

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	Exhibit A 12
Statement of Activities	Exhibit B 13
Fund Financial Statements	
Balance Sheet - Governmental Funds	Exhibit C-1 14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	Exhibit C-2 15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Exhibit D-1 16
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit D-2 17
Statement of Fiduciary Net Position	Exhibit E 18
Statement of Changes in Fiduciary Net Position	Exhibit F 19
Notes to the Basic Financial Statements	20-47
Required Supplementary Information	
Schedule of the District's Proportionate Share of the Collective Net Pension Liability (SCRS)	Schedule 1-1 48
Schedule of the District's Contributions (SCRS)	Schedule 1-2 49
Schedule of the District's Proportionate Share of the Collective Net Pension Liability (PORS)	Schedule 1-3 50
Schedule of the District's Contributions (PORS)	Schedule 1-4 51
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability - Health Insurance Trust Fund	Schedule 2-1 52
Schedule of the District's Contributions - Health Insurance Trust Fund	Schedule 2-2 53
Budgetary Comparison Schedule - General Fund	Schedule 3 54
Combining and Individual Fund Schedules	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual	Schedule 4 55-62

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
FINANCIAL STATEMENTS
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FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS - CONTINUED

		<u>Page</u>
Combining and Individual Fund Schedules - Continued		
Special Revenue Fund - Special Projects		
Combining Balance Sheet	Schedule 5-1	63
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule 5-2	64-69
Note to Special Revenue Fund - Special Projects Supplemental Listing of LEA Subfund Codes and Titles	Schedule 5-3	70
Note to Special Revenue Fund - Special Projects Summary Schedule for Designated State Restricted Grants	Schedule 5-4	71
Special Revenue Fund – Education Improvement Act		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs	Schedule 6-1	72-74
Summary Schedule by Program	Schedule 6-2	75
Special Revenue Fund - Food Service		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule 7	76-77
Debt Service Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule 8	78
Capital Projects Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule 9	79-80
Other Schedules Required by the South Carolina Department of Education		
Detailed Schedule of Due to S.C. Department of Education/ Federal Government	Schedule 10	81
Location Reconciliation Schedule	Schedule 11	82
COMPLIANCE SECTION		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		
		83-84
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance		
		85-86
Schedule of Expenditures of Federal Awards		
	Schedule 12	87-88
Notes to the Schedule of Expenditures of Federal Awards		
		89
Summary Schedule of Prior Audit Findings		
	Schedule 13	90
Schedule of Findings and Questioned Costs		
	Schedule 14	91-92

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

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle and Restatement of Beginning Net Position

As discussed in Note 12 to the financial statements, the District had a change in accounting principle for the implementation of GASB 101, Compensated Absences. This resulted in the restatement of beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's 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, as required by Title 2 U.S. Code of Federal Regulations, 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 December 17, 2025, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
December 17, 2025

**Spartanburg County School District Five
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2025**

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, 2025.

Financial Highlights

- The general operating fund balance increased \$3,473,603 over last year.
- Due to conservative budgeting and an increase in the number of students, the General Fund state revenue received was \$4,858,246 more than budgeted.
- The revenue from local sources had a favorable variance of \$11,864,265. This favorable variance was mainly due to interest income of \$8,361,710 more than budgeted.
- A total of \$14,226,700 more than budgeted was transferred to the Capital Projects Fund.
- On June 30, 2025, the available, unassigned fund balance for the General Fund was \$31,262,401 which is 19.8% of the total budgeted General Fund expenditures, including transfers, for fiscal year 2025-26.
- The District's net position increased by \$22,095,323. Program revenues accounted for \$73,765,849 or 36.4% of total revenues, and general revenues accounted for \$128,950,530 or 63.6%.
- The District implemented GASB 101, *Compensated Absences* this year, which resulted in the reporting of a liability for anticipated time off to be used by employees of \$2,017,397. Please see footnote 12 for more information.
- The construction projects approved with the November 2, 2021 referendum are nearing completion. The final phase of James F. Byrnes High School should be complete by August 2026.

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.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 8. The fund financial statements begin on page 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 Middle Tyger Community. The District's fiduciary activities are reported in separate Statement of Net Position on page 18.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets/deferred outflows of resources exceeded liabilities/deferred inflows of resources by \$111,448,430 at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net position for FYE 2025 and 2024:

	Governmental Activities	
	2025	2024
Assets		
Current and Other Assets	\$ 195,427,738	\$ 220,985,621
Capital Assets	471,638,681	420,660,842
Total Assets	667,066,419	641,646,463
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	25,713,701	21,772,983
Deferred Outflows Related to OPEB	42,433,459	32,019,068
Total Deferred Outflows of Resources	68,147,160	53,792,051
Liabilities		
Current and Other Liabilities	29,295,387	31,370,846
Long-Term Liabilities	551,358,869	526,730,880
Total Liabilities	580,654,256	558,101,726
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	5,013,839	606,421
Deferred Inflows Related to OPEB	38,097,054	47,377,260
Total Deferred Inflows of Resources	43,110,893	47,983,681
Net Position		
Net Investment in Capital Assets	214,431,861	195,314,942
Restricted for:		
Pupil Activities	1,409,280	1,296,585
Debt Service	1,619,561	1,293,986
Food Service	14,360,677	16,120,759
Unrestricted (deficit)	(120,372,949)	(124,673,165)
Total Net Position	\$ 111,448,430	\$ 89,353,107

Table 2 shows the changes in net position for fiscal year 2025 and 2024:

	Governmental Activities	
	2025	2024*
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,584,601	\$ 3,581,806
Operating Grants	70,181,248	72,364,317
General Revenues:		
Property Taxes	94,457,362	88,913,852
Grants and Entitlements	22,519,863	21,372,765
Other	11,973,305	7,342,748
Total Revenues	202,716,379	193,575,488
Program Expenses:		
Instruction	101,362,844	90,084,605
Support Services	69,191,110	61,908,702
Community Services	219,738	377,039
Interest and Fiscal Charges	9,847,364	9,128,563
Total Expenses	180,621,056	161,498,909
Change in Net Position	22,095,323	32,076,579
Net Position- Beginning of Year	89,353,107	59,434,093
Net Position - End of Year	\$ 111,448,430	\$ 91,510,672

*Not restated for MD&A purposes for GASB 101, *Compensated Absences* .

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 14) reported a combined fund balance of \$168,830,481, reflecting a decrease from last year's \$192,628,022. This reduction is primarily due to expenditures associated with ongoing construction projects.

Table 3 below indicates the fund balance and the total change in fund balances as of June 30, 2025 and 2024.

Fund Balance Comparison			
	Fund Balance June 30, 2025	Fund Balance June 30, 2024	Increase (Decrease)
General	\$ 31,295,520	\$ 27,821,917	\$ 3,473,603
Special Revenue - Special Projects	1,409,280	1,296,585	112,695
Special Revenue - Food Service	1,619,561	1,293,986	325,575
Debt Service	14,134,420	15,959,459	(1,825,039)
Capital Projects	120,371,700	146,256,075	(25,884,375)
Total	\$ 168,830,481	\$ 192,628,022	\$ (23,797,541)

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 2025		Fiscal Year 2024	
	Expenditures	Percent	Expenditures	Percent
Salary and Wages	\$ 82,936,495	58.8%	\$ 70,818,839	58.0%
Fringe Benefits	38,112,417	27.0%	32,765,871	26.8%
Purchased Services	11,375,825	8.1%	9,746,071	8.0%
Supplies and Materials	7,144,573	5.1%	6,595,760	5.4%
Capital Outlay	833,370	0.6%	1,608,382	1.3%
Miscellaneous	606,593	0.4%	619,996	0.5%
Total	\$ 141,009,273	100.0%	\$ 122,154,919	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.

General Fund Budget Information

The General Fund schedule of revenues, expenditures and changes in fund balance is presented in Schedule 4 on page 55 of the financial statements. This schedule compares budget to actual and indicates the favorable and unfavorable variances.

The general operating fund balance increased \$3,473,603 over last year.

The revenue from local sources had a favorable variance of \$11,864,265. This favorable variance was mainly due to interest on investments being \$8,361,710 more than budgeted. Revenue from state sources exceeded expectations by \$4,858,246, primarily due to increased state aid to classroom and higher than anticipated revenue from the manufacturers' depreciation reimbursement.

The District experienced an unfavorable expenditure variance of \$325,032, primarily resulting from the unbudgeted implementation of metal detectors at all elementary schools to enhance students safety.

The District was also able to transfer \$16,218,000 from the General Fund to the Capital Projects Fund to help fund school construction projects.

Capital Assets

Most of the construction projects authorized by the November 2, 2021 referendum have reached substantial completion, with the exception of the final phase of Byrnes High School and the remaining road improvement work at Beech Springs Middle.

Debt

On July 15, 2015, the District issued \$18,200,000 in General Obligation Bonds to support the expansions at Byrnes High School and Lyman Elementary School. As of March 1, 2025, these bonds were fully retired. On March 29, 2018, the District issued \$5,110,000 in Special Obligation Bonds to fund the construction of the new Reidville Elementary School; at fiscal year-end, \$1,795,000 of these bonds remained outstanding.

Pursuant to the November 2021 referendum authorization, the District issued \$100,000,000 in General Obligation Bonds on January 25, 2022, of which \$92,130,000 remained outstanding at fiscal year-end. An additional \$100,000,000 in referendum-authorized General Obligation Bonds was issued on January 26, 2023, with \$92,640,000 outstanding at fiscal year-end. On January 30, 2024, the District issued a further \$95,000,000 in referendum-authorized General Obligation Bonds, with \$90,475,000 outstanding at fiscal year-end. Most recently, on May 12, 2025, the District issued \$15,000,000 in General Obligation Bonds to support additions at Byrnes High School, construction of a new stadium, and the acquisition of land for future school sites.

The net pension liability of the District at fiscal year-end, as required by GASB 68, was \$124,428,786. The net Other Post-employment Benefits Plan (OPEB) liability at fiscal year-end, as required by GASB 75, was \$107,820,355. The compensated absences liability of the District at fiscal year-end, as required by GASB 101, was \$2,017,397.

Factors Expected to have an Effect on Future Operations

The District's student enrollment has increased each year for more than twenty-nine years, with the exception of fiscal year 2011. Although the pace of growth moderated between fiscal years 2010 and 2017 and again in 2021, the District experienced notable enrollment increases during fiscal years 2018, 2019, 2020, and 2022 through 2025. The District will continue to closely monitor enrollment trends to ensure appropriate planning for facilities, staffing and resource allocation.

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

Number of Students Served K-12

School Year	Number of Students	Number Increased	Percentage Increased
95-96	4,615		
96-97	4,801	186	4.0%
97-98	5,005	204	4.2%
98-99	5,195	190	3.8%
99-00	5,351	156	3.0%
00-01	5,487	136	2.5%
01-02	5,755	268	4.9%
02-03	5,858	103	1.8%
03-04	6,060	202	3.4%
04-05	6,291	231	3.8%
05-06	6,540	249	4.0%
06-07	6,806	266	4.1%
07-08	6,975	169	2.5%
08-09	7,336	361	5.2%
09-10	7,428	92	1.3%
10-11	7,321	(107)	-1.4%
11-12	7,397	76	1.0%
12-13	7,538	141	1.9%
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	3.5%
19-20	8,816	283	3.3%
20-21	8,837	21	0.2%
21-22	9,511	674	7.6%
22-23	10,066	555	5.8%
23-24	10,333	267	2.8%
24-25	10,678	345	3.4%
29 year increase		6,063	131.4%

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

In fiscal year 2019–20, the District engaged an external firm to update its facilities and demographic study. Based on the study’s findings, the Board ordered a referendum for November 2, 2021, seeking voter authorization to issue up to \$295,000,000 in general obligation bonds. The proposed bond proceeds were designated for constructing a new elementary school and a new middle school, replacing Wellford Academy with a new elementary school, renovating and expanding Byrnes High School, expanding Reidville Elementary, converting Berry Shoals Intermediate to an elementary school, converting Beech Springs Intermediate to a middle school, and acquiring land for future school sites. Voters approved the referendum by a margin of 84% to 16%.

As a result of these initiatives, the District opened Tyger River Elementary School, the newly converted Beech Springs Middle School, and a replacement campus for Wellford Academy in the northern portion of the District. On the southern end, Abner Creek Middle School and the converted Berry Shoals Elementary School began operations. The final phase of the Byrnes High School renovation project (Phase III) is expected to be completed in summer 2026.

