ -</u>

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**FLORENCE SCHOOL DISTRICT ONE**  
**Education Improvement Act Fund**  
**Summary Schedule By Program**  
**For the Year Ended June 30, 2008**

PROGRAM	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In / (Out)</u>	<u>Deferred Revenue</u>
3000 Revenue from State Sources				
3500 Educations Improvement Act				
3501 Increase High School Diploma Requirements.	\$ 523,967	\$ 523,967	\$ -	\$ -
3505 School Technology In	35,782	35,782	-	276,638
3509 Arts in Education	83,339	83,339	-	32,852
3513 Parenting / Family Literacy	99,541	99,541	-	4,968
3515 Advance Placement Courses	27,511	27,511	-	8,652
3517 Advanced Placement - Singleton (Subfunded 315)	7,000	7,000	-	-
3520 Gifted and Talented - Academic	333,140	333,140	-	-
3522 Gifted and Talented - Artistic	88,437	88,437	-	28,407
3523 Junior Scholars	866	866	-	-
3527 Critical Teaching Needs	7,514	7,514	-	-
3529 Retraining Grants	-	-	-	-
3530 Trainable & Profoundly Mentally Disabled Student Services	133,252	133,252	-	-
3532 National Board Certification	810,751	810,751	-	-
3533 Teacher of The Year Awards	1,077	1,077	-	-
3534 Professional Development on Standards	39,598	39,598	-	68,602
3536 Technical Assistance	-	-	-	-
3540 Four-Year Old Early Childhood Program	327,751	327,751	-	35,884
3542 Preschool Programs for Children with Disabilities	109,196	109,196	-	6,978
3546 Academic Assistance K-3	1,593,376	1,593,376	-	-
3548 Academic Assistance 4-12	1,097,433	1,097,433	-	-
3549 Academic Assistance Reading Recovery	111,994	111,994	-	39,740
3550 Teacher Salary Increase	1,719,038	-	(1,719,038)	-
3553 Adult Education - Remedial	27,288	27,288	-	66,673
3555 School Employer Contributions	348,621	-	(348,621)	-
3562 Adult Education, Basic (Includes Rural Initiative)	381,026	381,026	-	79,958
3564 Adult Education, Young Adult Initiative	77,566	76,871	(695)	-
3565 Adult Education, Literacy	50,312	50,312	-	8,831
3568 EAA Technical Assistance	1,747,060	1,727,757	(19,303)	415,524

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**FLORENCE SCHOOL DISTRICT ONE**  
**Education Improvement Act Fund**  
**Summary Schedule By Program - Continued**  
**For the Year Ended June 30, 2008**

PROGRAM	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In / (Out)</u>	<u>Deferred Revenue</u>
3000 Revenue from State Sources				
3500 Educations Improvement Act				
3570 Intervention and Assistance	\$ -	\$ -	\$ -	\$ -
3575 Competitive Teacher Grants	6,140	6,140	-	-
3577 Teacher Supplies	309,650	309,650	-	-
3578 High Schools That Work	29,790	29,790	-	11,617
3582 Principal's Salary / Fringe Increase	67,544	67,544	-	-
3583 EAA Summer School/Comprehensive Remediation	702,926	697,160	(5,766)	454,018
3588 EAA Palmetto Gold and Silver Awards	100,367	100,367	-	4,337
3590 School Building Fund	614,248	614,248	-	-
3591 Excellence in Middle Schools	61,500	61,500	-	-
3592 School-to-Work Transportation Act 9	68,556	63,056	(5,500)	13,939
3593 EAA Reduce Class Size Grades 1-3	779,736	1,053,697	273,961	-
3595 EAA Homework Center Awards	10,100	10,100	-	-
3596 EAA Alternative Schools Program	158,944	158,944	-	-
3598 Bus Driver Salary Supplement	-	-	-	-
3599 Other EIA	42,683	42,683	-	3,093
3699 K-5 Field Trip Fundi	4,360	3,779	(581)	4,040
1920 YAP Local Revenue	300	300	-	-
1950 Refund Of Prior Yr's	1,139	1,139	-	-
1999 Rev From Other Local	1,179	1,179	-	-
2100 Payments from Other	4,773	4,773	-	-
2310 Payments From State	78	78	-	-
<b>Totals</b>	<b>\$ 12,746,449</b>	<b>\$ 10,920,906</b>	<b>\$ (1,825,543)</b>	<b>\$ 1,564,751</b>

