

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of ("the District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise '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 from 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 , as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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 schedules, and other schedules required by the South Carolina Department of Education and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2020, on our consideration of Spartanburg County School District Five's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal controls 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.

A handwritten signature in cursive script that reads "Halliday, Schwartz & Co.".

Spartanburg, South Carolina
November 11, 2020

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020**

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, 2020.

Financial Highlights

- The general operating fund balance increased \$1,538,995 over last year.
- Due to conservative budgeting and a significant increase in the number of students, the General Fund state revenue received was \$2,701,438 more than budgeted.
- The revenue from local sources had a favorable variance of \$6,299,082. This favorable variance was mainly due to fee-in-lieu of taxes collections being \$4,197,399 more than budgeted.
- The District had a favorable expenditure variance of \$1,752,220. This favorable variance was mainly due to an over-estimate of employee fringe benefits.
- A total of \$9,500,000 more than budgeted was transferred to the Capital Projects Fund.
- On June 30, 2020 the available, unassigned fund balance for the General Fund was \$19,436,595 which is 20.0% of the total budgeted General Fund expenditures, including transfers, for fiscal year 2020-21.
- The District's net position increased by \$14,340,258 or 58.9%. Program revenues accounted for \$50,187,901 or 39.6% of total revenues, and general revenues accounted for \$76,614,251 or 60.4%.
- The construction to expand the existing Abner Creek Academy by ten classrooms was completed in June 2020 and the construction to expand the parking spaces at Byrnes High School by constructing a new baseball field and using the outfield of the existing baseball field for parking was near completion at year end.

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, 2020**

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 7. The fund financial statements begin on page 14 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, governmental and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Management of fiduciary funds is an auxiliary function of the District and is not necessarily related to the instructional and/or operational function of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the 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 18.

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020**

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, liabilities plus deferred inflows exceeded assets plus deferred outflows by \$10,023,188 at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net position for FYE 2020 and 2019:

	Governmental Activities 2020	Governmental Activities 2019
Assets		
Current and Other Assets	\$ 60,666,941	\$ 54,978,460
Capital Assets	159,016,938	152,138,828
Total Assets	<u>219,683,879</u>	<u>207,117,288</u>
Deferred Outflows of Resources		
Loss on Advanced Refunding	855,970	1,322,861
Deferred Outflows Related to Pensions	12,826,894	14,197,117
Deferred Outflows Related to OPEB	11,777,382	5,298,867
Total Deferred Outflows of Resources	<u>25,460,246</u>	<u>20,818,845</u>
Liabilities		
Long - Term Liabilities	231,944,867	234,627,297
Other Liabilities	14,094,263	10,325,073
Total Liabilities	<u>246,039,130</u>	<u>244,952,370</u>
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	751,858	633,228
Deferred Inflows Related to OPEB	8,376,325	6,713,981
Total Deferred Inflows of Resources	<u>9,128,183</u>	<u>7,347,209</u>
Net Position		
Net Investment in Capital Assets	130,694,332	113,586,890
Restricted for:		
Debt Service	6,118,578	3,802,965
Food Service	1,021,571	963,291
Unrestricted (deficit)	(147,857,669)	(142,716,592)
Total Net Position	<u>\$ (10,023,188)</u>	<u>\$ (24,363,446)</u>

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020**

Table 2 shows the changes in net position for fiscal year 2020 and 2019:

	<u>Governmental Activities 2019</u>	<u>Governmental Activities 2019</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,231,684	\$ 1,398,022
Operating Grants	48,956,217	44,622,054
General Revenues:		
Property Taxes	60,734,873	52,648,197
Grants and Entitlements	14,688,658	14,168,129
Other	1,190,720	1,692,346
Total Revenues	<u>126,802,152</u>	<u>114,528,748</u>
Program Expenses:		
Instruction	70,310,677	62,589,083
Support Services	40,216,041	39,348,215
Community Services	212,002	289,649
Intergovernmental	-	465,820
Interest and Fiscal Charges	1,723,174	1,868,441
Total Expenses	<u>112,461,894</u>	<u>104,561,208</u>
Change in Net Position	<u>\$ 14,340,258</u>	<u>\$ 9,967,540</u>
Net Position - Beginning of Year	<u>\$ (24,363,446)</u>	<u>\$ (34,330,986)</u>
Net Position - End of Year	<u>\$ (10,023,188)</u>	<u>\$ (24,363,446)</u>

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020**

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 14) reported a combined fund balance of \$45,678,825, which is more than last year's total of \$43,843,397.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2020 and 2019.

	Fund Balance Comparison		
	Fund Balance June 30, 2019	Fund Balance June 30, 2019	Increase (Decrease)
General	\$ 19,437,630	\$ 17,898,635	\$ 1,538,995
Special Revenue - Food Service	1,021,571	963,291	58,280
Debt Service	5,931,915	3,655,027	2,276,888
Debt Service - EFC	20,256	20,056	200
Capital Projects	19,267,453	21,306,388	(2,038,935)
Total	\$ 45,678,825	\$ 43,843,397	\$ 1,835,428

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

	General Fund Expenditures By Objects			
	Fiscal Year 2019		Fiscal Year 2019	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 50,682,941	59.0%	\$ 46,339,508	54.0%
Fringe Benefits	21,609,708	25.1%	19,207,453	22.4%
Purchased Services	6,373,389	7.4%	6,887,371	8.0%
Supplies and Materials	3,755,985	4.4%	3,894,388	4.5%
Capital Outlay	2,902,609	3.4%	2,316,023	2.7%
Miscellaneous	561,169	0.7%	501,117	0.7%
Total	\$ 85,885,801	100.0%	\$ 79,145,860	100.0%

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

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020**

General Fund Budget Information

The General Fund schedule of revenues, expenditures and changes in fund balance is presented in Schedule 4 as listed in the table of contents. This schedule compares budget to actual and indicates the favorable and unfavorable variances.

The general operating fund balance increased \$1,538,995 over last year.

The revenue from local sources had a favorable variance of \$6,299,082. This favorable variance was mainly due to fee-in-lieu of taxes collections being \$4,197,399 more than budgeted.

The revenue from state sources had a favorable variance of \$2,701,438. This favorable variance was largely a result of a conservative budget approach in budgeting state revenue and a significant increase in the number of students served.

The District had a favorable expenditure variance in expenditures in the amount of \$1,752,220. This favorable variance was mainly due to an over-estimate of employee fringe benefits.

The District was also able to transfer \$11,075,000 from the General Fund to the Capital Projects Fund to help fund future school construction projects.

Capital Assets

Construction was completed on a 10-classroom addition at Abner Creek Academy and was near completion of the Byrnes High parking lot expansion and new baseball field at fiscal year-end.

Debt

Of the \$66,000,000 Installment Refunding Revenue Bonds issued on October 10, 2013, \$16,895,000 were still outstanding at the end of the fiscal year. On July 15, 2015 the District issued \$18,200,000 in General Obligation Bonds to help fund the Byrnes High and Lyman Elementary expansions. At fiscal year-end, \$12,250,000 of the General Obligation Bonds were outstanding. On March 29, 2018, the district issued \$4,375,000 of General Obligation Bonds and \$5,110,000 of Special Obligation Bonds to help fund the new Reidville Elementary construction. At fiscal year-end, \$2,865,000 of the General Obligation Bonds and \$4,605,000 of the Special Obligation Bonds were still outstanding. On June 20, 2019, the district issued \$4,000,000 to help fund the addition at Abner Creek Academy and the parking expansion and new baseball field at Byrnes High school. At fiscal year-end, \$1,326,000 of the General Obligation Bonds were still outstanding. On May 14, 2020, \$7,000,000 of general obligation bonds were issued to help fund the purchase of land and to help fund principal and interest on the Installment Refunding Revenue Bonds, which were outstanding at year-end and due within one year. The net pension liability of the District at fiscal year-end, as required by GASB 68, was \$103,369,067. The net Other Post-employment Benefits Plan (OPEB) liability at fiscal year-end, as required by GASB 75, was \$88,695,302.

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020**

Factors Expected to have an Effect on Future Operations

The number of students the District serves has been increasing annually for over twenty years, with the exception of FYE 2011. While the rate of student growth slowed for fiscal years 2010 through 2017 the district experience significant growth in fiscal years 2018, 2019, and 2020. The district will continue to closely monitor the number of students served.

Table 5 shows the students served, kindergarten through grade 12, for the past twenty-five 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%
15-16	7,838	19	0.2%
16-17	7,879	41	0.5%
17-18	8,241	362	4.6%
18-19	8,533	292	3.7%
19-20	8,816	283	3.6%

Twenty - four year increase 4,201 91.0%

Nineteen Year Increase 3,329 60.7%

Eight Year Increase 1,419 19.2%

* Based on 135 day Average Daily Membership K-12

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2020**

In fiscal year 2015-16, the district had an outside firm assist in conducting a facilities and demographics study of the district. In fiscal year 2016-17, the District completed expansion projects at Byrnes High School and Lyman Elementary. The district completed construction on a new Reidville Elementary School to replace the existing school in August 2019. A ten-classroom expansion at Abner Creek Academy was completed in June 2020. An expansion of the parking lot and new baseball field at Byrnes High School was near completion at year end. In fiscal year 2019-20 the district had the outside firm update the facilities and demographic study and will continue to monitor and plan for student growth.

In July 2020, the District purchased approximately 100 acres of land capable of accommodating two new schools in the geographical center of the district. While there are currently no plans to build schools on this site in the next few years, the District wanted to prepare for long term student growth.

Due to conservative budgeting and fiscal restraint, the school district believes that it will still meet the FY 2020-2021 revenue budget in spite of the economic downturn, increased unemployment, and resulting decrease in property tax collections brought about by the COVID-19 pandemic

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 Chief Financial Officer, P. O. Box 307, Duncan, South Carolina 29334.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
Cash and Equivalents	\$ 13,896,323
Cash Held by County Treasurer	36,842,339
Taxes Receivable	8,251,722
Less Allowance for Uncollectibles	(2,827,474)
Accounts Receivable	1,763,913
Due from State Department of Education	202,940
Due from Federal Government	1,298,190
Due from Other State Agencies	1,035,456
Prepaid Expenditures	61,035
Inventory - Commodities	142,497
	60,666,941
Capital Assets	
Land	6,585,907
Construction in Progress	4,346,408
Buildings and Improvements	221,023,630
Furniture and Equipment	6,407,949
Less: Accumulated Depreciation	(79,346,956)
	159,016,938
Total Assets	219,683,879
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Advanced Refunding	855,970
Deferred Amounts Related to Pensions	12,826,894
Deferred Amounts Related to OPEB	11,777,382
Total Deferred Outflows of Resources	25,460,246
LIABILITIES	
Accounts Payable	1,818,101
Retainage Payable	267,063
Payable to Fiduciary Fund	129,896
Accrued Salaries, Health & Fringe	2,843,939
Bonds Payable	7,000,000
Unearned Revenues	1,717,342
Accrued Interest Payable	317,922
Noncurrent Liabilities	
Due Within One Year	10,073,000
Due in More Than One Year	29,807,498
Net Pension Liability - Due in More Than One Year	103,369,067
Net OPEB Liability - Due in More Than One Year	88,695,302
Total Liabilities	246,039,130
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	751,858
Deferred Amounts Related to OPEB	8,376,325
Total Deferred Inflows of Resources	9,128,183
NET POSITION	
Net Investment in Capital Assets	130,694,332
Restricted for:	
Food Service	1,021,571
Debt Service	6,118,578
Unrestricted	(147,857,669)
Total Net Position	\$ (10,023,188)

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, 2020**

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
Instruction	\$ 70,310,677	\$ 43,025	\$ 43,204,224	\$ (27,063,428)
Support Services	40,216,041	1,188,659	5,575,299	(33,452,083)
Community Service	212,002	-	176,694	(35,308)
Interest and Other Charges	1,723,174	-	-	(1,723,174)
TOTAL PRIMARY GOVERNMENT	112,461,894	1,231,684	48,956,217	(62,273,993)
GENERAL REVENUES:				
Property Taxes Levied for:				
General Purpose				49,095,750
Debt Service				11,639,123
Unrestricted State Grants				14,688,658
Unrestricted Investment Earnings				457,601
Contributions				11,789
Miscellaneous				721,330
Total General Revenues				76,614,251
CHANGE IN NET POSITION				14,340,258
NET POSITION - JULY 1, 2019				(24,363,446)
NET POSITION - JUNE 30, 2020				\$ (10,023,188)

