

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DUNCAN, SOUTH CAROLINA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 FINANCIAL STATEMENTS
 AND SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 AND SUPPLEMENTARY INFORMATION
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To the Board of Trustees of
Spartanburg County School District Five
Duncan, South Carolina

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, Duncan, South Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Spartanburg County School District Five's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, Duncan, South Carolina, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Trustees of
Spartanburg County School District Five
Page Two

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spartanburg County School District Five's basic financial statements. The combining and individual fund financial schedules and other schedules required by the South Carolina Department of Education are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules required by the South Carolina Department of Education, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules, other schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2017, on our consideration of Spartanburg County School District Five, Duncan, South Carolina'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spartanburg County School District Five's internal control over financial reporting and compliance.

McAbee, Schwartz, Halliday & Co.

Spartanburg, South Carolina
October 27, 2017

Spartanburg County School District Five
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2017.

Financial Highlights

- Due to conservative budgeting, the General Fund state revenue received was \$773,267 more than budgeted.
- The revenue from local sources had a favorable variance of \$3,734,924. This favorable variance was mainly due to insurance proceeds of \$1,075,000 for damaged roofs, an increase in fee-in-lieu of taxes of \$1,396,541 and an overall increase in collections.
- The District had a favorable expenditure variance of \$1,888,669. This favorable variance was mainly due to an over-estimate of employee fringe benefits.
- A total of \$6,791,438 was transferred to the Capital Projects Fund.
- On June 30, 2017, the available, unassigned fund balance for the General Fund was \$14,283,878 which is 17.5% of the total budgeted General Fund expenditures, including transfers, for fiscal year 2017-18.
- The District's net position increased by \$6,944,861 or 19.5%. Program revenues accounted for \$40,689,153 or 40.9% of total revenues, and general revenues accounted for \$58,883,327 or 59.1%.
- Expansions of Lyman Elementary School and Byrnes High school were completed and the new classrooms were occupied.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Spartanburg County School District Five as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in a single column.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Spartanburg County School District Five
Management's Discussion and Analysis - Continued
For the Fiscal Year Ended June 30, 2017

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 11 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, governmental and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Management of fiduciary funds is an auxiliary function of the District and is not necessarily related to the instructional and/or operational function of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the pupil activity of the schools and accounts for this activity in an agency fund. The District's fiduciary activities are reported in separate Statement of Fiduciary Assets and Liabilities on page 15.

Spartanburg County School District Five
Management's Discussion and Analysis - Continued
For the Fiscal Year Ended June 30, 2017

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities by \$42,637,558 at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net position for FY 2017 and 2016:

	Governmental Activities 2017	Governmental Activities 2016
Assets		
Current and Other Assets	\$ 47,400,742	\$ 45,294,882
Capital Assets	136,758,439	133,664,271
Total Assets	184,159,181	178,959,153
Deferred Outflows of Resources		
Loss on Advanced Refunding	2,256,643	2,723,534
Deferred Outflows Related to Pensions	13,647,000	11,479,194
Total Deferred Outflows of Resources	15,903,643	14,202,728
Liabilities		
Long - Term Liabilities	148,327,828	146,072,678
Other Liabilities	9,097,438	6,358,277
Total Liabilities	157,425,266	152,430,955
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	-	5,038,229
Total Deferred Inflows of Resources	-	5,038,229
Net Position		
Net Investment in Capital Assets	82,583,499	72,263,728
Restricted for:		
General fund - nonspendable	1,221,592	1,179,683
Debt Service	2,164,746	1,398,110
Food Service	1,138,773	1,194,956
Unrestricted (deficit)	(44,471,052)	(40,343,780)
Total Net Position	\$ 42,637,558	\$ 35,692,697

Spartanburg County School District Five
Management's Discussion and Analysis - Continued
For the Fiscal Year Ended June 30, 2017

Government-wide Financial Analysis - Continued

Table 2 shows the changes in net position for fiscal year 2017 and 2016:

	Governmental Activities 2017	Governmental Activities 2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,155,188	\$ 1,201,749
Operating Grants	39,533,965	36,846,113
General Revenues:		
Property Taxes	44,085,293	41,899,859
Grants and Entitlements	12,917,455	12,788,074
Other	1,880,579	349,155
Total Revenues	99,572,480	93,084,950
Program Expenses:		
Instruction	57,051,658	53,749,658
Support Services	32,973,181	29,197,186
Community Services	282,287	281,863
Intergovernmental	387,856	434,346
Interest and Fiscal Charges	1,932,637	2,093,577
Total Expenses	92,627,619	85,756,630
Change in Net Position	\$ 6,944,861	\$ 7,328,320
Net Position - Beginning of Year	\$ 35,692,697	\$ 28,364,377
Net Position - End of Year	\$ 42,637,558	\$ 35,692,697

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 11) reported a combined fund balance of \$37,823,593, which is less than last year's total of \$38,886,668.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2017 and 2016:

Fund Balance Comparison				
	Fund Balance June 30, 2017	Fund Balance June 30, 2016	Increase (Decrease)	
General	\$ 15,505,470	\$ 15,505,470	\$ -	
Special Revenue - Food Service	1,138,773	1,194,956	(56,183)	
Debt Service	2,144,690	1,398,110	746,580	
Debt Service - EFC	20,056	20,056	-	
Capital Projects	19,014,604	20,768,076	(1,753,472)	
Total	\$ 37,823,593	\$ 38,886,668	\$ (1,063,075)	

Spartanburg County School District Five
Management's Discussion and Analysis - Continued
For the Fiscal Year Ended June 30, 2017

The District's Funds – Continued

As Table 4 below illustrates, the largest portions of General Fund expenditures are for salaries and fringe benefits.

	General Fund Expenditures By Objects			
	Fiscal Year 2017		Fiscal Year 2016	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 43,169,704	61.1%	\$ 40,464,420	60.5%
Fringe Benefits	15,998,568	22.7%	14,697,300	22.0%
Purchased Services	5,532,306	7.8%	4,917,372	7.4%
Supplies and Materials	3,716,863	5.3%	3,582,381	5.3%
Capital Outlay	1,709,344	2.4%	2,742,348	4.1%
Miscellaneous	486,716	0.7%	487,570	0.7%
Total	\$ 70,613,501	100.0%	\$ 66,891,391	100.0%

The special revenue funds and Education Improvement Act funds are used to account for the proceeds and expenditures that are legally restricted for specified purposes.

General Fund Budget Information

The General Fund schedule of revenues, expenditures, and changes in fund balance is presented in Schedule 3 beginning on page 45 of the financial statements. This schedule compares budget to actual and indicates the favorable and unfavorable variances.

The revenue from local sources had a favorable variance of \$3,734,924. This favorable variance was mainly due to insurance proceeds of \$1,075,000 for damaged roofs, an increase in fee-in-lieu of taxes of \$1,396,541 and increased collections.

The revenue from state sources had a favorable variance of \$773,267. This favorable variance was largely a result of a conservative budget approach in budgeting state revenue.

The District had a favorable expenditure variance in expenditures in the amount of \$1,888,669. This favorable variance was mainly due to an over-estimate of employee fringe benefits.

The District was also able to transfer \$6,791,438 from the General Fund to the Capital Projects Fund to help fund future school construction projects.

Capital Assets

Expansion projects were completed at Byrnes High School and Lyman Elementary School. The Lyman Elementary School addition was occupied August 2016 and the Byrnes High School addition was occupied February 2017.

Debt

Of the \$66,000,000 Installment Refunding Revenue Bonds issued on October 10, 2013, \$39,445,000 were still outstanding at the end of the fiscal year. On July 15, 2015, the district issued \$18,200,000 in General Obligation Bonds to help fund the Byrnes High and Lyman Elementary expansions. At fiscal year end, \$14,410,000 of the General Obligation Bonds were outstanding. The net pension liability of the District at fiscal year end, as required by GASB 68, was \$92,215,820.

Spartanburg County School District Five
 Management's Discussion and Analysis - Continued
 For the Fiscal Year Ended June 30, 2017

Factors Expected to have an Effect on Future Operations

The number of students the District serves has been increasing annually for over twenty years, with the exception of FY 2011. However, the rate of student growth has slowed in the last eight fiscal years. The district will continue to closely monitor the number of students served.

Table 5 shows the students served, kindergarten through grade 12, for the past twenty-two years:

Number of Students Served K-12

School Year	Number of Students	Number Increased	Percentage Increased
95-96	4,615		
96-97	4,801	186	4.0%
97-98	5,005	204	4.4%
98-99	5,195	190	3.8%
99-00	5,351	156	3.0%
00-01	5,487	136	2.5%
01-02	5,755	268	4.9%
02-03	5,858	103	1.8%
03-04	6,060	202	3.4%
04-05	6,291	231	3.8%
05-06	6,540	249	4.0%
06-07	6,806	266	4.1%
07-08	6,975	169	2.5%
08-09	7,336	361	5.2%
09-10	7,428	92	1.3%
10-11	7,321	(107)	-1.4%
11-12	7,397	76	1.0%
12-13	7,538	141	1.9%
13-14	7,692	154	2.0%
14-15	7,819	127	1.7%
15-16	7,838	19	0.2%
16-17	7,879	41	0.5%

Twenty - one year increase 3,264 70.7%

* Based on 135 day Average Daily Membership K-12

To accommodate the projected growth in students, in 2005 the School District's Board of Trustees approved a long-range building plan that included building a new middle school to replace the existing D. R. Hill Middle School, renovating the existing D. R. Hill Middle School and converting it into a ninth grade academy, building two new elementary schools, building a fine arts facility, and building a field house. Construction began in November 2005. All of these facilities, along with a twelve classroom addition at River Ridge Elementary, have now been constructed and are serving students. This fiscal year, the District completed expansion projects at Byrnes High School and Lyman Elementary.

The financial report is designed to provide the School District's citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the finance director, P. O. Box 307, Duncan, South Carolina 29334.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 8,730,100
Investments	19,022,224
Taxes receivable, current	615,314
Taxes receivable, delinquent	2,664,287
Less allowance for uncollectable, delinquent	(1,865,001)
Accounts receivable	939,278
Due from county government	13,632,634
Due from other state agencies	951,765
Due from State Department of Education	128,429
Due from Federal Government	1,273,724
Prepaid expenses	1,221,592
Inventory - commodities	86,396
	<u>47,400,742</u>
Capital Assets:	
Land	6,628,706
Buildings and improvements	191,780,867
Furniture and equipment	5,117,985
Less: Accumulated depreciation	(66,769,119)
	<u>136,758,439</u>
Total Assets	<u>184,159,181</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on advanced refunding	2,256,643
Deferred amounts related to pensions	13,647,000
	<u>15,903,643</u>
LIABILITIES	
Accounts payable	1,121,740
Retainage payable	300,000
Due to State Department of Education	3,631
Health and life insurance and other deductions	2,120,648
Accrued salaries	154,856
Accrued interest payable	319,575
Unearned revenues	1,276,988
Bonds payable	3,800,000
Noncurrent liabilities:	
Due within one year	7,985,000
Due in more than one year	48,127,008
Net pension liability	92,215,820
	<u>157,425,266</u>
NET POSITION	
Net investment in capital assets	82,583,499
Restricted for:	
General fund - nonspendable	1,221,592
Debt service	2,164,746
Food service	1,138,773
Unrestricted (deficit)	<u>(44,471,052)</u>
Total Net Position	<u>\$ 42,637,558</u>

The accompanying notes are an integral part of the financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
PRIMARY GOVERNMENT:				
Governmental activities:				
Instruction	\$ 57,051,658	\$ 27,125	\$ 30,763,057	\$ (26,261,476)
Support services	32,973,181	1,128,063	8,442,142	(23,402,976)
Community services	282,287	-	256,661	(25,626)
Intergovernmental	387,856	-	72,105	(315,751)
Interest and other charges	1,932,637	-	-	(1,932,637)
TOTAL PRIMARY GOVERNMENT	92,627,619	1,155,188	39,533,965	(51,938,466)
GENERAL REVENUES:				
Property taxes levied for:				
General purpose				39,591,488
Debt service				4,493,805
Unrestricted state grants				12,917,455
Unrestricted investment earnings				176,462
Contributions				9,810
Miscellaneous				1,694,307
Total general revenues				<u>58,883,327</u>
CHANGE IN NET POSITION				6,944,861
NET POSITION - JULY 1, 2016				<u>35,692,697</u>
NET POSITION - JUNE 30, 2017				<u><u>\$ 42,637,558</u></u>