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**FLORENCE SCHOOL DISTRICT ONE**  
**School Building Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2008**

**REVENUES**

1500 Earnings on Investments

    1510 Interest on Investments

\$ 148,880

    2100 Payments from Other

16,750

Total State Sources

165,630

**TOTAL REVENUE ALL SOURCES**

165,630

**EXPENDITURES**

250 Finance and Operations

253 Facilities Acquisition and Construction

    300 Purchased Services

26,600

Total Finance and Operations Expenditures

26,600

500 Capital Outlay

    510 Purchased Services

527,885

    520 Construction Services

572,851

    530 Improvements Other Than Buildings

505,104

    580 Mobile Classrooms

1,111,628

Total Capital Outlay

2,717,468

**TOTAL EXPENDITURES**

2,744,068

**OTHER FINANCING SOURCES (USES)**

    5120 Proceeds from Debt Issuance

2,700,000

    5210 Transfer from General Fund (Excludes Indirect Costs)

2,919,000

    420-710 Transfer to General Fund

-

**TOTAL OTHER FINANCING SOURCES (USES)**

5,619,000

Change in Fund Balance

3,040,562

Fund Balance, July 1, 2007

1,229,202

Fund Balance, June 30, 2008

\$ 4,269,764

**FLORENCE SCHOOL DISTRICT ONE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2008**

	<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>	
<b>Assets</b>			
Cash and Cash Equivalents with County Treasurer	\$ -	\$ 2,060,711	\$ 2,060,711
Taxes Receivable, Net	-	52,184	52,184
Interfund Receivables	797,815	-	797,815
<b>Total Assets</b>	<b>\$ 797,815</b>	<b>\$ 2,112,895</b>	<b>\$ 2,910,710</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 25,097	\$ -	\$ 25,097
Accrued Liabilities	1,634	-	1,634
<b>Total Liabilities</b>	<b>26,731</b>	<b>-</b>	<b>26,731</b>
<b>Fund Balances</b>			
Reserved for Debt Service	-	2,112,895	2,112,895
Unreserved	771,084	-	771,084
<b>Total Fund Balance</b>	<b>771,084</b>	<b>2,112,895</b>	<b>2,883,979</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 797,815</b>	<b>\$ 2,112,895</b>	<b>\$ 2,910,710</b>

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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, 2008**

	<u>Special Revenue Fund</u>		
	<u>Pupil Activity Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Local	\$ 2,104,200	\$ 6,201,586	\$ 8,305,786
State	-	934,384	934,384
Total Revenues	<u>2,104,200</u>	<u>7,135,970</u>	<u>9,240,170</u>
Expenditures			
Current:			
Instruction	4,832	-	4,832
Support Services	2,330,728	-	2,330,728
Redemption of Principal	-	6,700,000	6,700,000
Interest	-	297,846	297,846
Other	-	2,120	2,120
Total Expenditures	<u>2,335,560</u>	<u>6,999,966</u>	<u>9,335,526</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(231,360)</u>	<u>136,004</u>	<u>(95,356)</u>
Other Financing Sources (Uses)			
Transfers In	177,120	-	177,120
Transfers Out	<u>(40,755)</u>	<u>-</u>	<u>(40,755)</u>
Total Other Financing Sources (Uses)	<u>136,365</u>	<u>-</u>	<u>136,365</u>
Net Change in Fund Balances	(94,995)	136,004	41,009
Fund Balance, July 1, 2007	<u>866,079</u>	<u>1,976,891</u>	<u>2,842,970</u>
Fund Balance, June 30, 2008	<u>\$ 771,084</u>	<u>\$ 2,112,895</u>	<u>\$ 2,883,979</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, 2008**

