

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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 FINANCIAL STATEMENTS  
 AND SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

<b><i>FINANCIAL SECTION</i></b>	<u>Exhibit</u>	<u>Page</u>
<b>Independent Auditor's Report</b>		1-2
<b>Management's Discussion and Analysis</b>		3-9
<b>Basic Financial Statements</b>		
Government-Wide Financial Statements		
Statement of Net Position	A	10
Statement of Activities	B	11
Fund Financial Statements		
Balance Sheet - Governmental Funds	C-1	12
Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities	C-2	13
Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds	D-1	14
Reconciliation of Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	15
Statement of Fiduciary Asset and Liabilities - Agency Fund	E	16
Notes to the Basic Financial Statements		17-34
	<u>Schedule</u>	<u>Page</u>
<b>Budgetary Comparison Schedule- General Fund (Required Supplementary Information)</b>	1	35
<b>Combining and Individual Fund Schedules</b>		
<b>General Fund</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Final Budget and Actual	2	36-43
<b>Special Revenue Fund – Special Projects</b>		
Combining Balance Sheet	3-1	44
Schedule of Revenues, Expenditures and Changes in Fund Balance	3-2	45-52
Note to Special Revenue Fund- Supplemental Listing of LEA Subfund Codes and Titles	3-3	53
Note to Special Revenue Fund- Summary Schedule for Designated State Restricted Grants	3-4	54
<b>Special Revenue Fund – Education Improvement Act</b>		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	4-1	55-58
Summary Schedule By Program	4-2	59
<b>Special Revenue Fund - Food Service</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	5	60-61

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 FINANCIAL STATEMENTS  
 AND SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS - CONTINUED

**Combining and Individual Fund Schedules- Continued**

	<u>Schedule</u>	<u>Page</u>
<b>Debt Service Fund</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	6	62
<b>Debt Service Fund – Educational Facilities Corporation</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	7	63
<b>Capital Projects Fund</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	8	64
<b>Capital Projects Fund – Educational Facilities Corporation</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance	9	65
<b>Pupil Activity Fund</b>		
Schedule of Receipts and Disbursements and Changes in Due to Student Organizations	10	66
<b>Other Schedules</b>		
Detailed Schedule of Due to SC Department of Education/Federal Government	11	67
Location Reconciliation Schedule	12	68
 <b>COMPLIANCE SECTION</b>		
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 <i>Government Auditing Standards</i>		69
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133		70-71
Schedule of Expenditures of Federal Awards	13	72
Note to Schedule of Expenditures of Federal Awards		73
Summary Schedule of Prior Audit Findings	14	74
Schedule of Findings and Questioned Costs	15	75



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

INDEPENDENT AUDITOR'S 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, Duncan, South Carolina as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Spartanburg County School District Five's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, Duncan, South Carolina as of June 30, 2014, 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

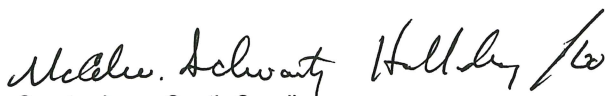
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spartanburg County School District Five's basic financial statements. The combining and individual fund financial schedules and other schedules 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 6, 2014 on our consideration of Spartanburg County School District Five, Duncan, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spartanburg County School District Five's internal control over financial reporting and compliance.

  
Melissa Schwartz  
Spartanburg, South Carolina  
October 6, 2014

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014

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, 2014.

**Financial Highlights**

- Due to conservative budgeting, the General Fund state revenue received was \$676,815 more than budgeted.
- The revenue from local sources had a favorable variance of \$2,500,898. This favorable variance was due to an increase in fee-in-lieu of taxes and increased collections.
- The District had a favorable expenditure variance of \$1,264,694 mainly due to conservative budgeting of fringe benefits and not having to utilize four contingency positions.
- The District was able to transfer \$4,351,189 from the General Fund to the Capital Projects Fund without reducing the General Fund fund balance.
- On June 30, 2014, the available, unassigned fund balance for the General Fund was \$16,705,470 which is 24.1% of the total budgeted General Fund expenditures, including transfers, for fiscal year 2014-15.
- The District's net position increased by \$6,736,591 or 7.7%. Program revenues accounted for \$35,226,264 or 42.0% of total revenues, and general revenues accounted for \$48,718,763 or 58.0%.
- On October 10, 2013 the District issued \$66,000,000 of Installment Refunding Revenue Bonds Series 2013 in order to advance refund the \$79,000,000 Installment Purchase Revenue Bonds issued December 14, 2005, with an outstanding balance of \$68,455,000 prior to refunding. The proceeds from the sale of the investments held for the 2005 Installment Bonds, combined with the proceeds of the new 2013 Installment Refunding Revenue Bonds, were placed into an escrow account to continue paying the remainder of the 2005 Installment Bonds. As a result of the advanced refunding, the District reduced its total debt service requirements by \$3,460,667, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,987,305. In addition, the debt service reserve of \$7,900,000, which was previously required by the 2005 Installment Bonds, was eliminated and placed in escrow towards the defeasance of the 2013 Installment Purchase Revenue Bonds. This reduced investments and the fund balance of the Debt Service – Educational Facilities Corporation.

**Using the Basic Financial Statements**

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

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

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014

**Reporting the District as a Whole**

*The Statement of Net Position and Statement of Activities*

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

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

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

*Fund Financial Statements*

The 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, 2014

**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 \$93,881,946 at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net position for FYE 2014 and 2013:

	Governmental Activities 2014	Governmental Activities 2013 *
<b>Assets:</b>		
Current and Other Assets	\$ 35,280,471	\$ 40,680,771
Capital Assets	118,311,250	121,913,874
<b>Total Assets</b>	<b>153,591,721</b>	<b>162,594,645</b>
<b>Deferred Outflows of Resources</b>		
Loss on advanced refunding	3,657,316	-
<b>Total Deferred Outflows of Resources</b>	<b>3,657,316</b>	<b>-</b>
<b>Liabilities:</b>		
Long- Term Liabilities	59,135,000	70,040,630
Other Liabilities	3,101,173	5,408,660
<b>Total Liabilities</b>	<b>62,236,173</b>	<b>75,449,290</b>
<b>Deferred Inflows of Resources</b>		
Revenues Received in Advance	1,130,918	-
<b>Total Deferred Inflows of Resources</b>	<b>1,130,918</b>	<b>-</b>
<b>Net Position</b>		
Net Investment in Capital Assets	65,057,025	62,024,292
Restricted for:		
Debt Service	1,771,328	1,599,144
School Building Projects	9,165,517	5,956,715
Unrestricted	17,888,076	17,565,204
<b>Total Net Position</b>	<b>\$ 93,881,946</b>	<b>\$ 87,145,355</b>

\* as restated

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014

**Government-wide Financial Analysis - Continued**

Table 2 shows the changes in net position for fiscal year 2014 and 2013:

	Governmental Activities 2014	Governmental Activities 2013
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 1,110,363	\$ 1,200,012
Operating Grants	34,115,901	34,779,387
General Revenues:		
Property Taxes	35,095,802	33,004,428
Grants and Entitlements	12,318,440	12,071,745
Other	1,304,521	818,652
<b>Total Revenues</b>	<b>83,945,027</b>	<b>81,874,224</b>
 <b>Program Expenses:</b>		
Instruction	48,140,881	48,738,216
Support Services	25,698,956	24,909,692
Community Services	270,285	955,245
Intergovernmental	374,707	980,857
Interest and Fiscal Charges	2,723,607	3,520,274
<b>Total Expenses</b>	<b>77,208,436</b>	<b>79,104,284</b>
Increase (Decrease) in Net Position	<b>\$ 6,736,591</b>	<b>\$ 2,769,940</b>

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 12) reported a combined fund balance of \$30,860,574, which is less than last year's total of \$35,409,340.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2014 and 2013.

	<b>Fund Balance Comparison</b>		
	Fund Balance June 30, 2014	Fund Balance June 30, 2013	Increase (Decrease)
General	\$ 16,705,470	\$ 16,705,470	\$ -
Special Revenue -			
Food Service	994,800	996,963	(2,163)
Debt Service	1,771,328	1,599,144	172,184
Debt Service - EFC	2,223,459	10,151,048	(7,927,589)
Capital Projects	9,158,731	5,944,807	3,213,924
Capital Projects - EFC	6,786	11,908	(5,122)
<b>Total</b>	<b>\$ 30,860,574</b>	<b>\$ 35,409,340</b>	<b>\$ (4,548,766)</b>

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

	<b>General Fund Expenditures By Objects</b>			
	Fiscal Year 2014		Fiscal Year 2013	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 37,186,416	63.2%	\$ 36,600,989	61.8%
Fringe Benefits	12,923,093	22.0%	12,099,924	20.4%
Purchased Services	4,292,438	7.3%	3,896,898	6.6%
Supplies and Materials	3,249,692	5.5%	2,852,500	4.8%
Capital Outlay	830,461	1.4%	2,787,566	4.7%
Miscellaneous	378,902	0.6%	1,001,174	1.7%
<b>Total</b>	<b>\$ 58,861,002</b>	<b>100.0%</b>	<b>\$ 59,239,051</b>	<b>100.0%</b>

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



Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2014

**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 \$2,500,898. This favorable variance was largely a result of an increase in fee-in-lieu of taxes and increased collections.

The revenue from state sources had a favorable variance of \$676,815. This favorable variance was largely a result of a conservative budget approach in budgeting state revenue.

