

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

INDEPENDENT AUDITORS' REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, Spartanburg, South Carolina as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Spartanburg County School District Five's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, Spartanburg, South Carolina as of June 30, 2013, 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.

Other Matters

Required Supplementary Information

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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spartanburg County School District Five's basic financial statements. The combining and individual fund financial schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements.

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

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2013 on our consideration of Spartanburg County School District Five, Spartanburg, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013

The discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013.

Financial Highlights

- Due to conservative budgeting and the state moving \$386,931 from a special revenue fund to the General Fund, the General Fund state revenue received was \$976,718 more than budgeted.
- The revenue from local sources had a favorable variance of \$1,114,446. This favorable variance was due to an increase in fee-in-lieu of taxes and increased collections.
- The District had an unfavorable expenditure variance in instruction in the amount of \$642,242. The unfavorable variance was due to moving expenditures originally budgeted in Capital Projects Fund to the General Fund after it was evident the district would have a favorable revenue variance.
- The District had a favorable variance in supporting services expenditures of \$379,582. The favorable variance was due mainly to conservative expenditures in operations/maintenance.
- The district had an unfavorable expenditure variance in intergovernmental expenditures in the amount of \$464,566. Once the district determined that it would have an overall favorable variance of revenues, the district decided to pay its remaining share of the facility expansion of R. D. Anderson Applied Technology Center from the General Fund rather than the Capital Projects Fund where it was originally budgeted. The R. D. Anderson Applied Technology Center serves the high schools in Spartanburg County School Districts Four, Five and Six.
- The District was able to transfer \$939,371 from the General Fund to the Capital Projects Fund without reducing the General Fund fund balance.
- On June 30, 2013, the District had a nonspendable fund balance in the amount of \$871,620. This \$871,620 fund balance was for prepaid expenses for July 2013 employer cost of insurance paid prior to July 1, 2013.
- On June 30, 2013, the District had an assigned General Fund fund balance in the amount of \$458,776. This \$458,776 fund balance was assigned to balance the fiscal year 2013-2014 General Fund budget.
- On June 30, 2013, the available, unassigned fund balance for the General Fund was \$15,375,074 which is 23.4% of the total budgeted General Fund expenditures, including transfers, for fiscal year 2013-14.
- The District's net position increased by \$2,769,940 or 3.3%. Program revenues accounted for \$35,979,399 or 43.9% of total revenues, and general revenues accounted for \$45,894,825 or 56.1%.

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 position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The 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, 2013

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 Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 7. 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 Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Fiduciary Funds

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

Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$88,209,048 at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net position for FYE 2013 and 2012::

	Governmental Activities 2013	Governmental Activities 2012
Assets:		
Current and Other Assets	\$ 41,744,464	\$ 41,112,502
Capital Assets	121,913,874	125,595,713
Total Assets	163,658,338	166,708,215
Liabilities:		
Long- Term Liabilities	70,040,630	76,235,648
Other Liabilities	5,408,660	5,488,587
Total Liabilities	75,449,290	81,724,235
Net Position		
Net Investment in Capital Assets	62,024,292	59,549,814
Restricted for:		
Debt Service	1,599,144	1,591,073
School Building Projects	5,956,715	5,049,648
Unrestricted	18,628,897	18,793,445
Total Net Position	\$ 88,209,048	\$ 84,983,980

Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013

Government-wide Financial Analysis – Continued

Table 2 shows the changes in net position for FY 2013 and 2012:

	Governmental Activities 2013	Governmental Activities 2012
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,200,012	\$ 1,222,390
Operating Grants	34,779,387	32,362,980
General Revenues:		
Property Taxes	33,004,428	32,097,840
Grants and Entitlements	12,071,745	11,857,736
Other	818,652	743,410
Total Revenues	81,874,224	78,284,356
 Program Expenses:		
Instruction	48,738,216	44,977,738
Support Services	24,909,692	24,924,110
Community Services	955,245	903,595
Intergovernmental	980,857	2,068,929
Interest and Fiscal Charges	3,520,274	3,685,225
Total Expenses	79,104,284	76,559,597
Increase (Decrease) in Net Position	\$ 2,769,940	\$ 1,724,759

Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 12) reported a combined fund balance of \$35,409,340, which is more than last year's total of \$34,575,135.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2013 and 2012.

Fund Balance Comparison			
	Fund Balance June 30, 2013	Fund Balance June 30, 2012	Increase (Decrease)
General	\$ 16,705,470	\$ 16,705,470	\$ -
Special Revenue -			
Food Service	996,963	1,039,196	(42,233)
Debt Service	1,599,144	1,591,073	8,071
Debt Service - EFC	10,151,048	10,189,748	(38,700)
Capital Projects	5,944,807	5,037,741	907,066
Capital Projects - EFC	11,908	11,907	1
Total	\$ 35,409,340	\$ 34,575,135	\$ 834,205

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

General Fund Expenditures By Objects				
	Fiscal Year 2013		Fiscal Year 2012	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 36,600,989	61.8%	\$ 35,392,547	63.7%
Fringe Benefits	12,099,924	20.3%	11,102,326	20.0%
Purchased Services	3,896,898	6.6%	3,203,400	5.8%
Supplies and Materials	2,852,500	4.8%	2,800,838	5.0%
Capital Outlay	2,787,566	4.7%	1,030,054	1.9%
Miscellaneous	1,001,174	1.7%	2,058,672	3.7%
Total	\$ 59,239,051	100.0%	\$ 55,587,837	100.0%

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

Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013

General Fund Budget Information

The General Fund budgetary comparison schedule 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 \$1,114,446. 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 \$976,718. This favorable variance was largely a result of a conservative budget approach in budgeting state revenue and the state moving \$386,931 from a special revenue fund to the General Fund.

The District had an unfavorable expenditure variance in instruction expenditures in the amount of \$642,242. The unfavorable variance was due to moving expenditures originally budgeted in Capital Projects Funds to the General Fund after it was evident the district would have a favorable revenue variance. The District had a favorable variance in supporting services expenditures of \$379,582. The favorable variance was due mainly to conservative expenditures in operations/maintenance. The district had an unfavorable expenditure variance in intergovernmental expenditures in the amount of \$464,566. Once the district determined that it would have an overall favorable variance of revenues, the district decided to pay the its remaining share of the facility expansion of R. D. Anderson Applied Technology Center from the General Fund rather than the Capital Projects Fund as it was originally budgeted.

The District was also able to transfer \$939,371 from the General Fund to the School Building Fund (Capital Projects Fund) without reducing the General Fund balance.

Capital Assets

The district purchased approximately 12 acres adjacent to Wellford Academy. Renovations began in the summer of 2013 at Wellford Academy and Duncan Elementary to enhance the security at those two schools.

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 \$68,455,000 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 has been increasing annually for over twenty years, with the exception of FYE 2011. However, the rate of student growth has slowed in the last four 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, 2013

Factors Expected to have an Effect on Future Operations – Continued

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

Number of Students Served K-12

School Year	Number of Students	Number Increased	Percentage Increased
95-96	4,615		
96-97	4,801	186	4.0%
97-98	5,005	204	4.2%
98-99	5,195	190	3.8%
99-00	5,351	156	3.0%
00-01	5,487	136	2.5%
01-02	5,755	268	4.9%
02-03	5,858	103	1.8%
03-04	6,060	202	3.4%
04-05	6,291	231	3.8%
05-06	6,540	249	4.0%
06-07	6,806	266	4.1%
07-08	6,975	169	2.5%
08-09	7,336	361	5.2%
09-10	7,428	92	1.3%
10-11	7,321	(107)	-1.4%
11-12	7,397	76	1.0%
12-13	7,538	141	1.9%

Seventeen Year Increase 2,923 63.3%

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 POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,681,000
Investments	8,183,755
Taxes receivable	3,001,247
Less allowance for uncollectable	(1,587,303)
Accounts receivable	438,082
Due from county government	21,631,721
Due from other state agencies	873,982
Due from State Department of Education	627,166
Due from federal government	897,771
Commodities	61,730
Prepaid expenses	871,620
Cost of issuance	1,063,693
Capital Assets:	
Land	6,150,758
Buildings and improvements	160,985,612
Furniture and equipment	3,692,428
Construction in progress	51,517
Less: Accumulated depreciation	(48,966,441)
Total Assets	163,658,338
LIABILITIES	
Accounts payable	2,722,337
Due to State Department of Education	14,655
Due to other organizations	383,561
Health and life insurance and other deductions	366,732
Accrued salaries	77,615
Accrued interest payable	817,502
Revenues received in advance/deferred revenues	1,026,258
Noncurrent liabilities:	
Due within one year	6,235,000
Due in more than one year	63,805,630
Total Liabilities	75,449,290
NET POSITION	
Net investment in capital assets	62,024,292
Restricted for:	
Debt service	1,599,144
School building	5,956,715
Unrestricted	18,628,897
Total Net Position	\$ 88,209,048

