

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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 FINANCIAL STATEMENTS  
 AND SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

## INDEPENDENT AUDITOR'S REPORT

### Report on 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, 2015, 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, 2015, 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.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 13 to the financial statements, in 2015 Spartanburg County School District Five adopted new accounting guidance, Statement No. 68 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and *GASB Statement No. 71, Pension Transition from Contributions Made Subsequent to the Measurement Date, and amendment of GASB Statement No. 68*. The implementation of GASB Statements No. 68 and 71 resulted in the restatement of beginning net position. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spartanburg County School District Five's basic financial statements. The combining and individual fund financial schedules and other schedules required by the South Carolina Department of Education are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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, other schedules required by the South Carolina Department of Education and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules, other schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2015 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.

*McCabe, Schwartz, Halliday & Co.*

Spartanburg, South Carolina  
October 27, 2015

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2015

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2015.

**Financial Highlights**

- Due to conservative budgeting, the General Fund state revenue received was \$675,984 more than budgeted.
- The revenue from local sources had a favorable variance of \$2,507,607. 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 \$1,396,733 mainly due to conservative budgeting of fringe benefits and not having to utilize four contingency positions.
- The District purposely reduced its General Fund balance by \$1.2 million to help fund the building expansions at Byrnes High School and Lyman Elementary school and to bring the General Fund balance closer to the goal of 15% to 20% of operating expenditures. In addition, the District transferred \$3 million less than budgeted to the Debt Service Funds and allowed those fund balances to decline by \$2,572,935 in total to help fund the building expansions. A total of \$8,980,970 was transferred to the Capital Projects Fund.
- On June 30, 2015, the available, unassigned fund balance for the General Fund was \$15,505,470 which is 21.4% of the total budgeted General Fund expenditures, including transfers, for fiscal year 2015-16.
- The District's net position increased by \$7,939,650 or 38.9%. Program revenues accounted for \$37,152,787 or 42.2% of total revenues, and general revenues accounted for \$50,856,411 or 57.8%.
- The District entered into contractual commitments prior to June 30, 2015 for expansions of Byrnes High School and Lyman Elementary School. The contract amounts totaled \$29,916,110 of which \$26,612,665 was still outstanding on June 30, 2015. On July 15, 2015 the District issued \$18,200,000 of general obligation bonds to help fund these projects.

**Using the Basic Financial Statements**

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

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

**Reporting the District as a Whole**

*The Statement of Net Position and Statement of Activities*

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



Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2015

**Reporting the District as a Whole - Continued**

The Statement of Net Position and Statement of Activities - continued

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

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

*Fund Financial Statements*

Our analysis of the District's major funds begins on page 8. The fund financial statements begin on page 13 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 17.

**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 \$28,364,377 at the close of the most recent fiscal year.

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2015

**Government-wide Financial Analysis – Continued**

Table 1 provides a summary of the School District's net position for FYE 2015 and 2014:

	Governmental Activities 2015	Governmental Activities 2014 *
<b>Assets</b>		
Current and Other Assets	\$ 39,307,806	\$ 35,280,471
Capital Assets	117,972,298	118,311,250
<b>Total Assets</b>	<b>157,280,104</b>	<b>153,591,721</b>
<b>Deferred Outflows of Resources</b>		
Loss on advanced refunding	3,190,425	3,567,316
Deferred outflows related to pensions	6,544,609	-
<b>Total Deferred Outflows of Resources</b>	<b>9,735,034</b>	<b>3,567,316</b>
<b>Liabilities</b>		
Long- Term Liabilities	125,734,920	59,135,000
Other Liabilities	6,630,428	4,232,091
<b>Total Liabilities</b>	<b>132,365,348</b>	<b>63,367,091</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	6,285,413	-
<b>Total Deferred Inflows of Resources</b>	<b>6,285,413</b>	<b>-</b>
<b>Net Position</b>		
Net Investment in Capital Assets	69,956,465	65,057,025
Restricted for:		
Debt Service	1,398,110	1,771,328
School Building Projects	14,444,624	9,165,517
Unrestricted (deficit)	(57,434,822)	17,888,076
<b>Total Net Position</b>	<b>\$ 28,364,377</b>	<b>\$ 93,881,946</b>

\* not restated for MD&A purposes

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2015

**Government-wide Financial Analysis – Continued**

Table 2 shows the changes in net position for fiscal year 2015 and 2014:

	Governmental Activities 2015	Governmental Activities 2014 *
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 1,100,463	\$ 1,110,363
Operating Grants	36,052,324	34,115,901
General Revenues:		
Property Taxes	37,962,951	35,095,802
Grants and Entitlements	12,547,495	12,318,440
Other	345,965	1,304,521
<b>Total Revenues</b>	<b>88,009,198</b>	<b>83,945,027</b>
 <b>Program Expenses:</b>		
Instruction	50,446,201	48,140,881
Support Services	27,228,784	25,698,956
Community Services	268,918	270,285
Intergovernmental	379,370	374,707
Interest and Fiscal Charges	1,746,275	2,723,607
<b>Total Expenses</b>	<b>80,069,548</b>	<b>77,208,436</b>
Increase (Decrease) in Net Position	<b>\$ 7,939,650</b>	<b>\$ 6,736,591</b>

\* not restated for MD&A purposes

Spartanburg County School District Five  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2015

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 13) reported a combined fund balance of \$32,417,168, which is more than last year's total of \$30,860,576.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2015 and 2014.

	<b>Fund Balance Comparison</b>		
	Fund Balance June 30, 2015	Fund Balance June 30, 2014	Increase (Decrease)
General	\$ 15,505,470	\$ 16,705,470	\$ (1,200,000)
Special Revenue - Food Service	1,045,222	994,800	50,422
Debt Service	1,398,110	1,771,328	(373,218)
Debt Service - EFC	23,742	2,223,459	(2,199,717)
Capital Projects	14,442,588	9,158,731	5,283,857
Capital Projects - EFC	2,036	6,786	(4,750)
<b>Total</b>	<b>\$32,417,168</b>	<b>\$30,860,574</b>	<b>\$ 1,556,594</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 2015		Fiscal Year 2014	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 38,660,756	61.8%	\$ 37,186,416	63.2%
Fringe Benefits	13,642,111	21.8%	12,923,093	22.0%
Purchased Services	4,760,844	7.6%	4,292,438	7.3%
Supplies and Materials	3,353,366	5.4%	3,249,692	5.5%
Capital Outlay	1,757,780	2.8%	830,461	1.4%
Miscellaneous	381,057	0.6%	378,902	0.6%
<b>Total</b>	<b>\$ 62,555,914</b>	<b>100.0%</b>	<b>\$ 58,861,002</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, 2015

**General Fund Budget Information**

The General Fund schedule of revenues, expenditures and changes in fund balance is presented in Schedule 2 on page 46 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 \$2,507,607. 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 \$675,984. 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 \$1,396,733. 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 \$8,980,970 from the General Fund to the Capital Projects Fund to help fund school expansion projects in progress.

**Capital Assets**

Expansion projects began at Byrnes High School and Lyman Elementary School. In addition, approximately 6 acres of land was purchased contiguous to 13 acres of land the District already owned near Reidville Elementary School.

**Debt**

Of the \$66,000,000 Installment Refunding Revenue Bonds issued on October 10, 2013, \$51,230,000 are still outstanding at the end of the fiscal year. At fiscal year end, the District did not have any General Obligation Bonds outstanding. The net pension liability of the District at fiscal year-end, as required by GASB 68, was \$74,504,920.

**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 six 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, 2015

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

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

**Number of Students Served K-12**

School Year	Number of Students	Number Increased	Percentage Increased
95-96	4,615		
96-97	4,801	186	4.0%
97-98	5,005	204	4.4%
98-99	5,195	190	3.8%
99-00	5,351	156	3.0%
00-01	5,487	136	2.5%
01-02	5,755	268	4.9%
02-03	5,858	103	1.8%
03-04	6,060	202	3.4%
04-05	6,291	231	3.8%
05-06	6,540	249	4.0%
06-07	6,806	266	4.1%
07-08	6,975	169	2.5%
08-09	7,336	361	5.2%
09-10	7,428	92	1.3%
10-11	7,321	(107)	-1.4%
11-12	7,397	76	1.0%
12-13	7,538	141	1.9%
13-14	7,692	154	2.0%
14-15	7,819	127	1.7%
Nineteen Year Increase		3,204	69.4%

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,003,800
Taxes receivable	3,024,173
Less allowance for uncollectable	(2,116,920)
Accounts receivable	26,774
Due from county government	28,780,609
Due from other state agencies	917,122
Due from State Department of Education	241,339
Due from federal government	1,049,075
Due from other organizations	330,925
Commodities	50,909
	39,307,806
Capital Assets:	
Land	6,272,026
Buildings and improvements	161,589,421
Furniture and equipment	4,549,975
Construction in progress	3,303,445
Less: Accumulated depreciation	(57,742,569)
	117,972,298
<b>Total Assets</b>	<b>157,280,104</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on advanced refunding	3,190,425
Deferred amounts related to pensions	6,544,609
	9,735,034
<b>LIABILITIES</b>	
Accounts payable	3,106,290
Retainage Payable	196,759
Due to State Department of Education	4,270
Health and life insurance and other deductions	1,854,586
Accrued salaries	119,759
Accrued interest payable	85,243
Unearned revenues	1,263,521
Net pension liability	74,504,920
Noncurrent liabilities:	
Due within one year	4,565,000
Due in more than one year	46,665,000
	132,365,348
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	6,285,413
	6,285,413
<b>NET POSITION</b>	
Net investment in capital assets	69,956,465
Restricted for:	
Debt service	1,398,110
School building	14,444,624
Unrestricted (deficit)	(57,434,822)
	<b>\$ 28,364,377</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, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
Instruction	\$ 50,446,201	\$ 32,961	\$ 28,264,219	\$ (22,149,021)
Support services	27,228,784	1,067,502	7,521,962	(18,639,320)
Community services	268,918	-	231,176	(37,742)
Intergovernmental	379,370	-	34,967	(344,403)
Interest and other charges	1,746,275	-	-	(1,746,275)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>80,069,548</b>	<b>1,100,463</b>	<b>36,052,324</b>	<b>(42,916,761)</b>
<b>GENERAL REVENUES:</b>				
Property taxes levied for general purposes				34,028,644
Property taxes levied for debt service				3,934,307
Unrestricted state grants				12,547,495
Refund of prior year expenditures				4,585
Sale of fixed assets				5,399
Premium on bonds sold				19,498
Transfers				253,778
Miscellaneous				44,526
Contributions				14,120
Unrestricted investment earnings				4,059
Total general revenues				50,856,411
<b>CHANGE IN NET POSITION</b>				<b>7,939,650</b>
<b>NET POSITION - AS ADJUSTED - JULY 1, 2014</b>				<b>20,424,727</b>
<b>NET POSITION - JUNE 30, 2015</b>				<b>\$ 28,364,377</b>

