

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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 FINANCIAL STATEMENTS  
 AND SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 FINANCIAL STATEMENTS  
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To the Board of Trustees of  
Spartanburg County School District Five  
Duncan, South Carolina

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, Duncan, South Carolina, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Spartanburg County School District Five's management. Our responsibility is to express opinions on these financial statements based on our audit.

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


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2012, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spartanburg County School District Five's financial statements as a whole. The combining and individual fund financial schedules and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial schedules, other schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Spartanburg, South Carolina  
October 12, 2012

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2012

The discussion and analysis of the District's financial performance provides an overview of the District's financial activities for Fiscal Year End June 30, 2012.

**Financial Highlights**

- Due to conservative budgeting, the general fund state revenue received was \$1,156,385 more than budgeted.
- The general fund local revenue exceeded budget by \$89,444 due to an increase in fee-in-lieu of taxes.
- Due to conservative budgeting of employer cost of health insurance, being able to transfer some salaries to special revenue funds, and conservative spending in the area of maintenance/operations, the District spent \$1,492,850 less than budgeted for instruction and supporting services.
- Due to the above positive variances, the District was able to send a payment of \$1,570,939 during FY 11-12 to R D Anderson Applied Technology Center for the District's share of an expansion of that facility. This resulted in intergovernmental expenditures being over budget by \$1,501,176. The R D Anderson Applied Technology Center serves the high schools in Spartanburg County School Districts Four, Five and Six.
- On June 30, 2012, the District had an assigned general fund balance in the amount of \$916,125. This \$916,125 fund balance was assigned to balance the FY 2012-13 general fund budget.
- On June 30, 2012, the available, unassigned fund balance for the general fund was \$15,789,345 which is 24.7% of the total budgeted general fund expenditures, including transfers, for fiscal year 2012-13.
- The District's net assets increased by \$1,724,759 or 2.1%. Program revenues accounted for \$33,585,370 or 42.9% of total revenues, and general revenues accounted for \$44,698,987 or 57.1%.

**Using the Basic Financial Statements**

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

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

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2012

## **Reporting the District as a Whole**

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

## **Reporting the District's Most Significant Funds**

### *Fund Financial Statements*

Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 12 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 Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.



Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2012

*Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Management of fiduciary funds is an auxiliary function of the District and is not necessarily related to the instructional and/or operational function of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the pupil activity of the schools and accounts for this activity in an agency fund. The District's fiduciary activities are reported in separate Statement of Fiduciary Assets and Liabilities on page 16.

**Government-wide Financial Analysis**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$84,983,980 at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net assets for FYE 2012 and 2011:

	Governmental Activities 2012	Governmental Activities 2011
<b>Assets:</b>		
Current and Other Assets	\$ 41,112,502	\$ 42,740,197
Capital Assets	<u>125,595,713</u>	<u>129,504,796</u>
<b>Total Assets</b>	<u>166,708,215</u>	<u>172,244,993</u>
<b>Liabilities:</b>		
Long- Term Liabilities	76,235,648	82,186,175
Other Liabilities	<u>5,488,587</u>	<u>6,799,597</u>
<b>Total Liabilities</b>	<u>81,724,235</u>	<u>88,985,772</u>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	59,549,814	57,529,537
Restricted for:		
Debt Service	1,591,073	1,611,830
School Building Projects	5,049,648	5,291,122
Unrestricted	<u>18,793,445</u>	<u>18,826,732</u>
<b>Total Net Assets</b>	<u>\$ 84,983,980</u>	<u>\$ 83,259,221</u>

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2012

Table 2 shows the changes in net assets for FYE 2012 and 2011:

	Governmental Activities 2012	Governmental Activities 2011
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 1,222,390	\$ 1,230,961
Operating Grants	32,362,980	32,309,104
Capital Grants	-	-
General Revenues:		
Property Taxes	32,097,840	32,299,970
Grants and Entitlements	11,857,736	11,720,531
Other	743,410	811,821
<b>Total Revenues</b>	<b>78,284,356</b>	<b>78,372,387</b>
 <b>Program Expenses:</b>		
Instruction	44,977,738	44,529,620
Support Services	24,924,110	24,361,508
Community Services	903,595	624,583
Intergovernmental	2,068,929	624,088
Interest and Fiscal Charges	3,685,225	3,983,818
<b>Total Expenses</b>	<b>76,559,597</b>	<b>74,123,617</b>
Increase (Decrease) in Net Assets	<b>\$ 1,724,759</b>	<b>\$ 4,248,770</b>

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2012

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 12 ) reported a combined fund balance of \$34,575,135, which is less than last year's total of \$34,800,993.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2012 and 2011:

<b>Fund Balance Comparison</b>			
	Fund Balance June 30, 2012	Fund Balance June 30, 2011	Increase (Decrease)
General	\$ 16,705,470	\$ 16,705,470	\$ -
Debt Service	1,591,073	1,611,830	(20,757)
Debt Service - EFC	10,189,748	10,191,610	(1,862)
Capital Projects	5,037,741	5,278,805	(241,064)
Capital Projects - EFC	11,907	12,317	(410)
Special Revenue - Food Service	1,039,196	1,000,961	38,235
<b>Total</b>	<b>\$ 34,575,135</b>	<b>\$ 34,800,993</b>	<b>\$ (225,858)</b>

As Table 4 below illustrates, the largest portions of general fund expenditures are for salaries and fringe benefits:

<b>General Fund Expenditures By Objects</b>				
	Fiscal Year 2012		Fiscal Year 2011	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 35,392,547	63.7%	\$ 33,192,561	65.0%
Fringe Benefits	11,102,326	19.9%	10,763,494	21.1%
Purchased Services	3,203,400	5.8%	3,405,749	6.7%
Supplies and Materials	2,800,838	5.0%	2,872,047	5.6%
Capital Outlay	1,030,054	1.9%	438,542	0.9%
Miscellaneous	2,058,672	3.7%	431,430	0.8%
<b>Total</b>	<b>\$ 55,587,837</b>	<b>100.0%</b>	<b>\$ 51,103,823</b>	<b>100.0%</b>

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  
For the Fiscal Year Ended June 30, 2012

**General Fund Budget Information**

The general fund schedule of revenues, expenditures and changes in fund balance is presented in Schedule 1 on page 35 of the financial statements. This schedule compares budget to actual and indicates the favorable and unfavorable variances.

The revenue from local sources had a favorable variance of \$89,444. This favorable variance was largely a result of an increase in fee-in-lieu of taxes.

The revenue from state sources had a favorable variance of \$1,156,385. This favorable variance was largely a result of a conservative budget approach in budgeting state revenue.

The District had a favorable expenditure variance in instruction and supporting services of \$1,492,850. The favorable variance was due mainly to not having to utilize several budgeted contingency positions, conservative expenditures in operations/maintenance, and being able to move some salary expenditures to other special revenue funds. The District had an unfavorable expenditure variance in intergovernmental expenditures in the amount of \$1,501,176. Once the District determined that it would have an overall favorable variance of revenues and expenditures in all other areas, the District decided to fund its share of the facility expansion of R D Anderson Applied Technology Center rather than financing it over time.

**Capital Assets**

Construction of the District's softball field concession stand and dressing rooms at Beech Springs Intermediate School was completed during the fiscal year.

**Debt**

In December 2005, \$79,000,000 of Insured Installment Purchase Revenue Bonds were issued on behalf of the District to fund building projects and \$74,440,000 are still outstanding at the end of the fiscal year. At fiscal year end, the District did not have any General Obligation Bonds outstanding.

**Factors Expected to have an Effect on Future Operations**

The number of students the District serves had been increasing annually for twenty years. However, the student growth has slowed in the last three fiscal years. The District will continue to closely monitor the number of students served.

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2012

Table 5 shows the students served, kindergarten through grade 12, for the past sixteen years:

**Number of Students Served K-12**

School Year	Number of Students	Number Increased	Percentage Increased
96-97	4,615		
96-97	4,801	186	4.0%
97-98	5,005	204	4.2%
98-99	5,160	155	3.1%
99-00	5,351	191	3.7%
00-01	5,487	136	2.5%
01-02	5,755	268	4.9%
02-03	5,859	104	1.8%
03-04	6,060	201	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%
Sixteen Year Increase		2,782	60.3%

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,896,694
Investments	7,999,409
Taxes receivable	2,943,199
Less allowance for uncollectable	(1,741,650)
Accounts receivable	501,273
Due from county government	23,976,282
Due from other state agencies	842,733
Due from State Department of Education	377,855
Due from federal government	1,051,693
Commodities	73,678
Cost of issuance	1,191,336
Capital Assets:	
Land	6,126,113
Buildings and improvements	160,985,612
Furniture and equipment	3,180,163
Less: Accumulated depreciation	(44,696,175)
<b>Total Assets</b>	<b>166,708,215</b>
<b>LIABILITIES</b>	
Accounts payable	1,743,547
Due to State Department of Education	1,403
Due to other organizations	690,170
Health and life insurance and other deductions	600,732
Accrued salaries	87,633
Accrued interest payable	888,977
Revenues received in advance/deferred revenues	1,476,125
Noncurrent liabilities:	
Due within one year	6,004,742
Due in more than one year	70,230,906
<b>Total Liabilities</b>	<b>81,724,235</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	59,549,814
Restricted for:	
Debt service	1,591,073
School building	5,049,648
Unrestricted	18,793,445
<b>Total Net Assets</b>	<b>\$ 84,983,980</b>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2012

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
Instruction	\$ 44,977,738	\$ 12,186	\$ 22,306,676	\$ (22,658,876)
Support services	24,924,110	1,210,204	8,769,519	(14,944,387)
Community services	903,595	-	1,190,715	287,120
Intergovernmental	2,068,929	-	96,070	(1,972,859)
Interest and other charges	3,685,225	-	-	(3,685,225)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>76,559,597</b>	<b>1,222,390</b>	<b>32,362,980</b>	<b>(42,974,227)</b>
<b>GENERAL REVENUES:</b>				
Property taxes levied for general purposes				28,681,364
Property taxes levied for debt service				3,416,476
Unrestricted state grants				11,857,736
Refund of prior year expenditures				25
Rentals				21,625
Sale of fixed assets				8,038
Premium on bonds sold				9,226
Transfers				250,810
Miscellaneous				47,172
Contributions				24,747
Unrestricted investment earnings				381,767
Total general revenues				44,698,986
CHANGE IN NET ASSETS				1,724,759
NET ASSETS - JUNE 30, 2011				83,259,221
NET ASSETS - JUNE 30, 2012				\$ 84,983,980