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, 2013

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
PRIMARY GOVERNMENT:				
Governmental activities:				
Instruction	\$ 48,738,216	\$ 14,057	\$ 25,609,419	\$ (23,114,740)
Support services	24,909,692	1,185,955	8,269,676	(15,454,061)
Community services	955,245	-	819,473	(135,772)
Intergovernmental	980,857	-	80,819	(900,038)
Interest and other charges	3,520,274	-	-	(3,520,274)
TOTAL PRIMARY GOVERNMENT	79,104,284	1,200,012	34,779,387	(43,124,885)
GENERAL REVENUES:				
Property taxes levied for general purposes				29,460,826
Property taxes levied for debt service				3,543,602
Unrestricted state grants				12,071,745
Rentals				6,000
Sale of fixed assets				13,003
Premium on bonds sold				26,864
Transfers				261,637
Miscellaneous				111,053
Contributions				14,277
Unrestricted investment earnings				385,818
Total general revenues				45,894,825
CHANGE IN NET POSITION				2,769,940
NET POSITION - JUNE 30, 2012				85,439,108
NET POSITION - JUNE 30, 2013				\$ 88,209,048

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General	Special Revenue Fund - Special Projects	Special Revenue Fund - EIA	Special Revenue Fund - Food Service	Debt Service Fund	Debt Educational Facilities Corporation	Capital Projects Fund	Capital Projects Educational Facilities Corporation	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 5,672,366	\$ -	\$ -	\$ -	\$ -	\$ 8,634	\$ -	\$ -	\$ 5,681,000
Investments	-	-	-	-	-	8,171,847	-	11,908	8,183,755
Taxes receivable	664,540	-	-	-	69,131	-	-	-	733,671
Accounts receivable	3,413	408,443	-	26,226	-	-	-	-	438,082
Due from other funds	895,759	29,652	901,811	970,737	-	1,970,567	4,721,642	-	9,490,168
Due from county government	17,688,441	-	-	-	2,718,695	-	1,224,585	-	21,631,721
Due from other state agencies	873,982	-	-	-	-	-	-	-	873,982
Due from State Department of Education	625,372	1,794	-	-	-	-	-	-	627,166
Due from federal government	-	897,771	-	-	-	-	-	-	897,771
Prepaid expenses	871,620	-	-	-	-	-	-	-	871,620
Inventory - commodities	-	-	-	61,730	-	-	-	-	61,730
Total Assets	\$ 27,295,493	\$ 1,337,660	\$ 901,811	\$ 1,058,693	\$ 2,787,826	\$ 10,151,048	\$ 5,946,227	\$ 11,908	\$ 49,490,666
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 2,720,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,420	\$ -	\$ 2,722,337
Due to other funds	7,417,946	1,267,101	-	-	1,188,682	-	-	-	9,873,729
Due to State Department of Education	6,813	-	7,842	-	-	-	-	-	14,655
Health and life insurance and other deductions	366,732	-	-	-	-	-	-	-	366,732
Accrued salaries	77,615	-	-	-	-	-	-	-	77,615
Revenues received in advance/deferred revenue	-	70,559	893,969	61,730	-	-	-	-	1,026,258
Total Liabilities	10,590,023	1,337,660	901,811	61,730	1,188,682	-	1,420	-	14,081,326
Fund balances:									
Nonspendable:									
Prepaid expenses	871,620	-	-	-	-	-	-	-	871,620
Restricted:									
Special revenue fund - food service	-	-	-	996,963	-	-	-	-	996,963
Debt service	-	-	-	-	1,599,144	10,151,048	-	-	11,750,192
Committed:									
Capital projects fund	-	-	-	-	-	-	5,944,807	11,908	5,956,715
Assigned:									
Budgetary appropriations	458,776	-	-	-	-	-	-	-	458,776
Unassigned:									
General fund	15,375,074	-	-	-	-	-	-	-	15,375,074
Total fund balances	16,705,470	-	-	996,963	1,599,144	10,151,048	5,944,807	11,908	35,409,340
Total liabilities and fund balances	\$ 27,295,493	\$ 1,337,660	\$ 901,811	\$ 1,058,693	\$ 2,787,826	\$ 10,151,048	\$ 5,946,227	\$ 11,908	\$ 49,490,666

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

Total Governmental Fund Balances		\$ 35,409,340
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		121,913,874
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Taxes receivable	680,273	
Cost of issuance	1,063,693	
Discount on bonds	<u>15,570</u>	1,759,536
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(817,502)	
Bonds payable	(68,455,000)	
Premium on bonds	<u>(1,601,200)</u>	<u>(70,873,702)</u>
Net position of governmental activities		<u>\$ 88,209,048</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund - Special Projects	Special Revenue Fund - EIA Fund	Special Revenue Fund - Food Service	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Capital Projects - Educational Facilities Corporation	Total Governmental Funds
REVENUES									
Local property taxes	\$ 29,982,102	-	\$ -	\$ -	\$ 3,543,602	\$ -	\$ -	\$ -	\$ 33,525,704
Other local	99,728	284,590	-	937,028	9,897	374,917	11,001	1	1,717,162
Total local	30,081,830	284,590	-	937,028	3,553,499	374,917	11,001	1	35,242,866
State	33,437,801	813,277	5,344,755	278	153,473	-	-	-	39,749,584
Federal	-	2,840,550	-	2,439,059	-	-	-	-	5,279,609
Intergovernmental	166,631	1,655,306	-	-	-	-	-	-	1,821,937
Total Revenue	63,686,262	5,593,723	5,344,755	3,376,365	3,706,972	374,917	11,001	1	82,093,996
EXPENDITURES									
Current:									
Instruction	39,402,199	3,260,743	3,338,155	-	-	-	-	-	46,001,097
Supporting services	18,993,626	1,607,490	395,683	3,033,598	-	-	-	-	24,030,397
Community service	-	901,599	-	-	-	-	-	-	901,599
Intergovernmental	843,226	71,370	11,176	-	-	-	-	-	925,772
Debt Service	-	-	-	-	19,742	5,985,000	-	-	6,004,742
Principal	-	-	-	-	28,901	3,596,460	-	-	3,625,361
Interest	-	-	-	-	-	29,021	-	-	29,021
Other objects	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	43,306	-	43,306
Total Expenditures	59,239,051	5,841,202	3,745,014	3,033,598	48,643	9,610,481	43,306	-	81,561,295
Excess (deficiency) of revenues over expenditures	4,447,211	(247,479)	1,599,741	342,767	3,658,329	(9,235,564)	(32,305)	1	532,701
OTHER FINANCING SOURCES (USES)									
Premium on Bonds Sold	-	-	-	-	-	26,864	-	-	26,864
Sale of fixed assets	13,003	-	-	-	-	-	-	-	13,003
Operating transfers in	1,998,899	261,637	-	-	19,742	9,170,000	939,371	-	12,389,649
Operating transfers out	(6,459,113)	(14,158)	(1,599,741)	(385,000)	(3,670,000)	-	-	-	(12,128,012)
Total Other Financing Sources (Uses)	(4,447,211)	247,479	(1,599,741)	(385,000)	(3,650,258)	9,196,864	939,371	-	301,504
Total net change in fund balances	-	-	-	(42,233)	8,071	(38,700)	907,066	1	834,205
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
Fund Balance June 30, 2013	\$ 16,705,470	\$ -	\$ -	\$ 996,963	\$ 1,599,144	\$ 10,151,048	\$ 5,944,807	\$ 11,908	\$ 35,409,340

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, 2013

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 834,205
Amounts reported for governmental activities in the statements of activities are different because of the following:	
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.	6,004,742
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.	71,475
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.	192,144
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	(127,643)
Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	(3,681,839)
Revenues reported on the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.	(521,276)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 2,769,940

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, 2013

ASSETS

Cash and cash equivalents	\$ 1,317,440
Investments	273,434
Accounts receivable	57,290
Due from other funds	<u>383,561</u>
Total Assets	<u><u>\$ 2,031,725</u></u>

LIABILITIES

Due to student organizations	\$ 928,152
Revenues received in advance/ deferred revenue	<u>1,103,573</u>
Total liabilities	<u><u>\$ 2,031,725</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, 2013

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>
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

B. Basic Financial Statements – Government-wide Statement

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

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.

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basic Financial Statements - Fund Financial Statements - Continued

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

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus and Basis of Accounting - Continued

Unearned Revenue

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

Expenditures/Expenses

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

E. Budget

The District 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 collaterally secured, (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, 2013.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 2012 tax levy was assessed at \$184,170,879. In addition the District billed fees in lieu of taxes on assessed values of \$32,145,417.

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Capital Assets and Depreciation - Continued

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

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Accrued Liabilities and Long-term Debt – Continued

In the government-wide basic financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts, 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.

O. 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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

O. Government Fund Balance Classifications - Continued

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.