RECEIPTS

1000 RECEIPTS FROM LOCAL SOURCES

1300 Tuition  
1310 Regular Day School from Patrons \$ 7,509

1700 Pupil Activities  
1710 Admissions 90,535  
1790 Other Pupil Activity Income 1,996,511

Total Pupil Activities 2,087,046

1900 Other Revenue from Local Sources  
1910 Rentals 9,645  
1999 Revenue from Other Local Sources -

Total Other Revenues 9,645

TOTAL RECEIPTS FROM LOCAL SOURCES 2,104,200

DISBURSEMENTS

100 INSTRUCTION

190 Instructional Pupil Activities  
660 Pupil Activity 4,832

200 SUPPORT SERVICES

270 Support Services Pupil Activities  
271 Pupil Service Activities  
110 Salaries 122,927  
220 Employee Retirement 11,888  
230 Social Security 9,248  
660 Pupil Activity 2,186,665

TOTAL DISBURSEMENTS 2,335,560

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds

5210 Transfer from General Fund 143,000  
5220 Transfer from Special Revenue Fund 34,120  
421-710 Transfers to Other Funds (40,755)

TOTAL OTHER FINANCING SOURCES (USES) 136,365

Change in Fund Balance (94,995)

Fund Balance, July 1, 2007 866,079

Fund Balance, June 30, 2008 \$ 771,084

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**FLORENCE SCHOOL DISTRICT ONE**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For The Year Ended June 30, 2008**

REVENUES

1000 REVENUE FROM LOCAL SOURCES

1200 Revenue from Local Governmental Units Other than LEAs

1210 Ad Valorem Taxes - Including Delinquent	\$ 5,825,804
1240 Penalties and Interest	12,411
1280 Revenue in Lieu of Taxes	201,910

1500 Earning on Investments

1510 Interest on Investments	<u>161,461</u>
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TOTAL REVENUE FROM LOCAL SOURCES

6,201,586

3000 REVENUE FROM STATE SOURCES

3800 State Revenue in Lieu of Taxes

3820 Homestead Exemption	203,320
3830 Merchant's Inventory Tax	175,434
3840 Manufacturers Depreciation Reimbursement	96,250
3890 Other State Revenues	<u>459,380</u>

TOTAL REVENUES FROM STATE SOURCES

934,384

TOTAL REVENUES FROM ALL SOURCES

7,135,970

EXPENDITURES

500 DEBT SERVICE

610 Redemption of Principal

620 Interest	6,700,000
690 Other	297,846
	<u>2,120</u>

TOTAL EXPENDITURES

6,999,966

CHANGE IN FUND BALANCE

136,004

FUND BALANCE, JULY 1, 2007

1,976,891

FUND BALANCE, JUNE 30, 2008

\$2,112,895

**FLORENCE SCHOOL DISTRICT ONE**  
**Food Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Assets**  
**For The Year Ended June 30, 2008**

REVENUES

1000 Revenue from Local Sources	
1600 Food Service	
1610 Lunch Sales to Pupils	\$ 1,118,271
1620 Breakfast Sales to Pupils	14,071
1630 Special Sales to Pupils	565,498
1640 Lunch Sales to Adults	244,468
1650 Breakfast Sales to Adults	7,959
1660 Special Sales to Adults	25,596
1900 Other Revenue from Local Sources	
1999 Other Revenue from Other Local Sources	<u>(1,517)</u>
Total Revenue from Local Sources	<u>1,974,346</u>
3000 Revenue from State Sources	
3142 Program Aid	7,270
3999 Other	<u>-</u>
Total Revenue from State Sources	<u>7,270</u>
4000 Revenue From Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch and After School Snacks Program	3,476,508
4830 School Breakfast Program	1,203,631
4850 USDA Commodities	<u>366,444</u>
Total Revenue from Federal Sources	<u>5,046,583</u>
<b>TOTAL REVENUE FROM ALL SOURCES</b>	<u><b>7,028,199</b></u>

**FLORENCE SCHOOL DISTRICT ONE**  
**Food Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Net Assets - Continued**  
**For The Year Ended June 30, 2008**

EXPENSES

250 Finance and Operations

256 Food Service	
100 Salaries	\$ 2,248,248
200 Employee Benefits	243,058
300 Purchased Services	93,873
400 Supplies and Materials	3,659,814
500 Capital Outlay	184,499
600 Other Objects	<u>22,971</u>

TOTAL EXPENSES 6,452,463

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds	
5270 Transfer from Other Funds	
432-791 Food Service Fund Indirect Costs	<u>(281,685)</u>