The accompanying notes are an integral part of the financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund - Special Projects	Special Revenue Fund - EIA	Special Revenue Fund - Food Service	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 8,309,677	\$ -	\$ -	\$ -	\$ -	\$ 420,423	\$ -	\$ 8,730,100
Investments	6,008,943	-	-	-	-	-	13,013,281	19,022,224
Taxes receivable, current	574,585	-	-	-	40,729	-	-	615,314
Taxes receivable, delinquent	2,423,355	-	-	-	240,932	-	-	2,664,287
Less allowance for uncollectible, delinquent	(1,696,349)	-	-	-	(168,652)	-	-	(1,865,001)
Accounts receivable	909,494	-	-	29,784	-	-	-	939,278
Due from other funds	1,189,661	144,793	1,017,346	1,074,545	5,137,784	-	3,827,580	12,391,709
Due from County Government	10,392,714	-	-	-	766,177	-	2,473,743	13,632,634
Due from other state agencies	951,765	-	-	-	-	-	-	951,765
Due from State Department of Education	1,171	113,777	13,481	-	-	-	-	128,429
Due from Federal Government	-	1,239,280	-	34,444	-	-	-	1,273,724
Prepaid expenses	1,221,592	-	-	-	-	-	-	1,221,592
Inventory - commodities	-	-	-	86,396	-	-	-	86,396
Total Assets	\$ 30,286,608	\$ 1,497,850	\$ 1,030,827	\$ 1,225,169	\$ 6,016,970	\$ 420,423	\$ 19,314,604	\$ 59,792,451

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

	General Fund	Special Revenue Fund - Special Projects	Special Revenue Fund - EIA	Special Revenue Fund - Food Service	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Total Governmental Funds
LIABILITIES:								
Accounts payable	\$ 1,121,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,121,740
Retainage payable	-	-	-	-	-	-	300,000	300,000
Due to other funds	10,656,888	1,334,454	-	-	-	400,367	-	12,391,709
Due to State Department of Education	2,120,648	778	2,853	-	-	-	-	3,631
Health, life insurance, and other deductions	154,856	-	-	-	-	-	-	154,856
Accrued salaries	-	-	-	-	-	-	-	-
Unearned revenue	-	162,618	1,027,974	86,396	-	-	-	1,276,988
Bonds payable	-	-	-	-	3,800,000	-	-	3,800,000
Total Liabilities	14,054,132	1,497,850	1,030,827	86,396	3,800,000	400,367	300,000	21,169,572
Deferred Inflows of Resources								
Unavailable revenue - property taxes	727,006	-	-	-	72,280	-	-	799,286
Fund balances:								
Nonspendable:								
Prepaid expenses	1,221,592	-	-	-	-	-	-	1,221,592
Restricted:								
Special revenue fund - food service	-	-	-	1,138,773	-	-	-	1,138,773
Debt service	-	-	-	-	2,144,690	20,056	-	2,164,746
Committed:								
Capital projects fund	-	-	-	-	-	-	19,014,604	19,014,604
Unassigned:								
General fund	14,283,878	-	-	-	-	-	-	14,283,878
Total Fund Balance	15,505,470	-	-	1,138,773	2,144,690	20,056	19,014,604	37,823,593
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 30,286,608	\$ 1,497,850	\$ 1,030,827	\$ 1,225,169	\$ 6,016,970	\$ 420,423	\$ 19,314,604	\$ 59,792,451

The accompanying notes are an integral part of the financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Total Governmental Fund Balances		\$ 37,823,593
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		136,758,439
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Taxes receivable		799,286
Deferred outflows of resources		
Loss on advanced refunding	2,256,643	
Pension related deferred outflows	13,647,000	15,903,643
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(319,575)	
Bond premium, net of amortization	(2,257,008)	
Bonds payable	(53,855,000)	
Net pension liability	(92,215,820)	(148,647,403)
Net position of governmental activities		\$ 42,637,558

The accompanying notes are an integral part of the financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund - Special Projects	Special Revenue Fund - EIA	Special Revenue Fund - Food Service	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Total Governmental Funds
REVENUES								
Local property taxes	\$ 39,168,556	\$ -	\$ -	\$ -	\$ 4,493,805	\$ -	\$ -	\$ 43,662,361
Other local	1,321,851	407,372	-	941,899	6,167	-	15,800	2,693,089
Total local	40,490,407	407,372	-	941,899	4,499,972	-	15,800	46,355,450
Intergovernmental	187,462	-	-	-	-	-	-	187,462
State	39,781,624	1,106,427	4,841,797	270	177,109	-	-	45,907,227
Federal	-	3,668,121	-	2,688,611	-	-	-	6,356,732
Total Revenue	80,459,493	5,181,920	4,841,797	3,630,780	4,677,081	-	15,800	98,806,871
EXPENDITURES								
Current								
Instruction	46,123,068	3,722,300	2,350,654	-	-	-	-	52,196,022
Support services	24,193,336	1,362,731	570,816	3,186,963	-	-	-	29,313,846
Community service	-	268,466	-	-	-	-	-	268,466
Intergovernmental	297,097	66,769	5,000	-	-	-	-	368,866
Debt Service	-	-	-	-	530,000	7,220,000	-	7,750,000
Principal	-	-	-	-	767,646	947,300	-	1,714,946
Interest	-	-	-	-	34,769	5,000	-	39,769
Other objects	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	8,560,710	8,560,710
Total Expenditures	70,613,501	5,420,266	2,926,470	3,186,963	1,332,415	8,172,300	8,560,710	100,212,625
Excess (deficiency) of revenues over expenditures	9,845,992	(238,346)	1,915,327	443,817	3,344,666	(8,172,300)	(8,544,910)	(1,405,754)
OTHER FINANCING SOURCES (USES)								
Premium on Bonds Sold	-	-	-	-	74,214	-	-	74,214
Transfers in	2,445,446	268,465	-	-	-	8,172,300	6,791,438	17,677,649
Transfers out	(12,291,438)	(30,119)	(1,915,327)	(500,000)	(2,672,300)	-	-	(17,409,184)
Total Other Financing Sources (Uses)	(9,845,992)	238,346	(1,915,327)	(500,000)	(2,598,086)	8,172,300	6,791,438	342,679
Total net change in fund balances	-	-	-	(56,183)	746,580	-	(1,753,472)	(1,063,075)
Fund Balance July 1, 2016	15,505,470	-	-	1,194,956	1,398,110	20,056	20,768,076	38,886,668
Fund Balance June 30, 2017	\$ 15,505,470	\$ -	\$ -	\$ 1,138,773	\$ 2,144,690	\$ 20,056	\$ 19,014,604	\$ 37,823,593

The accompanying notes are an integral part of the financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR FISCAL YEAR ENDED JUNE 30, 2017

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (1,063,075)

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

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. 6,843

The issuance of long-term debt 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 position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Also, 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 over the term of the long-term debt in the statement of activities.

Principal payments on long-term debt	7,750,000
Amortization of deferred loss on advanced refunding	(466,891)
Amortization of bond premium	282,126

Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay of \$7,764,058 exceeds depreciation expense of \$4,669,890 in the current year. 3,094,168

The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an element of pension expense. The fund financial statements report pension contributions as expenditures. (3,081,240)

Revenues reported on the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. 422,930

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 6,944,861

The accompanying notes are an integral part of the financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 1,079,108
Total Assets	<u>\$ 1,079,108</u>

LIABILITIES

Due to student organizations	\$ 1,079,108
Total liabilities	<u>\$ 1,079,108</u>

The accompanying notes are an integral part of the financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Spartanburg County School District Five (“the District”) is located between Greenville and Spartanburg in the western area of Spartanburg County. The District is one of seven (7) school districts in Spartanburg County. The District encompasses a land area of approximately 113 square miles and is bound by Spartanburg County School District One to the northwest, Spartanburg County School District Four to the south, Spartanburg County School District Six to the east, and Greenville County to the west. The District includes four incorporated small towns: Duncan, Lyman, Wellford, and Reidville as well as the unincorporated town of Startex.

For financial reporting purposes, the District includes all funds and account groups 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 of 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. These financial statements exclude the related organization discussed in Note 12 because the District does not significantly influence operations of the organization nor is the related organization accountable to the District for its fiscal operations. The component unit discussed below is included in the District's reporting entity because of the significance of its operational or financial relationship with the District:

<u>Blended Component Unit Reported With Primary Government</u>	<u>Brief Description of Activities and Relationship to the District</u>	<u>Reporting Fund</u>
SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 South Carolina	Finance Construction and Renovations to School Facilities	Debt Service Fund

B. Basic Financial Statements – Government-wide Statement

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statements are prepared using the economic resources measurement focus. 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program, or department and therefore, clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the District.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basic Financial Statements – Fund Financial Statements

Fund financial statements report detailed information about the District. Their focus is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Fiduciary funds are accounted for using the economic resources measurement focus.

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental 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.

The following are the District's major governmental funds:

General Fund - The general fund is the District's primary operating fund. It accounts for all activities except those required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District has the following special revenue funds:

- 1) Special Projects Fund - used to account for financial resources provided by federal and state grants.
- 2) Education Improvement Act (EIA) Fund - used to account for the proceeds of the additional one percent sales and use tax revenues that are legally restricted to expenditures for the South Carolina Education Improvement Act of 1984 standards.
- 3) Food Service Fund - used to account for cafeteria operations at school locations. The fund is financed by user charges and subsidized by USDA school lunch and breakfast programs.

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.

Debt Service Fund - EFC - The Debt Service Fund – EFC is used to account for the accumulation of resources for, and the payment of, long-term debt of the Educational Facilities Corporation for Spartanburg County School District Five.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basic Financial Statements - Fund Financial Statements - Continued

Capital Projects Funds (Major Fund) – The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Additionally, the District reports the following fund type:

Fiduciary Fund Types - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District's only fiduciary funds are agency funds:

- 1) Pupil Activity Fund – used to account for student admissions, organization memberships, bookstore sales, and other related receipts and disbursements held by the school in a trustee capacity on behalf of the students and/or District employees.
- 2) Middle Tyger Community Center Funds – used to account for the funds held by Spartanburg School District Five on behalf of Middle Tyger Community Center and to record the changes in those funds.
- 3) First Steps Fund – used to account for the expenditures related to First Steps and the reimbursement of those funds from First Steps to the District.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the accrual basis of accounting and the fund financial statements are prepared using either the modified accrual basis of accounting for the governmental fund types or the accrual basis of accounting for fiduciary fund types.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after year-end.

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

In applying the “susceptible to accrual concept” under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, investment earnings, tuition, grants, and student fees.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus and Basis of Accounting – Continued

Unearned Revenue

The District reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, taxes received that are “intended to finance” a future period are reported as unearned revenue. In subsequent periods, the liability for deferred revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

E. Budget

The District adopts an annual budget for the General Fund at the beginning of each fiscal year. The District superintendent submits to the local school Board of Trustees an operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Any revisions to transfer budgeted amounts between functions or that alter the total expenditures of the General Fund must be approved by the School Board. Formal budgetary integration is employed as a management control device during the year for the General Fund. Budgeted amounts are as amended. The District reports the annual budget of all funds on the modified accrual basis of accounting. Budgeted General Fund appropriations lapse at fiscal year-end.

F. Deposits

State statutes authorize the District to invest in (1) obligations of the United States and its agencies, (2) general obligations of the State of South Carolina and its subdivisions, (3) savings and loan associations to the extent of federal insurance, (4) certificates of deposit collaterally secured, and (5) the State Treasurer’s Investment Pool.

G. Due from County Government (Cash with Fiscal Agent)

The Spartanburg County Treasurer, fiscal agent for the District, receives local, state, and federal monies from residents within the District and from the South Carolina Department of Education. The monies held by the County Treasurer are uninsured but collateralized with government investments held by the pledging institution’s agent in the name of Spartanburg County. Market value approximates cost on the investments. These monies are remitted to the District once a claim has been presented to the Spartanburg County Treasurer.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Taxes Receivable

Taxes receivable represents delinquent taxes being processed for collection by the Spartanburg County Delinquent Tax Office, originally assessed for the District. Thirty percent of the delinquent taxes delivered each year to the Delinquent Tax Office are estimated to be collectible; the remainder is considered to be uncollectible and, accordingly, an allowance for the uncollectible amounts has been recorded.