The financial report is intended to provide citizens, taxpayers, customers, investors, and creditors with an overview of the School District's financial position and to demonstrate accountability for the public resources entrusted to it. Questions or requests for additional information may be directed to the Chief Financial Officer, P.O. Box 307, Duncan, South Carolina 29334.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 6,148,105
Investments	49,060,796
Cash Held by County Treasurer	122,514,429
Taxes Receivable	9,818,790
Less Allowance for Uncollectibles	(2,992,892)
Accounts Receivable	8,792,828
Due from Custodial Funds	167,087
Due from State Department of Education	246,488
Due from Federal Government	1,606,023
Prepays	33,119
Inventory - Commodities	32,965
Capital Assets	
Non-Depreciable	200,180,277
Depreciable, net	271,458,404
Total Assets	667,066,419
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	25,713,701
Deferred Outflows Related to OPEB	42,433,459
Total Deferred Outflows of Resources	68,147,160
LIABILITIES	
Accounts Payable	15,339,549
Retainage Payable	1,671,604
Accrued Salaries, Health & Fringe	4,642,332
Unearned Revenue	3,661,103
Accrued Interest Payable	3,980,799
Noncurrent Liabilities	
Due Within One Year	9,910,000
Due in More Than One Year	309,199,728
Net Pension Liability - Due in More Than One Year	124,428,786
Net OPEB Liability - Due in More Than One Year	107,820,355
Total Liabilities	580,654,256
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	5,013,839
Deferred Inflows Related to OPEB	38,097,054
Total Deferred Inflows of Resources	43,110,893
NET POSITION	
Net Investment in Capital Assets	214,431,861
Restricted for:	
Pupil Activities	1,409,280
Food Service	1,619,561
Debt Service	14,360,677
Unrestricted	(120,372,949)
Total Net Position	\$ 111,448,430

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental Activities:				
Instruction	\$ 101,362,844	\$ 47,265	\$ 59,278,970	\$ (42,036,609)
Support Services	69,191,110	3,537,336	10,804,458	(54,849,316)
Community Services	219,738	-	97,820	(121,918)
Interest and Other Charges	9,847,364	-	-	(9,847,364)
TOTAL PRIMARY GOVERNMENT	180,621,056	3,584,601	70,181,248	(106,855,207)
GENERAL REVENUES:				
Property Taxes Levied for:				
General Purpose				73,753,909
Debt Service				20,703,453
Unrestricted State Grants				22,519,863
Unrestricted Investment Earnings				11,713,928
Miscellaneous				241,178
Gain on Sale of Fixed Assets				18,199
Total General Revenues				128,950,530
CHANGE IN NET POSITION				22,095,323
NET POSITION, AS RESTATED - JULY 1, 2024				89,353,107
NET POSITION - JUNE 30, 2025				\$ 111,448,430

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Fund -						Total Governmental Funds
	General Fund	Special Projects	Educational Improvement Act	Food Service	Debt Service Fund	Capital Projects Fund	
ASSETS							
Cash and Cash Equivalents	\$ 4,828,290	\$ 1,311,722	\$ -	\$ 102	\$ -	\$ 7,991	\$ 6,148,105
Investments	-	-	-	-	-	49,060,796	49,060,796
Cash Held by County Treasurer	91,267,635	-	-	-	12,771,264	18,475,530	122,514,429
Taxes Receivable	8,763,768	-	-	-	1,055,022	-	9,818,790
Less Allowance for Uncollectibles	(2,464,959)	-	-	-	(527,933)	-	(2,992,892)
Accounts Receivable	8,779,657	2,689	-	6,431	-	4,051	8,792,828
Due from State Department of Education	231,909	7,089	7,490	-	-	-	246,488
Due from Federal Government	-	1,539,856	-	66,167	-	-	1,606,023
Due from Other Funds	1,442,939	680,363	2,793,724	1,546,861	1,062,324	57,635,660	65,161,871
Prepays	33,119	-	-	-	-	-	33,119
Inventory - Commodities	-	-	-	32,965	-	-	32,965
Total Assets	\$ 112,882,358	\$ 3,541,719	\$ 2,801,214	\$ 1,652,526	\$ 14,360,677	\$ 125,184,028	\$ 260,422,522

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities:							
Accounts Payable	\$ 15,053,473	\$ -	\$ -	\$ -	\$ -	\$ 286,076	\$ 15,339,549
Retainage Payable	-	-	-	-	-	1,671,604	1,671,604
Due to Other Funds	60,834,621	1,305,515	-	-	-	2,854,648	64,994,784
Accrued Salaries, Health & Fringe	4,642,332	-	-	-	-	-	4,642,332
Unearned Revenue	-	826,924	2,801,214	32,965	-	-	3,661,103
Total Liabilities	80,530,426	2,132,439	2,801,214	32,965	-	4,812,328	90,309,372
Deferred Inflows of Resources:							
Unavailable Revenues - Property Taxes	1,056,412	-	-	-	226,257	-	1,282,669
Fund Balances:							
Nonspendable							
Prepays	33,119	-	-	-	-	-	33,119
Restricted							
Pupil Activities	-	1,409,280	-	-	-	-	1,409,280
Food Service	-	-	-	1,619,561	-	-	1,619,561
Debt Service	-	-	-	-	14,134,420	-	14,134,420
Capital Projects	-	-	-	-	-	63,866,310	63,866,310
Assigned							
Capital Projects	-	-	-	-	-	56,505,390	56,505,390
Unassigned	31,262,401	-	-	-	-	-	31,262,401
Total Fund Balances	31,295,520	1,409,280	-	1,619,561	14,134,420	120,371,700	168,830,481
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 112,882,358	\$ 3,541,719	\$ 2,801,214	\$ 1,652,526	\$ 14,360,677	\$ 125,184,028	\$ 260,422,522

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, 2025**

Total Governmental Fund Balances		\$ 168,830,481
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 current financial resources and, therefore, are not reported in the funds.		471,638,681
Taxes Receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.		1,282,669
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(3,980,799)	
Bond premium, net of amortization	(25,052,331)	
Bonds payable	(292,040,000)	
Compensated absences	(2,017,397)	
Net pension liability	(124,428,786)	
Net OPEB liability	<u>(107,820,355)</u>	(555,339,668)
Certain deferred outflows and inflows of resources are not available to use in the current period and, therefore, are not reported in the funds:		
Deferred outflows related to pensions	25,713,701	
Deferred outflows related to OPEB	42,433,459	
Deferred inflows related to pensions	(5,013,839)	
Deferred inflows related to OPEB	<u>(38,097,054)</u>	<u>25,036,267</u>
Net Position of Governmental Activities		<u><u>\$ 111,448,430</u></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 THE FISCAL YEAR ENDED JUNE 30, 2025**

	Special Revenue Fund -						Total Governmental Funds
	General Fund	Special Projects	Educational Improvement Act	Food Service	Debt Service Fund	Capital Projects Fund	
REVENUES							
Local Property Taxes	\$ 73,824,956	\$ -	\$ -	\$ -	\$ 20,477,196	\$ -	\$ 94,302,152
Other Local	8,641,529	3,557,843	-	493,825	328,796	3,385,236	16,407,229
Total Local	82,466,485	3,557,843	-	493,825	20,805,992	3,385,236	110,709,381
Intergovernmental	613,736	-	-	-	-	-	613,736
State Sources	70,913,904	534,336	8,324,245	-	1,168,276	-	80,940,761
Federal Sources	-	5,423,427	-	5,723,190	-	-	11,146,617
Total Revenues	153,994,125	9,515,606	8,324,245	6,217,015	21,974,268	3,385,236	203,410,495
EXPENDITURES							
Current							
Instruction	87,374,921	4,278,648	1,499,132	-	-	-	93,152,701
Support Services	52,329,515	4,413,321	203,080	5,910,191	-	7,157,214	70,013,321
Community Services	53,786	154,286	-	-	-	-	208,072
Intergovernmental	417,681	58,845	-	-	-	-	476,526
Debt Service	-	-	-	-	11,560,000	-	11,560,000
Principal	-	-	-	-	12,231,530	-	12,231,530
Interest	-	-	-	-	7,777	157,751	165,528
Other Objects	-	-	-	-	-	54,040,171	55,286,082
Capital Outlay	833,370	412,541	-	-	-	-	1,245,911
Total Expenditures	141,009,273	9,317,641	1,702,212	5,910,191	23,799,307	61,355,136	243,093,760
Excess (Deficiency) of Revenues Over Expenditures	12,984,852	197,965	6,622,033	306,824	(1,825,039)	(57,969,900)	(39,683,265)
OTHER FINANCING SOURCES (USES)							
Premium on Bonds Sold	-	-	-	-	-	867,525	867,525
Proceeds of Debt Obligations	-	-	-	-	-	15,000,000	15,000,000
Sale of Capital Assets	18,199	-	-	-	-	-	18,199
Transfers In	6,693,552	146,629	-	18,751	-	16,218,000	23,076,932
Transfers Out	(16,223,000)	(231,899)	(6,622,033)	-	-	-	(23,076,932)
Total Other Financing Sources (Uses)	(9,511,249)	(85,270)	(6,622,033)	18,751	-	32,085,525	15,885,724
Net Change in Fund Balances	3,473,603	112,695	-	325,575	(1,825,039)	(25,884,375)	(23,797,541)
FUND BALANCE - JULY 1, 2024	27,821,917	1,296,585	-	1,293,986	15,959,459	146,256,075	192,628,022
FUND BALANCE - JUNE 30, 2025	\$ 31,295,520	\$ 1,409,280	\$ -	\$ 1,619,561	\$ 14,134,420	\$ 120,371,700	\$ 168,830,481

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 THE FISCAL YEAR ENDED JUNE 30, 2025**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (23,797,541)

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. 159,907

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	11,560,000	
Bond premium	(867,525)	
Amortization of bond premium	<u>1,522,263</u>	12,214,738

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (15,000,000)

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

Capital outlay	60,951,807	
Depreciation expense	<u>(9,973,968)</u>	50,977,839

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 140,168

The cost of pension benefits earned, net of employee contributions, is reported in the Statement of Activities as an element of pension expense. The governmental funds report pension contributions as expenditures. (1,212,353)

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. (2,020,480)

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	155,210	
Non-employer contributions related to Pensions	461,949	
Non-employer contributions related to OPEB	<u>15,886</u>	<u>633,045</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 22,095,323

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	CUSTODIAL FUNDS
ASSETS	
Accounts Receivable	\$ 167,087
Total Assets	<u>167,087</u>
LIABILITIES	
Due to General Fund	<u>167,087</u>
Total Liabilities	<u>167,087</u>
NET POSITION	
Unrestricted	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	CUSTODIAL FUNDS
ADDITIONS	
Payments from Nonprofit Entities	\$ 811,142
Total Additions	811,142
 DEDUCTIONS	
Salaries	536,439
Employee Benefits	262,123
Purchased Services	7,531
Supplies and Materials	6,302
Total Deductions	812,395
Net increase (decrease) in fiduciary net position	(1,253)
NET POSITION - JULY 1, 2024	1,253
NET POSITION - JUNE 30, 2025	\$ -

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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.

The District’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

B. Basic Financial Statements - Government-Wide Statements

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

The government-wide financial 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 financial statements and the governmental funds financial statements.

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

C. Basic Financial Statements - Fund Financial Statements

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basic Financial Statements - Fund Financial Statements - Continued

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 Funds) - 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 - is used to account for financial resources provided by federal and state grants; and is used to account for student admissions, organization memberships, bookstore sales, and other related receipts and disbursements.
- 2) Education Improvement Act (EIA) - 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 - 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.

Capital Projects Fund (Major Fund) - The Capital Projects Fund is 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 Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District's only fiduciary funds are custodial funds:

- 1) Middle Tyger Community Center Funds - is used to account for the expenditures related to Middle Tyger Community Center (MTCC) and the reimbursement of those funds from MTCC to the District.
- 2) 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.

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. 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 funds or the accrual basis of accounting for fiduciary funds.

Revenues - Exchange and Non-exchange Transactions

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

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

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

Unearned Revenue

The District reports unearned revenue on its statement of net 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 are 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.

D. Budget

The District adopts an annual budget for the General Fund at the beginning of each fiscal year. The District's Superintendent submits to the 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 Board of Trustees. 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.

For the year ended June 30, 2025, the District had excess expenditures over budgeted appropriations for support services in the amount of \$414,844.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. 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 collaterally secured, and (5) the State Treasurer's Investment Pool.

F. Cash Held by County Treasurer

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 the cost of the investments. These monies are remitted to the District once a claim has been presented to the Spartanburg County Treasurer.

G. 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 on the Statement of Financial Position represents \$5,277,463 of current taxes receivable and \$4,541,327 of delinquent taxes receivable.

H. 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 on 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 for 2024 was \$472,471,338. In addition, the District billed fees in lieu of taxes on assessed values of \$190,187,496. The District's operating tax rate is currently 163.3 mils with an additional 32.6 mils for debt retirement.

I. Inventory and Prepaids

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

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

J. 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 capital 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, or bulk purchases less than \$500,000. The District does not possess any infrastructure.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Capital Assets and Depreciation - Continued

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

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

K. 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.

L. Vacation and Sick Pay

The District allows teachers to accumulate a maximum of ninety days of 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. A liability will be reported in the government-wide financial statements for sick pay, as the District anticipates all accumulated sick pay to be used or transferred prior to leaving the District. The change in compensated absences year over year will be presented as a net change.

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 will be made.

M. 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 currently 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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

M. Accrued Liabilities and Long-term Debt - Continued

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

N. 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.

O. 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.

P. Other Postemployment 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.

Q. 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 prepaids 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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Q. Governmental Fund Balance Classifications - Continued

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by 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.

