

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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FINANCIAL STATEMENTS
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 Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of the District's Proportionate Share of the Collective Net Pension Liability, Schedule of the District's Proportionate Share of the Collective Net OPEB Liability, Schedules of the District's Contributions and the Budgetary Comparison Schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund schedules, other schedules required by the South Carolina Department of Education, and the Schedule of Expenditures of Federal Awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules, 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 relates 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 schedules, other schedules required by the South Carolina Department of Education, 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.

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, on our consideration of Spartanburg County School District Five'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the District's internal control over financial reporting and compliance.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 3, 2022

Spartanburg County School District Five Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Our discussion and analysis of Spartanburg County School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022.

Financial Highlights

- The general operating fund balance increased by \$2,179,522 over last year.
- Due to conservative budgeting and a significant increase in the number of students, the General Fund state revenue received was \$5,209,204 more than budgeted.
- The revenue from local sources had a favorable variance of \$6,991,713. This favorable variance was mainly due to fee-in-lieu of taxes collections being \$5,323,141 more than budgeted.
- The District had a favorable expenditure variance of \$4,118,919. This favorable variance was mainly due to an overestimate of employee salaries and fringe benefits.
- A total of \$15,000,000 more than budgeted was transferred to the Capital Projects Fund.
- On June 30, 2022, the available, unassigned fund balance for the General Fund was \$23,484,485, which is 20.3% of the total budgeted General Fund expenditures, including transfers, for the fiscal year 2022-23.
- The District's net position increased by \$20,183,473. Program revenues accounted for \$62,452,365 or 40.8% of total revenues, and general revenues accounted for \$90,588,100 or 59.2%.
- The construction projects approved with the November 2, 2021 referendum began during the fiscal year 2021-22.

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 the District 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 District, presenting both an aggregate view of the 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 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 with 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 & Analysis - Continued
For the Fiscal Year Ended June 30, 2022**

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 8. The fund financial statements begin on page 14 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 you 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 Middle Tyger Community Center and First Steps of Spartanburg County and accounts for these activities in a custodial fund. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 18 and 19.

**Spartanburg County School District Five
Management's Discussion & Analysis - Continued
For the Fiscal Year Ended June 30, 2022**

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 exceeded liabilities by \$27,899,552 at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net position for FYE 2022 and 2021:

	Governmental Activities	
	2022	2021
Assets		
Current and Other Assets	\$ 173,048,428	\$ 79,943,090
Capital Assets	196,423,872	162,648,049
Total Assets	369,472,300	242,591,139
Deferred Outflows of Resources		
Loss on Advanced Refunding	-	389,076
Deferred Outflows Related to Pensions	21,197,150	22,098,873
Deferred Outflows Related to OPEB	40,596,012	27,162,904
Total Deferred Outflows of Resources	61,793,162	49,650,853
Liabilities		
Long-Term Liabilities	363,384,836	258,752,230
Other Liabilities	17,825,623	18,053,967
Total Liabilities	381,210,459	276,806,197
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	15,292,267	455,346
Deferred Inflows Related to OPEB	6,863,184	7,264,370
Total Deferred Inflows of Resources	22,155,451	7,719,716
Net Position		
Net Investment in Capital Assets	166,037,535	150,346,564
Restricted for:		
Pupil Activities	1,487,170	1,242,515
Debt Service	859,983	1,272,969
Food Service	15,587,006	8,534,484
Unrestricted (deficit)	(156,072,142)	(153,680,453)
Total Net Position	\$ 27,899,552	\$ 7,716,079

**Spartanburg County School District Five
Management's Discussion & Analysis - Continued
For the Fiscal Year Ended June 30, 2022**

Table 2 shows the changes in net position for the fiscal years 2022 and 2021:

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,693,907	\$ 1,756,219
Operating Grants	59,758,458	56,370,793
General Revenues:		
Property Taxes	73,410,180	68,110,030
Grants and Entitlements	16,469,808	15,484,695
Other	708,112	719,291
Total Revenues	153,040,465	142,441,028
Program Expenses:		
Instruction	80,684,348	79,784,761
Support Services	48,963,010	44,802,814
Community Services	358,646	192,665
Interest and Fiscal Charges	2,850,988	1,457,275
Total Expenses	132,856,992	126,237,515
Change in Net Position	\$ 20,183,473	\$ 16,203,513
Net Position- Beginning of Year	\$ 7,716,079	\$ (8,487,434)
Net Position - End of Year	\$ 27,899,552	\$ 7,716,079

**Spartanburg County School District Five
Management's Discussion & Analysis - Continued
For the Fiscal Year Ended June 30, 2022**

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 14) reported a combined fund balance of \$155,619,307, which is more than last year's total of \$61,033,657.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2022 and 2021.

	Fund Balance Comparison		
	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Increase (Decrease)
General	\$ 23,487,025	\$ 21,307,503	\$ 2,179,522
Special Revenue - Special Projects	1,487,170	1,242,515	244,655
Special Revenue - Food Service	859,983	1,272,969	(412,986)
Debt Service	15,426,889	8,370,532	7,056,357
Debt Service - EFC	-	20,191	(20,191)
Capital Projects	114,358,240	28,819,947	85,538,293
Total	\$ 155,619,307	\$ 61,033,657	\$ 94,585,650

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

	Fiscal Year 2022		Fiscal Year 2021	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 55,662,191	58.0%	\$ 52,836,024	60.0%
Fringe Benefits	23,886,885	24.9%	22,203,618	25.2%
Purchased Services	8,864,470	9.2%	6,202,280	7.0%
Supplies and Materials	4,025,052	4.2%	3,678,911	4.2%
Capital Outlay	3,362,659	3.5%	2,481,197	2.8%
Miscellaneous	162,845	0.2%	587,888	0.7%
Total	\$ 95,964,102	100.0%	\$ 87,989,918	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.

**Spartanburg County School District Five
Management's Discussion & Analysis - Continued
For the Fiscal Year Ended June 30, 2022**

General Fund Budget Information

The General Fund schedule of revenues, expenditures, and changes in fund balance is presented in Schedule 4 on page 56 of the financial statements. This schedule compares budget to actual and indicates the favorable and unfavorable variances.

The general operating fund balance increased by \$2,179,522 over last year.

The revenue from local sources had a favorable variance of \$6,991,713. This favorable variance was mainly due to fee-in-lieu of taxes collections being \$5,323,141 more than budgeted.

The revenue from state sources had a favorable variance of \$5,209,204. This favorable variance was largely a result of a significant increase in the number of students served and a conservative budget approach in budgeting state revenue.

The District had a favorable expenditure variance in expenditures in the amount of \$4,118,919. This favorable variance was mainly due to an overestimate of employee fringe benefits and a few budgeted positions not being filled.

The District was also able to transfer \$16,575,000 from the General Fund to the Capital Projects Fund to help fund school construction projects.

Capital Assets

The construction projects approved in the November 2, 2021 referendum began during the fiscal year 2021-22. Please refer to footnotes 11 and 13 for commitments relating to these construction projects.

Debt

The \$66,000,000 Installment Refunding Revenue Bonds issued on October 10, 2013, were paid in full during 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, \$11,340,000 of the General Obligation Bonds were outstanding. On March 29, 2018, the District issued \$4,375,000 of General Obligation Bonds and \$5,110,000 of Special Obligation Bonds to help fund the new Reidville Elementary construction. At fiscal year-end, \$1,640,000 of the General Obligation Bonds and \$4,045,000 of the Special Obligation Bonds were still outstanding. On June 20, 2019, the District issued \$4,000,000 to help fund the addition at Abner Creek Academy and the parking expansion and new baseball field at Byrnes High school. At fiscal year-end, \$334,000 of the General Obligation Bonds were still outstanding. On May 13, 2021, \$9,000,000 of general obligation bonds were issued to help fund the purchase of land and to help fund principal and interest on the Installment Refunding Revenue Bonds. At fiscal year-end, none were outstanding. On January 25, 2022, the District issued \$100,000,000 of general obligation bonds. At fiscal year-end, \$100,000,000 were still outstanding. The net pension liability of the District at fiscal year-end, as required by GASB 68, was \$104,038,339. The net Other Postemployment Benefits Plan (OPEB) liability at fiscal year-end, as required by GASB 75, was \$131,886,324.

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 FYE 2011. While the rate of student growth slowed for fiscal years 2010 through 2017 and again in 2021, the district experienced significant growth in fiscal years 2018, 2019, 2020, and 2022. The District will continue to closely monitor the number of students served.

**Spartanburg County School District Five
Management's Discussion & Analysis - Continued
For the Fiscal Year Ended June 30, 2022**

Table 5 shows the students served, kindergarten through grade 12, for the past twenty-six 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	4.2%
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%
17-18	8,241	362	4.6%
18-19	8,533	292	3.5%
19-20	8,816	283	3.3%
20-21	8,837	21	0.2%
21-22	9,511	674	7.6%
Twenty-six-year increase		4,896	106.1%

* Based on 135-day Average Daily Membership K-12

**Spartanburg County School District Five
Management's Discussion & Analysis - Continued
For the Fiscal Year Ended June 30, 2022**

In the fiscal year 2015-16, the District had an outside firm assist in conducting a facilities and demographics study. In the fiscal year 2016-17, the District completed expansion projects at Byrnes High School and Lyman Elementary. The District completed construction on a new Reidville Elementary School to replace the existing school in August 2019. A ten-classroom expansion at Abner Creek Academy was completed in June 2020. An expansion of the parking lot and new baseball field at Byrnes High School was completed in the fall of 2020. The construction of a new softball field was completed in February 2021. In the fiscal year 2019-20, the District had the outside firm update the facilities and demographic study. As a result, the District ordered a referendum be held on November 2, 2021, to ask voters permission to issue up to \$295,000,000 in general obligation bonds to be used for constructing a new elementary school, a new middle school, a new elementary school to replace Wellford Academy, renovate and expand Byrnes High School, expand Reidville Elementary, convert Berry Shoals Intermediate to an elementary school, to convert Beech Springs Intermediate to a middle school, and possibly purchase land for future school sites. The voters approved the referendum 84% to 16%. Construction has begun on these referendum projects. In September 2021, the District purchased approximately 57 acres of land for the site of the new elementary school. In December 2021, the District purchased approximately 141 acres of land in the southern part of the district for a future school site.

The financial report is designed to provide the School District's citizens, taxpayers, customers, 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 Chief Financial Officer, P. O. Box 307, Duncan, South Carolina 29334.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 5,081,577
Investments	81,681,095
Cash Held by County Treasurer	78,023,710
Taxes Receivable	6,579,475
Less Allowance for Uncollectibles	(2,810,988)
Accounts Receivable	212,384
Due from Custodial Funds	875,447
Due from State Department of Education	315,378
Due from Federal Government	3,018,070
Prepays	2,540
Inventory - Commodities	69,740
Capital Assets	
Non-Depreciable	46,452,727
Depreciable, net	149,971,145
Total Assets	369,472,300
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	21,197,150
Deferred Outflows Related to OPEB	40,324,991
Total Deferred Outflows of Resources	61,522,141
LIABILITIES	
Accounts Payable	9,456,557
Retainage Payable	873,660
Due to State Department of Education	46,061
Accrued Salaries, Health & Fringe	3,654,172
Unearned Revenue	2,193,961
Accrued Interest Payable	1,601,212
Noncurrent Liabilities	
Due Within One Year	10,619,000
Due in More Than One Year	116,841,173
Net Pension Liability - Due in More Than One Year	104,038,339
Net OPEB Liability - Due in More Than One Year	131,886,324
Total Liabilities	381,210,459
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	15,292,267
Deferred Inflows Related to OPEB	6,592,163
Total Deferred Inflows of Resources	21,884,430
NET POSITION	
Net Investment in Capital Assets	166,037,535
Restricted for:	
Pupil Activities	1,487,170
Food Service	859,983
Debt Service	15,587,006
Unrestricted	(156,072,142)
Total Net Position	\$ 27,899,552

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental Activities:				
Instruction	\$ 80,684,348	\$ 40,775	\$ 49,512,465	\$ (31,131,108)
Support Services	48,963,010	2,653,132	10,053,261	(36,256,617)
Community Services	358,646	-	192,732	(165,914)
Interest and Other Charges	2,850,988	-	-	(2,850,988)
TOTAL PRIMARY GOVERNMENT	132,856,992	2,693,907	59,758,458	(70,404,627)
GENERAL REVENUES:				
Property Taxes Levied for:				
General Purpose				
				58,951,489
Debt Service				
				14,458,691
Unrestricted State Grants				
				16,469,808
Unrestricted Investment Earnings				
				326,694
Contributions				
				42,230
Miscellaneous				
				339,188
				Total General Revenues 90,588,100
				CHANGE IN NET POSITION 20,183,473
				NET POSITION - JULY 1, 2021 7,716,079
				NET POSITION - JUNE 30, 2022 \$ 27,899,552