I. Ad Valorem Taxes

The District's property taxes (except vehicles) are levied by the Spartanburg County Auditor each fall on the assessed valuation of the property located in the District as of the preceding January 1. The tax books are open for collection September 1, with the first penalty of 3% applied to payments made after January 15, the due date. An additional penalty of 7% is charged for payments made after January 31. Uncollected property taxes attach as an enforceable lien on January 1. Uncollected property taxes as of March 15 are transferred to the Spartanburg County Delinquent Tax Collector at which time an additional 5% penalty is assessed. Spartanburg County bills and collects the District's property taxes.

The assessed valuation of property in Spartanburg County for District Five 5 for 2016 was \$214,917,228. In addition, the District billed fees in lieu of taxes on assessed values of \$54,926,586. The District's operating tax rate is currently 184.8 mils with an additional 16.6 mils for debt retirement.

J. Inventory and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Capital Assets and Depreciation

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 follows the policy of not capitalizing assets with a cost of less than \$5,000. The District does not possess any infrastructure.

All reported capital assets except land and construction in progress are depreciated. Construction projects are depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate capital asset category. Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful Life
Land	not depreciated
Construction in progress	not depreciated
Buildings & improvements	10 - 50 years
Furniture & equipment	3 - 10 years

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. Interfund Transactions

Interfund transactions are reported either as loans, services provided, reimbursements, or transfers. Loans are reported as due to/from other funds, as appropriate, and are subject to elimination in the government-wide financial statements. Services provided are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are eliminated in the government-wide financial statements.

M. Vacation and Sick Pay

The District allows school teachers to accumulate a maximum of ninety days sick leave. Accumulated sick leave is transferable to other school districts. During an illness, a teacher continues to receive full pay for each day of accumulated sick leave. If a teacher leaves the employment of the District, any unused sick leave is not paid. Because of the nonvesting of sick leave and other uncertainties, no estimate of any potential liability has been made.

Two weeks of vacation is given to all 12-month employees. Vacation is noncumulative and employees are not paid for unused vacation days. Therefore no provision for liability has been made.

N. Accrued Liabilities and Long-term Debt

All payables, accrued liabilities, and long-term debt are reported in the government-wide financial statements.

In general, accounts payable and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. 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 will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available resources. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the government-wide basic financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Amortizations of premiums and discounts are included in interest expense. Bonds payable are reported net of the applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

O. Deferred Outflows and Inflows of Resources

In the government-wide financial statements, in addition to assets and liabilities, separate sections for deferred outflows and deferred inflows of resources are reported. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. In addition to the District's deferred inflows and outflows related to pensions, the District also has a deferred outflow related to the advanced refunding of debt, which is amortized and included in interest expense.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

P. Governmental Fund Balance Classifications

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources through either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the government's highest level of decision making authority. The Board of Trustees is the highest level of decision-making authority for the government and the formal action they take that can commit fund balance is a majority vote (highest level of decision making authority). These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or an official to which the Board delegates authority. By a majority vote, the Board of Trustees has delegated this authority to the Superintendent. The authorization to assign fund balance can be found in the District's fund balance policy. This classification also includes the remaining positive fund balance for all governmental funds, except for the General Fund, as governed by the State Department of Education.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

Spending Policy

The District would typically use restricted fund balances first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

P. Governmental Fund Balance Classifications - Continued

Minimum Unassigned Fund Balance

The primary purpose of this reserve is to provide sufficient cash flow for daily needs, secure and maintain investment grade bond rating, offset revenue shortfalls, and provide for unforeseen expenditures related to emergencies. The Board of Trustees intends to maintain a fund balance ranging from 15 to 20 percent of the budgeted expenditures and outgoing transfers. Any excess over the minimum reserve may be transferred to the District building fund for facility needs or the debt service fund for repayment of debt.

However, when unexpected obligations occur and the reserve falls below the desired minimum, the District will implement budget strategies to replenish the fund through reduction of recurring expenditures or pursue increases in revenue or funding sources.

Q. Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. The net investment in capital assets consists 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. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

R. Restricted Sources

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.

S. Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

T. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. The District obtains its employee health and accident insurance through the South Carolina Office of Insurance Services, South Carolina Reserve Fund (the "Fund") which is a public entity risk pool. The District pays premiums to the Fund for its employee health and accident insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

The District obtains its general liability, property, and workmen's compensation insurance through the South Carolina School Boards Insurance Trust (the "Trust") which is a public entity risk pool. The District pays premiums to the Trust for its workmen's compensation. The agreement for formation of the Trust provides that the Trust will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

T. Risk Management - Continued

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has no formal policy regarding custodial credit risk for deposits.

As of June 30, 2017, the District's cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 9,809,208	\$ 11,355,271

Of the District's bank balance, \$946,665 was covered by FDIC insurance, \$10,238,183 was collateralized by securities held by the pledging bank's trust department or agent in the District's name, and \$170,423 was collateralized by securities held by the pledging bank's trust department or agent's name and not that of the District.

Investments

The District's investments are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2017, the District's investments have the following recurring fair value measurements (Level 1 inputs):

General Fund	Fair Value	Maturity Date	Rating
Federated Govt. Oblig. Prm FD #117	\$ 774,327	n/a	AAAm
US Treasury Note, Dated 12/31/10	1,133,893	12/31/2017	AA+
US Treasury Note, Dated 11/30/10	1,132,319	11/30/2017	AA+
US Treasury Note, Dated 7/31/15	751,813	7/31/2017	AA+
US Treasury Note, Dated 10/01/12	750,368	9/30/2017	AA+
US Treasury Note, Dated 10/31/12	750,115	10/31/2017	AA+
US Treasury Note	716,108	8/31/2017	AA+
Total General Fund Investments	\$ 6,008,943		

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS – CONTINUED

Investments – Continued

<u>Capital Projects Fund</u>	<u>Fair Value</u>	<u>Maturity Date</u>	<u>Rating</u>
Federated Govt. Oblig. Prm FD #117	\$ 82,420	n/a	AAAm
US Treasury Note, Dated 4/30/11	1,320,049	4/30/2018	AA+
US Treasury Note, Dated 5/31/11	1,315,238	5/31/2018	AA+
US Treasury Note, Dated 6/30/13	1,301,297	6/30/2018	AA+
US Treasury Note, Dated 2/28/13	1,299,398	2/28/2018	AA+
US Treasury Note, Dated 11/30/12	1,298,062	11/30/2017	AA+
US Treasury Note, Dated 12/31/12	1,297,491	12/31/2017	AA+
US Treasury Note, Dated 1/31/13	1,202,352	1/31/2018	AA+
FNMA, Dated 6/8/15	1,304,045	7/20/2018	AA+
FNMA, Dated 3/4/16	1,299,611	3/28/2018	AA+
FHLB, Dated 7/8/16	1,293,318	8/7/2018	AA+
Total Capital Projects Fund Investments	<u>\$ 13,013,281</u>		

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The District's policy is to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The District's policy is to minimize custodial credit risk by limiting investments to the types of securities allowed by law and pre-qualifying the financial institutions, broker/dealer, intermediaries, and advisors with which the District will do business.

Concentration of credit risk is the risk of loss attributable to the magnitude of the District's investment in a single issuer. This risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, is as follows:

	Balance at June 30, 2016	Additions	Deductions	Transfers	Balance at June 30, 2017
Governmental Activities					
Capital Asset, not Being Depreciated					
Land	\$ 6,628,706	\$ -	\$ -	\$ -	\$ 6,628,706
Construction in progress	22,744,721	7,425,672	-	(30,170,393)	-
Total Capital Asset, not Being Depreciated	<u>29,373,427</u>	<u>7,425,672</u>	<u>-</u>	<u>(30,170,393)</u>	<u>6,628,706</u>
Capital Assets, Being Depreciated					
Buildings and improvements	161,610,474	-	-	30,170,393	191,780,867
Furniture and equipment	4,779,599	338,386	-	-	5,117,985
Total Capital Assets, Being Depreciated	<u>166,390,073</u>	<u>338,386</u>	<u>-</u>	<u>30,170,393</u>	<u>196,898,852</u>
Less Accumulated Depreciation					
Buildings and improvements	58,551,846	4,324,027	-	-	62,875,873
Furniture and equipment	3,547,383	345,863	-	-	3,893,246
Total Accumulated Depreciation	<u>62,099,229</u>	<u>4,669,890</u>	<u>-</u>	<u>-</u>	<u>66,769,119</u>
Capital Assets, Being Depreciated, Net	<u>104,290,844</u>	<u>(4,331,504)</u>	<u>-</u>	<u>30,170,393</u>	<u>130,129,733</u>
Governmental Activities Capital Assets, Net	<u>\$ 133,664,271</u>	<u>\$ 3,094,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,758,439</u>

Depreciation expense was charged to functions/programs of the District as follows:

Instructional	\$ 2,687,194
Supporting services	1,949,885
Community service	13,821
Intergovernmental	<u>18,990</u>
Total Depreciation Expense	<u>\$4,669,890</u>

NOTE 4 - SHORT-TERM OBLIGATIONS

The following is a summary of the District's short-term obligations for the year ended June 30, 2017:

	Amount Outstanding June 30, 2016	Additions	Deductions	Amount Outstanding June 30, 2017
SCAGO GO Series 2016	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -
SCAGO GO Series 2017A	-	3,800,000	-	3,800,000
	<u>\$ -</u>	<u>\$ 6,200,000</u>	<u>\$ 2,400,000</u>	<u>\$ 3,800,000</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 4 – SHORT-TERM DEBT – CONTINUED

On September 21, 2016, the District issued \$2,400,000 in SCAGO General Obligation Bonds, Series 2016D, to pay for the interest on both the 2015 GO Bonds and 2013 Refunding Revenue Bonds as well as to pay for deferred maintenance costs of the District. . At June 30, 2017, these bonds were paid in full, including interest of \$21,333.

On May 17, 2017, the District issued \$3,800,000 in SCAGO General Obligation Bonds, Series 2017A, to partially pay for the principal due on the 2013 Refunding Revenue Bonds. At June 30, 2017, these bonds were still outstanding. The bonds will be paid on March 1, 2018, with interest of \$89,933.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of general obligation transactions of the District for the fiscal year ended June 30, 2017:

	Amount Outstanding June 30, 2016	Additions	Deductions	Amount Outstanding June 30, 2017	Amounts Due in One Year
General Obligation Bonds 2015	\$ 14,940,000	\$ -	\$ 530,000	\$ 14,410,000	\$ 620,000
Installment Purchase					
Refunding Revenue Bonds 2013	46,665,000	-	7,220,000	39,445,000	7,365,000
	61,605,000	-	7,750,000	53,855,000	7,985,000
Plus unamortized issuance premium	2,539,133	-	282,126	2,257,007	-
	<u>64,144,133</u>	<u>-</u>	<u>8,032,126</u>	<u>56,112,007</u>	<u>7,985,000</u>

Long-term debt at June 30, 2017, is comprised of the following individual issues:

	General Obligation Bonds	Revenue Bond	Total
\$18,200,000 2015 General Obligation Bonds due in annual installments of \$25,000 to \$3,965,000 through March 2025; interest at rates from 2.00% to 5.00%.	\$ 14,410,000	\$ -	\$ 14,410,000
\$66,000,000 2013 Installment Purchase Refunding Revenue Bonds with principal due in annual installments of \$4,565,000 to \$9,070,000 through June 2022; interest at a rate of 2.030%.	-	39,445,000	39,445,000
	<u>\$ 14,410,000</u>	<u>\$ 39,445,000</u>	<u>\$ 53,855,000</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize all long-term debt outstanding as of June 30, 2017, including interest payments are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Refunding Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2018	\$ 620,000	\$ 719,813	\$ 7,365,000	\$ 800,734	\$ 9,505,547
2019	720,000	668,813	7,515,000	651,224	9,555,037
2020	820,000	652,812	7,670,000	498,670	9,641,482
2021	885,000	611,812	7,825,000	342,969	9,664,781
2022	25,000	567,563	9,070,000	184,120	9,846,683
2023-2025	11,340,000	1,152,250	-	-	12,492,250
	<u>\$ 14,410,000</u>	<u>\$ 4,373,063</u>	<u>\$ 39,445,000</u>	<u>\$ 2,477,717</u>	<u>\$ 60,705,780</u>

There are a number of limitations and restrictions contained in the various debt instruments. The District is in compliance with all the significant limitations and restrictions including the legal debt limit imposed by Article X, Section 15 of the Constitution of the State of South Carolina, 1985, as amended.

The SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to a School Facilities Purchase and Use Agreement and evidence proportionate interests of the owners in certain rental payments to be made by the District under the terms of a Base Lease Agreement between the District and the Corporation dated on December 14, 2005. The District will purchase the Capital Projects from the Corporation pursuant to the Purchase and Use Agreement, which will obligate the District to make semiannual installment payments of the purchase price to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds; amounts budgeted as reserves for the repair and replacement of the 2006 facilities and the program administrator fees. The District's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the District in any fiscal year in which funds are not appropriated by the District to pay the installment payments due in such fiscal year. However, the District would forfeit possession of the facilities for the remainder of the lease term.

The SCAGO Educational Facilities Corporation for Spartanburg County School District Five bonds are not a debt of the District; however, as the Corporation is blended with the operations of the District, the debt of the Corporation is included with the District's other obligations as required by generally accepted accounting principles.

In prior years, advance refundings resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized loss at June 30, 2017, is shown as a deferred outflow of resources on the Statement of Net Position. Amortization has been included in interest expense and was \$466,891 for the year ending June 30, 2017.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 6 - RETIREMENT PLANS

A. South Carolina Retirement System

Plan Description - The District, as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority (PEBA), a division of the primary government of the state of South Carolina, and managed by PEBA's Retirement Division. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership - SCRS provides retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation.

This plan covers general employees, teachers, and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit.

An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years.

Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2017

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

Deferred outflows of resources of \$5,112,079 related to pensions resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2018	\$ (2,043,147)
2019	(1,545,406)
2020	(3,047,632)
2021	(1,735,301)
	<u>\$ (8,371,486)</u>

Actuarial Assumptions - The June 30, 2016, total pension liability, net pension liability, and sensitivity information was determined by the July 1, 2015, valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.5% to 12.5% (varies by service and includes 2.75% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.50% (includes 2.75% inflation)

Mortality assumptions are dependent upon the member's job category and gender (RP-2000). This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Actuarial assumptions and methods used in the July 1, 2015, valuation were based on the results of an actuarial experience study, as required to be completed at least once in each five-year period by S.C. state statute. The experience report issued as of July 1, 2015, was performed on data through June 30, 2015.

The long-term expected rate of return on pension plan investments was based upon the 30 year capital markets outlook at the end of the third quarter 2015, as developed by the Retirement Systems' Investment Commission in collaboration with its investment consultant. The actuarial long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted beginning January 1, 2016.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and then adding expected inflation, and is summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	43%	3.06%
Real Assets	8%	0.35%
Opportunistic	20%	0.78%
Diversified Credit	17%	0.73%
Conservative Fixed Income	12%	0.18%
Total Expected Real Return	<u>100%</u>	<u>5.10%</u>
Inflation for Actuarial Purposes		<u>2.75%</u>
Total Expected Nominal Return		<u><u>7.85%</u></u>

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.5%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the collective net pension liability	\$ 114,593,061	\$ 91,860,181	\$ 72,935,916

Pension Plan Fiduciary Net Position - Detailed information regarding the pension plan's fiduciary net position, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended Jun30, 2016 (including the unmodified opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of Jun 30, 2016. The additional information is publically available on PEBA's Retirement Benefits website at www.peba.sc.gov.

B. South Carolina Police Officers Retirement System

Plan Description - The District, as the employer, participates in the South Carolina Police Officers Retirement System (PORS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority (PEBA), a division of the primary government of the state of South Carolina, and managed by PEBA's Retirement Division. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Benefits Provided/Membership - PORS provides retirement allowances and other benefits for police officers and firefighters of the state and its political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation.

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age.

An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age.

Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions - Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the State Fiscal Accountability Authority (SFAA) for approval an increase in the employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 5.0% of earnable compensation. An increase in the contributions rates adopted by the Board may not provide for an increase of more than 0.5% in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a 30-year amortization schedule of the unfunded liability of the plan, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30-year amortization period; and this increase is not limited to 0.5% per year. Employees and employers (both Class II and III) are required to contribute 9.24% and 13.84%, respectively, of earnable compensation for the year ended June 30, 2017. Employers also contribute an additional .20% of earnable compensation for the accidental death program and an additional .20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively. Contributions to the Plan from the District were \$25,205.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the District reported a net pension liability of \$355,639 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability, net pension liability and sensitivity information are based on the July 1, 2015, actuarial valuation, which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2016, using generally accepted actuarial procedures.

The allocation of the District's proportion of the collective net pension liability and pension expense was determined using the District's actual contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2015. Based upon this information, the District's proportion of the collective net pension liability is 0.014020%, an increase of 0.00118% since June 30, 2015, the prior measurement date.

For the year ended June 30, 2017, the District recognized pension expense of \$69,904. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 26,452	\$ -
Net difference between projected and actual earnings on pension plan investments	111,778	-
Library contributions subsequent to the measurement date	<u>25,205</u>	<u>-</u>
Total	<u>\$ 163,435</u>	<u>\$ -</u>

Deferred outflows of resources of \$25,205 related to pensions that resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
<u> </u>	
2018	\$ (41,736)
2019	(41,468)
2020	(42,272)
2021	<u>(12,754)</u>
	<u>\$ (138,230)</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Actuarial Assumptions - The June 30, 2016, total pension liability, net pension liability, and sensitivity information is determined by the July 1, 2015, valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	4.0% to 10.0% (varies by service and includes 2.75% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.50% (includes 2.75% inflation)

Mortality assumptions are dependent upon the member's job category and gender (RP-2000). This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Actuarial assumptions and methods used in the July 1, 2015, valuation were based on the results of an actuarial experience study, as required to be completed at least once in each five-year period by S.C. state statute. The experience report issued as of July 1, 2015, was performed on data through June 30, 2015.

The long-term expected rate of return on pension plan investments was based upon the 30 year capital markets outlook at the end of the third quarter 2015, as developed by the Retirement Systems' Investment Commission in collaboration with its investment consultant. The actuarial long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectation and market based inputs. Expected rate of returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and then adding expected inflation, and is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Global Equity	43%	3.06%
Real Assets	8%	0.35%
Opportunistic	20%	0.78%
Diversified Credit	17%	0.73%
Conservative Fixed Income	12%	0.18%
Total Expected Real Return	<u>100%</u>	<u>5.10%</u>
Inflation for Actuarial Purposes		<u>2.75%</u>
Total Expected Nominal Return		<u><u>7.85%</u></u>

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2017

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.5%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the collective net pension liability	\$ 466,096	\$ 355,639	\$ 256,373

Pension Plan Fiduciary Net Position - Detailed information regarding the pension plan's fiduciary net position, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2016 (including the unmodified opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2016. The additional information is publically available through PEBA's Retirement Benefits' website at www.peba.sc.gov.

NOTE 7 - POST-RETIREMENT BENEFITS

In addition to providing retirement plan benefits, the state currently provides its retired employees with health care benefits. All post-retirement benefits paid to the District's retired members are made from the SCRS and from South Carolina's General Fund (Health Care). The District has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The SCRS provides death benefits to retirees through the group life insurance program for members of the SCRS.

NOTE 8 - DEFERRED COMPENSATION PLANS

Several optional deferred compensation plans are available to the District's employees. The multiple-employer plans created under Internal Revenue Code Sections 457 and 401(k) are accounted for by the State of South Carolina. Employees may withdraw the current value of their contributions when they terminate employment. With approval of the State's Deferred Compensation Commission, employees may also withdraw the current value of their contributions prior to termination of employment if they meet certain requirements. These requirements differ among the three plans. Compensation deferred under the Section 457 and 401(k) plans is placed in trust for the contributing employees. Neither the State nor the District has any liability for losses under the plans.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund balances for the year ended June 30, 2017 consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,189,661	\$ 10,656,888
Special Revenue Fund - Special Projects	144,793	1,334,454
Special Revenue Fund - EIA Fund	1,017,346	-
Special Revenue Fund - Food Service	1,074,545	-
Debt Service	5,137,784	-
Debt Service - EFC	-	400,367
Capital Projects	3,827,580	-
	<u>\$ 12,391,709</u>	<u>\$ 12,391,709</u>

The interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

All remaining balances resulted from consolidation of available cash to optimize investments.

Interfund Transfers

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund - EFC	\$ 5,500,000
General Fund	Capital Projects Fund	6,791,438
Special Revenue Fund - Special Projects	General Fund	30,119
Special Revenue Fund - EIA	General Fund	1,915,327
Food Service Fund	General Fund	500,000
Debt Service Fund	Debt Service Fund - EFC	2,672,300
Pupil Activity Funds	Special Revenue Funds - Special Projects	268,465
		<u>\$ 17,677,649</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 10 – TAX ABATEMENTS

The District's general fund property tax revenues were reduced by \$26,393,315 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$10,974,703 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$21,492,266. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$4,901,049.

The District's debt service fund property tax revenues were reduced by \$2,370,936 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$986,047 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$1,930,690. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$440,246.

NOTE 11 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

The District is required to pay unemployment compensation on covered employees. It has chosen the alternative of paying claims as billed by the South Carolina Employment Security Commission. However, under this method of funding, no accurate estimate of any potential liability has been made.

The District has received proceeds from Federal and State grants, and/or entitlements. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

The District has contracted with Honeywell, Inc. to implement and maintain an energy conservation program. Under the program, Honeywell, Inc. provides an Energy and Operational Savings guarantee, maintenance and operation services, preferred maintenance services, building management support services, and retrofit services. The contract is for an initial term of five years and will renew year to year up to an additional five years. Either party may terminate the agreement by giving thirty days notice prior to the end of the year.

NOTE 12 - RELATED ORGANIZATION

These financial statements exclude R.D. Anderson Applied Technology Center, Moore, South Carolina. The Center serves the high schools in Spartanburg County School Districts Four, Five, and Six. Two members of District Five's Board of Trustees serve as board members of the Center. Also, the superintendent of District Five is an ex-officio non-voting member of the R.D. Anderson Applied Technology Center. District Five remits a portion of their Education Finance Act monies to the Center to cover the educational costs of the District's students attending the Center and a portion of the Property Tax Relief Act Tier 3. For the year ended June 30, 2017, these amounts were \$427,832 and \$273,592 respectively and were recorded as General Fund expenditures.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2017

NOTE 13 - SUBSEQUENT EVENT

Management has evaluated subsequent events through October 27, 2017, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 COLLECTIVE NET PENSION LIABILITY
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.430060%	0.430512%	0.431989%
District's Proportionate Share of the Collective Net Pension Liability	\$ 91,860,181	\$ 81,648,676	\$ 74,374,184
District's Covered-Employee Payroll	\$ 46,032,903	\$ 43,955,092	\$ 42,750,998
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	199.55%	185.75%	173.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.91%	56.99%	59.92%

*The amounts presented were determined as of the prior fiscal year ending June 30.

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

REQUIRED SUPPLEMENTARY INFORMATION
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorially Required Contributions	\$ 5,112,079	\$ 4,663,080	\$ 4,399,863
Contributions in Relation to the Statutorially Required Contributions	<u>5,112,079</u>	<u>4,663,080</u>	<u>4,399,863</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 48,238,262	\$ 46,032,903	\$ 43,955,092
Contributions as a Percentage of Covered-Employee Payroll	10.60%	10.13%	10.01%

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

REQUIRED SUPPLEMENTARY INFORMATION
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 COLLECTIVE NET PENSION LIABILITY
 POLICE OFFICERS RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Collective Net Pension Liability	0.014020%	0.012840%	0.006830%
District's Proportionate Share of the Collective Net Pension Liability	\$ 355,639	\$ 279,869	\$ 130,736
District's Covered-Employee Payroll	\$ 178,753	\$ 159,084	\$ 82,140
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	198.96%	175.93%	159.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.40%	64.60%	67.50%

*The amounts presented were determined as of the prior fiscal year ending June 30.