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 Position

Net position represents the difference between assets, plus deferred outflow of resources and liabilities, less deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position 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 position 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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

T. Expenditures Exceeding Appropriations

The General Fund has a legally adopted budget. The General Fund had an excess of actual expenditures over budgeted appropriation amounts at the function budgetary level for the year ended June 30, 2013 as follows:

<u>General Fund:</u>	
Instruction	\$ 642,242
Intergovernmental	464,556

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, 2013, the District's cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 6,988,440	\$ 8,260,170

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 2 - CASH AND INVESTMENTS - CONTINUED

Cash – Continued

Of the District's bank balance, \$1,605,585 was covered by FDIC insurance and \$6,654,585 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 Position for the primary government and the Statement of Fiduciary Net Position follows:

Statement of Net Position			
Cash and Cash Equivalents	\$	5,681,000	
Statement of Fiduciary Net Position			
Cash and Cash Equivalents		<u>1,317,440</u>	
Cash and Cash Equivalents	\$	<u><u>6,998,440</u></u>	

Investments

As of June 30, 2013, the District has the following investments:

Investment Type	Fair Value	Maturity	Rating
Wells Fargo (Note)	\$ 8,171,847	Daily	AA+
Wells Fargo Money Market	<u>11,908</u>	Daily	AAAm
Total Investments	<u><u>\$ 8,183,755</u></u>		

As of June 30, 2013, the Middle Tyger Community Center (Agency Fund) has the following investments:

Investment Type	Fair Value	Maturity	Rating
Spartanburg County Foundation	264,274	N/A	N/A
Edward Jones Investment	<u>9,160</u>	Daily	AAAm
Total Investments	<u><u>\$ 273,434</u></u>		

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

Statement of Net Position			
Investments	\$	8,183,755	
Statement of Fiduciary Net Position			
Investments		<u>273,434</u>	
Investments	\$	<u><u>8,457,189</u></u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - CASH AND INVESTMENTS - CONTINUED

Investments – Continued

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.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	Balance 6/30/12	Additions	Deductions	Balance 6/30/13
Governmental Activities				
Capital Asset, not Being Depreciated				
Land	\$ 6,126,113	\$ 24,645	\$ -	\$ 6,150,758
Construction in progress	-	51,517	-	51,517
Total Capital Asset, not Being Depreciated	<u>6,126,113</u>	<u>76,162</u>	<u>-</u>	<u>6,202,275</u>
Capital Assets, Being Depreciated				
Buildings and improvements	160,985,612	-	-	160,985,612
Furniture and equipment	3,180,163	518,976	6,711	3,692,428
Total Capital Assets, Being Depreciated	<u>164,165,775</u>	<u>518,976</u>	<u>6,711</u>	<u>164,678,040</u>
Less Accumulated Depreciation				
Buildings and improvements	42,756,147	3,967,401	-	46,723,548
Furniture and equipment	1,940,028	309,576	6,711	2,242,893
Total Accumulated Depreciation	<u>44,696,175</u>	<u>4,276,977</u>	<u>6,711</u>	<u>48,966,441</u>
Capital Assets, Being Depreciated, Net	<u>119,469,600</u>	<u>(3,758,001)</u>	<u>-</u>	<u>115,711,599</u>
Governmental Activities Capital Assets, Net	<u>\$ 125,595,713</u>	<u>\$ (3,681,839)</u>	<u>\$ -</u>	<u>\$ 121,913,874</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 - CAPITAL ASSETS – CONTINUED

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

Instructional	\$2,737,118
Supporting services	1,431,128
Community service	53,646
Intergovernmental	<u>55,085</u>
Total Depreciation Expense	<u><u>\$4,276,977</u></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, 2013:

	Beginning Balance	Additions	Payments	Ending Balance
SCAGO GO Series 2012D	<u>\$ -</u>	<u>\$ 3,670,000</u>	<u>\$ 3,670,000</u>	<u>\$ -</u>

On September 19, 2012 the District issued \$3,670,000 in SCAGO GO Bonds, Series 2012D to pay for the interest on the 2005 Installment Purchase Revenue Bonds. At June 30, 2013 these bonds were paid in full, including interest of \$28,901.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of general obligation transactions of the District for the fiscal year ended June 30, 2013:

	Amount Outstanding June 30, 2012	Additions	Deductions	Amount Outstanding June 30, 2013	Amounts Due in One Year
Installment Revenue Bonds	\$ 74,440,000	\$ -	\$ 5,985,000	\$ 68,455,000	\$ 6,235,000
Loan Payable	<u>19,742</u>	<u>-</u>	<u>19,742</u>	<u>-</u>	<u>-</u>
	74,459,742	-	6,004,742	68,455,000	6,235,000
Less unamortized discounts on bonds	(17,438)	-	(1,868)	(15,570)	-
Plus unamortized issuance premium	<u>1,793,344</u>	<u>-</u>	<u>192,144</u>	<u>1,601,200</u>	<u>-</u>
	<u><u>\$ 76,235,648</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,195,018</u></u>	<u><u>\$ 70,040,630</u></u>	<u><u>\$ 6,235,000</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

Long-term debt at June 30, 2013 is comprised of the following individual issues:

	Revenue Bond	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%.	<u>\$68,455,000</u>	<u>\$ 68,455,000</u>
	<u>\$ 68,455,000</u>	<u>\$ 68,455,000</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30	Revenue Bonds		Total
	Principal	Interest	
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	2,393,985	9,578,985
2018	7,540,000	2,042,860	9,582,860
2019-2022	34,100,000	4,220,190	38,320,190
	<u>\$ 68,455,000</u>	<u>\$ 17,772,802</u>	<u>\$ 86,227,802</u>

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 2005 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, 2013 the District had an arbitrage liability of \$52,994.

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, 2013

NOTE 5 – 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, 2013, 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 6 - 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 7.00% of their annual covered salaries, and the District is required to contribute at an actuarially determined rate. For the year ended June 30, 2013, these rates were 10.45% and 11.90%. In addition to the above rates, participating employers of the SCRS contribute .15% of payroll to provide a group life insurance 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 4.55% of covered payroll was added to the contribution rate to State and Public school entities covered by the State Health Insurance Program.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 6 - RETIREMENT PLANS – CONTINUED

South Carolina Retirement System Plans - Continued

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
2013	\$ 2,503,667	7.00%	\$ 5,418,651	15.150%	7,922,318
2012	2,301,328	6.50%	4,898,288	13.835%	7,199,616
2011	2,259,258	6.50%	4,619,314	13.290%	6,878,572

Year Ended June 30,	PORS				
	Employee Contributions	Percentage of Covered Payroll	Employer Contributions	Percentage of Covered Payroll	Total Contributions
2013	\$ 7,083	7.00%	\$ 17,049	16.850%	24,132
2012	9,652	6.50%	23,853	16.063%	33,505
2011	11,529	6.50%	27,364	15.430%	38,893

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. Employers contribute 10.45% of salary, of which 5.0% is directed to an approved investment provider to the employee's accounts and 5.45% to the SCRS. In addition 4.55% 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, 2013, the employee and employer contributions to the State ORP were \$472,792 and \$1,023,257, respectively.

NOTE 7 - POST RETIREMENT BENEFITS

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 - DEFERRED COMPENSATION PLANS

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

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund balances for the year ended June 30, 2013 consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 895,759	\$ 7,417,946
Special Revenue Fund - Special Projects	29,652	1,267,101
Special Revenue Fund -EIA Fund	901,811	-
Special Revenue Fund - Food Service	970,737	-
Agency Fund	383,561	-
Debt Service	-	1,188,682
Debt Service - EFC	1,970,567	-
Capital Projects	4,721,642	-
	<u>\$ 9,873,729</u>	<u>\$ 9,873,729</u>

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

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

Interfund Transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund	\$ 19,742
General Fund	Debt Service Fund - EFC	5,500,000
General Fund	Capital Projects Fund	939,371
Special Revenue Fund - Special Projects	General Fund	14,158
Special Revenue Fund - EIA	General Fund	1,599,741
Food Service Fund	General Fund	385,000
Debt Service Fund	Debt Service Fund - EFC	3,670,000
Pupil Activity Funds	Special Revenue Funds - Special Projects	261,637
		<u>\$ 12,389,649</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 9 - 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, 2013, the District transferred \$5,500,000 from the General Fund to Debt Service - EFC to cover loan payments.

NOTE 10 - 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.

Total contractual commitments of the Building Fund at June 30, 2013 are as follows:

Total Contractual Commitments	
Contract Amount	\$ 148,299
Job - to - Date Expenditures	<u>51,517</u>
Outstanding Commitments	<u><u>\$ 96,782</u></u>

NOTE 11 - 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, 2013, these amounts were \$317,311 and \$255,227 respectively and were recorded as General Fund expenditures.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - RELATED ORGANIZATION - CONTINUED

During the year ended June 30, 2013, R.D. Anderson Applied Technology Center began renovations to their existing facilities. District Five, in conjunction with Spartanburg County School Districts Four and Six were required to fund the renovations. District Five paid \$1,570,939 of their obligation prior to the year ending June 30, 2013. During the year ended June 30, 2013, District Five paid the remaining balance of \$541,464 to the Center. These payments were recorded as Transfers to Other Government Agencies in the General Fund.

NOTE 12 - SUBSEQUENT EVENT

On August 26, 2013 the School District Board and on September 12, 2013 the SCAGO EFC Board each passed resolutions authorizing the issuance of up to \$68,455,000 of bonds for the purpose of advance refunding the 2005 Installment Purchase Revenue Bonds. On September 16, 2013, the District, the SCAGO EFC Board and the Bank each signed the term sheet. The advance refunding is scheduled to close on October 10, 2013.

As of October 9, 2013, the District had entered into contracts totaling \$651,860 for construction, renovations and facilities maintenance.