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Fund -							Total Governmental Funds
	General Fund	Special Projects	Educational Improvement Act	Food Service	Debt Service Fund	Debt Service Fund - EFC	Capital Projects Fund	
ASSETS								
Cash and Cash Equivalents	\$ 3,784,229	\$ 1,275,233	\$ -	\$ 2	\$ -	\$ 21,953	\$ 160	\$ 5,081,577
Investments	-	-	-	-	-	-	81,681,095	81,681,095
Cash Held by County Treasurer	60,329,067	-	-	-	700,690	-	16,993,953	78,023,710
Taxes Receivable	5,961,327	-	-	-	618,148	-	-	6,579,475
Less Allowance for Uncollectibles	(2,437,382)	-	-	-	(373,606)	-	-	(2,810,988)
Accounts Receivable	186,158	-	-	26,226	-	-	-	212,384
Due from State Department of Education	315,286	92	-	-	-	-	-	315,378
Due from Federal Government	-	2,916,168	-	101,902	-	-	-	3,018,070
Due from Other Funds	3,691,016	229,047	1,456,188	731,853	14,641,774	-	23,646,535	44,396,413
Prepays	2,540	-	-	-	-	-	-	2,540
Inventory - Commodities	-	-	-	69,740	-	-	-	69,740
Total Assets	\$ 71,832,241	\$ 4,420,540	\$ 1,456,188	\$ 929,723	\$ 15,587,006	\$ 21,953	\$ 122,321,743	\$ 216,569,394

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities:								
Accounts Payable	\$ 9,456,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,456,557
Retainage Payable	-	-	-	-	-	-	873,660	873,660
Due to Other Funds	34,189,894	2,219,276	-	-	-	21,953	7,089,843	43,520,966
Due to State Department of Education	-	-	46,061	-	-	-	-	46,061
Accrued Salaries, Health & Fringe	3,654,172	-	-	-	-	-	-	3,654,172
Unearned Revenue	-	714,094	1,410,127	69,740	-	-	-	2,193,961
Total Liabilities	47,300,623	2,933,370	1,456,188	69,740	-	21,953	7,963,503	59,745,377
Deferred Inflows of Resources:								
Unavailable Revenues - Property Taxes	1,044,593	-	-	-	160,117	-	-	1,204,710
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Prepays	2,540	-	-	-	-	-	-	2,540
Restricted	-	1,487,170	-	-	-	-	-	1,487,170
Pupil Activities	-	-	-	859,983	-	-	-	859,983
Food Service	-	-	-	-	-	-	-	-
Debt Service	-	-	-	15,426,889	-	-	-	15,426,889
Capital Projects	-	-	-	-	-	-	98,675,048	98,675,048
Assigned	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	15,683,192	15,683,192
Unassigned	23,484,485	-	-	-	-	-	-	23,484,485
Total Fund Balances	23,487,025	1,487,170	-	859,983	15,426,889	-	114,358,240	155,619,307
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 71,832,241	\$ 4,420,540	\$ 1,456,188	\$ 929,723	\$ 15,587,006	\$ 21,953	\$ 122,321,743	\$ 216,569,394

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, 2022**

Total Governmental Fund Balances		\$ 155,619,307
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		196,423,872
Taxes Receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.		1,204,710
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(1,601,212)	
Bond premium, net of amortization	(10,101,173)	
Bonds payable	(117,359,000)	
Net pension liability	(104,038,339)	
Net OPEB liability	<u>(131,886,324)</u>	(364,986,048)
Certain deferred outflows and inflows of resources are not available to use in the current period and, therefore, are not reported in the funds:		
Deferred outflows related to pensions	21,197,150	
Deferred outflows related to OPEB	40,324,991	
Deferred inflows related to pensions	(15,292,267)	
Deferred outflows related to OPEB	<u>(6,592,163)</u>	<u>39,637,711</u>
Net Position of Governmental Activities		<u><u>\$ 27,899,552</u></u>

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 THE FISCAL YEAR ENDED JUNE 30, 2022**

	Special Revenue Fund -							Total Governmental Funds
	General Fund	Special Projects	Educational Improvement Act	Food Service	Debt Service Fund	Debt Service Fund - EFC	Capital Projects Fund	
REVENUES								
Local Property Taxes	\$ 59,035,751	\$ -	\$ -	\$ -	\$ 14,298,574	\$ -	\$ -	\$ 73,334,325
Other Local	178,719	2,904,526	-	181,916	5,973	1,789	254,311	3,527,234
Total Local	59,214,470	2,904,526	-	181,916	14,304,547	1,789	254,311	76,861,559
Intergovernmental	280,104	-	-	-	-	-	-	280,104
State Sources	55,185,163	1,430,079	5,768,561	-	594,778	-	-	62,978,581
Federal Sources	-	8,469,455	-	4,500,128	-	-	-	12,969,583
Total Revenues	114,679,737	12,804,060	5,768,561	4,682,044	14,899,325	1,789	254,311	153,089,827
EXPENDITURES								
Current								
Instruction	59,735,782	6,600,844	2,481,584	-	-	-	-	68,818,210
Support Services	32,760,103	4,870,233	231,355	4,233,378	-	-	6,759,365	48,854,434
Community Services	105,558	235,814	-	-	-	-	-	341,372
Intergovernmental	-	95,358	64,541	-	-	-	-	159,899
Debt Service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	1,439,000	9,070,000	-	10,509,000
Interest	-	-	-	-	1,054,612	184,121	-	1,238,733
Other Objects	-	-	-	-	6,562	5,000	408,527	420,089
Capital Outlay	3,362,659	310,147	123,673	242,835	-	-	33,052,943	37,092,257
Total Expenditures	95,964,102	12,112,396	2,901,153	4,476,213	2,500,174	9,259,121	40,220,835	167,433,994
Excess (Deficiency) of Revenues Over Expenditures	18,715,635	691,664	2,867,408	205,831	12,399,151	(9,257,332)	(39,966,524)	(14,344,167)
OTHER FINANCING SOURCES (USES)								
Premium on Bonds Sold	-	-	-	-	-	-	8,929,817	8,929,817
Proceeds of Debt Obligations	-	-	-	-	-	-	100,000,000	100,000,000
Transfers In	3,933,234	233,689	-	-	-	9,237,141	16,575,000	29,979,064
Transfers Out	(20,469,347)	(680,698)	(2,867,408)	(618,817)	(5,342,794)	-	-	(29,979,064)
Total Other Financing Sources (Uses)	(16,536,113)	(447,009)	(2,867,408)	(618,817)	(5,342,794)	9,237,141	125,504,817	108,929,817
Net Change in Fund Balances	2,179,522	244,655	-	(412,986)	7,056,357	(20,191)	85,538,293	94,585,650
FUND BALANCE - JULY 1, 2021	21,307,503	1,242,515	-	1,272,969	8,370,532	20,191	28,819,947	61,033,657
FUND BALANCE - JUNE 30, 2022	\$ 23,487,025	\$ 1,487,170	\$ -	\$ 859,983	\$ 15,426,889	\$ -	\$ 114,358,240	\$ 155,619,307

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 THE FISCAL YEAR ENDED JUNE 30, 2022**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 94,585,650

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. (1,327,823)

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	10,509,000	
Amortization of deferred loss on advanced refunding	(389,076)	
Bond premium	(9,055,034)	
Amortization of bond premium	524,740	1,589,630

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (100,000,000)

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 outlays exceeded depreciation in the current period:

Capital outlay	39,772,382	
Depreciation expense	(5,971,815)	
Loss on disposal	(24,744)	33,775,823

The cost of pension benefits earned, net of employee contributions, is reported in the Statement of Activities as an element of pension expense. The governmental funds report pension contributions as expenditures. (526,382)

The cost of OPEB benefits, earned net of employee contributions, is reported in the statement of activities as an element of OPEB expense. The governmental funds report OPEB contributions as expenditures. (8,466,273)

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

Taxes receivable	75,855	
Non-employer contributions related to Pensions	461,949	
Non-employer contributions related to OPEB	15,044	552,848

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 20,183,473**

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	CUSTODIAL FUNDS
LIABILITIES	
Due to General Fund	\$ 875,447
Total Liabilities	<u>875,447</u>
NET POSITION	
Unrestricted	<u>(875,447)</u>
Total Net Position	<u>\$ (875,447)</u>

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	CUSTODIAL FUNDS
ADDITIONS	
Payments from Nonprofit Entities	\$ 3,976,960
Total Additions	3,976,960
 DEDUCTIONS	
Salaries	2,793,461
Employee Benefits	1,210,994
Purchased Services	3,617
Supplies and Materials	1,813
Total Deductions	4,009,885
Net increase (decrease) in fiduciary net position	(32,925)
NET POSITION - JULY 1, 2021	(842,522)
NET POSITION - JUNE 30, 2022	\$ (875,447)

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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 the 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 Statements

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

The government-wide financial 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 financial statements and the governmental funds financial statements.

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.

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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basic Financial Statements - Fund Financial Statements - Continued

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 (Major 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 (Major 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 - is used to account for financial resources provided by federal and state grants; and is used to account for student admissions, organization memberships, bookstore sales, and other related receipts and disbursements.

2) Education Improvement Act (EIA) - is 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 - is 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 (Major 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 (Major Fund) - 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.

Capital Projects Fund (Major Fund) - The Capital Projects Fund is 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).

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basic Financial Statements - Fund Financial Statements - Continued

Additionally, the District reports the following fund type:

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District's only fiduciary funds are custodial funds:

1) Middle Tyger Community Center Funds - is used to account for the expenditures related to Middle Tyger Community Center (MTCC) and the reimbursement of those funds from MTCC to the District.

2) First Steps Fund - is 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 funds or the accrual basis of accounting for fiduciary funds.

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 non-exchange 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.

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 the 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 are 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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Budget

The District adopts an annual budget for the General Fund at the beginning of each fiscal year. The District's Superintendent submits to the 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 Board of Trustees. 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. Cash Held by County Treasurer

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 the cost of the investments. These monies are remitted to the District once a claim has been presented to the Spartanburg County Treasurer.

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. Taxes receivable on the Statement of Financial Position represents \$2,830,193 of current taxes receivable and \$3,749,282 of delinquent taxes receivable.

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 on 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 for 2021 was \$331,047,799. In addition, the District billed fees in lieu of taxes on assessed values of \$117,422,563. The District's operating tax rate is currently 181.1 mils with an additional 32.6 mils for debt retirement.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Inventory and Prepaids

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

The cost of prepaids 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 capital assets are recorded at their estimated acquisition cost 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

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 teachers to accumulate a maximum of ninety days of 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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 currently 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 funds 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. The District's deferred outflows and inflows of resources are related to pensions and OPEB, and deferred loss on refunding from prior years.

P. Retirement Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of the South Carolina Retirement Systems, and additions to/deductions from the SCRS' fiduciary net position have been determined on the accrual basis of accounting as they are reported by the SCRS in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Q. Other Postemployment Benefit (OPEB) Plan

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

R. 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 prepaids 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 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.

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% 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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

R. Governmental Fund Balance Classifications - Continued

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

S. 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.

T. 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.

U. Estimates

The preparation of the financial statements in conformity with U.S. GAAP 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.

V. 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 the 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 the 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.

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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 2 - CASH AND INVESTMENTS

Cash

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, 2022, the District's cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 5,081,577	\$ 7,091,268

Of the District's bank balance, \$772,114 was covered by FDIC insurance; \$6,319,154 was collateralized by securities held by the pledging bank's trust department or agent, but not in the District's name.

Investments

Investments measured and reported at fair value are classified within the fair value hierarchy established by GAAP. 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, and Level 3 inputs are significant unobservable inputs.

As of June 30, 2022, the District had the following Level 1 investments:

Investment Type	Fair Value	Maturity	Rating
State Treasurer's Investment Pool	\$ 81,681,095	<60 days	Not Rated

South Carolina Pooled Investment Fund ("SC Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The SC Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The SC Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. Investments are carried at fair value and determined annually based upon quoted market prices in active markets for identical assets. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which is acquired at a cost of \$1. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice.

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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 2 - CASH AND INVESTMENTS - CONTINUED

Concentration of credit risk is the risk of loss attributable to the magnitude of the District's investment 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.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, is as follows:

	Balance at June 30, 2021	Additions	Deductions	Transfers	Balance at June 30, 2022
Governmental Activities					
Capital Assets, not Being Depreciated					
Land	\$ 11,967,201	\$ 12,155,832	\$ -	\$ -	\$ 24,123,033
Construction in progress	458,799	26,711,760	-	(4,840,865)	22,329,694
Total Capital Assets, not Being Depreciated	<u>12,426,000</u>	<u>38,867,592</u>	<u>-</u>	<u>(4,840,865)</u>	<u>46,452,727</u>
Capital Assets, Being Depreciated					
Buildings and improvements	228,386,333	-	-	4,840,865	233,227,198
Furniture and equipment	6,947,125	904,790	31,447	-	7,820,468
Total Capital Assets, Being Depreciated	<u>235,333,458</u>	<u>904,790</u>	<u>31,447</u>	<u>4,840,865</u>	<u>241,047,666</u>
Less Accumulated Depreciation					
Buildings and improvements	79,918,825	5,459,673	-	-	85,378,498
Furniture and equipment	5,192,584	512,142	6,703	-	5,698,023
Total Accumulated Depreciation	<u>85,111,409</u>	<u>5,971,815</u>	<u>6,703</u>	<u>-</u>	<u>91,076,521</u>
Capital Assets, Being Depreciated, Net	<u>150,222,049</u>	<u>(5,067,025)</u>	<u>24,744</u>	<u>4,840,865</u>	<u>149,971,145</u>
Governmental Activities Capital Assets, Net	<u>\$162,648,049</u>	<u>\$ 33,800,567</u>	<u>\$ 24,744</u>	<u>\$ -</u>	<u>\$196,423,872</u>

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

Instruction	\$ 3,482,380
Support services	2,472,161
Community services	17,274
Total Depreciation Expense	<u>\$ 5,971,815</u>