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

	General	Special Revenue Fund	EIA Fund	Food Service Fund	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Capital Projects - Educational Facilities Corporation	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 3,882,525	\$ -	\$ -	\$ -	\$ -	\$ 14,169	\$ -	\$ -	\$ 3,896,694
Investments	-	-	-	-	-	7,987,502	-	11,907	7,999,409
Taxes receivable	415,878	-	-	-	39,250	-	-	-	455,128
Accounts receivable	78,381	396,666	-	26,226	-	-	-	-	501,273
Due from other funds	846,165	229,485	1,109,881	824,724	-	2,188,077	3,814,156	-	9,012,488
Due from county government	17,602,640	-	-	-	5,150,057	-	1,223,585	-	23,976,282
Due from other state agencies	842,733	-	-	-	-	-	-	-	842,733
Due from State Department of Education	375,163	2,413	-	279	-	-	-	-	377,855
Due from federal government	-	863,726	-	187,967	-	-	-	-	1,051,693
Inventory - commodities	-	-	-	73,678	-	-	-	-	73,678
<b>Total Assets</b>	<b>\$ 24,043,485</b>	<b>\$ 1,492,290</b>	<b>\$ 1,109,881</b>	<b>\$ 1,112,874</b>	<b>\$ 5,189,307</b>	<b>\$ 10,189,748</b>	<b>\$ 5,037,741</b>	<b>\$ 11,907</b>	<b>\$ 48,187,233</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 1,743,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,743,547
Due to other funds	4,906,103	1,188,321	-	-	3,598,234	-	-	-	9,702,658
Due to State Department of Education	-	1,403	-	-	-	-	-	-	1,403
Health and life insurance and other deductions	600,732	-	-	-	-	-	-	-	600,732
Accrued salaries	87,633	-	-	-	-	-	-	-	87,633
Revenues received in advance/deferred revenue	-	292,566	1,109,881	73,678	-	-	-	-	1,476,125
<b>Total Liabilities</b>	<b>7,338,015</b>	<b>1,492,290</b>	<b>1,109,881</b>	<b>73,678</b>	<b>3,598,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,612,098</b>
Fund balances:									
Restricted:									
Food service fund	-	-	-	1,039,196	-	-	-	-	1,039,196
Debt service	-	-	-	-	1,591,073	10,189,748	-	-	11,780,821
Committed:									
Capital projects fund	-	-	-	-	-	-	5,037,741	11,907	5,049,648
Assigned:									
Budgetary appropriations	916,125	-	-	-	-	-	-	-	916,125
Unassigned:									
General fund	15,789,345	-	-	-	-	-	-	-	15,789,345
<b>Total fund balances</b>	<b>16,705,470</b>	<b>-</b>	<b>-</b>	<b>1,039,196</b>	<b>1,591,073</b>	<b>10,189,748</b>	<b>5,037,741</b>	<b>11,907</b>	<b>34,575,135</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,043,485</b>	<b>\$ 1,492,290</b>	<b>\$ 1,109,881</b>	<b>\$ 1,112,874</b>	<b>\$ 5,189,307</b>	<b>\$ 10,189,748</b>	<b>\$ 5,037,741</b>	<b>\$ 11,907</b>	<b>\$ 48,187,233</b>

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



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2012

<b>Total Governmental Fund Balances</b>		<b>\$ 34,575,135</b>
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		125,595,713
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Taxes receivable	746,421	
Cost of issuance	1,191,336	
Discount on bonds	17,438	1,955,195
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(888,977)	
Loan payable	(19,742)	
Bonds payable	(74,440,000)	
Premium on bonds	(1,793,344)	(77,142,063)
<b>Net assets of governmental activities</b>		<b>\$ 84,983,980</b>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	EIA Fund	Food Service Fund	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Capital Projects - Educational Facilities Corporation	Total Governmental Funds
<b>REVENUES</b>									
Local property taxes	\$ 28,662,353	\$ -	\$ -	\$ -	\$ 3,416,476	\$ -	\$ -	\$ -	\$ 32,078,829
Other local	40,005	288,478	-	967,477	6,071	374,884	20,809	3	1,697,727
Total local	28,702,358	288,478	-	967,477	3,422,547	374,884	20,809	3	33,776,556
State	31,040,967	873,969	5,161,093	279	155,482	-	-	-	37,231,790
Federal	-	2,904,534	-	2,361,456	-	-	-	-	5,265,990
Intergovernmental	160,822	1,562,113	-	-	-	-	-	-	1,722,935
Total Revenue	59,904,147	5,629,094	5,161,093	3,329,212	3,578,029	374,884	20,809	3	77,997,271
<b>EXPENDITURES</b>									
Current:									
Instruction	35,273,535	3,341,672	3,744,382	-	-	-	-	-	42,359,589
Supporting services	18,434,466	1,603,698	424,056	2,980,677	-	-	-	-	23,442,897
Community service	-	850,997	-	-	-	-	-	-	850,997
Intergovernmental	1,879,836	68,661	-	-	-	-	-	-	1,948,497
Debt Service	-	-	-	-	1,114,742	4,560,000	-	-	5,674,742
Principal	-	-	-	-	44,286	3,784,410	-	-	3,828,696
Interest	-	-	-	-	500	21,976	-	-	22,476
Other objects	-	-	-	-	-	-	363,309	-	363,309
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	55,587,837	5,865,028	4,168,438	2,980,677	1,159,528	8,366,386	363,309	-	78,491,203
Excess (deficiency) of revenues over expenditures	4,316,310	(235,934)	992,655	348,535	2,418,501	(7,991,502)	(342,500)	3	(493,932)
<b>OTHER FINANCING SOURCES (USES)</b>									
Premium on Bonds Sold	-	-	-	-	-	9,226	-	-	9,226
Sale of fixed assets	8,038	-	-	-	-	-	-	-	8,038
Operating transfers in	1,317,831	250,810	-	-	40,742	7,980,414	101,437	-	9,691,234
Operating transfers out	(5,642,179)	(14,876)	(992,655)	(310,300)	(2,480,000)	-	-	(414)	(9,440,424)
Total Other Financing Sources (Uses)	(4,316,310)	235,934	(992,655)	(310,300)	(2,439,258)	7,989,640	101,437	(414)	268,074
Total net change in fund balances	-	-	-	38,235	(20,757)	(1,862)	(241,063)	(411)	(225,858)
Fund Balance June 30, 2011	16,705,470	-	-	1,000,961	1,611,830	10,191,610	5,278,804	12,318	34,800,993
Fund Balance June 30, 2012	\$ 16,705,470	\$ -	\$ -	\$ 1,039,196	\$ 1,591,073	\$ 10,189,748	\$ 5,037,741	\$ 11,907	\$ 34,575,135

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ (225,858)
<p>Amounts reported for governmental activities in the statements of activities are different because of the following:</p>	
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.	5,674,742
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.	59,766
Discount on bonds are not recognized by the governmental funds, but are amortized over the life of the bonds in the statement of activities.	(1,868)
Bond premiums are revenues in the year they are received in the governmental funds, but are amortized over the lives of the bonds in the statement of activities.	346,716
Deferred advance refunding charges are not recognized by the governmental funds, but are amortized over the life of the refunding debt in the statement of activities.	(88,369)
Some expenses reported in the statement of activities, such as amortization expense, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds: Amortization expense	(150,297)
Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	(3,909,083)
Revenues reported on the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.	<u>19,010</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 1,724,759</u></u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2012

**ASSETS**

Cash and cash equivalents	\$ 1,245,117
Investments	248,765
Accounts receivable	29,830
Due from other funds	<u>690,170</u>
Total Assets	<u><u>\$ 2,213,882</u></u>

**LIABILITIES**

Due to student organizations	\$ 871,034
Revenues received in advance/ deferred revenue	<u>1,342,848</u>
Total liabilities	<u><u>\$ 2,213,882</u></u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2012

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 13 because the District does not significantly influence operations of the organization nor is the related organization accountable to the District for its fiscal operations. The component units discussed below are 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>
Spartanburg County School District No. 5 Public Facilities Corporation	Finance Construction and Renovations to School Facilities	Debt Service Fund and School Building Fund.
SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 South Carolina	Finance Construction and Renovations to School Facilities	Debt Service Fund and School Building Fund

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

**B. Basic Financial Statements – Government-wide Statement**

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

The government-wide statements are prepared using the economic resources measurement focus. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**B. Basic Financial Statements – Government-wide Statement - Continued**

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.

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.

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 governmental funds:

General Fund (Major Fund) - The General Fund is the general operating fund of the District. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**C. Basic Financial Statements - Fund Financial Statements - Continued**

Special Revenue Funds (Major Fund) - 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:

- 1) Special Projects Fund - is used to account for financial resources provided by federal and state grants.
- 2) Education Improvement Act Fund - 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 Fund - 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 Funds (Major Fund) – The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Capital Projects Funds - EFC (Major Fund) – The Capital Projects funds – EFC are used to account for financial resources to be used for the acquisition or construction of major capital facilities for the Educational Facilities Corporation for Spartanburg County School District Five.

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

- 1) Pupil Activity Fund – Pupil Activity Fund is used to account for student admissions, organization memberships, bookstore sales and other related receipts and disbursements held by the school in a trustee capacity on behalf of the students and/or District employees.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**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. Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using modified accrual for governmental 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 nonexchange transactions must also be available before it can be recognized.

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

*Unearned Revenue*

The District reports unearned revenue on its statement of net assets 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 assets and governmental funds balance sheet and revenue is recognized.

*Expenditures/Expenses*

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



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**E. Budget**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

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

**F. Cash and Investments**

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 collateralized, (5) the State Treasurer's Investment Pool. Investments are stated at fair value. The fair value of the District's investments approximated cost at June 30, 2012.

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

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

**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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**I. Ad Valorem Taxes**

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

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the District for the 2011 tax levy was assessed at \$183,002,635. In addition the District billed fees in lieu of taxes on assessed values of \$30,884,650.

The District's operating tax rate is currently 185.8 mills with an additional 16.6 mills for debt retirement.

**J. Inventory and Prepaid Items**

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

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

**K. Capital Assets and Depreciation**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$5,000. The District does not possess any infrastructure.

All reported capital assets, with the exception of land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**L. Interfund Transactions**

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

**M. Vacation and Sick Pay**

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

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

**N. Accrued Liabilities and Long-term Debt**

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

In general, accounts payable and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available resources. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the government-wide basic financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Assets. Bond premiums and discounts, as well as bond issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Advance refunding costs are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortizations of premiums, discounts, bond issuance costs and deferred advance refunding costs are included in interest expense. Bonds payable are reported net of the applicable bond premiums, discount and deferred advance refunding costs. Bond issuance costs are reported as other assets and are amortized over the term of the related debt.