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



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General	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>ASSETS</b>									
Cash and cash equivalents	\$ 6,980,058	\$ -	\$ -	\$ -	\$ -	\$ 23,742	\$ -	\$ -	\$ 7,003,800
Taxes receivable	512,289	-	-	-	49,511	-	-	-	561,800
Accounts receivable	548	-	-	26,226	-	-	-	-	26,774
Due from other funds	1,040,877	192,616	998,463	1,006,026	1,012,224	-	4,313,891	2,036	8,566,133
Due from County Government	18,118,778	-	-	-	336,375	-	10,325,456	-	28,780,609
Due from other state agencies	917,122	-	-	-	-	-	-	-	917,122
Due from State Department of Education	236,566	4,773	-	-	-	-	-	-	241,339
Due from Federal Government	-	1,036,105	-	12,970	-	-	-	-	1,049,075
Inventory - commodities	-	-	-	50,909	-	-	-	-	50,909
<b>Total Assets</b>	<b>\$ 27,806,238</b>	<b>\$ 1,233,494</b>	<b>\$ 998,463</b>	<b>\$ 1,096,131</b>	<b>\$ 1,398,110</b>	<b>\$ 23,742</b>	<b>\$ 14,639,347</b>	<b>\$ 2,036</b>	<b>\$ 47,197,561</b>
<b>LIABILITIES AND FUND BALANCE</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 3,106,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,106,290
Retainage Payable	-	-	-	-	-	-	196,759	-	196,759
Due to other funds	7,220,133	1,015,075	-	-	-	-	-	-	8,235,208
Due to State Department of Education	-	-	4,270	-	-	-	-	-	4,270
Health, life insurance and other deductions	1,854,586	-	-	-	-	-	-	-	1,854,586
Accrued salaries	119,759	-	-	-	-	-	-	-	119,759
Unearned revenue	-	218,419	994,193	50,909	-	-	-	-	1,263,521
<b>Total Liabilities</b>	<b>12,300,768</b>	<b>1,233,494</b>	<b>998,463</b>	<b>50,909</b>	<b>-</b>	<b>-</b>	<b>196,759</b>	<b>-</b>	<b>14,780,393</b>
<b>Fund balances:</b>									
Restricted:									
Special revenue fund - food service	-	-	-	1,045,222	-	-	-	-	1,045,222
Debt service	-	-	-	-	1,398,110	23,742	-	-	1,421,852
Committed:									
Capital projects fund	-	-	-	-	-	-	14,442,588	2,036	14,444,624
Unassigned:									
General fund	15,505,470	-	-	-	-	-	-	-	15,505,470
<b>Total Fund Balance</b>	<b>15,505,470</b>	<b>-</b>	<b>-</b>	<b>1,045,222</b>	<b>1,398,110</b>	<b>23,742</b>	<b>14,442,588</b>	<b>2,036</b>	<b>32,417,168</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 27,806,238</b>	<b>\$ 1,233,494</b>	<b>\$ 998,463</b>	<b>\$ 1,096,131</b>	<b>\$ 1,398,110</b>	<b>\$ 23,742</b>	<b>\$ 14,639,347</b>	<b>\$ 2,036</b>	<b>\$ 47,197,561</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, 2015

<b>Total Governmental Fund Balances</b>		<b>\$ 32,417,168</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.		117,972,298
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Taxes receivable		345,453
Deferred outflows of resources		
Loss on advanced refunding	3,190,425	
Pension related deferred outflows	<u>6,544,609</u>	9,735,034
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(85,243)	
Bonds payable	(51,230,000)	
Net pension liability	<u>(74,504,920)</u>	(125,820,163)
Pension related deferred inflows		<u>(6,285,413)</u>
<b>Net position of governmental activities</b>		<b><u><u>\$ 28,364,377</u></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, 2015

	General Fund	Special Revenue		Special Revenue		Special Revenue		Debt Service -		Capital Projects -		Total Governmental Funds
		Special Projects	Fund - EIA	Fund - EIA	Fund - Food Service	Debt Service Fund	Educational Facilities Corporation	Capital Projects Fund	Educational Facilities Corporation			
<b>REVENUES</b>												
Local property taxes	\$ 33,969,394	-	-	\$ -	-	\$ 3,934,307	-	-	\$ -	-	-	\$ 37,903,701
Other local	47,955	235,546	-	880,190	-	3,649	-	-	410	-	-	1,167,750
Total local	34,017,349	235,546	-	880,190	-	3,937,956	-	-	410	-	-	39,071,451
Intergovernmental	215,443	-	-	-	-	-	-	-	-	-	-	215,443
State	36,670,027	1,129,945	4,479,264	277	167,148	-	-	-	-	-	-	42,446,661
Federal	-	3,343,471	-	2,594,246	-	-	-	-	-	-	-	5,937,717
Total Revenue	70,902,819	4,708,962	4,479,264	3,474,713	4,105,104	-	-	-	410	-	-	87,671,272
<b>EXPENDITURES</b>												
Current:												
Instruction	41,102,479	3,528,241	2,437,984	-	-	-	-	-	-	-	-	47,068,704
Support services	21,163,783	1,090,355	487,525	3,071,361	-	-	-	-	-	4,750	-	25,817,774
Community service	-	253,777	-	-	-	-	-	-	-	-	-	253,777
Intergovernmental	289,652	68,386	-	-	-	-	-	-	-	-	-	358,038
Debt Service	-	-	-	-	-	-	7,905,000	-	-	-	-	7,905,000
Principal	-	-	-	-	25,497	-	1,200,440	-	-	-	-	1,225,937
Interest	-	-	-	-	56,600	-	10,000	-	-	-	-	66,600
Other objects	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	3,697,523	-	-	3,697,523
Total Expenditures	62,555,914	4,940,759	2,925,509	3,071,361	82,097	9,115,440	9,115,440	4,750	3,697,523	4,750	-	86,393,353
Excess (deficiency) of revenues over expenditures	8,346,905	(231,797)	1,553,755	403,352	4,023,007	(9,115,440)	(9,115,440)	(4,750)	(3,697,113)	(4,750)	-	1,277,919
<b>OTHER FINANCING SOURCES (USES)</b>												
Premium on Bonds Sold	-	-	-	-	19,498	-	-	-	-	-	-	19,498
Sale of fixed assets	5,399	-	-	-	-	-	-	-	-	-	-	5,399
Transfers in	1,928,666	253,778	-	-	-	6,915,723	-	-	8,980,970	-	-	18,079,137
Transfers out	(11,480,970)	(21,981)	(1,553,755)	(352,930)	(4,415,723)	-	-	-	-	-	-	(17,825,359)
Total Other Financing Sources (Uses)	(9,546,905)	231,797	(1,553,755)	(352,930)	(4,396,225)	6,915,723	6,915,723	-	8,980,970	-	-	278,675
Total net change in fund balances	(1,200,000)	-	-	50,422	(373,218)	(2,199,717)	(2,199,717)	(4,750)	5,283,857	(4,750)	-	1,556,594
Fund Balance June 30, 2014	16,705,470	-	-	994,800	1,771,328	2,223,459	2,223,459	6,786	9,158,731	6,786	-	30,860,574
Fund Balance June 30, 2015	\$ 15,505,470	\$ -	\$ -	\$ 1,045,222	\$ 1,398,110	\$ 23,742	\$ 23,742	\$ 2,036	\$ 14,442,588	\$ 2,036	-	\$ 32,417,168

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, 2015

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 1,556,594</b>
<p>Amounts reported for governmental activities in the statements of activities are different because of the following:</p>	
<p>Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.</p>	13,154
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the term of the long-term debt in the statement of activities.</p>	
Principal payments on long-term debt	7,905,000
Amortization of deferred loss on advanced refunding	(466,891)
<p>Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense of \$4,387,045 exceeds capital outlay of \$4,048,093 in the current year.</p>	
	(338,952)
<p>The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an element of pension expense. The fund financial statements report pension contributions as expenditures.</p>	
	(788,505)
<p>Revenues reported on the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.</p>	
	59,250
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 7,939,650</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, 2015

**ASSETS**

Cash and cash equivalents	\$ 1,213,859
Investments	298,353
Accounts receivable	<u>553,413</u>
Total Assets	<u><u>\$ 2,065,625</u></u>

**LIABILITIES**

Due to student organizations	\$ 937,662
Due to other funds	330,925
Unearned revenue/revenues received in advance	<u>797,038</u>
Total liabilities	<u><u>\$ 2,065,625</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, 2015

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, 2015

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 District's primary operating fund. It accounts for all activities except those 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: The District has the following special revenue funds:

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

**Debt Service Fund (Major Fund)** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

**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.

Additionally, the District reports the following fund type:

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

- 1) Pupil Activity Fund –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.
- 2) Middle Tyger Community Center Funds – are used to account for the funds held by Spartanburg School District Five on behalf of Middle Tyger Community Center and to record the changes in those funds.
- 3) First Steps Fund – is used to account for the expenditures related to First Steps and related the reimbursement of those funds from First Steps.

**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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**D. Measurement Focus and Basis of Accounting – Continued**

**Revenues - Exchange and Non-Exchange Transactions – continued**

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

**Unearned Revenue**

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

**Expenditures/Expenses**

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

**E. Budget**

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

**F. Deposits 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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

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 No. 5. Thirty percent of the delinquent taxes delivered each year to the Delinquent Tax Office are estimated to be collectible; the remainder is considered to be uncollectible and, accordingly, an allowance for the uncollectible amounts has been recorded.

**I. Ad Valorem Taxes**

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

The assessed valuation of property in Spartanburg County for District No. 5 for 2014 was \$198,411,837. In addition the District billed fees in lieu of taxes on assessed values of \$39,724,645. 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.