Management has evaluated subsequent events through October 9, 2013, 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, 2013

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Local	\$ 28,967,384	\$ 28,967,384	\$ 30,081,830	\$ 1,114,446
Intergovernmental	153,132	153,132	166,631	13,499
State	<u>32,461,083</u>	<u>32,461,083</u>	<u>33,437,801</u>	<u>976,718</u>
Total Revenue	<u>61,581,599</u>	<u>61,581,599</u>	<u>63,686,262</u>	<u>2,104,663</u>
EXPENDITURES				
Current:				
Instruction	38,752,823	38,759,957	39,402,199	(642,242)
Supporting services	19,380,342	19,373,208	18,993,626	379,582
Intergovernmental expenditures	<u>378,660</u>	<u>378,660</u>	<u>843,226</u>	<u>(464,566)</u>
Total Expenditures	<u>58,511,825</u>	<u>58,511,825</u>	<u>59,239,051</u>	<u>(727,226)</u>
Excess (deficiency) of revenues over expenditures	<u>3,069,774</u>	<u>3,069,774</u>	<u>4,447,211</u>	<u>1,377,437</u>
Other Financial Sources (Uses)				
Operating transfers in	1,533,843	1,533,843	2,011,902	478,059
Operating transfers out	<u>(5,519,742)</u>	<u>(5,519,742)</u>	<u>(6,459,113)</u>	<u>(939,371)</u>
Net change in fund balances	<u>\$ (916,125)</u>	<u>\$ (916,125)</u>	-	<u>\$ 916,125</u>
Fund Balance June 30, 2012			<u>16,705,470</u>	
Fund Balance June 30, 2013			<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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
1000 Revenue From Local Sources			
1100 Taxes			
1110 Ad Valorem taxes	\$ 21,548,680	\$ 22,436,115	\$ 887,435
1190 Other taxes	1,399,236	1,320,363	(78,873)
1200 Revenue from Local Governmental Units other than LEA's			
1280 Revenue in lieu of taxes	5,994,468	6,225,624	231,156
1300 Tuition			
1310 From patrons for regular day school	-	14,057	14,057
1500 Earnings on Investments			
1510 Interest on investments	25,000	2	(24,998)
1900 Other Revenue from Local Sources			
1910 Rentals	-	6,000	6,000
1920 Contributions	-	3,337	3,337
1999 Revenue from other local sources	-	76,332	76,332
Total Local Sources	<u>28,967,384</u>	<u>30,081,830</u>	<u>1,114,446</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	<u>153,132</u>	<u>166,631</u>	<u>13,499</u>
Total Intergovernmental Revenues	<u>153,132</u>	<u>166,631</u>	<u>13,499</u>
3000 Revenue from State Sources			
3130 Special Programs			
3131 Handicapped transportation	-	22,976	22,976
3133 IDEA contingency fund	-	386,931	386,931
3160 School Bus Driver's Salary	191,244	242,861	51,617
3162 Transportation workers' compensation	19,858	20,423	565
3180 Fringe Benefits Employer Contributions	5,839,502	6,002,576	163,074
3181 Retiree Insurance	1,197,531	1,362,486	164,955
3300 Education Finance Act			
3310 Full-time Programs			
3311 Kindergarten	932,818	1,059,132	126,314
3312 Primary	2,688,259	2,840,091	151,832
3313 Elementary	3,774,146	3,794,044	19,898
3314 High school	2,177,680	2,230,469	52,789
3315 Trainable mentally handicapped	17,610	27,629	10,019
3316 Speech handicapped (part-time program)	565,962	452,828	(113,134)
3317 Homebound	54,505	54,574	69
3320 Part-Time Programs			
3321 Emotionally handicapped	120,864	137,761	16,897
3322 Educable mentally handicapped	34,246	35,173	927
3323 Learning disabilities	1,146,378	1,128,925	(17,453)
3324 Hearing handicapped	22,185	31,088	8,903
3325 Visually handicapped	17,526	3,719	(13,807)
3326 Orthopedically handicapped	23,774	20,899	(2,875)
3327 Vocational	1,383,694	1,391,395	7,701

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, 2013

	Final Budget	Actual	Variance Favorable (Unfavorable)
3330 Other EFA Programs			
3331 Autism	228,951	273,549	44,598
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	8,729,686	8,730,699	1,013
3830 Merchant's inventory tax	78,607	78,608	1
3840 Manufacturers depreciation reimbursement	475,000	402,694	(72,306)
3890 Other state property tax revenues	91,000	56,214	(34,786)
Total State Sources	<u>32,461,083</u>	<u>33,437,801</u>	<u>976,718</u>
Total Revenue All Sources	<u>61,581,599</u>	<u>63,686,262</u>	<u>2,104,663</u>
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	1,969,004	1,970,392	(1,388)
200 Employee benefits	765,577	703,999	61,578
300 Purchased services	-	5,000	(5,000)
400 Supplies and materials	58,013	61,761	(3,748)
112 Primary Programs			
100 Salaries	5,860,614	5,899,834	(39,220)
200 Employee benefits	2,102,299	1,965,167	137,132
300 Purchased services	77,573	72,248	5,325
400 Supplies and materials	129,849	125,885	3,964
600 Other objects	3,700	3,900	(200)
113 Elementary Programs			
100 Salaries	9,020,120	8,535,153	484,967
200 Employee benefits	3,166,008	2,826,993	339,015
300 Purchased services	279,217	241,477	37,740
400 Supplies and materials	317,062	246,499	70,563
500 Capital outlay	715,046	2,519,894	(1,804,848)
600 Other objects	8,600	7,598	1,002
114 High School Programs			
100 Salaries	6,244,098	6,251,577	(7,479)
200 Employee benefits	2,100,089	2,006,186	93,903
300 Purchased services	345,403	424,436	(79,033)
400 Supplies and materials	245,410	201,118	44,292
500 Capital outlay	95,749	90,722	5,027
600 Other objects	3,611	4,711	(1,100)
115 Career and Technology Education Programs			
100 Salaries	490,667	506,624	(15,957)
200 Employee benefits	173,345	174,088	(743)
300 Purchased services	4,020	3,092	928
370 Purchased services - tuition	573,256	572,539	717
400 Supplies and materials	14,763	14,140	623
500 Capital outlay	8,781	8,279	502

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, 2013

	Final Budget	Actual	Variance Favorable (Unfavorable)
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	409,967	401,201	8,766
200 Employee benefits	148,761	137,724	11,037
300 Purchased services	902	402	500
400 Supplies and materials	3,670	3,713	(43)
122 Trainable Mentally Handicapped			
100 Salaries	133,314	153,346	(20,032)
200 Employee benefits	51,546	50,231	1,315
300 Purchased services	26,200	25,002	1,198
123 Orthopedically Handicapped			
100 Salaries	13,627	11,123	2,504
200 Employee benefits	4,735	4,006	729
400 Supplies and materials	517	-	517
124 Visually Handicapped			
100 Salaries	7,291	3,118	4,173
200 Employee benefits	2,818	1,622	1,196
300 Purchased services	16,000	-	16,000
125 Hearing Handicapped			
300 Purchased services	19,700	18,408	1,292
126 Speech Handicapped			
100 Salaries	109,416	35,698	73,718
200 Employee benefits	38,532	27,607	10,925
300 Purchased services	2,000	-	2,000
400 Supplies and materials	4,843	3,757	1,086
127 Learning Disabilities			
100 Salaries	1,014,114	1,046,290	(32,176)
200 Employee benefits	391,477	357,257	34,220
300 Purchased services	750	7,553	(6,803)
400 Supplies and materials	14,923	13,331	1,592
128 Emotionally Handicapped			
100 Salaries	376,446	400,110	(23,664)
200 Employee benefits	140,151	137,784	2,367
300 Purchased services	7,500	9,059	(1,559)
400 Supplies and materials	4,119	2,017	2,102
130 Pre-School Programs			
137 Pre-School Handicapped-Contained (3 & 4 yr. Olds)			
100 Salaries	336,910	367,675	(30,765)
200 Employee benefits	154,381	146,605	7,776
400 Supplies and materials	2,068	2,025	43
139 Early Childhood Programs			
100 Salaries	270,887	254,692	16,195
200 Employee benefits	117,005	108,461	8,544
140 Special Programs			
141 Gifted and Talented - Academic			
300 Purchased services	6,391	5,717	674
400 Supplies and materials	4,748	-	4,748

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, 2013

	Final Budget	Actual	Variance Favorable (Unfavorable)
145 Homebound			
100 Salaries	19,000	77,231	(58,231)
200 Employee benefits	4,492	13,975	(9,483)
300 Purchased services	15,000	15,672	(672)
160 Other Exceptional Programs			
161 Autism			
100 Salaries	73,146	65,504	7,642
200 Employee benefits	26,572	21,770	4,802
300 Purchased services	-	9,408	(9,408)
170 Summer School Program			
172 Elementary Summer School			
100 Salaries	10,000	3,300	6,700
200 Employee benefits	2,364	1,046	1,318
173 High School Summer School			
100 Salaries	-	12,538	(12,538)
200 Employee benefits	-	2,909	(2,909)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
300 Purchased services	1,800	-	1,800
Total Instruction	<u>38,759,957</u>	<u>39,402,199</u>	<u>(642,242)</u>
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work			
100 Salaries	61,083	61,083	-
200 Employee benefits	18,214	18,197	17
300 Purchased services	2,308	921	1,387
400 Supplies and materials	200	-	200
212 Guidance			
100 Salaries	1,176,630	1,170,700	5,930
200 Employee benefits	394,299	378,549	15,750
300 Purchased services	1,800	1,766	34
400 Supplies and materials	46,524	33,574	12,950
213 Health			
100 Salaries	498,062	451,119	46,943
200 Employee benefits	182,852	161,116	21,736
300 Purchased services	10,310	6,285	4,025
400 Supplies and materials	19,590	16,428	3,162
500 Capital outlay	1,000	-	1,000
214 Psychological			
100 Salaries	254,362	259,322	(4,960)
200 Employee benefits	77,752	78,457	(705)
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	458,896	462,464	(3,568)
200 Employee benefits	143,354	146,046	(2,692)
300 Purchased services	37,615	46,815	(9,200)
400 Supplies and materials	4,250	1,297	2,953
600 Other objects	500	-	500