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**N. Governmental Fund Balance Classifications**

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

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

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

**Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the government's highest level of decision making authority, the Board of Trustees. 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 by an official or other body to which the Board delegates authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**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.

**Minimum Unassigned Fund Balance**

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**O. 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 reduction of recurring expenditures or pursue increases in revenue or funding sources.

**P. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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. Net assets are 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.

**Q. Restricted Sources**

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

**R. Estimates**

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

**S. Risk Management**

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

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

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 BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2012

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 policy regarding custodial credit risk for deposits.

At June 30, 2012, the District's cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 5,141,812	\$ 7,511,726

Of the District's bank balance, \$1,511,957 was covered by FDIC insurance and \$5,999,769 was collateralized by securities held by the pledging bank's trust department or agent in the District's name.

A reconciliation of deposits to cash as shown on the Statement of Net assets for the primary government and the Statement of Fiduciary Net assets follows:

Statement of Net Assets		
Cash and Cash Equivalents	\$	3,896,695
Statement of Fiduciary Net Assets		
Cash and Cash Equivalents		1,245,117
Cash and Cash Equivalents	\$	5,141,812

**Investments**

As of June 30, 2012, the District has the following investments:

Investment Type	Fair Value	Maturity	Rating
Wells Fargo (Note)	\$ 7,987,502	Daily	AA+
Wells Fargo Money Market	11,907	Daily	AAAm
Total Investments	\$ 7,999,409		

As of June 30, 2012, the Middle Tyger Community Center (Agency Fund) has the following investments:

Investment Type	Fair Value	Maturity	Rating
Spartanburg County Foundation	239,605	NA	NA
Edward Jones Investment	9,160	Daily	AAAm
Total Investments	\$ 248,765		

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 2 - CASH AND INVESTMENTS - CONTINUED

**Investments – Continued**

A reconciliation of investments as shown on the Statement of Net assets for the primary government and the Statement of Fiduciary Net assets follows:

Statement of Net Assets	
Investments	\$ 7,999,409
Statement of Fiduciary Net Assets	
Investments	<u>248,765</u>
Investments	<u>\$ 8,248,174</u>

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 is as follows:

	Balance 6/30/11	Additions	Deductions	Balance 6/30/12
<b>Governmental Activities</b>				
Capital Asset, not Being Depreciated				
Land	\$ 6,126,113	\$ -	\$ -	\$ 6,126,113
Construction in progress	79,004	-	79,004	-
Total Capital Asset, not Being Depreciated	6,205,117	-	79,004	6,126,113
Capital Assets, Being Depreciated				
Buildings and improvements	160,820,180	190,842	25,410	160,985,612
Furniture and equipment	2,946,027	234,136	-	3,180,163
Total Capital Assets, Being Depreciated	163,766,207	424,978	25,410	164,165,775
Less Accumulated Depreciation				
Buildings and improvements	38,785,335	3,981,296	10,484	42,756,147
Furniture and equipment	1,681,193	258,835	-	1,940,028
Total Accumulated Depreciation	40,466,528	4,240,131	10,484	44,696,175
Capital Assets, Being Depreciated, Net	123,299,679	(3,815,153)	14,926	119,469,600
Governmental Activities Capital Assets, Net	<u>\$ 129,504,796</u>	<u>\$ (3,815,153)</u>	<u>\$ 93,930</u>	<u>\$ 125,595,713</u>

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

Instructional	\$2,618,149
Supporting services	1,448,952
Community service	52,598
Intergovernmental	120,432
Total Depreciation Expense	<u>\$4,240,131</u>

NOTE 4- SHORT-TERM OBLIGATIONS

The following is a summary of changes in the District's short-term obligations for the year ended June 30, 2012:

	Beginning Balance	Additions	Payments	Ending Balance
SCAGO GO Series 2011A	<u>\$ -</u>	<u>\$ 2,480,000</u>	<u>\$ 2,480,000</u>	<u>\$ -</u>

On September 15, 2011 the District issued \$2,480,000 in SCAGO GO Bonds, Series 2011A to pay for the interest on the 2005 Installment Purchase Revenue Bonds. At June 30, 2012 these bonds were paid in full, including interest of \$11,436.



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 5 - ADVANCE REFUNDING

On October 14, 2009, the District issued \$7,640,000 General Obligation Refunding Bonds, Series 2009. These bonds were issued to advance refund the 2000 General Obligation Bonds of \$11,500,000 and pay certain issuance costs. The proceeds for the 2000 bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. The advance refunding met the requirements of an in-substance defeasance and the refunded bonds were removed from the District's Statement of Net Assets.

The advance refunding resulted in a book loss of \$273,945 for year ended June 30, 2010, which is being amortized. The unamortized losses for the refunding at June 30, 2012 are shown netted against the related bonds in the Statement of Net Assets. Amortization has been included in interest expense and was \$88,369 for the year ended June 30, 2012.

NOTE 6 – LONG-TERM OBLIGATIONS

The following is a summary of general obligation transactions of the District for the fiscal year ended June 30, 2012:

	Amount Outstanding June 30, 2011	Additions	Deductions	Amount Outstanding June 30, 2012	Amounts Due in One Year
General					
Obligation Bonds	\$ 1,095,000	\$ -	\$ 1,095,000	\$ -	\$ -
Installment					
Revenue Bonds	79,000,000	-	4,560,000	74,440,000	5,985,000
Loan Payable	39,484	-	19,742	19,742	19,742
	<u>80,134,484</u>	<u>-</u>	<u>5,674,742</u>	<u>74,459,742</u>	<u>6,004,742</u>
Less unamortized discounts on bonds	(19,306)		(1,868)	(17,438)	-
Less unamortized refunding costs	(88,369)	-	(88,369)	-	-
Plus unamortized issuance premium	2,140,060	-	346,716	1,793,344	-
	<u>\$ 82,166,869</u>	<u>\$ -</u>	<u>\$ 5,931,221</u>	<u>\$ 76,235,648</u>	<u>\$ 6,004,742</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 6 – LONG-TERM OBLIGATIONS - CONTINUED

Long-term debt at June 30, 2012 is comprised of the following individual issues:

	Revenue Bond	Loan Payable	Total
\$79,000,000 2005 Installment purchase revenue bond interest only payments until 2011, then principal due in annual installments of \$4,560,000 to \$9,160,000 through April 2022; interest at rates from 3.875% to 4.62%.	\$74,440,000	\$ -	\$74,440,000
\$39,484 interest free loan payable to the South Carolina Energy Office, representing 25% of the total grant received in fiscal 2011 to be paid back from energy savings from the grant award; due in annual installments of \$19,743 through December 2012.	-	19,742	19,742
	\$ 74,440,000	\$ 19,742	\$ 74,459,742

The annual requirements to amortize all long-term debt outstanding as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30	Revenue Bonds		Loan Payable		Total
	Principal	Interest	Principal	Interest	
2013	\$ 5,985,000	\$ 3,596,460	\$ 19,742	\$ -	\$ 9,601,202
2014	6,235,000	3,346,560	-	-	9,581,560
2015	6,545,000	3,036,810	-	-	9,581,810
2016	6,850,000	2,732,397	-	-	9,582,397
2017	7,185,000	8,235,675	-	-	15,420,675
2018-2022	41,640,000	421,360	-	-	42,061,360
	\$ 74,440,000	\$ 21,369,262	\$ 19,742	\$ -	\$ 95,829,004

Arbitrage is the difference between the yield on an issuer's tax exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U.S. Treasury.

The District is required to have an arbitrage rebate calculation performed for the 2006 Installment Purchase Revenue Bonds every five years after the bonds are issued and to rebate any arbitrage earnings in excess of the bond yield to the federal government. For the year ended June 30, 2012 the District had an arbitrage liability of \$32,972.

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 6 – LONG-TERM OBLIGATIONS - CONTINUED

The SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to a School Facilities Purchase and Use Agreement and evidence proportionate interests of the owners in certain rental payments to be made by the District under the terms of a Base Lease Agreement between the District and the Corporation dated in 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.

On December 14, 2005, the District entered into a lease purchase with SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5. SCAGO issued \$79,000,000 Installment Purchase Revenue Bond to be used to fund future building projects for Spartanburg County School District No. 5. The proceeds from the Installment Purchase Revenue Bond were placed into an investment account which monitors the disbursement of funds. As of June 30, 2012, the investment account had a book balance of \$1. The installment revenue bond is collateralized by assets owed by Spartanburg School District No. 5.

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

NOTE 7 - RETIREMENT PLANS

**South Carolina Retirement System Plans**

**Plan Description** – Eligible employees of the District are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS), both of which are cost-sharing, multi-employer defined benefit pension plans administered by the South Carolina Retirement System; a division of the South Carolina Budget and Control Board. The system provides retirement and disability benefits, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. Only the South Carolina State Budget and Control Board has the authority to establish and amend benefits. Comprehensive Annual Financial Report containing basic financial statements and required supplementary information for the System are issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

**Funding and Benefit Policies** – SCRS and PORS members are required to contribute 6.50% of their annual covered salaries, and the District is required to contribute at an actuarially determined rate. For the year ended June 30, 2012, these rates were 9.385% and 11.363%. In addition to the above rates, participating employers of the SCRS contribute .15% of payroll to provide a group life insurance

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 7 - RETIREMENT PLANS - CONTINUED

**South Carolina Retirement System Plans - continued**

benefit for their participants; and employers of the PORS contribute .20% of payroll to provide a group life insurance benefit and .20% of payroll to provide an accidental death benefit for their participants. An additional employer contribution surcharge of 4.3% of covered payroll was added to the contribution rate to State and Public school entities covered by the State Health Insurance Program. This assessment is for the purpose of providing retiree health insurance coverage and is not a part of the actuarially established contribution rates.

The District's contributions (which equaled the required contributions) to SCRS and PORS for the last three fiscal years were as follows:

Year Ended June 30,	SCRS				
	Employee Contributions	Percentage of Covered Payroll	Employer Contributions	Percentage of Covered Payroll	Total Contributions
2012	\$ 2,301,328	6.50%	\$ 4,898,288	13.835%	\$ 7,199,616
2011	2,259,258	6.50%	4,619,314	13.29%	6,878,572
2010	2,330,576	6.50%	4,627,658	12.89%	6,958,234

Year Ended June 30,	PORS				
	Employee Contributions	Percentage of Covered Payroll	Employer Contributions	Percentage of Covered Payroll	Total Contributions
2012	\$ 9,652	6.50%	\$ 23,853	16.063%	\$ 33,505
2011	11,529	6.50%	27,364	15.43%	38,893
2010	11,290	6.50%	36,561	14.55%	47,851

**Other Retirement Plan**

The State of South Carolina also provides an optional retirement plan (State ORP). It is a governmental plan administered as a qualified plan pursuant to Section 401(a) of the IRC. The State ORP is a defined contribution plan that provides retirement and survivor benefits as an alternative to the SCRS. Employees may choose between the State ORP plan and the SCRS plan. Both employees and employers are required to contribute to the State ORP. Employees contribute 6.50% and employers contribute 9.385% of salary, of which 5% is directed to an approved investment provider to the employee's accounts and 4.385% to the SCRS. In addition 4.3% is contributed to provide retiree health and dental insurance and group life insurance for active participants. In addition to the above rates, participating employers contribute .15% of payroll to provide a group life insurance benefit for their participants. For the year ended June 30, 2012, the employee and employer contributions to the State ORP were \$375,567 and \$799,380, respectively.