**K. Capital Assets and Depreciation**

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**K. Capital Assets and Depreciation - Continued**

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

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

**L. Interfund Transactions**

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

**M. Vacation and Sick Pay**

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

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

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

**O. Deferred Outflows and Inflows of Resources**

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

**P. Governmental Fund Balance Classifications**

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

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**P. 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 an official to which the Board delegates authority. By a majority vote, the Board of Trustees has delegated this authority to the Superintendent. The authorization to assign fund balance can be found in the District's fund balance policy. This classification also includes the remaining positive fund balance for all governmental funds, except for the General Fund, as governed by the State Department of Education.

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

**Spending Policy**

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

**Minimum Unassigned Fund Balance**

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

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

**Q. Net Position**

Net position represents the difference between assets, plus deferred outflow of resources and liabilities, less deferred inflow of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**R. Restricted Sources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**S. Estimates**

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

**T. Risk Management**

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

The District obtains its general liability, property and workmen's compensation insurance through the South Carolina School Boards Insurance Trust (the "Trust") which is 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.

**U. Expenditures Exceeding Appropriations**

The following General Fund functions had an excess of actual expenditures over the legally adopted budgeted amounts for the year ended June 30, 2015:

<u>General Fund:</u>	
Supporting services	\$ 21,300

NOTE 2 - DEPOSITS AND INVESTMENTS

**Deposits**

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

At June 30, 2015, the District's cash deposits were as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand Deposits	<u>\$ 8,217,659</u>	<u>\$ 8,379,923</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS - CONTINUED

**Deposits - 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	\$	7,003,800	
Statement of Fiduciary Net Position			
Cash and Cash Equivalents		1,213,859	
Cash and Cash Equivalents	\$	8,217,659	

**Investments**

As of June 30, 2015, the Middle Tyger Community Center (Agency Fund) has the following investments:

Investment Type	Fair Value	Maturity	Rating
Spartanburg County Foundation	287,896	N/A	N/A
Edward Jones Investment	10,457	Daily	AAAm
Total Investments	\$ 298,353		

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, 2015

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
<b>Governmental Activities</b>				
Capital Asset, not Being Depreciated				
Land	\$ 6,150,758	\$ 121,268	\$ -	\$ 6,272,026
Construction in progress	-	3,303,445	-	3,303,445
Total Capital Asset, not Being Depreciated	6,150,758	3,424,713	-	9,575,471
Capital Assets, Being Depreciated				
Buildings and improvements	161,573,745	15,676	-	161,589,421
Furniture and equipment	3,942,271	607,704	-	4,549,975
Total Capital Assets, Being Depreciated	165,516,016	623,380	-	166,139,396
Less Accumulated Depreciation				
Buildings and improvements	50,679,312	3,938,997	-	54,618,309
Furniture and equipment	2,676,212	448,048	-	3,124,260
Total Accumulated Depreciation	53,355,524	4,387,045	-	57,742,569
Capital Assets, Being Depreciated, Net	112,160,492	(3,763,665)	-	108,396,827
Governmental Activities Capital Assets, Net	<u>\$ 118,311,250</u>	<u>\$ (338,952)</u>	<u>\$ -</u>	<u>\$ 117,972,298</u>

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

Instructional	\$2,807,767
Supporting services	1,542,804
Community service	15,141
Intergovernmental	21,333
Total Depreciation Expense	<u>\$4,387,045</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, 2015:

	Beginning Balance	Additions	Payments	Ending Balance
SCAGO GO Series 2014C	\$ -	\$ 3,665,000	\$ 3,665,000	\$ -
SCAGO GO Series 2015A	-	3,000,000	3,000,000	-
	<u>\$ -</u>	<u>\$ 6,665,000</u>	<u>\$ 6,665,000</u>	<u>\$ -</u>



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 4– SHORT-TERM OBLIGATIONS - CONTINUED

On September 19, 2014, the District issued \$3,665,000 in SCAGO GO Bonds, Series 2014D to pay for the interest on the 2013 Installment Purchase Revenue Bonds. At June 30, 2015 these bonds were paid in full, including interest of \$20,997.

On April 1, 2015, the District issued \$3,000,000 in SCAGO GO Bonds, Series 2015A to fund the continuing renovations at Byrnes High School and Lyman Elementary School. At June 30, 2015 these bonds were paid in full, including interest of \$4,500.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is a summary of general obligation transactions of the District for the fiscal year ended June 30, 2015:

	Amount Outstanding June 30, 2014	Additions	Deductions	Amount Outstanding June 30, 2015	Amounts Due in One Year
Installment Purchase Refunding Revenue Bonds 2013	\$ 59,135,000	\$ -	\$ 7,905,000	\$ 51,230,000	\$ 4,565,000
	<u>59,135,000</u>	<u>-</u>	<u>7,905,000</u>	<u>51,230,000</u>	<u>4,565,000</u>

Long-term debt at June 30, 2015 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%.	\$ 51,230,000	\$ 51,230,000
	<u>\$ 51,230,000</u>	<u>\$ 51,230,000</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30	Refunding Revenue Bonds		Total
	Principal	Interest	
2016	\$ 4,565,000	\$ 1,039,969	\$ 5,604,969
2017	7,220,000	947,300	8,167,300
2018	7,365,000	800,734	8,165,734
2019	7,515,000	651,224	8,166,224
2020	7,670,000	498,670	8,168,670
2021-2022	16,895,000	527,088	17,422,088
	<u>\$ 51,230,000</u>	<u>\$ 4,464,985</u>	<u>\$ 55,694,985</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

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, 2015 the District had an arbitrage liability of \$118,110.

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.

The SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 bonds are not a debt of the District; however, as the Corporation is blended with the operations of the District, the debt of the Corporation is included with the District's other obligations as required by generally accepted accounting principles.

NOTE 6 – PRIOR YEARS' DEBT DEFEASANCE

In prior years, the District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings for the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's government-wide financial statements. As of June 30, 2015, the amount of the defeased debt outstanding amounted to \$57,002,256.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 – PENSION PLANS

**A. South Carolina Retirement System**

**Plan Description** - The District, as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA). PEBA issues a Comprehensive Annual Financial Report (CAFR) that is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov).

**Benefits Provided** - SCRS provides retirement and disability benefits, and an incidental death benefit is available to beneficiaries of active and retired members of employers who participate in the death benefit program. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a change in the code of laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary.

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit.

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

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

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

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

**Contributions** - Contributions requirements of the Plan are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation. Employees and employers (both Class II and III) are required to contribute 8% and 10.75%, respectively, of earnable compensation for the year ended June 30, 2015. Employers also contribute an additional .15% of earnable compensation, if participating in the death benefit program.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 – PENSION PLANS - CONTINUED

**A. South Carolina Retirement System - Continued**

Employee and employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member’s account with investment providers for the employee contribution (8%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (5.75%) and an incidental death benefit contribution (.15%), if applicable, which is retained by SCRS.

Contributions to the Plan from the District were \$4,409,929.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2015, the District reported a net pension liability of \$74,374,184 for its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, using membership data as of July 1, 2013 projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. The District’s proportion of the net pension liability was based on the District’s contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2014. Based upon this information, the District’s proportion was 0.431989%.

For the year ended June 30, 2015, the District recognized pension expense of \$5,212,785. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,107,451	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	6,270,286
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	4,409,929	-
Total	\$ 6,517,380	\$ 6,270,286

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 – PENSION PLANS - CONTINUED

**A. South Carolina Retirement System – Continued**

Deferred outflows of resources of \$4,409,929 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2016	\$ (915,715)
2017	(915,715)
2018	(915,715)
2019	(1,415,690)
	<u>\$ (4,162,835)</u>

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75%
Salary increases	levels off at 3.5%
Benefit adjustments	less of 1% or \$500
Investment rate of return	7.50%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment. The long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target allocation as of June 30, 2014, are summarized in the following table:

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

NOTE 7 – PENSION PLANS - CONTINUED

**A. South Carolina Retirement System - Continued**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Short Term	5%	0.03%
Domestic Fixed Income	13%	0.26%
Global Fixed Income	9%	0.27%
Global Public Equity	31%	2.42%
Global Tactical Asset Allocation	10%	0.51%
Alternatives	32%	2.39%
Total Expected Real Return	<u>100%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 96,244,796	\$ 74,374,184	\$ 56,127,820

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued CAFR of the Pension Trust Funds publicly available on PEBA's Retirement Benefits' website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, P.O. Box 11960, Columbia, SC 29211-1960.

**B. South Carolina Police Officers Retirement System**

**Plan Description** - The District, as the employer, participates in the South Carolina Police Officers Retirement System (PORS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA). PEBA issues a Comprehensive Annual Financial Report (CAFR) that is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov).

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 – PENSION PLANS - CONTINUED

**B. South Carolina Police Officers Retirement System - Continued**

**Benefits Provided** - PORS provides retirement and disability benefits, accidental death benefits, and an incidental death benefit is available to beneficiaries of active and retired members of employers who participate in the death benefit program. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a change in the code of laws. To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary.

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

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

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

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

**Contributions** - Contributions requirements of the Plan are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 5.0% of earnable compensation. Employees and employers (both Class II and III) are required to contribute 8.41% and 13.01%, respectively, of earnable compensation for the year ended June 30, 2015. Employers also contribute an additional .20% of earnable compensation for the accidental death program and an additional .20% of earnable compensation, if participating in the incidental death benefit program. Contributions to the Plan from the District were \$23,740.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2015, the District reported a net pension liability of \$130,736 for its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, using membership data as of July 1, 2013 projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on the District's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2014. Based upon this information, the District's proportion was 0.006830%.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 – PENSION PLANS - CONTINUED

**B. South Carolina Police Officers Retirement System – Continued**

For the year ended June 30, 2015, the District recognized pension expense of \$11,438. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,489	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	15,127
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	23,740	-
Total	\$ 27,229	\$ 15,127

Deferred outflows of resources of \$23,740 related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2016	\$ (2,877)
2017	(2,877)
2018	(2,877)
2019	(3,007)
	\$ (11,638)

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of July 1, 2013, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75%
Salary increases	levels off at 4.0%
Benefit adjustments	less of 1% or \$500
Investment rate of return	7.50%



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

NOTE 7 – PENSION PLANS - CONTINUED

**B. South Carolina Police Officers Retirement System – Continued**

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment. The long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target allocation as of June 30, 2014, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Short Term	5%	0.03%
Domestic Fixed Income	13%	0.26%
Global Fixed Income	9%	0.27%
Global Public Equity	31%	2.42%
Global Tactical Asset Allocation	10%	0.51%
Alternatives	32%	2.39%
Total Expected Real Return	<u>100%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
District's proportionate share of the net pension liability	\$ 182,701	\$ 130,736	\$ 87,740

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 – PENSION PLANS - CONTINUED

**B. South Carolina Police Officers Retirement System – Continued**

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CAFR of the Pension Trust Funds publically available on PEBA’s Retirement Benefits’ website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, P.O. Box 11960, Columbia, SC 29211-1960.