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% 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 the reduction of recurring expenditures or pursue increases in revenue or funding sources.

R. 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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

S. 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.

T. 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.

U. 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 the 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 the 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.

V. Excess Expenditures over Appropriations

The General Fund’s Support Services presented in the budgetary comparison schedule had excess expenditures over appropriations in the amount of \$414,844.

NOTE 2 - CASH AND INVESTMENTS

Cash

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

As of June 30, 2025, the District’s cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand Deposits	\$ 6,148,105	\$ 9,044,754

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 2 - CASH AND INVESTMENTS - CONTINUED

Of the District's bank balance, \$713,255 was covered by FDIC insurance; \$8,331,499 was collateralized by securities held by the pledging bank's trust department or agent, or held in the District's name.

Investments

Investments measured and reported at fair value are classified within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

As of June 30, 2025, the District had the following Level 1 investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
State Treasurer's Investment Pool	\$ 49,060,796	<60 days	Not Rated

South Carolina Pooled Investment Fund ("SC Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The SC Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The SC Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Investments are carried at fair value and determined annually based upon quoted market prices in active markets for identical assets. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which is acquired at a cost of \$1. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice.

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

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

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, is as follows:

	Balance at June 30, 2024	Additions	Deductions	Transfers	Balance at June 30, 2025
Governmental Activities					
Capital Assets, not Being Depreciated					
Land	\$ 24,402,510	\$ 4,275,610	\$ -	\$ -	\$ 28,678,120
Construction in progress	242,019,466	52,296,284	-	(122,813,593)	171,502,157
Total Capital Assets, not Being Depreciated	<u>266,421,976</u>	<u>56,571,894</u>	<u>-</u>	<u>(122,813,593)</u>	<u>200,180,277</u>
Capital Assets, Being Depreciated					
Buildings and improvements	244,229,008	634,472	-	122,813,593	367,677,073
Furniture and equipment	13,577,847	3,745,441	31,980	-	17,291,308
Total Capital Assets, Being Depreciated	<u>257,806,855</u>	<u>4,379,913</u>	<u>31,980</u>	<u>122,813,593</u>	<u>384,968,381</u>
Less Accumulated Depreciation					
Buildings and improvements	96,559,168	8,493,808	-	-	105,052,976
Furniture and equipment	7,008,821	1,480,160	31,980	-	8,457,001
Total Accumulated Depreciation	<u>103,567,989</u>	<u>9,973,968</u>	<u>31,980</u>	<u>-</u>	<u>113,509,977</u>
Capital Assets, Being Depreciated, Net	<u>154,238,866</u>	<u>(5,594,055)</u>	<u>-</u>	<u>122,813,593</u>	<u>271,458,404</u>
Governmental Activities Capital Assets, Net	<u>\$ 420,660,842</u>	<u>\$50,977,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,638,681</u>

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

Instruction	\$ 5,684,205
Support services	4,277,066
Community services	12,697
Total Depreciation Expense	<u>\$ 9,973,968</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 4 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations of the District for the fiscal year ended June 30, 2025:

	Amount Outstanding June 30, 2024	Additions	Deductions	Amount Outstanding June 30, 2025	Amounts Due in One Year
General Obligation Bonds	\$286,020,000	\$ 15,000,000	\$ 10,775,000	\$ 290,245,000	\$ 9,335,000
Special Obligation Bonds	2,580,000	-	785,000	1,795,000	575,000
	<u>288,600,000</u>	<u>15,000,000</u>	<u>11,560,000</u>	<u>292,040,000</u>	<u>9,910,000</u>
Plus: unamortized bond premium	25,707,069	867,525	1,522,263	25,052,331	-
	<u>314,307,069</u>	<u>15,867,525</u>	<u>13,082,263</u>	<u>317,092,331</u>	<u>9,910,000</u>
Compensated Absences	2,157,565	-	140,168	2,017,397	-
	<u>\$ 316,464,634</u>	<u>\$ 15,867,525</u>	<u>\$ 13,222,431</u>	<u>\$ 319,109,728</u>	<u>\$ 9,910,000</u>

Long-term obligations at June 30, 2025, are comprised of the following individual issues:

	General Obligation Bonds	Special Obligation Bonds	Total
\$5,110,000 2018 Special Obligation Bond due in annual installments of \$245,000 to \$785,000 through June 2028; interest rates from 4.00% to 5.00%	\$ -	\$ 1,795,000	\$ 1,795,000
\$100,000,000 2022 General Obligation Bond due in annual installments of \$625,000 to \$5,805,000 through March 2046; interest rates from 2.50% to 5.00%	92,130,000	-	92,130,000
\$100,000,000 2023 General Obligation Bond due in annual installments of \$1,660,000 to \$6,600,000 through March 2046; interest rates from 3.75% to	92,640,000	-	92,640,000
\$95,000,000 2024 General Obligation Bond due in annual installments of \$2,605,000 to \$6,400,000 through March 2046; interest rates from 4.00% to 5.00%	90,475,000	-	90,475,000
\$15,000,000 2025 General Obligation Bond due in annual installments of \$1,250,000 to \$3,695,000 through March 2030; interest rate of 5.00%.	15,000,000	-	15,000,000
	<u>\$ 290,245,000</u>	<u>\$ 1,795,000</u>	<u>\$ 292,040,000</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 4 - LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize all long-term obligations outstanding as of June 30, 2025, including interest payments are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Special Obligation Bonds		Total
	Principal	Interest	Principal	Interest	
2026	\$ 9,335,000	\$ 11,953,698	\$ 575,000	\$ 71,800	\$ 21,935,498
2027	11,650,000	11,708,831	600,000	48,800	24,007,631
2028	12,235,000	11,126,331	620,000	24,800	24,006,131
2029	12,845,000	10,514,581	-	-	23,359,581
2030	13,490,000	9,872,331	-	-	23,362,331
2031-2035	56,705,000	40,707,106	-	-	97,412,106
2036-2040	70,435,000	26,971,625	-	-	97,406,625
2041-2045	84,745,000	12,662,388	-	-	97,407,388
2046	18,805,000	679,638	-	-	19,484,638
	<u>\$ 290,245,000</u>	<u>\$ 136,196,529</u>	<u>\$1,795,000</u>	<u>\$ 145,400</u>	<u>\$ 428,381,929</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.

Bonds in the governmental funds will be retired by future property tax levies accumulated by the Debt Service Fund. As of June 30, 2025, \$14,134,420 was available in the Debt Service Fund to service these long-term obligations.

NOTE 5 - 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 an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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. Membership and 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 THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

This plan covers general employees, teachers, and first-term individuals elected to the South Carolina General Assembly beginning with the 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. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates by a minimum of one percentage point each year, until reaching 18.56% for SCRS. The legislation included further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, PEBA shall increase the employer contribution rates as necessary to meet the amortization period set for the applicable year.

Pension reform legislation modified state statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of a percent in any one year if necessary, in order to improve the funding of the plans. The statute sets rates intended to reduce the unfunded liability of SCRS to the maximum amortization period of 20 years from 30 years over a 10-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS may not be decreased until the plan is at least 85% funded.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System – Continued

Required employee (both Class II and III) contribution rates for the year ended June 30, 2025, were 9.00%. Required employer contribution rates for the year ended June 30, 2025, were 18.56%. 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 \$13,023,474, for the year ended June 30, 2024. For the State's year-end June 30, 2024, 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, 2024, \$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 (13.41%) 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, 2025, the District reported a net pension liability of \$123,975,068 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability, net pension liability, and sensitivity information are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled forward from the valuation date to the plan's fiscal year-end June 30, 2024, using generally accepted actuarial principles. The allocation of the District's proportionate share of the collective net pension liability and pension expense was 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, 2024. Based upon this information, the District's proportion of the collective net pension liability at June 30, 2025, is 0.5286710%, an increase of 0.0165910% since the prior measurement date.

For the year ended June 30, 2025, the District recognized pension expense of \$15,725,356. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,074,259	\$ 153,861
Changes in assumptions	2,185,659	-
Net difference between projected and actual earnings on pension plan investments	-	4,776,794
Changes in proportion and differences between District contributions and proportionate share of contributions	4,736,314	-
District contributions subsequent to the measurement date	14,522,643	-
Total	\$ 25,518,875	\$ 4,930,655

Deferred outflows of resources of \$14,522,643 related to pensions in 2025, 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, 2026. 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,	
2026	\$ (1,027,163)
2027	(5,770,839)
2028	(522,006)
2029	1,254,431
	\$ (6,065,577)

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. The valuation report prepared as of June 30, 2024, is based on the experience study report for the period ending July 1, 2019. An experience report on the System was most recently issued for the period ending July 1, 2023, and will be used for future valuations.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

The June 30, 2024, total pension liability, net pension liability, and sensitivity information is determined by and based on an actuarial valuation performed as of July 1, 2023, using the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 11.0% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.00% (includes 2.25% inflation)

There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina mortality table (2020 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 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 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46%	6.23%	2.86%
Bonds	26%	2.60%	0.68%
Private Equity	9%	9.60%	0.86%
Private Debt	7%	6.90%	0.48%
Real Assets			
Real Estate	9%	4.30%	0.39%
Infrastructure	3%	7.30%	0.22%
Total Expected Return	100%		5.49%
Inflation for Actuarial Purposes			2.25%
			7.74%

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

A. South Carolina Retirement System - Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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.

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 7.00%, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the collective net pension liability	\$ 160,657,680	\$ 123,975,068	\$ 90,193,287

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, 2024 (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 has been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2024. The additional information is publicly available on PEBA’s 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 an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The ACFR is publicly available through 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. Membership and 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 THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

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; be a coroner in a full-time permanent position; or be 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.

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. 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.

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. Effective July 1, 2017, employee rates were increased to a capped rate of 9.75% for PORS. The legislation also increased employer contribution rates by a minimum of one percentage point each year, until reaching 21.24% for PORS. The legislation included further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, PEBA shall increase the employer contribution rates as necessary to meet the amortization period set for the applicable year.

Pension reform legislation modified state statute such that the employer contribution rates for PORS to be further increased, not to exceed one-half of a percent in any one year if necessary, in order to improve the funding of the plans. The statute sets rates intended to reduce the unfunded liability of PORS to the maximum amortization period of 20 years from 30 years over a 10-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for PORS may not be decreased until the plan is at least 85% funded.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2025, were 9.75%. Required employer contribution rates for the year ended June 30, 2025, were 21.24%. 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.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Contributions to the Plan from the District were \$61,529, for the year ended June 30, 2024. For the State's year-end June 30, 2024, 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, 2024, \$1,838 of contributions paid on behalf of the District by the General Assembly for PORS was recognized as other operating revenues.

Pension Liabilities, Pension Expense, and Deferred Outflows (Inflows) of Resources Related to Pensions - At June 30, 2025, the District reported a net pension liability of \$453,718 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled forward from the valuation date to the plan's fiscal year-end June 30, 2024, using generally accepted actuarial principles. The allocation of the District's proportional share of the collective net pension liability and pension expense was 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, 2024. Based upon this information, the District's proportion of the collective net pension liability at June 30, 2025, is 0.0151250%, an increase of 0.0040460% since the prior measurement date.

For the year ended June 30, 2025, the District recognized pension expense of \$61,370. At June 30, 2025, 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	\$ 42,610	\$ 2,601
Changes in assumptions	9,878	-
Net difference between projected and actual earnings on pension plan investments	-	25,438
Changes in proportion and differences between District contributions and proportionate share of contributions	90,608	55,145
District contributions subsequent to the measurement date	51,730	-
Total	\$ 194,826	\$ 83,184

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Deferred outflows of resources of \$51,730 related to pensions in 2025, 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, 2026. 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>		
2026	\$	(2,927)
2027		(36,802)
2028		(26,910)
2029		6,727
	<u>\$</u>	<u>(59,912)</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. The valuation report prepared as of June 30, 2024, is based on the experience study report for the period ending July 1, 2019. An experience report on the System was most recently issued for the period ending July 1, 2023, and will be used for future valuations.

The June 30, 2024, total pension liability, net pension liability, and sensitivity information is determined by and based on an actuarial valuation performed as of July 1, 2023, using the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 10.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.00% (includes 2.25% inflation)

There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina mortality table (2020 PRSC), were developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 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 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - RETIREMENT PLANS - CONTINUED

B. South Carolina Police Officers Retirement System - Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46%	6.23%	2.86%
Bonds	26%	2.60%	0.68%
Private Equity	9%	9.60%	0.86%
Private Debt	7%	6.90%	0.48%
Real Assets			
Real Estate	9%	4.30%	0.39%
Infrastructure	3%	7.30%	0.22%
Total Expected Return	100%		5.49%
Inflation for Actuarial Purposes			2.25%
			<u>7.74%</u>

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. 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 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the collective net pension liability	\$ 657,351	\$ 453,718	\$ 286,933

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, 2024 (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 June 30, 2024. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 5 - 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	\$ 25,518,875	\$ 4,930,655	\$ 123,975,068
Police Officers Retirement System	194,826	83,184	453,718
Totals as Reported on Statement of Net Position	<u>\$ 25,713,701</u>	<u>\$ 5,013,839</u>	<u>\$ 124,428,786</u>

NOTE 6 - OTHER POSTEMPLOYMENT 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 postemployment 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. PEBA – Insurance benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through PEBA – Insurance Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 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 benefits 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 on 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 postemployment benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA-Insurance Benefits. 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, 2025, was 6.35%. 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 THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 6 - OTHER POSTEMPLOYMENT 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 consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA-Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. 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 \$15,886.