NOTE 8 - POST RETIREMENT BENEFITS

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 9 - 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, 401(k) and 403(b) 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, 401(k) and 403 (b) plans is placed in trust for the contributing employees. Neither the State nor the District has any liability for losses under the plans.

NOTE 10 - INTERFUND TRANSACTIONS

**Interfund Receivables and Payables**

Interfund balances for the year ended June 30, 2012 consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 846,165	\$ 4,906,103
Special Revenue Fund - Special Projects	229,485	1,198,321
Special Revenue Fund -EIA Fund	1,109,881	-
Special Revenue Fund - Food Service	824,724	-
Agency Fund	690,170	-
Debt Service	-	3,598,234
Debt Service - EFC	2,188,077	-
Capital Projects	3,814,156	-
	\$ 9,702,658	\$ 9,702,658

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

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

**Interfund Transfers**

Interfund transfers for the year ended June 30, 2012, consisted of the following:

Transfer To	Transfer From							Total
	General Fund	Special Revenue	EIA	Debt Service	Capital Projects EFC	Food Service	Pupil Activity	
General Fund	\$ -	\$ 14,876	\$ 992,655	\$ -	\$ -	\$ 310,300	\$ -	\$ 1,317,831
Debt Service	40,742	-	-	-	-	-	-	40,742
Debt Service - EFC	5,500,000	-	-	2,480,000	414	-	-	7,980,414
Capital Projects	101,437	-	-	-	-	-	-	101,437
Special Revenue	-	-	-	-	-	-	250,810	250,810
	\$ 5,642,179	\$ 14,876	\$ 992,655	\$ 2,480,000	\$ 414	\$ 310,300	\$ 250,810	\$ 9,691,234

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 10 - INTERFUND TRANSACTIONS - CONTINUED

**Interfund Transfers – continued**

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.

In the year ended June 30, 2012, the District transferred \$5,500,000 from the General Fund to Debt Service - EFC to cover loan payments.

NOTE 11 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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

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

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

NOTE 12 - RELATED ORGANIZATION

These financial statements exclude R.D. Anderson Applied Technology Center, Moore, South Carolina. The Center serves the high schools in Spartanburg County School Districts Four, Five and Six. Two members of District Five's Board of Trustees serve as board members of the Center. Also, the superintendent of District Five is an ex-officio non-voting member of the R.D. Anderson Applied Technology Center. District Five remits a portion of their Education Finance Act monies to the Center to cover the educational costs of the District's students attending the Center and a portion of the Property Tax Relief Act Tier 3. For the year ended June 30, 2012, these amounts were \$260,380 and \$247,409 respectively and were recorded as General Fund expenditures.

NOTE 13 - SUBSEQUENT EVENT

On September 19, 2012, the District sold General Obligation Bonds in the amount of \$3,670,000. The purpose of the bonds is to pay the interest amount due on the 2005 Installment Purchase Revenue Bonds.

On September 20, 2012, the District purchased 11.78 acres of land adjacent to Wellford Elementary School for possible expansion in the amount \$23,560.

Management has evaluated subsequent events through October 12, 2012, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION  
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Local	\$ 28,612,914	\$ 28,612,914	\$ 28,702,358	\$ 89,444
Intergovernmental	153,132	153,132	160,822	7,690
State	<u>29,884,582</u>	<u>29,884,582</u>	<u>31,040,967</u>	<u>1,156,385</u>
Total Revenue	<u>58,650,628</u>	<u>58,650,628</u>	<u>59,904,147</u>	<u>1,253,519</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	36,489,390	36,489,390	35,273,535	1,215,855
Supporting services	18,711,461	18,711,461	18,434,466	276,995
Intergovernmental expenditures	<u>378,660</u>	<u>378,660</u>	<u>1,879,836</u>	<u>(1,501,176)</u>
Total Expenditures	<u>55,579,511</u>	<u>55,579,511</u>	<u>55,587,837</u>	<u>(8,326)</u>
Excess (deficiency) of revenues over expenditures	<u>3,071,117</u>	<u>3,071,117</u>	<u>4,316,310</u>	<u>1,245,193</u>
Other Financial Sources (Uses)				
Operating transfers in	992,778	992,778	1,325,869	333,091
Operating transfers out	<u>(5,500,000)</u>	<u>(5,500,000)</u>	<u>(5,642,179)</u>	<u>(142,179)</u>
Net change in fund balances	<u>\$ (1,436,105)</u>	<u>\$ (1,436,105)</u>	-	<u>\$ 1,436,105</u>
Fund Balance June 30, 2011			<u>16,705,470</u>	
Fund Balance June 30, 2012			<u>\$ 16,705,470</u>	

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
1000 Revenue From Local Sources			
1100 Taxes			
1110 Ad Valorem taxes	\$ 21,548,675	\$ 21,393,947	\$ (154,728)
1190 Other taxes	1,399,239	1,273,937	(125,302)
1200 Revenue from Local Governmental Units other than LEA's			
1280 Revenue in lieu of taxes	5,615,000	5,994,469	379,469
1300 Tuition			
1310 From patrons for regular day school	-	12,186	12,186
1500 Earnings on Investments			
1510 Interest on investments	50,000	-	(50,000)
1900 Other Revenue from Local Sources			
1910 Rentals	-	21,625	21,625
1920 Contributions	-	5,750	5,750
1950 Refund of prior year's expenditures (include only if expenditure occurred last year and the refund this year.)	-	25	25
1999 Revenue from other local sources	-	419	419
Total Local Sources	<u>28,612,914</u>	<u>28,702,358</u>	<u>89,444</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	<u>153,132</u>	<u>160,822</u>	<u>7,690</u>
Total Intergovernmental Revenues	<u>153,132</u>	<u>160,822</u>	<u>7,690</u>
3000 Revenue from State Sources			
3130 Special Programs			
3131 Handicapped transportation	-	14,190	14,190
3160 School Bus Driver's Salary	190,628	234,666	44,038
3162 Transportation workers' compensation	-	19,858	19,858
3180 Fringe Benefits Employer Contributions	5,310,761	5,573,887	263,126
3181 Retiree Insurance	954,800	1,140,506	185,706
3199 Other Restricted State Grants	-	480	480



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
3300 Education Finance Act			
3310 Full-time Programs			
3311 Kindergarten	848,100	875,079	26,979
3312 Primary	2,348,961	2,521,861	172,900
3313 Elementary	3,237,347	3,523,410	286,063
3314 High school	1,954,471	2,042,886	88,415
3315 Trainable mentally handicapped	13,107	16,520	3,413
3316 Speech handicapped (part-time program)	574,612	530,930	(43,682)
3317 Homebound	55,460	51,131	(4,329)
3320 Part-Time Programs			
3321 Emotionally handicapped	137,466	113,382	(24,084)
3322 Educable mentally handicapped	32,394	32,127	(267)
3323 Learning disabilities	1,039,922	1,075,419	35,497
3324 Hearing handicapped	16,579	20,812	4,233
3325 Visually handicapped	16,015	16,441	426
3326 Orthopedically handicapped	13,949	22,302	8,353
3327 Vocational	1,288,677	1,298,046	9,369
3330 Other EFA Programs			
3331 Autism	156,038	214,780	58,742
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for local property tax relief	1,681,807	1,681,807	-
3820 Homestead exemption	968,250	968,250	-
3825 Reimbursement for property tax relief	8,437,330	8,436,330	(1,000)
3830 Merchant's inventory tax	78,608	78,608	-
3840 Manufacturers depreciation reimbursement	438,300	476,707	38,407
3890 Other state property tax revenues	91,000	60,552	(30,448)
Total State Sources	<u>29,884,582</u>	<u>31,040,967</u>	<u>1,156,385</u>
Total Revenue All Sources	<u>58,650,628</u>	<u>59,904,147</u>	<u>1,253,519</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	1,887,815	1,893,427	(5,612)
200 Employee benefits	698,588	647,495	51,093
300 Purchased services	-	5,764	(5,764)
400 Supplies and materials	50,069	48,874	1,195
500 Capital outlay	1,700	-	1,700
112 Primary Programs			
100 Salaries	5,659,385	5,728,370	(68,985)
200 Employee benefits	1,909,835	1,833,516	76,319
300 Purchased services	74,613	72,136	2,477
400 Supplies and materials	140,702	140,527	175
500 Capital outlay	1,700	5,762	(4,062)
600 Other objects	3,700	3,900	(200)
113 Elementary Programs			
100 Salaries	8,722,605	8,330,896	391,709
200 Employee benefits	2,830,183	2,735,767	94,416
300 Purchased services	264,707	186,981	77,726
400 Supplies and materials	309,616	252,780	56,836
500 Capital outlay	294,679	299,377	(4,698)
600 Other objects	8,600	6,603	1,997
114 High School Programs			
100 Salaries	6,050,145	6,021,503	28,642
200 Employee benefits	1,962,565	1,881,980	80,585
300 Purchased services	298,503	367,102	(68,599)
400 Supplies and materials	210,632	170,864	39,768
500 Capital outlay	134,861	110,109	24,752
600 Other objects	3,742	3,289	453
115 Career and Technology Education Programs			
100 Salaries	479,963	490,150	(10,187)
200 Employee benefits	162,799	162,779	20
300 Purchased services	4,155	2,673	1,482
370 Purchased services - tuition	551,530	507,789	43,741
400 Supplies and materials	18,964	18,190	774
500 Capital outlay	7,554	7,406	148