The District had a favorable expenditure variance in expenditures in the amount of \$1,264,694. The favorable expenditure variance was mainly due to conservative budgeting of fringe benefits and not having to utilize four contingency positions.

The District was also able to transfer \$4,351,189 from the General Fund to the Capital Projects Fund without reducing the General Fund fund balance.

**Capital Assets**

Renovations were completed at Wellford Academy and Duncan Elementary to enhance the security at those two schools.

**Debt**

On October 10, 2013, the District issued \$66,000,000 of Installment Refunding Revenue Bonds Series 2013 in order to advance refund the \$79,000,000 Installment Purchase revenue Bonds issued December 14, 2005. The proceeds from the sale of the investments held for the 2005 Installment Bonds, combined with the proceeds of the new 2013 Installment Refunding Revenue Bonds, were placed into an escrow account to continue paying the remainder of the 2005 Installment Bonds. As a result of the advanced refunding, the District reduced its total debt service requirements by \$3,460,667, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,987,305.

Of the \$66,000,000 Installment Refunding Revenue Bonds issued, \$59,135,000 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, 2014

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

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

**Number of Students Served K-12**

School Year	Number of Students	Number Increased	Percentage Increased
95-96	4,615		
96-97	4,801	186	4.0%
97-98	5,005	204	4.4%
98-99	5,195	190	3.8%
99-00	5,351	156	3.0%
00-01	5,487	136	2.5%
01-02	5,755	268	4.9%
02-03	5,858	103	1.8%
03-04	6,060	202	3.4%
04-05	6,291	231	3.8%
05-06	6,540	249	4.0%
06-07	6,806	266	4.1%
07-08	6,975	169	2.5%
08-09	7,336	361	5.2%
09-10	7,428	92	1.3%
10-11	7,321	(107)	-1.4%
11-12	7,397	76	1.0%
12-13	7,538	141	1.9%
13-14	7,692	154	2.0%
Eighteen Year Increase		3,077	66.7%

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, 2014

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,120,110
Taxes receivable	2,990,077
Less allowance for uncollectable	(2,093,054)
Accounts receivable	104,118
Due from county government	25,788,014
Due from other state agencies	900,302
Due from State Department of Education	530,739
Due from federal government	1,856,762
Commodities	83,403
Capital Assets:	
Land	6,150,758
Buildings and improvements	161,573,745
Furniture and equipment	3,942,271
Less: Accumulated depreciation	(53,355,524)
<b>Total Assets</b>	<b>153,591,721</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on advanced refunding	3,657,316
<b>Total Deferred Outflows of Resources</b>	<b>3,657,316</b>
<b>LIABILITIES</b>	
Accounts payable	2,111,219
Due to State Department of Education	2,116
Due to other organizations	267,761
Health and life insurance and other deductions	474,299
Accrued salaries	63,978
Accrued interest payable	98,397
Unearned revenues	83,403
Noncurrent liabilities:	
Due within one year	7,905,000
Due in more than one year	51,230,000
<b>Total Liabilities</b>	<b>62,236,173</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Revenues received in advance	1,130,918
<b>Total Deferred Inflows of Resources</b>	<b>1,130,918</b>
<b>NET POSITION</b>	
Net investment in capital assets	65,057,025
Restricted for:	
Debt service	1,771,328
School building	9,165,517
Unrestricted	17,888,076
<b>Total Net Position</b>	<b>\$ 93,881,946</b>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
Instruction	\$ 48,140,881	\$ 25,432	\$ 27,238,210	\$ (20,877,239)
Support services	25,698,956	1,084,931	6,592,160	(18,021,865)
Community services	270,285	-	226,311	(43,974)
Intergovernmental	374,707	-	59,220	(315,487)
Interest and other charges	2,723,607	-	-	(2,723,607)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>77,208,436</b>	<b>1,110,363</b>	<b>34,115,901</b>	<b>(41,982,172)</b>
<b>GENERAL REVENUES:</b>				
Property taxes levied for general purposes				31,399,076
Property taxes levied for debt service				3,696,726
Unrestricted state grants				12,318,440
Rentals				350
Sale of fixed assets				12,168
Premium on bonds sold				14,019
Transfers				254,285
Miscellaneous				143,945
Contributions				475
Unrestricted investment earnings				879,279
Total general revenues				48,718,763
CHANGE IN NET POSITION				6,736,591
NET POSITION - JULY 1, 2013 *				87,145,355
NET POSITION - JUNE 30, 2014				\$ 93,881,946

\* as restated

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	General	Special Revenue Fund - Special Projects	Special Revenue Fund - EIA	Special Revenue Fund - Service	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Capital Projects - Educational Facilities Corporation	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 5,096,362	\$ -	\$ -	\$ -	\$ -	\$ 23,748	\$ -	\$ -	\$ 5,120,110
Taxes receivable	560,047	-	-	-	50,773	-	-	-	610,820
Accounts receivable	77,893	-	-	26,225	-	-	-	-	104,118
Due from other funds	1,848,795	50,283	1,038,365	960,727	-	2,199,711	4,388,783	6,786	10,493,450
Due from county government	18,582,269	-	-	-	2,316,006	-	4,889,739	-	25,788,014
Due from other state agencies	900,302	-	-	-	-	-	-	-	900,302
Due from State Department of Education	530,204	257	-	278	-	-	-	-	530,739
Due from federal government	-	1,849,192	-	7,570	-	-	-	-	1,856,762
Inventory - commodities	-	-	-	83,403	-	-	-	-	83,403
<b>Total Assets</b>	<b>\$ 27,595,872</b>	<b>\$ 1,899,732</b>	<b>\$ 1,038,365</b>	<b>\$ 1,078,203</b>	<b>\$ 2,366,779</b>	<b>\$ 2,223,459</b>	<b>\$ 9,278,522</b>	<b>\$ 6,786</b>	<b>\$ 45,487,718</b>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE**

<b>Liabilities:</b>									
Accounts payable	\$ 1,991,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,791	\$ -	\$ 2,111,219
Due to other funds	8,360,697	1,805,063	-	-	595,451	-	-	-	10,761,211
Due to State Department of Education	-	-	2,116	-	-	-	-	-	2,116
Health and life insurance and other deductions	474,299	-	-	-	-	-	-	-	474,299
Accrued salaries	63,978	-	-	-	-	-	-	-	63,978
Unearned revenue	-	-	-	83,403	-	-	-	-	83,403
<b>Total Liabilities</b>	<b>10,890,402</b>	<b>1,805,063</b>	<b>2,116</b>	<b>83,403</b>	<b>595,451</b>	<b>-</b>	<b>119,791</b>	<b>-</b>	<b>13,496,226</b>
<b>Deferred inflows of resources:</b>									
Revenues received in advance	\$ -	\$ 94,669	1,036,249	-	\$ -	\$ -	\$ -	\$ -	\$ 1,130,918
<b>Fund balances:</b>									
Restricted:									
Special revenue fund - food service	-	-	-	994,800	-	-	-	-	994,800
Debt service	-	-	-	-	1,771,328	2,223,459	-	-	3,994,787
Committed:									
Capital projects fund	-	-	-	-	-	-	9,158,731	6,786	9,165,517
Unassigned:									
General fund	16,705,470	-	-	-	-	-	-	-	16,705,470
<b>Total fund balances</b>	<b>16,705,470</b>	<b>-</b>	<b>-</b>	<b>994,800</b>	<b>1,771,328</b>	<b>2,223,459</b>	<b>9,158,731</b>	<b>6,786</b>	<b>30,860,574</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 27,595,872</b>	<b>\$ 1,899,732</b>	<b>\$ 1,038,365</b>	<b>\$ 1,078,203</b>	<b>\$ 2,366,779</b>	<b>\$ 2,223,459</b>	<b>\$ 9,278,522</b>	<b>\$ 6,786</b>	<b>\$ 45,487,718</b>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014

<b>Total Governmental Fund Balances</b>		<b>\$ 30,860,574</b>
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.		118,311,250
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Loss on advanced refunding	3,657,316	
Taxes receivable	286,203	3,943,519
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(98,397)	
Bonds payable	(59,135,000)	(59,233,397)
<b>Net position of governmental activities</b>		<b><u>\$ 93,881,946</u></b>