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, 2013

	Final Budget	Actual	Variance Favorable (Unfavorable)
222 Educational Media			
100 Salaries	888,599	912,847	(24,248)
200 Employee benefits	331,210	325,429	5,781
400 Supplies and materials	140,582	136,825	3,757
224 Improvement of Instruction - Inservice Training			
100 Salaries	-	16,300	(16,300)
200 Employee benefits	-	3,922	(3,922)
300 Purchased services	88,088	54,469	33,619
400 Supplies and materials	20,328	15,535	4,793
230 General Administration Services			
231 Board of Education			
300 Purchased services	49,000	47,309	1,691
318 Audit services	45,000	41,000	4,000
400 Supplies and materials	2,550	953	1,597
500 Capital outlay	1,700	-	1,700
600 Other objects	97,903	109,176	(11,273)
232 Office of Superintendent			
100 Salaries	262,629	268,727	(6,098)
200 Employee benefits	81,445	74,031	7,414
300 Purchased services	4,165	1,752	2,413
400 Supplies and materials	6,800	7,800	(1,000)
500 Capital outlay	2,125	-	2,125
600 Other objects	4,000	4,734	(734)
233 School Administration			
100 Salaries	3,379,090	3,392,387	(13,297)
200 Employee benefits	1,155,930	1,085,837	70,093
300 Purchased services	13,458	10,771	2,687
400 Supplies and materials	41,389	35,433	5,956
500 Capital outlay	12,775	10,775	2,000
600 Other objects	600	650	(50)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	280,749	255,610	25,139
200 Employee benefits	90,649	73,974	16,675
300 Purchased services	24,243	24,849	(606)
400 Supplies and materials	12,000	14,833	(2,833)
500 Capital outlay	1,400	12,650	(11,250)
254 Operation and Maintenance of Plant Services			
100 Salaries	2,195,646	2,130,329	65,317
200 Employee benefits	835,036	709,891	125,145
300 Purchased services	1,321,884	1,510,582	(188,698)
321 Public utilities	256,200	249,047	7,153
400 Supplies and materials	528,500	464,319	64,181
470 Energy	1,525,300	1,357,089	168,211
500 Capital outlay	172,000	123,567	48,433
255 Pupil Transportation Services			
100 Salaries	586,555	621,884	(35,329)
200 Employee benefits	146,210	170,483	(24,273)
300 Purchased services	19,846	52,667	(32,821)
400 Supplies and materials	2,400	48,981	(46,581)
500 Capital outlay	2,000	21,234	(19,234)
600 Other objects	3,000	-	3,000
256 Food Service			
200 Employee benefits	6,850	5,058	1,792
400 Supplies and materials	100	183	(83)

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, 2013

	Final Budget	Actual	Variance Favorable (Unfavorable)
258 Security			
100 Salaries	157,278	73,732	83,546
200 Employee benefits	52,814	22,943	29,871
300 Purchased services	292,840	360,876	(68,036)
400 Supplies and materials	6,800	11,287	(4,487)
500 Capital outlay	4,250	-	4,250
260 Central Support Services			
263 Information Services			
100 Salaries	61,500	66,490	(4,990)
200 Employee benefits	20,970	22,071	(1,101)
300 Purchased services	22,500	16,717	5,783
400 Supplies and materials	23,000	15,744	7,256
500 Capital outlay	1,700	444	1,256
264 Staff Services			
100 Salaries	189,946	190,146	(200)
200 Employee benefits	62,262	56,878	5,384
300 Purchased services	14,000	17,027	(3,027)
400 Supplies and materials	2,500	62	2,438
266 Data Processing Services			
100 Salaries	267,903	272,440	(4,537)
200 Employee benefits	97,660	79,613	18,047
300 Purchased services	-	11,294	(11,294)
270 Support Services Pupil Activity			
271 Pupil Service Activities			
300 Purchased services	20,000	32,740	(12,740)
400 Supplies and materials	20,700	17,912	2,788
600 Other objects	22,000	27,179	(5,179)
Total Supporting Services	<u>19,373,208</u>	<u>18,993,626</u>	<u>379,582</u>
400 Intergovernmental Expenditures			
411 Payments to the State Department of Education			
720 Transits	-	419	(419)
412 Payments to other governmental units			
720 Transits	378,660	842,807	(464,147)
Total Intergovernmental Expenditures	<u>378,660</u>	<u>843,226</u>	<u>(464,566)</u>
Total Expenditures	<u>58,511,825</u>	<u>59,239,051</u>	<u>(727,226)</u>
Interfund Transfers, from (to) other funds			
5230 Transfer from Special Revenue EIA Fund	1,533,843	1,599,741	65,898
5280 Transfer from Other Funds Indirect Costs	-	399,158	399,158
5300 Sale of Fixed Assets	-	13,003	13,003
423-710 Transfer to Debt Service Fund	(5,519,742)	(5,519,742)	-
424-710 Transfer to School Building Fund	-	(939,371)	(939,371)
Total Other Financing Sources (Uses)	<u>(3,985,899)</u>	<u>(4,447,211)</u>	<u>(461,312)</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ (916,125)</u>	-	<u>\$ 916,125</u>
Fund Balance June 30, 2012		<u>16,705,470</u>	
Fund Balance June 30, 2013		<u>\$ 16,705,470</u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND-SPECIAL PROJECTS
 COMBINING BALANCE SHEET
 JUNE 30, 2013

	201/202	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				
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,443	\$ 408,443
Due from federal government	294,035	482,516	14,879	18,469	-	87,872	897,771
Due from State Department of Education	-	-	-	-	-	1,794	1,794
Due from other funds	-	-	-	-	29,652	-	29,652
Total Assets	\$ 294,035	\$ 482,516	\$ 14,879	\$ 18,469	\$ 29,652	\$ 498,109	\$ 1,337,660

ASSETS

**LIABILITIES AND FUND
 BALANCES**

Liabilities:							
Due to other funds	\$ 294,035	\$ 482,516	\$ 14,879	\$ 18,469	\$ -	\$ 457,202	\$ 1,267,101
Revenues received in advance/ deferred revenue	-	-	-	-	29,652	40,907	70,559
Total Liabilities	\$ 294,035	\$ 482,516	\$ 14,879	\$ 18,469	\$ 29,652	\$ 498,109	\$ 1,337,660
Fund balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 294,035	\$ 482,516	\$ 14,879	\$ 18,469	\$ 29,652	\$ 498,109	\$ 1,337,660

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, 2013

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,304	\$ 9,304
1920 Contributions	-	-	-	-	-	13,660	13,660
1930 Medicaid	-	-	-	-	-	260,756	260,756
1999 Revenue from other local sources	-	-	-	-	-	870	870
Total Local Revenue	-	-	-	-	-	284,590	284,590
2000 Intergovernmental Revenue							
2100 Payments from other governmental units	-	-	-	-	-	12,309	12,309
2300 Payments from non-profit entities	-	-	-	-	-	1,642,997	1,642,997
Total Intergovernmental Revenue	-	-	-	-	-	1,655,306	1,655,306
3000 Revenue From State Sources							
3100 Restricted Grants							
3110 Occupational education							
3118 EEDA career specialist	-	-	-	-	244,488	-	244,488
3120 General education							
3127 Student health and fitness - nurses	-	-	-	-	56,998	-	56,998
3128 High schools that work	-	-	-	-	843	-	843
3190 Other restricted grants							
3193 Education license plates	-	-	-	-	2,124	-	2,124
3199 Other restricted state grants	-	-	-	-	242	-	242
3000 Revenue From State Sources - continued							
3600 Education lottery act revenue							
3607 6-8 enhancement	-	-	-	-	17,035	-	17,035
3610 K-5 enhancement	-	-	-	-	491,547	-	491,547
Total State Revenue	-	-	-	-	813,277	-	813,277

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, 2013

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
4000 Revenue From Federal Sources							
4200 Occupational education	-	-	-	61,208	-	-	61,208
4210 Vocational aid, Title I							
4300 Elementary and Secondary Education Act of 1965							
4310 Title I	910,225	-	-	-	-	10,991	921,216
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	62,247	62,247
4351 Improving teacher quality	-	-	-	-	-	179,481	179,481
4500 Education for children with disabilities							
4510 Individuals with Disabilities Education Act (IDEA)	-	1,451,387	-	-	-	7,610	1,458,997
4520 Preschool grants (IDEA)	-	-	57,119	-	-	-	57,119
4900 Other federal sources							
4999 Revenue from other federal sources	-	-	-	-	-	100,282	100,282
Total Federal Revenue	910,225	1,451,387	57,119	61,208	-	360,611	2,840,550
TOTAL REVENUE ALL SOURCES	910,225	1,451,387	57,119	61,208	813,277	2,300,507	5,593,723
EXPENDITURES							
100 Instruction							
110 General Instruction							
111 Kindergarten programs							
200 Employee benefits	33	-	-	-	-	-	33
112 Primary programs							
100 Salaries	314,267	-	-	-	378,504	159,521	852,292
200 Employee benefits	91,454	-	-	-	122,983	42,373	256,810
400 Supplies and materials	11,006	-	-	-	11,795	9,342	32,143
500 Capital outlay	24,412	-	-	-	-	10,939	35,351
113 Elementary programs							
300 Purchased services	-	-	-	-	-	300	300
400 Supplies and materials	-	-	-	-	4,972	9,635	14,607
500 Capital outlay	-	-	-	-	2,124	-	2,124