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	381,019	383,602	(2,583)
200 Employee benefits	126,982	66,540	60,442
300 Purchased services	796	296	500
400 Supplies and materials	3,567	3,504	63
122 Trainable Mentally Handicapped			
100 Salaries	115,200	111,969	3,231
200 Employee benefits	40,685	16,531	24,154
300 Purchased services	26,200	14,785	11,415
123 Orthopedically Handicapped			
100 Salaries	13,232	13,233	(1)
200 Employee benefits	4,202	2,526	1,676
400 Supplies and materials	517	470	47
124 Visually Handicapped			
100 Salaries	17,766	1,481	16,285
200 Employee benefits	10,710	1,212	9,498
300 Purchased services	16,000	-	16,000
125 Hearing Handicapped			
300 Purchased services	19,700	16,650	3,050
126 Speech Handicapped			
100 Salaries	82,166	40,317	41,849
200 Employee benefits	27,916	31,275	(3,359)
300 Purchased services	2,000	11,924	(9,924)
400 Supplies and materials	5,453	4,488	965
127 Learning Disabilities			
100 Salaries	993,937	952,002	41,935
200 Employee benefits	342,971	204,831	138,140
300 Purchased services	750	663	87
400 Supplies and materials	16,652	15,133	1,519
128 Emotionally Handicapped			
100 Salaries	339,927	318,556	21,371
200 Employee benefits	120,871	70,384	50,487
300 Purchased services	7,500	942	6,558
400 Supplies and materials	4,564	3,259	1,305

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
130 Pre-School Programs			
137 Pre-School Handicapped-Contained (3 & 4 yr. Olds)			
100 Salaries	317,577	331,209	(13,632)
200 Employee benefits	142,017	128,020	13,997
400 Supplies and materials	2,068	1,854	214
139 Early Childhood Programs			
100 Salaries	266,412	256,275	10,137
200 Employee benefits	102,919	93,539	9,380
140 Special Programs			
141 Gifted and Talented - Academic			
300 Purchased services	6,200	9,328	(3,128)
400 Supplies and materials	4,948	2,309	2,639
143 Advanced placement			
400 Supplies and materials	6,750	6,878	(128)
145 Homebound			
100 Salaries	19,000	82,147	(63,147)
200 Employee benefits	4,091	15,308	(11,217)
300 Purchased services	12,000	6,618	5,382
160 Other Exceptional Programs			
161 Autism			
100 Salaries	92,391	69,899	22,492
200 Employee benefits	33,871	24,087	9,784
300 Purchased services	-	6,556	(6,556)
170 Summer School Program			
171 Primary Summer School			
100 Salaries	-	525	(525)
200 Employee benefits	-	118	(118)
172 Elementary Summer School			
100 Salaries	10,000	917	9,083
200 Employee benefits	2,153	526	1,627
400 Supplies and materials	-	-	-
173 High School Summer School			
100 Salaries	-	12,070	(12,070)
200 Employee benefits	-	2,770	(2,770)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
300 Purchased services	1,800	-	1,800
<b>Total Instruction</b>	<u>36,489,390</u>	<u>35,273,535</u>	<u>1,215,855</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work			
100 Salaries	59,882	59,882	-
200 Employee benefits	16,549	16,833	(284)
300 Purchased services	2,308	844	1,464
400 Supplies and materials	200	-	200
212 Guidance			
100 Salaries	1,190,028	1,111,716	78,312
200 Employee benefits	381,703	347,593	34,110
300 Purchased services	1,800	1,435	365
400 Supplies and materials	44,463	43,462	1,001
213 Health			
100 Salaries	517,480	482,175	35,305
200 Employee benefits	176,939	160,828	16,111
300 Purchased services	10,310	4,448	5,862
400 Supplies and materials	19,588	14,971	4,617
500 Capital outlay	1,000	294	706
214 Psychological			
100 Salaries	248,785	249,265	(480)
200 Employee benefits	72,360	71,880	480
300 Purchased services	2,200	-	2,200
400 Supplies and materials	850	-	850
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	447,417	458,569	(11,152)
200 Employee benefits	131,290	135,875	(4,585)
300 Purchased services	4,615	8,085	(3,470)
400 Supplies and materials	4,250	5,146	(896)
600 Other objects	500	-	500
222 Educational Media			
100 Salaries	833,895	866,696	(32,801)
200 Employee benefits	294,294	285,182	9,112
400 Supplies and materials	143,720	141,063	2,657
500 Capital outlay	17,226	17,226	-
224 Improvement of Instruction - Inservice Training			
100 Salaries	-	181	(181)
200 Employee benefits	-	41	(41)
300 Purchased services	81,210	41,974	39,236
400 Supplies and materials	16,348	12,221	4,127

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
230 General Administration Services			
231 Board of Education			
200 Employee benefits	-	73	(73)
300 Purchased services	49,000	16,945	32,055
318 Audit services	45,000	38,800	6,200
400 Supplies and materials	2,550	587	1,963
500 Capital outlay	1,700	-	1,700
600 Other objects	97,903	133,017	(35,114)
232 Office of Superintendent			
100 Salaries	255,741	256,991	(1,250)
200 Employee benefits	70,305	64,347	5,958
300 Purchased services	4,165	533	3,632
400 Supplies and materials	6,800	5,501	1,299
500 Capital outlay	2,125	-	2,125
600 Other objects	4,000	5,708	(1,708)
233 School Administration			
100 Salaries	3,361,031	3,326,592	34,439
200 Employee benefits	1,076,341	1,014,376	61,965
300 Purchased services	13,198	6,475	6,723
400 Supplies and materials	53,988	37,848	16,140
500 Capital outlay	12,949	10,741	2,208
600 Other objects	600	1,180	(580)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	259,605	246,851	12,754
200 Employee benefits	79,361	73,238	6,123
300 Purchased services	24,243	19,024	5,219
400 Supplies and materials	12,000	15,452	(3,452)
500 Capital outlay	1,400	-	1,400
254 Operation and Maintenance of Plant Services			
100 Salaries	2,164,455	2,128,800	35,655
200 Employee benefits	776,377	675,865	100,512
300 Purchased services	1,132,384	1,165,174	(32,790)
321 Public utilities	256,200	262,796	(6,596)
400 Supplies and materials	508,500	424,233	84,267
470 Energy	1,518,600	1,371,768	146,832
500 Capital outlay	462,600	287,594	175,006

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
255 Pupil Transportation Services			
100 Salaries	453,232	556,547	(103,315)
200 Employee benefits	101,237	145,163	(43,926)
300 Purchased services	19,846	45,569	(25,723)
400 Supplies and materials	2,400	46,877	(44,477)
500 Capital outlay	11,000	47,166	(36,166)
600 Other objects	3,000	-	3,000
256 Food Service			
200 Employee benefits	12,500	6,464	6,036
400 Supplies and materials	100	129	(29)
258 Security			
100 Salaries	127,432	174,544	(47,112)
200 Employee benefits	39,718	56,923	(17,205)
300 Purchased services	287,840	313,820	(25,980)
400 Supplies and materials	6,800	7,663	(863)
500 Capital outlay	4,250	-	4,250
260 Central Support Services			
263 Information Services			
100 Salaries	59,774	59,774	-
200 Employee benefits	19,111	19,389	(278)
300 Purchased services	22,500	14,814	7,686
400 Supplies and materials	23,000	4,788	18,212
500 Capital outlay	1,700	575	1,125
264 Staff Services			
100 Salaries	184,457	184,457	-
200 Employee benefits	56,692	52,381	4,311
300 Purchased services	14,000	17,919	(3,919)
400 Supplies and materials	2,500	-	2,500
266 Data Processing Services			
100 Salaries	190,400	190,960	(560)
200 Employee benefits	64,641	56,671	7,970
500 Capital outlay	-	243,803	(243,803)
270 Support Services Pupil Activity			
271 Pupil Service Activities			
300 Purchased services	7,000	34,536	(27,536)
600 Other objects	22,000	25,140	(3,140)
Total Supporting Services	18,711,461	18,434,466	276,995

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
400 Intergovernmental Expenditures			
412 Payments to other governmental units			
720 Transits	378,660	1,879,836	(1,501,176)
Total Intergovernmental Expenditures	<u>378,660</u>	<u>1,879,836</u>	<u>(1,501,176)</u>
 Total Expenditures	 <u>55,579,511</u>	 <u>55,587,837</u>	 <u>(8,326)</u>
 Interfund Transfers, from (to) other funds			
5230 Transfer from Special Revenue EIA Fund	992,778	992,655	(123)
5280 Transfer from Other Funds Indirect Costs	-	325,176	325,176
5300 Sale of Fixed Assets	-	8,038	8,038
423-710 Transfer to Debt Service Fund	(5,500,000)	(5,540,742)	(40,742)
424-710 Transfer to School Building Fund	-	(101,437)	(101,437)
Total Other Financing Sources (Uses)	<u>(4,507,222)</u>	<u>(4,316,310)</u>	<u>190,912</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ (1,436,105)</u>	-	<u>\$ 1,436,105</u>
 Fund Balance June 30, 2011		<u>16,705,470</u>	
Fund Balance June 30, 2012		<u>\$ 16,705,470</u>	



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND-SPECIAL PROJECTS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2012

2011/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 396,666	\$ 396,666
313,775	429,528	15,527	15,455	-	89,441	863,726
-	-	-	-	-	2,413	2,413
-	-	-	-	229,485	-	229,485
<u>\$ 313,775</u>	<u>\$ 429,528</u>	<u>\$ 15,527</u>	<u>\$ 15,455</u>	<u>\$ 229,485</u>	<u>\$ 488,520</u>	<u>\$ 1,492,290</u>

**ASSETS**

Accounts receivable  
 Due from federal government  
 Due from State Department  
 of Education  
 Due from other funds

Total Assets

**LIABILITIES AND FUND  
 BALANCES**

Liabilities:  
 Due to other funds  
 Revenues received in advance/  
 deferred revenue

Total Liabilities

Fund balances

Total Liabilities and Fund Balances

\$ 313,775	\$ 429,528	\$ 15,527	\$ 15,455	\$ -	\$ 424,036	\$ 1,198,321
-	-	-	-	228,082	64,484	292,566
<u>\$ 313,775</u>	<u>\$ 429,528</u>	<u>\$ 15,527</u>	<u>\$ 15,455</u>	<u>\$ 229,485</u>	<u>\$ 488,520</u>	<u>\$ 1,492,290</u>
-	-	-	-	-	-	-
<u>\$ 313,775</u>	<u>\$ 429,528</u>	<u>\$ 15,527</u>	<u>\$ 15,455</u>	<u>\$ 229,485</u>	<u>\$ 488,520</u>	<u>\$ 1,492,290</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
REVENUES							
1000 Revenue From Local Sources							
1910 Rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,872	\$ 1,872
1920 Contributions	-	-	-	-	-	23,814	23,814
1930 Medicaid	-	-	-	-	-	262,792	262,792
Total Local Revenue	-	-	-	-	-	288,478	288,478
2000 Intergovernmental Revenue							
2300 Payments from non-profit entities	-	-	-	-	-	1,562,113	1,562,113
Total Intergovernmental Revenue	-	-	-	-	-	1,562,113	1,562,113
3000 Revenue From State Sources							
3100 Restricted Grants							
3110 Occupational education							
3116 EEDA miscellaneous	-	-	-	-	14,597	-	14,597
3118 EEDA career specialist	-	-	-	-	244,488	-	244,488
3120 General education							
3123 Formative assessments	-	-	-	-	28,866	-	28,866
3127 Student health and fitness - nurses	-	-	-	-	56,764	-	56,764
3128 High schools that work	-	-	-	-	3,043	-	3,043
3190 Other restricted grants							
3199 Other restricted state grants	-	-	-	-	250	-	250