NOTE 4 - SHORT-TERM OBLIGATIONS

On May 13, 2021, the District issued \$9,000,000 in General Obligation Bonds, Series 2021, to pay for the interest and principal payment on the District's IPR bonds due in June, as well as to help pay for various construction costs. The bond was paid on March 1, 2022, in full, with interest of \$216,000. As of June 30, 2022, there was no outstanding balance for short-term obligations.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations of the District for the fiscal year ended June 30, 2022:

	Amount Outstanding June 30, 2021	Additions	Deductions	Amount Outstanding June 30, 2022	Amounts Due in One Year
General Obligation Bonds	\$ 14,468,000	\$100,000,000	\$ 1,154,000	\$113,314,000	\$ 9,904,000
Installment Purchase Revenue Bonds	9,070,000	-	9,070,000	-	-
Special Obligation Bonds	4,330,000	-	285,000	4,045,000	715,000
	<u>27,868,000</u>	<u>100,000,000</u>	<u>10,509,000</u>	<u>117,359,000</u>	<u>10,619,000</u>
Plus: unamortized bond premium	1,570,879	9,055,034	524,740	10,101,173	-
	<u>\$ 29,438,879</u>	<u>\$ 109,055,034</u>	<u>\$ 11,033,740</u>	<u>\$ 127,460,173</u>	<u>\$ 10,619,000</u>

Long-term obligations at June 30, 2022, are comprised of the following individual issues:

	General Obligation Bonds	Special Obligation Bonds	Total
\$18,200,000 2015 General Obligation Bond due in annual installments of \$25,000 to \$3,965,000 through March 2025; interest rates from 2.00% to 5.00%.	\$ 11,340,000	\$ -	\$ 11,340,000
\$5,110,000 2018 Special Obligation Bond due in annual installments of \$245,000 to \$785,000 through June 2028; interest rates from 4.00% to 5.00%	-	4,045,000	4,045,000
\$4,375,000 2018 General Obligation Bond due in annual installments of \$570,000 to \$1,015,000 through March 2024; interest rates from 2.00% to 4.00%	1,640,000	-	1,640,000
\$4,000,000 2019 General Obligation Bond due in annual installments of \$334,000 to \$2,674,000 through March 2023; interest rate of 2.08%	334,000	-	334,000
\$100,000,000 2022 General Obligation Bond due in annual installments of \$625,000 to \$5,805,000 through March 2046; interest rates from 2.50% to 5.00%	100,000,000	-	100,000,000
	<u>\$ 113,314,000</u>	<u>\$ 4,045,000</u>	<u>\$ 117,359,000</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 5 - LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize all long-term obligations outstanding as of June 30, 2022, including interest payments are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Special Obligation Bonds		Total
	Principal	Interest	Principal	Interest	
2023	\$ 9,904,000	\$ 4,347,248	\$ 715,000	\$ 176,450	\$ 15,142,698
2024	6,690,000	3,663,606	750,000	140,700	11,244,306
2025	4,590,000	3,335,356	785,000	103,200	8,813,556
2026	2,855,000	3,105,856	575,000	71,800	6,607,656
2027	3,000,000	2,963,106	600,000	48,800	6,611,906
2028-2032	17,410,000	12,409,031	620,000	24,800	30,463,831
2033-2037	21,640,000	8,172,981	-	-	29,812,981
2038-2042	24,910,000	4,906,913	-	-	29,816,913
2043-2046	22,315,000	1,533,975	-	-	23,848,975
	<u>\$113,314,000</u>	<u>\$44,438,072</u>	<u>\$4,045,000</u>	<u>\$ 565,750</u>	<u>\$162,362,822</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 (IPR) 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 No. 5 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, 2022, is shown as a deferred outflow of resources on the Statement of Net Position. Amortization has been included in interest expense and was \$389,076 for the year ending June 30, 2022.

Bonds in the governmental funds will be retired by future property tax levies accumulated by the Debt Service Fund. As of June 30, 2022, \$15,426,889 was available in the Debt Service Fund to service these long-term obligations.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022

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 and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR that is publicly available through 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 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. Membership and 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/current year salary.

This plan covers general employees, teachers, and individuals newly elected to the South Carolina General Assembly beginning with 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 THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System – Continued

Contributions - Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established, a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rate that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

Additionally, the PEBA board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the System for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the board, effective the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the PEBA board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2022, were 9.00%. Required employer contribution rates for the year ended June 30, 2022, were 16.41%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.15% of earnable compensation, if participating in the death benefit program.

Contributions to the Plan from the District were \$9,427,336, for the year ended June 30, 2022. For the State's year-end June 30, 2021, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2021, \$460,111 of contributions paid on behalf of the District by the General Assembly for SCRS was recognized as other operating revenues.

Employee and employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.0%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (10.41%) and an incidental death benefit contribution (0.15%), if applicable, which is retained by SCRS.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows (Inflows) of Resources Related to Pensions - At June 30, 2022, the District reported a net pension liability of \$103,670,737 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability, net pension liability, and sensitivity information are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled forward from the valuation date to the plan's fiscal year-end June 30, 2021, using generally accepted actuarial principles. The allocation of the District's proportionate share of the collective net pension liability and pension expense was calculated on the basis of the District's contributions remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2021. Based upon this information, the District's proportion of the collective net pension liability at June 30, 2022, is 0.479042%, an increase of 0.012441% since June 30, 2020, the prior measurement date.

For the year ended June 30, 2022, the District recognized pension expense of \$9,953,314. At June 30, 2022, 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
Differences between expected and actual experience	\$ 1,765,911	\$ 139,918
Changes in assumptions	5,674,596	-
Net difference between projected and actual earnings on pension plan investments	-	15,059,541
Changes in proportion and differences between District contributions and proportionate share of contributions	4,240,119	-
District contributions subsequent to the measurement date	9,427,336	-
Total	\$ 21,107,962	\$ 15,199,459

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

Deferred outflows of resources of \$9,427,336 related to pensions in 2022, 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, 2023. 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:

<u>Year Ended June 30,</u>		
2022	\$	(1,393,557)
2023		(1,350,837)
2024		628,141
2025		<u>5,635,086</u>
	<u>\$</u>	<u>3,518,833</u>

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2019.

The June 30, 2021, total pension liability, net pension liability, and sensitivity information is determined by and based on an actuarial valuation performed as of July 1, 2020, using the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 11.0% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.00% (includes 2.25% inflation)

There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions; however, in FY21, the PEBA board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021, to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in S.C. State Code.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina mortality table (2020 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

The long-term expected rate of return on pension plan investments is based upon the 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building-block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46%	6.87%	3.16%
Bonds	26%	0.27%	0.07%
Private Equity	9%	9.68%	0.87%
Private Debt	7%	5.47%	0.39%
Real Assets			
Real Estate	9%	6.01%	0.54%
Infrastructure	3%	5.08%	0.15%
Total Expected Return	100%		5.18%
Inflation for Actuarial Purposes			2.25%
			<u>7.43%</u>

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System'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 table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the collective net pension liability	\$ 135,795,758	\$ 103,670,737	\$ 76,968,200

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2021 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position has been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2021. The additional information is publicly available on PEBA's 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 and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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 - PORS provides retirement and other benefits for police officers and firemen 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. Membership and 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/current year salary.

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.

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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Contributions - Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established, a ceiling for PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017, by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rate that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning the fiscal year 2018, to 20 years by the fiscal year 2028.

Additionally, the PEBA board is prohibited from decreasing the PORS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the system for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the PEBA board, effective the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If the contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the PEBA board shall increase the then current contribution rates until the subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2022, were 9.75%. Required employer contribution rates for the year ended June 30, 2022, were 18.84%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively.

Contributions to the Plan from the District were \$43,766, for the year ended June 30, 2022. For the State's year-end June 30, 2021, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2022, \$1,838 of contributions paid on behalf of the District by the General Assembly for PORS was recognized as other operating revenues.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows (Inflows) of Resources Related to Pensions - At June 30, 2022, the District reported a net pension liability of \$367,602 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled forward from the valuation date to the plan's fiscal year-end June 30, 2021, using generally accepted actuarial principles. The allocation of the District's proportional share of the collective net pension liability and pension expense was calculated on the basis of the District's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2021. Based upon this information, the District's proportion of the collective net pension liability at June 30, 2022, is 0.014287%, a decrease of 0.00042% since June 30, 2020, the prior measurement date.

For the year ended June 30, 2022, the District recognized pension expense of \$43,718. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,506	\$ 1,145
Changes in assumptions	26,219	-
Net difference between projected and actual earnings on pension plan investments	-	82,415
Changes in proportion and differences between District contributions and proportionate share of contributions	6,697	9,248
District contributions subsequent to the measurement date	<u>43,766</u>	<u>-</u>
Total	<u>\$ 89,188</u>	<u>\$ 92,808</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Deferred outflows of resources of \$43,766 related to pensions in 2022, 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, 2023. 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:

<u>Year Ended June 30,</u>		
2022	\$	1,704
2023		6,016
2024		10,126
2025		<u>29,540</u>
	<u>\$</u>	<u>47,386</u>

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2019.

The June 30, 2021, total pension liability, net pension liability, and sensitivity information is determined by and based on an actuarial valuation performed as of July 1, 2020, using the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 10.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.00% (includes 2.25% inflation)

There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions; however, in FY21, the PEBA board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021, to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in S.C. State Code.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina mortality table (2020 PRSC), were developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

The long-term expected rate of return on pension plan investments is based upon the 20-year capital market assumptions. The 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 returns are net of investment fees.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46%	6.87%	3.16%
Bonds	26%	0.27%	0.07%
Private Equity	9%	9.68%	0.87%
Private Debt	7%	5.47%	0.39%
Real Assets			
Real Estate	9%	6.01%	0.54%
Infrastructure	3%	5.08%	0.15%
Total Expected Return	100%		5.18%
Inflation for Actuarial Purposes			2.25%
			<u>7.43%</u>

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in PORS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System'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 table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the collective net pension liability	\$ 533,344	\$ 367,602	\$ 231,834

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2021 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2021. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 6 - RETIREMENT PLANS - CONTINUED

C. Reconciliation to Government-Wide Financial Statements

Deferred Inflows/Outflows of Resources and the Net Pension Liability, as reported on the government-wide financial statements, are reported after aggregating the total balances of the South Carolina Retirement System and the Police Officers' Retirement System. The following is a reconciliation of the aggregated amounts to the individual reporting plans:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability
South Carolina Retirement System	\$ 21,107,962	\$ 15,199,459	\$ 103,670,737
Police Officers Retirement System	89,188	92,808	367,602
Totals as Reported on Statement of Net Position	\$ 21,197,150	\$ 15,292,267	\$ 104,038,339

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

OPEB Plan Description - The District, as the employer, participates in the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) - a cost-sharing multiple-employer defined benefit plan, for the purpose of providing postemployment health and dental benefits to retired State and school district employees and their covered dependents. The plan is administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the OPEB Trust Funds. The ACFR is publicly available through 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 - The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies and public school districts. The SCRHITF provides health and dental insurance to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment on May 2, 2008, and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

Contributions - Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA-Insurance Benefits.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2022, was 6.25%. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer’s contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA-Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income. In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the District’s proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. The amount of revenue recognized in the current fiscal year was \$15,044.

Contributions to the OPEB plan from the District during the current fiscal year were \$4,024,873, which includes an implicit subsidy of \$(20,527).

OPEB Liabilities, OPEB Expense, and Deferred Outflows (Inflows) of Resources Related to OPEB - At June 30, 2022, the District reported a net OPEB liability of \$131,886,324 for its proportionate share of the collective net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability, net OPEB liability, and sensitivity information are based on an actuarial valuation performed as of June 30, 2020. The total OPEB liability was rolled forward from the valuation date to the plan’s fiscal year-end June 30, 2021, using generally accepted actuarial principles. The allocation of the District’s proportionate share of the collective net OPEB liability and collective OPEB expense were determined using the employer’s payroll-related contributions over the measurement period, which is expected to be reflective of the employer’s long-term contribution effort. Based upon this information, the District’s proportion of the collective net OPEB liability at June 30, 2022, is 0.633363%, an increase of 0.026205% since June 30, 2020, the prior measurement date.

For the year ended June 30, 2022, the District recognized OPEB expense of \$12,527,135. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,668,965	\$ 3,380,454
Changes in assumptions	26,813,116	3,175,649
Net difference between projected and actual earnings on OPEB plan investments	-	35,663
Changes in proportion and differences between District contributions and proportionate share of contributions	6,818,037	397
District contributions subsequent to the measurement date	4,024,873	-
Total	\$ 40,324,991	\$ 6,592,163

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

Deferred outflows of resources of \$4,024,873 related to OPEB in 2022, resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>		
2022	\$	(4,888,346)
2023		(4,829,950)
2024		(5,843,260)
2025		(6,052,479)
2026		(5,358,766)
Thereafter		(2,735,154)
	<u>\$</u>	<u>(29,707,955)</u>

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the net OPEB liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending June 30, 2019. Demographic and salary increase assumptions were updated to reflect the most recent experience study and the healthcare trend rates were reset to better reflect the plan's anticipated experience.

The June 30, 2021, total OPEB liability, net OPEB liability, and sensitivity information are determined by and based on an actuarial valuation performed as of June 30, 2020, using the following actuarial assumptions and methods:

Actuarial Cost Method:	Individual Entry Age Normal
Inflation:	2.25%
Retiree Participation:	79% for retirees eligible for funded premiums; 59% for partial-funded premiums; 20% for non-funded premiums
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; includes inflation
Healthcare Cost Trend Rates:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years

For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables were used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.