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.

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, 2015 consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,040,877	\$ 7,220,133
Special Revenue Fund - Special Projects	192,616	1,015,075
Special Revenue Fund -EIA Fund	998,463	-
Special Revenue Fund - Food Service	1,006,026	-
Agency Fund	-	330,925
Debt Service	1,012,224	-
Debt Service - EFC	-	-
Capital Projects	4,313,891	-
Capital Projects - EFC	2,036	-
	\$ 8,566,133	\$ 8,566,133

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 10 - INTERFUND TRANSACTIONS - CONTINUED

**Interfund Receivables and Payables - Continued**

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, 2015, consisted of the following:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund - EFC	\$ 2,500,000
General Fund	Capital Projects Fund	8,980,970
Special Revenue Fund - Special Projects	General Fund	21,981
Special Revenue Fund - EIA	General Fund	1,553,755
Food Service Fund	General Fund	352,930
Debt Service Fund	Debt Service Fund - EFC	4,415,723
Pupil Activity Funds	Special Revenue Funds - Special Projects	253,778
		<u>\$ 18,079,137</u>

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

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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2015

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

During and prior to the fiscal year ended June 30, 2015, the District entered into several contractual commitments which were not complete as of June 30, 2015. These contracts were for the renovations and improvements of Byrnes High School and Lyman Elementary School.

Total contractual commitments of the building fund at June 30, 2015 are as follows:

Total Contractual Commitments	
Contract Amount	\$ 29,916,110
Job - to - Date Expenditures	<u>3,303,445</u>
Outstanding Commitments	<u><u>\$ 26,612,665</u></u>

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, 2015, these amounts were \$373,454 and \$238,117 respectively and were recorded as General Fund expenditures.

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE / RESTATEMENT

The District implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment to GASB Statement No. 27)* and GASB statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, in the fiscal year ending June 30, 2015. The implementation of the statements required the District to record beginning net pension liability and the effects on the net position of contributions made by the District during the measurement period (fiscal year ending June 30, 2014). Beginning net position was restated as follows:

	Governmental Activities
Net position at beginning of year, as previously reported	\$ 93,881,946
Increase due to GASB 71 Contributions after measurement date	4,167,760
Decrease due to GASB 68 Net Pension Liability	<u>(77,624,979)</u>
Total Net Decrease due to GASB Nos. 68 and 71	<u>(73,457,219)</u>
Net position at beginning of year, as restated	<u><u>\$ 20,424,727</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - SUBSEQUENT EVENT

On July 15, 2015, the District issued \$18,200,000 in long-term General Obligation Bonds, Series 2015B maturing yearly from 2016 through 2025. The bond yield is .08% at a price of 100.536%.

Management has evaluated subsequent events through October 27, 2015, the date on which the financial statements were available to be issued.

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

	<u>2015</u>
District's Proportion of the Net Pension Liability	0.431989%
District's Proportionate Share of the Net Pension Liability	\$ 74,374,184
District's Covered-Employee Payroll	\$ 42,750,998
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	173.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.89%

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

**Notes to Schedule:**

Only the current fiscal year is presented because 10-year data is not yet available.

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

	2015
Statutorially Required Contributions	\$ 4,409,929
Contributions in Relation to the Statutorially Required Contributions	4,409,929
Contribution Deficiency (Excess)	\$ -
District's Covered-Employee Payroll	\$ 42,750,998
Contributions as a Percentage of Covered-Employee Payroll	10.32%

**Notes to Schedule:**

Only the current fiscal year is presented because 10-year data is not yet available.

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

	2015
District's Proportion of the Net Pension Liability	0.006830%
District's Proportionate Share of the Net Pension Liability	\$ 130,736
District's Covered-Employee Payroll	\$ 82,140
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	159.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.04%

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

**Notes to Schedule:**

Only the current fiscal year is presented because 10-year data is not yet available.



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

	<u>2015</u>
Statutorially Required Contributions	\$ 23,740
Contributions in Relation to the Statutorially Required Contributions	<u>23,740</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>
District's Covered-Employee Payroll	\$ 82,140
Contributions as a Percentage of Covered-Employee Payroll	28.90%

**Notes to Schedule:**

Only the current fiscal year is presented because 10-year data is not yet available.

REQUIRED SUPPLEMENTARY INFORMATION  
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Local	\$ 31,509,742	\$ 31,509,742	\$ 34,017,349	\$ 2,507,607
Intergovernmental	166,631	166,631	215,443	48,812
State	<u>35,994,043</u>	<u>35,994,043</u>	<u>36,670,027</u>	<u>675,984</u>
Total Revenue	<u>67,670,416</u>	<u>67,670,416</u>	<u>70,902,819</u>	<u>3,232,403</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	42,483,504	42,481,504	41,102,479	1,379,025
Supporting Services	21,135,483	21,142,483	21,163,783	(21,300)
Intergovernmental Expenditures	<u>328,660</u>	<u>328,660</u>	<u>289,652</u>	<u>39,008</u>
Total Expenditures	<u>63,947,647</u>	<u>63,952,647</u>	<u>62,555,914</u>	<u>1,396,733</u>
Excess / (Deficiency) of Revenues Over Expenditures	<u>3,722,769</u>	<u>3,717,769</u>	<u>8,346,905</u>	<u>4,629,136</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	1,782,231	1,782,231	1,934,065	151,834
Operating Transfers Out	<u>(5,500,000)</u>	<u>(5,500,000)</u>	<u>(11,480,970)</u>	<u>(5,980,970)</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>\$ -</u>	<u>(1,200,000)</u>	<u>\$ (1,200,000)</u>
<b>FUND BALANCE JULY 1, 2014</b>			<u>16,705,470</u>	
<b>FUND BALANCE JUNE 30, 2015</b>			<u>\$ 15,505,470</u>	

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
1000 Revenue From Local Sources			
1100 Taxes			
1110 Ad Valorem taxes	\$ 23,753,810	\$ 24,750,677	\$ 996,867
1190 Other taxes	1,399,236	1,471,517	72,281
1200 Revenue from Local Governmental Units other than LEA's			
1280 Revenue in lieu of taxes	6,331,696	7,747,200	1,415,504
1300 Tuition			
1310 From patrons for regular day school	-	32,961	32,961
1500 Earnings on Investments			
1510 Interest on investments	25,000	-	(25,000)
1900 Other Revenue from Local Sources			
1920 Contributions	-	155	155
1950 Refund of prior year's expenditures	-	4,585	4,585
1999 Revenue from other local sources	-	10,254	10,254
Total Local Sources	<u>31,509,742</u>	<u>34,017,349</u>	<u>2,507,607</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	<u>166,631</u>	<u>215,443</u>	<u>48,812</u>
Total Intergovernmental Revenues	<u>166,631</u>	<u>215,443</u>	<u>48,812</u>
3000 Revenue from State Sources			
3130 Special Programs			
3131 Handicapped transportation	-	18,221	18,221
3132 Home schooling	-	525	525
3160 School Bus Driver's Salary			
3162 Transportation workers' compensation	193,059	257,520	64,461
	20,419	20,342	(77)
3180 Fringe Benefits Employer Contributions			
	6,430,732	6,695,881	265,149
3181 Retiree Insurance			
	1,506,445	1,526,158	19,713
3300 Education Finance Act			
3310 Full-time Programs			
3311 Kindergarten	847,566	900,229	52,663
3312 Primary	2,491,039	2,418,711	(72,328)
3313 Elementary	3,964,347	3,937,795	(26,552)
3314 High school	2,142,498	1,896,274	(246,224)
3315 Trainable mentally handicapped	15,691	40,657	24,966
3316 Speech handicapped (part-time program)	557,795	819,427	261,632
3317 Homebound	18,676	9,060	(9,616)

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, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
3320 Part-Time Programs			
3321 Emotionally handicapped	147,101	131,378	(15,723)
3322 Educable mentally handicapped	43,873	54,330	10,457
3323 Learning disabilities	1,142,443	1,194,748	52,305
3324 Hearing handicapped	34,662	40,099	5,437
3325 Visually handicapped	11,697	19,371	7,674
3326 Orthopedically handicapped	24,759	17,246	(7,513)
3327 Vocational	1,338,622	1,561,475	222,853
3330 Other EFA Programs			
3331 Autism	336,599	387,817	51,218
3332 High Achieving	421,936	367,225	(54,711)
3334 Limited English Proficiency	143,567	164,317	20,750
3351 Academic Assistance	255,007	287,403	32,396
3352 Pupils in Poverty	1,544,797	1,523,471	(21,326)
3399 Other EFA Programs	33,816	-	(33,816)
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for local property tax relief	1,681,807	1,681,807	-
3820 Homestead exemption	968,250	968,250	-
3825 Reimbursement for property tax relief	9,138,233	9,147,027	8,794
3830 Merchant's inventory tax	78,607	78,608	1
3840 Manufacturers depreciation reimbursement	403,000	437,800	34,800
3890 Other state property tax revenues	57,000	66,855	9,855
Total State Sources	<u>35,994,043</u>	<u>36,670,027</u>	<u>675,984</u>
<b>TOTAL REVENUES ALL SOURCES</b>	<u>67,670,416</u>	<u>70,902,819</u>	<u>3,232,403</u>
<b>EXPENDITURES</b>			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	2,058,003	2,075,152	(17,149)
200 Employee benefits	868,020	778,917	89,103
400 Supplies and materials	51,142	48,927	2,215
500 Capital outlay	17,700	15,676	2,024
112 Primary Programs			
100 Salaries	6,607,004	6,620,488	(13,484)
200 Employee benefits	2,495,415	2,333,009	162,406
300 Purchased services	81,973	77,322	4,651
400 Supplies and materials	138,453	149,193	(10,740)
500 Capital outlay	1,700	-	1,700
600 Other objects	3,700	-	3,700