TOTAL OTHER FINANCING SOURCES (USES) (281,685)

CHANGE IN NET ASSETS 294,051

NET ASSETS, JULY 1, 2007 3,679,319

NET ASSETS, JUNE 30, 2008 \$ 3,973,370

**FLORENCE SCHOOL DISTRICT ONE**  
**Location Reconciliation Schedule**  
**For the Year Ended June 30, 2008**

Location ID Number	Location Description	Education Level	Cost Type	Amount
001	Administration	Non-School	Central	\$ 22,002,317
002	Moore Middle	Middle School	School	3,940,220
004	South Florence High	High School	School	10,325,147
005	Williams Middle	Middle School	School	5,776,151
006	Wilson High	High School	School	10,519,505
008	Briggs Elementary	Elementary School	School	4,513,466
009	Carver Elementary	Elementary School	School	6,087,349
010	Delmae Elementary	Elementary School	School	5,241,184
011	Greenwood Elementary	Elementary School	School	4,696,847
012	McLaurin Elementary	Elementary School	School	5,270,968
013	Lester Elementary	Elementary School	School	5,472,857
014	West Florence High	High School	School	10,702,081
016	North Vista Elementary	Elementary School	School	6,552,832
017	Royall Elementary	Elementary School	School	4,850,277
018	Savannah Grove Elementary	Elementary School	School	5,117,892
019	Dewey Carter Elementary	Elementary School	School	4,836,828
020	Henry Timrod Elementary	Elementary School	School	3,336,358
021	Wallace Gregg Elementary	Elementary School	School	3,096,213
022	Southside Middle	Middle School	School	6,690,371
050	Sneed Middle	Middle School	School	5,940,528
800	Adult Education	Other School	School	2,398,700
801	Alternative School	Other School	School	1,396,750
802	Beck Center	Other School	School	373,241
803	ITV	Non-School	Central	71,782
804	Warehouse	Non-School	Central	1,988,893
806	Transportation	Non-School	Central	2,932,867
885	Florence School District One Print Shop	Non-School	Central	16,942
900	Non Public Schools	Other School	School	18,219
902	Parent Center	Non-School	Central	397,277
908	PeeDee Education Center	Non-School	Central	963,220
920	Project Reach	Other School	School	23,742
930	Choices Charter School	Other School	School	75
940	Clinical Day	Other School	School	587,920
960	Adolescent Pregnancy Prevention	Non-School	Central	-
990	Memorial Stadium	Non-School	Central	94,127
991	All Saints	Other School	School	1,782
992	Saint Anthony	Other School	School	1,182
993	Byrnes Academy	Other School	School	1,582
994	Choices	Other School	School	1,382
995	Florence Career Center	Other School	School	3,828,498
996	Oakland Avenue Day School	Other School	School	1,177
997	Palmetto Youth Academy	Other School	School	78,813
999	Sails	Other School	School	1,212
<b>Total Expenditures / Disbursements for All Funds</b>				<b>\$ 150,148,574</b>

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

General Fund	\$ 100,397,130
Special Revenue Fund	20,298,482
Education Improvement Act Fund	10,920,905
Proprietary Fund	6,452,463
Other Governmental Funds	9,335,526
School Building Fund	2,744,068
<hr/>	

**Total Expenditures / Disbursements for All Funds**      **\$ 150,148,574**

**FLORENCE SCHOOL DISTRICT ONE**  
**Detailed Schedule of Due to State Department of Education / Federal Government**  
**June 30, 2008**