The long-term expected rate of return on OPEB plan investments represents 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 target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80%	0.60%	0.48%
Cash equivalents	20%	0.35%	0.07%
Total	100%		0.55%
Expected Inflation			2.25%
Total Return			2.80%
Investment Return Assumption			2.75%

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021, was 1.92%, which is a decrease from the previous year by 0.53%. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the collective net OPEB liability calculated using the discount rate of 1.92%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (0.92%) or 1% higher (2.92%) than the current rate:

	1% Decrease 0.92%	Current Discount Rate 1.92%	1% Increase 2.92%
District's proportionate share of the collective net OPEB liability	\$ 158,955,641	\$ 131,886,324	\$ 110,545,501

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following table presents the District's proportionate share of the collective net OPEB liability calculated using the healthcare cost trend rate of 6.0%, gradually decreasing to 4.0% over a 15-year period, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (5.0% decreasing to 3.00%) or 1% higher (7.0% decreasing to 5.00%) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 105,808,327	\$ 131,886,324	\$ 166,634,388

OPEB Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the OPEB Trusts Fund audited financial statements for the fiscal year ended June 30, 2021 (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, 2020. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

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.

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund balances for the year ended June 30, 2022, consisted of the following:

	Receivables	Payables
General Fund	\$ 3,691,016	\$ 34,189,894
Special Revenue Fund - Special Projects	229,047	2,219,276
Special Revenue Fund - EIA	1,456,188	-
Special Revenue Fund - Food Service	731,853	-
Debt Service Fund	14,641,774	-
Debt Service - Educational Facilities Corp	-	21,953
Capital Projects Fund	23,646,535	7,089,843
Custodial Funds	-	875,447
	\$ 44,396,413	\$ 44,396,413

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 the consolidation of available cash to optimize return.

Interfund Transfers

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund - EFC	\$ 3,894,347
General Fund	Capital Projects Fund	16,575,000
Special Revenue Fund - Special Projects	General Fund	447,009
Special Revenue Funds - Special Projects	Special Revenue Funds - Special Projects	233,689
Special Revenue Fund - EIA	General Fund	2,867,408
Special Revenue Fund - Food Service	General Fund	618,817
Debt Service Fund	Debt Service Fund - EFC	5,342,794
		\$ 29,979,064

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 THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 10 - TAX ABATEMENTS

Spartanburg County

Beginning July 1, 2016, Spartanburg County changed the allocation of FILOT revenues amongst the seven school districts within the County. Under these agreements, there is a countywide calculation of all Fee in Lieu of Ad Valorem Tax (FILOT) payments allocating revenue to all 7 districts based on a formula. Under these agreements, the District received \$1,811,869 of FILOT revenue. Because these agreements are written across seven taxing districts, the District is unable to determine the amount by which the general fund property tax revenues were reduced as a result of these agreements or the benefit recognized by taxpayers under either Special Source Revenue Credits (SSRC) or FILOT agreements.

Under agreements written prior to June 30, 2016, the District's general fund property tax revenues were reduced by \$37,315,907 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 \$18,304,965 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 \$22,753,001. 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 \$14,562,907.

Under agreements written prior to June 30, 2016, the District's debt service fund property tax revenues were reduced by \$6,047,795 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 \$3,964,576 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 \$3,480,187. 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 \$2,567,608.

Cherokee County

Cherokee County collects and remits FILOT revenue due to Spartanburg County related to a Multi-County Industrial Park located within Cherokee County. Due to this agreement and the agreement to allocate all FILOT related to school districts under these agreements equitably across all 7 districts, the District received \$57,839 in FILOT revenue from Cherokee County.

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 from 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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2022**

NOTE 11 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS - CONTINUED

Total contractual commitments of the Capital Projects Fund at June 30, 2022, are as follows:

Projects	Contract Amount	Job to Date Expenditures	Outstanding Commitments
Byrnes High School Additions	\$ 6,964,282	\$ 4,298,662	\$ 2,665,620
Berry Shoals Intermediate Addition	11,866,632	1,695,036	10,171,596
Beech Springs Intermediate Addition	29,763,652	705,379	29,058,273
New Middle School	54,847,121	13,324,098	41,523,023
New Elementary School	10,674,459	1,604,403	9,070,056
Reidville Elementary Addition	364,602	71,734	292,868
	<u>\$ 114,480,748</u>	<u>\$ 21,699,312</u>	<u>\$ 92,781,436</u>

NOTE 12 - RELATED ORGANIZATION

These financial statements exclude R.D. Anderson Applied Technology District, Moore, South Carolina. The District 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 District. Also, the superintendent of District Five is an ex-officio non-voting member of the R.D. Anderson Applied Technology District Board of Trustees. District Five remits a portion of their Education Finance Act monies to the District to cover the educational costs of the District's students attending the District and a portion of the Property Tax Relief Act Tier 3. For the year ended June 30, 2022, these amounts were \$419,776 and \$325,016, respectively, and were recorded as General Fund expenditures.

NOTE 13 - SUBSEQUENT EVENT

On July 18, 2022, the District approved a second phase of construction at Byrnes High School with a total GMP contract price of \$42,679,895 and an addition at Reidville Elementary School for \$6,339,591.

On August 29, 2022, the District approved the final GMP for the New Elementary School for \$37,617,662; this, in addition to the first, site preparation GMP provides a total project cost of \$47,759,666 for construction.

On September 26, 2022, the District approved a Building GMP for Reidville Elementary School for \$3,768,912; this, in addition to the first early release GMP approved on July 18, 2022, brings the total project cost for construction to \$10,108,503.

On October 17, 2022, the District approved a site preparation GMP for Wellford Elementary School in the amount of \$9,473,230.

Management has evaluated subsequent events through November 3, 2022, 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*

	2022	2021	2020	2019
District's Proportion of the Collective Net Pension Liability	0.479042%	0.466601%	0.450855%	0.445212%
District's Proportionate Share of the Collective Net Pension Liability	\$ 103,670,737	\$ 119,224,828	\$ 102,948,843	\$ 99,757,769
District's Covered-Employee Payroll	\$ 58,848,827	\$ 55,743,907	\$ 51,086,033	\$ 49,761,349
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	176.16%	213.88%	201.52%	200.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.70%	50.70%	54.40%	54.10%
	2018	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.438291%	0.430060%	0.430512%	0.431989%
District's Proportionate Share of the Collective Net Pension Liability	\$ 98,666,353	\$ 91,860,181	\$ 81,648,676	\$ 74,374,184
District's Covered-Employee Payroll	\$ 48,238,262	\$ 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	204.54%	199.55%	185.75%	173.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.30%	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*

	2022	2021	2020	2019
Statutorily Required Contributions	\$ 9,427,336	\$ 8,053,690	\$ 7,638,724	\$ 6,472,281
Contributions in Relation to the Statutorily Required Contributions	9,427,336	8,053,690	7,638,724	6,472,281
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 63,832,503	\$ 58,848,827	\$ 55,743,907	\$ 51,086,033
Contributions as a Percentage of Covered-Employee Payroll	14.77%	13.69%	13.70%	12.67%
Statutorily Required Contributions	\$ 5,795,988	\$ 5,112,079	\$ 4,663,080	\$ 4,399,863
Contributions in Relation to the Statutorily Required Contributions	5,795,988	5,112,079	4,663,080	4,399,863
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 49,761,349	\$ 48,238,262	\$ 46,032,903	\$ 43,955,092
Contributions as a Percentage of Covered-Employee Payroll	11.65%	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*

	2022	2021	2020	2019
District's Proportion of the Collective Net Pension Liability	0.014287%	0.014707%	0.014663%	0.014058%
District's Proportionate Share of the Collective Net Pension Liability	\$ 367,602	\$ 487,722	\$ 420,224	\$ 398,338
District's Covered-Employee Payroll	\$ 217,314	\$ 222,888	\$ 212,676	\$ 194,583
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	169.16%	218.82%	197.59%	204.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.40%	58.80%	62.70%	61.70%
	2018	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.013140%	0.014020%	0.012840%	0.006830%
District's Proportionate Share of the Collective Net Pension Liability	\$ 360,088	\$ 355,639	\$ 279,869	\$ 130,736
District's Covered-Employee Payroll	\$ 177,005	\$ 178,753	\$ 159,084	\$ 82,140
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	203.43%	198.96%	175.93%	159.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.90%	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*

	2022	2021	2020	2019
Statutorily Required Contributions	\$ 43,766	\$ 37,800	\$ 38,817	\$ 34,827
Contributions in Relation to the Statutorily Required Contributions	43,766	37,800	38,817	34,827
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 237,028	\$ 217,314	\$ 222,888	\$ 212,676
Contributions as a Percentage of Covered-Employee Payroll	18.46%	17.39%	17.42%	16.38%
	2018	2017	2016	2015
Statutorily Required Contributions	\$ 29,762	\$ 25,205	\$ 24,561	\$ 21,333
Contributions in Relation to the Statutorily Required Contributions	29,762	25,205	24,561	21,333
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 194,583	\$ 177,005	\$ 178,753	\$ 159,084
Contributions as a Percentage of Covered-Employee Payroll	15.30%	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
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 COLLECTIVE NET OPEB LIABILITY
 SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
 LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018
District's Proportion of the Collective Net OPEB Liability	0.633363%	0.607158%	0.586550%	0.579285%	0.574128%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 131,886,324	\$ 109,600,801	\$ 88,695,302	\$ 82,088,073	\$ 77,764,697
District's Covered-Employee Payroll	\$ 59,066,140	\$ 55,966,796	\$ 51,298,709	\$ 49,955,932	\$ 48,415,267
District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered-Employee Payroll	223.29%	195.83%	172.90%	164.32%	160.62%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.48%	8.39%	8.44%	7.91%	7.60%

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

Notes to Schedule:
 June 30, 2018 was the first year of GASB 75 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 RETIREE HEALTH INSURANCE TRUST FUND
 LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018
Statutorily Required Contributions	\$ 4,024,873	\$ 3,630,601	\$ 3,266,718	\$ 3,094,481	\$ 2,685,758
Contributions in Relation to the Statutorily Required Contributions	4,024,873	3,630,601	3,266,718	3,094,481	2,685,758
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 64,069,531	\$ 59,066,140	\$ 55,966,796	\$ 51,298,709	\$ 49,955,932
Contributions as a Percentage of Covered-Employee Payroll	6.282%	6.147%	5.837%	6.032%	5.376%

Note to Schedule:
 June 30, 2018 was the first year of GASB 75 implementation, therefore, 10-year data is not yet available.

**REQUIRED SUPPLEMENTARY INFORMATION
SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ 51,457,157	\$ 52,222,757	\$ 59,214,470	\$ 6,991,713
Intergovernmental	261,585	261,585	280,104	18,519
State	49,975,959	49,975,959	55,185,163	5,209,204
Total Revenue	<u>101,694,701</u>	<u>102,460,301</u>	<u>114,679,737</u>	<u>12,219,436</u>
EXPENDITURES				
Current:				
Instruction	64,242,283	63,847,806	61,902,898	1,944,908
Support Services	34,554,580	35,714,657	33,955,646	1,759,011
Community Services	105,558	105,558	105,558	-
Intergovernmental	415,000	415,000	-	415,000
Total Expenditures	<u>99,317,421</u>	<u>100,083,021</u>	<u>95,964,102</u>	<u>4,118,919</u>
Excess / (Deficiency) of Revenues Over Expenditures	<u>2,377,280</u>	<u>2,377,280</u>	<u>18,715,635</u>	<u>16,338,355</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	3,114,020	3,114,020	3,933,234	819,214
Operating Transfers Out	(5,491,300)	(5,491,300)	(20,469,347)	(14,978,047)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,179,522</u>	<u>\$ 2,179,522</u>
FUND BALANCE - JULY 1, 2021			<u>21,307,503</u>	
FUND BALANCE - JUNE 30, 2022			<u>\$ 23,487,025</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 THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
1000 Revenue From Local Sources			
1100 Taxes Levied/Assessed by the LEA			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 35,369,445	\$ 36,373,560	\$ 1,004,115
1190 Other Taxes (Independent)	1,976,780	2,487,518	510,738
1200 Revenue from Local Government Units Other than LEAs			
1280 Revenue In Lieu of Taxes (Independent and Dependent)	14,851,532	20,174,673	5,323,141
1300 Tuition			
1310 Tuition from Patrons for Regular Day School	-	40,775	40,775
1500 Earnings on Investments			
1510 Interest on Investments	25,000	64,623	39,623
1900 Other Revenue from Local Sources			
1910 Rentals	-	450	450
1920 Contributions and Donations Private Sources	-	6,534	6,534
1950 Refund of Prior Year's Expenditures	-	2,325	2,325
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds	-	299	299
1999 Revenue from Other Local Sources	-	63,713	63,713
Total Local Sources	52,222,757	59,214,470	6,991,713
2000 Intergovernmental Revenue			
2100 Payments for Other Governmental Units	261,585	280,104	18,519
Total Intergovernmental Revenue	261,585	280,104	18,519
3000 Revenue from State Sources			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	-	678	678
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	405,180	571,837	166,657
3161 EAA Bus Driver Salary and Fringe	-	18,222	18,222
3162 Transportation Worker's Compensation	22,514	22,514	-
3180 Fringe Benefit Employer Contributions (No Carryover Provision)	9,768,762	10,816,314	1,047,552
3181 Retiree Insurance (No Carryover Provision)	2,144,969	2,231,371	86,402
3186 State Aid to Classrooms - Teacher Salary Increase	2,835,418	2,950,924	115,506
3300 State Aid to Classrooms - Education Finance Act (EFA)			
3310 Full-Time Programs			
3311 Kindergarten	947,060	1,057,919	110,859
3312 Primary	2,917,753	3,249,155	331,402
3313 Elementary	5,115,000	5,645,974	530,974
3314 High School	2,250,747	2,393,659	142,912
3315 Trainable Mentally Handicapped	57,024	66,671	9,647
3316 Speech Handicapped (Part-Time)	1,447,026	1,554,188	107,162
3317 Homebound	1,762	14,769	13,007