Contributions to the OPEB plan from the District during June 30, 2024, were \$4,603,326, with an implicit subsidy of \$313,514.

OPEB Liabilities, OPEB Expense, and Deferred Outflows (Inflows) of Resources Related to OPEB - At June 30, 2025, the District reported a net OPEB liability of \$107,820,355 for its proportionate share of the collective net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The total OPEB liability, net OPEB liability, and sensitivity information are based on an actuarial valuation performed as of June 30, 2023. The total OPEB liability was rolled forward from the valuation date to the plan’s fiscal year-end June 30, 2024, 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 at June 30, 2025, is 0.6687860%, an increase of 0.0109450% since the prior measurement date.

For the year ended June 30, 2025, the District recognized OPEB expense of \$8,167,034. At June 30, 2024, 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	\$ 5,604,768	\$ 15,958,137
Changes in assumptions	23,092,399	22,138,917
Net difference between projected and actual earnings on OPEB plan investments	525,911	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,063,811	-
District contributions subsequent to the measurement date	6,146,570	-
Total	\$ 42,433,459	\$ 38,097,054

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

Deferred outflows of resources of \$6,146,570 related to OPEB in 2025, 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, 2026. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ (1,326,609)
2027	(602,738)
2028	2,351,689
2029	4,769,198
2030	(931,498)
Thereafter	<u>(2,449,877)</u>
	<u>\$ 1,810,165</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 healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with 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. The valuation report prepared as of June 30, 2024, is based on the experience study report for the period ending July 1, 2019. An experience report on the System was most recently issued for the period ending July 1, 2023, and will be used for future valuations. Demographic and salary increases assumptions were updated to reflect the most recent experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

The June 30, 2024, total OPEB liability, net OPEB liability, and sensitivity information are determined by and based on an actuarial valuation performed as of June 30, 2023, using the following actuarial assumptions and methods:

Actuarial Cost Method:	Individual 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:	2.75%, net of OPEB Plan investment expense; includes inflation
Healthcare Cost Trend Rates:	Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years

For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables were used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.

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 asset 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:

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

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%	0.95%	0.76%
Cash equivalents	20%	0.35%	0.07%
Total	100%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

Discount Rate - The single discount rate of 3.97% was used to measure the total OPEB liability, which is an increase from the previous year by 0.11%. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

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 3.97%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.97%) or 1% higher (4.97%) than the current rate:

	1% Decrease 2.97%	Current Discount Rate 3.97%	1% Increase 4.97%
District's proportionate share of the collective net OPEB liability	\$ 127,990,965	\$ 107,820,355	\$ 91,674,028

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 6.50%, gradually decreasing to 4.25% over a 14-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 (5.5% decreasing to 3.25%) or 1% higher (7.5% decreasing to 5.25%) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 88,661,956	\$ 107,820,355	\$ 132,669,812

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, 2024 (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, 2024. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 7 - DEFERRED COMPENSATION PLANS

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

NOTE 8 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund balances for the year ended June 30, 2025, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,442,939	\$ 60,834,621
Special Revenue Fund - Special Projects	680,363	1,305,515
Special Revenue Fund - EIA	2,793,724	-
Special Revenue Fund - Food Service	1,546,861	-
Debt Service Fund	1,062,324	-
Capital Projects Fund	57,635,660	2,854,648
Custodial Funds	-	167,087
	\$ 65,161,871	\$ 65,161,871

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 the consolidation of available cash to optimize return.

Interfund Transfers

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Transfer from	Transfer to	Amount
General Fund	Capital Projects Fund	\$ 16,218,000
General Fund	Special Revenue Funds - Special Projects	5,000
Special Revenue Fund - Special Projects	General Fund	90,270
Special Revenue Fund - Special Projects	Special Revenue Funds - Special Projects	141,629
Special Revenue Fund - EIA	General Fund	6,603,282
Special Revenue Fund - EIA	Special Revenue Fund - Food Service	18,751
		\$ 23,076,932

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 THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 9 - TAX ABATEMENTS

Spartanburg County

Beginning July 1, 2016, Spartanburg County changed the allocation of FILOT revenues amongst the seven school districts within the County. 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 \$3,683,062 of FILOT revenue. Because these agreements are written across seven taxing districts, the District is unable to determine the amount by which 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 \$36,982,028 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 \$22,465,308 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 \$28,461,019. 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 \$8,521,009.

Under agreements written prior to June 30, 2016, the District's debt service fund property tax revenues were reduced by \$5,305,322 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 \$6,278,558 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 \$3,644,922. 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 \$1,660,400.

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 \$42,058 in FILOT revenue from Cherokee County.

NOTE 10 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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

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

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 10 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS - CONTINUED

Total contractual commitments of the Capital Projects Fund at June 30, 2025, are as follows:

Projects	Contract Amount	Job to Date Expenditures	Outstanding Commitments
Byrnes High School Additions	\$ 101,707,828	\$ 65,339,791	\$ 36,368,037
Beech Springs Middle Addition	29,763,652	28,442,757	1,320,895
Wellford Elementary School	48,603,239	47,526,720	1,076,519
Football Stadium	30,468,930	26,351,321	4,117,609
	<u>\$ 210,543,649</u>	<u>\$ 167,660,589</u>	<u>\$ 42,883,060</u>

NOTE 11 - 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, 2025, these amounts were \$720,042 and \$267,032, respectively, and were recorded as General Fund expenditures.

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BEGINNING NET POSITION

For the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement will require each governmental entity to recognize a liability for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The purpose for this change, according to GASB, is to more appropriately reflect what a government incurs for compensated absences with a more robust estimate of the amount a government will pay or settle. This standard will also eliminate potential comparability issues between governments, enhancing the relevance and reliability of the information. This implementation resulted in a restatement in net position, as listed below:

	Governmental Activities
Net Position at Beginning of Year, as Previously Reported	\$ 91,510,672
Implementation of GASB Statement 101 - Compensated Absences	<u>(2,157,565)</u>
Net Position at Beginning of Year, as Restated	<u>\$ 89,353,107</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2025**

NOTE 13 - SUBSEQUENT EVENT

On November 4, 2025, District Five residents approved a \$200 million bond referendum to fund a new middle school, a new Duncan Elementary School, and a new Byrnes Freshman Academy.

Management has evaluated subsequent events through December 17, 2025, 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*

	2025	2024	2023	2022	2021
District's Proportion of the Collective Net Pension Liability	0.528671%	0.512080%	0.505916%	0.479042%	0.466601%
District's Proportionate Share of the Collective Net Pension Liability	\$ 123,975,068	\$ 123,807,820	\$ 122,644,900	\$ 103,670,737	\$ 119,224,828
District's Covered-Employee Payroll	\$ 76,624,298	\$ 68,774,535	\$ 63,832,503	\$ 58,848,827	\$ 55,743,907
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	161.80%	180.02%	192.14%	176.16%	213.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.80%	58.60%	57.10%	60.70%	50.70%
	2020	2019	2018	2017	2016
District's Proportion of the Collective Net Pension Liability	0.450855%	0.445212%	0.438291%	0.430060%	0.430512%
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
District's Covered-Employee Payroll	\$ 51,086,033	\$ 49,761,349	\$ 48,238,262	\$ 46,032,903	\$ 43,955,092
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%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.40%	54.10%	53.30%	52.91%	56.99%

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

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

	2025	2024	2023	2022	2021
Statutorily Required Contributions	\$ 14,522,643	\$ 12,985,859	\$ 10,908,976	\$ 9,427,336	\$ 8,053,690
Contributions in Relation to the Statutorily Required Contributions	14,522,643	12,985,859	10,908,976	9,427,336	8,053,690
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 85,150,427	\$ 76,624,298	\$ 68,774,535	\$ 63,832,503	\$ 58,848,827
Contributions as a Percentage of Covered-Employee Payroll	17.06%	16.95%	15.86%	14.77%	13.69%
	2020	2019	2018	2017	2016
Statutorily Required Contributions	\$ 7,638,724	\$ 6,472,281	\$ 5,795,988	\$ 5,112,079	\$ 4,663,080
Contributions in Relation to the Statutorily Required Contributions	7,638,724	6,472,281	5,795,988	5,112,079	4,663,080
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 55,743,907	\$ 51,086,033	\$ 49,761,349	\$ 48,238,262	\$ 46,032,903
Contributions as a Percentage of Covered-Employee Payroll	13.70%	12.67%	11.65%	10.60%	10.13%

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*

	2025	2024	2023	2022	2021
District's Proportion of the Collective Net Pension Liability	0.015125%	0.011079%	0.015126%	0.014287%	0.014707%
District's Proportionate Share of the Collective Net Pension Liability	\$ 453,718	\$ 337,262	\$ 453,611	\$ 367,602	\$ 487,722
District's Covered-Employee Payroll	\$ 299,407	\$ 188,790	\$ 237,028	\$ 217,314	\$ 222,888
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	151.54%	178.64%	191.37%	169.16%	218.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.50%	67.80%	66.40%	70.40%	58.80%
	2020	2019	2018	2017	2016
District's Proportion of the Collective Net Pension Liability	0.014663%	0.014058%	0.013140%	0.014020%	0.012840%
District's Proportionate Share of the Collective Net Pension Liability	\$ 420,224	\$ 398,338	\$ 360,088	\$ 355,639	\$ 279,869
District's Covered-Employee Payroll	\$ 212,676	\$ 194,583	\$ 177,005	\$ 178,753	\$ 159,084
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%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.70%	61.70%	60.90%	60.40%	64.60%

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

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

	2025	2024	2023	2022	2021
Statutorily Required Contributions	\$ 51,730	\$ 61,756	\$ 36,373	\$ 43,766	\$ 37,800
Contributions in Relation to the Statutorily Required Contributions	51,730	61,756	36,373	43,766	37,800
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 252,203	\$ 299,407	\$ 188,790	\$ 237,028	\$ 217,314
Contributions as a Percentage of Covered-Employee Payroll	20.51%	20.63%	19.27%	18.46%	17.39%
	2020	2019	2018	2017	2016
Statutorily Required Contributions	\$ 38,817	\$ 34,827	\$ 29,762	\$ 25,205	\$ 24,561
Contributions in Relation to the Statutorily Required Contributions	38,817	34,827	29,762	25,205	24,561
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 222,888	\$ 212,676	\$ 194,583	\$ 177,005	\$ 178,753
Contributions as a Percentage of Covered-Employee Payroll	17.42%	16.38%	15.30%	14.24%	13.74%

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*

	2025	2024	2023	2022	2021
District's Proportion of the Collective Net OPEB Liability	0.668786%	0.657841%	0.651843%	0.633363%	0.607158%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 107,820,355	\$ 86,121,164	\$ 99,157,322	\$ 131,886,324	\$ 109,600,801
District's Covered-Employee Payroll	\$ 76,923,705	\$ 68,963,326	\$ 64,069,531	\$ 59,066,140	\$ 55,966,796
District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered-Employee Payroll	140.17%	124.88%	154.77%	223.29%	195.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.91%	11.24%	9.64%	7.48%	8.39%
	2020	2019	2018	2017	2016
District's Proportion of the Collective Net OPEB Liability	0.586550%	0.579285%	0.574128%	N/A	N/A
District's Proportionate Share of the Collective Net OPEB Liability	\$ 88,695,302	\$ 82,088,073	\$ 77,764,697	N/A	N/A
District's Covered-Employee Payroll	\$ 51,298,709	\$ 49,955,932	\$ 48,415,267	N/A	N/A
District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered-Employee Payroll	172.90%	164.32%	160.62%	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.44%	7.91%	7.60%	N/A	N/A

*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

	2025	2024	2023	2022	2021
Statutorily Required Contributions	\$ 6,146,570	\$ 4,905,976	\$ 4,334,842	\$ 4,024,873	\$ 3,630,601
Contributions in Relation to the Statutorily Required Contributions	6,146,570	4,905,976	4,334,842	4,024,873	3,630,601
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 85,402,630	\$ 76,923,705	\$ 68,963,326	\$ 64,069,531	\$ 59,066,140
Contributions as a Percentage of Covered-Employee Payroll	7.197%	6.378%	6.286%	6.282%	6.147%
	2020	2019	2018	2017	2016
Statutorily Required Contributions	\$ 3,266,718	\$ 3,094,481	\$ 2,685,758	N/A	N/A
Contributions in Relation to the Statutorily Required Contributions	3,266,718	3,094,481	2,685,758	N/A	N/A
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	N/A	N/A
District's Covered-Employee Payroll	\$ 55,966,796	\$ 51,298,709	\$ 49,955,932	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll	5.837%	6.032%	5.376%	N/A	N/A