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

REQUIRED SUPPLEMENTARY INFORMATION
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 POLICE OFFICERS RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorially Required Contributions	\$ 25,205	\$ 24,561	\$ 21,333
Contributions in Relation to the Statutorially Required Contributions	<u>25,205</u>	<u>24,561</u>	<u>21,333</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 177,005	\$ 178,753	\$ 159,084
Contributions as a Percentage of Covered-Employee Payroll	14.24%	13.74%	13.41%

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

REQUIRED SUPPLEMENTARY INFORMATION
SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Local	\$ 36,755,483	\$ 36,755,483	\$ 40,490,407	\$ 3,734,924
Intergovernmental	166,631	166,631	187,462	20,831
State	39,008,357	39,008,357	39,781,624	773,267
Total Revenue	<u>75,930,471</u>	<u>75,930,471</u>	<u>80,459,493</u>	<u>4,529,022</u>
EXPENDITURES				
Current:				
Instruction	47,577,630	47,581,948	46,123,068	1,458,880
Supporting Services	24,595,880	24,591,562	24,193,336	398,226
Intergovernmental Expenditures	328,660	328,660	297,097	31,563
Total Expenditures	<u>72,502,170</u>	<u>72,502,170</u>	<u>70,613,501</u>	<u>1,888,669</u>
Excess / (Deficiency) of Revenues Over Expenditures	<u>3,428,301</u>	<u>3,428,301</u>	<u>9,845,992</u>	<u>6,417,691</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,071,699	2,071,699	2,445,446	373,747
Operating Transfers Out	(5,500,000)	(5,500,000)	(12,291,438)	(6,791,438)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE JULY 1, 2015			<u>15,505,470</u>	
FUND BALANCE JUNE 30, 2016			<u>\$ 15,505,470</u>	

Note: The budget is prepared and monitored on a generally accepted accounting principles (GAAP) basis of accounting.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
1000 Revenue From Local Sources			
1100 Taxes			
1110 Ad Valorem taxes	\$ 25,665,321	\$ 26,616,418	\$ 951,097
1190 Other taxes	1,487,000	1,577,435	90,435
1200 Revenue from Local Governmental Units other than LEAs			
1280 Revenue in lieu of taxes	9,578,162	10,974,703	1,396,541
1300 Tuition			
1310 From patrons for regular day school	-	27,125	27,125
1500 Earnings on Investments			
1510 Interest on investments	25,000	154,495	129,495
1900 Other Revenue from Local Sources			
1910 Rentals	-	2,800	2,800
1920 Contributions	-	9,810	9,810
1950 Refund of prior year's expenditures (include only if expenditure occurred last year and the refund this year)	-	45,404	45,404
1990 Miscellaneous Local Revenue			
1993 Receipt of insurance proceeds	-	1,075,000	1,075,000
1999 Revenue from other local sources	-	7,217	7,217
Total Local Sources	<u>36,755,483</u>	<u>40,490,407</u>	<u>3,734,924</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	166,631	187,462	20,831
Total Intergovernmental Revenues	<u>166,631</u>	<u>187,462</u>	<u>20,831</u>
3000 Revenue from State Sources			
3130 Special Programs			
3131 Handicapped transportation - Bus driver aides	-	5,915	5,915
3160 School Bus Driver's Salary	387,487	382,217	(5,270)
3162 Transportation workers' compensation	20,342	20,452	110
3180 Fringe Benefits Employer Contributions	7,489,382	7,454,208	(35,174)
3181 Retiree Insurance	1,404,251	1,538,141	133,890
3199 Other Restricted State Grants	-	110	110
3300 Education Finance Act			
3310 Full-time Programs			
3311 Kindergarten	822,958	806,033	(16,925)
3312 Primary	2,683,592	2,635,239	(48,353)
3313 Elementary	3,965,436	4,156,705	191,269
3314 High school	2,071,245	2,114,911	43,666
3315 Trainable mentally handicapped	54,528	33,306	(21,222)
3316 Speech handicapped (part-time program)	1,077,753	1,177,296	99,543
3317 Homebound	7,827	5,936	(1,891)

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
3320 Part-Time Programs			
3321 Emotionally handicapped	140,023	136,185	(3,838)
3322 Educable mentally handicapped	41,132	38,087	(3,045)
3323 Learning disabilities	1,451,754	1,462,659	10,905
3324 Hearing handicapped	44,396	45,178	782
3325 Visually handicapped	17,911	18,637	726
3326 Orthopedically handicapped	23,318	23,988	670
3327 Vocational	1,699,209	1,693,510	(5,699)
3330 Other EFA Programs			
3331 Autism	463,766	462,807	(959)
3332 High achieving	357,080	340,234	(16,846)
3334 Limited english proficiency	168,878	182,875	13,997
3351 Academic assistance	220,435	585,948	365,513
3352 Pupils in poverty	1,672,221	1,683,524	11,303
3353 Dual credit enrollment	34,588	37,177	2,589
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for local property tax relief	1,681,807	1,681,807	-
3820 Homestead exemption	968,250	968,250	-
3825 Reimbursement for property tax relief	9,455,581	9,461,788	6,207
3830 Merchant's inventory tax	78,607	78,608	1
3840 Manufacturers depreciation reimbursement	437,800	457,679	19,879
3890 Other state property tax revenues	66,800	91,214	24,414
3900 Other State Revenue			
3999 Revenue from other state sources	-	1,000	1,000
Total State Sources	<u>39,008,357</u>	<u>39,781,624</u>	<u>773,267</u>
TOTAL REVENUES ALL SOURCES	<u>75,930,471</u>	<u>80,459,493</u>	<u>4,529,022</u>
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	2,174,009	2,157,431	16,578
200 Employee benefits	964,729	892,555	72,174
400 Supplies and materials	50,420	48,842	1,578
500 Capital outlay	1,700	-	1,700
112 Primary Programs			
100 Salaries	6,971,707	7,049,149	(77,442)
200 Employee benefits	2,779,953	2,640,447	139,506
300 Purchased services	86,262	73,229	13,033
400 Supplies and materials	150,125	157,458	(7,333)
500 Capital outlay	1,700	-	1,700
600 Other objects	3,700	5,400	(1,700)

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
113 Elementary Programs			
100 Salaries	9,968,032	9,343,925	624,107
200 Employee benefits	3,848,142	3,500,458	347,684
300 Purchased services	307,503	287,911	19,592
400 Supplies and materials	488,494	522,610	(34,116)
500 Capital outlay	1,443,096	1,268,632	174,464
600 Other objects	8,600	8,359	241
114 High School Programs			
100 Salaries	6,457,495	6,366,603	90,892
200 Employee benefits	2,426,649	2,256,134	170,515
300 Purchased services	542,516	577,039	(34,523)
400 Supplies and materials	288,807	242,203	46,604
500 Capital outlay	203,926	169,397	34,529
600 Other objects	7,300	8,248	(948)
115 Career and Technology Education Programs			
100 Salaries	557,163	557,849	(686)
200 Employee benefits	227,530	211,758	15,772
300 Purchased services	4,538	1,943	2,595
370 Purchased services - tuition	701,832	701,424	408
400 Supplies and materials	22,515	19,574	2,941
500 Capital outlay	8,650	5,912	2,738
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	302,265	304,466	(2,201)
200 Employee benefits	126,684	125,361	1,323
300 Purchased services	1,100	239	861
400 Supplies and materials	777	812	(35)
122 Trainable Mentally Handicapped			
100 Salaries	146,544	145,249	1,295
200 Employee benefits	66,316	64,778	1,538
300 Purchased services	56,200	30,655	25,545
400 Supplies and materials	362	135	227
123 Orthopedically Handicapped			
100 Salaries	24,170	24,170	-
200 Employee benefits	13,650	13,353	297
400 Supplies and materials	253	164	89
124 Visually Handicapped			
300 Purchased services	6,000	19,978	(13,978)
400 Supplies and materials	165	33	132
500 Capital outlay	5,000	220	4,780
125 Hearing Handicapped			
300 Purchased services	19,700	25,387	(5,687)
400 Supplies and materials	356	120	236
500 Capital outlay	5,000	2,197	2,803
126 Speech Handicapped			
100 Salaries	302,037	260,349	41,688
200 Employee benefits	96,866	87,831	9,035
300 Purchased services	2,000	125,780	(123,780)
400 Supplies and materials	11,150	9,398	1,752
127 Learning Disabilities			
100 Salaries	1,642,028	1,780,164	(138,136)
200 Employee benefits	679,748	710,162	(30,414)
300 Purchased services	750	5,597	(4,847)
400 Supplies and materials	18,269	16,137	2,132

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
128 Emotionally Handicapped			
100 Salaries	436,502	377,555	58,947
200 Employee benefits	185,324	152,579	32,745
300 Purchased services	7,500	9,980	(2,480)
400 Supplies and materials	1,964	628	1,336
130 Pre-School Programs			
137 Pre-School Handicapped-Contained (3 & 4 Yr. Olds)			
100 Salaries	498,572	455,648	42,924
200 Employee benefits	255,388	175,294	80,094
400 Supplies and materials	2,068	2,053	15
139 Early Childhood Programs			
100 Salaries	259,868	225,493	34,375
200 Employee benefits	126,578	119,003	7,575
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	312,166	312,682	(516)
200 Employee benefits	122,658	117,265	5,393
300 Purchased services	6,200	-	6,200
400 Supplies and materials	8,198	11,149	(2,951)
143 Advanced Placement			
300 Purchased services	1,500	460	1,040
400 Supplies and materials	3,825	2,213	1,612
145 Homebound			
100 Salaries	19,000	77,453	(58,453)
200 Employee benefits	4,853	19,592	(14,739)
300 Purchased services	15,000	280	14,720
148 Gifted and Talented - Artistic			
100 Salaries	5,000	5,100	(100)
200 Employee benefits	1,276	1,274	2
300 Purchased services	-	500	(500)
400 Supplies and materials	3,500	3,026	474
160 Other Exceptional Programs			
161 Autism			
100 Salaries	143,026	177,172	(34,146)
200 Employee benefits	75,153	81,945	(6,792)
300 Purchased services	10,000	54,334	(44,334)
400 Supplies and materials	3,512	2,317	1,195
162 Limited English Proficiency			
100 Salaries	601,358	610,811	(9,453)
200 Employee benefits	233,122	229,457	3,665
300 Purchased services	-	651	(651)
170 Summer School Program			
172 Elementary Summer School			
100 Salaries	10,000	6,300	3,700
200 Employee benefits	2,554	1,698	856
173 High School Summer School			
100 Salaries	-	48,771	(48,771)
200 Employee benefits	-	12,342	(12,342)

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
100 Salaries	-	245	(245)
300 Purchased services	1,800	573	1,227
Total Instruction	47,581,948	46,123,068	1,458,880
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work			
100 Salaries	53,935	53,935	-
200 Employee benefits	18,306	17,849	457
300 Purchased services	2,308	752	1,556
400 Supplies and materials	200	161	39
212 Guidance			
100 Salaries	1,289,874	1,174,327	115,547
200 Employee benefits	492,761	453,669	39,092
300 Purchased services	3,100	2,800	300
400 Supplies and materials	47,852	45,108	2,744
213 Health			
100 Salaries	492,024	515,289	(23,265)
200 Employee benefits	197,983	168,106	29,877
300 Purchased services	10,310	9,630	680
400 Supplies and materials	20,471	16,175	4,296
500 Capital outlay	1,000	-	1,000
214 Psychological			
100 Salaries	245,232	245,232	-
200 Employee benefits	88,667	82,627	6,040
300 Purchased services	2,200	98,764	(96,564)
400 Supplies and materials	850	-	850
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	798,100	774,998	23,102
200 Employee benefits	266,793	245,847	20,946
300 Purchased services	20,000	34,577	(14,577)
400 Supplies and materials	4,250	3,451	799
600 Other objects	500	-	500
222 Educational Media			
100 Salaries	999,198	961,165	38,033
200 Employee benefits	412,654	367,013	45,641
400 Supplies and materials	156,213	145,800	10,413
224 Improvement of Instruction - Inservice Training			
100 Salaries	591,620	608,398	(16,778)
200 Employee benefits	205,655	194,709	10,946
300 Purchased services	146,228	64,335	81,893
400 Supplies and materials	19,995	15,469	4,526