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund - Special Projects	Special Revenue Fund - EIA	Special Revenue Fund - Food Service	Debt Service Fund	Debt Service - Educational Facilities Corporation	Capital Projects Fund	Capital Projects - Educational Facilities Corporation	Total Governmental Funds
<b>REVENUES</b>									
Local property taxes	\$ 31,793,146	-	-	-	\$ 3,696,726	\$ -	\$ -	\$ -	\$ 35,489,872
Other local	127,886	247,531	-	879,718	3,792	875,283	204	-	2,134,414
Total local	31,921,032	247,531	-	879,718	3,700,518	875,283	204	-	37,624,286
State	34,736,626	636,120	4,948,748	278	160,434	-	-	-	40,482,206
Federal	-	3,284,279	-	2,481,975	-	-	-	-	5,766,254
Intergovernmental	185,880	-	-	-	-	-	-	-	185,880
Total Revenue	66,843,538	4,167,930	4,948,748	3,361,971	3,860,952	875,283	204	-	84,058,626
<b>EXPENDITURES</b>									
Current:									
Instruction	38,768,295	3,353,656	3,169,041	-	-	-	-	-	45,290,992
Supporting services	19,806,722	730,498	297,459	3,007,134	-	-	-	5,122	23,846,935
Community service	-	254,284	-	-	-	-	-	-	254,284
Intergovernmental	285,985	66,540	-	-	-	-	-	-	352,525
Debt Service	-	-	-	-	-	15,433,726	-	-	15,433,726
Principal	-	-	-	-	16,719	2,532,985	-	-	2,549,704
Interest	-	-	-	-	16,068	526,773	-	-	542,841
Other objects	-	-	-	-	-	-	1,137,469	-	1,137,469
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	58,861,002	4,404,978	3,466,500	3,007,134	32,787	18,493,484	1,137,469	5,122	89,408,476
Excess (deficiency) of revenues over expenditures	7,982,536	(237,048)	1,482,248	354,837	3,828,165	(17,618,201)	(1,137,265)	(5,122)	(5,349,850)
<b>OTHER FINANCING SOURCES (USES)</b>									
Premium on Bonds Sold	-	-	-	-	14,019	-	-	-	14,019
Proceeds of Refunding Debt	-	-	-	-	-	66,000,000	-	-	66,000,000
Sale of fixed assets	12,168	-	-	-	-	-	-	-	12,168
Payments to Refunded Debt Escrow Agent	-	-	-	-	-	(65,479,388)	-	-	(65,479,388)
Operating transfers in	1,856,485	254,285	-	-	-	9,170,000	4,351,189	-	15,631,959
Operating transfers out	(9,851,189)	(17,237)	(1,482,248)	(357,000)	(3,670,000)	-	-	-	(15,377,674)
Total Other Financing Sources (Uses)	(7,982,536)	237,048	(1,482,248)	(357,000)	(3,655,981)	9,690,612	4,351,189	-	801,084
Total net change in fund balances	-	-	-	(2,163)	172,184	(7,927,589)	3,213,924	(5,122)	(4,548,766)
Fund Balance June 30, 2013	16,705,470	-	-	996,963	1,599,144	10,151,048	5,944,807	11,908	35,409,340
Fund Balance June 30, 2014	\$ 16,705,470	\$ -	\$ -	\$ 994,800	\$ 1,771,328	\$ 2,223,459	\$ 9,158,731	\$ 6,786	\$ 30,860,574

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, 2014

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ (4,548,766)</b>
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.	6,865,000
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.	719,105
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the term of the long-term debt in the statement of activities:	
Payment to escrow agent - other funding sources	8,568,726
Payment to escrow agent - bond proceeds	65,479,388
Amortized loss on advanced refunding	(350,168)
Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long- term liabilities in the statement of net position.	(66,000,000)
Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	(3,602,624)
Revenues reported on the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.	<u>(394,070)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 6,736,591</u></u></b>

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, 2014

**ASSETS**

Cash and cash equivalents	\$ 1,264,240
Investments	298,166
Accounts receivable	90,637
Due from other funds	<u>267,761</u>
Total Assets	<u><u>\$ 1,920,804</u></u>

**LIABILITIES**

Due to student organizations	\$ 866,080
Revenues received in advance/ deferred revenue	<u>1,054,724</u>
Total liabilities	<u><u>\$ 1,920,804</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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**A. Reporting Entity**

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

For financial reporting purposes, the District includes all funds and account groups that are controlled by or financially dependent upon the District. Control or financial dependence was determined on the basis of obligation of the District to finance deficits, guarantee of debt, selection of governing authority, approval of budget, authority to make a public levy, ownership of assets, and scope of public service and special financing relationships where there was only partial or no oversight responsibility. These financial statements exclude the related organization discussed in Note 12 because the District does not significantly influence operations of the organization nor is the related organization accountable to the District for its fiscal operations. The component 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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**C. Basic Financial Statements – Fund Financial Statements**

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

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

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, 2014

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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.

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, 2014.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

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 2013 tax levy was assessed at \$192,556,685. In addition the District billed fees in lieu of taxes on assessed values of \$34,266,678.

The District's operating tax rate is currently 184.8 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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**K. Capital Assets and Depreciation**

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

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

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

**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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**O. Government Fund Balance Classifications – Continued**

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or by an official or other body to which the Board delegates authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

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

**Spending Policy**

The District would typically use restricted fund balances first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

**Minimum Unassigned Fund Balance**

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

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.



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**R. Estimates**

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

**S. Risk Management**

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

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

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

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, 2014, the District's cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 6,384,350	\$ 6,376,111

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS - CONTINUED

**Cash – Continued**

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	\$	5,120,110	
Statement of Fiduciary Net Position			
Cash and Cash Equivalents		1,264,240	
Cash and Cash Equivalents	\$	6,384,350	

**Investments**

As of June 30, 2014, the Middle Tyger Community Center (Agency Fund) has the following investments:

Investment Type	Fair Value	Maturity	Rating
Spartanburg County Foundation	287,709	N/A	N/A
Edward Jones Investment	10,457	Daily	AAA <sub>m</sub>
Total Investments	\$ 298,166		

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	Balance 6/30/13	Additions	Deductions	Transfers	Balance 6/30/14
<b>Governmental Activities</b>					
Capital Asset, not Being Depreciated					
Land	\$ 6,150,758	\$ -	\$ -	\$ -	\$ 6,150,758
Construction in progress	51,517	97,150	-	(148,667)	-
Total Capital Asset, not Being Depreciated	6,202,275	97,150	-	(148,667)	6,150,758
Capital Assets, Being Depreciated					
Buildings and improvements	160,985,612	439,466	-	148,667	161,573,745
Furniture and equipment	3,692,428	249,843	-	-	3,942,271
Total Capital Assets, Being Depreciated	164,678,040	689,309	-	148,667	165,516,016
Less Accumulated Depreciation					
Buildings and improvements	46,723,548	3,955,764	-	-	50,679,312
Furniture and equipment	2,242,893	433,319	-	-	2,676,212
Total Accumulated Depreciation	48,966,441	4,389,083	-	-	53,355,524
Capital Assets, Being Depreciated, Net	115,711,599	(3,699,774)	-	148,667	112,160,492
Governmental Activities Capital Assets, Net	<u>\$ 121,913,874</u>	<u>\$ (3,602,624)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,311,250</u>

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

Instructional	\$2,849,889
Supporting services	1,501,011
Community service	16,001
Intergovernmental	22,182
Total Depreciation Expense	<u>\$4,389,083</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, 2014:

	Beginning Balance	Additions	Payments	Ending Balance
SCAGO GO Series 2013D	<u>\$ -</u>	<u>\$ 3,670,000</u>	<u>\$ 3,670,000</u>	<u>\$ -</u>

On September 19, 2013 the District issued \$3,670,000 in SCAGO GO Bonds, Series 2013D 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 \$16,719.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of general obligation transactions of the District for the fiscal year ended June 30, 2014:

	Amount Outstanding June 30, 2013	Additions	Deductions	Amount Outstanding June 30, 2014	Amounts Due in One Year
Installment Revenue Bonds	\$ 68,455,000	\$ -	\$ 68,455,000	\$ -	\$ -
Installment Purchase Refunding Revenue Bonds 2013	-	66,000,000	6,865,000	59,135,000	7,905,000
	68,455,000	66,000,000	75,320,000	59,135,000	7,905,000
Less unamortized discounts on bonds	(15,570)	-	(1,868)	(13,702)	-
Plus unamortized issuance premium	1,601,200	-	192,144	1,409,056	-
	<u>\$ 70,040,630</u>	<u>\$ 66,000,000</u>	<u>\$ 75,510,276</u>	<u>\$ 60,530,354</u>	<u>\$ 7,905,000</u>

Long-term debt at June 30, 2014 is comprised of the following individual issues:

	Revenue Bond	Total
\$66,000,000 2013 Installment Purchase Refunding Revenue Bonds with principal due in annual installments of \$4,565,000 to \$9,070,000 through June 2022; interest at a rate of 2.030%.	<u>\$ 59,135,000</u>	<u>\$ 59,135,000</u>
	<u>\$ 59,135,000</u>	<u>\$ 59,135,000</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30	Refunding Revenue Bonds		Total
	Principal	Interest	
2014	\$ 7,905,000	\$ 1,200,440	\$ 9,105,440
2015	4,565,000	1,039,969	5,604,969
2016	7,220,000	947,300	8,167,300
2017	7,365,000	800,734	8,165,734
2018	7,515,000	651,224	8,166,224
2019-2022	24,565,000	1,025,759	25,590,759
	<u>\$ 59,135,000</u>	<u>\$ 5,665,426</u>	<u>\$ 64,800,426</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 5 – LONG-TERM OBLIGATIONS – CONTINUED

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, 2014 the District had an arbitrage liability of \$119,791.

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

The SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to a School Facilities Purchase and Use Agreement and evidence proportionate interests of the owners in certain rental payments to be made by the District under the terms of a Base Lease Agreement between the District and the Corporation dated 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, 2014, the investments were sold, resulting in a \$485,000 gain on the sale of investments.

On October 10, 2013, the District issued \$66,000,000 of Installment Refunding Revenue Bonds Series 2013 in order to advance refund the \$79,000,000 Installment Purchase Revenue Bonds issued December 14, 2005. The proceeds from the sale of the investments held for the 2005 Installment Bonds, combined with the proceeds of the new 2013 Installment Refunding Revenue Bonds, was placed into an escrow account to continue paying the remainder of the 2005 Installment Bonds.