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds							Total Governmental Funds
	General Fund	Special Projects	Educational Improvement Act	Food Service	Debt Service Fund	Educational Facilities Corp Debt Service	Capital Projects Fund	
ASSETS								
Cash and Cash Equivalents	\$ 13,875,949	\$ -	\$ -	\$ -	\$ -	\$ 20,360	\$ 14	\$ 13,896,323
Cash Held by County Treasurer	23,619,905	-	-	-	2,262,590	-	10,959,844	36,842,339
Taxes Receivable	7,206,647	-	-	-	1,045,075	-	-	8,251,722
Less Allowance for Uncollectibles	(2,439,192)	-	-	-	(388,282)	-	-	(2,827,474)
Accounts Receivable	1,338,021	975	-	26,226	-	-	398,691	1,763,913
Due from State Department of Education	199,622	3,318	-	-	-	-	-	202,940
Due from Federal Government	-	1,250,937	-	47,253	-	-	-	1,298,190
Due from Other State Agencies	1,035,456	-	-	-	-	-	-	1,035,456
Due from Other Funds	-	60,083	1,238,945	948,092	10,178,939	-	8,115,967	20,542,026
Prepaid Expenditures	1,035	-	-	-	-	-	60,000	61,035
Inventory - Commodities	-	-	-	142,497	-	-	-	142,497
Total Assets	\$ 44,837,443	\$ 1,315,313	\$ 1,238,945	\$ 1,164,068	\$ 13,098,322	\$ 20,360	\$ 19,534,516	\$ 81,208,967

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

Liabilities	Accounts Payable	Retainage Payable	Due to Other Funds	Accrued Salaries, Health & Fringe	Bonds Payable	Unearned Revenue	Total Liabilities
Accounts Payable	\$ 1,818,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,818,101
Retainage Payable	-	-	-	-	-	-	-
Due to Other Funds	19,692,405	979,413	-	-	-	104	20,671,922
Accrued Salaries, Health & Fringe	2,843,939	-	-	-	-	-	2,843,939
Bonds Payable	-	-	-	-	7,000,000	-	7,000,000
Unearned Revenue	-	335,900	1,238,945	-	-	-	1,717,342
Total Liabilities	24,354,445	1,315,313	1,238,945	142,497	7,000,000	104	34,318,367
Deferred Inflows of Resources							
Unavailable Revenues - Property Taxes	1,045,368	-	-	-	166,407	-	1,211,775

Fund Balances	Nonspendable	Prepaid Expenditures Restricted	Food Service Debt Service Capital Projects Assigned	Capital Projects Unassigned	General Fund	Total Fund Balance
Nonspendable	1,035	-	-	-	-	61,035
Prepaid Expenditures Restricted	-	-	1,021,571	-	-	1,021,571
Food Service Debt Service Capital Projects Assigned	-	-	-	5,931,915	-	5,952,171
Capital Projects Unassigned	-	-	-	-	10,959,844	10,959,844
Capital Projects Unassigned	-	-	-	-	8,247,609	8,247,609
General Fund	19,436,595	-	-	-	-	19,436,595
Total Fund Balance	19,437,630	-	1,021,571	5,931,915	19,267,453	45,678,825
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 44,837,443	\$ 1,315,313	\$ 1,164,068	\$ 13,098,322	\$ 20,360	\$ 81,208,967

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, 2020**

Total Governmental Fund Balances		\$ 45,678,825
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:		159,016,938
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Taxes receivable		1,211,775
Deferred outflows of resources		
Loss on advanced refunding	855,970	
Pension related deferred outflows	12,826,894	
OPEB related deferred outflows	<u>11,777,382</u>	25,460,246
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(317,922)	
Bond premium, net of amortization	(1,939,498)	
Bonds payable	(37,941,000)	
Net pension liability	(103,369,067)	
Net OPEB liability	<u>(88,695,302)</u>	(232,262,789)
Deferred inflows of resources		
Pension related deferred inflows	(751,858)	
OPEB related deferred outflows	<u>(8,376,325)</u>	<u>(9,128,183)</u>
Net Position of Governmental Activities		<u>\$ (10,023,188)</u>

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							Total Governmental Funds
	General Fund	Special Projects	Educational Improvement Act	Food Service	Debt Service Fund	Educational Facilities Corp Debt Service	Capital Projects Fund	
REVENUES								
Local Property Taxes	\$ 49,013,809	-	\$ -	-	\$ 11,639,123	\$ -	-	\$ 60,652,932
Other Local	668,467	590,176	-	918,740	19,910	423	13,266	2,210,982
Total Local	49,682,276	590,176	-	918,740	11,659,033	423	13,266	62,863,914
Intergovernmental	284,790	-	-	-	-	-	-	284,790
State Sources	49,326,824	1,764,035	4,997,964	-	423,935	-	-	56,512,758
Federal Sources	-	3,988,590	-	3,035,704	-	-	-	7,024,294
Total Revenue	99,293,890	6,342,801	4,997,964	3,954,444	12,082,968	423	13,266	126,685,756
EXPENDITURES								
Current								
Instruction	53,416,048	3,585,702	2,138,085	-	-	-	-	59,139,835
Support Services	29,167,691	1,893,999	124,830	3,344,938	-	-	1,330,527	35,861,985
Community Service	-	200,602	-	-	-	-	-	200,602
Intergovernmental	399,453	845,313	42,414	29,881	-	-	-	1,317,061
Debt Service	-	-	-	-	4,464,000	7,670,000	-	12,134,000
Principal	-	-	-	-	1,079,380	498,670	-	1,578,050
Interest	-	-	-	-	43,773	5,000	-	48,773
Other Objects	-	-	-	-	-	-	-	-
Capital Outlay	2,902,609	5,366	75,068	1,727	-	-	11,796,674	14,781,444
Total Expenditures	85,885,801	6,530,982	2,380,397	3,376,546	5,587,153	8,173,670	13,127,201	125,061,750
Excess (Deficiency) of Revenues Over Expenditures	13,408,089	(188,181)	2,617,567	577,898	6,495,815	(8,173,247)	(13,113,935)	1,624,006
OTHER FINANCING SOURCES (USES)								
Premium on Bonds Sold	-	-	-	-	38,220	-	-	38,220
Transfers In	3,259,606	200,602	-	-	-	8,173,447	11,075,000	22,708,655
Transfers Out	(15,128,700)	(12,421)	(2,617,567)	(519,618)	(4,257,147)	-	-	(22,535,453)
Total Other Financing Sources (Uses)	(11,869,094)	188,181	(2,617,567)	(519,618)	(4,218,927)	8,173,447	11,075,000	211,422
Net Change in Fund Balance	1,538,995	-	-	58,280	2,276,888	200	(2,038,935)	1,835,428
FUND BALANCE - JULY 1, 2019	17,898,635	-	-	963,291	3,655,027	20,056	21,306,388	43,843,397
FUND BALANCE - JUNE 30, 2020	\$ 19,437,630	\$ -	\$ -	\$ 1,021,571	\$ 5,931,915	\$ 20,256	\$ 19,267,453	\$ 45,678,825

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, 2020**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,835,428

Amounts reported for governmental activities in the statements of activities are different because of the following:

Interest is reported as an expenditure when due in the governmental funds,
but is accrued on outstanding debt on the statement of activities. 1,921

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the term of the long-term debt in the statement of activities.

Principal payments on long-term debt	12,134,000	
Amortization of deferred loss on advanced refunding	(466,891)	
Amortization of bond premium	368,619	
	<hr/>	12,035,728

Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation and loss on disposals in the current period.

Capital outlay	12,410,558	
Depreciation expense	(5,484,919)	
Loss on disposal	(47,529)	
	<hr/>	6,878,110

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. (5,163,762)

The cost of OPEB benefits earned net of employee contributions is reported in the statement of activities as an element of OPEB expense. The governmental funds report OPEB contributions as expenditures. (2,396,251)

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

Taxes receivable	81,942	
Non-employer contributions related to Pensions	461,949	
Non-employer contributions related to OPEB	605,193	
	<hr/>	<hr/> 1,149,084

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 14,340,258**

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, 2020

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,405,858
Due from Other Funds	<u>129,896</u>
Total Assets	<u>\$ 1,535,754</u>
LIABILITIES	
Due to Student Organizations	<u>\$ 1,535,754</u>
Total Liabilities	<u>\$ 1,535,754</u>

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

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 unit discussed below is included in the District’s reporting entity because of the significance of its operational or financial relationship with the District:

<u>Blended Component Unit Reported With Primary Government</u>	<u>Brief Description of Activities and Relationship to the District</u>	<u>Reporting Fund</u>
SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 South Carolina	Finance Construction and Renovations to School Facilities	Debt Service Fund

B. Basic Financial Statements - Government-wide 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 - CONTINUED
JUNE 30, 2020**

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. Fiduciary funds are accounted for using the economic resources measurement focus.

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The following are the District's major governmental funds:

General Fund (Major Fund) - The general fund is the District's primary operating fund. It accounts for all activities except those required to be accounted for in other funds.

Special Revenue Funds (Major 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 - CONTINUED
JUNE 30, 2020**

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).

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 the reimbursement of those funds from First Steps to the District.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the accrual basis of accounting and the fund financial statements are prepared using either the modified accrual basis of accounting for the governmental fund types or the accrual basis of accounting for fiduciary fund types.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Measurement Focus and Basis of Accounting - Continued

Unearned Revenue

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

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on the flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which 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

State statutes authorize the District to invest in (1) obligations of the United States and its agencies, (2) general obligations of the State of South Carolina and its subdivisions, (3) savings and loan associations to the extent of federal insurance, (4) certificates of deposit collateralized, and (5) the State Treasurer's Investment Pool.

G. Cash Held by County Treasurer (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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Taxes Receivable

Taxes receivable represents delinquent taxes being processed for collection by the Spartanburg County Delinquent Tax Office, originally assessed for the District. Thirty percent of the delinquent taxes delivered each year to the Delinquent Tax Office are estimated to be collectible; the remainder is considered to be uncollectible and, accordingly, an allowance for the uncollectible amounts has been recorded. Taxes receivable represents \$4,212,473 of current taxes receivable and \$4,039,249 of delinquent taxes receivable.

I. Ad Valorem Taxes

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

The assessed valuation of property in Spartanburg County for District Five 5 for 2019 was \$273,588,949. In addition, the District billed fees in lieu of taxes on assessed values of \$90,238,845. The District's operating tax rate is currently 181.1 mils with an additional 32.6 mils 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 estimated acquisition cost as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$5,000. The District does not possess any infrastructure.

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

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Interfund Transactions

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

M. Vacation and Sick Pay

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

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

N. Accrued Liabilities and Long-term Debt

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

In general, accounts payable and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 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.

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

P. Retirement Plans

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

Q. Other Post-Employment Benefit (OPEB) Plan

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

R. Governmental Fund Balance Classifications

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

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories and 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 - CONTINUED
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

R. Governmental 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.

S. Net Position

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

T. Restricted Sources

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

U. Estimates

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

V. Risk Management

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

The District obtains its general liability, property, and workmen's compensation insurance through the South Carolina School Boards Insurance Trust (the "Trust") which is a public entity risk pool. The District pays premiums to the Trust for its workmen's compensation. The agreement for 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.

W. Expenditures Exceeding Appropriations

The following funds and functions had an excess of actual expenditures over budgeted amounts for the year ended June 30, 2020:

Fund	Function	Amount
General Fund	Support services	\$ 415,254
General Fund	Intergovernmental	\$ 70,793

NOTE 2 - 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 formal policy regarding custodial credit risk for deposits.

As of June 30, 2020, the District's cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 15,302,181	\$ 15,532,134

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 2 - DEPOSITS - CONTINUED

Of the District's bank balance, \$770,733 was covered by FDIC insurance; \$14,540,799 was collateralized by securities held by the pledging bank's trust department or agent, but not in the District's name; \$152,454 was collateralized by securities held by the pledging bank's trust department or agent in the District's name and \$68,148 was uncollateralized.