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
3320 Part-Time Programs			
3321 Emotionally Handicapped	128,702	127,738	(964)
3322 Educable Mentally Handicapped	49,316	45,652	(3,664)
3323 Learning Disabilities	1,727,859	1,888,468	160,609
3324 Hearing Handicapped	86,688	108,884	22,196
3325 Visually Handicapped	58,650	61,154	2,504
3326 Orthopedically Handicapped	24,429	50,854	26,425
3327 Pre-Career and Career Technology	1,953,905	2,317,945	364,040
3330 Miscellaneous EFA Programs			
3331 Autism	721,048	845,231	124,183
3332 High Achieving Students	326,009	330,247	4,238
3334 Limited English Proficiency	224,521	265,514	40,993
3351 Academic Assistance	659,387	766,323	106,936
3352 Pupils in Poverty	1,622,624	1,793,446	170,822
3353 Dual Credit Enrollment	52,526	51,238	(1,288)
3392 NBC Excess EFA Formula	-	63,245	63,245
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,681,807	1,681,807	-
3820 Homestead Exemption (Tier 2)	968,250	968,250	-
3825 Reimbursement for Property Tax Relief (Tier 3)	10,696,467	11,060,892	364,425
3830 Merchant's Inventory Tax	78,607	78,608	1
3840 Manufacturers Depreciation Reimbursement	440,000	1,353,062	913,062
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	100,000	270,301	170,301
3990 Other State Revenue			
3993 PEBA On-Behalf	461,949	461,949	-
3999 Revenue from Other State Sources	-	160	160
Total State Sources	49,975,959	55,185,163	5,209,204
TOTAL REVENUE ALL SOURCES	102,460,301	114,679,737	12,219,436
EXPENDITURES			
100 INSTRUCTION			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	2,847,901	2,844,044	3,857
200 Employee Benefits	1,401,870	1,374,881	26,989
400 Supplies and Materials	54,608	47,453	7,155
500 Capital Outlay	1,700	-	1,700
112 Primary Programs			
100 Salaries	9,051,544	8,988,419	63,125
200 Employee Benefits	4,177,782	3,887,477	290,305
300 Purchased Services	102,550	97,855	4,695
400 Supplies and Materials	171,503	170,222	1,281
500 Capital Outlay	1,700	-	1,700
600 Other Objects	3,700	-	3,700

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
113 Elementary Programs			
100 Salaries	12,674,846	12,523,041	151,805
200 Employee Benefits	6,010,660	5,493,751	516,909
300 Purchased Services	295,006	293,652	1,354
400 Supplies and Materials	778,368	741,461	36,907
500 Capital Outlay	2,102,585	2,035,934	66,651
600 Other Objects	2,600	-	2,600
114 High School Programs			
100 Salaries	7,251,897	7,206,027	45,870
200 Employee Benefits	3,064,180	2,949,691	114,489
300 Purchased Services	1,391,136	1,402,181	(11,045)
400 Supplies and Materials	192,818	180,361	12,457
500 Capital Outlay	126,421	112,884	13,537
600 Other Objects	7,300	-	7,300
115 Career and Technical Education Programs			
100 Salaries	682,850	677,551	5,299
200 Employee Benefits	315,612	306,648	8,964
300 Purchased Services (Other than Tuition)	2,488	325	2,163
370 Tuition (Purchased Services)	742,832	744,791	(1,959)
400 Supplies and Materials	32,314	22,865	9,449
500 Capital Outlay	9,485	9,054	431
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	251,444	249,864	1,580
200 Employee Benefits	137,792	116,819	20,973
300 Purchased Services	56,650	55,968	682
400 Supplies and Materials	560	494	66
122 Trainable Mentally Handicapped			
100 Salaries	260,524	256,421	4,103
200 Employee Benefits	137,203	134,181	3,022
300 Purchased Services	40,100	34,652	5,448
400 Supplies and Materials	531	386	145
123 Orthopedically Handicapped			
100 Salaries	3,028	2,928	100
200 Employee Benefits	1,381	1,365	16
300 Purchased Services	1,700	1,674	26
400 Supplies and Materials	229	225	4
500 Capital Outlay	2,300	2,216	84
124 Visually Handicapped			
300 Purchased Services	21,800	21,087	713
400 Supplies and Materials	418	321	97
500 Capital Outlay	5,000	-	5,000
125 Hearing Handicapped			
300 Purchased Services	77,400	77,080	320
400 Supplies and Materials	625	352	273
500 Capital Outlay	7,300	7,028	272
126 Speech Handicapped			
100 Salaries	501,595	401,681	99,914
200 Employee Benefits	212,047	208,551	3,496
300 Purchased Services	122,137	102,570	19,567
400 Supplies and Materials	14,689	10,532	4,157

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
127 Learning Disabilities			
100 Salaries	2,709,963	2,648,321	61,642
200 Employee Benefits	1,303,929	1,226,565	77,364
300 Purchased Services	8,700	4,856	3,844
400 Supplies and Materials	20,047	19,526	521
128 Emotionally Handicapped			
100 Salaries	446,330	444,207	2,123
200 Employee Benefits	238,902	214,639	24,263
300 Purchased Services	133,200	131,344	1,856
400 Supplies and Materials	1,131	660	471
130 PreSchool Programs			
137 Preschool Handicapped Self-Contained (3- and 4- Yr. -Olds)			
100 Salaries	464,547	462,800	1,747
200 Employee Benefits	254,950	223,948	31,002
300 Purchased Services	200	154	46
400 Supplies and Materials	2,068	1,664	404
139 Early Childhood Programs			
100 Salaries	432,754	451,938	(19,184)
200 Employee Benefits	221,171	184,794	36,377
300 Purchased Services	500	316	184
400 Supplies and Materials	20,000	19,707	293
140 Special Programs			
141 Gifted and Talented Academic			
100 Salaries	287,841	287,708	133
200 Employee Benefits	134,882	129,995	4,887
300 Purchased Services	6,200	-	6,200
400 Supplies and Materials	8,048	-	8,048
142 Disadvantaged			
300 Purchased Services	600	524	76
143 Advanced Placement			
300 Purchased Services	1,500	103	1,397
400 Supplies and Materials	3,825	3,730	95
145 Homebound			
100 Salaries	112,000	106,934	5,066
200 Employee Benefits	34,944	32,462	2,482
300 Purchased Services	2,500	2,494	6
148 Gifted and Talented Artistic			
100 Salaries	7,000	5,000	2,000
200 Employee Benefits	2,184	1,548	636
300 Purchased Services	200	200	-
400 Supplies and Materials	3,814	3,465	349
160 Other Exceptional Programs			
161 Autism			
100 Salaries	226,710	225,274	1,436
200 Employee Benefits	149,600	98,284	51,316
300 Purchased Services	121,500	120,916	584
400 Supplies and Materials	5,286	2,739	2,547

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
162 Limited English Proficiency			
100 Salaries	764,243	731,694	32,549
200 Employee Benefits	338,860	314,904	23,956
300 Purchased Services	1,500	1,463	37
170 Summer School Programs			
172 Elementary Summer School			
100 Salaries	14,000	-	14,000
200 Employee Benefits	4,368	-	4,368
173 High School Summer School			
100 Salaries	500	313	187
200 Employee Benefits	100	97	3
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
100 Salaries	600	600	-
200 Employee Benefits	100	49	51
300 Purchased Services	1,800	-	1,800
Total Instruction	63,847,806	61,902,898	1,944,908
200 SUPPORT SERVICES			
210 Pupil Service			
211 Attendance and Social Work Services			
100 Salaries	88,368	88,192	176
200 Employee Benefits	32,608	32,187	421
300 Purchased Services	2,308	1,587	721
400 Supplies and Materials	1,200	1,078	122
212 Guidance Services			
100 Salaries	1,437,282	1,436,799	483
200 Employee Benefits	626,894	592,550	34,344
300 Purchased Services	16,200	16,054	146
400 Supplies and Materials	44,837	37,668	7,169
213 Health Service			
100 Salaries	894,239	727,695	166,544
200 Employee Benefits	403,050	373,228	29,822
300 Purchased Services	10,310	5,358	4,952
400 Supplies and Materials	20,210	17,933	2,277
500 Capital Outlay	1,000	-	1,000
214 Psychological Services			
100 Salaries	385,385	323,518	61,867
200 Employee Benefits	220,454	134,497	85,957
300 Purchased Services	139,200	131,880	7,320
400 Supplies and Materials	850	-	850
217 Career Specialist Services			
100 Salaries	1,800	1,740	60
200 Employee Benefits	150	143	7
220 Instructional Staff Services			

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
221 Improvement of Instruction Curriculum Development			
100 Salaries	724,273	715,595	8,678
200 Employee Benefits	289,584	281,330	8,254
300 Purchased Services	127,500	114,995	12,505
400 Supplies and Materials	4,250	3,446	804
600 Other Objects	500	-	500
222 Library and Media Services			
100 Salaries	1,109,514	1,024,909	84,605
200 Employee Benefits	503,843	445,582	58,261
400 Supplies and Materials	175,415	153,394	22,021
223 Supervision of Special Programs			
100 Salaries	196,523	196,498	25
200 Employee Benefits	78,874	78,033	841
300 Purchased Services	2,000	1,982	18
224 Improvement of Instruction Inservice and Staff Training			
100 Salaries	831,190	721,189	110,001
200 Employee Benefits	406,237	352,057	54,180
300 Purchased Services	121,889	116,586	5,303
400 Supplies and Materials	8,198	4,940	3,258
230 General Administrative Service			
231 Board of Education			
300 Purchased Services	149,581	149,537	44
318 Audit Services	45,000	44,532	468
400 Supplies and Materials	2,550	2,426	124
500 Capital Outlay	-	400	(400)
600 Other Objects	120,653	119,532	1,121
232 Office of the Superintendent			
100 Salaries	342,205	341,181	1,024
200 Employee Benefits	110,418	106,852	3,566
300 Purchased Services	5,165	4,883	282
400 Supplies and Materials	4,300	699	3,601
500 Capital Outlay	2,125	-	2,125
600 Other Objects	3,000	69	2,931
233 School Administration			
100 Salaries	4,665,308	4,665,149	159
200 Employee Benefits	2,010,501	1,967,245	43,256
300 Purchased Services	49,975	49,792	183
400 Supplies and Materials	69,819	66,780	3,039
500 Capital Outlay	33,854	29,600	4,254
600 Other Objects	5,200	5,018	182
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	394,070	393,734	336
180 Head of Organizational Unit Salaries	142,694	142,629	65
200 Employee Benefits	167,481	162,211	5,270
280 Head of Organizational Unit Employee Benefits	54,000	53,518	482
300 Purchased Services	20,800	18,767	2,033
380 Head of Organizational Unit Purchased Services	243	52	191
400 Supplies and Materials	20,300	16,828	3,472
500 Capital Outlay	2,300	2,206	94

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
254 Operations and Maintenance of Plant			
100 Salaries	2,896,016	2,701,200	194,816
200 Employee Benefits	1,416,801	1,087,206	329,595
300 Purchased Services (Excludes Energy Costs)	2,308,380	2,169,509	138,871
321 Public Utility Services (Exclude Gas, Oil, Electric & Other Heating Fuels)	360,450	312,697	47,753
400 Supplies and Materials (Included Energy Costs)	646,822	649,924	(3,102)
470 Energy (Includes Gas, Oil, Electric & Other Heating Fuels)	1,575,700	1,572,074	3,626
500 Capital Outlay	348,436	293,132	55,304
255 Student Transportation (State Mandated)			
100 Salaries	1,502,463	1,472,761	29,702
200 Employee Benefits	480,526	463,619	16,907
300 Purchased Services	105,980	67,968	38,012
400 Supplies and Materials	43,550	33,879	9,671
500 Capital Outlay	160,500	159,755	745
258 Security			
100 Salaries	271,036	270,117	919
200 Employee Benefits	106,846	104,015	2,831
300 Purchased Services	1,295,000	1,294,320	680
400 Supplies and Materials	187,001	186,957	44
500 Capital Outlay	200,433	196,157	4,276
260 Central Support Services			
263 Information Services			
100 Salaries	20,613	19,113	1,500
180 Head of Organizational Unit Salaries	81,086	80,986	100
200 Employee Benefits	10,119	9,868	251
280 Head of Organizational Unit Employee Benefits	33,000	32,537	463
300 Purchased Services	77,570	77,481	89
380 Head of Organizational Unit Purchased Services	5,150	5,116	34
400 Supplies and Materials	32,400	32,065	335
500 Capital Outlay	3,700	3,146	554
264 Staff Services			
100 Salaries	201,432	201,269	163
200 Employee Benefits	94,536	93,292	1,244
300 Purchased Services	43,500	32,498	11,002
400 Supplies and Materials	7,000	6,516	484
266 Technology and Data Processing Services			
100 Salaries	762,638	761,260	1,378
180 Head of Organizational Unit Salaries	119,796	119,716	80
200 Employee Benefits	325,284	320,208	5,076
280 Head of Organizational Unit Employee Benefits	42,150	41,913	237
300 Purchased Services	5,500	6,893	(1,393)
380 Head of Organizational Unit Purchased Services	2,500	972	1,528
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries (Optional)	743,912	743,733	179
200 Employee Benefits (Optional)	254,498	254,146	352
300 Purchased Services (Optional)	1,040,206	1,039,693	513
400 Supplies and Materials (Optional)	17,050	12,280	4,770
500 Capital Outlay (Optional)	511,400	511,146	254
600 Other Objects (Optional)	46,000	38,226	7,774
Total Support Services	35,714,657	33,955,646	1,759,011