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 6 – DEFEASED DEBT

On October 10, 2013, the District issued \$66,000,000 of Installment Purchase Refunding Revenue Bonds, Series 2013 with an interest rate of 2.03% to advance refund the 2005 Installment Purchase Revenue Bonds with an interest rate of 3.875% to 4.62% and a total outstanding indebtedness of \$68,455,000. The 2005 Installment Purchase Revenue Bonds mature on April 1, 2022, and are callable on October 1, 2015. The Installment Purchase Refunding Revenue Bonds, Series 2013, were issued at par and, after paying issuance costs of \$520,612, the net proceeds were \$65,479,388. The net proceeds from the issuance of the Installment Purchase Refunding Revenue Bonds, Series 2013, were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2005 Installment Purchase Revenue Bonds are called on October 1, 2015. The advance refunding met the requirements of an in-substance defeasance and the refunded bonds were removed from the District's Statement of Net Position.

As a result of the advanced refunding, the District reduced its total debt service requirements by \$3,460,667, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,987,305.

NOTE 7 - RETIREMENT PLANS

**South Carolina Retirement System Plans**

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

**Funding and Benefit Policies** – SCRS and PORS members are required to contribute 7.50% of their annual covered salaries, and the District is required to contribute at an actuarially determined rate. For the year ended June 30, 2014, these rates were 10.45% and 12.44%. 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 4.92% of covered payroll was added to the contribution rate to State and Public school entities covered by the State Health Insurance Program.

This assessment is for the purpose of providing retiree health insurance coverage and is not a part of the actuarially established contribution rates.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 7 - RETIREMENT PLANS – CONTINUED

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
2014	\$ 2,645,062	7.50%	\$ 5,473,514	15.520%	8,118,576
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

Year Ended June 30,	PORS				
	Employee Contributions	Percentage of Covered Payroll	Employer Contributions	Percentage of Covered Payroll	Total Contributions
2014	\$ 6,437	7.84%	\$ 14,588	17.360%	21,025
2013	7,083	7.00%	17,049	16.850%	24,132
2012	9,652	6.50%	23,853	16.063%	33,505

**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 4.92% 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, 2014, the employee and employer contributions to the State ORP were \$561,248 and \$1,161,410, respectively.

NOTE 8 - POST RETIREMENT BENEFITS

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 9 - DEFERRED COMPENSATION PLANS

Several optional deferred compensation plans are available to the District's employees. The multiple-employer plans, created under Internal Revenue Code Sections 457 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 10 - INTERFUND TRANSACTIONS

**Interfund Receivables and Payables**

Interfund balances for the year ended June 30, 2014 consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,848,795	\$ 8,360,697
Special Revenue Fund - Special Projects	50,283	1,805,063
Special Revenue Fund -EIA Fund	1,038,365	-
Special Revenue Fund - Food Service	960,727	-
Agency Fund	267,761	-
Debt Service	-	595,451
Debt Service - EFC	2,199,711	-
Capital Projects	4,388,783	-
Capital Projects - EFC	6,786	-
	\$ 10,761,211	\$ 10,761,211

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, 2014, consisted of the following:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund - EFC	\$ 5,500,000
General Fund	Capital Projects Fund	4,351,189
Special Revenue Fund - Special Projects	General Fund	17,237
Special Revenue Fund - EIA	General Fund	1,482,248
Food Service Fund	General Fund	357,000
Debt Service Fund	Debt Service Fund - EFC	3,670,000
Pupil Activity Funds	Special Revenue Funds - Special Projects	254,285
		\$ 15,631,959



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 10 - INTERFUND TRANSACTIONS

**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.

For the year ended June 30, 2014, the District transferred \$5,500,000 from the General Fund to Debt Service - EFC to cover loan payments.

NOTE 11 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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

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

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

NOTE 12 - RELATED ORGANIZATION

These financial statements exclude R.D. Anderson Applied Technology Center, Moore, South Carolina. The Center serves the high schools in Spartanburg County School Districts Four, Five and Six. Two members of District Five's Board of Trustees serve as board members of the Center. Also, the superintendent of District Five is an ex-officio non-voting member of the R.D. Anderson Applied Technology Center. District Five remits a portion of their Education Finance Act monies to the Center to cover the educational costs of the District's students attending the Center and a portion of the Property Tax Relief Act Tier 3. For the year ended June 30, 2014, these amounts were \$324,789 and \$260,510 respectively and were recorded as General Fund expenditures.

NOTE 13 – CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) No. 65, *Items Previously Reported as Assets and Liabilities*. GASB No. 65 established accounting and financial reporting standards that reclassify, as deferred outflows of resource or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Additionally, GASB No. 65 limits the use of the term "deferred" to items reported as deferred outflows of resources or deferred inflows of resources.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2014

NOTE 14 – RESTATEMENT OF BEGINNING NET POSITION

Accounting changes, as described in the previous note, are to be applied retroactively by restating financial statements for all periods presented. The impact to the District of implementing GASB No. 65 was removing bond costs previously being amortized over the life of the debt. Under GASB No. 65, these costs are now expensed as incurred. The following summarizes the effect of restating the financial statements due to implementing GASB No. 65:

	Governmental Activities
Net position at beginning of year, as previously reported	\$ 88,209,048
Decrease due to GASB 65 expense of bond issuance costs	(1,063,693)
Net position at beginning of year, as restated	\$ 87,145,355

NOTE 15 - SUBSEQUENT EVENT

On September 17, 2014 the District issued \$3,665,000 in short-term General Obligation Bonds maturing in March 2015. The bond yield is .08% at a price of 100.536%.

Management has evaluated subsequent events through October 6, 2014, 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, 2014

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUE</b>				
Local	\$ 29,420,134	\$ 29,420,134	\$ 31,921,032	\$ 2,500,898
Intergovernmental	153,132	153,132	185,880	32,748
State	34,059,811	34,059,811	34,736,626	676,815
Total Revenue	<u>63,633,077</u>	<u>63,633,077</u>	<u>66,843,538</u>	<u>3,210,461</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	39,925,641	39,915,666	38,768,295	1,147,371
Supporting Services	19,871,395	19,881,370	19,806,722	74,648
Intergovernmental Expenditures	328,660	328,660	285,985	42,675
Total Expenditures	<u>60,125,696</u>	<u>60,125,696</u>	<u>58,861,002</u>	<u>1,264,694</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,507,381</u>	<u>3,507,381</u>	<u>7,982,536</u>	<u>4,475,155</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	1,533,843	1,533,843	1,868,653	334,810
Operating Transfers Out	<u>(5,500,000)</u>	<u>(5,500,000)</u>	<u>(9,851,189)</u>	<u>(4,351,189)</u>
Net Change in Fund Balance	<u>\$ (458,776)</u>	<u>\$ (458,776)</u>	-	<u>\$ 458,776</u>
<b>FUND BALANCE JULY 1, 2013</b>			<u>16,705,470</u>	
<b>FUND BALANCE JUNE 30, 2014</b>			<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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
1000 Revenue From Local Sources			
1100 Taxes			
1110 Ad Valorem taxes	\$ 22,001,430	\$ 23,552,453	\$ 1,551,023
1190 Other taxes	1,399,236	1,487,660	88,424
1200 Revenue from Local Governmental Units other than LEA's			
1280 Revenue in lieu of taxes	5,994,468	6,753,033	758,565
1300 Tuition			
1310 From patrons for regular day school	-	25,432	25,432
1500 Earnings on Investments			
1510 Interest on investments	25,000	-	(25,000)
1900 Other Revenue from Local Sources			
1910 Rentals	-	350	350
1920 Contributions	-	475	475
1999 Revenue from other local sources	-	101,629	101,629
Total Local Sources	<u>29,420,134</u>	<u>31,921,032</u>	<u>2,500,898</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	<u>153,132</u>	<u>185,880</u>	<u>32,748</u>
Total Intergovernmental Revenues	<u>153,132</u>	<u>185,880</u>	<u>32,748</u>
3000 Revenue from State Sources			
3130 Special Programs			
3131 Handicapped transportation	-	15,207	15,207
3160 School Bus Driver's Salary			
3162 Transportation workers' compensation	191,244	240,807	49,563
	19,858	20,419	561
3180 Fringe Benefits Employer Contributions	6,213,979	6,307,731	93,752
3181 Retiree Insurance	1,362,486	1,506,445	143,959

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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
3199 Other Restricted State Grants	-	627	627
3300 Education Finance Act			
3310 Full-time Programs			
3311 Kindergarten	1,103,459	1,096,511	(6,948)
3312 Primary	2,958,956	3,068,903	109,947
3313 Elementary	3,935,265	3,973,127	37,862
3314 High school	2,323,820	2,476,623	152,803
3315 Trainable mentally handicapped	28,785	23,615	(5,170)
3316 Speech handicapped (part-time program)	471,780	592,936	121,156
3317 Homebound	56,858	52,852	(4,006)
3320 Part-Time Programs			
3321 Emotionally handicapped	143,527	161,660	18,133
3322 Educable mentally handicapped	36,645	42,895	6,250
3323 Learning disabilities	1,176,173	1,163,812	(12,361)
3324 Hearing handicapped	32,390	38,318	5,928
3325 Visually handicapped	3,874	17,835	13,961
3326 Orthopedically handicapped	21,774	27,572	5,798
3327 Vocational	1,449,629	1,407,812	(41,817)
3330 Other EFA Programs			
3331 Autism	284,997	342,913	57,916
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	8,949,648	8,954,985	5,337
3830 Merchant's inventory tax	78,607	78,608	1
3840 Manufacturers depreciation reimbursement	475,000	414,431	(60,569)
3890 Other state property tax revenues	91,000	59,925	(31,075)
Total State Sources	<u>34,059,811</u>	<u>34,736,626</u>	<u>676,815</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<u>63,633,077</u>	<u>66,843,538</u>	<u>3,210,461</u>
<b>EXPENDITURES</b>			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	2,034,735	2,055,522	(20,787)
200 Employee benefits	834,267	760,424	73,843
400 Supplies and materials	50,533	54,947	(4,414)
500 Capital outlay	34,180	29,960	4,220