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

Statement of Net Position		
Cash and Cash Equivalents	\$	13,896,323
Statement of Fiduciary Assets and Liabilities		
Cash and Cash Equivalents		<u>1,405,858</u>
Cash and Cash Equivalents	\$	<u><u>15,302,181</u></u>

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, is as follows:

	Balance at June 30, 2019	Additions	Deductions	Transfers	Balance at June 30, 2020
Governmental Activities					
Capital Asset, not Being Depreciated					
Land	\$ 6,578,708	\$ 7,199	\$ -	\$ -	\$ 6,585,907
Construction in progress	<u>26,025,657</u>	<u>11,951,889</u>	<u>-</u>	<u>(33,631,138)</u>	<u>4,346,408</u>
Total Capital Asset, not Being Depreciated	<u>32,604,365</u>	<u>11,959,088</u>	<u>-</u>	<u>(33,631,138)</u>	<u>10,932,315</u>
Capital Assets, Being Depreciated					
Buildings and improvements	187,511,857	75,612	194,977	33,631,138	221,023,630
Furniture and equipment	<u>6,032,091</u>	<u>375,858</u>	<u>-</u>	<u>-</u>	<u>6,407,949</u>
Total Capital Assets, Being Depreciated	<u>193,543,948</u>	<u>451,470</u>	<u>194,977</u>	<u>33,631,138</u>	<u>227,431,579</u>
Less Accumulated Depreciation					
Buildings and improvements	69,472,917	5,147,080	147,448	-	74,722,549
Furniture and equipment	<u>4,536,568</u>	<u>337,839</u>	<u>-</u>	<u>-</u>	<u>4,874,407</u>
Total Accumulated Depreciation	<u>74,009,485</u>	<u>5,484,919</u>	<u>147,448</u>	<u>-</u>	<u>79,346,956</u>
Capital Assets, Being Depreciated, Net	<u>119,534,463</u>	<u>(5,033,449)</u>	<u>47,529</u>	<u>33,631,138</u>	<u>148,084,623</u>
Governmental Activities Capital Assets, Net	<u>\$152,138,828</u>	<u>\$ 6,925,639</u>	<u>\$ 47,529</u>	<u>\$ -</u>	<u>\$159,016,938</u>

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

Instructional	\$ 3,435,589
Supporting services	2,037,930
Community service	<u>11,400</u>
Total Depreciation Expense	<u><u>\$ 5,484,919</u></u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 4 - SHORT-TERM OBLIGATIONS

The following is a summary of the District's short-term obligations for the year ended June 30, 2020:

	Amount Outstanding June 30, 2019	Additions	Deductions	Amount Outstanding June 30, 2020
SCAGO GO Series 2019A	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
SCAGO GO Series 2020A	-	7,000,000	-	7,000,000
	<u>\$ 3,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 7,000,000</u>

On May 15, 2019, the District issued \$3,000,000 in SCAGO General Obligation Bonds, Series 2020A, to pay for the interest on both the 2015 GO Bonds and 2013 Refunding Revenue Bonds as well as to pay for deferred maintenance costs of the District. The bond was paid on March 2, 2020, in full, with interest of \$47,833.

On May 15, 2020, the District issued \$7,000,000 in SCAGO General Obligation Bonds, Series 2020A, to pay for the interest on the District's bonds with interest payments due in March as well as to pay for deferred maintenance costs of the District. The bond will be paid on March 1, 2021, in full, with interest of \$83,708.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of general obligation transactions of the District for the fiscal year ended June 30, 2020:

	Amount Outstanding June 30, 2019	Additions	Deductions	Amount Outstanding June 30, 2020	Amounts Due in One Year
General Obligation Bonds	\$ 20,645,000	\$ -	\$4,204,000	\$ 16,441,000	\$ 1,973,000
Installment Purchase Refunding Bonds	24,565,000	-	7,670,000	16,895,000	7,825,000
Special Obligation Bonds	4,865,000	-	260,000	4,605,000	275,000
	<u>50,075,000</u>	<u>-</u>	<u>12,134,000</u>	<u>37,941,000</u>	<u>10,073,000</u>
Plus unamortized issuance premium	2,308,117	-	368,619	1,939,498	-
	<u>52,383,117</u>	<u>-</u>	<u>12,502,619</u>	<u>39,880,498</u>	<u>10,073,000</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 5 - LONG-TERM OBLIGATIONS - CONTINUED

Long-term debt at June 30, 2020, is comprised of the following individual issues:

	General Obligation Bonds	Installment Revenue Refunding Bonds	Special Obligation Bonds	Total
\$18,200,000 2015 General Obligation Bonds due in annual installments of \$25,000 to \$3,965,000 through March 2025; interest at rates from 2.00% to 5.00%.	\$12,250,000	\$ -	\$ -	\$12,250,000
\$4,375,000 2018 General Obligation Bonds due in annual installments of \$800,000 to \$1,015,000 through March 2024; interest at rates from 2.00% to 4.00%	2,865,000	-	-	2,865,000
\$4,000,000 2019 General Obligation Bonds due in annual installments of \$433,000 to \$2,674,000 through March 2023; interest rate of 2.08%	1,326,000	-	-	1,326,000
\$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%.	-	16,895,000	-	16,895,000
\$5,110,000 2018 Special Obligation Bonds due in annual installments of \$245,000 to \$785,000 through June 2028; interest at rates from 4.00% to 5.00%	-	-	4,605,000	4,605,000
	<u>\$16,441,000</u>	<u>\$16,895,000</u>	<u>\$4,605,000</u>	<u>\$37,941,000</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2020, including interest payments are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Refunding Revenue Bonds		Special Obligation Bonds		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 1,973,000	\$ 714,268	\$ 7,825,000	\$ 342,969	\$ 275,000	\$ 204,450	\$11,334,687
2022	1,154,000	647,912	9,070,000	184,121	285,000	190,700	11,531,733
2023	4,949,000	624,322	-	-	715,000	176,450	6,464,772
2024	4,400,000	412,000	-	-	750,000	140,700	5,702,700
2025	3,965,000	198,250	-	-	785,000	103,200	5,051,450
2026 - 2030	-	-	-	-	1,795,000	145,400	1,940,400
	<u>\$16,441,000</u>	<u>\$2,596,752</u>	<u>\$16,895,000</u>	<u>\$ 527,090</u>	<u>\$4,605,000</u>	<u>\$ 960,900</u>	<u>\$42,025,742</u>

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 5 - LONG-TERM OBLIGATIONS - CONTINUED

The SCAGO Educational Facilities Corporation for Spartanburg County School District No. 5 (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to a School Facilities Purchase and Use Agreement and evidence proportionate interests of the owners in certain rental payments to be made by the District under the terms of a Base Lease Agreement between the District and the Corporation dated on December 14, 2005. The District will purchase the Capital Projects from the Corporation pursuant to the Purchase and Use Agreement, which will obligate the District to make semiannual installment payments of the purchase price to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds; amounts budgeted as reserves for the repair and replacement of the 2006 facilities and the program administrator fees. The District's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the District in any fiscal year in which funds are not appropriated by the District to pay the installment payments due in such fiscal year. However, the District would forfeit possession of the facilities for the remainder of the lease term.

The SCAGO Educational Facilities Corporation for Spartanburg County School District Five bonds are not a debt of the District; however, as the Corporation is blended with the operations of the District, the debt of the Corporation is included with the District's other obligations as required by generally accepted accounting principles.

In prior years, advance refundings resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized loss at June 30, 2020, is shown as a deferred outflow of resources on the Statement of Net Position. Amortization has been included in interest expense and was \$466,891 for the year ending June 30, 2020.

Bonds in the governmental funds will be retired by future property tax levies accumulated by the Debt Service Fund. As of June 30, 2020, \$5,931,915 was available in the Debt Service Funds to service the general long-term debt.

NOTE 6 - RETIREMENT PLANS

A. South Carolina Retirement System

Plan Description - The District, as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR that is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit.

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

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

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

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

Contributions - Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established, a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

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

Required employee (both Class II and III) contribution rates for the year ended June 30, 2020 was 9.00%. Required employer contribution rates for the year ended June 30, 2020 was 15.41%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.15% of earnable compensation, if participating in the death benefit program.

Contributions to the Plan from the District were \$8,098,835, for the year ended June 30, 2020. For the State's year end June 30, 2019, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2019, \$460,111 of contributions paid on behalf of the District by the General Assembly for SCRS was recognized as other operating revenues.

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

Pension Liabilities, Pension Expense, and Deferred Outflows (Inflows) of Resources Related to Pensions - At June 30, 2020, the District reported a net pension liability of \$102,948,843 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2019, using generally accepted actuarial principles. The allocation of the District's proportionate share of the collective net pension liability and pension expense were calculated on the basis of the District's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2019. Based upon this information, the District's proportion of the collective net pension liability is 0.450855%, a decrease of 0.004357% since June 30, 2018, the prior measurement date.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

For the year ended June 30, 2020, the District recognized pension expense of \$12,747,956. At June 30, 2020, 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	\$ 70,767	\$ 739,566
Changes in assumptions	2,074,568	-
Net difference between projected and actual earnings on pension plan investments	911,441	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,035,245	2,561
District contributions subsequent to the measurement date	7,638,724	-
Total	\$ 12,730,745	\$ 742,127

Deferred outflows of resources of \$7,638,724 related to pensions in 2020 resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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,	
2020	\$ (3,812,184)
2021	215,737
2022	(395,942)
2023	(357,505)
	\$ (4,349,894)

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2015.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

The June 30, 2019 total pension liability, net pension liability, and sensitivity information determined by the July 1, 2018 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 12.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), were developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Global Equity	51%	3.61%
Real Assets	12%	0.69%
Opportunistic	8%	0.26%
Credit	15%	0.64%
Rate Sensitive	14%	0.21%
Total Expected Real Return	<u>100%</u>	<u>5.41%</u>
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u>7.66%</u>

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the collective net pension liability	\$ 129,693,999	\$ 102,948,843	\$ 80,628,460

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2019 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2018. The additional information is publically available on PEBA's Retirement Benefits' website at www.peba.sc.gov.

B. South Carolina Police Officers Retirement System

Plan Description - The District, as the employer, participates in the South Carolina Police Officers Retirement System (PORS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership - PORS provides retirement and other benefits for police officers and firemen of the state and its political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws.

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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively.

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

Contributions - Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established, a ceiling for PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.75% for PORS. The legislation also increased employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

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

Required employee (both Class II and III) contribution rates for the year ended June 30, 2020 was 9.75%. Required employer contribution rates for the year ended June 30, 2020 was 17.84%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively.

Contributions to the Plan from the District were \$40,655, for the year ended June 30, 2020. For the State's year end June 30, 2019, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2019, \$1,838 of contributions paid on behalf of the District by the General Assembly for PORS was recognized as other operating revenues.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows (Inflows) of Resources Related to Pensions - At June 30, 2020, the District reported a net pension liability of \$420,224 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2019, using generally accepted actuarial principles. The allocation of the District's proportional share of the collective net pension liability and pension expense were calculated on the basis of the District's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2019. Based upon this information, the District's proportion of the collective net pension liability is 0.014663%, an increase of 0.000605% since June 30, 2018, the prior measurement date.

For the year ended June 30, 2020, the District recognized pension expense of \$92,831. At June 30, 2020, 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	\$ 8,641	\$ 3,106
Changes in assumptions	16,664	-
Net difference between projected and actual earnings on pension plan investments	5,329	-
Changes in proportion and differences between District contributions and proportionate share of contributions	26,698	6,625
District contributions subsequent to the measurement date	38,817	-
Total	\$ 96,149	\$ 9,731

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Deferred outflows of resources of \$38,817 related to pensions resulted 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, 2021. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>		
2020	\$	(27,202)
2021		(11,065)
2022		(6,819)
2023		(2,515)
	<u>\$</u>	<u>(47,601)</u>

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2015.

The June 30, 2019 total pension liability, net pension liability, and sensitivity information is determined by the July 1, 2018 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 9.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), were developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectation and market based inputs. Expected returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Global Equity	51%	3.61%
Real Assets	12%	0.69%
Opportunistic	8%	0.26%
Credit	15%	0.64%
Rate Sensitive	14%	0.21%
Total Expected Real Return	<u>100%</u>	<u>5.41%</u>
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u>7.66%</u>

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in PORS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
District's proportionate share of the collective net pension liability	\$ 569,503	\$ 420,224	\$ 297,927

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2019 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2018. The additional information is publically available through PEBA's Retirement Benefits' website at www.peba.sc.gov.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 6 - RETIREMENT PLANS - CONTINUED

C. Reconciliation to Government-wide Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability
South Carolina Retirement System	\$ 12,730,745	\$ 742,127	\$ 102,948,843
Police Officers Retirement System	96,149	9,731	420,224
Totals as Reported on Statement of Net Position	<u>\$ 12,826,894</u>	<u>\$ 751,858</u>	<u>\$ 103,369,067</u>

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

OPEB Plan Description - The District, as the employer, participates in the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) - a cost-sharing multiple-employer defined benefit plan, for the purpose of providing post-employment health and dental benefits to retired State and school district employees and their covered dependents. The plan is administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. This information is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided - The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies and public school districts. The SCRHITF provides health and dental insurance to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding..

Contributions - Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the post-employment benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA-Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA-Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2019 was 6.05%. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the District's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. The amount of revenue recognized in the current fiscal year was \$709,609.

Contributions to the OPEB plan from the District during the current fiscal year were \$3,497,425, which includes an implicit subsidy of \$23,547.

OPEB Liabilities, OPEB Expense, and Deferred Outflows (Inflows) of Resources Related to OPEB - At June 30, 2020, the District reported a net OPEB liability of \$88,695,302 for its proportionate share of the collective net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability, net OPEB liability and sensitivity information are based on an actuarial valuation performed as of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2019, using generally accepted actuarial principles.