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
300 COMMUNITY SERVICES			
390 Other Community Services			
300 Purchased Services	105,558	105,558	-
Total Community Services	<u>105,558</u>	<u>105,558</u>	<u>-</u>
400 OTHER CHARGES			
410 Intergovernmental Expenditures			
412 Payments to other governmental units			
720 Transits	415,000	-	415,000
Total Intergovernmental Expenditures	<u>415,000</u>	<u>-</u>	<u>415,000</u>
TOTAL EXPENDITURES	<u>100,083,021</u>	<u>95,964,102</u>	<u>4,118,919</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, from (to) Other Funds			
5230 Transfer from Special Revenue EIA Fund	2,764,020	2,867,408	103,388
5280 Transfer from Other Funds Indirect Cost	350,000	1,065,826	715,826
423-710 Transfer to Debt Service Fund	(3,916,300)	(3,894,347)	21,953
424-710 Transfer to Capital Projects Fund	(1,575,000)	(16,575,000)	(15,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,377,280)</u>	<u>(16,536,113)</u>	<u>(14,158,833)</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>2,179,522</u>	<u>\$ 2,179,522</u>
FUND BALANCE - JULY 1, 2021		<u>21,307,503</u>	
FUND BALANCE - JUNE 30, 2022		<u>\$ 23,487,025</u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING BALANCE SHEET
 JUNE 30, 2022

	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,275,233	\$ 1,275,233
Due from State Department of Education	-	-	-	-	-	92	-	92
Due from Federal Government	506,502	525,574	-	17,996	-	1,866,096	-	2,916,168
Due from Other Funds	-	-	-	-	17,110	-	211,937	229,047
Total Assets	\$ 506,502	\$ 525,574	\$ -	\$ 17,996	\$ 17,110	\$ 1,866,188	\$ 1,487,170	\$ 4,420,540
LIABILITIES AND FUND BALANCE								
Liabilities								
Due to Other Funds	\$ 506,502	\$ 525,574	\$ -	\$ 17,996	\$ -	\$ 1,169,204	\$ -	\$ 2,219,276
Unearned Revenues	-	-	-	-	17,110	696,984	-	714,094
Total Liabilities	\$ 506,502	\$ 525,574	\$ -	\$ 17,996	\$ 17,110	\$ 1,866,188	\$ -	\$ 2,933,370
Fund Balance								
Restricted Pupil Activities	-	-	-	-	-	-	1,487,170	1,487,170
Total Fund Balance	-	-	-	-	-	-	1,487,170	1,487,170
Total Liabilities and Fund Balance	\$ 506,502	\$ 525,574	\$ -	\$ 17,996	\$ 17,110	\$ 1,866,188	\$ 1,487,170	\$ 4,420,540

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
	\$	-	\$	-	\$	-	\$	20
1000 Revenue From Local Sources								
1500 Earnings on Investments								
1510 Interest on Investments								20
1700 Pupil Activities								
1710 Admissions								135,699
1720 Bookstore Sales								55,736
1730 Pupil Organization Membership Dues and Fees								41,027
1740 Student Fees								453,757
1790 Other Pupil Activity Income								1,430,919
1900 Other Revenue from Local Sources								
1920 Contributions and Donations From Private Sources						39,293		83,062
1930 Special Needs Transportation - Medicaid						347,350		347,350
1999 Revenue from Other Local Sources						356,956		356,956
Total Local Revenue						743,599	2,160,927	2,904,526
3000 Revenue from State Sources								
3100 Restricted State Funding								
3110 Occupational Education								
3118 EEDA Career Specialists					330,538			330,538
3120 General Education								
3127 Student Health and Fitness - PE Teachers					67,320			67,320
3130 Special Programs								
3134 Child Early Reading Development & Education Program								
3135 Reading Coaches					22,890			22,890
3136 Student Health and Fitness - Nurses					472,882			472,882
3190 Miscellaneous Restricted State Grants					225,038			225,038
3193 Education License Plates							767	767
3199 Other Restricted State Grants					1,741			1,741
3900 Other State Revenue								
3994 PEBA Nonemployer Contributions					15,044			15,044
3995 CRF Per Pupil Funding					293,859			293,859
Total State Sources					1,430,079			1,430,079
4000 Revenue from Federal Sources								
4200 Occupational Education								
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States				85,039				85,039
4300 Elementary and Secondary Education Act of 1965 (ESEA)								
4310 Title I, Basic State Grant Programs (Carryover Provision)	1,480,984					203,969		1,684,953
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III						70,413		70,413
4351 Supporting Effective Instruction						202,159		202,159

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
4500 Programs for Children with Disabilities	-	1,854,315	-	-	-	7,303	-	1,861,618
4510 Individuals with Disabilities Education Act (IDEA)	-	-	66,582	-	-	-	-	66,582
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-	-	-	-	-	-	-
4900 Other Federal Sources	-	-	-	-	-	100,586	-	100,586
4931 ARP IDEA	-	-	-	-	-	3,068,976	-	3,068,976
4974 ESSER III	-	-	-	-	-	1,057,782	-	1,057,782
4977 ESSER II	-	-	-	-	-	-	-	-
4990 Other Federal Revenue	-	-	-	-	-	129,232	-	129,232
4997 Title IV - SSAE	-	-	-	-	-	142,115	-	142,115
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	-	-
Total Federal Sources	1,480,984	1,854,315	66,582	85,039	-	4,982,535	-	8,469,455
TOTAL REVENUE ALL SOURCES	1,480,984	1,854,315	66,582	85,039	1,430,079	5,726,134	2,160,927	12,804,060

EXPENDITURES

100 INSTRUCTION

110 General Instruction	-	-	-	-	-	-	-	-
111 Kindergarten Programs	82,996	-	-	-	-	62,570	-	145,566
100 Salaries	42,395	-	-	-	-	30,154	-	72,549
200 Employee Benefits	-	-	-	-	-	-	-	-
112 Primary Programs	458,549	-	-	-	75,077	499,084	-	1,032,710
100 Salaries	203,841	-	-	-	43,734	204,782	-	452,357
200 Employee Benefits	-	-	-	-	-	50,190	-	50,190
300 Purchased Services	-	-	-	-	-	75,137	-	75,137
400 Supplies and Materials	4,426	-	-	-	-	-	-	4,426
113 Elementary Programs	323,976	-	-	-	-	308,684	-	632,660
100 Salaries	130,020	-	-	-	5,056	118,224	-	253,300
200 Employee Benefits	-	-	-	-	-	55,163	-	55,163
300 Purchased Services	-	-	-	-	-	168,234	-	168,234
400 Supplies and Materials	-	-	-	-	-	-	-	-
500 Capital Outlay	-	-	-	-	767	-	-	767
114 High School Programs	-	-	-	-	-	260,204	-	260,204
100 Salaries	-	-	-	-	-	79,206	-	79,206
200 Employee Benefits	-	-	-	-	-	79,406	-	79,406
300 Purchased Services	-	-	-	-	-	35,117	-	35,117
400 Supplies and Materials	-	-	-	-	-	8,448	-	8,448
500 Capital Outlay	-	-	-	-	-	-	-	-
115 Career and Technical Education Programs	-	-	-	-	-	5,145	-	5,145
100 Salaries	-	-	-	-	-	1,595	-	1,595
200 Employee Benefits	-	-	-	-	-	-	-	-
300 Purchased Services (Other than Tuition)	-	-	-	6,350	-	-	-	6,350
400 Supplies and Materials	-	-	-	4,150	-	-	-	4,150
500 Capital Outlay	-	-	-	28,716	-	-	-	28,716
116 Career and Technical Education Programs - Middle School	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	-	7,116	-	-	-	7,116

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
120 Exceptional Programs							
121 Educable Mentally Handicapped							
100 Salaries	41,936	-	-	-	3,663	-	45,599
200 Employee Benefits	13,289	-	-	-	1,136	-	14,425
122 Trainable Mentally Handicapped							
100 Salaries	-	-	-	-	7,345	-	7,345
200 Employee Benefits	-	-	-	-	2,278	-	2,278
300 Purchased Services	-	-	-	1,741	-	-	1,741
400 Supplies and Materials	2,959	-	-	-	-	-	2,959
123 Orthopedically Handicapped							
400 Supplies and Materials	-	-	-	-	74	-	74
500 Capital Outlay	-	-	-	-	8,000	-	8,000
124 Visually Handicapped							
300 Purchased Services	17,448	-	-	-	-	-	17,448
126 Speech Handicapped							
100 Salaries	35,729	-	-	-	132,669	-	168,398
200 Employee Benefits	17,032	-	-	-	33,694	-	50,726
300 Purchased Services	669,660	-	-	-	6,953	-	676,613
600 Other Objects	-	-	-	-	2,753	-	2,753
127 Learning Disabilities							
100 Salaries	408,037	-	-	-	23,800	-	431,837
200 Employee Benefits	190,388	-	-	-	7,380	-	197,768
300 Purchased Services	-	-	-	-	62,648	-	62,648
400 Supplies and Materials	11,940	-	-	-	20,415	-	32,355
128 Emotionally Handicapped							
100 Salaries	80,818	-	-	-	4,330	-	85,148
200 Employee Benefits	35,021	-	-	-	1,343	-	36,364
130 Pre-School Programs							
137 Preschool Handicapped Self-Contained (3- and 4- Yr. -Olds)							
100 Salaries	21,873	46,328	-	-	3,348	-	71,549
200 Employee Benefits	13,176	20,254	-	-	1,038	-	34,468
139 Early Childhood Programs							
100 Salaries	-	-	-	-	9,844	-	9,844
200 Employee Benefits	-	-	-	-	3,052	-	3,052
400 Supplies and Materials	-	-	-	22,890	-	-	22,890
140 Special Programs							
142 Disadvantaged							
400 Supplies and Materials	-	-	-	-	1,388	-	1,388
149 Other Special Programs							
300 Purchased Services	11,437	-	-	-	2,935	-	14,372

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	TITLE I	IDEA	PRE-SCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
160 Other Exceptional Programs								
161 Autism	-	28,271	-	-	-	3,472	-	31,743
100 Salaries	-	13,784	-	-	-	1,077	-	14,861
200 Employee Benefits	-	-	-	-	-	-	-	-
162 Limited English Proficiency	-	-	-	-	-	1,226	-	1,226
100 Salaries	-	-	-	-	-	380	-	380
200 Employee Benefits	-	-	-	-	-	-	-	-
170 Summer School Programs								
171 Primary Summer School								
100 Salaries	-	-	-	-	-	240,098	-	240,098
200 Employee Benefits	-	-	-	-	-	74,960	-	74,960
400 Supplies and Materials	-	-	-	-	-	54,697	-	54,697
172 Elementary Summer School								
100 Salaries	-	-	-	-	-	95,690	-	95,690
200 Employee Benefits	-	-	-	-	-	28,808	-	28,808
400 Supplies and Materials	-	-	-	-	-	28,032	-	28,032
173 High School Summer School								
100 Salaries	-	-	-	-	-	74,848	-	74,848
200 Employee Benefits	-	-	-	-	-	23,519	-	23,519
175 Instructional Programs Beyond Regular School Day								
100 Salaries	-	-	-	-	-	132,536	-	132,536
200 Employee Benefits	-	-	-	-	-	41,087	-	41,087
400 Supplies and Materials	-	-	-	-	-	245	-	245
180 Adult/Continuing Education Programs								
188 Parenting/Family Literacy								
100 Salaries	36,602	-	-	-	-	226	-	36,828
200 Employee Benefits	14,134	-	-	-	-	70	-	14,204
400 Supplies and Materials	17,213	-	-	-	-	-	-	17,213
190 Instructional Pupil Activity								
660 Pupil Activity	-	-	-	-	-	-	272,546	272,546
Total Instruction	1,314,152	1,612,798	66,582	46,332	149,265	3,182,400	272,546	6,644,075
200 SUPPORT SERVICES								
210 Pupil Service								
211 Attendance and Social Work Services								
100 Salaries	-	-	-	-	-	376	-	376
200 Employee Benefits	-	-	-	-	-	117	-	117
400 Supplies and Materials	347	-	-	-	-	-	-	347
212 Guidance Services								
100 Salaries	-	-	-	-	-	220,343	-	220,343
200 Employee Benefits	-	-	-	-	-	91,463	-	91,463
300 Purchased Services	-	-	-	-	-	22,250	-	22,250