<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, 2008**

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	366,444
600	School Breakfast	10.533	N/A	1,203,631
600	After School Snacks	10.533	N/A	78,586
600	School Lunch Program	10.555	N/A	<u>3,397,922</u>
Total U.S. Department of Agriculture				<u>5,046,583</u>
<u>U.S. Department of Education</u>				
Pass Through State Department of Education:				
243	Adult Education - State Grant Program	84.002	08EA034	213,766
243	English Literacy	84.002	08ED034-01	<u>5,933</u>
Total 84.002				<u>219,699</u>
201	Title I Grants to LEA's	84.010	08BA034	3,825,983
237	Title I Part A School Improvement	84.010	08BJ034-01	254,046
203	IDEA - Special Education - Grants to States	84.027	08CA034	3,538,281
204	IDEA - Extended School Year	84.027	08CA034	66,145
205	Special Education - Preschool Grants	84.173	08CG034	104,033
207	Vocational Education - Basic (Subprogram 02)	84.048	08VA034	282,990
209	Drug and Violence Prevention Program	84.186	08FQ034	72,289
213	IDEA - Personnel Development	84.027	08CA034-01	19,775
218	South Carolina Reading First - Local Reading Improvement, Title I	84.357	08RC034-01	473,016
224	21st Century Learning	84.287	08CL034-01	188,794
224	21st Century Learning	84.287	08CL034-02	100,322
241	Title V - Promoting Informed Parental Choice and Innovative Programs	84.298	08BB034	27,207
253	Enhancing Education Through Technology, Title II	84.318	07ES026-01	68,232
253	E2T2 - Ed Tech Formula Grant	84.318	08ET034-01	25,593
264	Title III - Language Instruction for Limited English Proficient and Immigrant Students	84.365	08BP044	13,106
267	Improving Teacher Quality	84.367	08TQ034	802,857
267	Teacher Advancement Program	84.367	08TQ034-02	10,815
290	Teacher Incentive Fund	84.374		173,335
280	Still Acquiring Independent Life Skills	93.360	7-21-0016	14,939
285	Smaller Learning Communities	84.215		778,586
299	Gaining Early Awareness & Readiness for Undergraduate Programs	84.334	P334S0500009	<u>118,500</u>
				<u>10,958,844</u>
<u>U.S. Department of Defense</u>				
Direct Program				
278	ROTC		84.287	82,562
279	NROTC		84.287	<u>67,011</u>
				<u>149,573</u>
Total Federal Assistance Expended				<u>5 16,374,699</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.

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**FLORENCE SCHOOL DISTRICT ONE**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For Year Ended June 30, 2008**

**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, 2008, the District had no food commodities on hand.

# Baird & Company, CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS  
Augusta, Georgia Office

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Benjamin B. Barmore, CPA, MCP, CITP  
W. Lee Hammond, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH 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, 2008, and have issued our report thereon dated March 10, 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as item 2008-01.

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To the Honorable Chairman and  
Members of the Board of Trustees  
Florence School District One  
Florence, South Carolina  
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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 2008-02 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 item 2008-02.

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  
March 10, 2009

# Baird & Company, CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

Augusta, Georgia Office

Thomson, Georgia Office

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W. Lee Hammond, CPA

## 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, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of 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, 2008.

### 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.

To the Honorable Chairman and  
Members of the Board of Trustees  
Florence School District One  
Florence, South Carolina  
Page -2-

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  
March 10, 2009

**FLORENCE SCHOOL DISTRICT ONE**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2008**

**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, 2008 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 \$491,241.
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**

2008-01      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, 2008.

**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.

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**FLORENCE SCHOOL DISTRICT ONE**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2008**

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

2008-02      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 Repsonse:*

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.

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

There were no findings noted for the year ended June 30, 2008, 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, 2008**

2007-02

**Condition and Criteria:** During our audit of the Adult Education program (CFDA 84.002, Project Number 07EA034, pass through the Department of Education), we found that the former State Director of the Office of Adult and Community Education had received reimbursements for travel expenses and cell phone expenses under this grant. Additionally, the former director received a \$3,000 stipend for teaching a recertification class.

**Auditor's Recommendation:** All personnel with approval authority over grant award expenditures should thoroughly read and understand allowable and unallowable cost. Any ineligible expenditure should not be reimbursed under a federal award program.

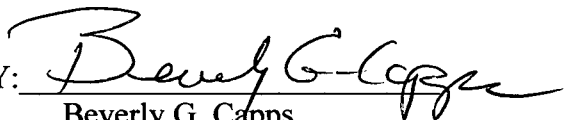
*Current Status:*

The recommendation was adopted in January 2008. No similar findings were noted in the June 30, 2008 audit.

**CERTIFICATE OF SERVICE**

I, the undersigned employee of McIntosh Law Office, do hereby certify that the foregoing Third 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.  
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BY:   
Beverly G. Capps

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