The allocation of the District's proportionate share of the collective net OPEB liability and collective OPEB expense were determined using the employer's payroll-related contributions over the measurement period, which is expected to be reflective of the employer's long-term contribution effort. Based upon this information, the District's proportion of the collective net OPEB liability is 0.586550%, an increase of 0.0107265% since June 30, 2018, the prior measurement date.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

For the year ended June 30, 2020, the District recognized OPEB expense of \$5,659,607. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,044,407	\$ 2,883,075
Changes in assumptions	5,869,042	5,492,495
Net difference between projected and actual earnings on OPEB plan investments	103,752	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,493,463	755
District contributions subsequent to the measurement date	3,497,925	-
Total	\$ 12,008,589	\$ 8,376,325

Deferred outflows of resources of \$3,497,925 related to OPEB resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended June 30	
2019	\$ 273,890
2020	273,890
2021	308,018
2022	362,098
Thereafter	(1,352,235)
	\$ (134,339)

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the net OPEB liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Retiree Participation:	79% for retirees eligible for funded premiums; 59% for partial-funded premiums; 20% for non-funded premiums
Investment Rate of Return:	4.0%, net of OPEB Plan investment expense; includes inflation
Healthcare Cost Trend Rates:	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years

For healthy retirees, mortality rates were based on the 2016 Public Retirees of South Carolina Mortality Table for Males and Females, using fully generational mortality projections based on the Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.

The long-term expected rate of return on OPEB plan investments represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80%	0.60%	0.48%
Cash equivalents	20%	0.10%	0.02%
Total			0.50%
Expected Inflation			2.25%
Total Return			2.75%
Investment Return Assumption			2.75%

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.13%, which is a decrease from the previous year by 0.49%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the collective net OPEB liability calculated using the discount rate of 3.13%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.13%) or 1% higher (4.13%) than the current rate:

	1% Decrease 2.13%	Current Discount Rate 3.13%	1% Increase 4.13%
District's proportionate share of the collective net OPEB liability	\$ 105,147,195	\$ 88,695,302	\$ 75,491,976

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following table presents the District's proportionate share of the collective net OPEB liability calculated using the healthcare cost trend rate of 6.4%, gradually decreasing to 4.15% over a 15-year period, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (5.4% decreasing to 3.15%) or 1% higher (7.4% decreasing to 5.15%) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 72,384,842	\$ 88,695,302	\$ 109,936,340

OPEB Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the OPEB Trusts Fund audited financial statements for the fiscal year ended June 30, 2019 (including the unmodified opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2018. The additional information is publically available through PEBA's Insurance Benefits' website at www.peba.sc.gov.

NOTE 8 - DEFERRED COMPENSATION PLANS

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund balances for the year ended June 30, 2020 consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 19,692,405
Special Revenue Fund - Special Projects	60,083	979,413
Special Revenue Fund - EIA Fund	1,238,945	-
Special Revenue Fund - Food Service	948,092	-
Debt Service	10,178,939	-
Debt Service - Educational Facilities Corporation	-	104
Capital Projects	8,115,967	-
Agency Fund	129,896	-
	<u>\$ 20,671,922</u>	<u>\$ 20,671,922</u>

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

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

Interfund Transfers

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund - EFC	\$ 3,916,300
General Fund	Capital Projects Fund	11,075,000
General Fund	Pupil Activity Fund	137,400
Special Revenue Fund - Special Projects	General Fund	12,421
Special Revenue Fund - EIA	General Fund	2,617,567
Food Service Fund	General Fund	519,618
Debt Service Fund	Debt Service Fund - EFC	4,257,147
Pupil Activity Funds	General Fund	110,000
Pupil Activity Funds	Special Revenue Funds - Special Projects	200,602
		<u>\$ 22,846,055</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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

NOTE 10 - TAX ABATEMENTS

Spartanburg County

Beginning July 1, 2016, Spartanburg County changed the allocation of FILOT revenues amongst the 7 Districts. Under these agreements, there is a countywide calculation of all Fee in Lieu of Ad Valorem Tax (FILOT) payments allocating revenue to all 7 districts based on a formula. Under these agreements, the District received \$696,735 of FILOT revenue. Because these agreements are written across 7 taxing districts, the District is unable to determine the amount that the general fund property tax revenues were reduced as a result of these agreements or the benefit recognized by taxpayers under either Special Source Revenue Credits (SSRC) or FILOT agreements.

Under agreements written prior to June 30, 2016, the District's general fund property tax revenues were reduced by \$28,785,240 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$15,412,780 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$17,527,211. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$11,259,662.

Under agreements written prior to June 30, 2016, the District's debt service fund property tax revenues were reduced by \$3,471,072 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$3,022,353 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$1,307,739. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$2,163,334.

Cherokee County

Cherokee County collects and remits FILOT revenue due to Spartanburg County related to a Multi-County Industrial Park located within Cherokee County. Due to this agreement and the agreement to allocate all FILOT related to school districts under these agreements equitably across all 7 districts, the District received \$150,595 in FILOT revenue from Cherokee County.

NOTE 11 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020**

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

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

Total contractual commitments of the Capital Projects Fund at June 30, 2020 are as follows:

<u>Projects</u>	<u>Contract Amount</u>	<u>Job to Date Expenditures</u>	<u>Outstanding Commitments</u>
Byrnes High School, Phase I	\$ 4,632,782	\$ 4,323,231	\$ 309,551
Byrnes High School, Phase II	<u>2,878,452</u>	<u>23,177</u>	<u>2,855,275</u>
	<u>\$ 7,511,234</u>	<u>\$ 4,346,408</u>	<u>\$ 3,164,826</u>

NOTE 12 - RELATED ORGANIZATION

These financial statements exclude R.D. Anderson Applied Technology District, Moore, South Carolina. The District serves the high schools in Spartanburg County School Districts Four, Five, and Six. Two members of District Five's Board of Trustees serve as board members of the District. Also, the superintendent of District Five is an ex-officio non-voting member of the R.D. Anderson Applied Technology District Board of Trustees. District Five remits a portion of their Education Finance Act monies to the District to cover the educational costs of the District's students attending the District and a portion of the Property Tax Relief Act Tier 3. For the year ended June 30, 2020, these amounts were \$405,823 and \$289,844 respectively and were recorded as General Fund expenditures.

NOTE 13 - SUBSEQUENT EVENT

In July 2020, the District purchased approximately 100 acres of land capable of accommodating two new schools in the geographical center of the district. While there are currently no plans to build schools on this site in the next few years, the District wanted to prepare for long term student growth.

Management has evaluated subsequent events through November 11, 2020, the date on which the financial statements were available to be issued.

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

	2020	2019	2018	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.450855%	0.445212%	0.438291%	0.430060%	0.430512%	0.431989%
District's Proportionate Share of the Collective Net Pension Liability	\$ 102,948,843	\$ 99,757,769	\$ 98,666,353	\$ 91,860,181	\$ 81,648,676	\$ 74,374,184
District's Covered-Employee Payroll	\$ 51,086,033	\$ 49,761,349	\$ 48,238,262	\$ 46,032,903	\$ 43,955,092	\$ 42,750,998
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	201.52%	200.47%	204.54%	199.55%	185.75%	173.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.40%	54.10%	53.30%	52.91%	56.99%	59.92%

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

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

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

	2020	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 7,638,724	\$ 6,472,281	\$ 5,795,988	\$ 5,112,079	\$ 4,663,080	\$ 4,399,863
Contributions in Relation to the Statutorially Required Contributions	7,638,724	6,472,281	5,795,988	5,112,079	4,663,080	4,399,863
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 55,743,907	\$ 51,086,033	\$ 49,761,349	\$ 48,238,262	\$ 46,032,903	\$ 43,955,092
Contributions as a Percentage of Covered-Employee Payroll	13.70%	12.67%	11.65%	10.60%	10.13%	10.01%

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

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

	2020	2019	2018	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.014663%	0.014058%	0.013140%	0.014020%	0.012840%	0.006830%
District's Proportionate Share of the Collective Net Pension Liability	\$ 420,224	\$ 398,338	\$ 360,088	\$ 355,639	\$ 279,869	\$ 130,736
District's Covered-Employee Payroll	\$ 212,676	\$ 194,583	\$ 177,005	\$ 178,753	\$ 159,084	\$ 82,140
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	197.59%	204.71%	203.43%	198.96%	175.93%	159.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%

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

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

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

	2020	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 38,817	\$ 34,827	\$ 29,762	\$ 25,205	\$ 24,561	\$ 21,333
Contributions in Relation to the Statutorially Required Contributions	38,817	34,827	29,762	25,205	24,561	21,333
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 222,888	\$ 212,676	\$ 194,583	\$ 177,005	\$ 178,753	\$ 159,084
Contributions as a Percentage of Covered-Employee Payroll	17.42%	16.38%	15.30%	14.24%	13.74%	13.41%

Notes to Schedule:

June 30, 2015, was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

REQUIRED SUPPLEMENTARY INFORMATION
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 COLLECTIVE NET OPEB LIABILITY
 SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
 LAST TEN FISCAL YEARS*

	2020	2019	2018
District's Proportion of the Collective Net OPEB Liability	0.586550%	0.579285%	0.574128%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 88,695,302	\$ 82,088,073	\$ 77,764,697
District's Covered-Employee Payroll	\$ 51,298,709	\$ 49,955,932	\$ 48,415,267
District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered-Employee Payroll	172.90%	164.32%	160.62%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.44%	7.91%	7.60%

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

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

REQUIRED SUPPLEMENTARY INFORMATION
 SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
 LAST TEN FISCAL YEARS

	2020	2019	2018
Statutorially Required Contributions	\$ 3,729,132	\$ 3,094,481	\$ 2,685,758
Contributions in Relation to the Statutorially Required Contributions	3,729,132	3,094,481	2,685,758
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 55,966,796	\$ 51,298,709	\$ 49,955,932
Contributions as a Percentage of Covered-Employee Payroll	6.663%	6.032%	5.376%

Note to Schedule:

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

**REQUIRED SUPPLEMENTARY INFORMATION
SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUE				
Local	\$ 43,383,194	\$ 43,383,194	\$ 49,682,276	\$ 6,299,082
Intergovernmental	261,585	261,585	284,790	23,205
State	46,625,386	46,625,386	49,326,824	2,701,438
Total Revenue	90,270,165	90,270,165	99,293,890	9,023,725
EXPENDITURES				
Current:				
Instruction	57,808,438	57,836,315	55,598,048	2,238,267
Support Services	29,500,923	29,473,046	29,888,300	(415,254)
Intergovernmental	328,660	328,660	399,453	(70,793)
Total Expenditures	87,638,021	87,638,021	85,885,801	1,752,220
Excess / (Deficiency) of Revenues Over Expenditures	2,632,144	2,632,144	13,408,089	10,775,945
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,859,156	2,859,156	3,259,606	400,450
Operating Transfers Out	(5,491,300)	(5,628,700)	(15,128,700)	(9,500,000)
Net Change in Fund Balance	\$ -	\$ (137,400)	1,538,995	\$ 1,676,395
FUND BALANCE - JULY 1, 2019			17,898,635	
FUND BALANCE - JUNE 30, 2020			\$ 19,437,630	

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
1000 Revenue From Local Sources			
1100 Taxes Levied/Assessed by the LEA			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 29,630,762	\$ 30,776,917	\$ 1,146,155
1190 Other Taxes (Independent)	1,664,720	1,976,781	312,061
1200 Revenue from Local Government Units Other than LEAs			
1280 Revenue In Lieu of Taxes (Independent and Dependent)	12,062,712	16,260,111	4,197,399
1300 Tuition			
1310 Tuition from Patrons for Regular Day School	-	43,025	43,025
1500 Earnings on Investments			
1510 Interest on Investments	25,000	424,001	399,001
1900 Other Revenue from Local Sources			
1920 Contributions and Donations Private Sources	-	6,479	6,479
1950 Refund of Prior Year's Expenditures	-	3,400	3,400
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds	-	180,817	180,817
1999 Revenue from Other Local Sources	-	10,745	10,745
Total Local Sources	<u>43,383,194</u>	<u>49,682,276</u>	<u>6,299,082</u>
2000 Intergovernmental Revenue			
2100 Payments for Other Governmental Units	261,585	284,790	23,205
Total Intergovernmental Revenue	<u>261,585</u>	<u>284,790</u>	<u>23,205</u>
3000 Revenue from State Sources			
3100 Restricted State Grants			
3130 Special Programs			
3131 Handicapped Transportation	-	635	635
3160 School Bus Drivery Salary (Includes Hazardous Condition Transportation)	349,717	405,180	55,463
3161 EAA Bus Driver Salary and Fringe	-	18,675	18,675
3162 Transportation Worker's Compensation	20,452	22,391	1,939
3180 Fringe Benefit Employer Contributions (No Carryover Provision)	9,046,991	9,691,262	644,271
3181 Retiree Insurance (No Carryover Provision)	1,843,339	2,078,193	234,854
3186 State Aid to Classrooms - Teacher Salary	1,634,278	1,888,252	253,974
3300 State Aid to Classrooms - Education Finance Act (EFA)			
3310 Full-Time Programs			
3311 Kindergarden	985,073	1,018,249	33,176
3312 Primary	2,848,545	3,018,396	169,851
3313 Elementary	5,110,892	5,247,525	136,633
3314 High School	2,494,934	2,505,839	10,905
3315 Trainable Mentally Handicapped	91,940	69,868	(22,072)
3316 Speech Handicapped (Part-Time)	1,382,442	1,510,949	128,507
3317 Homebound	12,876	10,808	(2,068)