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
213 Health Service	-	-	-	180,446	171,514	-	351,960
100 Salaries	-	-	-	44,592	56,303	-	100,895
200 Employee Benefits	-	-	-	-	62,550	-	62,550
300 Purchased Services	-	-	-	-	-	-	-
214 Psychological Services	-	-	-	-	583	-	583
100 Salaries	-	-	-	-	181	-	181
200 Employee Benefits	-	-	-	-	53,750	-	167,836
300 Purchased Services	114,086	-	-	-	-	-	-
215 Exceptional Program Services	-	-	-	-	-	-	-
400 Supplies and Materials	30,422	-	-	-	-	-	30,422
217 Career Specialist Services	-	-	-	220,570	1,906	-	222,476
100 Salaries	-	-	-	109,968	591	-	110,559
200 Employee Benefits	-	-	-	-	-	-	-
220 Instructional Staff Services	-	-	-	-	-	-	-
221 Improvement of Instruction Curriculum Development	-	-	-	-	76,426	-	144,163
100 Salaries	67,737	-	-	-	34,652	-	60,562
200 Employee Benefits	25,910	-	-	-	58,691	-	58,691
300 Purchased Services	-	-	-	-	40,681	-	40,681
400 Supplies and Materials	-	-	-	-	-	-	-
222 Library and Media Services	-	-	-	-	6,378	-	6,378
100 Salaries	-	-	-	-	1,978	-	1,978
200 Employee Benefits	-	-	-	-	-	-	-
223 Supervision of Special Programs	-	-	-	-	200,712	-	284,367
100 Salaries	34,523	49,132	-	-	76,797	-	116,590
200 Employee Benefits	14,986	24,807	-	-	2,080	-	6,561
300 Purchased Services	2,254	2,227	-	-	-	-	6,162
400 Supplies and Materials	1,235	4,927	-	-	-	-	-
224 Improvement of Instruction Inservice and Staff Training	-	-	-	355,217	26,019	-	383,283
100 Salaries	-	2,047	-	117,666	5,805	-	124,106
200 Employee Benefits	-	635	-	-	204,996	-	222,131
300 Purchased Services	3	13,234	3,898	-	4,261	-	4,261
400 Supplies and Materials	-	-	-	-	-	-	-
230 General Administrative Service	-	-	-	-	-	-	-
232 Office of Superintendent	-	-	-	-	981	-	981
100 Salaries	-	-	-	-	304	-	304
200 Employee Benefits	-	-	-	-	-	-	-
233 School Administration	-	-	-	-	15,771	-	15,771
100 Salaries	-	-	-	-	4,891	-	4,891
200 Employee Benefits	-	-	-	-	-	-	-
250 Finance and Operations Services	-	-	-	-	-	-	-
252 Fiscal Services	-	-	-	-	2,643	-	2,643
100 Salaries	-	-	-	-	820	-	820
200 Employee Benefits	-	-	-	-	-	-	-

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
254 Operations and Maintenance of Plant	-	-	-	-	12,424	-	12,424
100 Salaries	-	-	-	-	3,853	-	3,853
200 Employee Benefits	-	-	-	-	1,407	-	238,718
300 Purchased Services	-	-	-	237,311	65,624	-	65,624
400 Supplies and Materials	-	-	-	-	-	-	-
255 Student Transportation (State Mandated)	-	-	-	-	62,296	-	62,296
100 Salaries	-	-	-	-	18,538	-	18,538
200 Employee Benefits	-	-	-	-	21,158	-	21,158
300 Purchased Services	-	-	-	-	-	-	-
260 Central Support Services	-	-	-	-	-	-	-
263 Information Services	-	-	-	-	19,260	-	19,260
300 Purchased Services	-	-	-	-	-	-	-
264 Staff Services	-	-	-	-	-	-	-
100 Salaries	-	-	-	-	813	-	813
200 Employee Benefits	-	-	-	-	252	-	252
300 Purchased Services	-	-	-	-	19,498	-	19,498
266 Technology and Data Processing Services	-	-	-	-	-	-	-
100 Salaries	-	-	-	-	8,349	-	8,349
200 Employee Benefits	-	-	-	-	2,469	-	2,469
300 Purchased Services	-	-	-	-	49,873	-	49,873
400 Supplies and Materials	-	-	-	-	47,025	-	47,025
500 Capital Outlay	-	-	-	-	251,518	-	251,518
270 Support Services - Pupil Activity	-	-	-	-	-	-	-
271 Pupil Service Activities	-	-	-	-	-	-	-
100 Salaries (Optional)	-	-	-	-	2,254	16,656	18,910
200 Employee Benefits (Optional)	-	-	-	-	699	6,200	6,899
300 Purchased Services (Optional)	-	-	17,386	-	-	-	17,386
400 Supplies and Materials (Optional)	-	-	2,026	-	-	-	2,026
500 Capital Outlay (Optional)	-	-	15,397	-	-	-	15,397
660 Pupil Activity	-	-	-	-	-	1,387,181	1,387,181
Total Support Services	146,995	241,517	38,707	1,265,770	2,034,123	1,410,037	5,137,149
300 COMMUNITY SERVICES	-	-	-	-	-	-	-
350 Custody and Care of Children	-	-	-	-	-	-	-
100 Salaries	-	-	-	-	193,386	-	193,386
200 Employee Benefits	-	-	-	-	39,195	-	39,195
300 Purchased Services	-	-	-	-	1,464	-	1,464
400 Supplies and Materials	-	-	-	-	94	-	94
360 Welfare Services	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	-	-	-	-	-
Total Community Services	1,675	-	-	-	-	-	1,675
Total	148,670	241,517	38,707	1,265,770	2,034,123	1,410,037	5,138,824

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
410 INTERGOVERNMENTAL EXPENDITURES								
414 Medicaid Payments to SCDE	-	-	-	-	-	80,314	-	80,314
720 Transits	-	-	-	-	15,044	-	-	15,044
419 Payments to PEBA Non-employer Contributions	-	-	-	-	-	-	-	-
720 Transits	-	-	-	-	-	-	-	-
Total Intergovernmental Expenditures	-	-	-	-	15,044	80,314	-	95,358
TOTAL EXPENDITURES	1,462,822	1,854,315	66,582	85,039	1,430,079	5,530,976	1,682,583	12,112,396
OTHER FINANCING SOURCES (USES)								
Interfund Transfers, from (to) Other Funds								
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)	-	-	-	-	-	233,689	-	233,689
421-710 Transfer to Special Revenue Fund	-	-	-	-	-	-	(233,689)	(233,689)
431-791 Special Revenue Fund Indirect Costs	(18,162)	-	-	-	-	(428,847)	-	(447,009)
TOTAL OTHER FINANCING SOURCES (USES)	(18,162)	-	-	-	-	(195,158)	(233,689)	(447,009)
Excess/(Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	244,655	244,655
FUND BALANCE - JULY 1, 2021	-	-	-	-	-	-	1,242,515	1,242,515
FUND BALANCE - JUNE 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,487,170	\$ 1,487,170

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

District Subfund Code	Other Designated Restricted State Grants	District Subfund Code	Special Revenue Programs
217	CRF Per Pupil Funding	210	Student Support and Academic Enrichment, Title IV
816	Profoundly Disabled	218	ESSER III
919	Education License Plates	221	Title I, Neglected & Delinquent
924	Child Early Reading Development and Education Program (CERDEP)	225	ESSER II
928	EEDA Career Specialists	230	ARP IDEA
935	Reaching Coaches	237	Title I, Focus
936	Student Health and Fitness - Nurses	263	Title II, Supporting Effective Instruction
937	Student Health and Fitness - PE Teachers	264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
994	PEBA Nonemployer Contributions	267	Title II, Supporting Effective Instruction
		274	Federal Aviation Administration Grant
		277	Air Force JROTC
		293	Medicaid
		802	YRBS Administration
		803	Risk Control Grant
		805	Scale - Accommodations Tax
		807	Extended School Year
		810	SAM Contribution
		817	Teen Pregnancy - Mary Black OAH
		819	Bosch Grant
		840	Teacher forum
		870	Fine Arts Center
		875	Lenovo / Student Technology Fees

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Sub Fund	Revenue	Description	Revenues	Expenditures	Special Revenue		Unearned Revenue
					Interfund Transfers In(Out)	Other fund Transfers In(Out)	
217	3995	CRF Per Pupil Funding	\$ 293,859	\$ 293,859	\$ -	\$ -	-
816	3199	Profoundly Disabled	1,741	1,741	-	-	-
919	3193	Education License Plates	767	767	-	-	-
924	3134	CERDEP	22,890	22,890	-	-	-
928	3118	EEDA Career Specialists	330,538	330,538	-	-	-
935	3135	Reaching Coaches	472,882	472,882	-	-	-
936	3136	Student Health and Fitness - Nurses	225,038	225,038	-	-	-
937	3127	Student Health and Fitness - PE Teachers	67,320	67,320	-	-	-
994	3994	PEBA Nonemployer Contributions	15,044	15,044	-	-	-
			\$ 1,430,079	\$ 1,430,079	\$ -	\$ -	17,110

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES**3000 Revenue from State Sources**

3500 Education Improvement Act		
3502 ADEPT	\$	10,510
3509 Arts in Education		11,272
3518 Adoption List of Formative Assessment		40,865
3519 Grade 10 Assessments		21,502
3526 Refurbishment of Science Kits		19,398
3528 Industry Certifications/Credentials		2,340
3529 Career and Technical Education		162,115
3532 National Board Salary Supplement (No Carryover Provision)		737,132
3533 Teacher of the Year Award (No Carryover Provision)		1,077
3536 Student Health & Fitness		54,999
3538 Students At Risk of School Failure		834,034
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K		361,600
3550 Teacher Salary Increase (No Carryover Provision)		2,312,029
3555 Teacher Salary Fringe (No Carryover Provision)		555,379
3557 Summer Reading Program		82,300
3577 Teacher Supplies (No Carryover Provision)		201,025
3595 EEDA - Supplies and Materials		13,325
3597 Aid to Districts		281,957
3599 Other EIA		65,702

Total State Sources

5,768,561
TOTAL REVENUE ALL SOURCES

5,768,561
EXPENDITURES**100 INSTRUCTION**

110 General Instruction		
111 Kindergarten Programs		
100 Salaries		15,000
200 Employee Benefits		4,609
112 Primary Programs		
100 Salaries		565,714
200 Employee Benefits		224,915
300 Purchased Services		3,500
400 Supplies and Materials		105,180
113 Elementary Programs		
100 Salaries		562,637
200 Employee Benefits		121,235
400 Supplies and Materials		74,654

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

114 High School Programs	
100 Salaries	113,500
200 Employee Benefits	40,921
400 Supplies and Materials	47,575
115 Career and Technical Education Programs	
300 Purchased Services (Other than Tuition)	12,840
500 Capital Outlay	55,586
120 Exceptional Programs	
122 Trainable Mentally Handicapped	
100 Salaries	7,500
200 Employee Benefits	2,315
127 Learning Disabilities	
100 Salaries	15,000
200 Employee Benefits	4,590
128 Emotionally Handicapped	
100 Salaries	2,052
200 Employee Benefits	634
130 Pre-School Programs	
139 Early Childhood Programs	
100 Salaries	227,711
200 Employee Benefits	133,889
400 Supplies and Materials	476
170 Summer School Programs	
171 Primary Summer School	
100 Salaries	62,819
200 Employee Benefits	19,480
180 Adult/Continuing Education Programs	
188 Parenting/Family Literacy	
100 Salaries	79,333
200 Employee Benefits	36,890
	<hr/>
Total Instruction	2,540,555
	<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 THE FISCAL YEAR ENDED JUNE 30, 2022**

200 SUPPORT SERVICES

210 Pupil Service	
212 Guidance Services	
100 Salaries	37,305
200 Employee Benefits	11,286
300 Purchased Services	2,234
400 Supplies and Materials	73,457
213 Health Service	
100 Salaries	54,999
220 Instructional Staff Services	
224 Improvement of Instruction Inservice and Staff Training	
300 Purchased Services	41,349
400 Supplies and Materials	10,723
260 Central Support Services	
266 Technology and Data Processing Services	
500 Capital Outlay	64,704
Total Support Services	<u>296,057</u>

400 OTHER CHARGES

410 Intergovernmental Expenditures	
412 Payments to other governmental units	
720 Transits	64,541
Total Intergovernmental Expenditures	<u>64,541</u>

TOTAL EXPENDITURES

2,901,153

OTHER FINANCING SOURCES (USES)**Interfund Transfers, from (to) Other Funds**

420-710 Transfer to General Fund (Excludes Indirect Costs)	<u>(2,867,408)</u>
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TOTAL OTHER FINANCING SOURCES (USES)

(2,867,408)

Excess/(Deficiency) of Revenues over Expenditures

-

FUND BALANCE - JULY 1, 2021

-

FUND BALANCE - JUNE 30, 2022

\$ -

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
 SUMMARY SCHEDULE BY PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Program	Revenues	Expenditures	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act				
3502 ADEPT	\$ 10,510	\$ 10,510	-	-
3509 Arts in Education	11,272	11,272	-	-
3518 Adoption List of Formative Assessment	40,865	40,865	-	-
3519 Grade 10 Assessments	21,502	21,502	-	27,117
3526 Refurbishment of Science Kits	19,398	19,398	-	36,566
3528 Industry Certifications/Credentials	2,340	2,340	-	8,727
3529 Career and Technology Education	162,115	162,115	-	27,170
3532 National Board Salary Supplement (No Carryover Provision)	737,132	737,132	-	-
3533 Teacher of the Year Award (No Carryover Provision)	1,077	1,077	-	-
3536 EAA Curriculum Specialist	54,999	54,999	-	-
3538 Students At Risk of School Failure	834,034	834,034	-	837,698
3541 CERDEP	361,600	361,600	-	-
3550 Teacher Salary Increase (No Carryover Provision)	2,312,029	-	(2,312,029)	-
3555 Teacher Salary Fringe (No Carryover Provision)	555,379	-	(555,379)	-
3557 Summer Reading Program	82,300	82,300	-	59,161
3577 Teacher Supplies (No Carryover Provision)	201,025	201,025	-	-
3595 EEDA - Supplies and Materials	13,325	13,325	-	19,042
3597 Aid to Districts	281,957	281,957	-	394,646
3599 Other EIA	65,702	65,702	-	-
Totals	\$ 5,768,561	\$ 2,901,153	\$ (2,867,408)	\$ 1,410,127