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 THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUE				
Local	\$ 70,602,220	\$ 70,602,220	\$ 82,466,485	\$ 11,864,265
Intergovernmental	658,150	658,150	613,736	(44,414)
State	66,055,658	66,055,658	70,913,904	4,858,246
Total Revenue	137,316,028	137,316,028	153,994,125	16,678,097
EXPENDITURES				
Current:				
Instruction	89,327,479	87,733,888	87,657,798	76,090
Support Services	50,871,573	52,465,164	52,880,008	(414,844)
Community Services	60,189	60,189	53,786	6,403
Intergovernmental	425,000	425,000	417,681	7,319
Total Expenditures	140,684,241	140,684,241	141,009,273	(325,032)
Excess / (Deficiency) of Revenues Over Expenditures	(3,368,213)	(3,368,213)	12,984,852	16,353,065
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	-	-	18,199	18,199
Operating Transfers In	8,859,513	8,859,513	6,693,552	(2,165,961)
Operating Transfers Out	(5,491,300)	(5,491,300)	(16,223,000)	(10,731,700)
Net Change in Fund Balance	\$ -	\$ -	3,473,603	\$ 3,473,603
FUND BALANCE - JULY 1, 2024			27,821,917	
FUND BALANCE - JUNE 30, 2025			\$ 31,295,520	

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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)	\$ 46,336,421	\$ 43,384,508	\$ (2,951,913)
1190 Other Taxes (Independent)	3,239,805	4,250,020	1,010,215
1200 Revenue from Local Government Units Other than LEAs			
1280 Revenue In Lieu of Taxes (Independent and Dependent)	21,000,994	26,190,428	5,189,434
1300 Tuition			
1310 Tuition from Patrons for Regular Day School	-	47,265	47,265
1500 Earnings on Investments			
1510 Interest on Investments	25,000	8,386,710	8,361,710
1900 Other Revenue from Local Sources			
1910 Rentals	-	1,933	1,933
1950 Refund of Prior Year's Expenditures	-	26,404	26,404
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds	-	145,048	145,048
1999 Revenue from Other Local Sources	-	34,169	34,169
Total Local Sources	<u>70,602,220</u>	<u>82,466,485</u>	<u>11,864,265</u>
2000 Intergovernmental Revenue			
2100 Payments for Other Governmental Units	658,150	613,736	(44,414)
Total Intergovernmental Revenue	<u>658,150</u>	<u>613,736</u>	<u>(44,414)</u>
3000 Revenue from State Sources			
3100 Restricted State Funding			
3103 State Aid to Classrooms	42,476,983	45,047,891	2,570,908
3130 Special Programs			
3131 Handicapped Transportation	-	4,820	4,820
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	686,386	920,950	234,564
3161 EAA Bus Driver Salary and Fringe	-	26,122	26,122
3162 Transportation Worker's Compensation	26,395	26,365	(30)
3181 Retiree Insurance (No Carryover Provision)	3,396,380	3,536,169	139,789
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)	13,924,184	14,030,547	106,363
3830 Merchant's Inventory Tax	78,607	78,608	1
3840 Manufacturers Depreciation Reimbursement	2,099,717	3,595,407	1,495,690
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	255,000	535,019	280,019
3990 Other State Revenue			
3993 PEBA On-Behalf	461,949	461,949	-
Total State Sources	<u>66,055,658</u>	<u>70,913,904</u>	<u>4,858,246</u>
TOTAL REVENUE ALL SOURCES	<u>137,316,028</u>	<u>153,994,125</u>	<u>16,678,097</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

EXPENDITURES	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
100 INSTRUCTION			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	3,544,471	3,541,743	2,728
200 Employee Benefits	1,805,459	1,805,443	16
300 Purchased Services	600	800	(200)
400 Supplies and Materials	46,191	44,530	1,661
112 Primary Programs			
100 Salaries	13,251,193	13,250,514	679
200 Employee Benefits	6,052,649	6,061,607	(8,958)
300 Purchased Services	150,340	149,771	569
400 Supplies and Materials	245,032	247,064	(2,032)
600 Other Objects	1,200	1,200	-
113 Elementary Programs			
100 Salaries	17,566,918	17,563,892	3,026
200 Employee Benefits	8,641,375	8,655,069	(13,694)
300 Purchased Services	326,977	324,311	2,666
400 Supplies and Materials	2,064,434	2,061,557	2,877
500 Capital Outlay	128,453	120,721	7,732
600 Other Objects	9,600	9,600	-
114 High School Programs			
100 Salaries	9,403,722	9,399,898	3,824
200 Employee Benefits	4,143,019	4,161,564	(18,545)
300 Purchased Services	857,600	853,621	3,979
400 Supplies and Materials	467,869	424,433	43,436
500 Capital Outlay	160,370	146,652	13,718
600 Other Objects	11,800	7,200	4,600
115 Career and Technical Education Programs			
100 Salaries	929,333	928,496	837
200 Employee Benefits	426,745	424,984	1,761
300 Purchased Services (Other than Tuition)	158,988	16,152	142,836
370 Tuition (Purchased Services)	844,678	987,074	(142,396)
400 Supplies and Materials	14,399	9,708	4,691
500 Capital Outlay	7,900	6,453	1,447
116 Career and Technology Education (Vocational) Programs - Middle School			
100 Salaries	454,541	454,321	220
200 Employee Benefits	199,522	199,028	494
400 Supplies and Materials	20,316	15,539	4,777
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	497,615	497,344	271
200 Employee Benefits	259,085	254,146	4,939
300 Purchased Services	109,575	107,439	2,136
400 Supplies and Materials	5,246	5,347	(101)
122 Trainable Mentally Handicapped			
100 Salaries	233,210	231,841	1,369
200 Employee Benefits	132,163	128,359	3,804
300 Purchased Services	41,000	39,042	1,958
400 Supplies and Materials	504	420	84

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
123 Orthopedically Handicapped			
100 Salaries	108,869	108,335	534
200 Employee Benefits	55,552	52,924	2,628
300 Purchased Services	24,000	23,734	266
400 Supplies and Materials	1,000	105	895
124 Visually Handicapped			
300 Purchased Services	116,000	115,367	633
400 Supplies and Materials	429	272	157
125 Hearing Handicapped			
300 Purchased Services	36,000	34,579	1,421
400 Supplies and Materials	495	297	198
500 Capital Outlay	9,500	9,051	449
126 Speech Handicapped			
100 Salaries	467,659	465,950	1,709
200 Employee Benefits	213,267	211,970	1,297
300 Purchased Services	521,686	520,562	1,124
400 Supplies and Materials	15,726	13,380	2,346
127 Learning Disabilities			
100 Salaries	3,831,874	3,831,954	(80)
200 Employee Benefits	1,828,044	1,825,603	2,441
300 Purchased Services	43,429	38,180	5,249
400 Supplies and Materials	14,314	14,174	140
128 Emotionally Handicapped			
100 Salaries	880,565	880,203	362
200 Employee Benefits	398,427	397,936	491
300 Purchased Services	10,091	9,452	639
400 Supplies and Materials	2,315	2,376	(61)
130 Preschool Programs			
137 Preschool Handicapped Self-Contained (3- and 4- Yr. -Olds)			
100 Salaries	848,765	845,198	3,567
200 Employee Benefits	441,827	440,523	1,304
300 Purchased Services	93,000	88,644	4,356
400 Supplies and Materials	9,632	7,667	1,965
139 Early Childhood Programs			
100 Salaries	577,006	574,176	2,830
200 Employee Benefits	316,259	314,301	1,958
400 Supplies and Materials	22,992	24,507	(1,515)
140 Special Programs			
141 Gifted and Talented Academic			
100 Salaries	82,765	80,023	2,742
200 Employee Benefits	40,646	39,756	890
300 Purchased Services	6,200	-	6,200
400 Supplies and Materials	14,301	7,390	6,911
142 Disadvantaged			
300 Purchased Services	628	-	628
143 Advanced Placement			
300 Purchased Services	1,500	105	1,395
400 Supplies and Materials	3,825	4,139	(314)

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
145 Homebound			
100 Salaries	187,000	186,695	305
200 Employee Benefits	58,680	58,678	2
300 Purchased Services	5,000	-	5,000
147 CERDEP			
100 Salaries	117,300	117,253	47
200 Employee Benefits	36,600	36,597	3
400 Supplies and Materials	22,823	22,738	85
148 Gifted and Talented Artistic			
100 Salaries	7,000	5,000	2,000
200 Employee Benefits	2,324	1,655	669
300 Purchased Services	-	200	(200)
400 Supplies and Materials	2,275	1,933	342
160 Other Exceptional Programs			
161 Autism			
100 Salaries	279,854	278,882	972
200 Employee Benefits	147,209	147,111	98
300 Purchased Services	205,150	204,228	922
400 Supplies and Materials	5,681	3,845	1,836
162 Limited English Proficiency			
100 Salaries	1,307,286	1,306,790	496
200 Employee Benefits	615,144	614,602	542
300 Purchased Services	1,731	-	1,731
400 Supplies and Materials	-	307	(307)
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	99,800	130,977	(31,177)
200 Employee Benefits	-	43,367	(43,367)
172 Elementary Summer School			
100 Salaries	70,700	70,691	9
200 Employee Benefits	23,248	23,232	16
173 High School Summer School			
100 Salaries	62,700	62,685	15
200 Employee Benefits	19,700	19,624	76
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	1,365	(1,365)
200 Employee Benefits	-	452	(452)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
100 Salaries	133,181	133,381	(200)
200 Employee Benefits	69,022	65,794	3,228
300 Purchased Services	1,800	-	1,800
Total Instruction	87,733,888	87,657,798	76,090

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<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	137,898	137,456	442
200 Employee Benefits	50,183	50,114	69
300 Purchased Services	2,308	12,526	(10,218)
400 Supplies and Materials	200	535	(335)
212 Guidance Services			
100 Salaries	2,280,199	2,280,036	163
200 Employee Benefits	1,029,597	1,028,912	685
300 Purchased Services	68,400	67,691	709
400 Supplies and Materials	56,524	56,304	220
213 Health Service			
100 Salaries	1,251,226	1,250,834	392
200 Employee Benefits	525,151	520,333	4,818
300 Purchased Services	80,870	67,637	13,233
400 Supplies and Materials	23,712	19,729	3,983
214 Psychological Services			
100 Salaries	506,806	506,373	433
200 Employee Benefits	246,085	243,644	2,441
300 Purchased Services	81,200	80,581	619
400 Supplies and Materials	850	-	850
217 Career Specialist Services			
100 Salaries	298,124	297,729	395
200 Employee Benefits	143,197	142,055	1,142
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development			
100 Salaries	1,431,783	1,431,514	269
200 Employee Benefits	616,902	616,578	324
300 Purchased Services	110,160	108,388	1,772
400 Supplies and Materials	11,250	11,109	141
600 Other Objects	500	1,000	(500)
222 Library and Media Services			
100 Salaries	1,425,950	1,425,752	198
200 Employee Benefits	719,834	711,907	7,927
400 Supplies and Materials	206,875	203,291	3,584
223 Supervision of Special Programs			
100 Salaries	334,454	319,981	14,473
200 Employee Benefits	150,235	143,798	6,437
300 Purchased Services	5,000	4,083	917
224 Improvement of Instruction Inservice and Staff Training			
100 Salaries	873,261	871,518	1,743
200 Employee Benefits	387,222	386,538	684
300 Purchased Services	175,558	163,189	12,369
400 Supplies and Materials	23,495	4,793	18,702

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
230 General Administrative Service			
231 Board of Education			
300 Purchased Services	121,000	119,569	1,431
318 Audit Services	40,225	40,750	(525)
400 Supplies and Materials	2,550	871	1,679
500 Capital Outlay	1,700	-	1,700
600 Other Objects	51,653	36,150	15,503
232 Office of the Superintendent			
100 Salaries	418,189	417,039	1,150
200 Employee Benefits	145,181	144,705	476
300 Purchased Services	7,665	7,463	202
400 Supplies and Materials	8,925	1,690	7,235
600 Other Objects	4,000	2,003	1,997
233 School Administration			
100 Salaries	6,986,399	6,982,626	3,773
200 Employee Benefits	3,148,791	3,172,538	(23,747)
300 Purchased Services	57,103	56,677	426
400 Supplies and Materials	78,248	78,175	73
600 Other Objects	4,500	4,162	338
250 Finance and Operations Services			
251 Student Transportation (Federal/District Mandated)			
300 Purchased Services	17,000	16,592	408
252 Fiscal Services			
100 Salaries	485,736	485,504	232
180 Head of Organizational Unit Salaries	160,385	160,385	-
200 Employee Benefits	231,129	231,103	26
280 Head of Organizational Unit Employee Benefits	58,368	58,368	-
300 Purchased Services	89,600	88,649	951
380 Head of Organizational Unit Purchased Services	2,500	2,287	213
400 Supplies and Materials	25,000	23,907	1,093
600 Other Objects	3,000	2,540	460
254 Operations and Maintenance of Plant			
100 Salaries	4,469,223	4,468,294	929
200 Employee Benefits	2,001,309	1,997,243	4,066
300 Purchased Services (Excludes Energy Costs)	2,551,804	2,565,497	(13,693)
321 Public Utility Services (Exclude Gas, Oil, Electric & Other Heating Fuels)	511,365	492,133	19,232
400 Supplies and Materials (Included Energy Costs)	1,043,600	1,043,055	545
470 Energy (Includes Gas, Oil, Electric & Other Heating Fuels)	2,398,786	2,398,699	87
500 Capital Outlay	22,200	19,968	2,232
255 Student Transportation (State Mandated)			
100 Salaries	2,756,429	2,925,597	(169,168)
200 Employee Benefits	790,706	943,521	(152,815)
300 Purchased Services	210,770	210,760	10
400 Supplies and Materials	75,200	75,173	27
500 Capital Outlay	277,500	277,428	72
258 Security			
100 Salaries	487,032	486,800	232
200 Employee Benefits	188,986	188,803	183
300 Purchased Services	2,463,810	2,598,752	(134,942)
400 Supplies and Materials	193,900	193,861	39
500 Capital Outlay	141,790	244,206	(102,416)