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
3320 Part-Time Programs			
3321 Emotionally Handicapped	133,512	156,756	23,244
3322 Educable Mentally Handicapped	24,444	52,672	28,228
3323 Learning Disabilities	1,612,766	1,762,315	149,549
3324 Hearing Handicapped	67,290	81,548	14,258
3325 Visually Handicapped	35,392	66,786	31,394
3326 Orthopedically Handicapped	25,322	21,818	(3,504)
3327 Pre-Career and Career Technology	1,498,293	1,733,703	235,410
3330 Miscellaneous EFA Programs			
3331 Autism	627,951	704,597	76,646
3332 High Achieving Students	310,537	339,200	28,663
3334 Limited English Proficiency	212,270	233,978	21,708
3351 Academic Assistance	662,548	690,361	27,813
3352 Pupils in Poverty	1,585,602	1,674,587	88,985
3353 Dual Credit Enrollment	49,884	57,558	7,674
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,681,807	1,681,807	-
3820 Homestead Exemption (Tier 2)	968,250	968,250	-
3825 Reimbursement for Property Tax Relief (Tier 3)	10,227,483	10,240,191	12,708
3830 Merchant's Inventory Tax	78,607	78,608	1
3840 Manufacturers Depreciation Reimbursement	440,000	763,491	323,491
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	100,000	70,427	(29,573)
3990 Other State Revenue			
3993 PEBA On-Behalf	461,949	461,949	-
Total State Sources	<u>46,625,386</u>	<u>49,326,824</u>	<u>2,701,438</u>
TOTAL REVENUE ALL SOURCES	<u>90,270,165</u>	<u>99,293,890</u>	<u>9,023,725</u>
EXPENDITURES			
100 INSTRUCTION			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	2,519,798	2,477,124	42,674
200 Employee Benefits	1,323,322	1,213,653	109,669
400 Supplies and Materials	56,865	54,767	2,098
500 Capital Outlay	1,700	-	1,700
112 Primary Programs			
100 Salaries	8,366,828	8,360,404	6,424
200 Employee Benefits	3,819,865	3,589,725	230,140
300 Purchased Services	84,830	86,864	(2,034)
400 Supplies and Materials	175,165	173,885	1,280
500 Capital Outlay	1,700	-	1,700
600 Other Objects	3,700	225	3,475
113 Elementary Programs			
100 Salaries	11,743,604	10,892,513	851,091
200 Employee Benefits	5,207,605	4,801,274	406,331
300 Purchased Services	301,399	289,619	11,780
400 Supplies and Materials	774,648	693,656	80,992
500 Capital Outlay	2,019,870	2,059,943	(40,073)
600 Other Objects	2,600	-	2,600

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
114 High School Programs			
100 Salaries	6,735,001	6,682,196	52,805
200 Employee Benefits	2,995,748	2,767,925	227,823
300 Purchased Services	554,117	740,032	(185,915)
400 Supplies and Materials	335,778	229,561	106,217
500 Capital Outlay	138,341	108,721	29,620
600 Other Objects	7,300	1,250	6,050
115 Career and Technical Education Programs			
100 Salaries	596,977	612,008	(15,031)
200 Employee Benefits	267,517	263,510	4,007
300 Purchased Services (Other than Tuition)	2,488	-	2,488
370 Tuition (Purchased Services)	701,832	695,667	6,165
400 Supplies and Materials	30,727	22,777	7,950
500 Capital Outlay	11,572	10,302	1,270
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	311,951	293,323	18,628
200 Employee Benefits	149,656	135,049	14,607
300 Purchased Services	922	422	500
400 Supplies and Materials	224	224	-
122 Trainable Mentally Handicapped			
100 Salaries	176,758	237,557	(60,799)
200 Employee Benefits	92,247	124,165	(31,918)
300 Purchased Services	57,100	29,411	27,689
400 Supplies and Materials	635	536	99
123 Orthopedically Handicapped			
100 Salaries	2,673	2,742	(69)
200 Employee Benefits	1,277	1,279	(2)
300 Purchased Services	700	-	700
400 Supplies and Materials	106	92	14
124 Visually Handicapped			
300 Purchased Services	17,200	27,013	(9,813)
400 Supplies and Materials	165	325	(160)
500 Capital Outlay	5,000	-	5,000
125 Hearing Handicapped			
300 Purchased Services	36,800	55,532	(18,732)
400 Supplies and Materials	315	132	183
500 Capital Outlay	5,000	3,035	1,965
126 Speech Handicapped			
100 Salaries	471,768	402,485	69,283
200 Employee Benefits	213,550	177,092	36,458
300 Purchased Services	235,528	247,781	(12,253)
400 Supplies and Materials	13,331	9,471	3,860
127 Learning Disabilities			
100 Salaries	2,168,089	2,176,580	(8,491)
200 Employee Benefits	1,061,942	1,004,278	57,664
300 Purchased Services	3,850	5,792	(1,942)
400 Supplies and Materials	17,180	27,140	(9,960)
128 Emotionally Handicapped			
100 Salaries	484,204	455,033	29,171
200 Employee Benefits	232,177	203,276	28,901
300 Purchased Services	25,200	12,886	12,314
400 Supplies and Materials	1,978	3,416	(1,438)

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
130 PreSchool Programs			
137 Preschool Handicapped Self-Contained (3- and 4- Yr. -Olds)			
100 Salaries	428,999	438,394	(9,395)
200 Employee Benefits	228,939	221,375	7,564
300 Purchased Services	-	157	(157)
400 Supplies and Materials	2,068	1,994	74
139 Early Childhood Programs			
100 Salaries	329,512	271,004	58,508
200 Employee Benefits	184,876	172,502	12,374
140 Special Programs			
141 Gifted and Talented Academic			
100 Salaries	328,288	319,107	9,181
200 Employee Benefits	149,831	134,389	15,442
300 Purchased Services	6,200	-	6,200
400 Supplies and Materials	9,368	4,420	4,948
143 Advanced Placement			
300 Purchased Services	1,500	-	1,500
400 Supplies and Materials	3,825	3,701	124
145 Homebound			
100 Salaries	19,000	91,847	(72,847)
200 Employee Benefits	5,761	26,301	(20,540)
300 Purchased Services	20,000	159	19,841
148 Gifted and Talented Artistic			
100 Salaries	5,000	4,400	600
200 Employee Benefits	1,516	1,313	203
300 Purchased Services	-	200	(200)
400 Supplies and Materials	3,361	2,431	930
160 Other Exceptional Programs			
161 Autism			
100 Salaries	281,795	185,830	95,965
200 Employee Benefits	152,316	93,631	58,685
300 Purchased Services	64,600	100,669	(36,069)
400 Supplies and Materials	3,323	2,998	325
162 Limited English Proficiency			
100 Salaries	712,595	720,320	(7,725)
200 Employee Benefits	309,487	307,310	2,177
300 Purchased Services	900	350	550
170 Summer School Programs			
172 Elementary Summer School			
100 Salaries	10,000	1,250	8,750
200 Employee Benefits	3,032	377	2,655
173 High School Summer School			
100 Salaries	-	21,089	(21,089)
200 Employee Benefits	-	6,353	(6,353)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
100 Salaries	-	469	(469)
200 Employee Benefits	-	40	(40)
300 Purchased Services	1,800	-	1,800
Total Instruction	<u>57,836,315</u>	<u>55,598,048</u>	<u>2,238,267</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
200 SUPPORT SERVICES			
210 Pupil Service			
211 Attendance and Social Work Services			
100 Salaries	76,126	76,386	(260)
200 Employee Benefits	27,952	27,848	104
300 Purchased Services	2,308	1,371	937
400 Supplies and Materials	200	-	200
212 Guidance Services			
100 Salaries	1,383,001	1,461,560	(78,559)
200 Employee Benefits	597,633	581,257	16,376
300 Purchased Services	5,900	7,993	(2,093)
400 Supplies and Materials	39,964	51,003	(11,039)
213 Health Service			
100 Salaries	694,306	725,622	(31,316)
200 Employee Benefits	314,506	323,470	(8,964)
300 Purchased Services	10,310	5,361	4,949
400 Supplies and Materials	20,314	17,319	2,995
500 Capital Outlay	1,000	-	1,000
214 Psychological Services			
100 Salaries	455,918	514,819	(58,901)
200 Employee Benefits	191,126	203,139	(12,013)
300 Purchased Services	2,200	180	2,020
400 Supplies and Materials	850	7	843
215 Exceptional Program Services			
300 Purchased Services	-	54,212	(54,212)
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development			
100 Salaries	842,896	869,399	(26,503)
200 Employee Benefits	329,496	326,869	2,627
300 Purchased Services	20,000	19,731	269
400 Supplies and Materials	4,250	1,693	2,557
600 Other Objects	500	-	500
222 Library and Media Services			
100 Salaries	1,057,067	1,054,440	2,627
200 Employee Benefits	494,152	464,504	29,648
400 Supplies and Materials	162,189	151,978	10,211
224 Improvement of Instruction Inservice and Staff Training			
100 Salaries	622,095	642,307	(20,212)
200 Employee Benefits	258,885	247,547	11,338
300 Purchased Services	156,801	119,765	37,036
400 Supplies and Materials	25,595	6,455	19,140
230 General Administrative Service			
231 Board of Education			
300 Purchased Services	49,000	54,623	(5,623)
318 Audit Services	40,000	37,250	2,750
400 Supplies and Materials	2,550	874	1,676
500 Capital Outlay	1,700	411	1,289
600 Other Objects	112,653	112,540	113
232 Office of Superintendent			
100 Salaries	335,610	338,934	(3,324)
200 Employee Benefits	120,792	116,891	3,901
300 Purchased Services	14,165	11,745	2,420
400 Supplies and Materials	6,800	1,715	5,085
500 Capital Outlay	2,125	-	2,125
600 Other Objects	4,000	1,607	2,393

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
233 School Administration			
100 Salaries	4,287,995	4,343,530	(55,535)
200 Employee Benefits	1,866,067	1,819,994	46,073
300 Purchased Services	47,733	41,898	5,835
400 Supplies and Materials	53,502	36,849	16,653
500 Capital Outlay	15,182	13,182	2,000
600 Other Objects	600	1,450	(850)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	190,288	190,673	(385)
180 Head of Organizational Unit Salaries	132,529	132,729	(200)
200 Employee Benefits	133,744	81,561	52,183
280 Head of Organizational Unit Employee Benefits	-	49,768	(49,768)
300 Purchased Services	30,000	25,306	4,694
380 Head of Organizational Unit Purchased Services	243	103	140
400 Supplies and Materials	12,000	15,974	(3,974)
500 Capital Outlay	1,400	-	1,400
254 Operations and Maintenance of Plant			
100 Salaries	2,690,875	2,518,330	172,545
200 Employee Benefits	1,271,393	988,424	282,969
300 Purchased Services (Excludes Energy Costs)	1,813,105	1,862,337	(49,232)
321 Public Utility Services (Exclude Gas, Oil, Electric & Other Heating Fuel)	293,000	294,281	(1,281)
400 Supplies and Materials (Included Energy Costs)	647,900	507,370	140,530
470 Energy (Includes Gas, Oil, Electric & Other Heating Fuels)	1,395,700	1,493,780	(98,080)
500 Capital Outlay	258,400	303,012	(44,612)
255 Student Transportation (State Mandated)			
100 Salaries	822,057	1,135,286	(313,229)
200 Employee Benefits	278,250	377,131	(98,881)
300 Purchased Services	58,580	141,566	(82,986)
400 Supplies and Materials	48,230	53,219	(4,989)
500 Capital Outlay	120,800	172,536	(51,736)
600 Other Objects	3,000	-	3,000
258 Security			
100 Salaries	52,000	93,603	(41,603)
200 Employee Benefits	15,766	30,732	(14,966)
300 Purchased Services	1,060,460	1,070,567	(10,107)
400 Supplies and Materials	110,700	113,374	(2,674)
500 Capital Outlay	203,975	4,362	199,613
259 Internal Auditing Services			
100 Salaries	54,602	64,196	(9,594)
200 Employee Benefits	24,429	21,987	2,442
300 Purchased Services	-	1,586	(1,586)
400 Supplies and Materials	-	15	(15)
260 Central Support Services			
263 Information Services			
100 Salaries	12,384	12,584	(200)
180 Head of Organizational Unit Salaries	73,169	73,369	(200)
200 Employee Benefits	37,498	9,461	28,037
280 Head of Organizational Unit Employee Benefits	-	29,727	(29,727)
300 Purchased Services	46,520	48,100	(1,580)
380 Head of Organizational Unit Purchased Services	5,000	4,513	487
400 Supplies and Materials	49,100	44,774	4,326
500 Capital Outlay	2,700	234	2,466