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, 2013

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
114 High school programs	-	-	-	-	-	81,779	81,779
100 Salaries	-	-	-	-	-	18,486	18,486
200 Employee benefits	-	-	-	-	-	10,770	10,770
300 Purchased services	-	-	-	-	-	782	782
400 Supplies and materials	-	-	-	-	-	-	-
115 Career and technology education programs	-	-	-	4,064	-	-	4,064
400 Supplies and materials	-	-	-	43,027	-	-	43,027
500 Capital outlay	-	-	-	-	-	-	-
116 Career and technology education (vocational) programs - middle school	-	-	-	1,080	-	-	1,080
500 Capital outlay	-	-	-	-	-	-	-
120 Exceptional Programs	-	-	-	-	-	-	-
121 Educable mentally handicapped	-	20,010	-	-	-	-	20,010
100 Salaries	-	9,377	-	-	-	-	9,377
200 Employee benefits	-	-	-	-	-	-	-
125 Hearing handicapped	-	21,292	-	-	-	-	21,292
100 Salaries	-	4,863	-	-	-	-	4,863
200 Employee benefits	-	-	-	-	-	-	-
126 Speech handicapped	-	187,997	-	-	242	109,378	297,617
100 Salaries	-	55,677	-	-	-	30,348	86,025
200 Employee benefits	-	36,223	-	-	-	173	36,396
300 Purchased services	-	500	-	-	-	665	1,165
400 Supplies and materials	-	-	-	-	-	3,867	3,867
600 Other objects	-	-	-	-	-	-	-
127 Learning disabilities	-	448,709	-	-	-	-	448,709
100 Salaries	-	142,274	-	-	-	-	142,274
200 Employee benefits	-	1,120	-	-	-	-	1,120
300 Purchased services	-	45,365	-	-	-	-	45,365
400 Supplies and materials	-	-	-	-	-	-	-
128 Emotionally handicapped	-	92,456	-	-	-	-	92,456
100 Salaries	-	32,631	-	-	-	-	32,631
200 Employee benefits	-	-	-	-	-	-	-

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, 2013

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
137 Preschool handicapped self-contained (3 & 4-year olds)							
100 Salaries	-	19,451	45,104	-	-	-	64,555
200 Employee benefits	-	4,625	12,015	-	-	-	16,640
400 Supplies and materials	-	871	-	-	-	-	871
139 Early childhood programs							
100 Salaries	205,180	-	-	-	-	60,860	266,040
200 Employee benefits	80,926	-	-	-	-	18,059	98,985
160 Other Exceptional Programs							
161 Autism							
100 Salaries	-	36,173	-	-	-	-	36,173
200 Employee benefits	-	10,977	-	-	-	-	10,977
170 Summer School Program							
175 Instructional programs beyond regular school day							
100 Salaries	7,600	-	-	-	-	-	7,600
200 Employee benefits	1,592	-	-	-	-	-	1,592
180 Adult/continuing education							
188 Parenting/family literacy							
100 Salaries	37,171	-	-	-	-	84,284	121,455
200 Employee benefits	14,963	-	-	-	-	24,077	39,040
TOTAL INSTRUCTION	788,604	1,170,591	57,119	48,171	520,620	675,638	3,260,743

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, 2013

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
200 Supporting Services							
210 Pupil Services							
211 Attendance and social work services							
300 Purchased services	656	-	-	-	-	-	656
400 Supplies and materials	7,322	-	-	-	-	-	7,322
212 Guidance							
100 Salaries	29,663	-	-	-	-	-	29,663
200 Employee benefits	13,713	-	-	-	-	-	13,713
300 Purchased services	-	-	-	4,604	-	-	4,604
400 Supplies and materials	-	-	-	1,142	-	-	1,142
213 Health							
100 Salaries	-	-	-	-	-	43,176	43,176
200 Employee benefits	-	-	-	-	-	16,975	16,975
214 Psychological							
100 Salaries	-	61,671	-	-	-	58,580	120,251
200 Employee benefits	-	18,087	-	-	-	17,317	35,404
300 Purchased services	-	52,518	-	-	-	40,281	92,799
215 Exceptional program services							
100 Salaries	-	-	-	-	-	78,703	78,703
200 Employee benefits	-	-	-	-	-	28,237	28,237
400 Supplies and materials	-	15,688	-	-	-	-	15,688
216 Vocational placement services							
100 Salaries	-	-	-	-	-	76,964	76,964
200 Employee benefits	-	-	-	-	-	25,569	25,569
217 Career specialist services							
100 Salaries	-	-	-	-	181,064	-	181,064
200 Employee benefits	-	-	-	-	63,424	-	63,424

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, 2013

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
220 Instructional Staff Services							
221 Improvement of instruction - curriculum development							
100 Salaries	-	-	-	-	-	107,224	107,224
200 Employee benefits	-	-	-	-	-	29,222	29,222
300 Purchased services	-	-	-	-	-	912	912
400 Supplies and materials	-	-	-	-	36,226	17,643	53,869
222 Library and media services							
400 Supplies and materials	-	322	-	-	-	-	322
223 Supervision of special programs							
100 Salaries	35,810	81,861	-	-	-	189,150	306,821
200 Employee benefits	11,400	33,214	-	-	-	64,234	108,848
300 Purchased services	2,025	4,617	-	-	-	-	6,642
400 Supplies and materials	148	3,889	-	-	-	-	4,037
224 Improvement of instruction - inservice training							
100 Salaries	-	1,500	-	-	-	-	1,500
200 Employee benefits	-	357	-	-	-	-	357
300 Purchased services	3,290	7,072	-	5,572	11,847	20,729	48,510
400 Supplies and materials	-	-	-	-	96	2,305	2,401
230 General Administration Services							
231 Board of education							
300 Purchased services	476	-	-	-	-	-	476
250 Finance and Operations Services							
251 Student transportation							
300 Purchased services	2,960	-	-	-	-	-	2,960
254 Operation and maintenance of plant							
400 Supplies and materials	-	-	-	-	-	9,004	9,004
255 Student transportation (state mandated)							
100 Salaries	-	-	-	-	-	6,038	6,038
260 Central Support Services							

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, 2013

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
262 Planning	-	-	-	-	-	62,083	62,083
100 Salaries	-	-	-	-	-	18,321	18,321
200 Employee benefits	-	-	-	-	-	-	-
263 Information services	-	-	-	-	-	870	870
400 Supplies and materials	-	-	-	-	-	-	-
270 Supporting Services - Pupil Activities							
271 Pupil service activities	-	-	-	1,719	-	-	1,719
300 Purchased services	-	-	-	-	-	-	-
TOTAL SUPPORTING SERVICES	107,463	280,796	-	13,037	292,657	913,537	1,607,490
300 Community Services							
350 Custody and care of children							
100 Salaries	-	-	-	-	-	458,455	458,455
200 Employee benefits	-	-	-	-	-	118,115	118,115
360 Welfare services							
100 Salaries	-	-	-	-	-	230,166	230,166
200 Employee benefits	-	-	-	-	-	94,863	94,863
TOTAL COMMUNITY SERVICES	-	-	-	-	-	901,599	901,599
410 Intergovernmental Expenditures							
412 Payments to other governmental units							
720 Transits	-	-	-	-	-	12,309	12,309
414 Medicaid payments to SDE							
720 Transits	-	-	-	-	-	59,061	59,061
TOTAL INTERGOVERNMENTAL SERVICES	-	-	-	-	-	71,370	71,370
TOTAL EXPENDITURES	896,067	1,451,387	57,119	61,208	813,277	2,562,144	5,841,202

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, 2013

201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE			
-	-	-	-	-	261,637	261,637
(14,158)	-	-	-	-	-	(14,158)
(14,158)	-	-	-	-	261,637	247,479
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, 2012						
FUND BALANCE JUNE 30, 2013						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2013

LEA Sub Funds

Other Restricted State Grants	Sub Fund	Description	
	807	Extended School Year	\$ 242
	919	Education License Plates	2,124
	928	EEDA Career Specialist	244,488
	937	Student Health and Fitness - PE Teachers	56,998
	938	High Schools That Work	843
	960	K-5 Enhancement	491,547
	967	6-8 Enhancement (carryover provision)	17,035
			<u>\$ 813,277</u>
Other Special Revenue Programs			
	221	Title I, Neglected and Delinquent	\$ 10,991
	264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	62,247
	267	Improving Teacher Quality	179,481
	274	Alcoa Foundation Grant	10,000
	277	Air Force JROTC	100,264
	293	Medicaid	260,756
	803	Calculators	18
	805	Accommodations Tax	870
	807	Extended School Year	7,610
	813	Lowe's Grant	940
	840	Teacher Forum	2,720
	870	Fine Arts Center	9,304
	890	SMART Center	12,309
	980	First Steps	1,642,997
			<u>\$ 2,300,507</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR FISCAL YEAR ENDED JUNE 30, 2013