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
260 Central Support Services			
262 Planning			
400 Supplies and Materials	18,000	19,204	(1,204)
263 Information Services			
100 Salaries	129,205	128,933	272
180 Head of Organizational Unit Salaries	105,449	105,699	(250)
200 Employee Benefits	64,975	64,972	3
280 Head of Organizational Unit Employee Benefits	45,018	45,013	5
300 Purchased Services	132,250	130,829	1,421
380 Head of Organizational Unit Purchased Services	5,000	6,391	(1,391)
400 Supplies and Materials	20,600	20,354	246
500 Capital Outlay	9,000	8,891	109
264 Staff Services			
100 Salaries	392,166	392,191	(25)
180 Head of Organizational Unit Salaries	147,385	160,385	(13,000)
200 Employee Benefits	243,293	247,222	(3,929)
280 Head of Organizational Unit Employee Benefits	61,650	62,648	(998)
300 Purchased Services	88,200	82,171	6,029
380 Head of Organizational Unit Purchased Services	-	952	(952)
400 Supplies and Materials	16,200	16,254	(54)
266 Technology and Data Processing Services			
100 Salaries	1,078,254	1,075,713	2,541
180 Head of Organizational Unit Salaries	138,741	139,266	(525)
200 Employee Benefits	491,206	491,319	(113)
280 Head of Organizational Unit Employee Benefits	51,847	51,847	-
300 Purchased Services	814,711	804,024	10,687
380 Head of Organizational Unit Purchased Services	2,500	-	2,500
400 Supplies and Materials	12,500	9,363	3,137
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries (Optional)	1,547,727	1,547,690	37
200 Employee Benefits (Optional)	584,995	584,916	79
300 Purchased Services (Optional)	94,465	72,759	21,706
400 Supplies and Materials (Optional)	56,500	56,475	25
600 Other Objects (Optional)	122,561	124,280	(1,719)
660 Pupil Activity (Optional)	2,500	776	1,724
Total Support Services	<u>52,465,164</u>	<u>52,880,008</u>	<u>(414,844)</u>
300 COMMUNITY SERVICES			
390 Other Community Services			
300 Purchased Services	60,189	53,786	6,403
Total Community Services	<u>60,189</u>	<u>53,786</u>	<u>6,403</u>
400 OTHER CHARGES			
410 Intergovernmental Expenditures			
412 Payments to other governmental units			
720 Transits	425,000	417,681	7,319
Total Intergovernmental Expenditures	<u>425,000</u>	<u>417,681</u>	<u>7,319</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL EXPENDITURES	140,684,241	141,009,273	(325,032)
OTHER FINANCING SOURCES (USES)			
5300 Sales of Fixed Assets	-	18,199	18,199
Interfund Transfers, from (to) Other Funds			
5230 Transfer from Special Revenue EIA Fund	8,509,513	6,603,282	(1,906,231)
5280 Transfer from Other Funds Indirect Cost	350,000	90,270	(259,730)
421-710 Transfer to Special Revenue Fund	-	(5,000)	(5,000)
423-710 Transfer to Debt Service Fund	(3,500,000)	-	3,500,000
424-710 Transfer to Capital Projects Fund	(1,991,300)	(16,218,000)	(14,226,700)
TOTAL OTHER FINANCING SOURCES (USES)	3,368,213	(9,511,249)	(12,879,462)
Excess/(Deficiency) of Revenues over Expenditures	\$ -	3,473,603	\$ 3,473,603
FUND BALANCE - JULY 1, 2024		27,821,917	
FUND BALANCE - JUNE 30, 2025		\$ 31,295,520	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING BALANCE SHEET
JUNE 30, 2025

TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	1,311,722	\$ 1,311,722
Accounts Receivable	-	-	-	-	2,689	-	2,689
Due from State Department of Education	-	-	-	-	7,089	-	7,089
Due from Federal Government	624,316	657,668	23,531	-	234,341	-	1,539,856
Due from Other Funds	-	-	-	13,800	569,005	97,558	680,363
Total Assets	\$ 624,316	\$ 657,668	\$ 23,531	\$ 13,800	\$ 813,124	\$ 1,409,280	\$ 3,541,719

LIABILITIES AND FUND BALANCE

Liabilities							
Due to Other Funds	\$ 624,316	\$ -	\$ 23,531	-	-	-	\$ 1,305,515
Unearned Revenues	-	-	-	13,800	813,124	-	826,924
Total Liabilities	\$ 624,316	\$ -	\$ 23,531	\$ 13,800	\$ 813,124	\$ -	\$ 2,132,439
Fund Balance							
Restricted	-	-	-	-	-	1,409,280	1,409,280
Pupil Activities	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	1,409,280	1,409,280
Total Liabilities and Fund Balance	\$ 624,316	\$ 657,668	\$ 23,531	\$ 13,800	\$ 813,124	\$ 1,409,280	\$ 3,541,719

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
1000 Revenue From Local Sources								
1700 Pupil Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	333,834	333,834
1710 Admissions	-	-	-	-	-	-	39,055	39,055
1720 Bookstore Sales	-	-	-	-	-	-	68,986	68,986
1730 Pupil Organization Membership Dues and Fees	-	-	-	-	-	-	595,435	595,435
1740 Student Fees	-	-	-	-	-	-	1,548,980	1,548,980
1790 Other Pupil Activity Income	-	-	-	-	-	-	-	-
1900 Other Revenue from Local Sources								
1910 Rentals	-	-	-	-	-	9,320	-	9,320
1920 Contributions and Donations From Private Sources	-	-	-	-	-	5,233	-	5,233
1930 Special Needs Transportation - Medicaid	-	-	-	-	-	280,823	-	280,823
1999 Revenue from Other Local Sources	-	-	-	-	-	509,778	166,399	676,177
Total Local Revenue	-	-	-	-	-	805,154	2,752,689	3,557,843
3000 Revenue from State Sources								
3100 Restricted State Funding								
3130 Special Programs								
3135 Reading Coaches	-	-	-	-	460,290	-	-	460,290
3187 Teacher Supplies (No Carryover Provision)	-	-	-	-	42,400	-	-	42,400
3190 Miscellaneous Restricted State Grants								
3193 Education License Plates	-	-	-	-	160	-	-	160
3600 Education lottery act revenue								
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-	-	-	15,600	-	-	15,600
3900 Other State Revenue								
3994 PEBA Nonemployer Contributions	-	-	-	-	15,886	-	-	15,886
Total State Sources	-	-	-	-	534,336	-	-	534,336
4000 Revenue from Federal Sources								
4200 Occupational Education								
4210 Perkins Aid, Title I- Career and Technology Education - Basic Grants to States	-	-	-	163,371	-	-	-	163,371
4300 Elementary and Secondary Education Act of 1965 (ESEA)								
4310 Title I, Basic State Grant Programs (Carryover Provision)	1,797,825	-	-	-	-	144,401	-	1,942,226
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	99,734	-	99,734
4351 Supporting Effective Instruction	-	-	-	-	-	166,513	-	166,513
4500 Programs for Children with Disabilities								
4510 Individuals with Disabilities Education Act (IDEA)	-	2,042,541	-	-	-	43,331	-	2,085,872
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-	68,344	-	-	-	-	68,344

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
-	-	-	-	-	665,468	-	665,468
-	-	-	-	-	117,856	-	117,856
-	-	-	-	-	114,043	-	114,043
1,797,825	2,042,541	68,344	163,371	-	1,351,346	-	5,423,427
1,797,825	2,042,541	68,344	163,371	534,336	2,156,500	2,752,689	9,515,606

Total Federal Sources

TOTAL REVENUE ALL SOURCES

EXPENDITURES

100 INSTRUCTION

110 General Instruction							
111 Kindergarten Programs							
100 Salaries	213,134	-	-	-	-	-	213,134
200 Employee Benefits	118,180	-	-	-	-	-	118,180
400 Supplies and Materials	752	-	-	-	-	-	752
112 Primary Programs							
100 Salaries	510,573	-	-	-	68,995	-	579,568
200 Employee Benefits	224,573	-	-	-	22,844	-	247,417
300 Purchased Services	12,050	-	-	-	-	-	12,050
400 Supplies and Materials	173,331	-	-	21,360	102,028	-	296,719
113 Elementary Programs							
100 Salaries	55,899	-	-	-	-	-	55,899
200 Employee Benefits	23,594	-	-	-	-	-	23,594
300 Purchased Services	-	-	-	-	24,953	-	24,953
400 Supplies and Materials	-	-	-	-	22,690	-	22,690
114 High School Programs							
100 Salaries	-	-	-	-	103,426	-	103,426
200 Employee Benefits	-	-	-	-	34,020	-	34,020
400 Supplies and Materials	-	-	-	21,200	17,532	-	38,732
115 Career and Technical Education Programs							
300 Purchased Services (Other than Tuition)	-	-	30,300	-	-	-	30,300
400 Supplies and Materials	-	-	4,585	-	-	-	4,585
500 Capital Outlay	-	-	12,614	-	-	-	12,614
116 Career and Technical Education Programs - Middle School							
400 Supplies and Materials	-	-	38,070	-	-	-	38,070
500 Capital Outlay	-	-	10,809	-	-	-	10,809
120 Exceptional Programs							
121 Educable Mentally Handicapped							
100 Salaries	-	23,238	-	-	-	-	23,238
200 Employee Benefits	-	7,636	-	-	-	-	7,636
123 Orthopedically Handicapped							
300 Purchased Services	-	73,689	-	-	-	-	73,689

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
124 Visually Handicapped	-	-	-	-	-	-	11,202
300 Purchased Services	11,202	-	-	-	-	-	
126 Speech Handicapped	-	-	-	-	64,925	-	268,206
100 Salaries	203,281	-	-	-	35,131	-	140,143
200 Employee Benefits	105,012	-	-	-	7,622	-	230,904
300 Purchased Services	223,282	-	-	-	4,101	-	4,101
600 Other Objects	-	-	-	-	-	-	
127 Learning Disabilities	-	-	-	-	23,542	-	314,642
100 Salaries	291,100	-	-	-	7,795	-	161,904
200 Employee Benefits	154,109	-	-	-	-	-	207,846
300 Purchased Services	207,846	-	-	-	-	-	16,670
400 Supplies and Materials	16,670	-	-	-	-	-	
128 Emotionally Handicapped	-	-	-	-	-	-	182,005
100 Salaries	182,005	-	-	-	-	-	74,652
200 Employee Benefits	74,652	-	-	-	-	-	
130 Pre-School Programs	-	-	-	-	-	-	
137 Preschool Handicapped Self-Contained (3- and 4- Yr. -Olds)	-	-	-	-	-	-	119,026
100 Salaries	75,301	43,725	-	-	-	-	60,236
200 Employee Benefits	35,617	24,619	-	-	-	-	1,059
400 Supplies and Materials	1,059	-	-	-	-	-	
140 Special Programs	-	-	-	-	-	-	
141 Gifted and Talented Academic	-	-	-	-	15,571	-	15,571
100 Salaries	-	-	-	-	-	-	1,390
149 Other Special Programs	-	-	-	-	-	-	460
100 Salaries	1,390	-	-	-	-	-	2,968
200 Employee Benefits	460	-	-	-	-	-	
300 Purchased Services	2,968	-	-	-	-	-	
160 Other Exceptional Programs	-	-	-	-	-	-	
162 Limited English Proficiency	-	-	-	-	46,238	-	46,238
400 Supplies and Materials	-	-	-	-	-	-	
170 Summer School Programs	-	-	-	-	-	-	
171 Primary Summer School	3,045	-	-	-	-	-	3,045
100 Salaries	1,008	-	-	-	-	-	1,008
200 Employee Benefits	-	-	-	-	-	-	
172 Elementary Summer School	-	-	-	-	158	-	158
100 Salaries	-	-	-	-	50	-	50
200 Employee Benefits	-	-	-	-	-	-	
173 High School Summer School	-	-	-	-	1,523	-	1,523
100 Salaries	-	-	-	-	487	-	487
200 Employee Benefits	-	-	-	-	-	-	