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES**1000 Revenue From Local Sources**

1600 Food Service		
1630 Special Sales to Pupils	\$	90,563
1640 Lunch Sales to Adults		14,340
1650 Breakfast Sales to Adults		970
1660 Special Sales to Adults		38,983
1900 Other Revenue from Local Sources		
1990 Miscellaneous Local Revenue		
1999 Revenue from Other Local Sources		37,060

Total Local Revenue

 181,916
4000 Revenue from Federal Sources

4800 USDA reimbursement		
4810 School Lunch and After School Snack Program, and Special Milk Program		3,061,829
4820 Supply Chain Assistance Funding		198,002
4830 School Breakfast Program (Carryover Provision)		855,233
4890 Healthy Meals - USDA		59,947
4900 Other federal sources		
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)		245,852
4999 Revenue from Other Federal Sources		79,265

Total Federal Sources

 4,500,128
TOTAL REVENUE ALL SOURCES

 4,682,044
EXPENDITURES**200 SUPPORT SERVICES**

250 Finance and Operations Services		
256 Food Services		
300 Purchased Services (Excludes Energy Costs)		3,928,245
400 Supplies and Materials (Included Energy Costs)		301,441
500 Capital Outlay		242,835
600 Other Objects		3,692

Total Support Services

 4,476,213
TOTAL EXPENDITURES

 4,476,213

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds

432-791 Food Service Fund Indirect Costs

(618,817)

TOTAL OTHER FINANCING SOURCES (USES)

(618,817)

Excess/(Deficiency) of Revenues over Expenditures

(412,986)

FUND BALANCE - JULY 1, 2021

1,272,969

FUND BALANCE - JUNE 30, 2022

\$ 859,983

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES**1000 Revenue From Local Sources**

1100 Taxes Levied/Assessed by the LEA	
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 10,333,998
1200 Revenue from Local Government Units Other than LEAs	
1280 Revenue In Lieu of Taxes (Independent and Dependent)	3,964,576
1500 Earnings on Investments	
1510 Interest on Investments	<u>5,973</u>
Total Local Revenue	<u>14,304,547</u>

3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption (Tier 2)	269,631
3830 Merchant's Inventory Tax	10,569
3840 Manufacturers Depreciation Reimbursement	243,566
3890 Other State Property Tax Revenues (includes Motor Carrier Vehicle Tax)	<u>71,012</u>
Total State Sources	<u>594,778</u>

TOTAL REVENUE ALL SOURCES

14,899,325

EXPENDITURES**500 DEBT SERVICE**

610 Redemption of Principal	1,439,000
620 Interest	1,054,612
690 Other Objects (Includes Fees for Servicing Bonds)	<u>6,562</u>

Total Debt Service Expenditures

2,500,174

TOTAL EXPENDITURES

2,500,174

OTHER FINANCING SOURCES (USES)**Interfund Transfers, from (to) Other Funds**

423-710 Transfer to Debt Service Fund - EFC	<u>(5,342,794)</u>
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TOTAL OTHER FINANCING SOURCES (USES)

(5,342,794)

Excess/(Deficiency) of Revenues over Expenditures

7,056,357

FUND BALANCE - JULY 1, 2021

8,370,532

FUND BALANCE - JUNE 30, 2022

\$ 15,426,889

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND - EDUCATIONAL FACILITIES CORPORATION (EFC)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES**1000 Revenue From Local Sources**

1500 Earnings on Investments	\$ 1,789
1510 Interest on Investments	\$ 1,789

Total Local Revenue	1,789
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TOTAL REVENUE ALL SOURCES	\$ 1,789
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EXPENDITURES**500 DEBT SERVICE**

610 Redemption of Principal	9,070,000
620 Interest	184,121
690 Other Objects (Includes Fees for Servicing Bonds)	5,000

Total Debt Service Expenditures	9,259,121
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TOTAL EXPENDITURES	9,259,121
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OTHER FINANCING SOURCES (USES)**Interfund Transfers, from (to) Other Funds**

5210 Transfer from General Fund (Excludes Indirect Costs)	3,894,347
5240 Transfer from Debt Service Fund	5,342,794

TOTAL OTHER FINANCING SOURCES (USES)	9,237,141
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Excess/(Deficiency) of Revenues over Expenditures	(20,191)
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FUND BALANCE - JULY 1, 2021	20,191
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FUND BALANCE - JUNE 30, 2022	\$ -
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**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

REVENUES**1000 Revenue From Local Sources**

1500 Earnings on Investments	
1510 Interest on Investments	\$ 254,311

Total Local Revenue	<u>254,311</u>
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TOTAL REVENUE ALL SOURCES	<u>254,311</u>
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EXPENDITURES**200 SUPPORT SERVICES**

250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
300 Purchased Services	6,755,697
500 Capital Outlay	
510 Land	12,155,832
520 Construction Services	16,387,213
530 Improvements Other Than Buildings	4,399,055
540 Equipment	110,844
600 Other Objects	<u>3,667</u>

Total Support Services	<u>39,812,308</u>
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500 DEBT SERVICE

690 Other Objects (Includes Fees for Servicing Bonds)	<u>408,527</u>
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Total Debt Service Expenditures	<u>408,527</u>
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TOTAL EXPENDITURES	<u>40,220,835</u>
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OTHER FINANCING SOURCES (USES)

5100 Sale of Bonds	
5110 Premium on Bonds Sold	8,929,817
5120 Proceeds of General Obligation Bonds	100,000,000

Interfund Transfers, from (to) Other Funds

5210 Transfer from General Fund (Excludes Indirect Costs)	<u>16,575,000</u>
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TOTAL OTHER FINANCING SOURCES (USES)	<u>125,504,817</u>
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Excess/(Deficiency) of Revenues over Expenditures	85,538,293
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FUND BALANCE - JULY 1, 2021	<u>28,819,947</u>
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FUND BALANCE - JUNE 30, 2022	<u>\$ 114,358,240</u>
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 40,954.08	Unpaid
EEEDA - Supplies and Materials	EIA	3595/395	Unspent funds	5,106.77	Unpaid
				<u>46,060.85</u>	
<u>Due to Federal Government</u>					
None.				<u>-</u>	
Total Due to State Department of Education or Federal Government				\$ 46,060.85	

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
LOCATION RECONCILIATION SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	Districtwide	Non-School	Central	\$ 61,573,812
043	J.F. Byrnes High School	High School	School	23,658,142
045	D.R. Hill Middle School	Middle School	School	6,719,322
046	Duncan Elementary	Elementary School	School	6,850,835
049	Reidville Elementary	Elementary School	School	5,765,553
052	Wellford Academy	Elementary School	School	6,863,829
089	Beech Springs Intermediate	Elementary School	School	12,272,907
090	River Ridge Elementary	Elementary School	School	7,825,281
091	Berry Shoals Intermediate School	Elementary School	School	9,151,465
092	Florence Chapel Middle School	Middle School	School	6,919,492
093	Freshman Academy	High School	School	5,457,140
094	Abner Creek Academy	Elementary School	School	6,803,189
095	Lyman Elementary	Elementary School	School	7,573,027
Total Expenditures/Disbursements for All Funds				\$ 167,433,994

The Above Expenditures are Reconciled to the District's Expenditures as Follows:

Fund	Amount
General Fund	\$ 95,964,102
Special Revenue Fund - Special Projects	12,112,396
Special Revenue Fund - Education Improvement Act	2,901,153
Special Revenue Fund - Food Service	4,476,213
Debt Service Fund	2,500,174
Debt Service Fund - Educational Facilities Corporation	9,259,121
Capital Projects Fund	40,220,835
Total Expenditures/Disbursements for All Funds	\$ 167,433,994

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

Independent Auditor's Report

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2022.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 3, 2022

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Spartanburg County School District Five's (the District's) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, Spartanburg County School District Five complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 3, 2022

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal ALN	Pass-through Grantor's Number	Expenditures	Expenditures
U.S. Department of Agriculture					
Pass-through S.C. Department of Education					
Child Nutrition Cluster					
Non-Cash Assistance:					
600	National School Lunch Program	10.555	N/A	\$ 240,119	
	Total Non-Cash Assistance:				\$ 240,119
Cash Assistance:					
600	School Breakfast Program	10.553	N/A	855,233	
600	COVID 19: National School Lunch Program	10.555	N/A	59,947	
600	National School Lunch Program	10.555	N/A	3,259,831	
	Total Cash Assistance:				4,175,011
	Total Child Nutrition Cluster				4,415,130
Non-Cash Assistance:					
600	Child and Adult Care Food Program	10.558	N/A	5,733	
Pass-through S.C. Department of Social Services					
Cash Assistance:					
600	COVID 19: Child and Adult Care Food Program	10.558	205SC329N2021	30,767	
600	Child and Adult Care Food Program	10.558	205SC329N2021	48,498	84,998
	Total U.S. Department of Agriculture				4,500,128
U.S. Department of Education					
Pass-through S.C. Department of Education					
201	Title I , Regular	84.010	22 Title I, Regular	1,160,426	
202	Title I , Regular	84.010	21 Title I, Regular	295,240	
202	Title I , Regular	84.010	20 Title I, Regular	24,883	
202	Title I , Regular	84.010	19 Title I, Regular	435	
221	Title I, Neglected and Delinquent	84.010	22 Title I, N&D	252	
221	Title I, Neglected and Delinquent	84.010	21 Title I, N&D	7,471	
221	Title I, Neglected and Delinquent	84.010	20 Title I, N&D	71	
237	Title I, Targeted School Improvement	84.010	21 Targ. School Impr.	182,459	
237	Title I, Targeted School Improvement	84.010	20 Targ. School Impr.	13,290	
237	Title I, Targeted School Improvement	84.010	19 Targ. School Impr.	426	1,684,953
Special Education Cluster					
203	Individuals With Disabilities Education Act (IDEA)	84.027	22 IDEA	1,484,849	
204	Individuals With Disabilities Education Act (IDEA)	84.027	21 IDEA	366,703	
204	Individuals With Disabilities Education Act (IDEA)	84.027	20 IDEA	2,763	
807	Extended School Year	84.027	ESY	7,303	
205	Preschool Grants (IDEA)	84.173	22 IDEA Preschool	66,582	
	Total Special Education Cluster				1,928,200
207	CATE (Subprogram 1)	84.048	22 CTE Federal	34,809	
207	CATE (Subprogram 4)	84.048	22 CTE Federal	3,899	
207	CATE (Subprogram 6)	84.048	22 CTE Federal	20,315	
208	CATE (Subprogram 11)	84.048	21 CTE Federal	26,016	85,039
210	Student Support and Academic Enrichment, Title IV	84.424	22 Title IV	112,566	
210	Student Support and Academic Enrichment, Title IV	84.424	21 Title IV	14,606	
210	Student Support and Academic Enrichment, Title IV	84.424	20 Title IV	2,060	129,232
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	22 Title III	58,952	
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	21 Title III	11,461	70,413

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal ALN	Pass-through Grantor's Number	Expenditures	
U.S. Department of Education - Continued					
Pass-through S.C. Department of Education - Continued					
267	Supporting Effective Instruction, Title II	84.367	22 Title II	192,569	
263	Supporting Effective Instruction, Title II	84.367	21 Title II	9,590	202,159
225	COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	21 ESSER II	1,057,782	
230	COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425U	22 ARP - IDEA	100,586	
218	COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425U	21 ESSER III - ARP	3,068,976	4,227,344
802	Safe and Supportive Schools: SC Youth Risk Behaviors Survey	84.184Y	YRBS Admin		1,300
Total U.S. Department of Education				8,328,640	
U.S. Department of Defense					
Direct Program					
277	ROTC	12.000	N/A		93,480
Total U.S. Department of Defense				93,480	
U.S. Department of Health and Human Services					
Pass-through Spartanburg Regional Healthcare Foundation					
817	Adolescent Health Programs - Teen Pregnancy Prevention	93.297	TP1AH000229-01-00		35,842
Total U.S. Department of Agriculture				35,842	
Federal Aviation Administration					
Direct Program					
274	Aviation Workforce Development Grant (Aircraft Pilots)	20.111	N/A		11,493
Total U.S. Department of Defense				11,493	
Total Federal Financial Assistance Expended				\$ 12,969,583	

See Notes to the Schedule of Expenditures of Federal Awards

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022. 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Fiscal Year Ended June 30, 2021:

Financial Statement Findings:

None.

Federal Award Findings and Questioned Costs:

None.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Fiscal Year Ended June 30, 2022:

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified? Yes X No

Significant Deficiencies Identified That Are Not Considered to be Material Weaknesses? Yes X None Reported

Noncompliance Material to Financial Statements Noted Yes X No

Federal Awards

Internal Control Over Major Programs:

Material Weakness(es) Identified? Yes X No

Significant Deficiencies Identified That Are Not Considered to be Material Weaknesses? Yes X None Reported

Type of Auditor's Report Issued on Compliance For Major Federal 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 Federal Programs:

<u>Federal Program(s) or Cluster(s)</u>	<u>CFDA Number(s)</u>
Title I	84.010
Elementary & Secondary School Emergency Relief Fund (ESSER)	84.425D & 84.425U

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