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
3000 Revenue From State Sources - continued							
3600 Education lottery act revenue	-	-	-	-	19,241	-	19,241
3607 6-8 enhancement	-	-	-	-	506,720	-	506,720
3610 K-5 enhancement	-	-	-	-	-	-	-
Total State Revenue	-	-	-	-	873,969	-	873,969
4000 Revenue From Federal Sources							
4200 Occupational education							
4210 Vocational aid, Title I	-	-	-	30,333	-	-	30,333
4300 Elementary and Secondary Education Act of 1965							
4310 Title I	1,063,391	-	-	-	-	11,063	1,074,454
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	59,552	59,552
4351 Improving teacher quality	-	-	-	-	-	172,670	172,670
4500 Education for children with disabilities							
4510 Individuals with disabilities education act (IDEA)	-	1,405,305	-	-	-	10,120	1,415,425
4520 Preschool grants (IDEA)	-	-	57,750	-	-	-	57,750
4900 Other federal sources							
4999 Revenue from other federal sources	-	-	-	-	-	94,350	94,350
Total Federal Revenue	1,063,391	1,405,305	57,750	30,333	-	347,755	2,904,534
TOTAL REVENUE ALL SOURCES	1,063,391	1,405,305	57,750	30,333	873,969	2,198,346	5,629,094

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
<b>EXPENDITURES</b>							
100 Instruction							
110 General Instruction							
111 Kindergarten programs							
200 Employee benefits	45	-	-	-	-	-	45
112 Primary programs							
100 Salaries	282,333	-	-	-	367,056	154,203	803,592
200 Employee benefits	75,805	-	-	-	120,898	41,516	238,219
400 Supplies and materials	83,582	-	-	-	3,700	2,862	90,144
500 Capital outlay	13,613	-	-	-	-	8,426	22,039
113 Elementary programs							
300 Purchased services	-	-	-	-	-	1,572	1,572
400 Supplies and materials	-	-	-	-	44,342	26,474	70,816
114 High school programs							
100 Salaries	-	-	-	-	-	93,620	93,620
200 Employee benefits	-	-	-	-	-	730	730
300 Purchased services	-	-	-	-	-	10,640	10,640
400 Supplies and materials	-	-	-	-	14,597	3,231	17,828
115 Career and technology education programs							
400 Supplies and materials	-	-	-	7,048	-	-	7,048
500 Capital outlay	-	-	-	9,953	-	-	9,953
116 Career and technology education (vocational) programs - middle school							
400 Supplies and materials	-	-	-	2,351	-	-	2,351
120 Exceptional Programs							
121 Educable mentally handicapped							
100 Salaries	-	29,949	-	-	-	-	29,949
200 Employee benefits	-	13,539	-	-	-	-	13,539

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
126 Speech handicapped	-	-	-	-	-	-	-
100 Salaries	-	104,098	-	-	250	136,258	240,606
200 Employee benefits	-	30,287	-	-	-	16,146	46,433
300 Purchased services	-	170,827	-	-	-	1,396	172,223
400 Supplies and materials	-	1,110	-	-	-	-	1,110
600 Other objects	-	-	-	-	-	2,636	2,636
127 Learning disabilities							
100 Salaries	-	432,450	-	-	-	-	432,450
200 Employee benefits	-	131,637	-	-	-	-	131,637
300 Purchased services	-	860	-	-	-	-	860
400 Supplies and materials	-	55,054	-	-	-	-	55,054
128 Emotionally handicapped							
100 Salaries	-	81,650	-	-	-	-	81,650
200 Employee benefits	-	30,064	-	-	-	-	30,064
130 Preschool Handicapped Programs							
137 Preschool handicapped self-contained (3 & 4-year olds)							
100 Salaries	-	15,277	44,218	-	-	-	59,495
200 Employee benefits	-	3,088	13,532	-	-	-	16,620
139 Early childhood programs							
100 Salaries	269,209	-	-	-	-	59,160	328,369
200 Employee benefits	96,013	-	-	-	-	16,687	112,700

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
160 Other Exceptional Programs							
161 Autism							
100 Salaries	-	41,185	-	-	-	-	41,185
200 Employee benefits	-	11,173	-	-	-	-	11,173
170 Summer School Program							
175 Instructional programs beyond regular school day							
100 Salaries	8,137	-	-	-	-	-	8,137
200 Employee benefits	1,612	-	-	-	-	-	1,612
180 Adult/continuing education							
188 Parenting/family literacy							
100 Salaries	36,102	-	-	-	-	83,449	119,551
200 Employee benefits	13,917	-	-	-	-	22,105	36,022
<b>TOTAL INSTRUCTION</b>	<b>880,368</b>	<b>1,152,248</b>	<b>57,750</b>	<b>19,352</b>	<b>550,843</b>	<b>681,111</b>	<b>3,341,672</b>
200 Supporting Services							
210 Pupil Services							
211 Attendance and social work services							
300 Purchased services	603	-	-	-	-	-	603
400 Supplies and materials	7,924	-	-	-	-	-	7,924
212 Guidance							
100 Salaries	39,902	-	-	-	-	-	39,902
200 Employee benefits	15,524	-	-	-	-	-	15,524
400 Supplies and materials	-	-	-	971	28,867	-	29,838
213 Health							
100 Salaries	-	-	-	-	-	14,961	14,961
200 Employee benefits	-	-	-	-	-	6,867	6,867
214 Psychological							
100 Salaries	-	60,850	-	-	-	58,000	118,850
200 Employee benefits	-	16,799	-	-	-	16,183	32,982
300 Purchased services	-	35,420	-	-	-	40,000	75,420

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	201/202	203/204	205/206	207/208	Total
	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants
					Other Special Revenue Programs
					Total
215 Exceptional program services					
100 Salaries	-	-	-	-	85,146
200 Employee benefits	-	-	-	-	30,960
400 Supplies and materials	-	12,442	-	-	12,442
216 Vocational placement services					
100 Salaries	-	-	-	-	74,975
200 Employee benefits	-	-	-	-	23,836
217 Career specialist services					
100 Salaries	-	-	-	-	191,496
200 Employee benefits	-	-	-	-	52,992
220 Instructional Staff Services					
221 Improvement of instruction - curriculum development					
100 Salaries	-	-	-	-	121,293
200 Employee benefits	-	-	-	-	30,732
300 Purchased services	-	-	-	-	1,148
400 Supplies and materials	-	-	-	-	6,666
222 Library and media services					
400 Supplies and materials	-	803	-	-	803
223 Supervision of special programs					
100 Salaries	35,160	77,134	-	-	185,833
200 Employee benefits	10,825	30,324	-	-	59,899
300 Purchased services	1,777	4,161	-	-	-
400 Supplies and materials	73	4,604	-	-	-
224 Improvement of instruction - inservice training					
100 Salaries	-	-	-	-	469
200 Employee benefits	-	-	-	-	105
300 Purchased services	25,060	10,520	-	5,450	11,099
400 Supplies and materials	29,450	-	-	-	8,647
230 General Administration Services					
231 Board of education	1,003	-	-	-	-
300 Purchased services	-	-	-	-	1,003

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
250 Finance and Operations Services							
251 Student transportation	846	-	-	-	-	-	846
300 Purchased services							
254 Operation and maintenance of plant							
300 Purchased services	-	-	-	-	-	300	300
260 Central Support Services							
262 Planning							
100 Salaries	-	-	-	-	-	55,898	55,898
200 Employee benefits	-	-	-	-	-	15,944	15,944
270 Supporting Services - Pupil Activities							
271 Pupil service activities							
300 Purchased services	-	-	-	4,560	-	-	4,560
TOTAL SUPPORTING SERVICES	168,147	253,057	-	10,981	323,126	848,387	1,603,698
300 Community Services							
350 Custody and care of children							
100 Salaries	-	-	-	-	-	448,464	448,464
200 Employee benefits	-	-	-	-	-	108,939	108,939
360 Welfare services							
100 Salaries	-	-	-	-	-	216,273	216,273
200 Employee benefits	-	-	-	-	-	77,321	77,321
TOTAL COMMUNITY SERVICES	-	-	-	-	-	850,997	850,997
410 Intergovernmental Expenditures							
414 Medicaid payments to SDE							
720 Transits	-	-	-	-	-	68,661	68,661
TOTAL INTERGOVERNMENTAL SERVICES	-	-	-	-	-	68,661	68,661
TOTAL EXPENDITURES	1,048,515	1,405,305	57,750	30,333	873,969	2,449,156	5,865,028



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE			
-	-	-	-	-	250,810	250,810
(14,876)	-	-	-	-	-	(14,876)
(14,876)	-	-	-	-	250,810	235,934
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

OTHER FINANCING SOURCES (USES)

Interfund Transfers, From (To) Other Funds

5270 Transfer from Pupil Activity Fund  
 431-791 Special revenue fund indirect costs

TOTAL OTHER FINANCING SOURCES (USES)

EXCESS/(DEFICIENCY) OF REVENUES  
 OVER EXPENDITURES

FUND BALANCE JUNE 30, 2011

53 FUND BALANCE JUNE 30, 2012

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS  
 SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

## LEA Sub Funds

LEA Sub Funds	Sub Fund	Description
Other Restricted State Grants		
	807	Extended School Year
	919	Education License Plates
	926	EEDA - Miscellaneous
	928	EEDA Career Specialist
	933	Formative Assessments
	937	Student Health and Fitness - PE Teachers
	938	High Schools That Work
	960	K-5 Enhancement
	967	6-8 Enhancement (carryover provision)
Other Special Revenue Programs		
	221	Title I, Neglected and Delinquent
	264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
	267	Improving Teacher Quality
	274	Alcoa Foundation Grant
	277	Air Force JROTC
	293	Medicaid
	805	Accomodations Tax
	807	Extended School Year
	813	Lowe's Grant
	840	Teacher Forum
	852	After School Care
	853	After School Care
	854	After School Care
	855	After School Care
	856	After School Care
	858	After School Care
	870	Fine Arts Center
	890	SMART Center
	980	First Steps