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 SPECIAL REVENUE FUND - SPECIAL PROJECTS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
180 Adult/Continuing Education Programs								
188 Parenting/Family Literacy	48,726	-	-	-	-	-	-	48,726
100 Salaries	18,654	-	-	-	-	-	-	18,654
200 Employee Benefits	-	-	-	-	610	-	-	610
300 Purchased Services	-	-	-	-	17,014	-	-	17,014
400 Supplies and Materials	15,130	-	-	-	-	-	-	15,130
190 Instructional Pupil Activity								
660 Pupil Activity	-	-	-	-	-	-	364,368	364,368
Total Instruction	1,418,649	1,690,517	68,344	96,378	42,560	621,255	364,368	4,302,071
200 SUPPORT SERVICES								
210 Pupil Service								
211 Attendance and Social Work Services								
100 Salaries	22,055	-	-	-	-	7,893	-	29,948
200 Employee Benefits	10,621	-	-	-	-	7,870	-	18,491
212 Guidance Services								
100 Salaries	-	-	-	-	-	14,736	-	14,736
200 Employee Benefits	-	-	-	-	-	6,016	-	6,016
300 Purchased Services	-	-	-	-	-	23,250	-	23,250
213 Health Service								
100 Salaries	-	54,010	-	-	-	23,293	-	77,303
200 Employee Benefits	-	21,637	-	-	-	8,989	-	30,626
214 Psychological Services								
300 Purchased Services	-	67,200	-	-	-	22,465	-	89,665
215 Exceptional Program Services								
400 Supplies and Materials	-	35,439	-	-	-	-	-	35,439
220 Instructional Staff Services								
221 Improvement of Instruction Curriculum Development								
100 Salaries	63,405	-	-	-	316,188	135,356	-	514,949
200 Employee Benefits	26,096	-	-	-	144,102	33,441	-	203,639
300 Purchased Services	-	-	-	-	-	13,818	-	13,818
400 Supplies and Materials	-	-	-	-	-	39,674	-	39,674
222 Library and Media Services								
400 Supplies and Materials	194,638	-	-	-	-	25,564	-	220,202
223 Supervision of Special Programs								
100 Salaries	-	110,925	-	-	-	104,581	-	215,506
200 Employee Benefits	-	48,719	-	-	-	54,006	-	102,725
300 Purchased Services	5,497	5,973	-	-	-	735	-	12,205
400 Supplies and Materials	2	3,470	-	-	-	-	-	3,472
224 Improvement of Instruction Inservice and Staff Training								
100 Salaries	-	-	-	-	-	71,156	-	71,156
200 Employee Benefits	-	-	-	-	-	30,688	-	30,688
300 Purchased Services	8,639	4,651	-	4,897	-	57,339	-	75,526
400 Supplies and Materials	6,233	-	-	-	-	1,502	-	7,735

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
250 Finance and Operations Services								
251 Student Transportation (Federal/District Mandated)	9,800	-	-	-	-	-	-	9,800
300 Purchased Services								
254 Operations and Maintenance of Plant	-	-	-	-	-	11,079	-	11,079
300 Purchased Services						11,060	-	11,060
400 Supplies and Materials						201,350	-	201,350
500 Capital Outlay						-	-	-
258 Security						-	-	-
400 Supplies and Materials					15,600	-	-	15,600
260 Central Support Services								
266 Technology and Data Processing Services								
100 Salaries						46,221	-	46,221
200 Employee Benefits						13,443	-	13,443
300 Purchased Services						108,909	-	108,909
400 Supplies and Materials						179,248	-	179,248
500 Capital Outlay						172,867	-	172,867
270 Support Services - Pupil Activity								
271 Pupil Service Activities								
100 Salaries (Optional)						-	397	397
200 Employee Benefits (Optional)						-	136	136
300 Purchased Services (Optional)						25,619	-	25,619
400 Supplies and Materials (Optional)						21,576	-	21,576
500 Capital Outlay (Optional)						14,901	-	14,901
660 Pupil Activity						-	2,133,464	2,133,464
Total Support Services	346,986	352,024	-	66,993	475,890	1,426,549	2,133,997	4,802,439
300 COMMUNITY SERVICES								
350 Custody and Care of Children								
100 Salaries						122,749	-	122,749
200 Employee Benefits						23,882	-	23,882
400 Supplies and Materials						600	-	600
360 Welfare Services						-	-	-
300 Purchased Services						1,030	-	1,030
400 Supplies and Materials	4,525	-	-	-	-	-	-	4,525
390 Other Community Services						-	-	-
300 Purchased Services						1,500	-	1,500
Total Community Services	4,525	-	-	-	-	149,761	-	154,286

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	TITLE I	IDEA	PRESCHOOL HANDICAPPED	CATE	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	STUDENT ACTIVITY FUNDS	TOTAL
410 INTERGOVERNMENTAL EXPENDITURES								
414 Medicaid Payments to SCDE	-	-	-	-	-	42,959	-	42,959
720 Transits	-	-	-	-	15,886	-	-	15,886
419 Payments to PEBA Non-employer Contributions	-	-	-	-	-	-	-	-
720 Transits	-	-	-	-	-	-	-	-
Total Intergovernmental Expenditures	-	-	-	-	15,886	42,959	-	58,845
TOTAL EXPENDITURES	1,770,160	2,042,541	68,344	163,371	534,336	2,240,524	2,498,365	9,317,641
OTHER FINANCING SOURCES (USES)								
Interfund Transfers, from (to) Other Funds								
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-	-	-	-	5,000	-	5,000
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)	-	-	-	-	-	141,629	-	141,629
421-710 Transfer to Special Revenue Fund	-	-	-	-	-	-	(141,629)	(141,629)
431-791 Special Revenue Fund Indirect Costs	(27,665)	-	-	-	-	(62,605)	-	(90,270)
TOTAL OTHER FINANCING SOURCES (USES)	(27,665)	-	-	-	-	84,024	(141,629)	(85,270)
Excess/(Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	112,695	112,695
FUND BALANCE - JULY 1, 2024	-	-	-	-	-	-	1,296,585	1,296,585
FUND BALANCE - JUNE 30, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,409,280	\$ 1,409,280

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

District Subfund Code	Other Designated Restricted State Grants	District Subfund Code	Other Special Revenue Programs
917	Teacher Supplies	210	Student Support and Academic Enrichment, Title IV
919	Education License Plates	218	ESSER III
935	Reaching Coaches	237	Title I, Targeted Support & Improvement
970	School Safety	264	Language Instruction for Limited English Proficient and Immigrant Students, Title III
994	PEBA Nonemployer Contributions		
		267	Title II, Supporting Effective Instruction
		277	Air Force JROTC
		293	Medicaid
		802	AASA Grant
		803	Risk Control Grant
		806	Spartanburg County Foundation
		807	Extended School Year
		810	SAM Contribution
		812	Donations
		813	Clemson Heroes
		815	Lenovo / Erate
		819	Bosch Grant
		840	Teacher forum
		870	Fine Arts Center
		875	Student Technology Fees

SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Sub Fund	Revenue	Description	Revenues	Expenditures	Special Revenue		Unearned Revenue
					Interfund Transfers In(Out)	Other fund Transfers In(Out)	
917	3187	Teacher Supplies	\$ 42,400	\$ 42,400	\$ -	\$ -	-
919	3193	Education License Plates	160	160	-	-	-
935	3135	Reaching Coaches	460,290	460,290	-	-	-
970	3670	School Safety	15,600	15,600	-	-	13,800
994	3994	PEBA Nonemployer Contributions	15,886	15,886	-	-	-
			<u>\$ 534,336</u>	<u>\$ 534,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>13,800</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES**3000 Revenue from State Sources**

3500 Education Improvement Act	
3502 ADEPT	\$ 362
3503 State Aid to Classrooms	6,603,282
3513 Child Nutrition	18,751
3518 Adoption List of Formative Assessment	80,247
3526 Refurbishment of Science Kits	45,793
3528 Industry Certifications/Credentials	9,922
3529 Career and Technical Education	70,116
3532 National Board Salary Supplement (No Carryover Provision)	566,694
3533 Teacher of the Year Award (No Carryover Provision)	1,077
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	394,891
3557 Summer Reading Program	217,587
3577 Teacher Supplies (No Carryover Provision)	289,600
3595 EEDA - Supplies and Materials	25,923
	<hr/>

Total State Sources8,324,245

TOTAL REVENUE ALL SOURCES8,324,245

EXPENDITURES**100 INSTRUCTION**

110 General Instruction	
111 Kindergarten Programs	
100 Salaries	17,500
200 Employee Benefits	5,741
112 Primary Programs	
100 Salaries	151,000
200 Employee Benefits	49,047
400 Supplies and Materials	176,481
113 Elementary Programs	
100 Salaries	112,500
200 Employee Benefits	36,669
400 Supplies and Materials	104,609
114 High School Programs	
100 Salaries	79,744
200 Employee Benefits	26,008
400 Supplies and Materials	54,303
115 Career and Technical Education Programs	
300 Purchased Services (Other than Tuition)	17,572
400 Supplies and Materials	9,948
116 Career and Technical Education (Vocational) Programs - Middle School	
400 Supplies and Materials	5,760

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

120 Exceptional Programs		
126 Speech Handicapped		
100 Salaries		7,500
200 Employee Benefits		2,419
127 Learning Disabilities		
100 Salaries		15,000
200 Employee Benefits		4,892
128 Emotionally Handicapped		
100 Salaries		7,500
200 Employee Benefits		2,461
140 Special Programs		
147 CERDEP		
100 Salaries		250,389
200 Employee Benefits		144,502
170 Summer School Programs		
171 Primary Summer School		
100 Salaries		148,395
200 Employee Benefits		48,397
400 Supplies and Materials		20,795
		1,499,132
Total Instruction		1,499,132
200 SUPPORT SERVICES		
210 Pupil Service		
212 Guidance Services		
100 Salaries		39,238
200 Employee Benefits		15,970
300 Purchased Services		20,773
400 Supplies and Materials		84,732
220 Instructional Staff Services		
222 Library and Media Services		
100 Salaries		15,000
200 Employee Benefits		4,913
224 Improvement of Instruction Inservice and Staff Training		
100 Salaries		7,500
200 Employee Benefits		2,446
300 Purchased Services		11,480
400 Supplies and Materials		363

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

270 Support Services - Pupil Activity	
271 Pupil Service Activities	
660 Pupil Activity (Optional)	665
Total Support Services	203,080
TOTAL EXPENDITURES	1,702,212
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, from (to) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	(6,603,282)
425-710 Transfer to Food Service Fund	(18,751)
TOTAL OTHER FINANCING SOURCES (USES)	(6,622,033)
Excess/(Deficiency) of Revenues over Expenditures	-
FUND BALANCE - JULY 1, 2024	-
FUND BALANCE - JUNE 30, 2025	\$ -

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Program	Revenues	Expenditures	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act				
3502 ADEPT	\$ 362	\$ 362	\$ -	\$ 8,465
3503 State Aid to Classrooms	6,603,282	-	(6,603,282)	2,426,668
3513 Child Nutrition	18,751	-	(18,751)	-
3518 Adoption List of Formative Assessment	80,247	80,247	-	27,765
3526 Refurbishment of Science Kits	45,793	45,793	-	35,370
3528 Industry Certifications/Credentials	9,922	9,922	-	9,990
3529 Career and Technology Education	70,116	70,116	-	270,507
3532 National Board Salary Supplement	566,694	566,694	-	-
3533 Teacher of the Year Award	1,077	1,077	-	-
3541 CERDEP	394,891	394,891	-	-
3557 Summer Reading Program	217,587	217,587	-	-
3577 Teacher Supplies	289,600	289,600	-	-
3595 EEDA - Supplies and Materials	25,923	25,923	-	22,449
Totals	<u>\$ 8,324,245</u>	<u>\$ 1,702,212</u>	<u>\$ (6,622,033)</u>	<u>\$ 2,801,214</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES**1000 Revenue From Local Sources**

1600 Food Service	
1610 Lunch Sales to Pupils	\$ 275,309
1620 Breakfast Sales to Pupils	62,335
1630 Special Sales to Pupils	141,280
1640 Lunch Sales to Adults	2,945
1650 Breakfast Sales to Adults	5,898
1660 Special Sales to Adults	6,058
	<hr/>
Total Local Revenue	493,825

4000 Revenue from Federal Sources

4800 USDA Reimbursement	
4810 School Lunch and After School Snack Program, and Special Milk Program	3,974,172
4830 School Breakfast Program (Carryover Provision)	1,193,484
4860 Fresh Fruits & Vegetables Program (FFVP) (Carryover Provision)	158,018
4899 Miscellaneous Food Service	12,261
4900 Other Federal Sources	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	372,039
4999 Revenue from Other Federal Sources	13,216
	<hr/>
Total Federal Sources	5,723,190