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
230 General Administration Services			
231 Board of Education			
300 Purchased services	49,000	25,876	23,124
318 Audit services	40,000	38,220	1,780
400 Supplies and materials	2,550	5,204	(2,654)
500 Capital outlay	1,700	-	1,700
600 Other objects	109,653	119,368	(9,715)
232 Office of Superintendent			
100 Salaries	305,361	309,420	(4,059)
200 Employee benefits	101,308	93,754	7,554
300 Purchased services	4,165	2,408	1,757
400 Supplies and materials	6,800	5,931	869
500 Capital outlay	2,125	-	2,125
600 Other objects	4,000	2,261	1,739
233 School Administration			
100 Salaries	3,707,254	3,717,030	(9,776)
200 Employee benefits	1,415,091	1,368,164	46,927
300 Purchased services	46,496	50,490	(3,994)
400 Supplies and materials	59,374	31,403	27,971
500 Capital outlay	11,454	4,586	6,868
600 Other objects	600	1,512	(912)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	160,804	160,117	687
180 Head of organizational unit salaries	125,218	125,218	-
200 Employee benefits	64,770	61,301	3,469
280 Head of organizational unit employee benefits	40,517	40,517	-
300 Purchased services	27,000	29,297	(2,297)
380 Head of organizational unit purchased services	243	-	243
400 Supplies and materials	12,000	16,227	(4,227)
500 Capital outlay	1,400	-	1,400
254 Operation and Maintenance of Plant Services			
100 Salaries	2,576,204	2,339,498	236,706
200 Employee benefits	1,110,524	889,305	221,219
300 Purchased services	1,954,560	2,126,598	(172,038)
321 Public utilities	280,200	318,743	(38,543)
400 Supplies and materials	529,500	604,877	(75,377)
470 Energy	1,525,300	1,615,714	(90,414)
500 Capital outlay	322,800	128,016	194,784
255 Pupil Transportation Services			
100 Salaries	799,853	840,299	(40,446)
200 Employee benefits	217,880	265,011	(47,131)
300 Purchased services	52,500	73,070	(20,570)
400 Supplies and materials	40,000	62,254	(22,254)
500 Capital outlay	50,000	52,949	(2,949)
600 Other objects	3,000	-	3,000
256 Food Service			
300 Purchased services	200	49	151

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
258 Security			
100 Salaries	52,000	52,830	(830)
200 Employee benefits	13,281	15,825	(2,544)
300 Purchased services	602,260	566,318	35,942
400 Supplies and materials	73,200	72,605	595
500 Capital outlay	30,375	50,967	(20,592)
260 Central Support Services			
263 Information Services			
100 Salaries	16,176	13,973	2,203
180 Head of organizational unit salaries	63,091	63,091	-
200 Employee benefits	6,994	3,377	3,617
280 Head of organizational unit employee benefits	22,839	22,839	-
300 Purchased services	35,600	38,257	(2,657)
380 Head of organizational unit purchased services	4,900	2,765	2,135
400 Supplies and materials	36,000	36,319	(319)
500 Capital outlay	2,700	2,330	370
264 Staff Services			
100 Salaries	95,672	95,672	-
180 Head of organizational unit salaries	94,700	92,685	2,015
200 Employee benefits	40,591	38,077	2,514
280 Head of organizational unit employee benefits	32,304	32,304	-
300 Purchased services	28,250	29,847	(1,597)
400 Supplies and materials	2,500	1,295	1,205
266 Data Processing Services			
100 Salaries	581,061	678,257	(97,196)
180 Head of organizational unit salaries	61,684	61,684	-
200 Employee benefits	198,809	207,094	(8,285)
280 Head of organizational unit employee benefits	17,892	17,892	-
300 Purchased services	5,000	5,683	(683)
270 Support Services Pupil Activity			
271 Pupil Service Activities			
300 Purchased services	60,000	97,869	(37,869)
500 Capital outlay	25,000	24,138	862
600 Other objects	39,000	44,470	(5,470)
Total Supporting Services	<u>24,591,562</u>	<u>24,193,336</u>	<u>398,226</u>
400 Intergovernmental Expenditures			
412 Payments to other governmental units			
720 Transits	<u>328,660</u>	<u>297,097</u>	<u>31,563</u>
Total Intergovernmental Expenditures	<u>328,660</u>	<u>297,097</u>	<u>31,563</u>
TOTAL EXPENDITURES	<u>72,502,170</u>	<u>70,613,501</u>	<u>1,888,669</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, from (to) other funds			
5230 Transfer from Special Revenue - EIA Fund	1,721,699	1,915,327	193,628
5280 Transfer from Other Funds Indirect Costs	350,000	530,119	180,119
423-710 Transfer to Debt Service Fund - EFC	(5,500,000)	(5,500,000)	-
424-710 Transfer to Capital Projects Fund	-	(6,791,438)	(6,791,438)
	<u>(3,428,301)</u>	<u>(9,845,992)</u>	<u>(6,417,691)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,428,301)</u>	<u>(9,845,992)</u>	<u>(6,417,691)</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE JULY 1, 2016		<u>15,505,470</u>	
FUND BALANCE JUNE 30, 2017		<u>\$ 15,505,470</u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING BALANCE SHEET
 JUNE 30, 2017

2011/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE			
\$ 409,599	\$ 587,521	\$ -	\$ 49,574	\$ -	\$ 192,586	\$ 1,239,280
-	-	-	-	99,433	14,344	113,777
-	-	-	-	205	144,588	144,793
<u>\$ 409,599</u>	<u>\$ 587,521</u>	<u>\$ -</u>	<u>\$ 49,574</u>	<u>\$ 99,638</u>	<u>\$ 351,518</u>	<u>\$ 1,497,850</u>
\$ 408,821	\$ 587,521	\$ -	\$ 49,574	\$ 99,433	\$ 189,105	\$ 1,334,454
778	-	-	-	-	-	778
-	-	-	-	205	162,413	162,618
<u>\$ 409,599</u>	<u>\$ 587,521</u>	<u>\$ -</u>	<u>\$ 49,574</u>	<u>\$ 99,638</u>	<u>\$ 351,518</u>	<u>\$ 1,497,850</u>
-	-	-	-	-	-	-
<u>\$ 409,599</u>	<u>\$ 587,521</u>	<u>\$ -</u>	<u>\$ 49,574</u>	<u>\$ 99,638</u>	<u>\$ 351,518</u>	<u>\$ 1,497,850</u>

ASSETS

Due from Federal Government
 Due from State Department of Education
 Due from other funds

Total Assets

LIABILITIES AND FUND BALANCE

Liabilities:
 Due to other funds
 Due to State Department of Education
 Unearned revenues

Total Liabilities

Fund balances:

Total Liabilities and Fund Balance

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR FISCAL YEAR ENDED JUNE 30, 2017

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE				
REVENUES							
1000 Revenue from Local Sources							
1900 Other Revenue from Local Sources							
1910 Rentals	\$ -	\$ -	\$ -	\$ -	-	\$ 9,603	\$ 9,603
1920 Contributions	-	-	-	-	-	4,570	4,570
1930 Special needs transportation	-	-	-	-	-	213,125	213,125
1999 Revenue from other local sources	-	-	-	-	-	180,074	180,074
Total Local Revenue	-	-	-	-	-	407,372	407,372
3000 Revenue from State Sources							
3100 Restricted Grants							
3110 Occupational education					330,071	-	330,071
3118 EEDA career specialist							
3120 General education							
3127 Student health and fitness - PE teachers					59,607	-	59,607
3130 Special programs							
3135 Reading coaches					439,110	-	439,110
3177 Summer reading camp					13,316	-	13,316
3190 Other restricted grants							
3193 Education license plates					950	-	950
3199 Other restricted state grants					4,921	-	4,921
3600 Education lottery act revenue							
3630 K-12 Technology initiative					257,937	-	257,937
3990 Other state revenue							
3999 Revenue from other state sources					515	-	515
Total State Revenue	-	-	-	-	1,106,427	-	1,106,427

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR FISCAL YEAR ENDED JUNE 30, 2017

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
4000 Revenue from Federal Sources							
4200 Occupational education							
4210 Vocational aid, Title I	-	-	-	81,562	-	-	81,562
4300 Elementary and Secondary Education Act of 1965							
4310 Title I	1,427,686	-	-	-	-	66,124	1,493,810
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	44,007	44,007
4351 Improving teacher quality	-	-	-	-	-	167,469	167,469
4500 Education for children with disabilities							
4510 Individuals with Disabilities Education Act (IDEA)	-	1,636,253	-	-	-	1,447	1,637,700
4520 Preschool grants (IDEA)	-	-	58,143	-	-	-	58,143
4560 IDEA SSIP	-	-	-	-	-	80,882	80,882
4900 Other federal sources							
4999 Revenue from other federal sources	-	-	-	-	-	104,548	104,548
Total Federal Revenue	1,427,686	1,636,253	58,143	81,562	-	464,477	3,668,121
TOTAL REVENUE ALL SOURCES	1,427,686	1,636,253	58,143	81,562	1,106,427	871,849	5,181,920

EXPENDITURES

100 Instruction							
110 General Instruction							
111 Kindergarten programs							
100 Salaries	131,647	-	-	-	-	-	131,647
200 Employee benefits	52,618	-	-	-	-	-	52,618
112 Primary programs							
100 Salaries	341,412	-	-	-	42,534	68,804	452,750
200 Employee benefits	132,609	-	-	-	17,073	24,784	174,466
300 Purchased services	19,483	-	-	-	-	-	19,483
400 Supplies and materials	108,985	-	-	-	3,900	2,409	115,294
500 Capital outlay	211,293	-	-	-	-	28,100	239,393

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR FISCAL YEAR ENDED JUNE 30, 2017

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
113 Elementary programs							
100 Salaries	49,510	-	-	-	-	50,247	99,757
200 Employee benefits	16,973	-	-	-	-	19,439	36,412
300 Purchased services	-	-	-	-	-	131,892	131,892
400 Supplies and materials	-	-	-	-	-	5,208	5,208
500 Capital outlay	-	-	-	-	258,887	-	258,887
114 High school programs							
100 Salaries	-	-	-	-	-	88,939	88,939
200 Employee benefits	-	-	-	-	-	15,609	15,609
300 Purchased services	-	-	-	-	-	7,907	7,907
400 Supplies and materials	-	-	-	-	-	3,889	3,889
115 Career and technology education programs							
400 Supplies and materials	-	-	-	5,209	-	-	5,209
500 Capital outlay	-	-	-	23,245	-	-	23,245
116 Career and technology education (vocational) programs - middle school							
400 Supplies and materials	-	-	-	4,987	-	-	4,987
500 Capital outlay	-	-	-	3,350	-	-	3,350
120 Exceptional Programs							
121 Educable mentally handicapped							
100 Salaries	-	17,122	-	-	-	-	17,122
200 Employee benefits	-	4,560	-	-	-	-	4,560
122 Trainable mentally handicapped							
300 Purchased services	-	-	-	-	1,021	-	1,021
125 Hearing handicapped							
300 Purchased services	-	-	-	-	-	719	719
126 Speech handicapped							
100 Salaries	-	142,497	-	-	-	-	142,497
200 Employee benefits	-	51,692	-	-	-	56,956	199,453
300 Purchased services	-	315,373	-	-	-	18,845	70,537
600 Other objects	-	-	-	-	-	-	315,373
	-	-	-	-	-	2,692	2,692

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR FISCAL YEAR ENDED JUNE 30, 2017

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE				
127 Learning disabilities							
100 Salaries	-	493,309	-	-	-	-	493,309
200 Employee benefits	-	187,245	-	-	-	-	187,245
300 Purchased services	-	46,125	-	-	-	-	46,125
400 Supplies and materials	-	35,658	-	-	-	59,485	95,143
128 Emotionally handicapped							
100 Salaries	-	57,871	-	-	-	-	57,871
200 Employee benefits	-	18,728	-	-	-	-	18,728
130 Preschool Handicapped Programs							
137 Preschool handicapped self-contained (3 & 4-year olds)							
100 Salaries	-	25,837	39,302	-	-	-	65,139
200 Employee benefits	-	13,130	18,841	-	-	-	31,971
139 Early childhood programs							
100 Salaries	74,496	-	-	-	-	-	74,496
200 Employee benefits	26,222	-	-	-	-	-	26,222
140 Special Programs							
149 Other special programs							
300 Purchased services	-	5,526	-	-	-	-	5,526
160 Other Exceptional Programs							
161 Autism							
100 Salaries	-	25,846	-	-	-	-	25,846
200 Employee benefits	-	8,687	-	-	-	-	8,687
170 Summer School Program							
171 Primary Summer School							
100 Salaries	-	10,381	-	-	13,316	16,000	39,697
200 Employee benefits	-	3,015	-	-	-	4,054	7,069
175 Instructional programs beyond regular school day							
100 Salaries	2,744	-	-	-	-	-	2,744
200 Employee benefits	695	-	-	-	-	-	695