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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
112 Primary Programs			
100 Salaries	5,988,225	6,035,653	(47,428)
200 Employee benefits	2,200,773	2,080,841	119,932
300 Purchased services	79,579	73,723	5,856
400 Supplies and materials	143,602	138,383	5,219
500 Capital outlay	1,700	-	1,700
600 Other objects	3,700	3,900	(200)
113 Elementary Programs			
100 Salaries	9,115,593	8,663,422	452,171
200 Employee benefits	3,305,954	3,126,593	179,361
300 Purchased services	345,572	499,305	(153,733)
400 Supplies and materials	318,672	321,497	(2,825)
500 Capital outlay	686,661	477,143	209,518
600 Other objects	8,600	7,693	907
114 High School Programs			
100 Salaries	6,316,023	6,151,374	164,649
200 Employee benefits	2,221,093	2,046,767	174,326
300 Purchased services	522,520	500,948	21,572
400 Supplies and materials	250,776	221,879	28,897
500 Capital outlay	70,234	68,833	1,401
600 Other objects	3,994	4,410	(416)
115 Career and Technology Education Programs			
100 Salaries	512,548	516,909	(4,361)
200 Employee benefits	184,728	185,871	(1,143)
300 Purchased services	3,988	5,603	(1,615)
370 Purchased services - tuition	580,734	585,299	(4,565)
400 Supplies and materials	19,086	17,530	1,556
500 Capital outlay	7,787	7,679	108
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	326,326	327,503	(1,177)
200 Employee benefits	119,733	114,779	4,954
300 Purchased services	1,100	157	943
400 Supplies and materials	3,543	3,416	127
122 Trainable Mentally Handicapped			
100 Salaries	138,141	137,487	654
200 Employee benefits	57,633	55,196	2,437
300 Purchased services	26,200	15,455	10,745
123 Orthopedically Handicapped			
100 Salaries	25,504	30,389	(4,885)
200 Employee benefits	11,217	15,744	(4,527)
400 Supplies and materials	517	517	-

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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
124 Visually Handicapped			
300 Purchased services	6,000	-	6,000
125 Hearing Handicapped			
100 Salaries	26,161	-	26,161
200 Employee benefits	16,303	-	16,303
300 Purchased services	19,700	24,533	(4,833)
126 Speech Handicapped			
100 Salaries	109,917	97,013	12,904
200 Employee benefits	36,493	25,925	10,568
300 Purchased services	2,000	8,637	(6,637)
400 Supplies and materials	4,935	3,443	1,492
127 Learning Disabilities			
100 Salaries	1,033,580	1,100,137	(66,557)
200 Employee benefits	401,123	384,915	16,208
300 Purchased services	750	2,815	(2,065)
400 Supplies and materials	14,396	12,703	1,693
128 Emotionally Handicapped			
100 Salaries	376,613	370,204	6,409
200 Employee benefits	146,120	140,404	5,716
300 Purchased services	7,500	3,652	3,848
400 Supplies and materials	4,200	3,266	934
130 Pre-School Programs			
137 Pre-School Handicapped-Contained (3 & 4 yr. Olds)			
100 Salaries	379,592	415,573	(35,981)
200 Employee benefits	175,962	187,884	(11,922)
400 Supplies and materials	2,818	2,670	148
139 Early Childhood Programs			
100 Salaries	265,788	253,581	12,207
200 Employee benefits	116,964	99,529	17,435
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	-	943	(943)
200 Employee benefits	-	81	(81)
300 Purchased services	6,200	557	5,643
400 Supplies and materials	4,948	-	4,948
145 Homebound			
100 Salaries	19,000	68,100	(49,100)
200 Employee benefits	4,558	12,411	(7,853)
300 Purchased services	15,000	500	14,500

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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
160 Other Exceptional Programs			
161 Autism			
100 Salaries	98,106	121,137	(23,031)
200 Employee benefits	40,969	45,344	(4,375)
300 Purchased services	10,000	17,952	(7,952)
170 Summer School Program			
172 Elementary Summer School			
100 Salaries	10,000	1,961	8,039
200 Employee benefits	2,399	1,122	1,277
173 High School Summer School			
100 Salaries	-	14,663	(14,663)
200 Employee benefits	-	3,086	(3,086)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
300 Purchased services	1,800	803	997
Total Instruction	<u>39,915,666</u>	<u>38,768,295</u>	<u>1,147,371</u>
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work			
100 Salaries	61,610	57,913	3,697
200 Employee benefits	18,933	17,853	1,080
300 Purchased services	2,308	829	1,479
400 Supplies and materials	200	-	200
212 Guidance			
100 Salaries	1,136,011	1,156,985	(20,974)
200 Employee benefits	392,472	375,815	16,657
300 Purchased services	1,800	3,206	(1,406)
400 Supplies and materials	44,617	39,894	4,723



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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
213 Health			
100 Salaries	456,002	448,757	7,245
200 Employee benefits	177,670	163,190	14,480
300 Purchased services	10,310	8,656	1,654
400 Supplies and materials	19,447	14,197	5,250
500 Capital outlay	1,000	-	1,000
214 Psychological			
100 Salaries	247,653	247,653	-
200 Employee benefits	78,822	77,663	1,159
300 Purchased services	2,200	4,025	(1,825)
400 Supplies and materials	850	-	850
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	389,449	415,415	(25,966)
200 Employee benefits	128,156	132,852	(4,696)
300 Purchased services	4,615	14,765	(10,150)
400 Supplies and materials	4,250	3,501	749
600 Other objects	500	-	500
222 Educational Media			
100 Salaries	914,085	922,007	(7,922)
200 Employee benefits	356,308	349,179	7,129
400 Supplies and materials	143,171	139,765	3,406
224 Improvement of Instruction - Inservice Training			
100 Salaries	86,612	121,443	(34,831)
200 Employee benefits	25,914	33,129	(7,215)
300 Purchased services	68,725	81,157	(12,432)
400 Supplies and materials	34,969	30,108	4,861
230 General Administration Services			
231 Board of Education			
300 Purchased services	49,000	42,825	6,175
318 Audit services	40,000	37,090	2,910
400 Supplies and materials	2,550	1,763	787
500 Capital outlay	1,700	7,795	(6,095)
600 Other objects	104,653	43,652	61,001
232 Office of Superintendent			
100 Salaries	272,361	278,819	(6,458)
200 Employee benefits	86,693	81,619	5,074
300 Purchased services	4,165	2,750	1,415
400 Supplies and materials	6,800	5,553	1,247
500 Capital outlay	2,125	-	2,125
600 Other objects	4,000	3,145	855

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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
233 School Administration			
100 Salaries	3,408,689	3,425,209	(16,520)
200 Employee benefits	1,218,634	1,169,539	49,095
300 Purchased services	13,907	37,092	(23,185)
400 Supplies and materials	51,773	32,152	19,621
500 Capital outlay	18,040	17,204	836
600 Other objects	600	1,398	(798)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	264,171	263,171	1,000
200 Employee benefits	88,467	79,033	9,434
300 Purchased services	27,243	14,249	12,994
400 Supplies and materials	12,000	13,710	(1,710)
500 Capital outlay	1,400	1,101	299
254 Operation and Maintenance of Plant Services			
100 Salaries	2,210,730	2,125,775	84,955
200 Employee benefits	867,479	743,839	123,640
300 Purchased services	1,341,884	1,346,648	(4,764)
321 Public utilities	256,200	239,067	17,133
400 Supplies and materials	508,500	595,668	(87,168)
470 Energy	1,525,300	1,469,006	56,294
500 Capital outlay	192,000	89,151	102,849
255 Pupil Transportation Services			
100 Salaries	578,792	626,754	(47,962)
200 Employee benefits	146,781	183,913	(37,132)
300 Purchased services	19,846	42,157	(22,311)
400 Supplies and materials	2,400	6,290	(3,890)
500 Capital outlay	127,000	123,431	3,569
600 Other objects	3,000	-	3,000
256 Food Service			
200 Employee benefits	6,850	-	6,850
300 Purchased services	-	1,310	(1,310)
400 Supplies and materials	100	-	100
258 Security			
100 Salaries	56,000	63,307	(7,307)
200 Employee benefits	13,434	18,118	(4,684)
300 Purchased services	514,260	585,932	(71,672)
400 Supplies and materials	60,200	70,349	(10,149)
500 Capital outlay	6,375	-	6,375
260 Central Support Services			
263 Information Services			
100 Salaries	67,048	64,106	2,942
200 Employee benefits	23,298	22,477	821
300 Purchased services	21,000	31,724	(10,724)
400 Supplies and materials	23,000	15,954	7,046
500 Capital outlay	3,200	3,164	36