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
264 Staff Services			
100 Salaries	198,919	205,656	(6,737)
180 Head of Organizational Unit Salaries	123,925	125,000	(1,075)
200 Employee Benefits	127,943	83,399	44,544
280 Head of Organizational Unit Employee Benefits	-	45,284	(45,284)
300 Purchased Services	41,500	45,675	(4,175)
380 Head of Organizational Unit Purchased Services	4,000	5,544	(1,544)
400 Supplies and Materials	5,000	7,274	(2,274)
266 Technology and Data Processing Services			
100 Salaries	757,434	760,610	(3,176)
180 Head of Organizational Unit Salaries	66,264	67,314	(1,050)
200 Employee Benefits	341,860	306,761	35,099
280 Head of Organizational Unit Employee Benefits	-	22,800	(22,800)
300 Purchased Services	5,000	4,913	87
380 Head of Organizational Unit Purchased Services	-	1,463	(1,463)
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries (Optional)	587,336	630,916	(43,580)
200 Employee Benefits (Optional)	203,181	206,342	(3,161)
300 Purchased Services (Optional)	126,216	220,756	(94,540)
400 Supplies and Materials (Optional)	20,857	20,787	70
500 Capital Outlay (Optional)	116,800	226,872	(110,072)
600 Other Objects (Optional)	39,000	44,636	(5,636)
Total Support Services	<u>29,473,046</u>	<u>29,888,300</u>	<u>(415,254)</u>
400 OTHER CHARGES			
410 Intergovernmental Expenditures			
412 Payments to other governmental units			
720 Transits	328,660	399,453	(70,793)
Total Intergovernmental Expenditures	<u>328,660</u>	<u>399,453</u>	<u>(70,793)</u>
TOTAL EXPENDITURES	<u>87,638,021</u>	<u>85,885,801</u>	<u>1,752,220</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, from (to) Other Funds			
5230 Transfer from Special Revenue EIA Fund	2,509,156	2,617,567	108,411
5270 Transfer from Pupil Activity Fund	-	110,000	110,000
5280 Transfer from Other Funds Indirect Cost	350,000	532,039	182,039
423-710 Transfer to Debt Service Fund	(3,916,300)	(3,916,300)	-
424-710 Transfer to Capital Projects Fund	(1,575,000)	(11,075,000)	(9,500,000)
426-710 Transfer to Pupil Activity Fund	(137,400)	(137,400)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,769,544)</u>	<u>(11,869,094)</u>	<u>(9,099,550)</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>\$ (137,400)</u>	<u>1,538,995</u>	<u>\$ 1,676,395</u>
FUND BALANCE - JULY 1, 2019		<u>17,898,635</u>	
FUND BALANCE - JUNE 30, 2020		<u>\$ 19,437,630</u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING BALANCE SHEET
 JUNE 30, 2020

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200/800s)	TOTAL
ASSETS							
Accounts Receivable	\$ -	\$ -	\$ -	\$ 975	\$ -	\$ -	\$ 975
Due from State Department of Education	-	-	-	-	-	3,318	3,318
Due from Federal Government	472,419	491,568	-	14,451	-	272,499	1,250,937
Due from Other Funds	-	-	-	-	-	60,083	60,083
Total Assets	\$ 472,419	\$ 491,568	\$ -	\$ 15,426	\$ -	\$ 335,900	\$ 1,315,313
LIABILITIES AND FUND BALANCE							
Liabilities							
Due to Other Funds	\$ 472,419	\$ 491,568	\$ -	\$ 15,426	\$ -	\$ -	\$ 979,413
Unearned Revenues	-	-	-	-	-	335,900	335,900
Total Liabilities	\$ 472,419	\$ 491,568	\$ -	\$ 15,426	\$ -	\$ 335,900	\$ 1,315,313
Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	\$ 472,419	\$ 491,568	\$ -	\$ 15,426	\$ -	\$ 335,900	\$ 1,315,313

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200/800s)	TOTAL
REVENUES							
1000 Revenue From Local Sources							
1900 Other Revenue from Local Sources							
1910 Rentals	-	\$ -	\$ -	-	-	\$ 26	\$ 26
1920 Contributions and Donations Private Sources	-	-	-	-	-	8,805	8,805
1930 Special Needs Transportation - Medicaid	-	-	-	-	-	284,291	284,291
1999 Revenue from Other Local Sources	-	-	-	-	-	297,054	297,054
Total Local Revenue	-	-	-	-	-	590,176	590,176
3000 Revenue from State Sources							
3100 Restricted Grants							
3110 Occupational education							
3118 EEDA Career Specialists	-	-	-	-	330,071	-	330,071
3120 General Education							
3127 Student Health and Fitness - PE Teachers	-	-	-	-	64,384	-	64,384
3130 Special Programs							
3135 Reading Coaches	-	-	-	-	411,791	-	411,791
3136 Student Health and Fitness - Nurses	-	-	-	-	173,850	-	173,850
3190 Miscellaneous Restricted State Grants							
3193 Education License Plates	-	-	-	-	771	-	771
3199 Other Restricted State Grants	-	-	-	-	1,007	-	1,007
3990 Other State Revenue							
3994 PEBA Nonemployer Contributions	-	-	-	-	782,161	-	782,161
Total State Sources	-	-	-	-	1,764,035	-	1,764,035
4000 Revenue from Federal Sources							
4200 Occupational Education							
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	-	-	-	55,125	-	-	55,125
4300 Elementary and Secondary Education Act of 1965 (ESEA)							
4310 Title I, Bais Stat Grant Programs (Carryover Provision)	1,418,220	-	-	-	-	214,522	1,632,742
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	23,331	23,331
4351 Supporting Effective Instruction	-	-	-	-	-	198,502	198,502

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL PROGRAMS
 FOR FISCAL YEAR ENDED JUNE 30, 2020

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200/800s)	TOTAL
4500 Programs for Children with Disabilities	-	1,517,181	-	-	-	1,604	1,518,785
4510 Individuals with Disabilities Education Act (IDEA)	-	-	64,034	-	-	-	64,034
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-	-	-	-	146,432	146,432
4560 IDEA - SSJF	-	-	-	-	-	-	-
4900 Other Federal Sources	-	-	-	-	-	101,193	101,193
4975 Coronavirus Aid, Relief, and Economic Security Act (CARES)	-	-	-	-	-	-	-
4990 Other Federal Revenue	-	-	-	-	-	133,343	133,343
4997 Title IV - SSAE	-	-	-	-	-	115,103	115,103
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	-
Total Federal Sources	1,418,220	1,517,181	64,034	55,125	-	934,030	3,988,590
TOTAL REVENUE ALL SOURCES	1,418,220	1,517,181	64,034	55,125	1,764,035	1,524,206	6,342,801

EXPENDITURES

100 INSTRUCTION

110 General Instruction	-	-	-	-	-	-	-
111 Kindergarten Programs	77,656	-	-	-	-	40,304	117,960
100 Salaries	35,983	-	-	-	-	12,188	48,171
200 Employee Benefits	-	-	-	-	-	-	-
112 Primary Programs	298,257	-	-	-	45,740	108,772	452,769
100 Salaries	128,742	-	-	-	18,644	79,573	226,959
200 Employee Benefits	1,232	-	-	-	-	54,037	55,269
400 Supplies and Materials	-	-	-	-	-	-	-
113 Elementary Programs	246,768	-	-	-	-	3,372	250,140
100 Salaries	101,379	-	-	-	-	-	101,379
200 Employee Benefits	-	-	-	-	-	-	-
300 Purchased Services	-	-	-	-	-	18,458	18,458
400 Supplies and Materials	-	-	-	-	-	306,317	306,317
500 Capital Outlay	-	-	-	-	771	-	771
114 High School Programs	-	-	-	-	-	-	-
100 Salaries	-	-	-	-	-	74,695	74,695
200 Employee Benefits	-	-	-	-	-	20,458	20,458
300 Purchased Services	-	-	-	-	-	18,434	18,434
400 Supplies and Materials	-	-	-	-	-	10,677	10,677
115 Career and Technical Education Programs	-	-	-	-	-	-	-
300 Purchased Services (Other than Tuition)	-	6,500	-	6,500	-	-	6,500
400 Purchased Services	-	12,426	-	12,426	-	-	12,426
500 Capital Outlay	-	-	-	1,788	-	-	1,788

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL PROGRAMS
 FOR FISCAL YEAR ENDED JUNE 30, 2020

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200/800s)	TOTAL
116 Career and Technical Education (Vocational) Programs - Middle School	-	-	-	1,653	-	-	1,653
400 Supplies and Materials	-	-	-	1,730	-	-	1,730
500 Capital Outlay	-	-	-	-	-	-	-
120 Exceptional Programs	-	-	-	-	1,007	-	1,007
121 Educable Mentally Handicapped	-	18,666	-	-	-	-	18,666
100 Salaries	-	18,666	-	-	-	-	18,666
200 Employee Benefits	-	5,883	-	-	-	-	5,883
122 Trainable Mentally Handicapped	-	-	-	-	-	-	-
300 Purchased Services	-	-	-	-	1,007	-	1,007
124 Visually Handicapped	-	27,220	-	-	-	-	27,220
300 Purchased Services	-	27,220	-	-	-	-	27,220
125 Hearing Handicapped	-	280	-	-	-	-	280
100 Salaries	-	280	-	-	-	-	280
200 Employee Benefits	-	23	-	-	-	-	23
126 Speech Handicapped	-	29,584	-	-	-	59,319	88,903
100 Salaries	-	29,584	-	-	-	59,319	88,903
200 Employee Benefits	-	12,607	-	-	-	27,320	39,927
300 Purchased Services	-	437,734	-	-	-	72,077	509,811
600 Other Objects	-	-	-	-	-	3,304	3,304
127 Learning Disabilities	-	439,359	-	-	-	-	439,359
100 Salaries	-	439,359	-	-	-	-	439,359
200 Employee Benefits	-	193,315	-	-	-	-	193,315
400 Supplies and Materials	-	13,862	-	-	-	-	13,862
128 Emotionally Handicapped	-	53,829	-	-	-	-	53,829
100 Salaries	-	53,829	-	-	-	-	53,829
200 Employee Benefits	-	16,400	-	-	-	-	16,400
130 Pre-School Programs	-	-	-	-	-	-	-
137 Preschool Handicapped Self-Contained (3- and 4- Yr. -Olds)	-	47,622	44,723	-	-	-	92,345
100 Salaries	-	47,622	44,723	-	-	-	92,345
200 Employee Benefits	-	31,027	19,311	-	-	-	50,338
139 Early Childhood Programs	138,294	-	-	-	-	-	138,294
100 Salaries	138,294	-	-	-	-	-	138,294
200 Employee Benefits	63,158	-	-	-	-	-	63,158
160 Other Exceptional Programs	-	-	-	-	-	-	-
161 Autism	-	27,148	-	-	-	-	27,148
100 Salaries	-	27,148	-	-	-	-	27,148
200 Employee Benefits	-	10,179	-	-	-	-	10,179

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL PROGRAMS
 FOR FISCAL YEAR ENDED JUNE 30, 2020

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200/800s)	TOTAL
170 Summer School Programs							
171 Primary Summer School							
100 Salaries	-	-	-	-	-	2,188	2,188
200 Employee Benefits	-	-	-	-	-	659	659
172 Elementary Summer School							
400 Supplies and Materials	-	-	-	-	-	4,120	4,120
180 Adult/Continuing Education Programs							
188 Parenting/Family Literacy							
100 Salaries	42,114	-	-	-	-	-	42,114
200 Employee Benefits	18,672	-	-	-	-	-	18,672
300 Purchased Services	351	-	-	-	-	-	351
400 Supplies and Materials	294	-	-	-	-	-	294
Total Instruction	1,152,900	1,364,738	64,034	24,097	66,162	916,272	3,588,203
200 SUPPORT SERVICES							
210 Pupil Service							
211 Attendance and Social Work Services							
100 Salaries	-	-	-	-	-	38,950	38,950
200 Employee Benefits	-	-	-	-	-	11,718	11,718
400 Supplies and Materials	3,300	-	-	-	-	-	3,300
213 Health Service							
100 Salaries	-	-	-	-	132,623	-	132,623
200 Employee Benefits	-	-	-	-	41,227	-	41,227
214 Psychological Services							
300 Purchased Services	-	35,956	-	-	-	30,835	66,791
215 Exceptional Program Services							
400 Supplies and Materials	-	17,727	-	-	-	-	17,727
217 Career Specialist Services							
100 Salaries	-	-	-	-	217,435	-	217,435
200 Employee Benefits	-	-	-	-	112,636	-	112,636
220 Instructional Staff Services							
221 Improvement of Instruction Curriculum Development							
100 Salaries	65,105	-	-	-	-	123,129	188,234
200 Employee Benefits	31,481	-	-	-	-	58,397	89,878
300 Purchased Services	-	-	-	-	-	9,637	9,637
400 Supplies and Materials	-	-	-	-	-	30,412	30,412
500 Capital Outlay	-	-	-	2,865	-	-	2,865