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR FISCAL YEAR ENDED JUNE 30, 2017

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
180 Adult/continuing education							
188 Parenting/family literacy							
100 Salaries	36,664	-	-	-	-	-	36,664
200 Employee benefits	16,704	-	-	-	-	-	16,704
TOTAL INSTRUCTION	1,222,055	1,462,602	58,143	36,791	336,731	605,978	3,722,300
200 Supporting Services							
210 Pupil Services							
211 Attendance and social work services							
300 Purchased services	477	-	-	-	-	-	477
400 Supplies and materials	5,997	-	-	-	-	-	5,997
214 Psychological							
300 Purchased services	-	25,510	-	-	-	44,375	69,885
400 Supplies and materials	-	37,757	-	-	-	-	37,757
215 Exceptional program services							
400 Supplies and materials	-	12,646	-	-	-	-	12,646
217 Career specialist services							
100 Salaries	-	-	-	-	268,288	-	268,288
200 Employee benefits	-	-	-	-	61,783	-	61,783
220 Instructional Staff Services							
221 Improvement of instruction - curriculum development							
100 Salaries	74,070	-	-	-	-	-	74,070
200 Employee benefits	27,360	-	-	-	-	-	27,360
400 Supplies and materials	-	-	-	-	-	24,216	24,216
223 Supervision of special programs							
100 Salaries	37,665	41,229	-	-	-	-	78,894
200 Employee benefits	13,236	18,989	-	-	-	-	32,225
300 Purchased services	2,974	6,000	-	-	-	-	8,974
400 Supplies and materials	158	6,409	-	-	-	-	6,567
224 Improvement of instruction - inservice training							
100 Salaries	4,350	6,385	-	-	313,890	11,300	335,925
200 Employee benefits	1,116	1,626	-	-	125,220	2,992	130,954
300 Purchased services	4,257	17,100	-	12,243	-	38,560	72,160
400 Supplies and materials	61	-	-	-	-	2,624	2,685

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR FISCAL YEAR ENDED JUNE 30, 2017

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE				
250 Finance and Operations Services							
251 Student transportation							
300 Purchased services	791	-	-	-	-	-	791
254 Operation and maintenance of plant							
300 Purchased services	-	-	-	-	515	150	665
400 Supplies and materials	-	-	-	-	-	30,788	30,788
260 Central Support Services							
266 Data Processing Services							
300 Purchased services	-	-	-	-	-	8,526	8,526
500 Capital outlay	-	-	-	-	-	35,570	35,570
270 Supporting Services - Pupil Activities							
271 Pupil service activities							
300 Purchased services	3,000	-	-	25,473	-	-	28,473
400 Supplies and materials	-	-	-	7,055	-	-	7,055
TOTAL SUPPORTING SERVICES	175,512	173,651	-	44,771	769,696	199,101	1,362,731
300 Community Services							
350 Custody and care of children							
100 Salaries	-	-	-	-	-	237,944	237,944
200 Employee benefits	-	-	-	-	-	30,522	30,522
TOTAL COMMUNITY SERVICES	-	-	-	-	-	268,466	268,466
410 Intergovernmental Expenditures							
414 Medicaid payments to SDE							
720 Transits	-	-	-	-	-	66,769	66,769
TOTAL INTERGOVERNMENTAL SERVICES	-	-	-	-	-	66,769	66,769
TOTAL EXPENDITURES	1,397,567	1,636,253	58,143	81,562	1,106,427	1,140,314	5,420,266

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017

201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE			
-	-	-	-	-	268,465	268,465
(30,119)	-	-	-	-	-	(30,119)
(30,119)	-	-	-	-	268,465	238,346
OTHER FINANCING SOURCES (USES)						
Interfund Transfers, From (To) Other Funds						
5270 Transfer from Pupil Activity Fund						
431-791 Special revenue fund indirect costs						
TOTAL OTHER FINANCING SOURCES (USES)						
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES						
FUND BALANCE - JULY 1, 2016						
FUND BALANCE - JUNE 30, 2017						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES
 FOR FISCAL YEAR ENDED JUNE 30, 2017

Program	Sub Fund	Description	
<u>Other Restricted State Grants</u>			
	808	Quaver Music Pilot	\$ 3,900
	811	DHEC Recycling	515
	816	Profound disabled	1,021
	919	Education license plates	950
	926	Summer reading camp	13,316
	928	EEDA career specialist	330,071
	935	Reading coaches	439,110
	937	Student health and fitness - PE teachers	59,607
	963	K-12 technology initiative	257,937
			<u>\$ 1,106,427</u>
<u>Other Special Revenue Programs</u>			
	209	IDEA SSIP	\$ 80,882
	221	Title I, neglected and delinquent	11,795
	237	Title I, focus	54,329
	264	Language instruction for limited english proficient and immigrant students, Title III	44,007
	263	Improving teacher quality - carryover	4,196
	267	Improving teacher quality	163,273
	277	Air Force JROTC	104,548
	293	Medicaid	213,125
	803	Risk control	21,336
	807	Extended school year	1,447
	840	Teacher forum	4,570
	870	Fine Arts Center	9,603
	875	E-Rate / Student technology fees	158,738
			<u>\$ 871,849</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
 FOR FISCAL YEAR ENDED JUNE 30, 2017

Sub Fund	Revenue	Description	Revenues	Expenditures	Special Revenue		Unearned Revenue
					Interfund Transfers In(Out)	Other fund Transfers In(Out)	
808	3199	Quaver Music Pilot	\$ 3,900	\$ 3,900	\$ -	\$ -	-
811	3999	DHEC Recycling	515	515	-	-	205
816	3199	Profound disabled	1,021	1,021	-	-	-
919	3193	Education license plates	950	950	-	-	-
926	3177	Summer reading camps	13,316	13,316	-	-	-
928	3118	EEDA career specialist	330,071	330,071	-	-	-
937	3127	Student health and fitness - PE teachers	59,607	59,607	-	-	-
935	3135	Reading coaches	439,110	439,110	-	-	-
963	3630	K-12 technology initiative	257,937	257,937	-	-	-
			<u>\$ 1,106,427</u>	<u>\$ 1,106,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>205</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR FISCAL YEAR ENDED JUNE 30, 2017

REVENUES

3000 Revenue from State Sources		
3500 Education Improvement Act		
3502 ADEPT	\$	8,653
3511 Professional development		26,678
3512 Technology professional development		43,282
3518 Adoption list of formative assessment		37,450
3519 Grade 10 assessments		8,370
3525 Career and technology education equipment		105,192
3526 Refurbishment of K-8 science kits		12,000
3532 National board salary supplement (No carryover provision)		744,127
3533 Teacher of the year awards (No carryover provision)		1,077
3535 Reading coaches		7,915
3538 Students at risk of school failure		661,482
3540 Early childhood program (4K programs serving four-year-old children)		274,281
3550 Teacher salary increase (No carryover provision)		1,671,739
3555 Teacher salary fringe (No carryover provision)		243,588
3557 Summer reading camps		58,469
3558 Reading		12,721
3577 Teacher supplies (No carryover provision)		166,650
3578 High schools that work / making middle grades work		9,743
3581 Student health and fitness - nurses		174,202
3587 IDEA MOE Tier 1		381,840
3592 Work-based learning		26,169
3595 EEDA - Supplies and materials		17,764
3597 Aid to districts		148,405
		<hr/>
Total State Sources		4,841,797
		<hr/>
TOTAL REVENUE ALL SOURCES		4,841,797
		<hr/>

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten programs		
100 Salaries		15,000
200 Employee benefits		3,774
112 Primary programs		
100 Salaries		476,053
200 Employee benefits		159,752
400 Supplies and materials		85,975
113 Elementary programs		
100 Salaries		286,773
200 Employee benefits		101,538
400 Supplies and materials		65,692

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR FISCAL YEAR ENDED JUNE 30, 2017

114 High school programs	
100 Salaries	115,000
200 Employee benefits	28,608
400 Supplies and materials	42,250
115 Career and technology education programs	
100 Salaries	7,500
200 Employee benefits	1,850
500 Capital outlay	105,192
120 Exceptional Programs	
122 Trainable mentally handicapped	
100 Salaries	7,500
200 Employee benefits	1,886
126 Speech handicapped	
100 Salaries	80,391
200 Employee benefits	41,969
127 Learning disabilities	
100 Salaries	34,168
200 Employee benefits	10,587
400 Supplies and materials	224,498
128 Emotionally handicapped	
100 Salaries	7,500
200 Employee benefits	1,887
130 Preschool Programs	
139 Early childhood programs	
100 Salaries	187,472
200 Employee benefits	62,845
300 Purchased services	558
400 Supplies and materials	23,406
170 Summer School Program	
171 Primary summer school	
100 Salaries	26,385
200 Employee benefits	10,456
400 Supplies and materials	25,106
180 Adult/Continuing Educational Programs	
188 Parenting/family literacy	
100 Salaries	72,712
200 Employee benefits	36,371
	<hr/>
TOTAL INSTRUCTION	2,350,654
	<hr/>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR FISCAL YEAR ENDED JUNE 30, 2017

200 Supporting Services

210 Pupil Services	
212 Guidance services	
100 Salaries	35,879
200 Employee benefits	9,065
300 Purchased services	2,185
400 Supplies and materials	170,699
213 Health services	
100 Salaries	123,230
200 Employee benefits	54,733
220 Instructional staff services	
224 Improvement of instruction - inservice training	
100 Salaries	7,600
200 Employee benefits	1,920
300 Purchased services	151,959
400 Supplies and materials	6,520
250 Finance and Operations Services	
255 Student transportation (state mandated)	
100 Salaries	5,563
200 Employee benefits	1,463
	<hr/>
TOTAL SUPPORTING SERVICES	570,816

400 Other Charges	
410 Intergovernmental Expenditures	
412 Payments to other governmental units	
720 Transits	5,000
	<hr/>
TOTAL INTERGOVERNMENTAL EXPENDITURES	5,000

TOTAL EXPENDITURES	2,926,470
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OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds	
420-710 Transfer to General Fund	(1,915,327)
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	(1,915,327)

EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
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FUND BALANCE - JULY 1, 2016	-
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FUND BALANCE - JUNE 30, 2017	\$ -
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 2017

Program	Revenues		Expenditures		EIA Interfund Transfers		Other Fund Transfers		Unearned Revenue	
					In/(Out)		In/(Out)			
3500 Education Improvement Act										
3502 ADEPT	\$	8,653	\$	8,653	\$	-	\$	-	\$	
3511 Professional development		26,678		26,678		-		-	29,681	
3512 Technology professional development		43,282		43,282		-		-	-	
3518 Adoption list of formative assessment		37,450		37,450		-		-	-	
3519 Grade 10 assessments		8,370		8,370		-		-	-	
3525 Career and technology education equipment		105,192		105,192		-		-	38,738	
3526 Refurbishment of K-8 science kits		12,000		12,000		-		-	32,893	
3532 National board salary supplement (No carryover provision)		744,127		744,127		-		-	-	
3533 Teacher of the year awards (No carryover provision)		1,077		1,077		-		-	-	
3535 Reading coaches		7,915		7,915		-		-	341	
3538 Students at risk of school failure		661,482		661,482		-		-	782,954	
3540 Early childhood program (4K programs serving four-year-old children)		274,281		274,281		-		-	-	
3550 Teacher salary increase (No carryover provision)		1,671,739		-		-	(1,671,739)	-	-	
3555 Teacher salary fringe (No carryover provision)		243,588		-		-	(243,588)	-	-	
3557 Summer reading camps		58,469		58,469		-		-	61,007	
3558 Reading		12,721		12,721		-		-	38,233	
3577 Teacher supplies (No carryover provision)		166,650		166,650		-		-	-	
3578 High schools that work / making middle grades work		9,743		9,743		-		-	8,609	
3581 Student health and fitness - nurses		174,202		174,202		-		-	-	
3587 IDEA MOE Tier 1		381,840		381,840		-		-	12,663	
3592 Work-based learning		26,169		26,169		-		-	-	
3595 EEDA - Supplies and materials		17,764		17,764		-		-	22,855	
3597 Aid to districts		148,405		148,405		-		-	-	
Totals	\$	4,841,797	\$	2,926,470	\$	-	\$	(1,915,327)	\$	1,027,974