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, 2014

	Final Budget	Actual	Variance Favorable (Unfavorable)
264 Staff Services			
100 Salaries	177,692	177,692	-
200 Employee benefits	61,305	55,302	6,003
300 Purchased services	14,000	30,068	(16,068)
400 Supplies and materials	2,500	591	1,909
266 Data Processing Services			
100 Salaries	375,077	429,837	(54,760)
200 Employee benefits	115,424	132,657	(17,233)
270 Support Services Pupil Activity			
271 Pupil Service Activities			
300 Purchased services	20,000	28,949	(8,949)
400 Supplies and materials	31,065	30,940	125
500 Capital outlay	-	5,000	(5,000)
600 Other objects	22,000	28,720	(6,720)
Total Supporting Services	<u>19,881,370</u>	<u>19,806,722</u>	<u>74,648</u>
400 Intergovernmental Expenditures			
412 Payments to other governmental units			
720 Transits	328,660	285,985	42,675
Total Intergovernmental Expenditures	<u>328,660</u>	<u>285,985</u>	<u>42,675</u>
<b>TOTAL EXPENDITURES</b>	<u>60,125,696</u>	<u>58,861,002</u>	<u>1,264,694</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
5300 Sale of Fixed Assets	-	12,168	12,168
Interfund Transfers, from (to) other funds			
5230 Transfer from Special Revenue - EIA Fund	1,533,843	1,482,248	(51,595)
5280 Transfer from Other Funds Indirect Costs	-	374,237	374,237
423-710 Transfer to Debt Service Fund	(5,500,000)	(5,500,000)	-
424-710 Transfer to Capital Projects Fund	-	(4,351,189)	(4,351,189)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,966,157)</u>	<u>(7,982,536)</u>	<u>(4,016,379)</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ (458,776)</u>	-	<u>\$ 458,776</u>
<b>FUND BALANCE JULY 1, 2013</b>		<u>16,705,470</u>	
<b>FUND BALANCE JUNE 30, 2014</b>		<u>\$ 16,705,470</u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND-SPECIAL PROJECTS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2014

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			
\$ 380,455	\$ 1,319,426	\$ -	\$ 10,814	\$ -	\$ 138,497	\$ 1,849,192
-	-	-	-	-	257	257
-	-	-	-	50,283	-	50,283
<u>\$ 380,455</u>	<u>\$ 1,319,426</u>	<u>\$ -</u>	<u>\$ 10,814</u>	<u>\$ 50,283</u>	<u>\$ 138,754</u>	<u>\$ 1,899,732</u>
<b>ASSETS</b>						
Due from federal government						
Due from State Department of Education						
Due from other funds						
<b>Total Assets</b>						
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>						
Liabilities:						
Due to other funds						
Deferred inflows of resources:						
Revenues received in advance						
Fund balances:						
<u>\$ 380,455</u>	<u>\$ 1,319,426</u>	<u>\$ -</u>	<u>\$ 10,814</u>	<u>\$ 50,283</u>	<u>\$ 138,754</u>	<u>\$ 1,899,732</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND- SPECIAL PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE				
<b>REVENUES</b>							
1000 Revenue From Local Sources							
1910 Rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,758	\$ 9,758
1920 Contributions	-	-	-	-	-	4,062	4,062
1930 Medicaid	-	-	-	-	-	233,711	233,711
Total Local Revenue	-	-	-	-	-	247,531	247,531
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	-	-	-	-	57,936	-	57,936
3177 Summer reading camp	-	-	-	-	7,188	-	7,188
3000 Revenue From State Sources - continued							
3600 Education lottery act revenue							
3607 6-8 enhancement	-	-	-	-	17,061	-	17,061
3610 K-5 enhancement	-	-	-	-	309,447	-	309,447
Total State Revenue	-	-	-	-	636,120	-	636,120

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, 2014

	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	-	-	-	43,982	-	-	43,982
4210 Vocational aid, Title I							
4300 Elementary and Secondary Education Act of 1965							
4310 Title I	1,060,629	-	-	-	-	11,690	1,072,319
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	78,020	78,020
4351 Improving teacher quality	-	-	-	-	-	189,223	189,223
4500 Education for children with disabilities							
4510 Individuals with Disabilities Education Act (IDEA)	-	1,729,211	-	-	-	7,677	1,736,888
4520 Preschool grants (IDEA)	-	-	57,405	-	-	-	57,405
4900 Other federal sources							
4999 Revenue from other federal sources	-	-	-	-	-	106,442	106,442
Total Federal Revenue	1,060,629	1,729,211	57,405	43,982	-	393,052	3,284,279
<b>TOTAL REVENUE ALL SOURCES</b>	<b>1,060,629</b>	<b>1,729,211</b>	<b>57,405</b>	<b>43,982</b>	<b>636,120</b>	<b>640,583</b>	<b>4,167,930</b>
<b>EXPENDITURES</b>							
100 Instruction							
110 General Instruction							
112 Primary programs							
100 Salaries	332,271	-	-	-	225,568	162,394	720,233
200 Employee benefits	105,343	-	-	-	87,140	43,577	236,060
400 Supplies and materials	63,316	-	-	-	1,850	1,974	67,140
500 Capital outlay	188,319	-	-	-	-	-	188,319
113 Elementary programs							
100 Salaries	44,303	-	-	-	-	-	44,303
200 Employee benefits	10,880	-	-	-	-	-	10,880
400 Supplies and materials	-	-	-	-	55,086	50,554	105,640
500 Capital outlay	-	-	-	1,366	-	-	1,366



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, 2014

	201/202	203/204	205/206	207/208									
	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Total						
130 Preschool Handicapped Programs													
137 Preschool handicapped self-contained (3 & 4-year olds)													
100 Salaries	-	20,318	46,037	-	-	-	66,355						
200 Employee benefits	-	4,937	11,368	-	-	-	16,305						
400 Supplies and materials	-	3,046	-	-	-	-	3,046						
139 Early childhood programs													
100 Salaries	140,175	-	-	-	-	-	140,175						
200 Employee benefits	51,000	-	-	-	-	-	51,000						
160 Other Exceptional Programs													
161 Autism													
100 Salaries	-	24,718	-	-	-	-	24,718						
200 Employee benefits	-	5,919	-	-	-	-	5,919						
170 Summer School Program													
171 Primary Summer School													
100 Salaries	-	-	-	-	4,200	-	4,200						
200 Employee benefits	-	-	-	-	1,024	-	1,024						
400 Supplies and materials	-	-	-	-	245	-	245						
180 Adult/continuing education													
188 Parenting/family literacy													
100 Salaries	34,617	-	-	-	-	-	34,617						
200 Employee benefits	14,916	-	-	-	-	-	14,916						
<b>TOTAL INSTRUCTION</b>	<b>985,140</b>	<b>1,440,384</b>	<b>57,405</b>	<b>25,149</b>	<b>375,113</b>	<b>470,465</b>	<b>3,353,656</b>						



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, 2014

	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	286	-	-	-	-	-	286
400 Supplies and materials	4,687	-	-	-	-	-	4,687
212 Guidance							
300 Purchased services	-	-	-	214	-	-	214
400 Supplies and materials	-	-	-	1,187	-	-	1,187
214 Psychological							
100 Salaries	-	71,365	-	-	-	-	71,365
200 Employee benefits	-	18,964	-	-	-	-	18,964
300 Purchased services	-	54,992	-	-	-	40,000	94,992
215 Exceptional program services							
400 Supplies and materials	-	1,907	-	-	-	-	1,907
217 Career specialist services							
100 Salaries	-	-	-	-	171,813	-	171,813
200 Employee benefits	-	-	-	-	72,675	-	72,675

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, 2014

	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	-	-	-	-	-	150	150
300 Purchased services	-	-	-	-	-	19,624	19,624
400 Supplies and materials							
222 Library and media services		208					208
400 Supplies and materials							
223 Supervision of special programs							
100 Salaries	32,590	86,662					119,252
200 Employee benefits	10,997	33,548					44,545
300 Purchased services	2,109	3,743					5,852
400 Supplies and materials	-	7,468					7,468
224 Improvement of instruction - inservice training							
300 Purchased services	6,760	9,970		10,432	14,800	30,672	72,634
400 Supplies and materials	-	-		-	-	3,375	3,375
230 General Administration Services							
231 Board of education							
300 Purchased services	823	-		-	-	-	823
250 Finance and Operations Services							
254 Operation and maintenance of plant							
300 Purchased services	-	-		-	-	350	350
400 Supplies and materials	-	-		-	-	9,408	9,408
255 Student transportation (state mandated)							
100 Salaries	-	-		-	1,382	-	1,382
200 Employee benefits	-	-		-	337	-	337

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, 2014

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
270 Supporting Services - Pupil Activities							
271 Pupil service activities	-	-	-	7,000	-	-	7,000
300 Purchased services							
<b>TOTAL SUPPORTING SERVICES</b>	<b>58,252</b>	<b>288,827</b>	<b>-</b>	<b>18,833</b>	<b>261,007</b>	<b>103,579</b>	<b>730,498</b>
300 Community Services							
350 Custody and care of children							
100 Salaries	-	-	-	-	-	223,492	223,492
200 Employee benefits	-	-	-	-	-	30,792	30,792
<b>TOTAL COMMUNITY SERVICES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,284</b>	<b>254,284</b>
51 410 Intergovernmental Expenditures							
414 Medicaid payments to SDE	-	-	-	-	-	66,540	66,540
720 Transits	-	-	-	-	-	66,540	66,540
<b>TOTAL INTERGOVERNMENTAL SERVICES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>894,868</b>	<b>894,868</b>
<b>TOTAL EXPENDITURES</b>	<b>1,043,392</b>	<b>1,729,211</b>	<b>57,405</b>	<b>43,982</b>	<b>636,120</b>	<b>894,868</b>	<b>4,404,978</b>

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, 2014

201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE			
-	-	-	-	-	254,285	254,285
(17,237)	-	-	-	-	-	(17,237)
(17,237)	-	-	-	-	254,285	237,048
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, From (To) Other Funds  
 5270 Transfer from Pupil Activity Fund  
 431-791 Special revenue fund indirect costs