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	\$ 242	\$ 242	\$ -	\$ -	\$ -
919	3193	Education License Plates	2,124	2,124	-	-	-
928	3118	EEDA Career Specialist	244,488	244,488	-	-	-
937	3127	Student Health and Fitness - PE Teachers	56,998	56,998	-	-	-
938	3128	High Schools that Work / Making Middle Grades Work	843	843	-	-	-
960	3610	K-5 Enhancement	491,547	491,547	-	-	27,444
967	3607	6-8 Enhancement	17,035	17,035	-	-	2,208
			<u>\$ 813,277</u>	<u>\$ 813,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,652</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, 2013

REVENUES

3000 Revenue From State Sources		
3500 Education Improvement Act		
3502 ADEPT	\$	8,549
3511 Professional development		91,484
3518 Formative assessment		33,525
3525 Career and technology education equipment		59,152
3526 Refurbishment of K-8 science kits		16,970
3532 National Board Certification (NBC) salary		773,873
3533 Teacher of the year award		1,077
3538 Students at risk of school failure		1,264,892
3540 Four-year old early childhood program		167,639
3544 High achieving students		334,942
3550 Teacher salary increase		755,958
3551 Salary supplement state share		546,763
3555 School employer contributions		297,020
3558 Reading		63,746
3577 Teacher supplies		143,668
3578 High schools that work		2,333
3581 Student health and fitness- nurses		188,809
3585 Aid to districts- special education		424,312
3592 Work-based learning		40,684
3597 Aid to districts		125,474
3599 Other EIA		3,885
		<hr/>
Total State Sources		5,344,755
		<hr/>
TOTAL REVENUE ALL SOURCES		5,344,755
		<hr/>

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten programs		
100 Salaries		15,000
200 Employee benefits		3,541
112 Primary programs		
100 Salaries		808,345
200 Employee benefits		278,977
400 Supplies and materials		75,483
113 Elementary programs		
100 Salaries		460,502
200 Employee benefits		134,740
400 Supplies and materials		116,728
114 High school programs		
100 Salaries		162,537
200 Employee benefits		38,174
400 Supplies and materials		37,969

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, 2013

115 Career and technology education programs	
100 Salaries	22,500
200 Employee benefits	5,277
500 Capital outlay	59,152
120 Exceptional Programs	
126 Speech handicapped	
100 Salaries	224,069
200 Employee benefits	63,137
127 Learning disabilities	
100 Salaries	148,832
200 Employee benefits	43,747
128 Emotionally handicapped	
100 Salaries	15,000
200 Employee benefits	3,540
130 Preschool Programs	
139 Early childhood programs	
100 Salaries	118,060
200 Employee benefits	29,951
300 Purchased services	1,678
400 Supplies and materials	17,949
140 Special Programs	
141 Gifted and talented - academic	
100 Salaries	257,566
200 Employee benefits	66,256
148 Gifted and talented - artistic	
100 Salaries	4,825
200 Employee benefits	1,148
400 Supplies and materials	2,511
180 Adult/Continuing Educational Programs	
100 Salaries	86,249
200 Employee benefits	34,712
	<hr/>
TOTAL INSTRUCTION	<u>3,338,155</u>
200 Supporting Services	
210 Pupil Services	
212 Guidance services	
100 Salaries	15,000
200 Employee benefits	3,526
400 Supplies and materials	33,525

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, 2013

213 Health services		
100 Salaries		142,749
200 Employee benefits		46,060
220 Instructional Staff Services		
221 Improvement of instruction - curriculum development		
100 Salaries		23,710
200 Employee benefits		5,571
222 Library and media		
100 Salaries		7,500
200 Employee benefits		1,773
224 Improvement of instruction - inservice training		
300 Purchased services		46,479
400 Supplies and materials		69,790
		395,683
TOTAL SUPPORTING SERVICES		395,683
400 Other Charges		
410 Intergovernmental Expenditures		
412 Payments to Other Governmental Units		
720 Transits		11,176
		11,176
TOTAL INTERGOVERNMENTAL EXPENDITURES		11,176
TOTAL EXPENDITURES		3,745,014
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, from (to) Other Funds		
420-710 Transfer to General Fund		(1,599,741)
		(1,599,741)
TOTAL OTHER FINANCING SOURCES (USES)		(1,599,741)
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES		-
FUND BALANCE JUNE 30, 2012		-
FUND BALANCE JUNE 30, 2013		\$ -

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 2013

Program	<u>Revenues</u>	<u>Expenditures</u>	<u>EIA Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	<u>Deferred Revenue</u>
3000 Revenue From State Sources					
3500 Education Improvement Act					
3502 ADEPT	\$ 8,549	\$ 8,549	\$ -	\$ -	\$ -
3511 Professional development	91,484	91,484	-	-	-
3518 Formative assessment	33,525	33,525	-	-	987
3525 Career and technology education equipment	59,152	59,152	-	-	30,334
3526 Refurbishment of K-8 science kits	16,970	16,970	-	-	72,063
3532 National Board Certification (NBC) salary	773,873	773,873	-	-	-
3533 Teacher of the year award	1,077	1,077	-	-	-
3538 Students at risk of school failure	1,264,892	1,264,892	-	-	488,626
3540 Four-year old early childhood program	167,639	167,639	-	-	-
3544 High achieving students	334,942	334,942	-	-	-
3550 Teacher salary increase	755,958	-	-	(755,958)	-
3551 Salary supplement state share	546,763	-	-	(546,763)	-
3555 School employer contributions	297,020	-	-	(297,020)	-
3558 Reading	63,746	63,746	-	-	-
3577 Teacher supplies	143,668	143,668	-	-	-
3578 High schools that work/ making middle grades work	2,333	2,333	-	-	4,211
3581 Student health and fitness- nurses	188,809	188,809	-	-	-
3585 Aid to districts- special education	424,312	424,312	-	-	229,153
3592 Work-based learning	40,684	40,684	-	-	1,798
3597 Aid to districts	125,474	125,474	-	-	66,797
3599 Other EIA	3,885	3,885	-	-	-
	<u>\$ 5,344,755</u>	<u>\$ 3,745,014</u>	<u>\$ -</u>	<u>\$ (1,599,741)</u>	<u>\$ 893,969</u>
Totals					

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2013

REVENUES

1000 Revenues From Local Sources

1600 Food service	
1610 Lunch sales to pupils	\$ 655,567
1620 Breakfast sales to pupils	56,155
1630 Special sales to pupils	161,153
1640 Lunch sales to adults	42,583
1650 Breakfast sales to adults	3,753
1660 Special sales to adults	5,988
1900 Other revenue from local sources	
1999 Miscellaneous	11,829
Total Revenue From Local Sources	<u>937,028</u>

3000 Revenue From State Sources

3140 School lunch	
3142 Program aid	278
Total State Sources	<u>278</u>

4000 Revenue From Federal Sources

4800 USDA reimbursement	
4810 School lunch and after school snacks program	1,703,068
4830 School breakfast program	533,974
4900 Other federal sources	
4991 USDA commodities	195,924
4999 Revenue from other federal sources	6,093
Total Federal Sources	<u>2,439,059</u>

TOTAL REVENUE ALL SOURCES

3,376,365

EXPENDITURES

256 Food service	
100 Salaries	11,166
300 Purchased services	2,817,992
400 Supplies and materials	201,234
600 Other objects	3,206

TOTAL FOOD SERVICE EXPENDITURES

3,033,598

TOTAL EXPENDITURES

3,033,598

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds	
432-791 Food Service Fund Indirect Costs	<u>(385,000)</u>

TOTAL OTHER FINANCING SOURCES (USES)

(385,000)

Excess/(Deficiency) of Revenues Over Expenditures

(42,233)

FUND BALANCE JUNE 30, 2012

1,039,196

FUND BALANCE JUNE 30, 2013

\$ 996,963

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2013

REVENUES

1000 Revenue From Local Sources

1100 Taxes

1110 Ad Valorem taxes - fiscally independent LEA	\$ 2,987,383
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1200 Revenue from local governmental units other than LEAs

1280 Revenue in lieu of taxes	556,219
-------------------------------	---------

1500 Earnings on investments

1510 Interest on investments	9,897
------------------------------	-------

Total Revenue From Local Sources

	3,553,499
--	-----------

3000 Revenue From State Sources

3800 State Revenue in Lieu of Taxes

3820 Homestead exemption	99,333
--------------------------	--------

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

3840 Manufacturers depreciation reimbursement	35,978
---	--------

3890 Other state property tax revenues	7,593
--	-------

Total State Sources

	153,473
--	---------

TOTAL REVENUE ALL SOURCES

	3,706,972
--	-----------

EXPENDITURES

500 Debt service

610 Redemption of principal	19,742
-----------------------------	--------

620 Interest	28,901
--------------	--------

TOTAL EXPENDITURES

	48,643
--	--------

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds

5210 Transfer from General Fund	19,742
---------------------------------	--------

423-710 Transfer to Debt Service Fund EFC	(3,670,000)
---	-------------

TOTAL OTHER FINANCING SOURCES (USES)