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL PROGRAMS
 FOR FISCAL YEAR ENDED JUNE 30, 2020

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200/800s)	TOTAL
223 Supervision of Special Programs							
100 Salaries	40,509	46,161	-	-	-	64,762	151,432
200 Employee Benefits	16,441	23,436	-	-	-	30,789	70,666
300 Purchased Services	1,612	6,913	-	-	-	212	8,737
400 Supplies and Materials	44	2,077	-	-	-	-	2,121
224 Improvement of Instruction Inservice and Staff Training							
100 Salaries	67,088	-	-	-	271,104	8,120	346,312
200 Employee Benefits	25,123	-	-	-	140,687	2,269	168,079
300 Purchased Services	1,350	20,173	-	17,095	-	13,037	51,655
400 Supplies and Materials	-	-	-	-	-	6,301	6,301
250 Finance and Operations Services							
254 Operations and Maintenance of Plant							
300 Purchased Services	-	-	-	-	-	26,222	26,222
400 Supplies and Materials	-	-	-	-	-	68,861	68,861
258 Security							
300 Purchased Services	-	-	-	-	-	15,912	15,912
260 Central Support Services							
266 Technology and Data Processing Services							
300 Purchased Services	-	-	-	-	-	5,219	5,219
270 Support Services - Pupil Activity							
271 Pupil Service Activities							
300 Purchased Services (Optional)	846	-	-	6,941	-	-	7,787
400 Supplies and Materials (Optional)	-	-	-	4,127	-	-	4,127
Total Support Services	252,899	152,443	-	31,028	915,712	544,782	1,896,864
300 COMMUNITY SERVICES							
350 Custody and Care of Children							
100 Salaries	-	-	-	-	-	173,969	173,969
200 Employee Benefits	-	-	-	-	-	26,633	26,633
Total Community Services	-	-	-	-	-	200,602	200,602

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ALL PROGRAMS
 FOR FISCAL YEAR ENDED JUNE 30, 2020

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200/800s)	TOTAL
410 INTERGOVERNMENTAL EXPENDITURES							
414 Medicaid Payments to SCDE	-	-	-	-	-	63,152	63,152
720 Transits	-	-	-	-	-	-	-
419 Payments to PEBA Non-employer Contributions	-	-	-	-	782,161	-	782,161
720 Transits	-	-	-	-	-	-	-
Total Intergovernmental Expenditures	-	-	-	-	782,161	63,152	845,313
TOTAL EXPENDITURES	1,405,799	1,517,181	64,034	55,125	1,764,035	1,724,808	6,530,982
OTHER FINANCING SOURCES (USES)							
Interfund Transfers, from (to) Other Funds							
5270 Transfer from Pupil Activity Fund	-	-	-	-	-	200,602	200,602
431-791 Special Revenue Fund Indirect Costs	(12,421)	-	-	-	-	-	(12,421)
TOTAL OTHER FINANCING SOURCES (USES)	(12,421)	-	-	-	-	200,602	188,181
Excess/(Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-
FUND BALANCE - JULY 1, 2019	-	-	-	-	-	-	-
FUND BALANCE - JUNE 30, 2020	-	-	-	-	-	-	-

**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, 2020**

District Subfund Code	Other Restricted State Grants	District Subfund Code	Other Special Revenue Programs Program Name
816	Profoundly Disabled	209	IDEA SSIP
919	Education License Plates	210	Student Support and Academic Enrichment, Title IV
928	EEDA Career Specialists	220	Coronavirus Aid, Relief, and Economic Security Act (CARES)
935	Reaching Coaches	221	Title I, Neglected & Delinquent
936	Student Health and Fitness - Nurses	237	Title I, Focus
937	Student Health and Fitness - PE Teachers	263	Title II, Supportng Effective Instruction
994	PEBA Nonemployer Contributions	264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
		267	Title II, Supportng Effective Instruction
		277	Air Force JROTC
		293	Medicaid
		803	Risk Control Grant
		805	Scale - Accomodations Tax
		807	Extended School Year
		810	SAM Contribution
		817	Teen Pregnancy - Mary Black OAH
		819	Bosch Grant
		840	Teacher forum
		870	Fine Arts Center
		875	Lenovo / Student Technology Fees

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
 FOR FISCAL YEAR ENDED JUNE 30, 2020

Sub Fund	Revenue	Description	Revenues		Expenditures		Special Revenue		Unearned Revenue
							Interfund Transfers In(Out)	Other fund Transfers In(Out)	
816	3199	Profoundly Disabled	\$	1,007	\$	1,007			
919	3193	Education License Plates		771		771			\$
928	3118	EEDA Career Specialists		330,071		330,071			
935	3135	Reaching Coaches		411,791		411,791			
936	3136	Student Health and Fitness - Nurses		173,850		173,850			
937	3127	Student Health and Fitness - PE Teachers		64,384		64,384			
994	3994	PEBA Nonemployer Contributions		782,161		782,161			
			\$	1,764,035	\$	1,764,035			\$

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES**3000 Revenue from State Sources**

3500 Education Improvement Act		
3502 ADEPT	\$	11,649
3509 Arts in Education		11,642
3519 Grade 10 Assessments		2,714
3526 Refurbishment of Science Kits		25,455
3528 Industry Certifications/Credentials		10,163
3529 Career and Technical Education		146,346
3532 National Board Salary Supplement (No Carryover Provision)		699,408
3533 Teacher of the Year Award (No Carryover Provision)		1,077
3538 Students At Risk of School Failure		750,995
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)		324,775
3550 Teacher Salary Increase (No Carryover Provision)		2,085,516
3555 Teacher Salary Fringe (No Carryover Provision)		532,051
3557 Summer Reading Program		14,108
3577 Teacher Supplies (No Carryover Provision)		180,950
3595 EEDA - Supplies and Materials		11,304
3597 Aid to Districts		189,811
		<hr/>
Total State Sources		4,997,964
		<hr/>
TOTAL REVENUE ALL SOURCES		4,997,964
		<hr/>

EXPENDITURES**100 INSTRUCTION**

110 General Instruction		
111 Kindergarten Programs		
100 Salaries		15,000
200 Employee Benefits		4,472
112 Primary Programs		
100 Salaries		531,372
200 Employee Benefits		204,157
300 Purchased Services		1,000
400 Supplies and Materials		97,055
113 Elementary Programs		
100 Salaries		433,793
200 Employee Benefits		101,191
400 Supplies and Materials		73,714
114 High School Programs		
100 Salaries		90,000
200 Employee Benefits		25,604
400 Supplies and Materials		43,725

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

115 Career and Technical Education Programs	
100 Salaries	7,500
200 Employee Benefits	2,206
300 Purchased Services (Other than Tuition)	10,163
500 Capital Outlay	71,514
120 Exceptional Programs	
122 Trainable Mentally Handicapped	
100 Salaries	7,500
200 Employee Benefits	2,250
127 Learning Disabilities	
100 Salaries	15,000
200 Employee Benefits	4,477
128 Emotionally Handicapped	
100 Salaries	7,500
200 Employee Benefits	2,247
130 Pre-School Programs	
139 Early Childhood Programs	
100 Salaries	226,409
200 Employee Benefits	74,968
300 Purchased Services	99
400 Supplies and Materials	23,299
170 Summer School Programs	
171 Primary Summer School	
100 Salaries	1,460
200 Employee Benefits	440
400 Supplies and Materials	9,948
180 Adult/Continuing Education Programs	
188 Parenting/Family Literacy	
100 Salaries	82,473
200 Employee Benefits	42,617
Total Instruction	2,213,153
200 SUPPORT SERVICES	
210 Pupil Service	
212 Guidance Services	
100 Salaries	36,453
200 Employee Benefits	10,656
300 Purchased Services	3,777
400 Supplies and Materials	10,242

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

220 Instructional Staff Services	
222 Library and Media Services	
100 Salaries	5,000
200 Employee Benefits	1,486
224 Improvement of Instruction Inservice and Staff Training	
100 Salaries	3,000
200 Employee Benefits	904
300 Purchased Services	35,748
400 Supplies and Materials	15,850
250 Finance and Operations Services	
255 Student Transportation (State Mandated)	
100 Salaries	1,317
200 Employee Benefits	397
	<hr/>
Total Support Services	124,830
	<hr/>
400 OTHER CHARGES	
410 Intergovernmental Expenditures	
412 Payments to other governmental units	
720 Transits	42,414
	<hr/>
Total Intergovernmental Expenditures	42,414
	<hr/>
TOTAL EXPENDITURES	2,380,397
	<hr/>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, from (to) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	(2,617,567)
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	(2,617,567)
	<hr/>
Excess/(Deficiency) of Revenues over Expenditures	-
FUND BALANCE - JULY 1, 2019	-
	<hr/>
FUND BALANCE - JUNE 30, 2020	\$ -
	<hr/> <hr/>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT
 SUMMARY SCHEDULE BY PROGRAM
 FOR FISCAL YEAR ENDED JUNE 30, 2020

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act					
3502 ADEPT	\$ 11,649	\$ 11,649	\$ -	\$ -	-
3509 Arts in Education	11,642	11,642	-	-	-
3519 Grade 10 Assessments	2,714	2,714	-	-	-
3526 Refurbishment of Science Kits	25,455	25,455	-	-	43,418
3528 Industry Certifications/Credentials	10,163	10,163	-	-	-
3529 Career and Technology Education	146,346	146,346	-	-	18,888
3532 National Board Salary Supplement (No Carryover Provision)	699,408	699,408	-	-	-
3533 Teacher of the Year Award (No Carryover Provision)	1,077	1,077	-	-	-
3538 Students At Risk of School Failure	750,995	750,995	-	-	800,490
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	324,775	324,775	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	2,085,516	-	-	(2,085,516)	-
3555 Teacher Salary Fringe (No Carryover Provision)	532,051	-	-	(532,051)	-
3557 Summer Reading Program	14,108	14,108	-	-	87,088
3577 Teacher Supplies (No Carryover Provision)	180,950	180,950	-	-	-
3595 EEDA - Supplies and Materials	11,304	11,304	-	-	17,862
3597 Aid to Districts	189,811	189,811	-	-	271,199
Totals	\$ 4,997,964	\$ 2,380,397	\$ -	\$ (2,617,567)	\$ 1,238,945

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES**1000 Revenue From Local Sources**

1600 Food Service	
1610 Lunch Sales to Pupils	\$ 600,675
1620 Breakfast Sales to Pupils	68,163
1630 Special Sales to Pupils	126,777
1640 Lunch Sales to Adults	32,438
1650 Breakfast Sales to Adults	3,363
1660 Special Sales to Adults	72,952
1900 Other Revenue from Local Sources	
1999 Revenue from Other Local Sources	14,372
Total Local Revenue	918,740

4000 Revenue from Federal Sources

4800 USDA reimbursement	
4810 School Lunch and After School Snack Program, and Special Milk Program	1,819,698
4830 School Breakfast Program (Carryover Provision)	726,784
4900 Other federal sources	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	218,237
4999 Revenue from Other Federal Sources	270,985
Total Federal Sources	3,035,704

TOTAL REVENUE ALL SOURCES

	3,954,444
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EXPENDITURES**200 SUPPORT SERVICES**

250 Finance and Operations Services	
256 Food Services	
300 Purchased Services (Excludes Energy Costs)	3,110,609
400 Supplies and Materials (Included Energy Costs)	227,691
500 Capital Outlay	1,727
600 Other Objects	6,638
Total Support Services	3,346,665

400 OTHER CHARGES

410 Intergovernmental Expenditures	
411 Payments to State Department of Education	
720 Transits	29,881
Total Intergovernmental Expenditures	29,881

TOTAL EXPENDITURES

	3,376,546
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SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds

432-791 Food Service Fund Indirect Costs (519,618)

TOTAL OTHER FINANCING SOURCES (USES) (519,618)