**TOTAL OTHER FINANCING SOURCES (USES)**

EXCESS/(DEFICIENCY) OF REVENUES  
 OVER EXPENDITURES

FUND BALANCE - JULY 1, 2013

FUND BALANCE - JUNE 30, 2014

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, 2014

Program	Sub Fund	Description	
<u>Special Revenue - Other Restricted Restricted State Grants</u>			
	926	Summer reading camp	\$ 7,188
	928	EEDA career specialist	244,488
	937	Student health and fitness - PE teachers	57,936
	960	K-5 Enhancement	309,447
	967	6-8 Enhancement	17,061
			<u>\$ 636,120</u>
<u>Special Revenue - Other Special Revenue Programs</u>			
	221	Title I, neglected and delinquent	\$ 11,690
	264	Language instruction for limited english proficient and immigrant students, Title III	78,020
	263	Improving teacher quality - carryover	101,776
	267	Improving teacher quality	87,447
	277	Air Force JROTC	106,442
	293	Medicaid	233,711
	807	Extended School Year	7,677
	840	Teacher Forum	4,062
	870	Fine Arts Center	9,758
			<u>\$ 640,583</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS  
 SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
 FOR FISCAL YEAR ENDED JUNE 30, 2014

Sub Fund	Revenue	Description	Revenues	Expenditures	Special Revenue Interfund Transfers In/(Out)	Other fund Transfers In/(Out)	Special Revenue Fund Deferred
919	3193	Education license plates	\$ -	\$ -	\$ -	\$ -	\$ 1,062
926	3177	Summer reading camp	7,188	7,188	-	-	2,494
928	3118	EEDA career specialist	244,488	244,488	-	-	-
937	3127	Student health and fitness - PE teachers	57,936	57,936	-	-	-
967	3607	6-8 Enhancement	17,061	17,061	-	-	4,288
960	3610	K-5 Enhancement	309,447	309,447	-	-	-
965	3620	Digital instruction materials	-	-	-	-	42,439
			<u>\$ 636,120</u>	<u>\$ 636,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,283</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, 2014

**REVENUES**

3000 Revenue From State Sources		
3500 Education Improvement Act		
3502 ADEPT	\$	5,335
3505 Technology support		11,226
3511 Professional development		41,121
3525 Career and technology education equipment		68,303
3526 Refurbishment of K-8 science kits		58,121
3532 National Board Certification (NBC) salary		785,621
3533 Teacher of the year award		1,077
3538 Students at risk of school failure		1,326,427
3540 Four-year old early childhood program		153,711
3544 High achieving students		271,753
3550 Teacher salary increase		1,308,295
3555 School employer contributions		173,953
3558 Reading		34,356
3577 Teacher supplies		154,825
3578 High schools that work		8,764
3581 Student health and fitness- nurses		185,560
3585 Aid to districts- special education		252,930
3592 Work-based learning		27,918
3594 EEDA at risk supplemental programs		841
3597 Aid to districts		78,611
 Total State Sources		 <u>4,948,748</u>
 <b>TOTAL REVENUE ALL SOURCES</b>		 <u><b>4,948,748</b></u>

**EXPENDITURES**

100 Instruction		
110 General Instruction		
111 Kindergarten programs		
100 Salaries		15,000
200 Employee benefits		3,618

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, 2014

112 Primary programs	
100 Salaries	878,878
200 Employee benefits	321,260
300 Purchased services	1,194
400 Supplies and materials	76,842
113 Elementary programs	
100 Salaries	442,803
200 Employee benefits	133,543
400 Supplies and materials	132,012
500 Capital outlay	11,226
114 High school programs	
100 Salaries	148,585
200 Employee benefits	35,609
400 Supplies and materials	45,699
115 Career and technology education programs	
100 Salaries	22,500
200 Employee benefits	5,381
500 Capital outlay	68,303
120 Exceptional Programs	
126 Speech handicapped	
100 Salaries	126,536
200 Employee benefits	44,669
127 Learning disabilities	
100 Salaries	74,030
200 Employee benefits	40,288



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, 2014

128 Emotionally handicapped	
100 Salaries	15,000
200 Employee benefits	3,614
130 Preschool Programs	
139 Early childhood programs	
100 Salaries	101,436
200 Employee benefits	32,656
300 Purchased services	453
400 Supplies and materials	19,166
140 Special Programs	
141 Gifted and talented - academic	
100 Salaries	192,604
200 Employee benefits	68,573
148 Gifted and talented - artistic	
100 Salaries	4,650
200 Employee benefits	1,120
400 Supplies and materials	2,735
180 Adult/Continuing Educational Programs	
188 Parenting/family literacy	
100 Salaries	66,909
200 Employee benefits	32,149
TOTAL INSTRUCTION	3,169,041
200 Supporting Services	
210 Pupil Services	
212 Guidance services	
100 Salaries	45,310
200 Employee benefits	10,527
400 Supplies and materials	841
213 Health services	
100 Salaries	137,761
200 Employee benefits	47,799

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, 2014

220 Instructional Staff Services	
224 Improvement of instruction - inservice training	
300 Purchased services	28,564
400 Supplies and materials	26,657
	<hr/>
TOTAL SUPPORTING SERVICES	297,459
	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>3,466,500</b>
	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, from (to) Other Funds	
420-710 Transfer to General Fund	(1,482,248)
	<hr/>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,482,248)</b>
	<hr/>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
	<hr/>
<b>FUND BALANCE - JULY 1, 2013</b>	<b>-</b>
	<hr/>
<b>FUND BALANCE - JUNE 30, 2014</b>	<b>\$ -</b>
	<hr/> <hr/>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR FISCAL YEAR ENDED JUNE 30, 2014

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	\$ 5,335	\$ 5,335	\$ -	\$ -	\$ -
3505 Technology support	11,226	11,226	-	-	1,947
3511 Professional development	41,121	41,121	-	-	1,955
3518 Formative assessment	-	-	-	-	20,080
3525 Career and technology education equipment	68,303	68,303	-	-	27,917
3526 Refurbishment of K-8 science kits	58,121	58,121	-	-	45,470
3532 National Board Certification (NBC) salary	785,621	785,621	-	-	-
3533 Teacher of the year award	1,077	1,077	-	-	-
3538 Students at risk of school failure	1,326,427	1,326,427	-	-	479,875
3540 Four-year old early childhood program	153,711	153,711	-	-	34,230
3544 High achieving students	271,753	271,753	-	-	54,507
3550 Teacher salary increase	1,308,295	-	-	(1,308,295)	-
3555 School employer contributions	173,953	-	-	(173,953)	-
3558 Reading	34,356	34,356	-	-	-
3577 Teacher supplies	154,825	154,825	-	-	-
3578 High schools that work/ making middle grades work	8,764	8,764	-	-	1,991
3581 Student health and fitness- nurses	185,560	185,560	-	-	-
3585 Aid to districts- special education	252,930	252,930	-	-	-
3592 Work-based learning	27,918	27,918	-	-	-
3594 EEDA at risk supplemental programs	841	841	-	-	9,981
3597 Aid to districts	78,611	78,611	-	-	358,296
	<u>\$ 4,948,748</u>	<u>\$ 3,466,500</u>	<u>\$ -</u>	<u>\$ (1,482,248)</u>	<u>\$ 1,036,249</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, 2014

**REVENUES**

## 1000 Revenues From Local Sources

1600 Food service	
1610 Lunch sales to pupils	\$ 591,596
1620 Breakfast sales to pupils	52,638
1630 Special sales to pupils	124,466
1640 Lunch sales to adults	38,034
1650 Breakfast sales to adults	2,569
1660 Special sales to adults	41,915
1900 Other revenue from local sources	
1999 Miscellaneous	<u>28,500</u>
Total Revenue From Local Sources	<u>879,718</u>

## 3000 Revenue From State Sources

3140 School lunch	
3142 Program aid	<u>278</u>

Total State Sources	<u>278</u>
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## 4000 Revenue From Federal Sources

4800 USDA reimbursement	
4810 School lunch and after school snacks program	1,739,247
4830 School breakfast program	548,710

4900 Other federal sources	
4991 USDA commodities	<u>194,018</u>

Total Federal Sources	<u>2,481,975</u>
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<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>3,361,971</b></u>
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**EXPENDITURES**

256 Food service	
300 Purchased services	2,762,686
400 Supplies and materials	239,744
600 Other objects	<u>4,704</u>

TOTAL FOOD SERVICE EXPENDITURES	<u>3,007,134</u>
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<b>TOTAL EXPENDITURES</b>	<u><b>3,007,134</b></u>
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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, 2014

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) other funds

432-791 Food Service Fund Indirect Costs	(357,000)
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<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(357,000)</b>
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Excess/(Deficiency) of Revenues Over Expenditures	(2,163)
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<b>FUND BALANCE - JULY 1, 2013</b>	<b>996,963</b>
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<b>FUND BALANCE - JUNE 30, 2014</b>	<b>\$ 994,800</b>
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2014

**REVENUES**

## 1000 Revenue From Local Sources

## 1100 Taxes

1110 Ad Valorem taxes - fiscally independent LEA	\$ 3,090,122
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## 1200 Revenue from local governmental units other than LEAs

1280 Revenue in lieu of taxes	606,604
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## 1500 Earnings on investments

1510 Interest on investments	3,792
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## Total Revenue From Local Sources

	3,700,518
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## 3000 Revenue From State Sources