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017

REVENUES

1000 Revenues from Local Sources		
1600 Food service		
1610 Lunch sales to pupils	\$	623,979
1620 Breakfast sales to pupils		65,916
1630 Special sales to pupils		109,151
1640 Lunch sales to adults		49,288
1650 Breakfast sales to adults		8,372
1660 Special sales to adults		58,233
1900 Other revenue from local sources		
1999 Miscellaneous		26,960
		<hr/>
Total Revenue from Local Sources		941,899
		<hr/>
3000 Revenue from State Sources		
3140 School lunch		
3142 Program aid		270
		<hr/>
Total State Sources		270
		<hr/>
4000 Revenue from Federal Sources		
4800 USDA reimbursement		
4810 School lunch and after school snacks program		1,852,137
4830 School breakfast program		595,896
4900 Other federal sources		
4991 USDA commodities		240,578
		<hr/>
Total Revenue from Federal Sources		2,688,611
		<hr/>
TOTAL REVENUE ALL SOURCES		3,630,780
		<hr/>
EXPENDITURES		
200 Support Services		
250 Finance and operations		
256 Food service		
300 Purchased services		2,890,316
400 Supplies and materials		250,101
500 Capital outlay		39,966
600 Other objects		6,580
		<hr/>
Total Support Services		3,186,963
		<hr/>
TOTAL EXPENDITURES		3,186,963
		<hr/>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds
432-791 Food Service Fund Indirect Costs (500,000)

TOTAL OTHER FINANCING SOURCES (USES) (500,000)

Excess/(Deficiency) of Revenues Over Expenditures (56,183)

FUND BALANCE - JULY 1, 2016 1,194,956

FUND BALANCE - JUNE 30, 2017 \$ 1,138,773

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017

REVENUES

1000 Revenue from Local Sources	
1100 Taxes	
1110 Ad Valorem taxes - fiscally independent LEA	\$ 3,507,758
1200 Revenue from local governmental units other than LEAs	
1280 Revenue in lieu of taxes	986,047
1500 Earnings on investments	
1510 Interest on investments	6,167
Total Revenue from Local Sources	<u>4,499,972</u>
3000 Revenue from State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead exemption	113,279
3830 Merchant's inventory tax	10,569
3840 Manufacturers depreciation reimbursement	41,112
3890 Other state property tax revenues	12,149
Total Revenue from State Sources	<u>177,109</u>
TOTAL REVENUE ALL SOURCES	<u>4,677,081</u>

EXPENDITURES

500 Debt service	
610 Redemption of principal	530,000
620 Interest	767,646
640 Dues and fees	806
690 Other objects	33,963
Total Debt Service Expenditures	<u>1,332,415</u>
TOTAL EXPENDITURES	<u>1,332,415</u>

OTHER FINANCING SOURCES (USES)

5110 Premium on bonds sold	74,214
Interfund Transfers, from (to) other funds	
423-710 Transfer to Debt Service Fund EFC	<u>(2,672,300)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,598,086)</u>

Excess/(Deficiency)of Revenues Over Expenditures	746,580
FUND BALANCE - JULY 1, 2016	<u>1,398,110</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 2,144,690</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND - EDUCATIONAL FACILITIES CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017

REVENUES

TOTAL REVENUE ALL SOURCES	\$ -
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EXPENDITURES**500 Debt service**

610 Principal	\$ 7,220,000
620 Interest	947,300
690 Other objects	5,000
	8,172,300

Total Debt Service Expenditures	8,172,300
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TOTAL EXPENDITURES

	8,172,300
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OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds

5210 Transfer from General Fund	5,500,000
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5240 Transfer from Debt Service Fund	2,672,300
--------------------------------------	-----------

TOTAL OTHER FINANCING SOURCES

	8,172,300
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Excess/(Deficiency) of Revenues Over Expenditures	-
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FUND BALANCE - JULY 1, 2016

	20,056
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FUND BALANCE - JUNE 30, 2017

	\$ 20,056
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017

REVENUES

1000 Revenue from Local Sources	
1500 Earnings on investments	
1510 Interest on investments	\$ 15,800
	<hr/>
Total Revenue from Local Sources	15,800
	<hr/>
TOTAL REVENUE ALL SOURCES	15,800
	<hr/>

EXPENDITURES**200 Support services**

253 Facilities Acquisition and Construction Services	
300 Purchased services	249,293
500 Capital outlay	
520 Construction services	7,443,313
530 Improvements other than buildings	728
540 Equipment	862,329
600 Other objects	
690 Other objects	5,047
	<hr/>
Total Support Services	8,560,710
	<hr/>

TOTAL EXPENDITURES

8,560,710

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds	
5210 Transfer from General Fund	6,791,438
	<hr/>

TOTAL OTHER FINANCING SOURCES (USES)

6,791,438

Excess/(Deficiency) of Revenues Over Expenditures (1,753,472)

FUND BALANCE - JULY 1, 2016

20,768,076

FUND BALANCE - JUNE 30, 2017

\$ 19,014,604

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS AND CHANGES
IN DUE TO STUDENT ORGANIZATIONS
FOR FISCAL YEAR ENDED JUNE 30, 2017

RECEIPTS

1000 Receipts from Local Sources	
1500 Earnings on investments	
1510 Interest on investments	\$ 2
1700 Pupil activities	
1710 Admissions	257,916
1720 Bookstore sales	62,896
1730 Pupil organization membership	76,804
1740 Student fees	608,207
1790 Other	1,823,426
1900 Other revenue from local sources	
1920 Contributions and donations private sources	<u>60,724</u>
TOTAL RECEIPTS ALL SOURCES	<u>2,889,975</u>

DISBURSEMENTS

190 Instructional pupil activity	
660 Pupil activity	343,058
270 Supporting services pupil activity	
271 Pupil service activities	
660 Pupil activity	<u>2,257,996</u>
TOTAL DISBURSEMENTS	<u>2,601,054</u>

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds	
421-710 Transfer to Special Revenue Fund	<u>(268,465)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(268,465)</u>

Excess/(Deficiency) of Revenues Over Expenditures	20,456
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DUE TO STUDENT ORGANIZATIONS - JULY 1, 2016	<u>1,058,652</u>
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DUE TO STUDENT ORGANIZATIONS - JUNE 30, 2017	<u><u>\$ 1,079,108</u></u>
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 FOR FISCAL YEAR ENDED JUNE 30, 2017

Program	Project Grant Number	Revenue & Subfund Codes	Description	Amount Due to SCDE/ Federal	Status of Amounts Due To Grantors
<u>Due to State Department of Education</u>					
Refurbishment of science kits	EIA	3526 / 326	Unspent funds	\$ 2,578.10	Unpaid
EEDA - Supplies and materials	EIA	3577 / 377	Unspent funds	<u>275.00</u>	Unpaid
				2,853.10	
<u>Due to Federal Government</u>					
Title I, Regular	17 Title I, Regular	4310 / 201	Overclaim due to refund (223-300)	<u>778.08</u>	Remitted to SDE Subsequent to year end
				778.08	
Total Due to State Department of Education or Federal Government				<u><u>\$ 3,631.18</u></u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2017

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
01	Duncan Elementary	Elementary School	School	\$ 6,050,326
02	Lyman Elementary	Elementary School	School	5,741,743
03	Reidville Elementary	Elementary School	School	3,468,927
04	Abner Creek Academy	Elementary School	School	4,823,899
05	Wellford Academy	Elementary School	School	5,573,161
06	Beech Springs Intermediate	Elementary School	School	4,730,693
07	D.R. Hill Middle School	Middle School	School	5,005,654
08	J.F. Byrnes High School	High School	School	22,686,172
09	Freshman Academy	High School	School	4,269,472
10	Districtwide	Non-School	Central	24,102,098
11	River Ridge Elementary	Elementary School	School	5,888,661
12	Berry Shoals Intermediate School	Elementary School	School	5,045,313
14	Florence Chapel Middle School	Middle School	School	5,427,560
				<u>\$ 102,813,679</u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 70,613,501
Special Revenue Fund	5,420,266
EIA Fund	2,926,470
Debt Service Fund	1,332,415
Debt Service Fund - Educational Facilities Corporation	8,172,300
Capital Projects Fund	8,560,710
Food Service Fund	3,186,963
Pupil Activity Fund	2,601,054
<u>\$ 102,813,679</u>	

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

To the Board of Trustees of
Spartanburg County School District Five
Duncan, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five ("the District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 27, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

To the Board of Trustees of
Spartanburg County School District Five
Page Two

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McAbee, Schwartz, Halliday & Co.

Spartanburg, South Carolina
October 27, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Spartanburg County School District Five
Duncan, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Spartanburg County School District Five's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Spartanburg County School District Five'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Spartanburg County School District Five complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

To the Board of Trustees of
Spartanburg County School District Five
Page Two

Report on Internal Control over Compliance

Management of Spartanburg County School District Five is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McAbee, Schwartz, Halliday & Co.

Spartanburg, South Carolina
October 27, 2017

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2017

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Expenditures	Expenditures
<u>U.S. Department of Agriculture</u>					
Pass-through S.C. Department of Education					
Child Nutrition Cluster					
Non-Cash Assistance:					
600	National School Lunch Program	10.555	N/A	\$ 240,578	
	<i>Total Non-Cash Assistance</i>				\$ 240,578
Cash Assistance:					
600	School Breakfast Program	10.553	N/A	595,896	
600	National School Lunch Program	10.555	N/A	1,852,137	
	<i>Total Cash Assistance</i>				2,448,033
	<i>Total Child Nutrition Cluster</i>				2,688,611
	<i>Total U.S. Department of Agriculture</i>				2,688,611
<u>U.S. Department of Education</u>					
Pass-through S.C. Department of Education					
201	Title I , Regular	84.010	17 Title I Regular	\$ 1,070,438	
201	Title I , Regular	84.010	17 Title I Carryover	357,248	
221	Title I, Neglected and Delinquent	84.010	17 Title I N&D	7,942	
221	Title I, Neglected and Delinquent	84.010	16 Title I N&D	3,853	
237	Title I, Focus	84.010	17 Title I Focus	54,329	1,493,810
Special Education Cluster					
203	Individuals With Disabilities Education Act (IDEA)	84.027	17 IDEA	1,363,556	
204	Individuals With Disabilities Education Act (IDEA)	84.027	16 IDEA	272,697	
209	Individuals With Disabilities Education Act (IDEA), SSIP	84.027	17 IDEA, SSIP	80,882	
807	Extended School Year	84.027	ESY	1,447	
205	Preschool Grants (IDEA)	84.173	17 IDEA Preschool	58,143	
	<i>Total Special Education Cluster</i>				1,776,725
207	CATE (Subprogram 4)	84.048	17 CATE	6,543	
207	CATE (Subprogram 6)	84.048	17 CATE	36,791	
207	CATE (Subprogram 10)	84.048	17 CATE	27,528	
208	CATE (Subprogram 4)	84.048	17 CATE Carryover	1,705	
208	CATE (Subprogram 6)	84.048	17 CATE Carryover	5,000	
208	CATE (Subprogram 4)	84.048	16 CATE	3,995	81,562
264	Language instruction for limited english proficient and immigrant students, Title III	84.365	17 Title III	39,649	
264	Language instruction for limited english proficient and immigrant students, Title III	84.365	16 Title III	4,358	44,007
267	Improving Teacher Quality, Title II	84.367	17 Title II	4,196	
263	Improving Teacher Quality, Title II	84.367	16 Title II	163,273	167,469
	<i>Total U.S. Department of Education</i>				3,563,573
<u>U.S. Department of Defense</u>					
Direct Program					
277	Air Force ROTC	12.000	SC0H0932		104,548
	<i>Total U.S. Department of Defense</i>				104,548
	Total Federal Financial Assistance Expended				\$ 6,356,732

See note to schedule of expenditures of federal awards.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity for the District under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spartanburg County School District Five and is presented on the modified accrual basis of accounting.
- B. The District has elected to not use the de minimis 10% indirect cost rate as allowed under the Uniform Guidance.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017

Fiscal year ended June 30, 2016:

Financial Statement Findings:

None.

Federal Award Findings and Questioned Costs:

None.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material Weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material Weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None