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
113 Elementary Programs			
100 Salaries	9,396,890	8,903,543	493,347
200 Employee benefits	3,465,539	3,317,288	148,251
300 Purchased services	325,387	370,645	(45,258)
400 Supplies and materials	309,123	279,526	29,597
500 Capital outlay	1,133,934	1,096,365	37,569
600 Other objects	8,600	9,348	(748)
114 High School Programs			
100 Salaries	6,180,946	6,036,394	144,552
200 Employee benefits	2,200,786	2,015,805	184,981
300 Purchased services	528,543	474,113	54,430
400 Supplies and materials	418,352	359,774	58,578
500 Capital outlay	117,330	154,234	(36,904)
600 Other objects	6,580	6,779	(199)
115 Career and Technology Education Programs			
100 Salaries	509,133	512,011	(2,878)
200 Employee benefits	192,798	194,155	(1,357)
300 Purchased services	4,238	818	3,420
370 Purchased services - tuition	611,571	611,571	-
400 Supplies and materials	22,475	19,558	2,917
500 Capital outlay	8,640	7,298	1,342
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	348,048	347,161	887
200 Employee benefits	138,410	121,358	17,052
300 Purchased services	1,100	286	814
400 Supplies and materials	4,071	3,968	103
122 Trainable Mentally Handicapped			
100 Salaries	144,906	160,577	(15,671)
200 Employee benefits	54,311	62,915	(8,604)
300 Purchased services	26,200	39,671	(13,471)
123 Orthopedically Handicapped			
100 Salaries	27,580	27,530	50
200 Employee benefits	14,034	13,858	176
400 Supplies and materials	517	488	29
124 Visually Handicapped			
300 Purchased services	6,000	11,623	(5,623)
125 Hearing Handicapped			
300 Purchased services	19,700	31,614	(11,914)
126 Speech Handicapped			
100 Salaries	91,921	102,945	(11,024)
200 Employee benefits	29,634	23,134	6,500
300 Purchased services	2,000	19,205	(17,205)
400 Supplies and materials	5,736	3,939	1,797

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, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
127 Learning Disabilities			
100 Salaries	1,237,579	1,178,602	58,977
200 Employee benefits	500,728	442,844	57,884
300 Purchased services	750	2,125	(1,375)
400 Supplies and materials	16,671	14,359	2,312
128 Emotionally Handicapped			
100 Salaries	381,449	394,901	(13,452)
200 Employee benefits	141,295	136,074	5,221
300 Purchased services	7,500	27,761	(20,261)
400 Supplies and materials	4,713	3,795	918
130 Pre-School Programs			
137 Pre-School Handicapped-Contained (3 & 4 yr. Olds)			
100 Salaries	372,065	378,532	(6,467)
200 Employee benefits	183,045	155,693	27,352
400 Supplies and materials	2,068	1,990	78
139 Early Childhood Programs			
100 Salaries	298,723	212,391	86,332
200 Employee benefits	126,318	105,666	20,652
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	193,839	139,089	54,750
200 Employee benefits	72,943	70,067	2,876
300 Purchased services	6,200	-	6,200
400 Supplies and materials	7,748	2,780	4,968
142 Disadvantaged			
300 Purchased services	-	226	(226)
143 Advanced Placement			
300 Purchased services	1,500	734	766
400 Supplies and materials	3,825	3,838	(13)
145 Homebound			
100 Salaries	19,000	61,763	(42,763)
200 Employee benefits	4,663	15,059	(10,396)
300 Purchased services	15,000	2,114	12,886
148 Gifted and Talented - Artistic			
100 Salaries	5,000	5,200	(200)
200 Employee benefits	1,227	1,255	(28)
400 Supplies and materials	3,210	2,095	1,115
160 Other Exceptional Programs			
161 Autism			
100 Salaries	116,149	138,355	(22,206)
200 Employee benefits	55,899	63,017	(7,118)
300 Purchased services	10,000	64,274	(54,274)

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, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
162 Limited English Proficiency			
300 Purchased services	-	570	(570)
170 Summer School Program			
172 Elementary Summer School			
100 Salaries	10,000	23	9,977
200 Employee benefits	2,454	1,106	1,348
173 High School Summer School			
100 Salaries	-	29,631	(29,631)
200 Employee benefits	-	6,928	(6,928)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
100 Salaries	-	614	(614)
200 Employee benefits	-	21	(21)
300 Purchased services	1,800	806	994
Total Instruction	<u>42,481,504</u>	<u>41,102,479</u>	<u>1,379,025</u>
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work			
100 Salaries	52,367	52,367	-
200 Employee benefits	17,093	16,659	434
300 Purchased services	2,308	765	1,543
400 Supplies and materials	200	-	200
212 Guidance			
100 Salaries	1,197,983	1,201,565	(3,582)
200 Employee benefits	423,851	409,140	14,711
300 Purchased services	1,800	2,840	(1,040)
400 Supplies and materials	47,104	42,015	5,089
213 Health			
100 Salaries	463,971	409,571	54,400
200 Employee benefits	183,851	143,762	40,089
300 Purchased services	10,310	6,401	3,909
400 Supplies and materials	20,210	14,816	5,394
500 Capital outlay	1,000	14,446	(13,446)
214 Psychological			
100 Salaries	188,786	188,786	-
200 Employee benefits	61,227	60,283	944
300 Purchased services	2,200	-	2,200
400 Supplies and materials	850	-	850

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, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	450,097	500,290	(50,193)
200 Employee benefits	148,020	153,783	(5,763)
300 Purchased services	4,615	14,306	(9,691)
400 Supplies and materials	4,250	2,289	1,961
600 Other objects	500	-	500
222 Educational Media			
100 Salaries	931,268	946,016	(14,748)
200 Employee benefits	365,416	371,296	(5,880)
400 Supplies and materials	151,753	142,686	9,067
224 Improvement of Instruction - Inservice Training			
100 Salaries	157,947	223,847	(65,900)
200 Employee benefits	53,254	63,013	(9,759)
300 Purchased services	94,910	92,382	2,528
400 Supplies and materials	11,000	16,044	(5,044)
230 General Administration Services			
231 Board of Education			
300 Purchased services	49,000	13,917	35,083
318 Audit services	40,000	37,090	2,910
400 Supplies and materials	2,550	1,578	972
500 Capital outlay	1,700	117	1,583
600 Other objects	104,653	39,433	65,220
232 Office of Superintendent			
100 Salaries	279,302	291,384	(12,082)
200 Employee benefits	90,368	86,811	3,557
300 Purchased services	4,165	1,522	2,643
400 Supplies and materials	6,800	5,762	1,038
500 Capital outlay	2,125	2,385	(260)
600 Other objects	4,000	3,435	565
233 School Administration			
100 Salaries	3,560,653	3,547,761	12,892
200 Employee benefits	1,303,033	1,229,407	73,626
300 Purchased services	22,614	121,154	(98,540)
400 Supplies and materials	58,291	39,804	18,487
500 Capital outlay	13,950	12,092	1,858
600 Other objects	600	1,442	(842)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	268,479	269,998	(1,519)
200 Employee benefits	85,988	81,272	4,716
300 Purchased services	27,243	15,817	11,426
400 Supplies and materials	12,000	14,731	(2,731)
500 Capital outlay	1,400	-	1,400



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, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
254 Operation and Maintenance of Plant Services			
100 Salaries	2,231,744	2,079,823	151,921
200 Employee benefits	891,317	669,605	221,712
300 Purchased services	1,370,171	1,654,950	(284,779)
321 Public utilities	260,200	287,713	(27,513)
400 Supplies and materials	526,908	539,687	(12,779)
470 Energy	1,525,300	1,501,598	23,702
500 Capital outlay	548,000	380,011	167,989
255 Pupil Transportation Services			
100 Salaries	638,433	712,727	(74,294)
200 Employee benefits	171,186	209,951	(38,765)
300 Purchased services	19,846	81,564	(61,718)
400 Supplies and materials	2,400	46,311	(43,911)
500 Capital outlay	2,000	50,034	(48,034)
600 Other objects	3,000	-	3,000
256 Food Service			
300 Purchased services	100	163	(63)
258 Security			
100 Salaries	53,500	53,646	(146)
200 Employee benefits	13,129	15,752	(2,623)
300 Purchased services	514,260	561,490	(47,230)
400 Supplies and materials	60,200	61,032	(832)
500 Capital outlay	6,375	24,561	(18,186)
260 Central Support Services			
263 Information Services			
100 Salaries	68,632	58,660	9,972
200 Employee benefits	25,376	21,635	3,741
300 Purchased services	40,500	33,049	7,451
400 Supplies and materials	23,000	23,593	(593)
500 Capital outlay	1,700	560	1,140
264 Staff Services			
100 Salaries	180,010	180,010	-
200 Employee benefits	63,165	61,078	2,087
300 Purchased services	23,250	24,367	(1,117)
400 Supplies and materials	2,500	1,191	1,309
266 Data Processing Services			
100 Salaries	624,112	619,404	4,708
200 Employee benefits	204,114	190,495	13,619
300 Purchased services	5,000	1,688	3,312
270 Support Services Pupil Activity			
271 Pupil Service Activities			
300 Purchased services	20,000	74,190	(54,190)
400 Supplies and materials	6,000	5,997	3
600 Other objects	30,000	30,968	(968)
Total Supporting Services	21,142,483	21,163,783	(21,300)

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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
400 Intergovernmental Expenditures			
412 Payments to other governmental units			
720 Transits	328,660	289,652	39,008
	<u>328,660</u>	<u>289,652</u>	<u>39,008</u>
Total Intergovernmental Expenditures	<u>328,660</u>	<u>289,652</u>	<u>39,008</u>
<b>TOTAL EXPENDITURES</b>	<u>63,952,647</u>	<u>62,555,914</u>	<u>1,396,733</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
5300 Sale of Fixed Assets	-	5,399	5,399
Interfund Transfers, from (to) other funds			
5230 Transfer from Special Revenue - EIA Fund	1,482,231	1,553,755	71,524
5280 Transfer from Other Funds Indirect Costs	300,000	374,911	74,911
423-710 Transfer to Debt Service Fund - EFC	(5,500,000)	(2,500,000)	3,000,000
424-710 Transfer to Capital Projects Fund	-	(8,980,970)	(8,980,970)
	<u>(3,717,769)</u>	<u>(9,546,905)</u>	<u>(5,829,136)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,717,769)</u>	<u>(9,546,905)</u>	<u>(5,829,136)</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>(1,200,000)</u>	<u>\$ (1,200,000)</u>
<b>FUND BALANCE JULY 1, 2014</b>		<u>16,705,470</u>	
<b>FUND BALANCE JUNE 30, 2015</b>		<u>\$ 15,505,470</u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 SPECIAL REVENUE FUND - SPECIAL PROJECTS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2015