	(3,650,258)
--	-------------

Excess/(Deficiency)of Revenues Over Expenditures

	8,071
--	-------

FUND BALANCE JUNE 30, 2012

	1,591,073
--	-----------

FUND BALANCE JUNE 30, 2013

	\$ 1,599,144
--	--------------

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, 2013

REVENUES

1000 Revenue From Local Sources

1500 Earnings on investments

1510 Interest on investments

\$ 374,917

Total Revenue From Local Sources

374,917

TOTAL REVENUE ALL SOURCES

374,917

EXPENDITURES

500 Debt service

610 Principal

620 Interest

690 Other objects

5,985,000

3,596,460

29,021

TOTAL EXPENDITURES

9,610,481

OTHER FINANCING SOURCES

5110 Premium on bonds sold

26,864

Interfund Transfers, from (to) other funds

5210 Transfer from General Fund

5240 Transfer from Debt Service Fund

5,500,000

3,670,000

TOTAL OTHER FINANCING SOURCES

9,196,864

Excess/(Deficiency) of Revenues Over Expenditures

(38,700)

FUND BALANCE JUNE 30, 2012

10,189,748

FUND BALANCE JUNE 30, 2013

\$ 10,151,048

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2013

REVENUES

1000 Revenue From Local Sources

1500 Earnings on investments	
1510 Interest on investments	\$ 1,001
1900 Other revenue from local sources	
1994 Legal settlement receipt	<u>10,000</u>
Total Revenue From Local Sources	<u>11,001</u>

TOTAL REVENUE ALL SOURCES

11,001

EXPENDITURES

253 Facilities Acquisition and Construction Services

300 Purchased services	1,421
500 Capital outlay	
510 Land	24,646
530 Improvements other than buildings	<u>17,239</u>

TOTAL SUPPORT EXPENDITURES

43,306

TOTAL EXPENDITURES

43,306

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds

5210 Transfer from General Fund	<u>939,371</u>
---------------------------------	----------------

TOTAL OTHER FINANCING SOURCES (USES)

939,371

Excess/(Deficiency) of Revenues Over Expenditures

907,066

FUND BALANCE JUNE 30, 2012

5,037,741

FUND BALANCE JUNE 30, 2013

\$ 5,944,807

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, 2013

REVENUES

1000 Revenue From Local Sources

1500 Earnings on investments

1510 Interest on investments

 \$ 1

Total Revenue From Local Sources

 1

TOTAL REVENUE ALL SOURCES

 1

Excess/(Deficiency) of Revenues Over Expenditures

1

FUND BALANCE JUNE 30, 2012

 11,907

FUND BALANCE JUNE 30, 2013

 \$ 11,908

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, 2013

RECEIPTS

1000 Receipts From Local Sources

1500 Earnings on investments	
1510 Interest on investments	\$ 1
1700 Pupil activities	
1710 Admissions	347,617
1720 Bookstore sales	65,551
1730 Pupil organization membership	77,760
1740 Student fees	514,165
1790 Other	1,794,496
1900 Other revenue from local sources	
1920 Contributions and donations private sources	<u>49,861</u>

TOTAL RECEIPTS ALL SOURCES

2,849,451

DISBURSEMENTS

190 Instructional pupil activity	
660 Pupil activity	404,263
270 Supporting services pupil activity	
271 Pupil service activities	
660 Pupil activity	<u>2,126,433</u>

TOTAL DISBURSEMENTS

2,530,696

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) other funds

421-710 Transfer to Special Revenue Fund	<u>(261,637)</u>
--	------------------

TOTAL OTHER FINANCING SOURCES (USES)

(261,637)

Excess/(Deficiency) of Revenues Over Expenditures

57,118

Due to Student Organization, July 1, 2012

871,034

Due to Student Organizations, June 30, 2013

\$ 928,152

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 FOR FISCAL YEAR ENDED JUNE 30, 2013

<u>Program</u>	<u>Project Grant Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due to SCDE/ Federal</u>
<u>General Fund</u>				
Handicapped transportation	N/A	3131	Excess allocation from state	<u>\$ 6,813</u>
<u>Education Improvement Act</u>				
National board certified (NBC)				
Salary supplement	N/A	3532	Unspent funds	7,442
Teacher supplies	N/A	3577	Unspent funds	<u>400</u>
				<u>7,842</u>
				<u>\$ 14,655</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 DETAILED SCHEDULE OF UNEARNED REVENUE
 FOR FISCAL YEAR ENDED JUNE 30, 2013

Program	Revenue Code	Amount Recorded as Unearned Revenue
<u>Special Revenue - Other Restricted State Grants</u>		
6-8 enhancement	3607	\$ 2,208
K-5 enhancement	3610	27,444
		<u>29,652</u>
<u>Special Revenue - Other Special Revenue Programs</u>		
Fine arts center	1910	19,896
Lowe's grant	1920	13,966
Teacher forum	1920	1,004
Accomodations tax	1999	692
Extended school year	4510	5,349
		<u>40,907</u>
<u>Education Improvement Act</u>		
Formative assessment	3518	987
Career and technology education equipment	3525	30,334
Refurbishment of K-8 science kits	3526	72,063
Students at risk of school failure	3538	488,626
High schools that work/ making middle grades work	3578	4,211
Aid to districts- special education	3585	229,153
School-to-work transition act	3592	1,798
Aid to districts	3597	66,797
		<u>893,969</u>
<u>Food Service</u>		
USDA commodities	4991	61,730
		<u>\$ 1,026,258</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2013

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
01	Duncan Elementary	Elementary School	School	\$ 5,573,715
02	Lyman Elementary	Elementary School	School	4,920,258
03	Reidville Elementary	Elementary School	School	2,611,624
04	Abner Creek Elementary	Elementary School	School	3,743,019
05	Wellford Elementary	Elementary School	School	3,893,800
06	Beech Springs Intermediate	Elementary School	School	4,246,612
07	D.R. Hill Middle School	Middle School	School	4,554,253
08	J.F. Byrnes High School	High School	School	13,073,411
09	Freshman Academy	High School	School	3,992,763
10	Districtwide	Non-School	Central	23,179,025
11	River Ridge Elementary	Elementary School	School	5,143,455
12	Berry Shoals Intermediate School	Elementary School	School	4,376,130
14	Florence Chapel	Middle School	School	4,772,750
	Expenditures directly related to Spartanburg County School District Five			<u>84,080,815</u>
40	Upstate Regional Center for Education Support	Non-School	Central	<u>\$ 11,176</u>
	Expenditures paid on behalf of other school districts			<u>11,176</u>
				<u><u>\$ 84,091,991</u></u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 59,239,051
Special Revenue Fund	5,841,202
EIA Fund	3,745,014
Debt Service Fund	48,643
Debt Service Fund - Educational Facilities Corporation	9,610,481
School Building Fund	43,306
Food Service Fund	3,033,598
Pupil Activity Fund	2,530,696
	<u><u>\$ 84,091,991</u></u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five ("the District") as of and for the year ended June 30, 2013, and the related notes to the financial states, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 9, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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


Spartanburg, South Carolina
October 9, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Spartanburg County School District Five's ("the District's") 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, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Spartanburg County School District Five, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of Spartanburg County School District Five is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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
Spartanburg County School District Five
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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Spartanburg, South Carolina
October 9, 2013

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2013

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Expenditures
<u>U.S. Department of Education</u>				
<u>Pass-through S.C. Department of Education</u>				
201	Title I , Basic State Grant Programs	84.010	12/13BA082	\$ 910,225
221	Title I, Neglected and Delinquent	84.013	12/13ND082	10,991
203	Individuals With Disabilities Education Act (IDEA)	84.027	12/13CA082	1,451,387
807	Extended School Year	84.027	12/13CA082	7,610
205	Preschool Grants (IDEA)	84.173	12/13CG082	57,119
207	CATE (Subprogram 2)	84.048	12/13VA082	475
207	CATE (Subprogram 3)	84.048	12/13VA082	4,581
207	CATE (Subprogram 4)	84.048	12/13VA082	5,119
208	CATE (Subprogram 6)	85.048	12/13VA083	8,003
207	CATE (Subprogram 9)	84.048	12/13VA082	1,142
207	CATE (Subprogram 10)	84.048	12/13VA082	519
207	CATE (Subprogram 11)	84.048	12/13VA082	41,369
264	Language instruction for limited English proficient and immigrant students, Title III	84.365	12/13BP082	62,247
267	Improving Teacher Quality	84.367	12/13TQ082	179,481
Total U.S. Department of Education				<u>2,740,268</u>
<u>U.S. Department of Agriculture</u>				
<u>Pass-through S.C. Department of Education</u>				
600	Healthier US School Challenge	10.574	N/A	6,093
600	USDA Commodities (Food Distribution Program) - Non-cash assistance	10.550	N/A	195,924
600	School Breakfast Program	10.553	N/A	675,888
600	School Lunch and After School Snacks Program	10.555	N/A	2,155,693
Total U.S. Department of Agriculture				<u>3,033,598</u>
Other Federal Assistance				
<u>U.S. Department of Defense</u>				
<u>Direct Program</u>				
277	Air Force ROTC	12.000	SC0H0932	100,265
Total U.S. Department of Defense				<u>100,265</u>
<u>Miscellaneous Federal Grant Award</u>				
<u>Survey Participation</u>				
803	Federal Survey Participation - Byrnes	N/A	N/A	18
Total Miscellaneous Federal Grant Awards				<u>18</u>
Total Federal Financial Assistance				<u>\$ 5,874,149</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

Fiscal year ended June 30, 2012:

None

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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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84.027; 84.173	IDEA 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? yes _____ no

Section II – Current Year Financial Statement Findings

NONE

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

NONE