Excess/(Deficiency) of Revenues over Expenditures 58,280

FUND BALANCE - JULY 1, 2019 963,291

FUND BALANCE - JUNE 30, 2020 \$ 1,021,571

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES**1000 Revenue From Local Sources**

1100 Taxes Levied/Assessed by the LEA	
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 8,616,770
1200 Revenue from Local Government Units Other than LEAs	
1280 Revenue In Lieu of Taxes (Independent and Dependent)	3,022,353
1500 Earnings on Investments	
1510 Interest on Investments	<u>19,910</u>
Total Local Revenue	<u>11,659,033</u>

3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption (Tier 2)	257,096
3830 Merchant's Inventory Tax	10,569
3840 Manufacturers Depreciation Reimbursement	137,446
3890 Other State Property Tax Revenues (includes Motor Carrier Vehicle Tax)	<u>18,824</u>
Total State Sources	<u>423,935</u>

TOTAL REVENUE ALL SOURCES12,082,968**EXPENDITURES****500 DEBT SERVICE**

610 Redemption of Principal	4,464,000
620 Interest	1,079,380
690 Other Objects (Includes Fees for Servicing Bonds)	<u>43,773</u>

Total Debt Service Expenditures5,587,153**TOTAL EXPENDITURES**5,587,153**OTHER FINANCING SOURCES (USES)**

5100 Sale of Bonds	
5110 Premium on Bonds Sold	38,220

Interfund Transfers, from (to) Other Funds

423-710 Transfer to Debt Service Fund - EFC	<u>(4,257,147)</u>
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TOTAL OTHER FINANCING SOURCES (USES)(4,218,927)**Excess/(Deficiency) of Revenues over Expenditures**

2,276,888

FUND BALANCE - JULY 1, 20193,655,027**FUND BALANCE - JUNE 30, 2020**\$ 5,931,915

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND - EDUCATIONAL FACILITIES CORPORATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES**1000 Revenue From Local Sources**

1500 Earnings on Investments	
1510 Interest on Investments	\$ 423

Total Local Revenue	<u>423</u>
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TOTAL REVENUE ALL SOURCES	<u>\$ 423</u>
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EXPENDITURES**500 DEBT SERVICE**

610 Redemption of Principal	7,670,000
620 Interest	498,670
690 Other Objects (Includes Fees for Servicing Bonds)	<u>5,000</u>

Total Debt Service Expenditures	<u>8,173,670</u>
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TOTAL EXPENDITURES	<u>8,173,670</u>
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OTHER FINANCING SOURCES (USES)**Interfund Transfers, from (to) Other Funds**

5210 Transfer from General Fund (Excludes Indirect Costs)	3,916,300
5240 Transfer from Debt Service Fund	<u>4,257,147</u>

TOTAL OTHER FINANCING SOURCES (USES)	<u>8,173,447</u>
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Excess/(Deficiency) of Revenues over Expenditures	200
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FUND BALANCE - JULY 1, 2019	<u>20,056</u>
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FUND BALANCE - JUNE 30, 2020	<u>\$ 20,256</u>
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**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
CAPITAL PROJECTS FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES**1000 Revenue From Local Sources**

1500 Earnings on Investments	
1510 Interest on Investments	\$ 13,266

Total Local Revenue	<u>13,266</u>
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TOTAL REVENUE ALL SOURCES	<u>13,266</u>
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EXPENDITURES**200 SUPPORT SERVICES**

250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
300 Purchased Services	1,319,443
400 Supplies and Materials	6,241
500 Capital Outlay	
510 Land	7,199
520 Construction Services	6,760,228
530 Improvements Other Than Buildings	4,073,715
540 Equipment	955,531
600 Other Objects	<u>4,844</u>

Total Support Services	<u>13,127,201</u>
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TOTAL EXPENDITURES	<u>13,127,201</u>
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OTHER FINANCING SOURCES (USES)**Interfund Transfers, from (to) Other Funds**

5210 Transfer from General Fund (Excludes Indirect Costs)	<u>11,075,000</u>
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TOTAL OTHER FINANCING SOURCES (USES)	<u>11,075,000</u>
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Excess/(Deficiency) of Revenues over Expenditures	(2,038,935)
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FUND BALANCE - JULY 1, 2019	<u>21,306,388</u>
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FUND BALANCE - JUNE 30, 2020	<u><u>\$ 19,267,453</u></u>
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**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
PUPIL ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN DUE TO STUDENT ORGANIZATIONS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

RECEIPTS**1000 Receipts from Local Sources**

1500 Earnings on Investments		
1510 Interest on Investments	\$	3
1700 Pupil Activities		
1710 Admissions		125,736
1720 Bookstore Sales		35,424
1730 Pupil Organization Membership Dues and Fees		49,384
1740 Student fees		563,854
1790 Other Pupil Activity Income		1,937,033
1900 Other Revenue from Local Sources		
1920 Contributions and Donations Private Sources		46,151
		<hr/>
Total Receipts from Local Sources		2,757,585
		<hr/>

TOTAL RECEIPTS ALL SOURCES

2,757,585

DISBURSEMENTS**100 INSTRUCTION**

190 Instrucional Pupil Activity		
600 Other Objects (Optional)		217,149

200 SUPPORT SERVICES

270 Support Services - Pupil Activity		
271 Pupil Service Activites		
660 Pupil Activity (Optional)		2,081,603
		<hr/>

TOTAL PUPIL ACTIVITY EXPENDITURES

2,298,752

TOTAL DISBURSEMENTS

2,298,752

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

5210 Transfer from General Fund (Excludes Indirect Costs)	137,400
420-710 Transfer to General Fund (Excludes Indirect Costs)	(110,000)
421-710 Transfer to Special Revenue Fund	(200,602)
	<hr/>

TOTAL OTHER FINANCING SOURCES (USES)

(173,202)

Excess/(Deficiency) of Revenues Over Expenditures

285,631

DUE TO STUDENT ORGANIZATIONS - JULY 1, 2019

1,250,123

DUE TO STUDENT ORGANIZATIONS - JUNE 30, 2020

\$ 1,535,754

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 FOR FISCAL YEAR ENDED JUNE 30, 2020

Program	Project Grant Number	Revenue & Subfund Codes	Description	Amount Due to SCDE/ Federal	Status of Amounts Due To Grantors
<u>Due to State Department of Education</u>					
				-	
				-	
<u>Due to Federal Government</u>					
				-	
				-	
			Total Due to State Department of Education or Federal Government	\$ -	

None.

None.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	Districtwide	Non-School	Central	\$ 33,466,182
043	J.F. Byrnes High School	High School	School	20,873,332
045	D.R. Hill Middle School	Middle School	School	5,914,909
046	Duncan Elementary	Elementary School	School	6,601,576
049	Reidville Elementary	Elementary School	School	7,156,539
052	Wellford Academy	Elementary School	School	5,443,160
089	Beech Springs Intermediate	Elementary School	School	6,043,136
090	River Ridge Elementary	Elementary School	School	6,985,577
091	Berry Shoals Intermediate School	Elementary School	School	6,083,907
092	Florence Chapel Middle School	Middle School	School	6,194,048
093	Freshman Academy	High School	School	5,772,645
094	Abner Creek Academy	Elementary School	School	10,608,406
095	Lyman Elementary	Elementary School	School	6,217,085
Total Expenditures/Disbursements for All Funds				\$ 127,360,502

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

Fund	Amount
General Fund	\$ 85,885,801
Special Revenue Fund - Special Projects	6,530,982
Special Revenue Fund - Education Improvement Act	2,380,397
Special Revenue Fund - Food Service	3,376,546
Debt Service Fund	5,587,153
Debt Service Fund - Educational Facilities Corporation	8,173,670
Capital Projects Fund	13,127,201
Pupil Activity Fund	2,298,752
Total Expenditures/Disbursements for All Funds	\$ 127,360,502

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

To the Board of Trustees of

Duncan, South Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of ("the District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

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

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 11, 2020

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

To the Board of Trustees of
Duncan, South Carolina

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program

We have audited 's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. '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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the '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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 '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, 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, 2020.

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 Spartanburg County School District Five'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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 11, 2020

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Expenditures	Expenditures
U.S. Department of Agriculture					
Direct Program					
600	HealthierUS School Challenge	10.543	N/A		\$ 8,500
Pass-through S.C. Department of Education					
Child Nutrition Cluster					
<i>Non-Cash Assistance</i>					
600	National School Lunch Program	10.555	N/A	\$ 190,725	
					<i>Total Non-Cash Assistance</i>
					190,725
<i>Cash Assistance</i>					
600	School Breakfast Program	10.553	N/A	726,784	
600	National School Lunch Program	10.555	N/A	1,819,698	
					<i>Total Cash Assistance</i>
					2,546,482
<i>Total Child Nutrition Cluster</i>					2,737,207
<i>Non-Cash Assistance</i>					
600	Child and Adult Care Food Program	10.558	N/A	27,512	
Pass-through S.C. Department of Social Services					
<i>Cash Assistance</i>					
600	Child and Adult Care Food Program	10.558	205SC329N2020	262,485	289,997
Total U.S. Department of Agriculture					3,035,704
U.S. Department of Education					
Pass-through S.C. Department of Education					
201	Title I , Regular	84.010	20 Title I, Regular	998,859	
201	Title I , Regular	84.010	20 Title I, Carryover	419,361	
221	Title I, Neglected and Delinquent	84.010	20 Title I, N&D	11,885	
221	Title I, Neglected and Delinquent	84.010	19 Title I, N&D	7,791	
237	Title I, Targeted School Improvement	84.010	19 Title I, Targeted	194,846	1,632,742
Special Education Cluster					
203	Individuals With Disabilities Education Act (IDEA)	84.027	20 IDEA	1,332,536	
204	Individuals With Disabilities Education Act (IDEA)	84.027	19 IDEA	158,223	
204	Individuals With Disabilities Education Act (IDEA)	84.027	18 IDEA	26,422	
209	Individuals With Disabilities Education Act (IDEA), SSIP	84.027	19 IDEA, SSIP	146,432	
807	Extended School Year	84.027	ESY	1,604	
205	Preschool Grants (IDEA)	84.173	20 IDEA, Preschool	64,034	
<i>Total Special Education Cluster</i>					1,729,251
207	CATE (Subprogram 1)	84.048	20 CATE	1,860	
207	CATE (Subprogram 3)	84.048	20 CATE	9,208	
207	CATE (Subprogram 4)	84.048	20 CATE	16,596	
207	CATE (Subprogram 6)	84.048	20 CATE	24,946	
208	CATE (Subprogram 15)	84.048	20 CATE	2,016	
208	CATE (Subprogram 4)	84.048	19 CATE	499	55,125
209	Student Support and Academic Enrichment, Title IV	84.424	20 Title IV	95,348	
209	Student Support and Academic Enrichment, Title IV	84.424	19 Title IV	37,995	133,343
243	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	20 Title III	21,042	
243	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	19 Title III	2,290	23,332
263	Supporting Effective Instruction, Title II	84.367	20 Title II	184,525	
267	Supporting Effective Instruction, Title II	84.367	19 Title II	13,977	198,502
220	Elementary and Secondary School Emergency Relief Fund (ESSER Fund)	84.425D	20 SC CARES ESSR		101,193
Total U.S. Department of Education					3,873,488

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2020

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Expenditures
	U.S. Department of Defense			
277	Direct Program ROTC	12.000	SC0H0932	76,936
	Total U.S. Department of Defense			<u>76,936</u>
	U.S. Department of Health and Human Services			
817	Pass-through Mary Black Foundation Teen Pregnancy Prevention Program	93.297	TP1AH000119-5-00	38,166
	Total U.S. Department of Agriculture			<u>38,166</u>
	Total Federal Financial Assistance Expended			<u>\$ 7,024,294</u>

See Notes to the Schedule of Expenditures of Federal Awards

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity for the District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spartanburg County School District Five and is presented on the modified accrual basis of accounting.
- B. The District has elected to not use the de minimis 10% indirect cost rate as allowed under the Uniform Guidance.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

Fiscal Year Ended June 30, 2019:

Financial Statement Findings:

None.

Federal Award Findings and Questioned Costs:

None.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

Fiscal Year Ended June 30, 2020:

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified? _____ Yes X No

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

Noncompliance Material to Financial Statements Noted _____ Yes X No

Federal Awards

Internal Control Over Major Programs:

Material Weakness(es) Identified? _____ Yes X No

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

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

Any Audit Findings Disclosed That Are Required to be
Reported in Accordance with 2 CFR Part 200? _____ Yes X No

Identification of Major Federal Programs:

<u>CFDA Number(s)</u>	<u>Federal Program or Cluster</u>
10.553; 10.555 10.558	Child Nutrition Cluster Child and Adult Care Food Program

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs: \$ 750,000

Auditee Qualified as Low-Risk Auditee? X Yes _____ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None