	2011/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
Title I	IDEA	Preschool Handicapped	CATE				
	\$ 348,347	\$ 493,711	\$ 10,546	\$ 21,304	\$ -	\$ 162,197	\$ 1,036,105
	-	-	-	-	-	4,773	4,773
	-	-	-	-	192,616	-	192,616
<b>Total Assets</b>	<b>\$ 348,347</b>	<b>\$ 493,711</b>	<b>\$ 10,546</b>	<b>\$ 21,304</b>	<b>\$ 192,616</b>	<b>\$ 166,970</b>	<b>\$ 1,233,494</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Due to other funds	\$ 348,347	\$ 493,711	\$ 10,546	\$ 21,304	\$ -	\$ 141,167	\$ 1,015,075
Unearned revenues	-	-	-	-	192,616	25,803	218,419
<b>Total Liabilities</b>	<b>\$ 348,347</b>	<b>\$ 493,711</b>	<b>\$ 10,546</b>	<b>\$ 21,304</b>	<b>\$ 192,616</b>	<b>\$ 166,970</b>	<b>\$ 1,233,494</b>
Fund balances:	-	-	-	-	-	-	-
<b>Total Liabilities and Fund Balance</b>	<b>\$ 348,347</b>	<b>\$ 493,711</b>	<b>\$ 10,546</b>	<b>\$ 21,304</b>	<b>\$ 192,616</b>	<b>\$ 166,970</b>	<b>\$ 1,233,494</b>

**ASSETS**

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

Total Assets

**LIABILITIES AND FUND BALANCE**

Liabilities:

Due to other funds  
 Unearned revenues

Total Liabilities

Fund balances:

Total Liabilities and Fund Balance

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	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							
1900 Other Revenue from Local Sources							
1910 Rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,555	\$ 9,555
1920 Contributions	-	-	-	-	-	19,222	19,222
1930 Medicaid	-	-	-	-	-	206,769	206,769
<b>Total Local Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,546</b>	<b>235,546</b>
3000 Revenue From State Sources							
3100 Restricted Grants							
3110 Occupational education							
3118 EEDA career specialist	-	-	-	-	211,925	-	211,925
3120 General education							
3127 Student health and fitness - nurses	-	-	-	-	58,721	-	58,721
3130 Special programs							
3135 Reading coaches	-	-	-	-	250,920	-	250,920
3177 Summer reading camp	-	-	-	-	37,051	-	37,051
3190 Other restricted grants							
3193 Education license plates	-	-	-	-	1,388	-	1,388
3600 Education lottery act revenue							
3607 6-8 enhancement	-	-	-	-	16,592	-	16,592
3610 K-5 enhancement	-	-	-	-	204,309	-	204,309
3620 Digital instruction materials	-	-	-	-	42,439	-	42,439
3630 K-12 Technology initiative	-	-	-	-	306,600	-	306,600
<b>Total State Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,129,945</b>	<b>-</b>	<b>1,129,945</b>
4000 Revenue From Federal Sources							
4200 Occupational education							
4210 Vocational aid, Title I	-	-	-	47,371	-	-	47,371

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, 2015

	201/202	203/204	205/206	207/208						
	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Total			
4300 Elementary and Secondary Education Act of 1965										
4310 Title I	1,227,409	-	-	-	-	57,375	1,284,784			
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	37,694	37,694			
4351 Improving teacher quality	-	-	-	-	-	214,172	214,172			
4500 Education for children with disabilities										
4510 Individuals with Disabilities Education Act (IDEA)	-	1,612,426	-	-	-	3,688	1,616,114			
4520 Preschool grants (IDEA)	-	-	56,877	-	-	-	56,877			
4900 Other federal sources										
4999 Revenue from other federal sources	-	-	-	-	-	86,459	86,459			
Total Federal Revenue	1,227,409	1,612,426	56,877	47,371	-	399,388	3,343,471			
<b>TOTAL REVENUE ALL SOURCES</b>	1,227,409	1,612,426	56,877	47,371	1,129,945	634,934	4,708,962			

**EXPENDITURES**

100 Instruction										
110 General Instruction										
111 Kindergarten programs										
100 Salaries	119,624	-	-	-	-	-	119,624			
200 Employee benefits	48,661	-	-	-	-	-	48,661			
112 Primary programs										
100 Salaries	341,140	-	-	-	164,465	100,750	606,355			
200 Employee benefits	108,152	-	-	-	59,446	29,554	197,152			
400 Supplies and materials	101,876	-	-	-	390	29,299	131,565			
500 Capital outlay	143,545	-	-	-	-	13,966	157,511			
113 Elementary programs										
100 Salaries	37,712	-	-	-	-	47,872	85,584			
200 Employee benefits	9,269	-	-	-	-	21,361	30,630			
300 Purchased services	-	-	-	-	-	24,375	24,375			
400 Supplies and materials	-	-	-	9,143	51,423	-	60,566			
500 Capital outlay	-	-	-	911	307,644	-	308,555			

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, 2015

	201/202	203/204	205/206	207/208	Total	
	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs
114 High school programs						
100 Salaries	-	-	-	-	-	70,916
200 Employee benefits	-	-	-	-	-	15,544
300 Purchased services	-	-	-	-	-	9,498
400 Supplies and materials	-	-	-	-	-	2,892
115 Career and technology education programs						
300 Purchased services	-	-	-	6,533	-	6,533
400 Supplies and materials	-	-	-	7,684	-	7,684
120 Exceptional Programs						
121 Educable mentally handicapped						
100 Salaries	-	20,786	-	-	-	20,786
200 Employee benefits	-	9,642	-	-	-	9,642
125 Hearing handicapped						
100 Salaries	-	24,400	-	-	-	24,400
200 Employee benefits	-	15,971	-	-	-	15,971
126 Speech handicapped						
100 Salaries	-	201,323	-	-	-	201,323
200 Employee benefits	-	65,552	-	-	-	65,552
300 Purchased services	-	144,859	-	-	-	144,859
600 Other objects	-	-	-	-	-	3,490
127 Learning disabilities						
100 Salaries	-	487,052	-	-	-	487,052
200 Employee benefits	-	165,033	-	-	-	165,033
400 Supplies and materials	-	16,973	-	-	-	16,973
128 Emotionally handicapped						
100 Salaries	-	81,702	-	-	-	81,702
200 Employee benefits	-	28,946	-	-	-	28,946
130 Preschool Handicapped Programs						
137 Preschool handicapped self-contained (3 & 4-year olds)						
100 Salaries	-	24,978	39,245	-	-	64,223
200 Employee benefits	-	12,228	17,632	-	-	29,860

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, 2015

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
139 Early childhood programs							
100 Salaries	70,001	-	-	-	-	-	70,001
200 Employee benefits	25,315	-	-	-	-	-	25,315
160 Other Exceptional Programs							
161 Autism							
100 Salaries	-	24,718	-	-	-	-	24,718
200 Employee benefits	-	5,937	-	-	-	-	5,937
170 Summer School Program							
171 Primary Summer School							
100 Salaries	-	-	-	-	18,163	4,013	22,176
200 Employee benefits	-	-	-	-	4,459	982	5,441
300 Purchased services	-	-	-	-	45	-	45
400 Supplies and materials	-	-	-	-	9,266	-	9,266
180 Adult/continuing education							
188 Parenting/family literacy							
100 Salaries	34,792	-	-	-	-	-	34,792
200 Employee benefits	15,425	-	-	-	-	-	15,425
<b>TOTAL INSTRUCTION</b>	<b>1,055,512</b>	<b>1,330,100</b>	<b>56,877</b>	<b>24,271</b>	<b>615,301</b>	<b>446,180</b>	<b>3,528,241</b>
200 Supporting Services							
210 Pupil Services							
211 Attendance and social work services							
300 Purchased services	157	-	-	-	-	-	157
400 Supplies and materials	2,692	-	-	-	-	-	2,692
214 Psychological							
100 Salaries	-	59,207	-	-	-	-	59,207
200 Employee benefits	-	17,062	-	-	-	-	17,062
300 Purchased services	-	40,267	-	-	-	45,000	85,267
215 Exceptional program services							
400 Supplies and materials	-	36,852	-	-	-	-	36,852

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, 2015

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
217 Career specialist services							
100 Salaries	-	-	-	-	152,284	-	152,284
200 Employee benefits	-	-	-	-	59,641	-	59,641
220 Instructional Staff Services							
221 Improvement of instruction - curriculum development							
100 Salaries	69,203	-	-	-	-	-	69,203
200 Employee benefits	25,036	-	-	-	-	-	25,036
300 Purchased services	-	-	-	-	-	915	915
400 Supplies and materials	-	-	-	-	4,288	20,998	25,286
223 Supervision of special programs							
100 Salaries	32,590	80,374	-	-	-	-	112,964
200 Employee benefits	11,203	28,008	-	-	-	-	39,211
300 Purchased services	655	4,603	-	-	-	-	5,258
400 Supplies and materials	-	3,755	-	-	-	-	3,755
224 Improvement of instruction - inservice training							
100 Salaries	-	1,200	-	-	182,810	5,000	189,010
200 Employee benefits	-	294	-	-	68,110	1,218	69,622
300 Purchased services	7,256	10,704	-	13,100	41,817	33,448	106,325
400 Supplies and materials	-	-	-	-	965	4,235	5,200
250 Finance and Operations Services							
251 Student transportation							
300 Purchased services	50	-	-	-	-	-	50
254 Operation and maintenance of plant							
300 Purchased services	-	-	-	-	-	150	150
400 Supplies and materials	-	-	-	-	-	9,405	9,405
255 Student transportation (state mandated)							
100 Salaries	-	-	-	-	3,789	-	3,789
200 Employee benefits	-	-	-	-	940	-	940
270 Supporting Services - Pupil Activities							
271 Pupil service activities							
300 Purchased services	1,074	-	-	10,000	-	-	11,074
<b>TOTAL SUPPORTING SERVICES</b>	<b>149,916</b>	<b>282,326</b>	<b>-</b>	<b>23,100</b>	<b>514,644</b>	<b>120,369</b>	<b>1,090,355</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, 2015