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR FISCAL YEAR ENDED JUNE 30, 2012

Sub Fund	Revenue	Description	Revenues	Expenditures	Special Revenue Interfund Transfers In(Out)	Other fund Transfers In(Out)	Special Revenue Fund Deferred
807	3199	Extended School Year	\$ 250	\$ 250	\$ -	\$ -	\$ -
919	3193	Education License Plates	-	-	-	-	1,103
926	3116	EEDA - Miscellaneous	14,597	14,597	-	-	-
928	3118	EEDA Career Specialist	244,488	244,488	-	-	-
933	3123	Formative Assessments	28,866	28,866	-	-	-
937	3127	Student Health and Fitness - PE Teachers	56,764	56,764	-	-	-
938	3128	High Schools that Work / Making Middle Grades Work	3,043	3,043	-	-	843
960	3610	K-5 Enhancement	506,720	506,720	-	-	226,136
967	3607	6-8 Enhancement	19,241	19,241	-	-	-
			<u>\$ 873,969</u>	<u>\$ 873,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,082</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2012

## REVENUES

3000 Revenue From State Sources		
3500 Education Improvement Act		
3502 ADEPT	\$	5,102
3511 Professional development		69,557
3525 Career and technology education equipment		59,622
3526 Refurbishment of K-8 science kits		2,218
3530 Trainable and profoundly mentally disabled student services		5,846
3532 National Board Certification (NBC) salary		754,487
3533 Teacher of the year award		1,077
3538 Students at risk of school failure		1,315,944
3540 Four-year old early childhood program		174,407
3542 Preschool children with disabilities		32,687
3544 High achieving students		328,903
3550 Teacher salary increase		817,101
3555 School employer contributions		175,554
3558 Reading		37,094
3568 EAA technical assistance		7,578
3577 Teacher supplies		138,500
3578 High schools that work		1,978
3581 Student health and fitness- nurses		190,209
3588 IDEA moe special allocation		732,849
3592 Work-based learning		110,915
3597 Aid to districts		161,153
3598 Flex cost savings		15,100
3599 Other EIA		23,212
		<hr/>
Total State Sources		5,161,093
		<hr/>
TOTAL REVENUE ALL SOURCES		5,161,093
		<hr/>

## EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten programs		
100 Salaries		15,000
200 Employee benefits		3,350
112 Primary programs		
100 Salaries		822,450
200 Employee benefits		268,783
400 Supplies and materials		66,147
113 Elementary programs		
100 Salaries		511,056
200 Employee benefits		138,561
400 Supplies and materials		92,575
114 High school programs		
100 Salaries		173,454
200 Employee benefits		32,903
400 Supplies and materials		63,979

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2012

115 Career and technology education programs	
100 Salaries	31,145
200 Employee benefits	6,896
500 Capital outlay	59,622
120 Exceptional Programs	
121 Educable mentally handicapped	
200 Employee benefits	55,822
122 Trainable mentally handicapped	
100 Salaries	5,846
200 Employee benefits	16,047
123 Orthopedically handicapped	
200 Employee benefits	1,831
124 Visually handicapped	
200 Employee benefits	205
126 Speech handicapped	
100 Salaries	181,425
200 Employee benefits	81,332
127 Learning disabilities	
100 Salaries	212,755
200 Employee benefits	194,621
128 Emotionally handicapped	
100 Salaries	15,000
200 Employee benefits	47,025
130 Preschool Programs	
137 Pre-school handicapped self-contained	
100 Salaries	25,416
200 Employee benefits	7,272
139 Early childhood programs	
100 Salaries	117,949
200 Employee benefits	37,010
300 Purchased services	1,694
400 Supplies and materials	17,754
140 Special Programs	
141 Gifted and talented - academic	
100 Salaries	238,788
200 Employee benefits	80,862
148 Gifted and talented - artistic	
100 Salaries	4,950
200 Employee benefits	1,098
400 Supplies and materials	447
180 Adult/Continuing Educational Programs	
188 Parenting/family literacy	
100 Salaries	83,417
200 Employee benefits	29,895
TOTAL INSTRUCTION	3,744,382

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2012

200 Supporting Services	
210 Pupil Services	
212 Guidance services	
100 Salaries	15,000
200 Employee benefits	3,331
300 Purchased services	318
213 Health services	
100 Salaries	142,230
200 Employee benefits	47,980
220 Instructional Staff Services	
221 Improvement of instruction - curriculum development	
100 Salaries	48,247
200 Employee benefits	12,446
300 Purchased services	6,222
400 Supplies and materials	534
222 Library and media	
100 Salaries	7,500
200 Employee benefits	1,674
224 Improvement of instruction - inservice training	
100 Salaries	33,031
200 Employee benefits	9,215
300 Purchased services	53,712
400 Supplies and materials	42,616
TOTAL SUPPORTING SERVICES	<u>424,056</u>
TOTAL EXPENDITURES	<u>4,168,438</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, from (to) Other Funds	
420-710 Transfer to General Fund	<u>(992,655)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(992,655)</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
FUND BALANCE JUNE 30, 2011	<u>-</u>
FUND BALANCE JUNE 30, 2012	<u><u>\$ -</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR FISCAL YEAR ENDED JUNE 30, 2012

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Deferred Revenue
3000 Revenue From State Sources					
3500 Education Improvement Act					
3502 ADEPT	\$ 5,102	\$ 5,102	\$ -	\$ -	\$ -
3511 Professional development	69,557	69,557	-	-	48,693
3525 Career and technology education equipment	59,622	59,622	-	-	19,484
3526 Refurbishment of K-8 science kits	2,218	2,218	-	-	47,020
3530 Trainable and profoundly mentally disabled student se	5,846	5,846	-	-	-
3532 National Board Certification (NBC) salary	754,487	754,487	-	-	-
3533 Teacher of the year award	1,077	1,077	-	-	-
3538 Students at risk of school failure	1,315,944	1,315,944	-	-	449,953
3540 Four-year old early childhood program	174,407	174,407	-	-	-
3542 Preschool children with disabilities	32,687	32,687	-	-	-
3544 High achieving students	328,903	328,903	-	-	-
3550 Teacher salary increase	817,101	-	(817,101)	-	-
3555 School employer contributions	175,554	-	(175,554)	-	-
3558 Reading	37,094	37,094	-	-	29,606
3568 EAA technical assistance	7,578	7,578	-	-	-
3577 Teacher supplies	138,500	138,500	-	-	-
3578 High schools that work	1,978	1,978	-	-	-
3581 Student health and fitness- nurses	190,209	190,209	-	-	-
3585 Aid to districts- special education	-	-	-	-	424,110
3588 IDEA moe special allocation	732,849	732,849	-	-	-
3592 Work-based learning	110,915	110,915	-	-	15,513
3597 Aid to districts	161,153	161,153	-	-	75,502
3598 Flex cost savings	15,100	15,100	-	-	-
3599 Other EIA	23,212	23,212	-	-	-
	<u>\$ 5,161,093</u>	<u>\$ 4,168,438</u>	<u>\$ (992,655)</u>	<u>\$ -</u>	<u>\$ 1,109,881</u>
Totals					

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2012

## REVENUES

## 1000 Revenues From Local Sources

1600 Food service	
1610 Lunch sales to pupils	\$ 694,233
1620 Breakfast sales to pupils	51,983
1630 Special sales to pupils	141,478
1640 Lunch sales to adults	46,685
1650 Breakfast sales to adults	2,688
1660 Special sales to adults	10,344
1900 Other revenue from local sources	
1999 Miscellaneous	20,066
Total Revenue From Local Sources	<u>967,477</u>

## 3000 Revenue From State Sources

3140 School lunch	
3142 Program aid	279
Total State Sources	<u>279</u>

## 4000 Revenue From Federal Sources

4800 USDA reimbursement	
4810 School lunch and after school snacks program	1,610,906
4830 School breakfast program	520,696
4900 Other federal sources	
4991 USDA commodities	209,920
4999 Revenue from other federal sources	19,934
Total Federal Sources	<u>2,361,456</u>

## TOTAL REVENUE ALL SOURCES

3,329,212

## EXPENDITURES

256 Food service	
100 Salaries	11,522
300 Purchased services	2,732,360
400 Supplies and materials	217,769
500 Capital outlay	15,527
600 Other objects	3,499

## TOTAL FOOD SERVICE EXPENDITURES

2,980,677

## TOTAL EXPENDITURES

2,980,677

## OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds	
432-791 Food Service Fund Indirect Costs	(310,300)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(310,300)</u>

## Excess/(Deficiency) of Revenues Over Expenditures

38,235

## FUND BALANCE JUNE 30, 2011

1,000,961

## FUND BALANCE JUNE 30, 2012

\$ 1,039,196



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2012

## REVENUES

## 1000 Revenue From Local Sources

## 1100 Taxes

1110 Ad Valorem taxes - fiscally independent LEA	\$ 2,880,910
--	--------------

## 1200 Revenue from local governmental units other than LEAs

1280 Revenue in lieu of taxes	535,566
-------------------------------	---------

## 1500 Earnings on investments

1510 Interest on investments	6,071
------------------------------	-------

## Total Revenue From Local Sources

	3,422,547
--	-----------

## 3000 Revenue From State Sources

## 3800 State Revenue in Lieu of Taxes

3820 Homestead exemption	96,223
--------------------------	--------

3830 Merchant's inventory tax	10,569
-------------------------------	--------

3840 Manufacturers depreciation reimbursement	42,591
---	--------

3890 Other state property tax revenues	6,099
--	-------

## Total State Sources

	155,482
--	---------

## TOTAL REVENUE ALL SOURCES

	3,578,029
--	-----------

## EXPENDITURES

## 500 Debt service

610 Redemption of principal	1,114,742
-----------------------------	-----------

620 Interest	44,286
--------------	--------

690 Other objects	500
-------------------	-----

## TOTAL EXPENDITURES

	1,159,528
--	-----------

## OTHER FINANCING SOURCES (USES)

## Interfund Transfers, from (to) other funds

5210 Transfer from General Fund	40,742
---------------------------------	--------

423-710 Transfer to Debt Service Fund EFC	(2,480,000)
---	-------------

## TOTAL OTHER FINANCING SOURCES (USES)

	(2,439,258)
--	-------------

## Excess/(Deficiency)of Revenues Over Expenditures

	(20,757)
--	----------

## FUND BALANCE JUNE 30, 2011

	1,611,830
--	-----------

## FUND BALANCE JUNE 30, 2012

	\$ 1,591,073
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
DEBT SERVICE FUND - EDUCATIONAL FACILITIES CORPORATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2012