## 3800 State Revenue in Lieu of Taxes

3820 Homestead exemption	104,472
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3830 Merchant's inventory tax	10,569
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3840 Manufacturers depreciation reimbursement	37,227
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3890 Other state property tax revenues	8,166
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## Total State Sources

	160,434
--	---------

**TOTAL REVENUE ALL SOURCES**

	3,860,952
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**EXPENDITURES**

## 500 Debt service

620 Interest	16,719
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690 Other objects	16,068
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## TOTAL EXPENDITURES

	32,787
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**OTHER FINANCING SOURCES (USES)**

5110 Premium on bonds sold	14,019
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## Interfund Transfers, from (to) other funds

423-710 Transfer to Debt Service Fund EFC	(3,670,000)
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**TOTAL OTHER FINANCING SOURCES (USES)**

	(3,655,981)
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## Excess/(Deficiency)of Revenues Over Expenditures

	172,184
--	---------

**FUND BALANCE - JULY 1, 2013**

	1,599,144
--	-----------

**FUND BALANCE - JUNE 30, 2014**

	\$ 1,771,328
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
DEBT SERVICE FUND - EDUCATIONAL FACILITIES CORPORATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2014

**REVENUES**

1000 Revenue From Local Sources

1500 Earnings on investments

1510 Interest on investments

\$ 390,283

1530 Gain or loss on sale of investments

485,000

Total Revenue From Local Sources

875,283

**TOTAL REVENUE ALL SOURCES**

875,283

**EXPENDITURES**

500 Debt service

610 Principal

15,433,726

620 Interest

2,532,985

690 Other objects

526,773

**TOTAL EXPENDITURES**

18,493,484

**OTHER FINANCING SOURCES (USES)**

5130 Proceeds of refunded debt

66,000,000

441-720 Payment to refunded debt escrow agent

(65,479,388)

Interfund Transfers, from (to) other funds

5210 Transfer from General Fund

5,500,000

5240 Transfer from Debt Service Fund

3,670,000

**TOTAL OTHER FINANCING SOURCES**

9,690,612

Excess/(Deficiency) of Revenues Over Expenditures

(7,927,589)

**FUND BALANCE - JULY 1, 2013**

10,151,048

**FUND BALANCE - JUNE 30, 2014**

\$ 2,223,459

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2014

**REVENUES**

1000 Revenue From Local Sources	
1500 Earnings on investments	
1510 Interest on investments	\$ 204
	<hr/>
Total Revenue From Local Sources	204
	<hr/>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>204</b>
	<hr/>

**EXPENDITURES**

253 Facilities Acquisition and Construction Services	
300 Purchased services	485,831
500 Capital outlay	
520 Construction services	20,239
530 Improvements other than buildings	486,495
545 Technology, equipment and software	25,113
600 Other objects	
690 Other objects	119,791
	<hr/>
TOTAL SUPPORT EXPENDITURES	1,137,469
	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>1,137,469</b>
	<hr/>

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) other funds	
5210 Transfer from General Fund	4,351,189
	<hr/>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,351,189</b>
	<hr/>
Excess/(Deficiency) of Revenues Over Expenditures	3,213,924
	<hr/>
<b>FUND BALANCE - JULY 1, 2013</b>	<b>5,944,807</b>
	<hr/>
<b>FUND BALANCE - JUNE 30, 2014</b>	<b>\$ 9,158,731</b>
	<hr/> <hr/>



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, 2014

**EXPENDITURES**

250 Finance and Operations

253 Facilities acquisition and construction

600 Other objects

5,122**TOTAL EXPENDITURES**5,122

Excess/(Deficiency) of Revenues Over Expenditures

(5,122)

**FUND BALANCE - JULY 1, 2013**11,908**FUND BALANCE - JUNE 30, 2014**\$ 6,786

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, 2014

**RECEIPTS**

## 1000 Receipts From Local Sources

1700 Pupil activities	
1710 Admissions	270,088
1720 Bookstore sales	58,330
1730 Pupil organization membership	69,046
1740 Student fees	436,104
1790 Other	1,927,869
1900 Other revenue from local sources	
1920 Contributions and donations private sources	47,481

**TOTAL RECEIPTS ALL SOURCES**

2,808,918

**DISBURSEMENTS**

190 Instructional pupil activity	
660 Pupil activity	343,194
270 Supporting services pupil activity	
271 Pupil service activities	
660 Pupil activity	2,273,511

**TOTAL DISBURSEMENTS**

2,616,705

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) other funds

421-710 Transfer to Special Revenue Fund	(254,285)
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**TOTAL OTHER FINANCING SOURCES (USES)**

(254,285)

Excess/(Deficiency) of Revenues Over Expenditures

(62,072)

**DUE TO STUDENT ORGANIZATIONS - JULY 1, 2013**

928,152

**DUE TO STUDENT ORGANIZATION - JUNE 30, 2014**

\$ 866,080

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
 FOR FISCAL YEAR ENDED JUNE 30, 2014

Program	Project Grant Number	Revenue Code	Description	Amount Due to SCDE/ Federal
<u>Education Improvement Act</u>				
National board certified (NBC) Salary supplement	N/A	3532	Unspent funds	2,116
				<u>2,116</u>
				<u>\$ 2,116</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
LOCATION RECONCILIATION SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2014

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
01	Duncan Elementary	Elementary School	School	\$ 5,894,684
02	Lyman Elementary	Elementary School	School	5,040,903
03	Reidville Elementary	Elementary School	School	2,587,888
04	Abner Creek Elementary	Elementary School	School	4,005,515
05	Wellford Elementary	Elementary School	School	4,181,393
06	Beech Springs Intermediate	Elementary School	School	4,308,444
07	D.R. Hill Middle School	Middle School	School	4,589,591
08	J.F. Byrnes High School	High School	School	13,714,321
09	Freshman Academy	High School	School	4,140,304
10	Districtwide	Non-School	Central	29,192,865
11	River Ridge Elementary	Elementary School	School	5,102,138
12	Berry Shoals Intermediate School	Elementary School	School	4,456,429
14	Florence Chapel	Middle School	School	4,810,706
				<u>\$ 92,025,181</u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 58,861,002
Special Revenue Fund	4,404,978
EIA Fund	3,466,500
Debt Service Fund	32,787
Debt Service Fund - Educational Facilities Corporation	18,493,484
Capital Projects Fund	1,137,469
Capital Projects Fund - Educational Facilities Corporation	5,122
Food Service Fund	3,007,134
Pupil Activity Fund	2,616,705
	<u>\$ 92,025,181</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, 2014, 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 6, 2014.

### Internal Control over Financial Reporting

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

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


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

### Compliance and Other Matters

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

### 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 6, 2014

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, 2014. 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, 2014.

**Report on Internal Control over Compliance**

Management of Spartanburg County School District Five is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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.

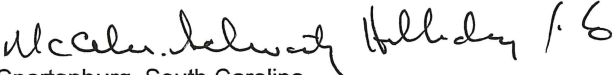


To the Board of Trustees  
Spartanburg County School District Five  
Page Two

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 6, 2014

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2014

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>				
Pass-through S.C. Department of Education				
201	Title I , Basic State Grant Programs	84.010	14BA082	\$ 1,055,629
201	Title I, School Improvement	84.010	14BD082	5,000
221	Title I, Neglected and Delinquent	84.013	12/13ND082	11,690
203	Individuals With Disabilities Education Act (IDEA)	84.027	14CA082	1,319,426
204	Individuals With Disabilities Education Act (IDEA) - Carryover	84.027	13CA082	409,786
807	Extended School Year	84.027	ESY	7,677
205	Preschool Grants (IDEA)	84.173	14CG082	57,405
207	CATE (Subprogram 2)	84.048	13/14VA082	214
207	CATE (Subprogram 3)	84.048	13/14VA082	1,071
207	CATE (Subprogram 4)	84.048	13/14VA082	10,432
207	CATE (Subprogram 5)	84.048	13/14VA082	5,195
207	CATE (Subprogram 6)	85.048	13/14VA082	19,518
207	CATE (Subprogram 9)	84.048	13/14VA082	1,187
207	CATE (Subprogram 10)	84.048	13/14VA082	5,000
207	CATE (Subprogram 12)	84.048	13/14VA082	1,365
264	Language instruction for limited English proficient and immigrant students, Title III	84.365	13/14BP082	78,020
263	Improving Teacher Quality	84.367	13TQ082	101,776
267	Improving Teacher Quality	84.367	14TQ082	87,447
Total U.S. Department of Education				<u>3,177,838</u>
<u>U.S. Department of Agriculture</u>				
Pass-through S.C. Department of Education				
600	USDA Commodities (Food Distribution Program) - Non-cash assistance	10.550	N/A	194,018
600	School Breakfast Program	10.553	N/A	674,656
600	School Lunch and After School Snacks Program	10.555	N/A	2,138,460
Total U.S. Department of Agriculture				<u>3,007,134</u>
Other Federal Assistance				
<u>U.S. Department of Defense</u>				
Direct Program				
277	Air Force ROTC	12.000	SC0H0932	106,442
Total U.S. Department of Defense				<u>106,442</u>
Total Federal Financial Assistance				<u>\$ 6,291,414</u>



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

**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, 2014

Fiscal year ended June 30, 2013:

**NONE**

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material Weakness (es) identified? \_\_\_\_\_ yes  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: Unmodified

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>
84.010	Title 1 Cluster
84.027; 84.173	IDEA Cluster
Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes _____ no

**Section II – Current Year Financial Statement Findings**

NONE

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

NONE