	201/202	203/204	205/206	207/208	Other Restricted State Grants	Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE			
300 Community Services							
350 Custody and care of children	-	-	-	-	-	224,429	224,429
100 Salaries	-	-	-	-	-	29,348	29,348
200 Employee benefits	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY SERVICES</b>	-	-	-	-	-	253,777	253,777
410 Intergovernmental Expenditures							
414 Medicaid payments to SDE	-	-	-	-	-	68,386	68,386
720 Transits	-	-	-	-	-	68,386	68,386
<b>TOTAL INTERGOVERNMENTAL SERVICES</b>	-	-	-	-	-	68,386	68,386
<b>TOTAL EXPENDITURES</b>	1,205,428	1,612,426	56,877	47,371	1,129,945	888,712	4,940,759
<b>OTHER FINANCING SOURCES (USES)</b>							
Interfund Transfers, From (To) Other Funds							
5270 Transfer from Pupil Activity Fund	-	-	-	-	-	253,778	253,778
431-791 Special revenue fund indirect costs	(21,981)	-	-	-	-	-	(21,981)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(21,981)	-	-	-	-	253,778	231,797
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-	-	-
<b>FUND BALANCE - JULY 1, 2014</b>	-	-	-	-	-	-	-
<b>FUND BALANCE - JUNE 30, 2015</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

Program	Sub Fund	Description	
<u>Other Restricted State Grants</u>			
	919	Education License Plates	\$ 1,388
	926	Summer reading camp	37,051
	928	EEDA career specialist	211,925
	935	Reading coaches	250,920
	937	Student health and fitness - PE teachers	58,721
	960	K-5 Enhancement	204,309
	963	K-12 technology initiative	306,600
	965	Digital instruction materials	42,439
	967	6-8 Enhancement	16,592
			<u>\$ 1,129,945</u>
<u>Other Special Revenue Programs</u>			
	221	Title I, neglected and delinquent	\$ 12,390
	237	Title I, focus	44,985
	264	Language instruction for limited english proficient and immigrant students, Title III	37,694
	263	Improving teacher quality - carryover	95,791
	267	Improving teacher quality	118,382
	277	Air Force JROTC	86,459
	293	Medicaid	206,769
	807	Extended School Year	3,688
	813	Lowe's Grant	13,965
	840	Teacher Forum	5,256
	870	Fine Arts Center	9,555
			<u>\$ 634,934</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, 2015

Sub Fund	Revenue	Description	Revenues		Expenditures		Special Revenue		Special Revenue		
							Interfund Transfers In(Out)	Other fund Transfers In(Out)	Revenue Fund	Deferred	
919	3193	Education license plates	\$	1,388	\$	1,388	\$	-	-	\$	793
926	3116	EEDA - Miscellaneous		-		-		-	-		5,737
926	3177	Summer reading camp		37,051		37,051		-	-		-
928	3118	EEDA career specialist		211,925		211,925		-	-		-
937	3127	Student health and fitness - PE teachers		58,721		58,721		-	-		-
935	3135	Reading coaches		250,920		250,920		-	-		-
914	3194	Digital instruction materials		-		-		-	-		128,400
967	3607	6-8 Enhancement		16,592		16,592		-	-		16,964
960	3610	K-5 Enhancement		204,309		204,309		-	-		40,722
965	3620	Digital instruction materials		42,439		42,439		-	-		-
963	3630	K-12 technology initiative		306,600		306,600		-	-		-
			\$	1,129,945	\$	1,129,945	\$	-	-	\$	192,616

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, 2015

**REVENUES**

3000 Revenue From State Sources		
3500 Education Improvement Act		
3502 ADEPT	\$	5,423
3504 Level data reimbursement		11,153
3505 Technology support		11,947
3511 Professional development		45,643
3518 Formative assessment		55,945
3525 Career and technology education equipment		87,051
3526 Refurbishment of K-8 science kits		52,528
3532 National Board Certification (NBC) salary		756,744
3533 Teacher of the year award		1,077
3538 Students at risk of school failure		644,303
3540 Four-year old early childhood program		265,432
3544 High achieving students		54,507
3550 Teacher salary increase		1,324,592
3555 School employer contributions		229,163
3558 Reading		24,971
3577 Teacher supplies		143,250
3578 High schools that work / making middle grades work		8,467
3581 Student health and fitness- nurses		269,622
3592 Work-based learning		26,669
3594 EEDA at risk supplemental programs		5,711
3597 Aid to districts		455,066
		<hr/>
Total State Sources		4,479,264
		<hr/>
<b>TOTAL REVENUE ALL SOURCES</b>		<b>4,479,264</b>
		<hr/>

**EXPENDITURES**

100 Instruction		
110 General Instruction		
111 Kindergarten programs		
100 Salaries		31,314
200 Employee benefits		12,090

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, 2015

112 Primary programs	
100 Salaries	405,069
200 Employee benefits	133,572
300 Purchased services	651
400 Supplies and materials	92,279
113 Elementary programs	
100 Salaries	348,241
200 Employee benefits	110,981
400 Supplies and materials	83,369
500 Capital outlay	1,947
114 High school programs	
100 Salaries	168,836
200 Employee benefits	40,377
400 Supplies and materials	62,284
115 Career and technology education programs	
100 Salaries	15,000
200 Employee benefits	3,584
500 Capital outlay	87,051
120 Exceptional Programs	
122 Trainable mentally handicapped	
100 Salaries	7,500
200 Employee benefits	1,813
126 Speech handicapped	
100 Salaries	133,842
200 Employee benefits	48,354
127 Learning disabilities	
100 Salaries	144,204
200 Employee benefits	65,443
128 Emotionally handicapped	
100 Salaries	15,000
200 Employee benefits	3,627

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, 2015

130 Preschool Programs	
139 Early childhood programs	
100 Salaries	180,518
200 Employee benefits	57,945
300 Purchased services	648
400 Supplies and materials	26,321
140 Special Programs	
141 Gifted and talented - academic	
100 Salaries	54,507
180 Adult/Continuing Educational Programs	
188 Parenting/family literacy	
100 Salaries	68,196
200 Employee benefits	33,421
TOTAL INSTRUCTION	
	2,437,984
200 Supporting Services	
210 Pupil Services	
212 Guidance services	
100 Salaries	43,954
200 Employee benefits	8,589
300 Purchased services	496
400 Supplies and materials	61,160
213 Health services	
100 Salaries	196,170
200 Employee benefits	73,452
220 Instructional Staff Services	
224 Improvement of instruction - inservice training	
300 Purchased services	37,815
400 Supplies and materials	44,736

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, 2015

260 Central Support Services	
266 Technology and data processing services	
300 Purchased services	11,153
500 Capital outlay	10,000
<b>TOTAL SUPPORTING SERVICES</b>	<b>487,525</b>
<b>TOTAL EXPENDITURES</b>	<b>2,925,509</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, from (to) Other Funds	
420-710 Transfer to General Fund	(1,553,755)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,553,755)</b>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
<b>FUND BALANCE - JULY 1, 2014</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2015</b>	<b>\$ -</b>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 EDUCATION IMPROVEMENT ACT  
 SUMMARY SCHEDULE BY PROGRAM  
 FOR FISCAL YEAR ENDED JUNE 30, 2015

Program	Revenues		Expenditures		EIA Interfund Transfers		Other Fund Transfers		Unearned Revenue
					In/(Out)		In/(Out)		
3500 Education Improvement Act									
3502 ADEPT	\$ 5,423	\$ 5,423							
3504 Level data reimbursement	11,153	11,153							3,000
3505 Technology support	11,947	11,947							
3511 Professional development	45,643	45,643							
3518 Formative assessment	55,945	55,945							
3525 Career and technology education equipment	87,051	87,051							7,280
3526 Refurbishment of K-8 science kits	52,528	52,528							24,852
3532 National Board Certification (NBC) salary	756,744	756,744							
3533 Teacher of the year award	1,077	1,077							
3538 Students at risk of school failure	644,303	644,303							628,750
3540 Four-year old early childhood program	265,432	265,432							
3544 High achieving students	54,507	54,507							
3550 Teacher salary increase	1,324,592	-					(1,324,592)		
3555 School employer contributions	229,163	-					(229,163)		
3558 Reading	24,971	24,971							9,871
3577 Teacher supplies	143,250	143,250							
3578 High schools that work / making middle grades work	8,467	8,467							6,004
3581 Student health and fitness - nurses	269,622	269,622							
3592 Work-based learning	26,669	26,669							
3594 EEDA at risk supplemental programs	5,711	5,711							
3595 EEDA - supplies and materials - career awareness	-	-							14,133
3597 Aid to districts	455,066	455,066							300,303
Totals	\$ 4,479,264	\$ 2,925,509	\$ -	\$ (1,553,755)	\$ -	\$ (1,553,755)	\$ 994,193		



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, 2015

**REVENUES**

## 1000 Revenues From Local Sources

1600 Food service	
1610 Lunch sales to pupils	\$ 612,989
1620 Breakfast sales to pupils	53,051
1630 Special sales to pupils	105,956
1640 Lunch sales to adults	43,509
1650 Breakfast sales to adults	5,243
1660 Special sales to adults	39,984
1900 Other revenue from local sources	
1999 Miscellaneous	19,458
	<hr/>
Total Revenue From Local Sources	880,190
	<hr/>

## 3000 Revenue From State Sources

3140 School lunch	
3142 Program aid	277
	<hr/>
Total State Sources	277
	<hr/>

## 4000 Revenue From Federal Sources

4800 USDA reimbursement	
4810 School lunch and after school snacks program	1,804,039
4830 School breakfast program	567,225
4900 Other federal sources	
4991 USDA commodities	222,982
	<hr/>
Total Federal Sources	2,594,246
	<hr/>

**TOTAL REVENUE ALL SOURCES**

**3,474,713**

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**EXPENDITURES**

256 Food service	
300 Purchased services	2,832,985
400 Supplies and materials	231,045
500 Capital outlay	2,287
600 Other objects	5,044
	<hr/>