## REVENUES

1000 Revenue From Local Sources

1500 Earnings on investments

1510 Interest on investments

\$ 374,884

Total Revenue From Local Sources

374,884

TOTAL REVENUE ALL SOURCES

374,884

## EXPENDITURES

500 Debt service

610 Principal

620 Interest

690 Other objects

4,560,000

3,784,410

21,976

TOTAL EXPENDITURES

8,366,386

## OTHER FINANCING SOURCES

5110 Premium on bonds sold

9,226

Interfund Transfers, from (to) other funds

5210 Transfer from General Fund

5240 Transfer from Debt Service Fund

5250 Transfer from school building fund

5,500,000

2,480,000

414

TOTAL OTHER FINANCING SOURCES

7,989,640

Excess/(Deficiency) of Revenues Over Expenditures

(1,862)

FUND BALANCE JUNE 30, 2011

10,191,610

FUND BALANCE JUNE 30, 2012

\$ 10,189,748

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2012

## REVENUES

## 1000 Revenue From Local Sources

1500 Earnings on investments	
1510 Interest on investments	\$ 809
1900 Other revenue from local sources	
1994 Legal settlement receipt	<u>20,000</u>
Total Revenue From Local Sources	<u>20,809</u>

## TOTAL REVENUE ALL SOURCES

20,809

## EXPENDITURES

## 253 Facilities Acquisition and Construction Services

300 Purchased services	247,409
500 Capital outlay	
520 Construction services	100,408
530 Improvements other than buildings	965
540 Equipment	178
545 Technology, equipment and software	<u>14,349</u>

## TOTAL EXPENDITURES

363,309

## OTHER FINANCING SOURCES (USES)

## Interfund Transfers, from (to) other funds

5210 Transfer from General Fund	<u>101,437</u>
---------------------------------	----------------

## TOTAL OTHER FINANCING SOURCES (USES)

101,437

## Excess/(Deficiency) of Revenues Over Expenditures

(241,063)

## FUND BALANCE JUNE 30, 2011

5,278,804

## FUND BALANCE JUNE 30, 2012

\$ 5,037,741

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 CAPITAL PROJECTS FUND - EDUCATIONAL FACILITIES CORPORATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

## REVENUES

1000 Revenue From Local Sources

1500 Earnings on investments

1510 Interest on investments

\$ 3

Total Revenue From Local Sources

3

TOTAL REVENUE ALL SOURCES

3

## OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds

423-710 Transfer to debt service fund

(414)

TOTAL OTHER FINANCING SOURCES (USES)

(414)

Excess/(Deficiency) of Revenues Over Expenditures

(411)

FUND BALANCE JUNE 30, 2011

12,318

FUND BALANCE JUNE 30, 2012

\$ 11,907

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
PUPIL ACTIVITY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN DUE TO STUDENT ORGANIZATIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2012

## RECEIPTS

## 1000 Receipts From Local Sources

1500 Earnings on investments	
1510 Interest on investments	\$ 227
1700 Pupil activities	
1710 Admissions	199,421
1720 Bookstore sales	57,094
1730 Pupil organization membership	71,444
1740 Student fees	382,667
1790 Other	2,010,983
1900 Other revenue from local sources	
1920 Contributions and donations private sources	51,451
1999 Miscellaneous revenue	<u>1,039</u>

## TOTAL RECEIPTS ALL SOURCES

2,774,326

## DISBURSEMENTS

190 Instructional pupil activity	
660 Pupil activity	348,486
270 Supporting services pupil activity	
271 Pupil service activities	
660 Pupil activity	<u>2,269,475</u>

## TOTAL DISBURSEMENTS

2,617,961

## OTHER FINANCING SOURCES (USES)

## Interfund Transfers, from (to) other funds

421-710 Transfer to Special Revenue Fund	<u>(250,810)</u>
--	------------------

## TOTAL OTHER FINANCING SOURCES (USES)

(250,810)

Excess/(Deficiency) of Revenues Over Expenditures

(94,445)

Due to Student Organization, July 1, 2011

965,479

Due to Student Organizations, June 30, 2012

\$ 871,034

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

<u>Program</u>	<u>Project Grant Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due to SCDE/ Federal</u>
<u>Special Revenue Fund - Special Projects</u>				
EEDA - Miscellaneous	NA	3116	Unspent funds	<u>\$ 1,403</u>
				<u><u>\$ 1,403</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 DETAILED SCHEDULE OF UNEARNED REVENUE  
 FOR FISCAL YEAR ENDED JUNE 30, 2012

Program	Revenue Code	Amount Recorded as Unearned Revenue
<u>Special Revenue - Other Restricted State Grants</u>		
EEDA career specialist	3128	\$ 843
Education license plates	3193	1,103
K-5 enhancement	3610	226,136
		<u>228,082</u>
<u>Special Revenue - Other Special Revenue Programs</u>		
Alcoa foundation grant	1999	10,000
Accomodations tax	1999	1,562
Extended school year	4999	5,879
Lowe's grant	1999	14,905
Teacher forum	1999	478
Fine arts center	1999	19,351
SMART center	2100	12,309
		<u>64,484</u>
<u>Education Improvement Act</u>		
Professional development	3511	48,693
Career and technology education equipment	3525	19,484
Refurbishment of K-8 science kits	3526	47,020
Students at risk of school failure	3538	449,953
Reading	3558	29,606
Aid to districts- special education	3585	424,110
School-to-work transition act	3592	15,513
Aid to districts	3597	75,502
		<u>1,109,881</u>
<u>Food Service</u>		
USDA commodities	4991	73,678
		<u>\$ 1,476,125</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
LOCATION RECONCILIATION SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2012

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
01	Duncan Elementary	Elementary School	School	\$ 5,424,264
02	Lyman Elementary	Elementary School	School	4,604,712
03	Reidville Elementary	Elementary School	School	2,824,210
04	Abner Creek Elementary	Elementary School	School	3,569,831
05	Wellford Elementary	Elementary School	School	3,735,659
06	Beech Springs Intermediate	Elementary School	School	4,319,213
07	D.R. Hill Middle School	Middle School	School	4,437,031
08	J.F. Byrnes High School	High School	School	12,757,720
09	Freshman Academy	High School	School	3,798,279
10	Districtwide	Non-School	Central	21,607,761
11	River Ridge Elementary	Elementary School	School	4,998,106
12	Berry Shoals Intermediate School	Elementary School	School	4,263,180
14	Florence Chapel	Middle School	School	4,688,854
	Expenditures directly related to Spartanburg County School District Five			<u>81,028,820</u>
40	Upstate Regional Center for Education Support	Non-School	Central	<u>\$ 80,344</u>
	Expenditures paid on behalf of other school districts			<u>80,344</u>
				<u><u>\$ 81,109,164</u></u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 55,587,837
Special Revenue Fund	5,865,028
EIA Fund	4,168,438
Debt Service Fund	1,159,528
Debt Service Fund - Educational Facilities Corporation	8,366,386
School Building Fund	363,309
School Building Fund - Educational Facilities Corporation	-
Food Service Fund	2,980,677
Pupil Activity Fund	2,617,961
	<u><u>\$ 81,109,164</u></u>



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

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

We have audited 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, 2012 which collectively comprise the District's basic financial statements and have issued our report thereon dated October 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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


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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

  
Spartanburg, South Carolina  
October 12, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited Spartanburg County School District Five ("the District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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, 2012.

Internal Control Over Compliance


Management of Spartanburg County School District Five is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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

  
Spartanburg, South Carolina  
October 12, 2012

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2012

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Expenditures	Loan Amount Outstanding
<u>U.S. Department of Education</u>					
Pass-through S.C. Department of Education					
201	Title I , Basic State Grant Programs	84.010	11/12BA082	\$ 1,063,391	
221	Title I, Neglected and Delinquent	84.013	11/12ND082	11,063	
203	Individuals With Disabilities Education Act (IDEA)	84.027	11/12CA082	1,405,305	
807	Extended School Year	84.027	11/12CA082	10,120	
205	Preschool Grants (IDEA)	84.173	11/12CG082	57,750	
207	CATE (Subprogram 2)	84.048	11/12VA082	1,200	
207	CATE (Subprogram 4)	84.048	11/12VA082	5,450	
207	CATE (Subprogram 6)	84.048	11/12VA082	11,550	
207	CATE (Subprogram 9)	84.048	11/12VA082	971	
207	CATE (Subprogram 10)	84.048	11/12VA082	560	
207	CATE (Subprogram 11)	84.048	11/12VA082	9,953	
207	CATE (Subprogram 12)	84.048	11/12VA082	649	
				<u>30,333</u>	
264	Language instruction for limited English proficient and immigrant students, Title III	84.365	11/12BP082	59,552	
267	Improving Teacher Quality	84.367	11/12TQ082	172,670	
				<u>2,810,184</u>	
<u>U.S. Department of Agriculture</u>					
Pass-through S.C. Department of Education					
600	Healthier US School Challenge	10.574	N/A	19,934	
600	USDA Commodities (Food Distribution Program) - Non-cash assistance	10.550	N/A	209,920	
600	School Breakfast Program	10.553	N/A	671,956	
600	School Lunch and After School Snacks Program	10.555	N/A	2,078,867	
				<u>2,980,677</u>	
Other Federal Assistance					
<u>U.S. Department of Defense</u>					
Direct Program					
277	Air Force ROTC	12.000	SC0H0932	94,350	
				<u>94,350</u>	
<u>U.S. Department of Energy</u>					
Pass-through S.C. Energy Office					
812	State Energy Program (ARRA)	81.041	S09-0085	-	\$ 19,742
				<u>-</u>	
Total U.S. Department of Energy					
				<u>-</u>	
Total Federal Financial Assistance				<u>\$ 5,885,211</u>	<u>\$ 19,742</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

BASIS OF PRESENTATION

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. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2012

Fiscal year ended June 30, 2011:

**None**

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**Section I – Summary of Auditor’s Results**Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material Weakness (es) identified? \_\_\_\_\_ yes  no

Significant deficiency (ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  no

Federal Awards

Internal control over major programs:

Material Weakness (es) identified? \_\_\_\_\_ yes  no

Significant deficiency (ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  none reported

Type of auditor’s report issued on compliance for major program: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? \_\_\_\_\_ yes  no

Identification of major programs:

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
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10.550; 10.553; 10.555	School Nutrition Cluster
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Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 300,000</u>
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Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes _____ no
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**Section II – Current Year Financial Statement Findings**

NONE

**Section III – Federal Award Findings and Questioned Costs- Major Federal Awards Programs Audit**

NONE