TOTAL REVENUE ALL SOURCES

6,217,015

EXPENDITURES**200 SUPPORT SERVICES**

250 Finance and Operations Services	
256 Food Services	
300 Purchased Services (Excludes Energy Costs)	5,301,118
400 Supplies and Materials (Included Energy Costs)	608,285
600 Other Objects	788
	<hr/>
Total Support Services	5,910,191

TOTAL EXPENDITURES

5,910,191

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds	
5230 Transfer from Special Revenue EIA Fund	18,751
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	18,751
	<hr/>
Excess/(Deficiency) of Revenues over Expenditures	325,575
	<hr/>
FUND BALANCE - JULY 1, 2024	1,293,986
	<hr/>
FUND BALANCE - JUNE 30, 2025	\$ 1,619,561
	<hr/> <hr/>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES**1000 Revenue From Local Sources**

1100 Taxes Levied/Assessed by the LEA	
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 14,198,638
1200 Revenue from Local Government Units Other than LEAs	
1280 Revenue In Lieu of Taxes (Independent and Dependent)	6,278,558
1500 Earnings on Investments	
1510 Interest on Investments	<u>328,796</u>
Total Local Revenue	<u>20,805,992</u>

3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption (Tier 2)	299,176
3830 Merchant's Inventory Tax	10,569
3840 Manufacturers Depreciation Reimbursement	717,758
3890 Other State Property Tax Revenues (includes Motor Carrier Vehicle Tax)	<u>140,773</u>
Total State Sources	<u>1,168,276</u>

TOTAL REVENUE ALL SOURCES

21,974,268

EXPENDITURES**500 DEBT SERVICE**

610 Redemption of Principal	11,560,000
620 Interest	12,231,530
690 Other Objects (Includes Fees for Servicing Bonds)	<u>7,777</u>

Total Debt Service Expenditures

23,799,307

TOTAL EXPENDITURES

23,799,307

Excess/(Deficiency) of Revenues over Expenditures

(1,825,039)

FUND BALANCE - JULY 1, 2024

15,959,459

FUND BALANCE - JUNE 30, 2025

\$ 14,134,420

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES**1000 Revenue From Local Sources**

1500 Earnings on Investments	
1510 Interest on Investments	\$ 2,998,423
1900 Other Revenue from Local Sources	
1950 Refund of Prior Year's Expenditures	1,620
1990 Miscellaneous Local Revenue	
1993 Receipt of Insurance Proceeds	16,374
1999 Revenue from Other Local Sources	368,819
	<hr/>
Total Local Revenue	3,385,236

TOTAL REVENUE ALL SOURCES

3,385,236

EXPENDITURES**200 SUPPORT SERVICES**

250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
300 Purchased Services	4,077,641
400 Supplies and Materials	2,888,093
500 Capital Outlay	
510 Land	4,277,941
520 Construction Services	47,893,769
530 Improvements Other Than Buildings	1,125,347
540 Equipment	389,238
560 Library Books and Materials	1,702
254 Operations and Maintenance of Plant	
300 Purchased Services	136,466
258 Security	
300 Purchased Services	26,000
500 Capital Outlay	163,824
260 Central Support Services	
266 Technology and Data Processing Services	
400 Supplies and Materials	29,014
500 Capital Outlay	188,350
	<hr/>
Total Support Services	61,197,385

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

500 DEBT SERVICE	
690 Other Objects (Includes Fees for Servicing Bonds)	<u>157,751</u>
Total Debt Service Expenditures	<u>157,751</u>
TOTAL EXPENDITURES	<u>61,355,136</u>
OTHER FINANCING SOURCES (USES)	
5100 Sale of Bonds	
5110 Premium on Bonds Sold	867,525
5120 Proceeds of General Obligation Bonds	15,000,000
Interfund Transfers, from (to) Other Funds	
5210 Transfer from General Fund (Excludes Indirect Costs)	<u>16,218,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>32,085,525</u>
Excess/(Deficiency) of Revenues over Expenditures	(25,884,375)
FUND BALANCE - JULY 1, 2024	<u>146,256,075</u>
FUND BALANCE - JUNE 30, 2025	<u><u>\$ 120,371,700</u></u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
 DETAILED SCHEDULE OF DUE TO S.C. DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Program</u>	<u>Project Grant Number</u>	<u>Revenue & Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SCDE/ Federal</u>	<u>Status of Amounts Due To Grantors</u>
<u>Due to State Department of Education</u>					
None.				-	
<u>Due to Federal Government</u>					
None.				-	
Total Due to State Department of Education or Federal Government				\$ -	

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
LOCATION RECONCILIATION SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Location ID</u>	<u>Location Description</u>	<u>Education Level</u>	<u>Cost Type</u>	<u>Total Expenditures</u>
000	Districtwide	Non-School	Central	\$ 58,954,813
043	J.F. Byrnes High School	High School	School	69,253,058
045	D.R. Hill Middle School	Middle School	School	7,226,459
046	Duncan Elementary	Elementary School	School	9,005,785
049	Reidville Elementary	Elementary School	School	8,361,861
052	Wellford Academy	Elementary School	School	14,408,893
090	River Ridge Elementary	Elementary School	School	9,191,572
092	Florence Chapel Middle School	Middle School	School	8,836,705
093	Freshman Academy	High School	School	7,582,441
094	Abner Creek Academy	Elementary School	School	8,847,243
095	Lyman Elementary	Elementary School	School	8,746,182
096	Tyger River Elementary	Elementary School	School	7,761,996
097	Abner Creek Middle School	Middle School	School	7,874,775
098	Berry Shoals Elementary	Elementary School	School	6,999,524
099	Beech Springs Middle School	Middle School	School	10,042,453
Total Expenditures/Disbursements for All Funds				<u><u>\$ 243,093,760</u></u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 141,009,273
Special Revenue Fund - Special Projects	9,317,641
Special Revenue Fund - Education Improvement Act	1,702,212
Special Revenue Fund - Food Service	5,910,191
Debt Service Fund	23,799,307
Capital Projects Fund	61,355,136
Total Expenditures/Disbursements for All Funds	<u><u>\$ 243,093,760</u></u>

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

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

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Five ("the District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2025.

Report on 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 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 District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a significant deficiency.

Report on 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
December 17, 2025

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
Spartanburg County School District Five
Duncan, South Carolina

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Spartanburg County School District Five's (the District's) compliance with the types of compliance requirements identified as subject to audit 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, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spartanburg County School District Five complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
December 17, 2025

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal ALN	Pass-through Grantor's Number	Expenditures
U.S. Department of Agriculture				
Pass-through S.C. Department of Education				
	State Administrative Expenses for Child Nutrition	10.560	N/A	\$ 12,261
Child Nutrition Cluster				
<i>Non-Cash Assistance:</i>				
600	National School Lunch Program	10.555	N/A	370,809
<i>Total Non-Cash Assistance:</i>				
<i>Cash Assistance:</i>				
600	School Breakfast Program	10.553	N/A	\$ 1,193,484
600	National School Lunch Program	10.555	N/A	3,974,172
600	Fresh Fruits & Vegetable Program	10.582	N/A	158,018
<i>Total Cash Assistance:</i>				
				<u>5,325,674</u>
Total Child Nutrition Cluster				5,696,483
<i>Non-Cash Assistance:</i>				
600	Child and Adult Care Food Program	10.558	N/A	1,230
Pass-through S.C. Department of Social Services				
<i>Cash Assistance:</i>				
600	Child and Adult Care Food Program	10.558	205SC329N2020	13,216
				<u>14,446</u>
Total U.S. Department of Agriculture				<u>5,723,190</u>
U.S. Department of Education				
Pass-through S.C. Department of Education				
201	Title I , Regular	84.010	25 Title I, Regular	1,523,773
201	Title I , Regular	84.010	24 Title I, Regular	228,819
201	Title I , Regular	84.010	23 Title I, Regular	45,233
237	Title I, Targeted School Improvement	84.010	25 Targ. School Impr.	77,376
237	Title I, Targeted School Improvement	84.010	24 Targ. School Impr.	67,025
				<u>1,942,226</u>
Special Education Cluster				
203	Individuals With Disabilities Education Act (IDEA)	84.027	25 IDEA	1,435,842
203	Individuals With Disabilities Education Act (IDEA)	84.027	24 IDEA	606,190
203	Individuals With Disabilities Education Act (IDEA)	84.027	23 IDEA	509
807	Extended School Year	84.027	ESY	43,331
205	IDEA Preschool Grants	84.173	25 IDEA Preschool	68,344
Total Special Education Cluster				<u>2,154,216</u>
207	CATE (Subprogram 1)	84.048	25 CTE Federal	41,029
207	CATE (Subprogram 4)	84.048	25 CTE Federal	3,155
207	CATE (Subprogram 6)	84.048	25 CTE Federal	79,176
207	CATE (Subprogram 11)	84.048	25 CTE Federal	14,885
207	CATE (Subprogram 1)	84.048	24 CTE Federal	21,067
208	CATE (Subprogram 4)	84.048	24 CTE Federal	1,742
208	CATE (Subprogram 6)	84.048	24 CTE Federal	1,996
208	CATE (Subprogram 11)	84.048	24 CTE Federal	321
				<u>163,371</u>
210	Student Support and Academic Enrichment, Title IV	84.424	25 Title IV	108,103
210	Student Support and Academic Enrichment, Title IV	84.424	24 Title IV	9,753
				<u>117,856</u>
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	25 Title III, Part A-ML	27,960
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	24 Title III, Part A-ML	51,339
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	24 Title III-Immigrant	8,969
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	84.365	23 Title III-Immigrant	11,466
				<u>99,734</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal ALN	Pass-through Grantor's Number	Expenditures
U.S. Department of Education - Continued				
Pass-through S.C. Department of Education - Continued				
267	Supporting Effective Instruction, Title II	84.367	25 Title II	128,537
267	Supporting Effective Instruction, Title II	84.367	24 Title II	32,543
267	Supporting Effective Instruction, Title II	84.367	23 Title II	5,433
				<u>166,513</u>
218	COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425U	21 ESSER III - ARP	665,468
				<u>665,468</u>
Total U.S. Department of Education				<u>5,309,384</u>
U.S. Department of Defense				
Direct Program				
277	ROTC	12.000	N/A	114,043
				<u>114,043</u>
Total U.S. Department of Defense				<u>114,043</u>
Total Federal Financial Assistance Expended				<u>\$ 11,146,617</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025. 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 THE FISCAL YEAR ENDED JUNE 30, 2025**

Fiscal Year Ended June 30, 2024:

Financial Statement Findings:

None.

Federal Award Findings and Questioned Costs:

None.

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Fiscal Year Ended June 30, 2025:

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? X Yes 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>Federal Program(s) or Cluster(s)</u>	<u>CFDA Number(s)</u>
Title I Special Education Cluster (IDEA)	84.010 84.027, 84.173

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

Auditee Qualified as Low-Risk Auditee? X Yes No

**SPARTANBURG COUNTY SCHOOL DISTRICT FIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

Finding 2025-001 - Internal Controls over Financial Reporting Relating to Capital Assets

Criteria: All items purchased in excess of the District's capitalization threshold (\$5,000 individually; \$500,000 in bulk) should be capitalized and reported in the government-wide financial statements as capital assets.

Condition: The District's unadjusted financial statements reported misstatements in capital assets for the period under audit. Specifically, two bulk purchase assets were not capitalized in the amount of \$2,042,542.76.

Cause: The District's internal control over financial reporting relating to capital assets did not prevent or detect and correct a misstatements prior to the financial statements being presented for audit. Specifically, the District's process only includes a review of accounts for 500 objects (capital outlay), and some bulk purchases could be coded to a 400 object (supplies & materials), as those items are individually below the capitalization threshold, but in aggregate are large enough to be capitalized.

Effect or Potential Effect: This deficiency in internal control could cause the financial statements to be materially misstated; specifically, capital assets to be understated in the government-wide financial statements. These material misstatements could cause the District to make inappropriate or unwise financial decisions based on inaccurate and incomplete financial information.

Context: Until the implementation of GASB Implementation Guide 2021-01, the District did not include bulk purchases in its capital assets and coded all bulk purchases to a 400 object (supplies & materials) account. Upon implementation in FY24, the District started changing the account coding to 500 objects (capital outlay). When capital assets were prepared, the District reviewed its 500 object accounts, but failed to review its 400 object accounts to ensure purchases made prior to the change in account coding were properly capitalized.

Recommendation: We recommend that the District include a review of accounts for 400 objects when reviewing 500 objects for bulk purchased assets to be capitalized. The alternative to this is to ensure bulk purchases are coded to 500 objects going forward, so they will be evaluated for capitalization at year end.

Client Response: The District's Procurement Officer will ensure during the purchase order approval process, that all purchase orders for bulk purchases will be coded to a 500 object (capital outlay) account. This will ensure bulk purchases will be capitalized at year end during the review of 500 object (capital outlay) accounts.

Section III - Federal Award Findings and Questioned Costs

None