**TOTAL FOOD SERVICE EXPENDITURES**

**3,071,361**

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**TOTAL EXPENDITURES**

**3,071,361**

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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, 2015

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) other funds

432-791 Food Service Fund Indirect Costs (352,930)

**TOTAL OTHER FINANCING SOURCES (USES)** (352,930)

Excess/(Deficiency) of Revenues Over Expenditures 50,422

**FUND BALANCE - JULY 1, 2014** 994,800

**FUND BALANCE - JUNE 30, 2015** \$ 1,045,222

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2015

**REVENUES**

1000 Revenue From Local Sources	
1100 Taxes	
1110 Ad Valorem taxes - fiscally independent LEA	\$ 3,238,401
1200 Revenue from local governmental units other than LEAs	
1280 Revenue in lieu of taxes	695,906
1500 Earnings on investments	
1510 Interest on investments	<u>3,649</u>
Total Revenue From Local Sources	<u>3,937,956</u>
3000 Revenue From State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead exemption	108,257
3830 Merchant's inventory tax	10,569
3840 Manufacturers depreciation reimbursement	39,326
3890 Other state property tax revenues	<u>8,996</u>
Total State Sources	<u>167,148</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>4,105,104</b></u>
<b>EXPENDITURES</b>	
500 Debt service	
395 Other professional and technical services	344
620 Interest	25,497
690 Other objects	<u>56,256</u>
<b>TOTAL EXPENDITURES</b>	<u><b>82,097</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
5110 Premium on bonds sold	19,498
Interfund Transfers, from (to) other funds	
423-710 Transfer to Debt Service Fund EFC	<u>(4,415,723)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>(4,396,225)</b></u>
Excess/(Deficiency)of Revenues Over Expenditures	(373,218)
<b>FUND BALANCE - JULY 1, 2014</b>	<u><b>1,771,328</b></u>
<b>FUND BALANCE - JUNE 30, 2015</b>	<u><u><b>\$ 1,398,110</b></u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
DEBT SERVICE FUND - EDUCATIONAL FACILITIES CORPORATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2015

**REVENUES**

<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ -</b>
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**EXPENDITURES**

500 Debt service	
610 Principal	\$ 7,905,000
620 Interest	1,200,440
690 Other objects	<u>10,000</u>

<b>TOTAL EXPENDITURES</b>	<b><u>9,115,440</u></b>
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**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) other funds

5210 Transfer from General Fund	2,500,000
5240 Transfer from Debt Service Fund	<u>4,415,723</u>

<b>TOTAL OTHER FINANCING SOURCES</b>	<b><u>6,915,723</u></b>
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Excess/(Deficiency) of Revenues Over Expenditures	(2,199,717)
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<b>FUND BALANCE - JULY 1, 2014</b>	<b><u>2,223,459</u></b>
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<b>FUND BALANCE - JUNE 30, 2015</b>	<b><u><u>\$ 23,742</u></u></b>
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2015

**REVENUES**

## 1000 Revenue From Local Sources

1500 Earnings on investments	
1510 Interest on investments	\$ 410

Total Revenue From Local Sources	<u>410</u>
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<b>TOTAL REVENUE ALL SOURCES</b>	<u>410</u>
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**EXPENDITURES**

## 253 Facilities Acquisition and Construction Services

300 Purchased services	1,260,668
500 Capital outlay	
510 Land	123,408
520 Construction services	2,247,133
530 Improvements other than buildings	965
540 Equipment	<u>65,349</u>

TOTAL SUPPORT EXPENDITURES	<u>3,697,523</u>
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<b>TOTAL EXPENDITURES</b>	<u>3,697,523</u>
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**OTHER FINANCING SOURCES (USES)**

## Interfund Transfers, from (to) other funds

5210 Transfer from General Fund	<u>8,980,970</u>
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<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>8,980,970</u>
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Excess/(Deficiency) of Revenues Over Expenditures	5,283,857
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<b>FUND BALANCE - JULY 1, 2014</b>	<u>9,158,731</u>
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<b>FUND BALANCE - JUNE 30, 2015</b>	<u><u>\$ 14,442,588</u></u>
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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, 2015

**REVENUES**

<b>TOTAL REVENUE ALL SOURCES</b>	\$ -
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**EXPENDITURES**

250 Finance and Operations	
253 Facilities acquisition and construction	
600 Other objects	\$ 4,750

<b>TOTAL EXPENDITURES</b>	4,750
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Excess/(Deficiency) of Revenues Over Expenditures	(4,750)
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<b>FUND BALANCE - JULY 1, 2014</b>	6,786
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<b>FUND BALANCE - JUNE 30, 2015</b>	\$ 2,036
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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, 2015

**RECEIPTS**

## 1000 Receipts From Local Sources

1500 Earnings on investments	
1510 Interest on investments	\$ 3
1700 Pupil activities	
1710 Admissions	298,613
1720 Bookstore sales	66,594
1730 Pupil organization membership	80,066
1740 Student fees	423,742
1790 Other	1,762,139
1900 Other revenue from local sources	
1920 Contributions and donations private sources	39,983

**TOTAL RECEIPTS ALL SOURCES**


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 2,671,140
 

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**DISBURSEMENTS**

190 Instructional pupil activity	
660 Pupil activity	280,414
270 Supporting services pupil activity	
271 Pupil service activities	
660 Pupil activity	2,065,366

**TOTAL DISBURSEMENTS**


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 2,345,780
 

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**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, from (to) other funds

421-710 Transfer to Special Revenue Fund	(253,778)
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**TOTAL OTHER FINANCING SOURCES (USES)**


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 (253,778)
 

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Excess/(Deficiency) of Revenues Over Expenditures

71,582

**DUE TO STUDENT ORGANIZATIONS - JULY 1, 2014**


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 866,080
 

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**DUE TO STUDENT ORGANIZATION - JUNE 30, 2015**


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 \$ 937,662
 

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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
 FOR FISCAL YEAR ENDED JUNE 30, 2015

<u>Program</u>	<u>Project Grant Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due to SCDE/ Federal</u>
<u>Education Improvement Act</u>				
EEDA At-Risk Supplemental Programs	N/A	3594	Unspent funds	\$ 4,270
				<u>\$ 4,270</u>



SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
LOCATION RECONCILIATION SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
01	Duncan Elementary	Elementary School	School	\$ 5,823,424
02	Lyman Elementary	Elementary School	School	5,368,162
03	Reidville Elementary	Elementary School	School	2,860,922
04	Abner Creek Elementary	Elementary School	School	4,172,904
05	Wellford Elementary	Elementary School	School	4,487,734
06	Beech Springs Intermediate	Elementary School	School	4,297,322
07	D.R. Hill Middle School	Middle School	School	4,654,482
08	J.F. Byrnes High School	High School	School	16,548,858
09	Freshman Academy	High School	School	4,109,257
10	Districtwide	Non-School	Central	21,375,330
11	River Ridge Elementary	Elementary School	School	5,447,154
12	Berry Shoals Intermediate School	Elementary School	School	4,643,755
14	Florence Chapel	Middle School	School	4,949,829
				<u>\$ 88,739,133</u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 62,555,914
Special Revenue Fund	4,940,759
EIA Fund	2,925,509
Debt Service Fund	82,097
Debt Service Fund - Educational Facilities Corporation	9,115,440
Capital Projects Fund	3,697,523
Capital Projects Fund - Educational Facilities Corporation	4,750
Food Service Fund	3,071,361
Pupil Activity Fund	2,345,780
	<u>\$ 88,739,133</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, 2015, 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 27, 2015.

**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.

*McAbee, Schwartz, Halliday & Co.*

Spartanburg, South Carolina  
October 27, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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, 2015. 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, 2015.

**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.

*McAbee, Schwartz, Halliday & Co.*

Spartanburg, South Carolina  
October 27, 2015

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2015

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Expenditures	Expenditures
<u>U.S. Department of Agriculture</u>					
Pass-through S.C. Department of Education					
600	USDA Commodities (Food Distribution Program) - Non-cash assistance	10.550	N/A	\$ 222,982	
600	School Breakfast Program	10.553	N/A	681,355	
600	School Lunch and After School Snacks Program	10.555	N/A	<u>2,167,024</u>	<u>\$ 3,071,361</u>
Total U.S. Department of Agriculture					<u>3,071,361</u>
<u>U.S. Department of Education</u>					
Pass-through S.C. Department of Education					
201	Title I , Regular	84.010	15BA082	\$ 1,012,000	
201	Title I , Regular	84.010	14BA082	210,409	
201	Title I, School Improvement	84.010	14BD082	5,000	
221	Title I, Neglected and Delinquent	84.013	15ND082	9,250	
221	Title I, Neglected and Delinquent	84.013	14ND082	3,140	
237	Title I, Focus	84.010	15FO082	<u>44,985</u>	1,284,784
203	Individuals With Disabilities Education Act (IDEA)	84.027	15CA082	1,425,291	
204	Individuals With Disabilities Education Act (IDEA)	84.027	14CA082	187,135	
807	Extended School Year	84.027	ESY	3,688	
205	Preschool Grants (IDEA)	84.173	15CG082	<u>56,877</u>	1,672,991
207	CATE (Subprogram 3)	84.048	15VA082	3,310	
207	CATE (Subprogram 4)	84.048	15VA082	13,100	
207	CATE (Subprogram 5)	84.048	15VA082	5,730	
207	CATE (Subprogram 6)	85.048	15VA082	15,517	
207	CATE (Subprogram 10)	84.048	15VA082	8,803	
207	CATE (Subprogram 12)	84.048	15VA082	<u>911</u>	47,371
264	Language instruction for limited english proficient and immigrant students, Title III	84.365	15BP082		37,694
267	Improving Teacher Quality	84.367	15TQ082	118,381	
263	Improving Teacher Quality	84.367	14TQ082	<u>95,791</u>	<u>214,172</u>
Total U.S. Department of Education					<u>3,257,012</u>
<u>U.S. Department of Defense</u>					
Direct Program					
277	Air Force ROTC	12.000	SC0H0932		<u>86,459</u>
Total U.S. Department of Defense					<u>86,459</u>
<b>Total Federal Financial Assistance Expended</b>					<u><u>\$ 6,414,832</u></u>

See note to schedule of expenditures of federal awards.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

**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, 2015

Fiscal year ended June 30, 2014:

**NONE**

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**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>
10.550,10.553, 10.555	Food Service 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